BAROMETER ON CLIMATE AND OUTLOOK FOR **BRITISH INVESTMENT IN SPAIN**

10th edition

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Executive summary

- **Presentation of this Barometer comes at a time of uncertainty as a result of growing trade protectionism.** Despite the adverse climate, the UK and Spanish economies have been surprisingly strong. Within the eurozone, Spain has spearheaded growth, outperforming the expectations held at the start of the year, posting annual growth of 3.4% in the first half of 2025. The agreement between the UK and the US mitigated some of the uncertainty, allowing the British economy to continue to grow and putting it in a more favourable competitive position than the European Union as a whole. Looking to 2026, geopolitical risk remains high and constitutes the chief challenge for the economy and global investment.

- **According to the data published by the Secretary of State for Commerce, the stock of British foreign direct investment (FDI) in Spain increased by 4.6% in 2023 to €68.48 billion.** That makes the UK the country with the fourth largest stock of FDI in Spain, accounting for 11.2% of the total as of 2023.

- **As of 2023, the *Telecommunications* sector had garnered €9.29 billion (13.6% of the total stock), followed by *Electricity, gas, steam and air-conditioning supply* (€6.61 billion) and *Manufacture of basic metals* (€6.54 billion).** As for the sectors in which British investment is dominant, the *Manufacture of tobacco products* and *Postal and courier activities* sectors stand out, with the UK accounting for 83.4% and 89.6%, respectively, of all foreign investment in those sectors in Spain in 2023.

- **Flows of British FDI to Spain slowed in the first half of 2025.** After an exceptionally strong 2024, in which British investment in Spain amounted to €12.41 billion, shaped mainly by large, one-off transactions, the current climate of global uncertainty, conditioned by the US administration's economic policy, has weighed on investment decisions internationally. In the first half of 2025, British investment in Spain dropped to €1.08 billion, which nevertheless made it Spain's second most important foreign investor.

- **In the first half of 2025, as was the case in 2024, British FDI was concentrated in *Telecommunications* and *Information services*, which cornered nearly 60% of the total.** In 2024, the *Telecommunications* sector received €5.01 billion of UK investment, although most of that corresponded to intragroup transactions, with net investment in the sector a much lower €70 million. Meanwhile, *Information services* captured €2.52 billion, thanks to the acquisition of the online real estate portal, Idealista, by British fund, Cinven.

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- **In 2025, Madrid remains the biggest recipient of British investment flows, welcoming over 70% of the total.** In 2024, Madrid received nearly 80% of total flows from the UK. In the first half of 2025, however, British investment was more regionally diversified, despite the sharp slowdown in flows. Catalonia ranked second, at 19%, followed by Andalusia and Valencia. Notably, flows of British FDI to La Rioja and Galicia increased sharply.

- **Direct British investment in Spain contributes to the creation and sustenance of over 331,100 jobs**, based on the 2023 stock (most recent figures available). Those jobs are equivalent to around 1.5% of total national employment.

- **Between January and August 2025, imports of goods from the UK amounted to €7.28 billion (+4.9% year-on-year), making it Spain's eighth largest foreign supplier of goods**. Imports were concentrated in the machinery, automotive, pharmaceutical, jewellery and chemicals sectors, reinforcing the UK's role as a provider of industrial and technological goods.

- **Exports of goods to the UK amounted to €17.16 billion in the first eight months of the year (+8.3% year-on-year), cementing its position as Spain's fifth most important trade destination.** This robust growth in an environment of heightened uncertainty reaffirms the upward trajectory of recent years. For Spanish exports, the automotive, pharmaceutical, jewellery and agri-food sectors stand out.

- **The British companies doing business in Spain are upbeat about the outlook for the Spanish economy and their investments in the country in 2026**. Sixty-four per cent of the firms surveyed said they planned to increase their investments in the Spanish market in the coming year.

- **The main reason given for maintaining or increasing their investment positions in Spain was business line expansion**, as expressed by 72% of the British firms surveyed. Other key rationales for stepping up investments in Spain included the execution of innovation and digital transformation initiatives.

- **The British firms plan to maintain their investments in Spain in the near term** but regulatory and fiscal uncertainty could affect their strategic decisions in the future.

- Reported talent management challenges include a shortage of skilled candidates and a lack of affordable housing, although **Spain is considered an attractive destination for middle managers**.

- **The British firms are reinforcing their commitment to sustainability** but warn of the lack of incentives and regulatory complexity, particularly around implementation of the Carbon Border Adjustment Mechanism (CBAM).

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1. Macroeconomic environment in the UK and Spain: Economic resilience in the midst of heightened global uncertainty

The start of 2025 was marked by an unprecedented increase in uncertainty on the political and trade fronts, shaped by US economic policy, which weighed heavily on the outlook for global economic growth. Nevertheless, both the UK and Spanish economies went on to post stronger than anticipated performances. Within the eurozone, Spain has been spearheading growth, outdoing the expectations in place at the start of the year, posting annual growth of 3.4% in the first half. In parallel, the trade agreement reached between the UK and US mitigated uncertainty, paving the way for year-on-year growth in the British economy of 1.4% in 2Q25. For the rest of 2025 and 2026, Trump's protectionist stance and uncertainty look set to remain the main challenges facing the economy in general and global investment flows in particular, while UK-specific challenges, chiefly fiscal consolidation, linger.

2025 is proving a year conditioned by an increase in political and trade uncertainty. The new US administration has lifted the country's import tariffs to levels not seen since the start of the 21st century, in turn driving global tariffs higher. On the geopolitical front, risks have remained contained. However, the prolongation of the war between Ukraine and Russia, coupled with US demands of the EU, have prodded the *bloc* into action, in the form of ambitious plans for increasing defence spending and investment in infrastructure.

Against this backdrop, growth in the UK slowed gradually over the first half of 2025, albeit by less than was anticipated at the start of the year. In the first six months of the year, the British economy registered year-on-year growth of 1.6%, underpinned by private consumption and the export sector, in turn fuelled by the front-loading of imports by the US in 1Q25 in order to side-step the increase in tariffs. However, the job market has lost momentum and the unemployment rate has risen as a result of decreasing vacancies. In turn, higher labour costs and import prices have fed into inflation, which remains above the Bank of England's target. As a result, the British monetary authority has been taking a more cautious stance to monetary easing than other central banks. Current forecasts point to slowing growth, with customer confidence remaining muted and business expectations still too dim to stimulate a more robust bump in economic activity.

The Spanish economy, meanwhile, has been very solid all year long, registering annual average growth of 3.6% in the first half of the year, so continuing to spearhead growth among the main eurozone economies. Domestic demand continues to stand out as the key growth engine. The let-up in inflation and attendant recovery in real earnings, as well as ongoing strong migratory flows, have been the main drivers of the recovery in private consumption. Investment, meanwhile, is growing at high rates.

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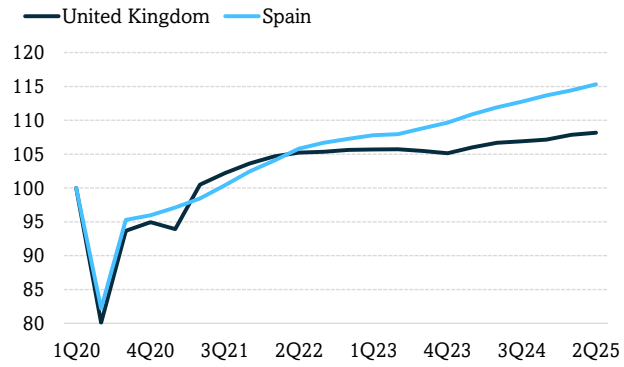
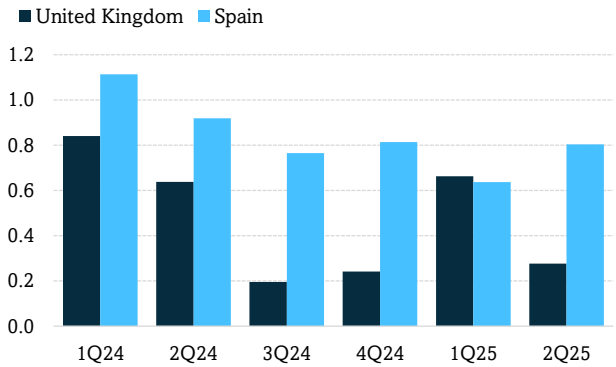
Real GDP growth in the UK and Spain (Rebased to 100 = 1Q20)



Source: Afi and Eurostat.

Real GDP growth in the UK and Spain (quarterly %)



Source: Afi and Eurostat.

In the UK, household consumption, public expenditure and the export sector drove economic activity throughout the first half of 2025. Although the second-quarter performance revealed a slowdown in private consumption in particular and economic activity in general, the economy lost less momentum than was initially expected, exhibiting resilience in the face of heightened global uncertainty. Real GDP registered quarterly growth of 0.3% in 2Q25, beating the Bank of England's forecast for quarterly growth of 0.1%. Private consumption increased by 1.1% year-on-year, while exports recorded year-on-year growth of close to 4% in 2Q25. Investment, meanwhile, rebounded in the first half of the year, underpinned by the construction sector and investment in machinery and capital goods. However, business confidence readings continue to foreshadow a slowdown in activity, particularly in the industrial sector, despite the trade deal reached with the US, establishing a tariff of 10% on British goods, in exchange for tariff exceptions and eliminations on certain US goods, particularly food products.

In Spain, on the other hand, the let-up in inflation, resilient labour market, laxer monetary policy and intense migratory flows were the key factors behind the recovery in private consumption, further helped by somewhat more dynamic public expenditure. Investment has remained strong throughout much of the year, thanks to investment in capital goods and a stable construction sector. Spanish trade made a net positive contribution to GDP growth in the first half of the year, albeit more modest than in other European economies, due to lower export exposure to the US. Tourism, meanwhile, remained strong, improving on previous years and making a significant contribution to growth, although that contribution is likely to ease in the coming months.

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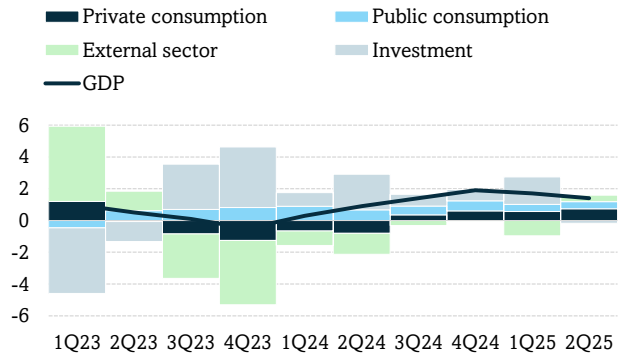
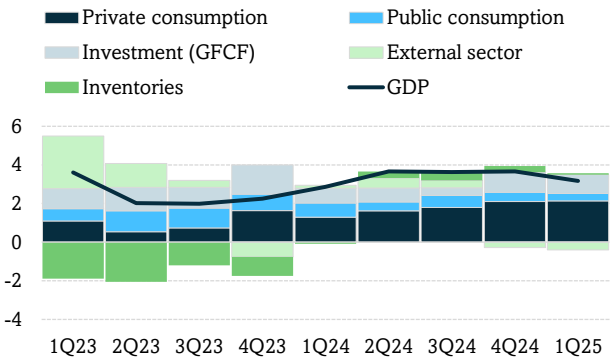
GDP growth in the UK (% YoY | drivers)



Source: Afi and ONS.

GDP growth in Spain (% YoY | drivers)

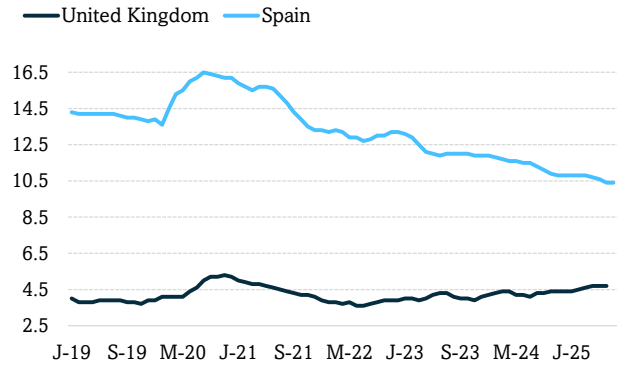


Source: Afi and INE.

In the UK, the labour market softened with a reduction in vacancies which put the unemployment-to-vacancy ratio back at pre-pandemic levels. Against this backdrop, the unemployment rate has gradually increased from 4.2% at the start of 2024 to 4.7% by June 2025. Employment continues to grow at an annual pace of 2%, thanks to the recovery in private sector employment in the first half of the year, which ended the period with 28.1 million people in work, despite heightened business uncertainty and the increased tariffs introduced by the Trump administration.

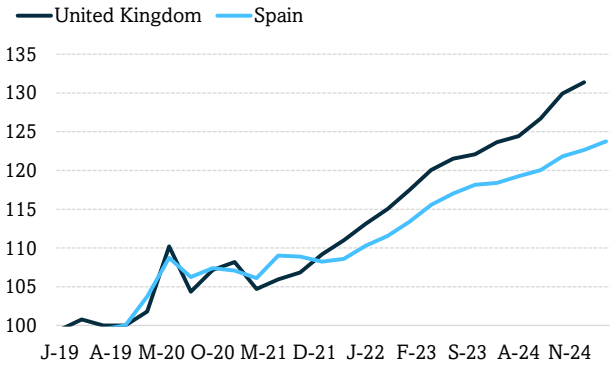
The Spanish labour market also remains remarkably dynamic so far in 2025, marked by healthy rates of job creation and contained unemployment (slightly below its structural level but still high compared to other European countries). The unemployment rate in Spain has gradually dropped from 12.3% at the start of 2024 to 10.3% as of June 2025. Job creation actually accelerated in the second quarter, driven partially by the growth in foreign and dual nationality worker participation. As a result, employment increased at an annual rate of over 2.5% in the first half of 2025, with the number of people in work consolidating at over 22.3 million.

Unemployment rate in the UK and Spain (% of labour force)



Source: Afi and OECD.

Labour costs in the UK and Spain (Rebased to 100 = 4Q19)



Source: Afi and Eurostat.

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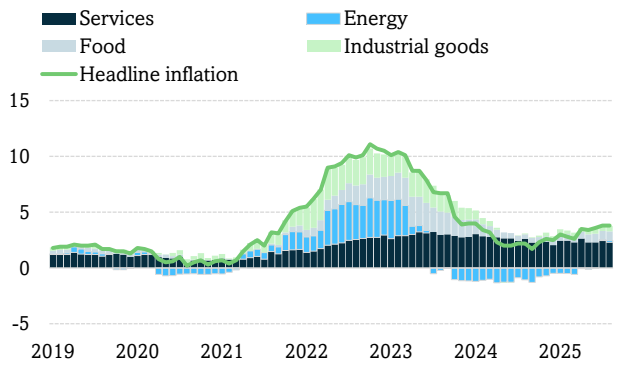
Inflation in the UK has been climbing steadily higher from the lows of 2024, reaching an annual rate of 3.8% in August of this year. This uptick, which was expected, is largely attributable to growth in prices in the more volatile components, particularly food and energy, but also services, where prices are still increasing at nearly 5% year-on-year. Higher minimum wages and national insurance contributions and increases in certain regulated prices, like metered water, have helped shape the persistent inflation. In this context, the Bank of England has continued to ease its monetary policy, lowering its benchmark rate to 4% in August, for a cumulative cut of 125 basis points since June 2024, albeit taking a cautious stance in light of stubborn inflation.

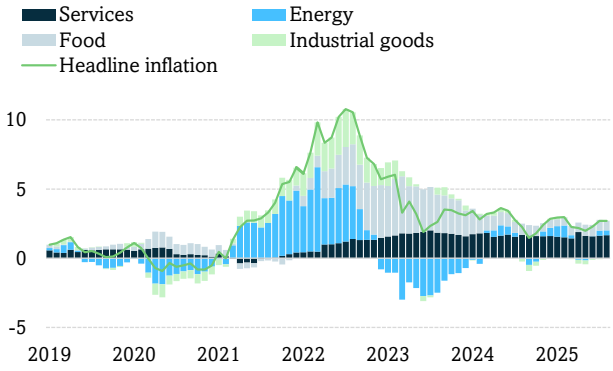
In Spain, inflation continued to trend lower throughout the first half of the year, momentarily dipping below 2%. However, the third-quarter 2025 statistics have confirmed a re-acceleration to 2.9% year-on-year, fuelled by the energy component, which registered year-on-year growth of 3.4% in August, and inflation in services, where prices continue to increase by more than 3% year-on-year. Nevertheless, current forecasts are unchanged, with inflation considered very likely to drop to around 2% before the end of 2025, compared to 6% in 2023. Against this backdrop, the European Central Bank says it has completed its monetary easing, having lowered its deposit facility rate by 200 basis points to 2% by June, a level where it is expected to remain for the next 12 months.

Inflation in the UK by component (% YoY)



Source: Afi and ONS.

Inflation in Spain by component (% YoY)



Source: Afi and INE.

On the fiscal front, the British government failed to reduce its deficit in 2024, which remained at 6% of GDP. The government has committed to introducing reforms in order to restore public financial health (improving state efficiency, cutting red tape and reorienting social spending), while increasing expenditure on infrastructure, affordable housing and defence (towards 3% of GDP in 2027). In that manner, public debt would stabilise at current levels, of close to 100% of GDP.

Strong growth and firm fiscal discipline put Spanish public debt at 101.8% of GDP in 2024, down four percentage points from the 105.2% observed in 2023. Spain continues to present the fifth-highest public debt ratio among the 27 EU member states, behind only Greece (152.5% in 1Q25), Italy (137.9%), France (114.1%) and Belgium (106.8%). Unlike the UK, the spread between Spanish and German 10-year sovereign bonds has narrowed in 2025 and is currently stable at around 3%.

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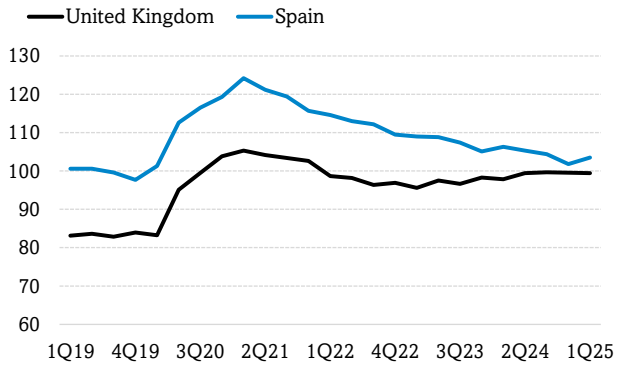
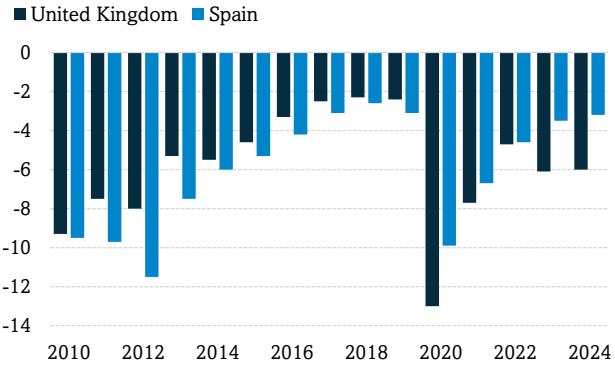
Public debt in the UK and Spain (% of GDP)



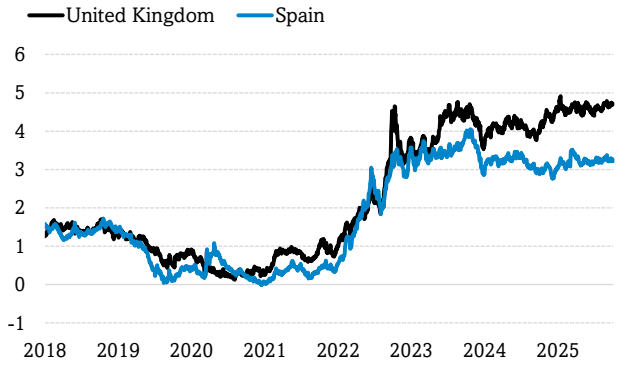
Source: Afi, Eurostat and ONS.

Public deficit in the UK and Spain (% of GDP)



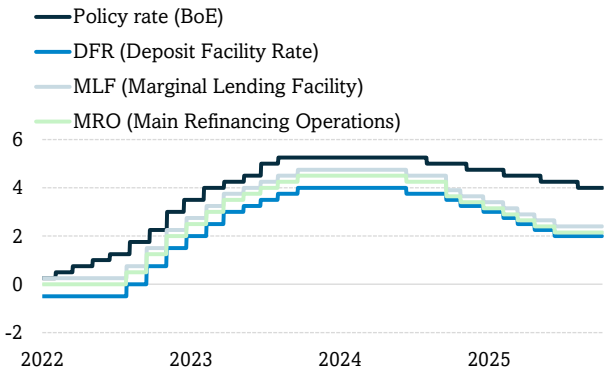
Source: Afi, Eurostat and ONS.

10Y sovereign bond yields in the UK and Spain (%)



Source: Afi, Bank of England, Bank of Spain and Macrobond.

Official interest rates: Bank of England and European Central Bank (%)



Source: Afi, Bank of England, ECB and Eurostat.

We expect the British economy to continue to eke out moderate growth for the rest of this year and 2026. Domestic demand is expected to prove the engine, with labour market normalisation (with pay rising at more contained rates) and a gradual reduction in the household savings rate propping up private consumption. However, uncertainty around global and domestic growth prospects remains significant, weighing on business sentiment and corporate investment decision-making. As a result, real GDP is forecast to grow at an annual rate of close to 1.2% in both 2025 and 2026.

In Spain, the economy is expected to grow by 2.9% in 2025, underpinned by domestic demand, which will remain the key economic driver. More favourable financing conditions and the recovery in household purchasing power, not to mention positive migratory flows, point to solid growth in private consumption. This should offset reduced momentum in investment, particularly in capital goods. Service exports are expected to remain dynamic, albeit mitigated by growth in imports. In 2026, Spanish economic growth is expected to drop back to 2.2%.

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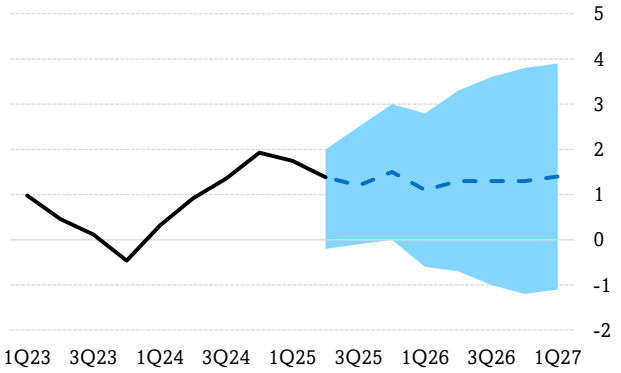
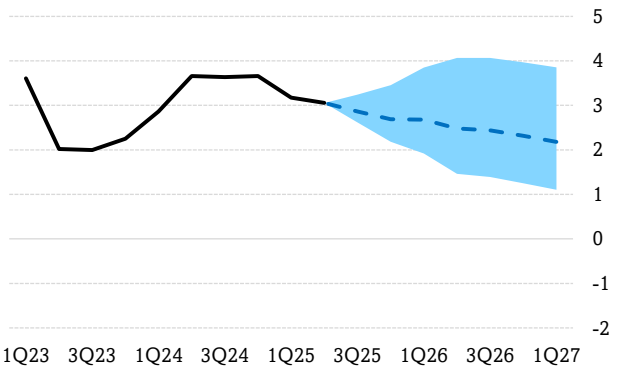
The economic outlook for the year ahead is clouded by certain risks, particularly heightened trade protectionism under the Trump administration, the slowdown in global trade and ongoing international geopolitical tensions (Ukraine-Russia and the Middle East). These developments are a source of considerable political and economic uncertainty, as well as constituting an inflationary risk.

Bank of England forecasts for GDP growth in the UK (% YoY)



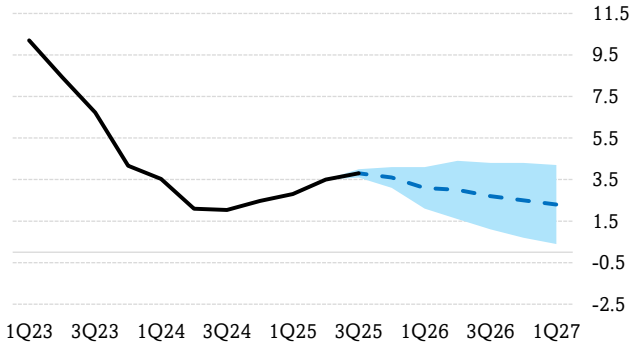
Source: Afi and Bank of England.

Afi forecasts for GDP growth in Spain (YoY %)



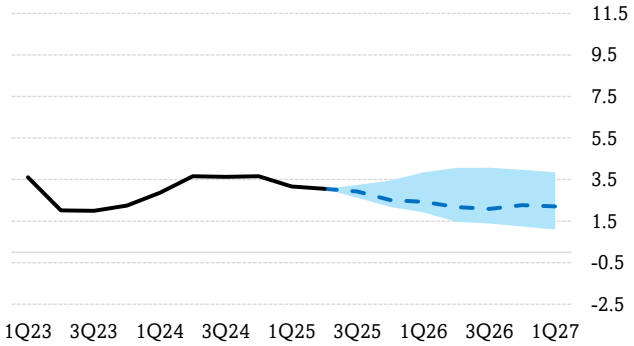
Source: Afi and Macrobond.

Bank of England forecasts for inflation in the UK (%)



Source: Afi and Bank of England.

Afi forecasts for inflation in Spain (%)



Source: Afi and Macrobond.

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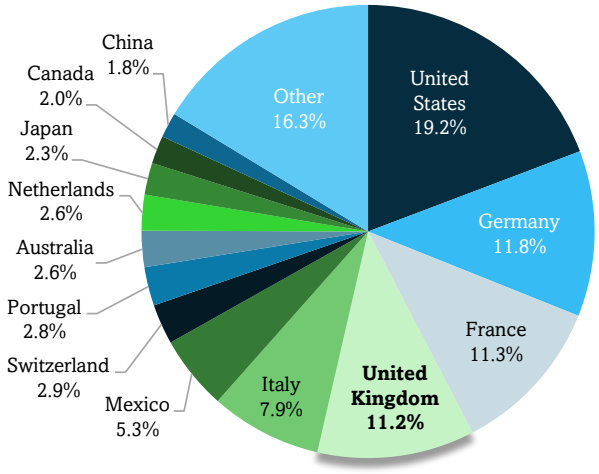
2. Stock of British FDI in Spain

According to the data published by the Secretary of State for Commerce, the stock of British FDI in Spain increased by 4.6% in 2023 to €68.48 billion. This latest increase puts Britain's investment position in Spain above pre-pandemic leaves and ranks the UK fourth among the countries to have invested most heavily in Spain, accounting for 11.2% of the country's total stock of FDI as of 2023.

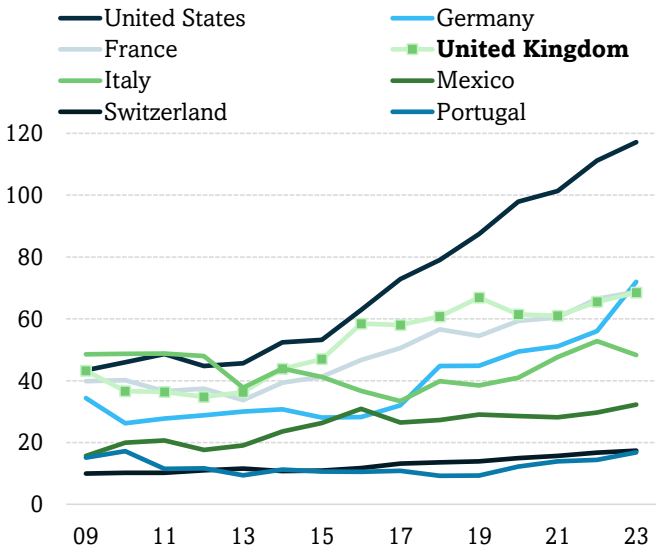
The aggregate stock of FDI in Spain increased by 5.7% in 2023 (compared to annual growth of 7.7% in 2022) to €608.83 billion (excluding transactions channelled through foreign security holding companies, hereinafter "ETVEs" for their acronym in Spanish). Britain's investment position in Spain increased by a little less than that, at 4.6% in 2023, to €68.48 billion. In 2022, Britain's position had increased by 7.4%, implying cumulative growth of 12.3% in the last two years, more than offsetting the contraction in the stock of investment triggered by the global pandemic (a cumulative contraction of 8.8% between 2020 and 2021). Whereas inward investment from the UK began to grow again in 2022, the recovery in investment from other countries, including Germany and France, has been more intense, relegating the UK to fourth position among Spain's most prominent foreign investors. As of 2023, the UK accounted for 11.2% of Spain's total stock of FDI, behind France (11.3%), Germany (11.8%) and the US, which has reinforced its grasp in first place, with 19.4% of the total.

Stock of inward FDI in Spain as of 2023 by country of origin (% of the total)



Source: Afi and Secretary of State for Commerce.

Long-term trend in the stock of FDI in Spain by country of origin (€ billion)



Source: Afi and Secretary of State for Commerce.

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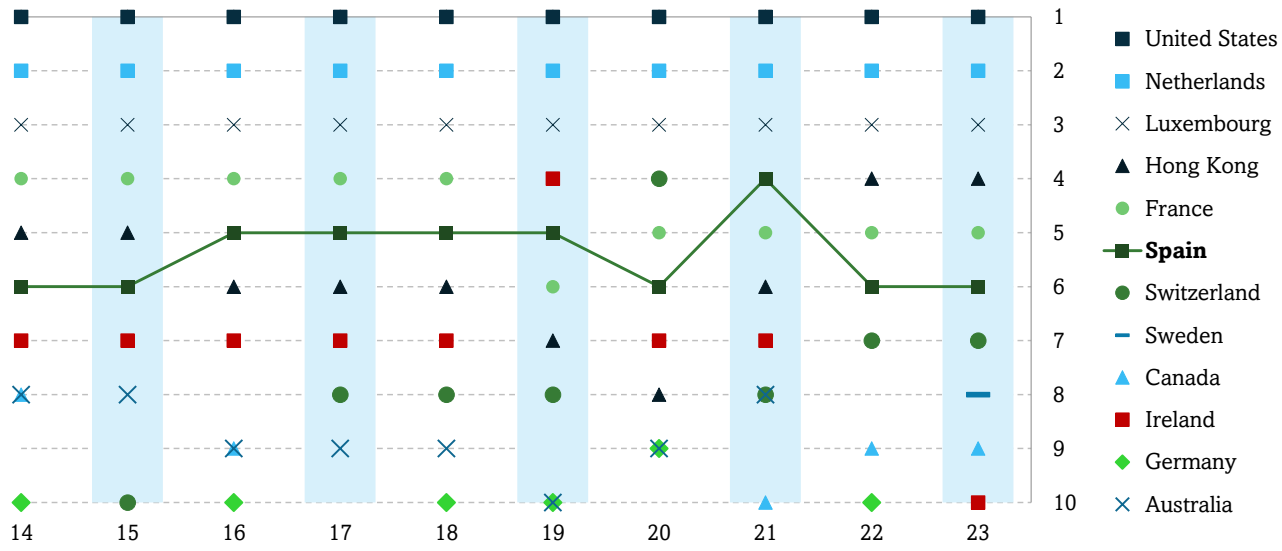
In percentage terms, British investment accounted for 11.2% of Spain's overall FDI stock as of 2023, which is 0.2 percentage points down from 2022 (11.4% of the total). Although the UK's investment position has revisited the level observed prior to the pandemic, its share of the total stock remains 13.7% below that of 2019, shaped by both a slowdown in British investment and more dynamic investing activity by other countries. Looking as far back as to when the Secretary of State for Commerce began to keep records, the UK's prominence as an investor in Spain peaked in 2007 and 2008, when its position averaged 17.7% of all FDI in Spain. However, its position began to weaken in 2017, with strong momentum in US investment in Spain driving Britain's investment position from 14.9% in 2016 to 11.4% in 2021 and 2022.

According to the data published by the Office for National Statistics (ONS), Spain ranks sixth among the top destinations for British investment overseas, commanding a share of 5.0% of Britain's total stock of outward FDI as of 2023 (latest figure available). According to the ONS' figures, the stock of British FDI in Spain increased by 4.7% in 2023 to 94.98 billion pounds sterling. In 2021, growth of 12.9% in Britain's investment position in Spain temporarily lifted Spain to fourth place among its top investment destinations. However, a correction of 5.4% in 2022 pushed it back to sixth place. A ranking it repeated in 2023.

Stock of outward British FDI by destination country (annual position)



Source: Afi and ONS.

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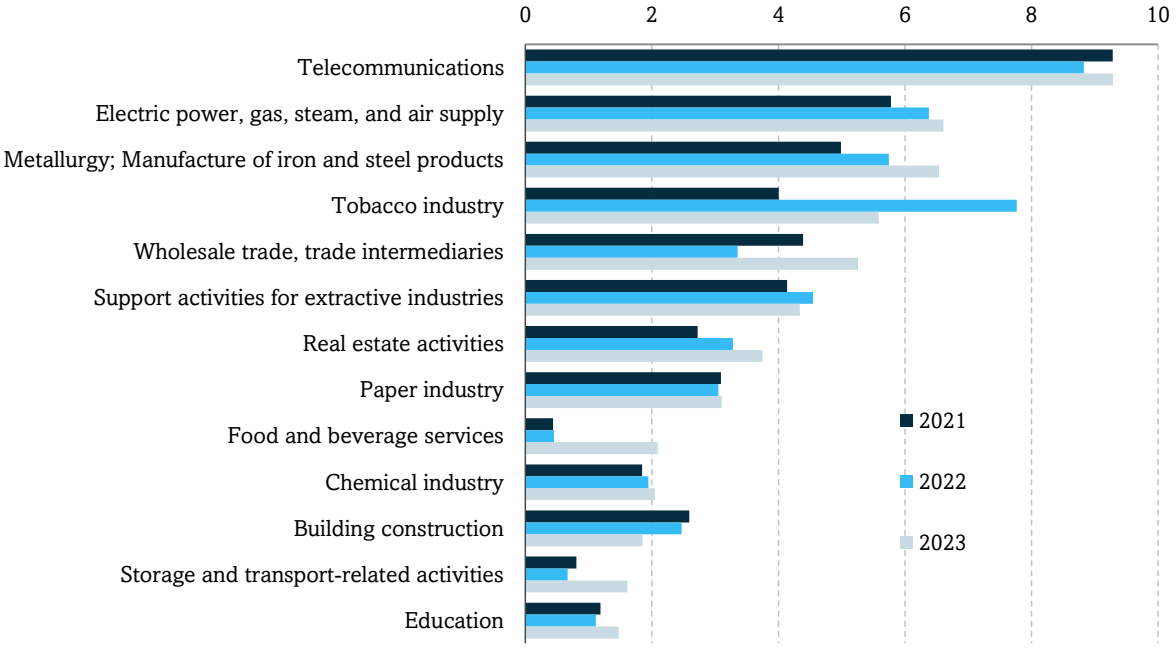
3. Stock of British FDI in Spain by sector

Historically, British investment in Spain has been concentrated in the *Telecommunications*, *Manufacture of tobacco products* and *Manufacture of basic metals* sectors, which between them have garnered 42.6% of the average stock of British investment in Spain since the Secretary of State for Commerce has records (2007). As of 2023, the *Telecommunications* sector had attracted €9.29 billion (13.6% of the total stock), followed by *Electricity, gas, steam and air-conditioning supply* (€6.61 billion) and *Manufacture of basic metals* (€6.54 billion). As for the sectors in which British investment is dominant, the *Manufacture of tobacco products* and *Postal and courier activities* sectors stand out, with the UK accounting for 83.4% and 89.6%, respectively, of all foreign investment in those sectors in Spain as of 2023.

Looking further back in time, the biggest recipient of British FDI in Spain has been *Telecommunications*, which has accumulated 23.6% of the total average stock of British investment since the Secretary of State for Commerce has records (2007).

In 2023, British investment in the *Telecommunications* sector increased by 5.2% to €9.29 billion, with 80% going to *Wireless telecommunications*. As a result, the *Telecommunications* sector accounted for 13.6% of the total stock of British investment in Spain (€68.48 billion) that year. In second place, investment in *Electricity, gas, steam and air-conditioning supply* increased by 3.6% to €6.61 billion, driven mainly by investments in *Electricity distribution*.

Stock of British FDI in Spain by sector, 2021, 2022 and 2023
(€ billion)



Source: Afi and Secretary of State for Commerce.

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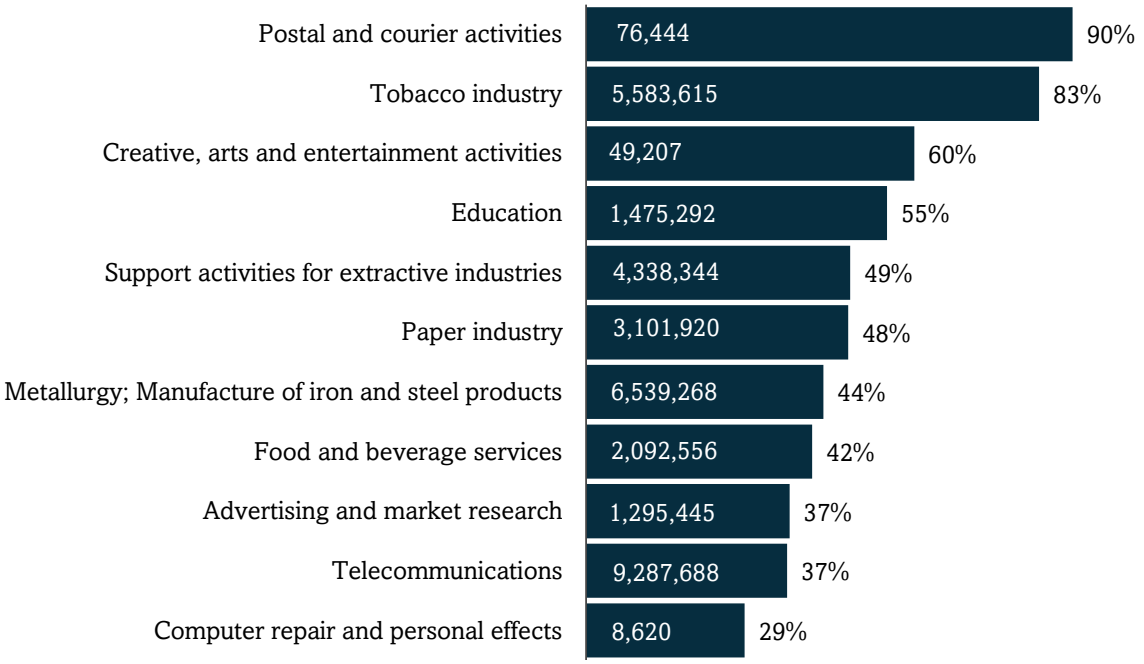
Elsewhere, investment in the *Tobacco* and *Basic metals* sectors both registered growth in 2023, of 3.6% and 13.8%, respectively. In the case of *Manufacture of basic metals*, the growth was concentrated in *Lead, zinc and tin production*, which recorded an exceptional investment of €1.1 billion in 2023. In contrast, investment in the *Manufacture of tobacco products* contracted by 28.1%, shrinking from €7.76 billion in 2022 to €5.58 billion in 2023. As for the best-performing sectors, the standout was the *Wholesale trade*, where investment increased by 56.8% from 2022 to €5.26 billion in 2023, accounting for 7.7% of total British FDI.

Analysing the significance of the UK as an investor in certain specific sectors in Spain, in first place we have *Postal and courier activities*, where British investment represents 89.6% of all foreign investment in the sector, at €76 million as of 2023. In second place, but with a much more significant volume, lies *Tobacco*, where British investment accounted for 83.4% of the sector's FDI as of 2023, at €5.58 billion.

As for other sectors that have attracted major volumes of investment from the UK, we would highlight two. Firstly, *Telecommunications*, as it is the sector in which the UK is the largest foreign investor, accounting for 37% of the sector's total FDI as of 2023, ahead of France (28% of the total) and the US (25.4%). The UK is also the largest foreign investor in *Manufacture of basic metals*, with a stock of €6.54 billion, which is equivalent to 44% of all FDI in the sector as of 2023, of which €5.37 billion relates to *Manufacture of basic iron and steel*.

British FDI in Spain by key sector: percentage of total FDI in Spain by sector and absolute investments as of year-end 2023 (% | € k)



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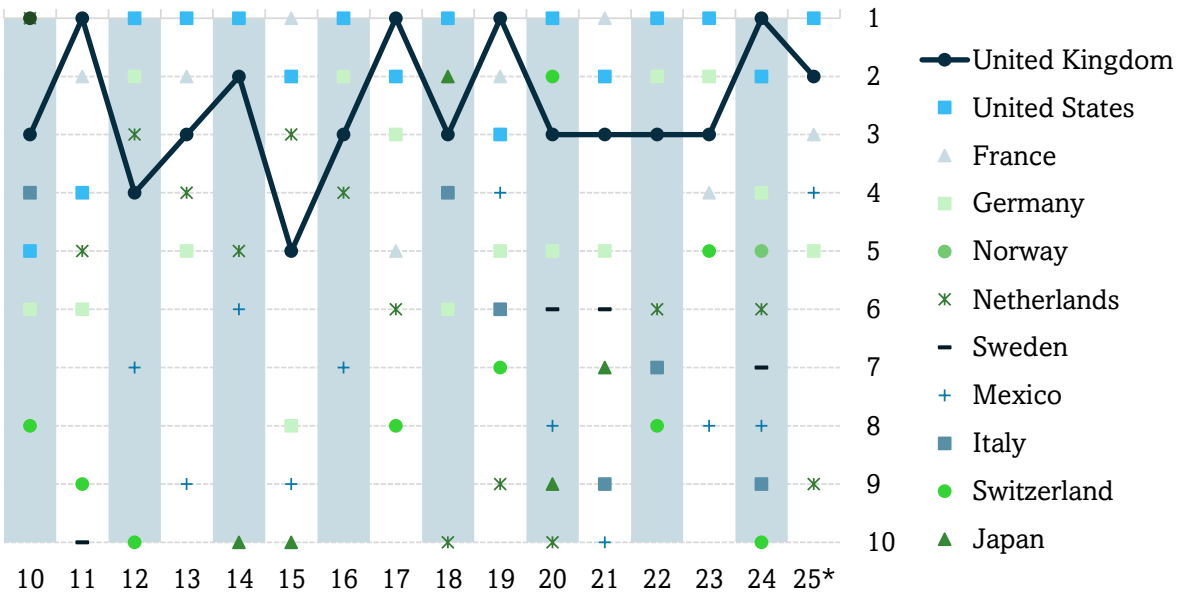
4. Flows of British FDI to Spain

Flows of British FDI to Spain totalled an extraordinary €12.41 billion in 2024, which is 31.9 % of the national total, fuelled by one-off, large transactions. In 2025, against the backdrop of growing international uncertainty, British flows have slowed. Nevertheless, the UK remains Spain's number-two investor. With a markedly productive profile and low exposure to foreign security holding companies, British FDI in Spain is characterised by a sustained, committed and stable presence in strategic sectors.

In 2024, flows of British FDI to Spain amounted to 12.41 billion, which was 31.9% of the national total. That volume, more than triple that of 2023, was shaped significantly by one-off, large transactions, concentrated in *Telecommunications*. In 2025, the trade war initiated by the Trump administration has heightened global uncertainty and slowed global investment flows, a dynamic Spain has not been immune from. Against this backdrop, British FDI flows totalled €1.08 billion in the first half of 2025, down from the extraordinary volume recorded in the first six months of 2024 but up 56.6% from the same period of 2023, so extending the momentum of recent years. As a result, the UK was Spain's second most important foreign investor in the first half, with only the US investing more (€1.44 billion).

The UK has long been one of the leading investors in productive assets in Spain. Since 1993, it has invested a total of €107.13 billion, which is equivalent to 16.9% of all inward FDI flows; it is followed by the US (€94.39 billion) and France (€72.46 billion). In the past decade, the UK has consistently ranked among Spain's top three investors in terms of annual volumes.

Ranking of annual FDI flows to Spain by year and issuer country (2010-1H25)
(excludes investments channelled through ETVEs)



Source: Afi and Secretary of State for Commerce. *The 2025 figures correspond to the first half of the year.

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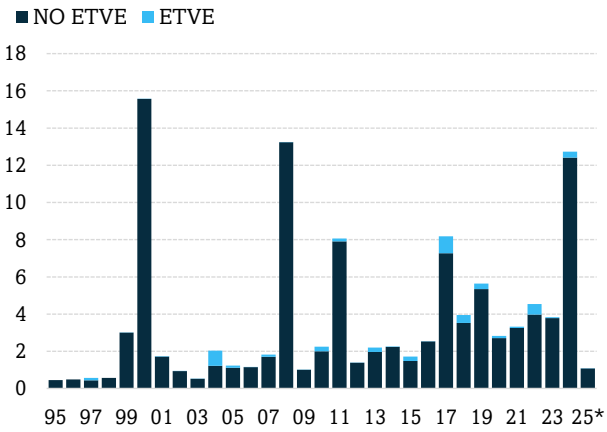
The nature of British investment in Spain is eminently productive, as evidenced by the fact that the vast majority is not channelled through ETVEs, i.e., investments whose main purpose is to hold interests in companies based abroad rather than to benefit from a special tax regime associated with investments in foreign entities. Between 1993 and the first half of 2025, 95.6% of investment flows arriving from Britain have been productive by this definition, evidencing a committed articulated around the country's economic activity and not merely financial- or tax-driven.

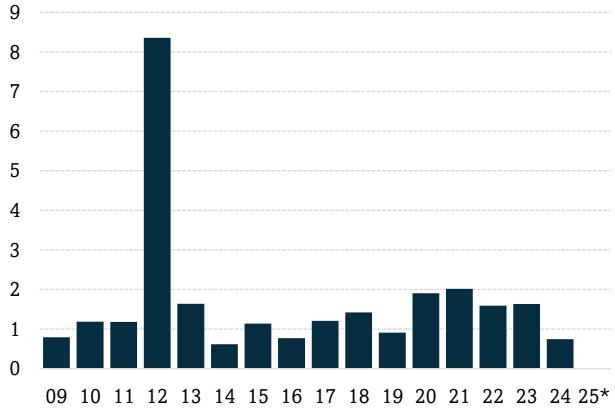
Since 2008, the Secretary of State for Commerce has been publishing statistics on the reinvestment of profits by the foreign companies operating in Spain. Between 2008 and 2024, the UK has benefitted from reinvested profits totalling €28.21 billion, making it the fourth-ranked beneficiary economy in terms of reinvestment volumes. Ahead of it are Germany (€32.4 billion), France (€42.23 billion) and the US (€50.95 billion). In 2024, British companies doing business in Spain reinvested €748 million of profits.

Flows of British FDI to Spain: ETVE vs. non-ETVE (€ billion)



Source: Afi and Secretary of State for Commerce. *The 2025 figures correspond to the first half of the year.

Reinvestment of profits by British companies operating in Spain(€ billion)



Source: Afi and Secretary of State for Commerce. *The 2025 figures correspond to the first half of the year.

The data published by the Secretary of State for Commerce include net investment flows, enabling the identification of disposals. In 2024, disposals amounted to €7.42 billion and were concentrated mainly in *Telecommunications* (€4.97 billion). This high figure is explained by the M&A transaction between Vodafone Group and Zegona Communications, both of which headquartered in the UK. Specifically, in 2024, Vodafone completed the sale of its Spanish subsidiary to Zegona for close to €5 billion, a transaction which was accounted for as a withdrawal of British capital for statistical purposes. Nevertheless, net British investment in Spain came to €4.99 billion that year, up 74.7% from 2023, cementing British investor appetite for the Spanish market.

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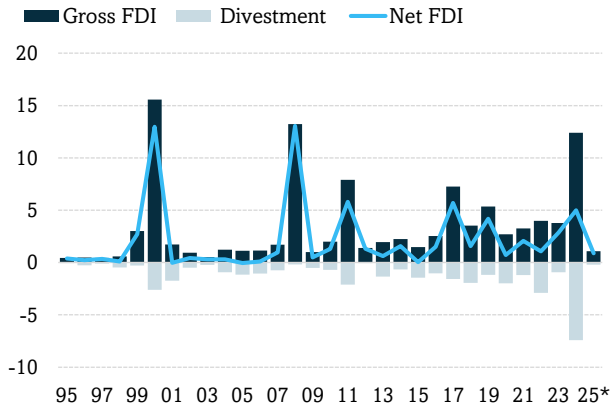
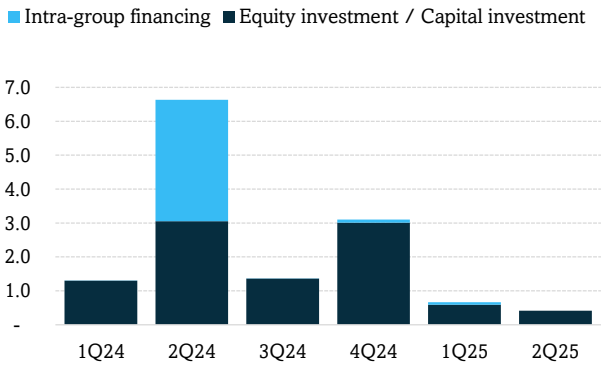
In addition, since 2024, the Secretary of State for Commerce decomposes FDI flows by type of investment. The second quarter of 2024 stands out on account of intra-group financing transactions totalling €3.58 billion, concentrated in *Telecommunications* (€3.33 billion), most likely related with the above-mentioned M&A transaction involving Vodafone Group and Zegona Communications. This type of financing refers to capital transfers or loans between companies that are part of the same group, generally between the parent and its subsidiaries, in order to finance internal transactions or corporate restructuring processes.

Flows of British FDI to Spain, gross and net (€ billion)



Source: Afi and Secretary of State for Commerce. *The 2025 figures correspond to the first half of the year.

Flows of British FDI to Spain by type of investment (€ billion)



Source: Afi and Secretary of State for Commerce.

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5. Flows of British FDI to Spain by sector

British investment in Spain is broadly diversified even though two sectors account for 38% of cumulative flows between 1993 and the end of the first half of 2025: *Telecommunications* (21.2%) and *Retail trade* (16.9%). In 2024, gross flows into *Telecommunications* amounted to €5.01 billion (40.3% of the total), boosted by two intra-group transactions. The next biggest recipient was *Information services* with €2.52 billion (20.3% of total), related with Cinven's acquisition of a 70% interest in the online real estate platform, Idealista. In the first half of 2025, these two sectors remained dominant, receiving over 70% of British investment flows to Spain, despite the sharp slowdown in flows in general.

In 2024, FDI flows originating in the UK amounted to €12.41 billion, of which 60.9% were concentrated in two sectors of the Spanish economy. First and foremost, the *Telecommunication* sector, particularly the *Wireless telecommunications* subsector, which received a gross €5 billion (40.3% of the total), shaped by large-scale intra-group transactions. That sector was similarly home to the bulk of exits by British investors, which amounted to €4.97 billion, as a result of the transaction between Vodafone Group and Zegona Communications. In that transaction, Vodafone, a British firm, sold its Spanish subsidiary to Zegona, also based in the UK, for close to €5 billion. Although the transaction entailed an asset transfer between two British companies, from a statistical viewpoint, it was accounted for as a withdrawal of capital from the country, leaving net investment in the sector of a much lower €70 million.

The second most important sector in 2024 was *Information services,* specifically *Web portals*, which collected €2.52 billion (20.3% of the total). This exceptional investment flow was driven by the acquisition by Cinven (domiciled in the UK) of a significant interest in Idealista, the leading online real estate platform in southern Europe. This transaction has reinforced Britain's position in Spain's technology and digital ecosystem.

The *Manufacture of food* sector took third place, collecting €852 million (6.9% of the total), etching out an ongoing upward trajectory and evidencing British investors' sustained interest in the Spanish agri-food space, particularly in export-oriented firms with value-added products.

The other sectors generally recorded positive flows by comparison with previous years, with the recoveries in investment in *Architectural and engineering activities* and *Electricity, gas, steam and air-conditioning supply* particularly noteworthy. Overall, British investment in 2024 was strongly concentrated in digital and telecommunications services, accompanied by capital restructuring derived from large-scale transactions, reflecting the dynamic nature of British investing in Spain.

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Gross flows of British FDI to Spain by sector and year (2019-1H25)
(€ k)

Sector	2019	2020	2021	2022	2023	2024	1H25
Telecommunications	109,359	727,451	38,592	99,674	182,591	5,041,721	187,692
Wholesale and intermediary trade, except motor vehicles	247,246	46,111	251,785	527,290	1,838,959	299,013	688
Information services	67,495	26,699	193,427	5,435	504	2,515,128	396,340
Electricity, gas, steam and air supply	40,277	252,518	547,771	1,183,490	34,943	590,192	23,486
Paper industry	1,647,659	322,656	21,736	-	97	128,672	
Food industry	137,172	388,759	130,632	278,967	-	852,135	
Real estate activities	107,988	112,590	143,173	254,996	325,915	173,784	69,239
Chemical industry	629,967	166,653	109,827	6	53,011	104,121	7,000
Education	682,654	2,705	30,054	33,274	161,494	28,974	37,759
Architectural and engineering technical services	4,028	6,763	1,222	75,539	8,147	729,544	67,971
Advertising and market research	702,261	64,279	68,412	1,979	3,045	1,576	2,920
Office administrative activities	39,010	4,929	621	362,091	4,885	333,535	66,179
Food and beverage services	4,248	16,123	677,924	14,691	63,400	9,419	17
Programming, consultancy, and related activities	8,205	56,938	20,627	102,754	55,298	304,913	17,549
Building construction	93,734	13,206	61,525	59,034	38,750	200,263	31,049
Auxiliary activities for financial services	14,522	133,590	118,873	86,125	71,416	5,458	440
Manufacture of pharmaceutical products	-	1,644	24,004	25,921	-	280,309	
Manufacture of beverages	1,404	3,299	152,260	5,737	42,050	118,335	
Healthcare activities	2,773	25,646	213,696	20,859	44,705	3	4
Retail trade, except motor vehicles	14,678	3,032	22,643	1,720	219,651	37,406	7,033
Rental activities	35,094	6	11	10,428	190,079	1,393	21,006
Financial services, except insurance and pension funds	22,179	55,066	75,383	39,649	1,773	13,671	30,178
Warehousing and support activities for transportation	50,029	62,385	57	5,089	2,522	30,413	52,638
Others	686,947	215,084	349,096	781,449	438,279	607,231	58,156

Source: Afi and Secretary of State for Commerce.

In the first half of 2025, the sector composition of British FDI flows to Spain was relatively stable with the slowdown coming across the board. The *Information services* sector ranked first, collecting 37% of total flows, or €396.4 million, which was nevertheless down 84.2% from the first half of 2024. The *Telecommunications* sector fell back to second place, with flows contracting by 96% by comparison with the first half of 2024 (€187.7 million in 1H25).

Real estate activities was one of the more resilient sectors in the first half of 2025. British FDI flows to this sector amounted to €70 million, down 28% from the first half of 2024 and putting it in third place. It was followed by *Architectural and engineering activities*, which collected €66 million.

In general terms, global investment flows have slowed, a pattern that has been echoed in British investment flows to the various sectors of the Spanish economy.

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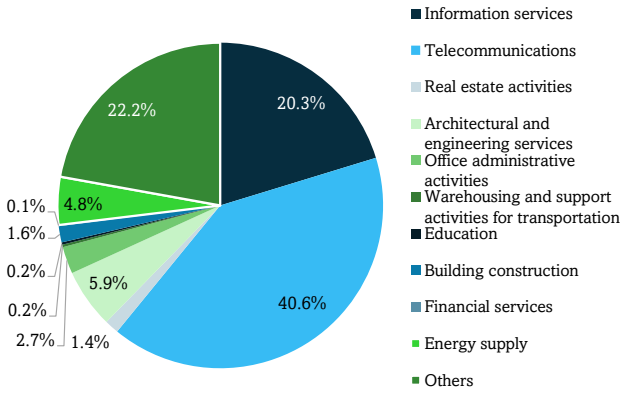
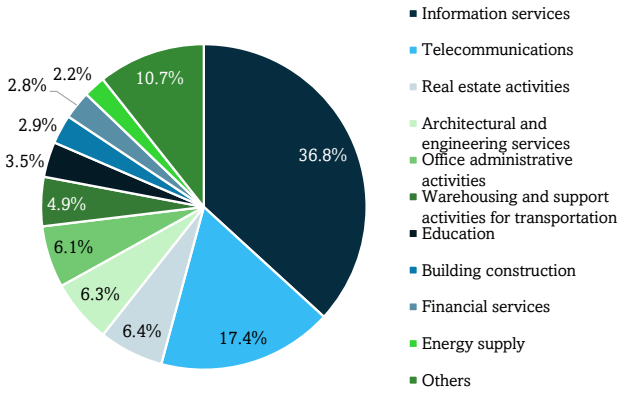
Sector breakdown of British FDI flows: 2024 versus 1H25 (% of total)

First semester 2024



First semester 2025



Source: Afi and Secretary of State for Commerce.

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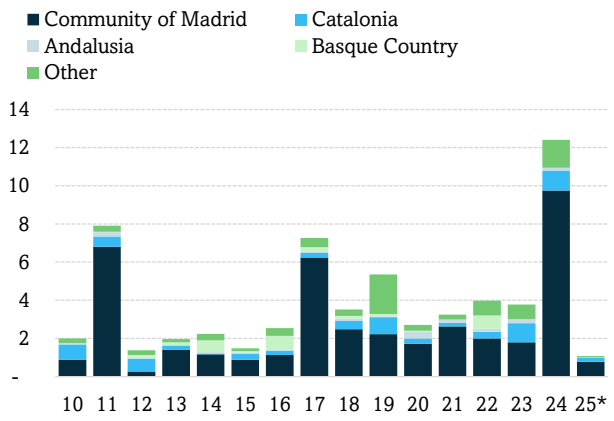
6. Flows of British FDI to Spain by region

In 2024, British investment in Spain reinforced its long-standing regional concentration patterns, with Madrid receiving 78.6% of all flows, concentrated in the *Telecommunications* and *Information services* sectors. Catalonia was second, garnering 8.5%, followed by Asturias, which recorded an exceptional flow in the energy sector. This breakdown therefore reflects the historical weights of Madrid and Catalonia, as well as growing interest of high-potential regions in terms of the green and industrial transitions. However, the first-half 2025 figures reveal a higher level of diversification, with a bigger share of flows heading to Catalonia, Andalusia and Valencia, along with new investments for La Rioja and Galicia.

Since the start of the statistical records (in 1993), the regions of Madrid (€76.88 billion) and Catalonia (€10.31 billion) have between them absorbed over 80% of all British investment flows.

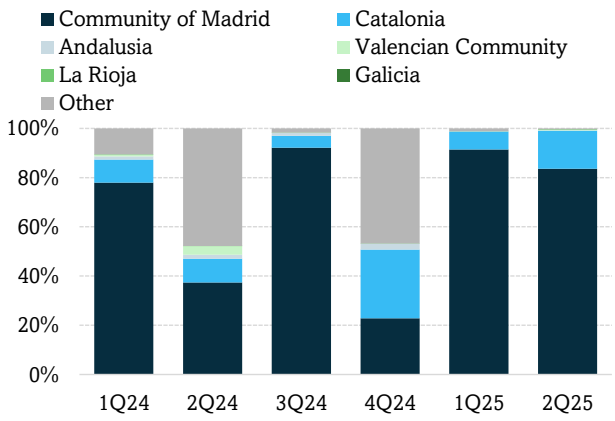
In 2024, FDI flows from the UK to Spain totalled €12.41 billion and were very concentrated in Madrid, which received €9.76 billion (78.6% of the national total). In second place, Catalonia recorded receipts of €1.05 billion (8.5% of the total), followed by Asturias, which received €486 million (3.9% of the total). In the first half of 2025, British investment flows went to a more diversified mix of markets, despite the sharp slowdown in volumes. Madrid remains the biggest recipient, collecting 70%, with Catalonia ranked second, at 19%, followed by Andalusia and Valencia. Notably, flows of British FDI to La Rioja and Galicia increased sharply.

Gross flows of British FDI to Spain by region and year (2019-1H25)
(€ billion)



Source: Afi and Secretary of State for Commerce. *The 2025 figures correspond to the first half of the year.

Gross quarterly flows of British FDI to Spain by region (2024-1H25)
(€ billion)



Source: Afi and Secretary of State for Commerce.

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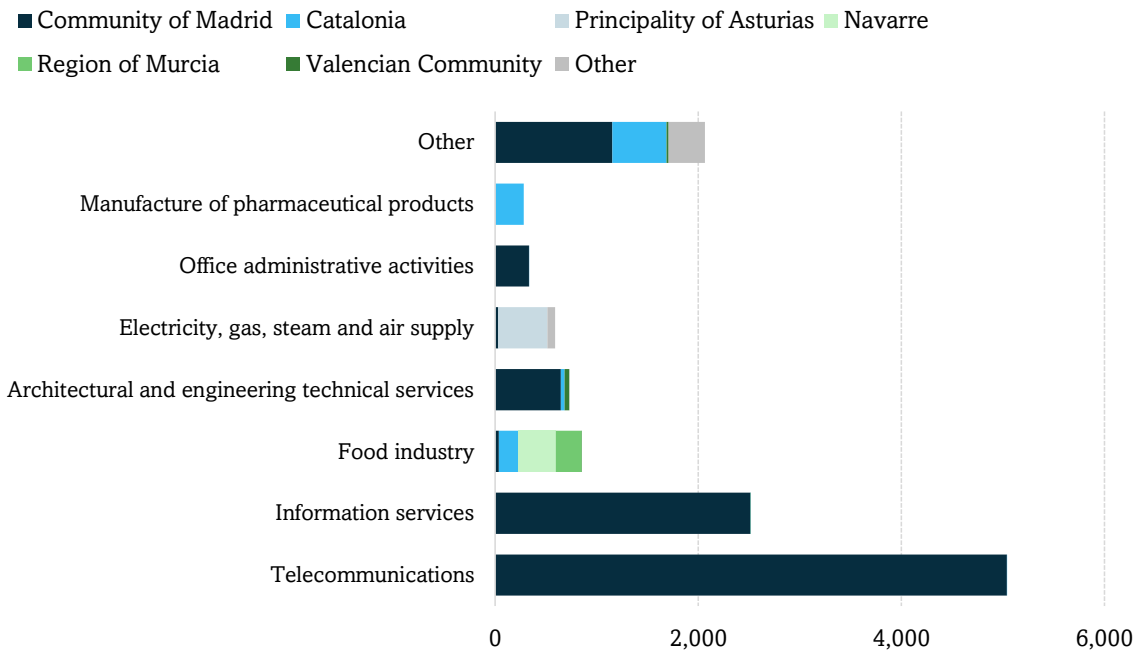
In 2024, the investments in Madrid were concentrated in the two most important sectors: *Telecommunications* (€5.04 billion) and *Information services* (€2.51 billion), which, combined, accounted for 60.9% of the gross flows originating in the UK. Elsewhere, investment in the *Manufacture of food* was more regionally diversified: of the €852 million invested, Navarre garnered 43.1%, Murcia, 29.9% and Catalonia, 22.8%.

It is worth singling out Asturias, which received €486 million in 2024, compared to an annual average of around €10 million between 2020 and 2023. Investment in Asturias that year was concentrated in *Electricity, gas, steam and air-conditioning supply*, which was equivalent to 82.4% of all national investment in that sector. This exceptional flow is related with green transition processes and industrial reconversion projects which have attracted capital specialised in sustainable energy infrastructure and ecological transition initiatives.

Gross flows of British FDI to Spain by region and sector in 2024
(€ million)



Source: Afi and Secretary of State for Commerce.

The sector concentration of British investment varies by region, reflecting the economic and productive idiosyncrasies of each. In Madrid, British investment is relatively diversified, with *Telecommunications* ranking first, having collected 17.8% of all flows received in the last 15 years. It is followed by *Mining support service activities*, at 9.9%, mainly related with *Support activities for petroleum and natural gas extraction*. Other sectors with significant British investments in Madrid include *Passenger air transport*, *Financial services* and *Information services*, entrenching Madrid's position as a technology, logistics and financial hub at the international level.

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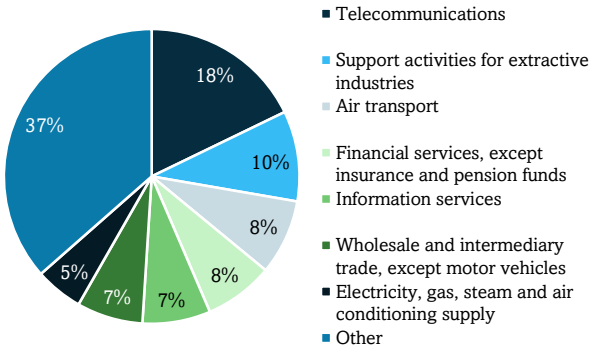
Catalonia is similarly home to a diversified sector mix in terms of British investment, with the *Wholesale trade* representing 15.7% of all British investment in the region in the last 15 years, evidencing its position as a logistics and trade hub in the Mediterranean. The *Manufacture of food* sector ranks second, with 12.7%, followed by the *Manufacture of chemicals* and the *Manufacture of pharmaceutical products*, depicting strategic orientation towards high value-added manufacturing sectors.

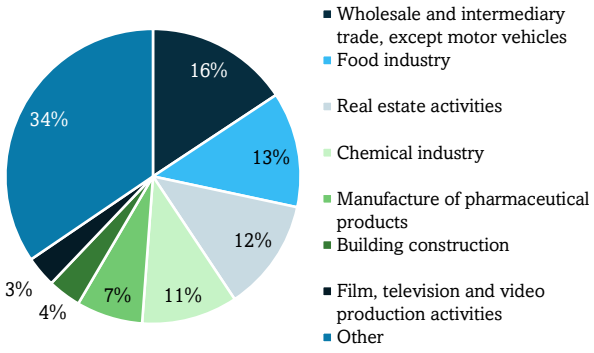
In Andalusia, investment from the UK has been targeted primarily at the *Manufacture of food* (37.8%), boosted by a significant inflow of capital in 2024 in the amount of €486 million, equivalent to 71.3% of the total accumulated by the sector in the last 15 years. Lastly, in the Basque region, British investment is more concentrated sector-wise, with three sectors accounting for 74.2% of British investment flows received: *Electricity, gas, steam and air-conditioning supply* (30%), *Manufacture of other transport material* (27.2%) and *Warehousing and support activities for transportation* (17%).

Breakdown of cumulative British FDI flows by sector for the main regions, 1993-1H25 (% of total)

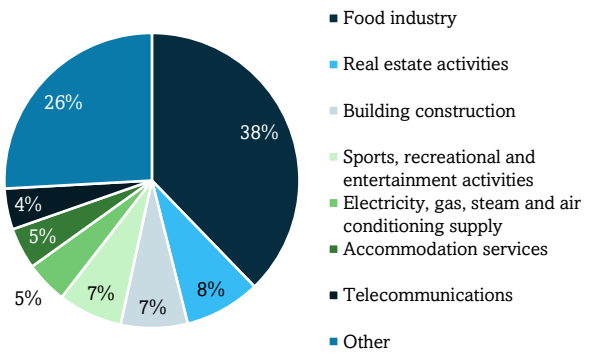
Madrid region



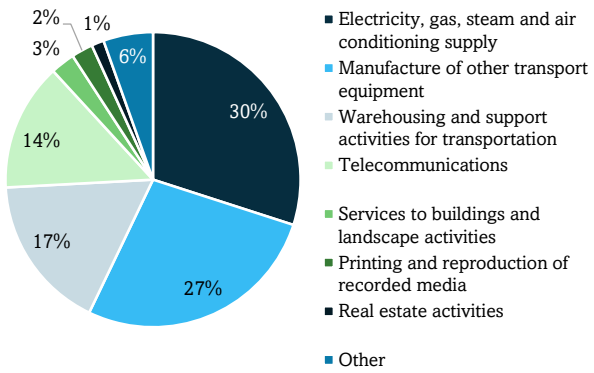
Catalonia



Andalusia



Basque region



Source: Afi and Secretary of State for Commerce.

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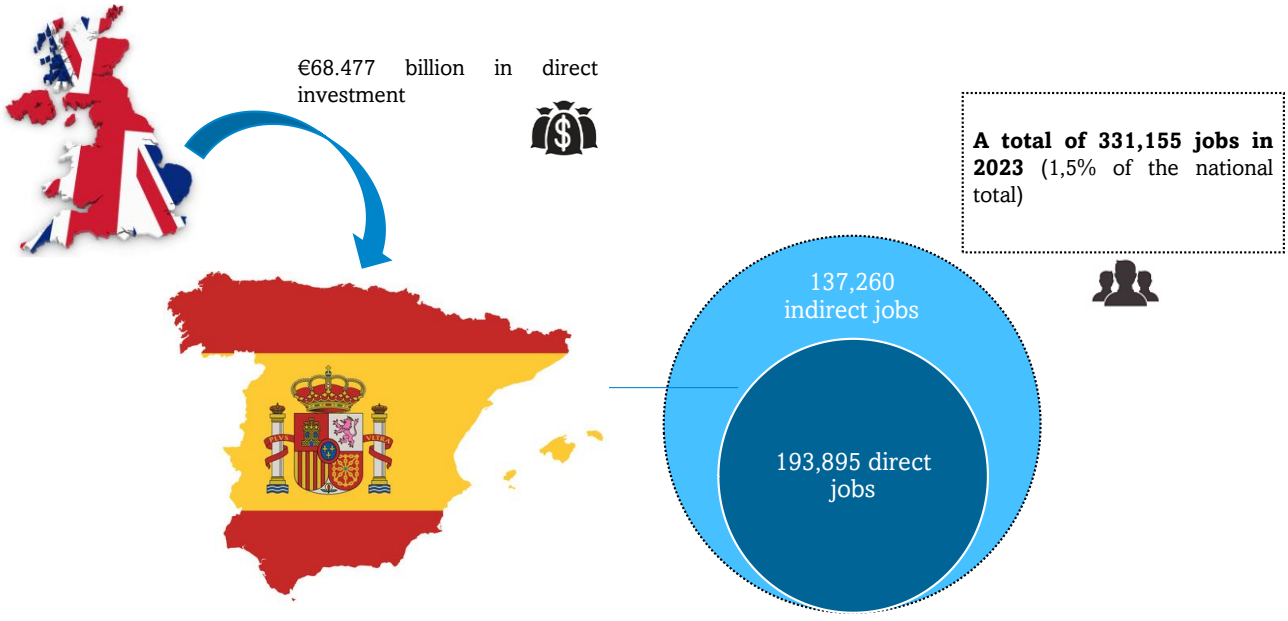
7. Effects of British FDI on jobs in Spain

Direct British investment in Spain contributes to the creation and sustenance of over 331,100 jobs, which is equivalent to around 1.5% of total Spanish employment.

Foreign direct investment from the UK is estimated to have contributed to the generation of over 331,100 jobs (full-time equivalent, or FTE, jobs) in Spain as of 2023, a figure that represents 1.5% of total employment.

Of all the jobs generated in Spain by British investment in 2023, around 132,260 are considered 'direct jobs'. They in turn support more than 193,895 'indirect jobs', generated as a result of the knock-on effects created by the British companies doing business in Spain on other companies populating their goods and services supply chains in Spain.

Jobs generated by British FDI in Spain, 2023
(no. of direct + indirect jobs)



Note: in contrast to previous editions of this Barometer, the indirect impact has been estimated considering the knock-on effects specific to each sector benefitting from British investment (instead of using an average for the productive ecosystem as a whole), based on the stock of direct employment for each area of activity.

Source: Afi, based on the Secretary of State for Commerce and Spain's National Accounting Input-Output Tables (INE, 2021).

The contribution by British FDI to the Spanish labour market was 26.9% higher as of 2023 than in 2022, which is significantly higher than the growth of 4.6% in the stock of British investment that year to €68.48 billion. The growth in associated employment is explained by the sector composition of the British FDI stock and the productivity of the sectors in which Britain's net investment position shifted in 2023 compared to 2022.

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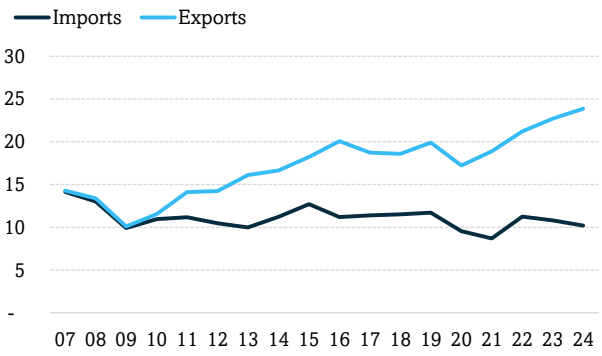
8. Foreign trade of goods between the UK and Spain

In 2025, bilateral trade of goods between Spain and the UK has kept pace. In the first eight months of 2025, the volume of Spanish exports to the UK totalled €17.16 billion, year-on-year growth of 8.3%, while imports came to €7.28 billion, yielding a trade surplus of over €9.87 billion.

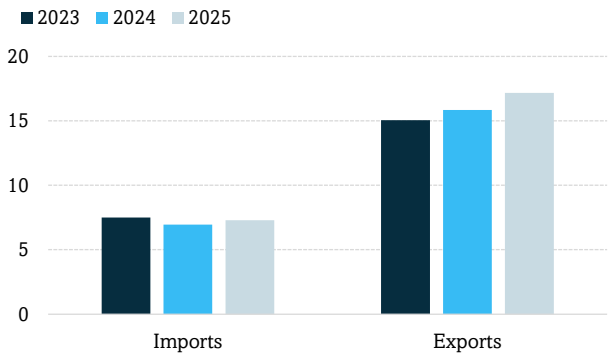
During the first eight months of 2025, Spanish exports of goods to the UK amounted to €17.16 billion, year-on-year growth of 8.3%, a performance which stands out in an environment of considerable global uncertainty and extends the upward trajectory initiated in 2021. Spanish exports to the UK notched up cumulative growth of 38.4% between 2020 and 2024. As for imports, Spain purchased goods from the UK worth €7.28 billion in the first eight months, implying year-on-year growth of a lower 4.9%, in line with the stability that has characterised imports over the last 15 years.

Foreign trade between Spain and the UK (€ billion)



Source: Afi and Secretary of State for Commerce.

Foreign trade between Spain and the UK, January to August, 2023-2025
(€ billion)



Source: Afi and Secretary of State for Commerce.

Compared to other partners, the UK remains a prominent trading partner for Spain so far in 2025. In imports, the UK has gone back up to eighth place on the ranking of source markets, having fluctuated between eighth and ninth position since 2020, accounting for 2.5% of all Spanish imports between January and August. Although its share of the total is small by comparison with other European trading partners, the sector breakdown positions it as a supplier of value-added products. The UK is a more important market of origin than Morocco or Turkey, for example, but lags behind the leading European and Asian suppliers. At the top of the ranking lie Germany, China and France, which between them sent €94 billion of goods to Spain in the first eight months of the year, which is equivalent to nearly 30% of Spain's total imports. This pattern reflects a trade structure dominated by large industrial economies in which the UK plays a role more focused on specialist products.

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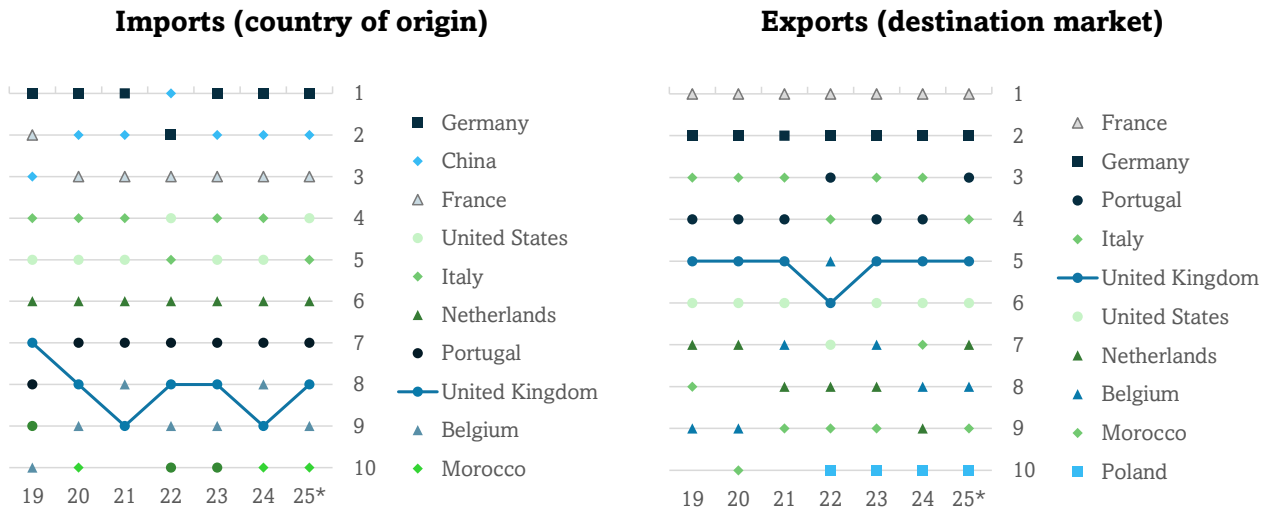
On the export side, the UK remains the fifth most important destination for Spanish goods, a position it has held consistently between 2019 and 2025, other than a brief stint in sixth place in 2022. Between January and August, sales to the British market accounted for 6.7% of Spanish exports. France and Germany top this ranking, in that order. Portugal and Italy have been alternating between third and fourth position. Between them, these four destinations represent approximately 41% of Spanish exports, depicting how concentrated Spanish exporting activity is in Europe, with the UK occupying a stable spot.

Spanish imports and exports ranked by trading partner



Source: Afi and Secretary of State for Commerce. (*) 2025 relates to the first eight months of the year.

Historically, bilateral trade between Spain and the UK has been characterised by significant concentration in processed and manufactured goods. On the import side, the key sectors in recent years have been *Nuclear reactors and machinery*, at €1.08 billion in the first eight months of 2025, followed closely by *Motor vehicles and tractors* (€1.04 billion in 8M25) and *Pearls, precious stones and jewellery* (€800 million). Imports have been growing in *Pharmaceutical products* (€509 million) and *Inorganic chemicals* (>€520 million), where imports are up sharply from 2023. Overall, this pattern confirms a trade structure articulated around technically complex goods where the UK plays a prominent role as a strategic supplier of industrial components.

As for Spanish exports to the UK, the sales ranking is topped by *Motor vehicles and trailers*, where exports exceeded €3.48 billion between January and August 2025. Next on the ranking is *Pharmaceutical products*, at €1.82 billion, which is twice the amount exported in the first eight months of 2024, *Pearls, precious stones and jewellery* (€1.65 billion) and *Nuclear reactors and machinery* (€1.34 billion). Within the agri-food sector, *Vegetables* (€930 million) and *Edible fruits* (€754 million) stand out; despite a small year-on-year contraction, these categories still account for meaningful shares of the export mix. These trends consolidate Spain's position as a competitive supplier in key sectors focused on value-added manufactured goods for which the UK is a priority market.

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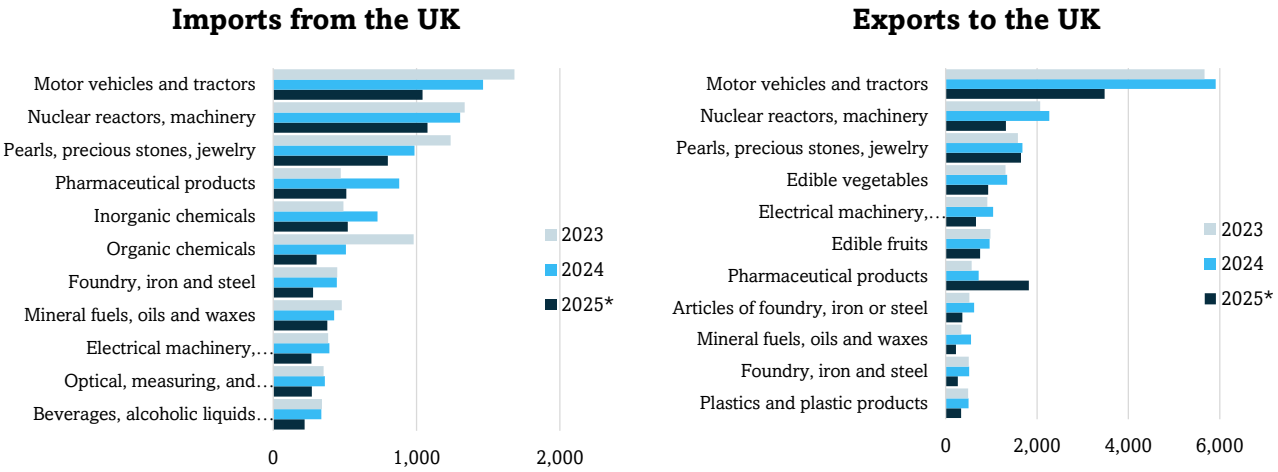
Foreign trade between Spain and the UK by sector
(€ billion)



Source: Afi and Secretary of State for Commerce. (*) 2025 relates to the first eight months of the year.

It is worth highlighting the overlap between the sectors accounting for the highest volumes of both imports and exports, a trait that is common in intra-industrial trade among highly-integrated advanced economies. Spain and the UK trade products that form part of the same global supply chains, particularly in the automotive, pharmaceutical and machinery sectors. This type of trade tends to involve parts, intermediate goods and differentiated products within a given sector, reflecting complementary specialisation rather than redundancies. This pattern is further reinforced by the relationships between subsidiaries of multinational enterprises and industrial niche segmentation, adding complexity and depth to bilateral trade ties.

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9. Investment plans of the British firms doing business in Spain

The British companies doing business in Spain are upbeat about the outlook for the Spanish economy and their investments in the country in 2026. Sixty-four per cent of the firms surveyed said they planned to increase their investments in the Spanish market in the coming year. The main reason given for maintaining or increasing their investment positions in Spain is business line expansion, as expressed by 72% of the firms surveyed.

The British firms doing business in Spain which provided input for this year's edition of the Barometer were positive about the outlook for the Spanish economy over the coming year. Half of the companies surveyed believe the economy will actually improve, with another third expecting a stable economic environment.

As indicated in the first section of this report, the Spanish economy is forecast to grow by around 2.9% in 2025. One of the key drivers underpinning this growth is the current momentum in domestic private consumption, which is generating tailwinds for business strategies with a focus on local market sales. For 2026, the economy is expected to grow by a little less but nevertheless by more than 2%, despite the various sources of uncertainty posed by the economic and political climate.

The upbeat outlook for the Spanish economy is shoring up the investment plans of the British firms doing business in Spain. The majority (64%) of the companies surveyed said they expected to increase their investments in Spain in 2026. In contrast, just 9% of the firms are contemplating reducing their investment position in the country.

In line with the above, i.e., an ongoing strategic commitment to the Spanish market by the British firms, the outlook for Spain's ability to attract direct investment flows from the UK is positive.

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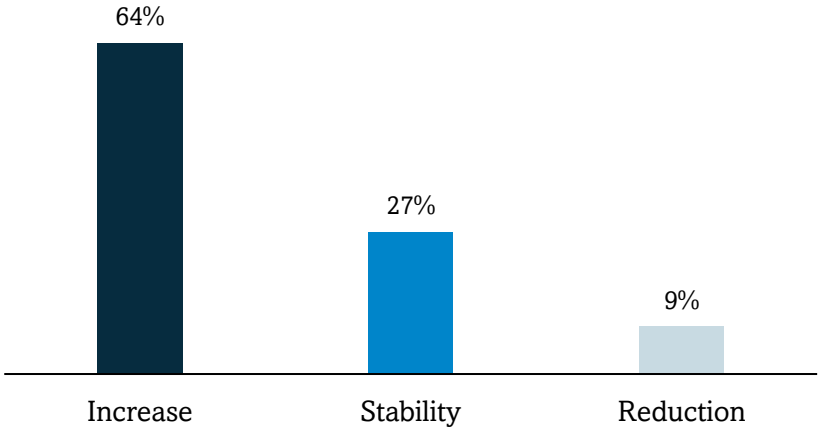
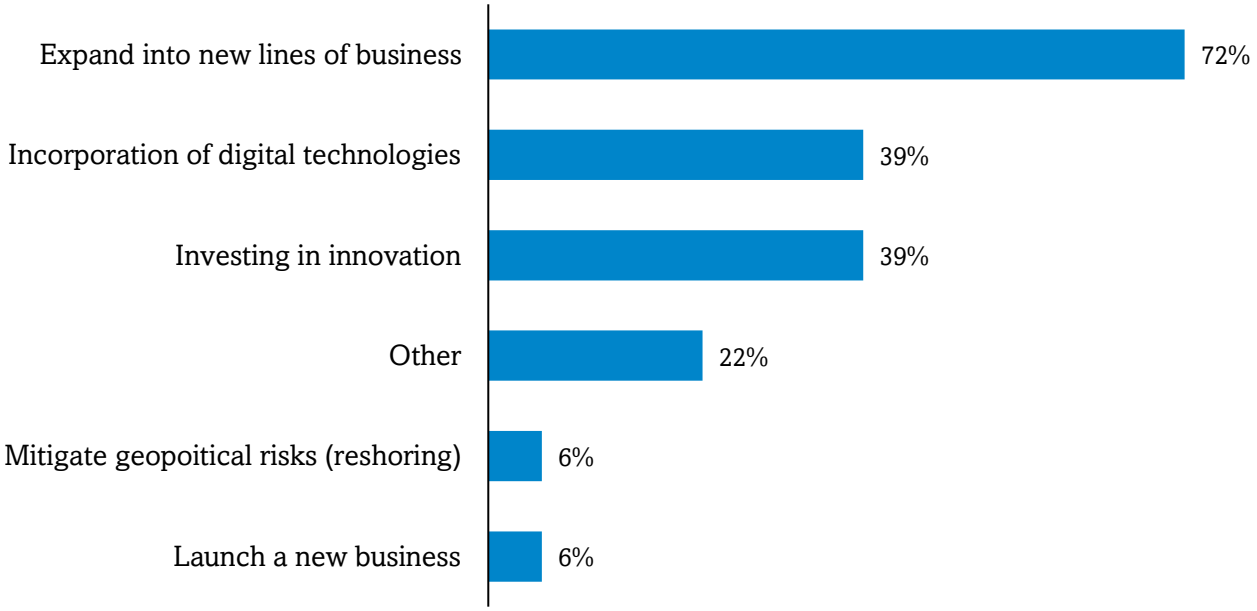
Expectations for investment by the British firms in Spain in 2026 (% of respondents)



Source: Afi, "2025 Survey of British inward investment into Spain".

Among the companies stating they planned to maintain or increase their investments in Spain in 2026, the most commonly cited rationale is business line expansion. Specifically, 72% of the companies giving the main reasons for their investment decisions in Spain, cited business line expansion as the prime goal. Other investment rationales included digitalisation processes and innovation activities.

Main investment objectives pursued by British firms in Spain in 2026 (% of responses indicating plans to increase or maintain their investments)



Source: Afi, "2025 Survey of British inward investment into Spain".
Note: a given company may select more than one objective.

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10. Focus groups delving into the investment climate in Spain.

British investment in Spain appears resilient in the short term but faces structural challenges that could condition its outlook over the medium and longer term. By means of focus group sessions carried out between June and September 2025, we captured feedback from the British companies with activities in strategic sectors in Spain, including energy, technology, pharmaceuticals, transportation, telecommunications, financial services and education. Their feedback can be grouped into three main topics: (i) the impact of trade protectionism; (ii) talent management; and (iii) sustainability challenges.

10.1. Impact of trade protectionism on investment decisions: limited in the short term, uncertain in the medium term.

Asked about the effects of the Trump administration's trade and tariff policies, the British firms confirmed that their investment plans remain intact in the short term. This continuity is underpinned by their well-established position in the Spanish market, prevailing contractual commitments and a widespread perception that the country continues to offer a competitive environment within the European landscape.

Taking a medium- and longer-term perspective, however, the uncertainty starts to weigh on strategic decision-making. The companies participating in the focus groups expressed increasing cautiousness around growing trade protectionism globally, as well as the internal political and economic situation. Regulatory uncertainty, slow administrative processes and volatile taxation are seen as factors which, while unlikely to paralyse investment immediately, are prompting investors to reconsider their expansion plans constantly and to push back larger-scale decisions.

As for the location of their operations, Brexit has had a more direct impact. In several sectors the firms have reconfigured their supply chains to avoid extra costs and delays derived from the customs procedures between the UK and EU. This adjustment has entailed, in some cases, the replacement of British suppliers with European companies. Although these measures have not implied disposals, they have forced companies to reconsider their logistics strategies and revise their international expansion plans. The sectors more exposed to imported parts, such as telecommunications, technology and pharmaceuticals, are particularly vulnerable to this situation.

Lastly, some companies warn that, beyond the international context, the national political and economic environment is seen as a source of considerable uncertainty. Institutional volatility, regulatory fragmentation and a lack of visibility around the economic situation in Spain are some of the factors cited as barriers warranting constant scrutiny with a potential impact on future investment decisions.

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Focus groups with British investors in Spain: Trade protectionism

Source: Afi, "Focus groups addressing the investment climate in Spain, 2025".

10.2. Talent management: attraction, retention and structural mismatches

Talent management has emerged as a strategic line of initiative for the British companies with operations in Spain in a context marked by a shortage of skilled candidates and the transformation of working arrangements. Nevertheless, the British firms perceive the availability of talent in the Spanish market, particularly skilled workers, positively. However, they also flag growing issues around retention, the ability to attract international candidates and the match between local skills and emerging sector requirements. The shortage of professionals with expertise in sustainability, data science, artificial intelligence and ESG regulations have led many companies to reinforce internal training. Similarly, these shortages have unlocked significant growth in compensation, forcing many companies to rethink their cost structures.

Here, Brexit continues to create friction around mobility between Spain and the UK. Although bilateral cooperation has improved, there are still obstacles around visas, qualification certifications and professional mobility, particularly in regulated sectors such as education and healthcare. These issues have not paralysed hiring but are demanding more planning and resources of the firms.

Another key conclusion from the focus group sessions is the apparent consolidation of an emerging trend whereby Spain is becoming a preferred destination for middle management positions. These professionals are attracted by the quality of life in Spain and the workplace flexibility offered by its companies, even if it means taking a pay cut. This dynamic is allowing companies to tap high-quality human resources at a relatively lower cost than in their home markets, reinforcing Spain's competitiveness in certain sectors and segments. However, the

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British firms believe that Spain has yet to position itself as an attractive destination for decision-making positions, i.e., for the professionals tasked with taking executive and strategic decisions within their organisations. This constraint is reducing the scope for the consolidation of corporate hubs with regional leadership capabilities that could foster or channel more investment to Spain.

The shortage of affordable housing, particularly in Madrid and Barcelona, is also emerging as a growing obstacle for retaining talent, affecting Spanish and international professionals alike. On top of this, the firms are facing difficulties in filling vacancies in operational sectors, such as transportation, construction and technical maintenance, where the imbalance between labour supply and demand runs the risk of becoming a structural problem. Hours lost to absenteeism (directly correlated with the economic cycle) are aggravating this situation, generating inefficiencies which are limiting many British companies' growth and investments in Spain.

Against this backdrop, the companies are adopting more flexible labour models, including work-from-home arrangements, project-based hiring and function outsourcing. These strategies are allowing the firms to sidestep some of the rigidities encountered in the Spanish labour market but do not resolve the underlying problems. Local upskilling, hiring incentive reforms and attracting executive candidates constitute the key challenges for consolidating Spain as a destination for British investment in the long term in the opinion of the British firms consulted.

Focus groups with British investors in Spain: Talent management

Source: Afi, "Focus groups addressing the investment climate in Spain, 2025".

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10.3. Sustainability: growing commitments, regulatory pressure and insufficient incentives

Sustainability has become an entrenched strategic priority for the British companies in Spain, fuelled by corporate objectives, as well as regulatory pressure in Europe. In sectors such as energy, transportation, technology and pharmaceuticals, the sustainability measures are fully aligned with the entities' corporate strategies and many companies have accelerated their decarbonisation, energy efficiency and circular economy plans in recent years. The energy transition, process digitalisation and emissions abatement feature on the investment agendas of most of the companies consulted.

However, effectiveness of the Carbon Border Adjustment Mechanism (CBAM) has introduced new uncertainties. Although the direct impact is limited to manufacturing sectors, its effects are rippling throughout the entire supply chain. The firms flagged a lack of clarity around implementation of the CBAM and anticipate higher costs and more stringent reporting requirements which will affect suppliers and intermediate services.

Despite regulatory progress, the companies consider that the incentive framework in Spain continues to fall short of the mark in terms of rewarding early adopters of sustainable solutions. They call for better differentiation to favour investments aligned with decarbonisation, whether via tax relief, preferred access to financing or institutional support.

At the operating level, significant obstacles persist in terms of regulatory fragmentation at the different levels of government, administrative delays and the complexity of accessing public assistance. The firms want to see more regulatory standardisation, enhanced process digitalisation and closer coordination among the various levels of government.

Reducing red tape is seen as a prerequisite to fully unlocking potential investments in sustainability. From obtaining permits to managing electricity grid access points, the firms face a series of obstacles that delay project executions and push up operating costs. In some cases, the private sector is moving faster than the regulations, generating bottlenecks and missed opportunities. A more agile, coordinated and proactive public sector is viewed as key to consolidating Spain as a leader in green investments in the European space.

In short, the British firms remain committed to sustainability and flag Spain's potential as a green hub. To fully harness this opportunity, however, it will be crucial to reduce regulatory and administrative uncertainty and provide a more predictable and competitive environment for responsible investors.

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Focus groups with British investors in Spain: Sustainability

Source: Afi, “Focus groups addressing the investment climate in Spain, 2025”.

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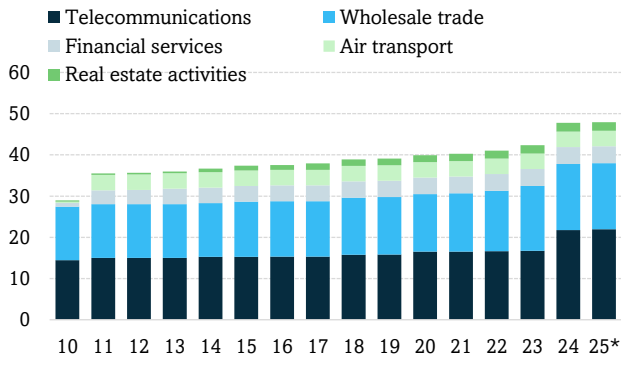
Appendix 1: Madrid region

Direct British investment in the Madrid region contributes to the creation and sustenance of over 111,000 jobs, which is equivalent to around 2.9% of total regional employment.

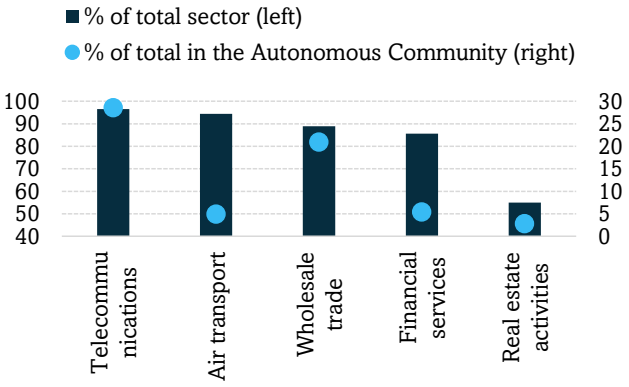
Madrid has been the Spanish region to receive the highest volume of flows of British investment since there are records. By the end of the first half of 2025, it had received €76.88 billion, which is equivalent to 72% of total British investment in Spain. The main beneficiaries have been the *Telecommunications, Wholesale trade, Financial services, Air transport* and *Real estate activities* sectors, which between them have received around €47.96 billion (63% of British FDI in the region).

Cumulative flows of British FDI - Main sectors (€ billion)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

Cumulative flows of British FDI by sector and as a percentage of the total (%)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

British FDI in Madrid helped maintain an estimated 111,140 jobs as of 2023, which is equivalent to 2.9% of total employment in Madrid. Of all the jobs generated by British investment in 2023, 87,850 are considered direct jobs, with the remaining 23,600 positions considered indirect jobs created via knock-on effects on other supplier activities.

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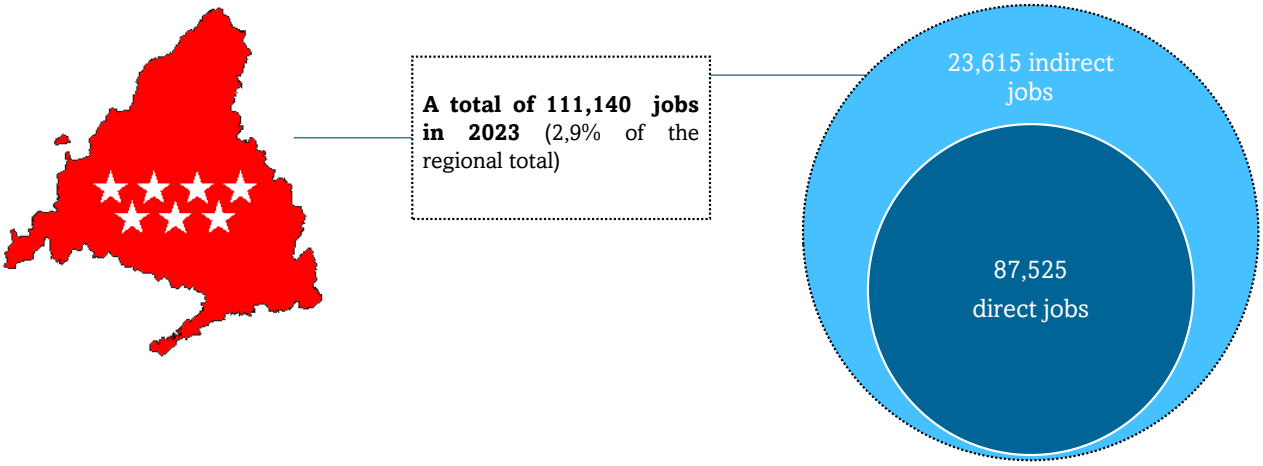
Jobs generated by British FDI in the Madrid region, 2023
(no. of direct + indirect jobs)



Note: the indirect impact on jobs was estimated considering the knock-on effects specific to each sector receiving investment from Britain, based on the stock of direct employment.

Source: Afi, based on the Secretary of State for Commerce and Spain's National Accounting Input-Output Tables (INE, 2021).

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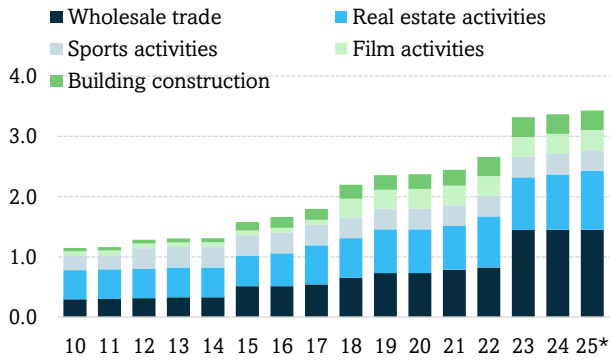
Appendix 2: Catalonia

Direct British investment in Catalonia contributes to the creation and sustenance of over 46,000 jobs, which is equivalent to around 1.2% of total regional employment.

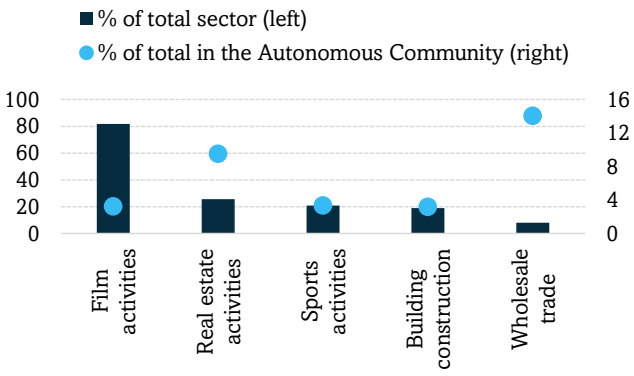
Catalonia has been the Spanish region to receive the second highest volume of flows of British investment since there are records. By the end of the first half of 2025, it had received €10.31 billion, which is equivalent to 10% of total British investment in Spain. The main beneficiaries have been the *Wholesale trade*, *Real estate activities*, *Sports activities, Motion picture activities* and *Construction of buildings*, which between them have received around €3.43 billion (34% of British FDI in the region).

Cumulative flows of British FDI - Main sectors (€ million)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

Cumulative flows of British FDI by sector and as a percentage of the total (%)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

British FDI in Catalonia helped to maintain an estimated 46,650 jobs as of 2023, which is equivalent to 1.2% of total employment in the region. Of all the jobs generated by British investment in 2023, 27,275 are considered direct jobs, with the remaining 19,370 positions considered indirect jobs created via knock-on effects on other supplier activities.

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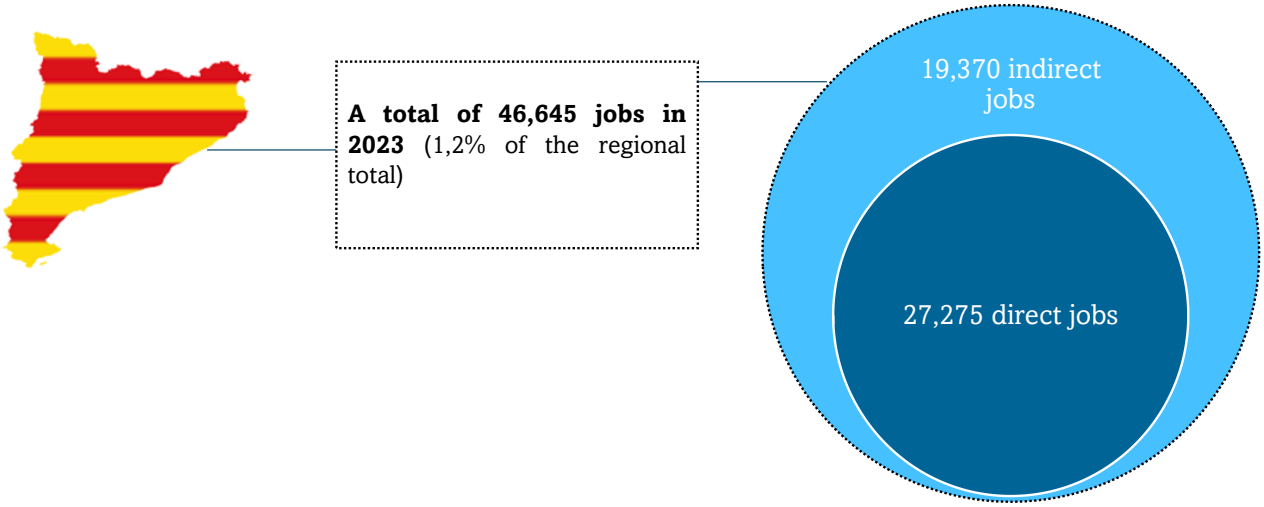
Jobs generated by British FDI in Catalonia, 2023
(no. of direct + indirect jobs)



Note: the indirect impact on jobs was estimated considering the knock-on effects specific to each sector receiving investment from Britain, based on the stock of direct employment.

Source: Afi, based on the Secretary of State for Commerce and Spain's National Accounting Input-Output Tables (INE, 2021).

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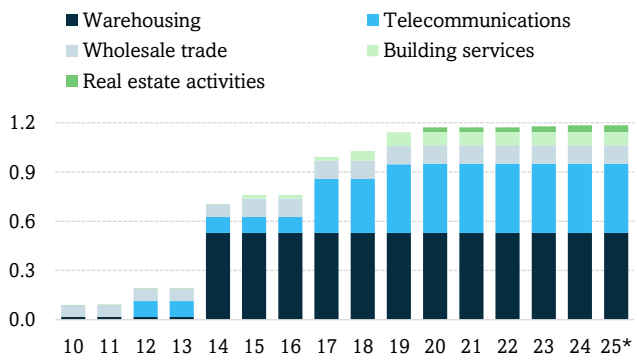
Appendix 3: Basque region

Direct British investment in the Basque region contributes to the creation and sustenance of over 9,000 jobs, which is equivalent to around 0.9% of total regional employment.

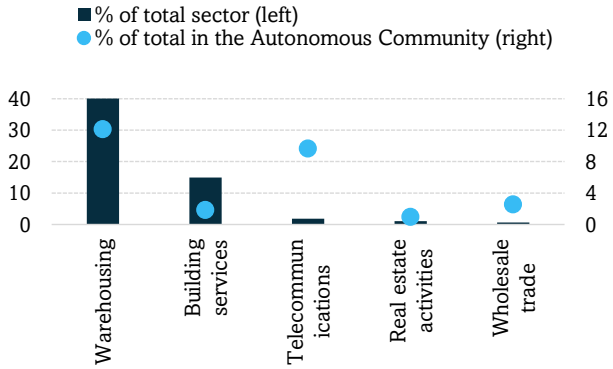
Flows of British investment to the Basque region have increased sharply since 2014, thanks to which it is now the third-biggest recipient region of Spain on a cumulative basis (4% of the total). As of the end of the second quarter of 2025, it had attracted €4.37 billion of British investment. The main beneficiaries have been the *Warehousing activities, Telecommunications, Wholesale trade, Building services* and *Real estate activities* sectors, which between them have received around €1.2 billion (13% of British FDI in the region).

Cumulative flows of British FDI - Main sectors * (€ billion)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

Cumulative flows of British FDI by sector and as a percentage of the total (%)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

British FDI in the Basque region helped to maintain an estimated 9,390 jobs as of 2023, which is equivalent to 1.0% of total employment in the region. Of all the jobs generated by British investment in 2023, 6,550 are considered direct jobs, with the remaining 2,840 positions considered indirect jobs created via knock-on effects on other supplier activities.

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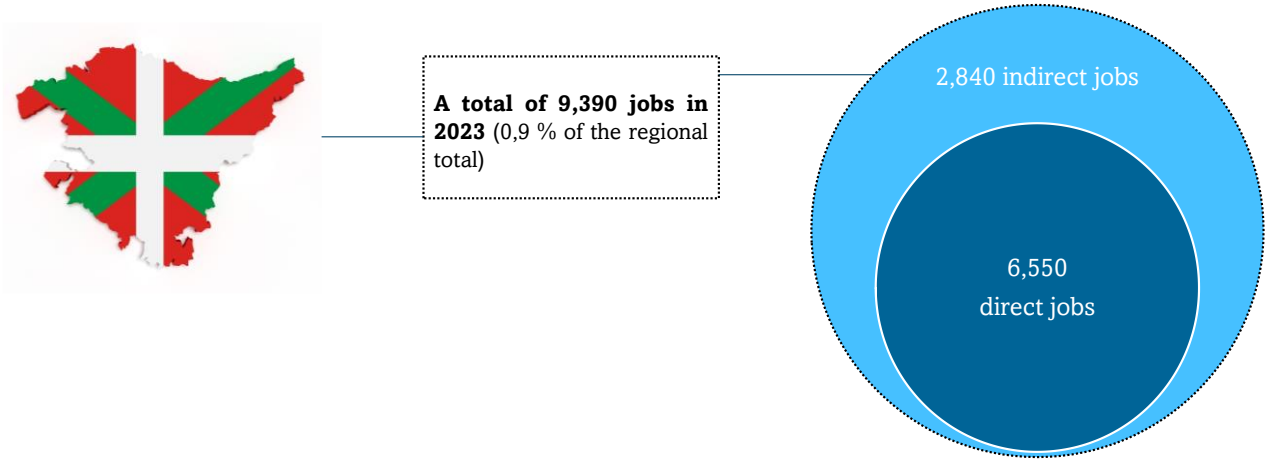
Jobs generated by British FDI in the Basque region, 2023
(no. of direct + indirect jobs)



Note: the indirect impact on jobs was estimated considering the knock-on effects specific to each sector receiving investment from Britain, based on the stock of direct employment.

Source: Afi, based on the Secretary of State for Commerce and Spain's National Accounting Input-Output Tables (INE, 2021).

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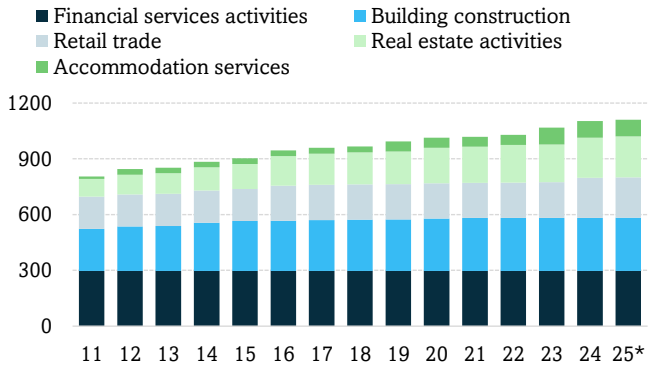
Appendix 4: Andalusia

Direct British investment in Andalusia contributes to the creation and sustenance of over 22,800 jobs, which is equivalent to around 0.7% of total regional employment.

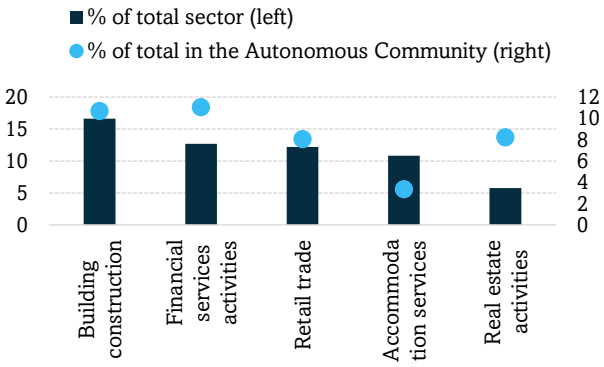
Since there are records, Andalusia has attracted a steady and rising flow of British investment, thanks to which it had received over €2.68 billion in total by the end of the first half of 2025. It has garnered close to 2.5% of total flows reaching Spain from Britain. The sectors receiving the highest flows include the *Activities auxiliary to financial services, Construction of buildings, Wholesale trade, Real estate activities* and *Accommodation services* sectors, which between them have collected over €1.1 billion (41% of British FDI in the region).

Cumulative flows of British FDI - Main sectors * (€ million)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

Cumulative flows of British FDI by sector and as a percentage of the total (%)



Source: Afi and Secretary of State for Commerce. (*) The 2025 figures correspond to the second quarter.

British FDI in Andalusia helped to maintain an estimated 22,870 jobs as of 2023, which is equivalent to 0.7% of total employment in the region. Of all the jobs generated by British investment in 2023, 15,195 are considered direct jobs, with the remaining 7,675 positions considered indirect jobs created via knock-on effects on other supplier activities.

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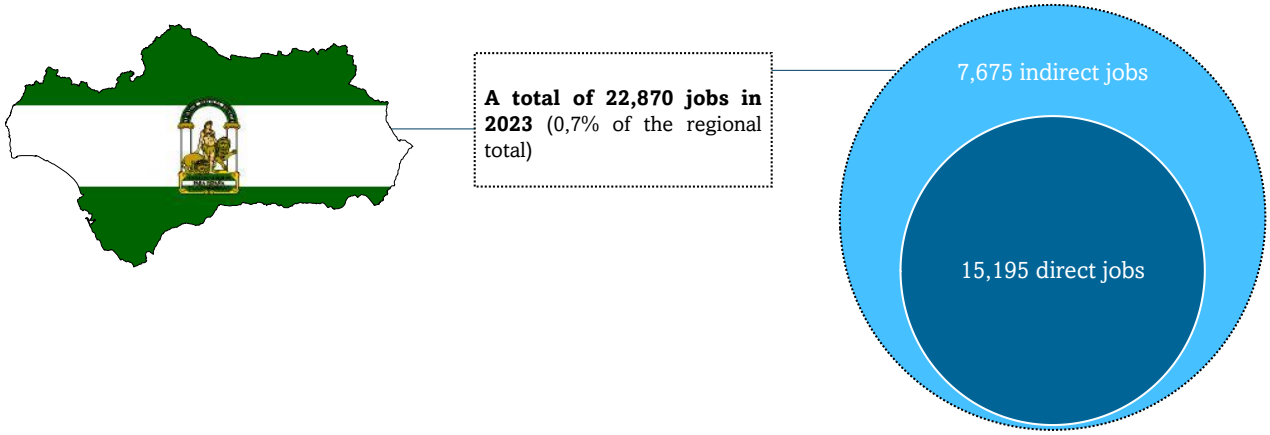
Jobs generated by British FDI in Andalusia, 2023
(no. of direct + indirect jobs)



Note: the indirect impact on jobs was estimated considering the knock-on effects specific to each sector receiving investment from Britain, based on the stock of direct employment.

Source: Afi, based on the Secretary of State for Commerce and Spain's National Accounting Input-Output Tables (INE, 2021).

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Appendix 5: Business survey

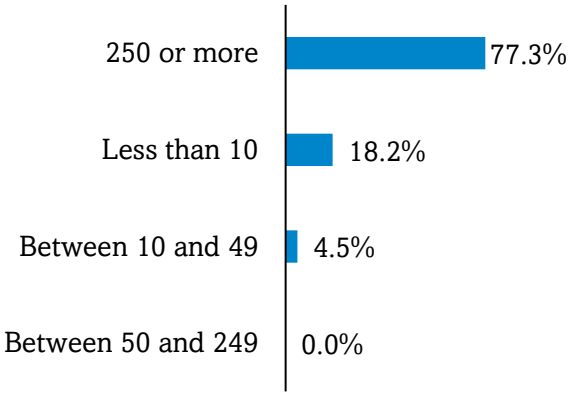
This tenth edition of the *Barometer on climate and outlook for British investment in Spain* reflects the opinions and perspectives of the more than 20 British firms doing business in the Spanish market which participated in our survey during the third quarter of 2025.

The British companies with operating activities in Spain were surveyed by means of an online questionnaire. The questionnaire gathers information about their corporate profiles and feedback about their outlook for the Spanish economy and investment plans for the country.

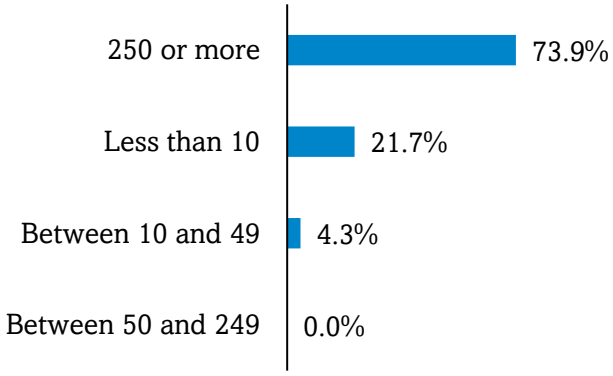
The survey of British firms operating in Spain was conducted between 11 July and 15 October 2025. A total of 22 firms participated in this year's survey, implying a representative sample using a confidence level of 90% and a margin of error of 17.5%[1].

The following charts show the breakdown of the universe of companies surveyed by size, sector of activity and geographic presence in Spain.

Breakdown of the sample by British parent company size (% of all firms surveyed)



Breakdown of the sample by British subsidiary size (% of all firms surveyed)



Source: Afi, "2025 Survey of British inward investment into Spain".

[1] Considering the fact that there are 1,638 subsidiaries of British companies in Spain, according to the INE's Business Statistics by Group Status for 2023.

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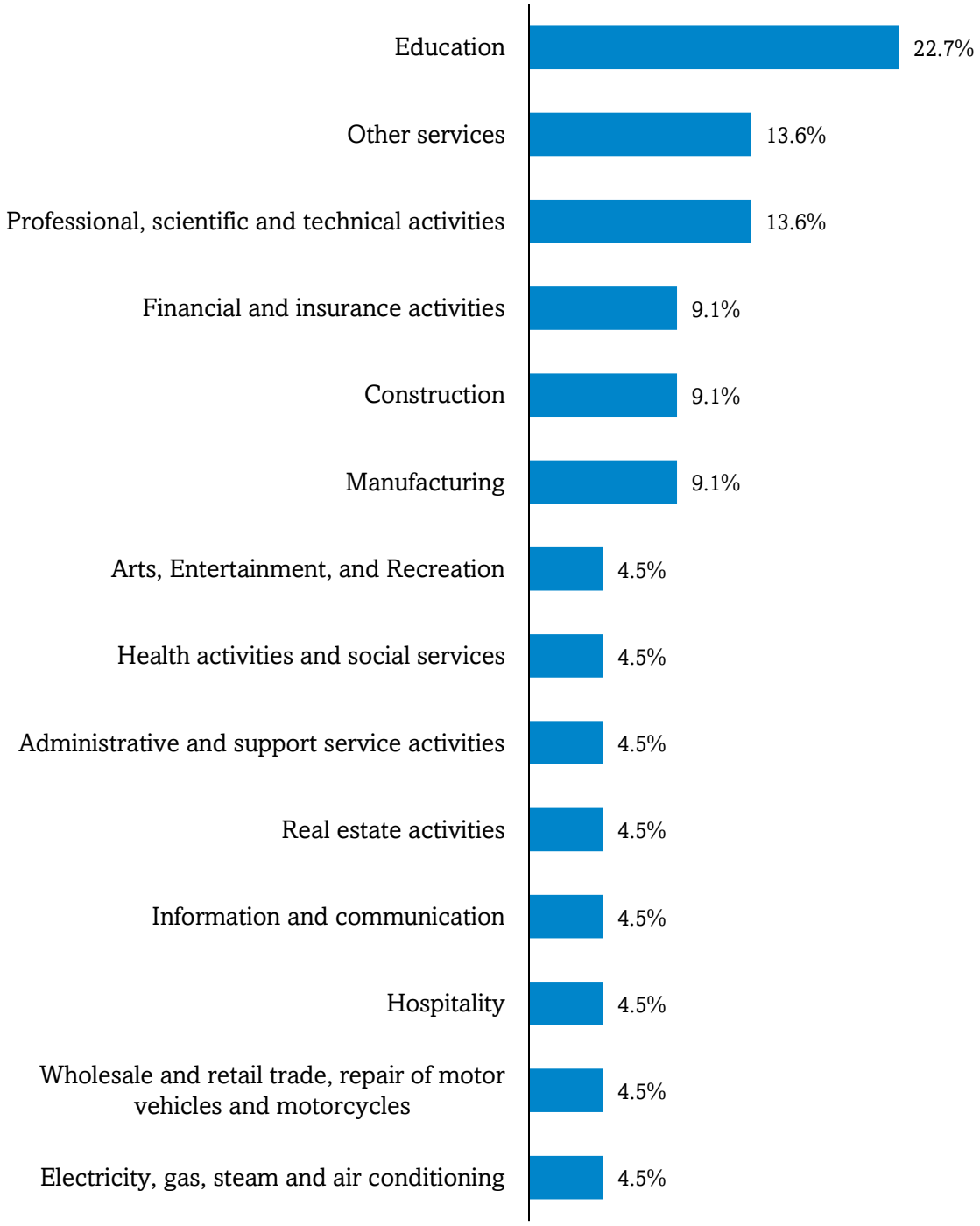
Breakdown of the sample by sector of activity of the British subsidiary in Spain (% of all firms surveyed)



Source: Afi, "2025 Survey of British inward investment into Spain".

Note: Sectors classified using the single digit NACE classification.

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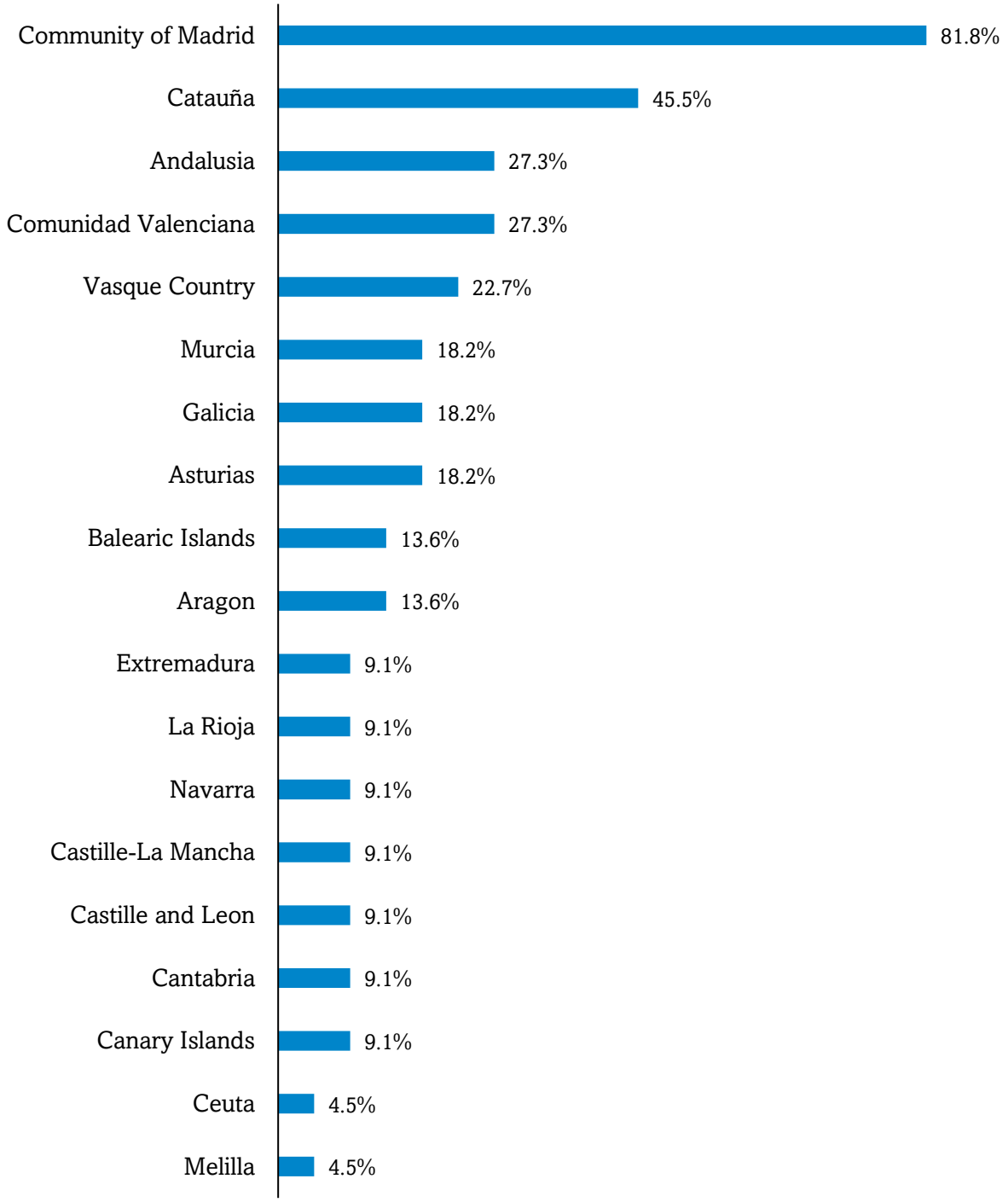
Breakdown of the sample by geographic presence of the British subsidiary in Spain (% of all firms surveyed)



Source: Afi, "2025 Survey of British inward investment into Spain".

Note: a given company may have a presence in more than on Spanish region.

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British Chamber of Commerce in Spain

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