



**U.S.  
COMMERCIAL  
SERVICE**  
United States of America  
Department of Commerce

# U.S. Country Commercial Guides



**SPAIN**

**2020**

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## **Doing Business in Spain**

### **Market Overview**

At the time of writing, the economic and commercial effects in Spain of the global health crisis continue to evolve. As such, the second half of 2020, and possibly beyond, will bring an ever-changing and unpredictable economic and commercial environment as the Spanish and global economies continue to address the repercussions of the global health crisis. Therefore, it will be more important than ever to monitor current local developments and consult with on-the-ground experts, including this office, to assess changing opportunities and challenges.

For illustrative purposes, prior to the 2020 international healthcare crisis, the International Monetary fund (IMF) projected GDP growth for Spain at 1.6 percent for 2020. However, in the June 2020 edition of the World Economic Outlook, the IMF forecast a contraction of Spain's economy of 12.8 percent in 2020, and then recovery of 6.3 percent in 2021.

The healthcare crisis notwithstanding and despite the ups and downs of Spain's political and economic landscape over the last few years, the country remains a vital partner for the United States, both bilaterally and within the European region. Spain leads the way in Europe on Latin America, which can provide strategic synergies for U.S. exporters engaged in both Spain and Latin America. Spain's diversified economy and its growing digital industry also offer key opportunities for furthering U.S.-Spain bilateral trade and investment.

Spain concluded municipal, regional and European elections in the Spring of 2019, and its presidential elections in November 2019. Spain's Socialist Party (PSOE), counting on the support of several non-traditional government partners, took control of the government in June 2018, ousting Spain's center-right Popular Party (PP) from power in a no-confidence vote; since November 2019, PSOE has led a coalition government with the far-left Podemos party, and the support of most of parties that sustained the aforementioned no-confidence vote against PP. The PSOE-led government has been unable to garner enough support to pass national budgets for 2019 and 2020; as of the preparation date of this report, Spanish authorities were preparing the draft budget for 2021. The government must balance its ambitions to increase public spending with the fiscal realities of Spain's economic slump, as both growth and government revenues have dropped precipitously as a result of the global pandemic.

The PSOE-Podemos government is likely to continue to pursue policies that favor workers, expand social services, reduce socioeconomic inequalities, facilitate a transition to a green economy, and spur innovation and entrepreneurship. However, some proposals, such as increasing taxes on financial corporations and wealthy individuals and repealing previous labor market reforms, could put downward pressure on growth if mishandled.

Political tensions between Spain's central government and the Catalonia region remain high, stoked by the unconstitutional October 2017 independence referendum. However, there has been little to no negative impact for U.S. companies exporting to Spain, and Catalonia remains one of the principal economic regions within Spain.

As a member country of the European Union (EU), Spain adheres to EU legislation, as is the case of all member countries. The Spanish government generally aligns with the EU consensus, and the Spanish public has broadly favorable views of the EU.

Spain, with a GDP of USD 1.3 trillion and a population of 47 million people, is the fourth-largest economy in the Eurozone. Spain's economy grew 1.8 percent in 2019 and 2.6 percent in 2018, exceeding the Eurozone average. As

mentioned above, with the yet-to-be-determined economic impact of the global health crisis on Spain, it will be more important than ever to seek out the most up to date information on the current state of economic development.

It is important to note that Spain has recent experience lifting itself from economic despair. Spain experienced a prolonged recession that lasted from 2008 through the third quarter of 2013, the result of subsequent real estate and financial crises. Thanks to austerity measures taken between 2011 and 2013 to reduce the deficit and reforms to labor laws, public services, and the financial sector, Spain's economy is better diversified and more cost competitive.

Spain has a structurally high unemployment rate, which economists estimate to be between 8 and 12 percent. As a result of the 2008-2013 economic crisis, Spain's unemployment rate ballooned to nearly 27 percent in 2013 but steadily decreased to 13.8 percent in 2019. The current healthcare crisis has had a dramatic impact on the unemployment rate in all segments of the active population. The latest official rate for the first quarter of 2020 stands at 14.4 percent, with youth unemployment (under 25 years of age) at 33 percent. Registered unemployment (those people registered as unemployed with the government employment office) shot up 9.3 percentage points from February to March, the highest monthly rise in Spain's history, and economists expect unemployment to reach 20 percent or higher by 2021.

Spain has traditionally represented a significant export market for the United States. According to the U.S. Department of Commerce, U.S. exports of goods to Spain in 2019 amounted to USD 15 billion, up from USD 13.11 billion in 2018. Actual U.S. exports to Spain are substantially higher than the reported numbers, since many of Spain's imports from the U.S. arrive via ports of entry in other European countries. Spanish exports to the U.S. in 2019 were USD 16.7 billion. Services exports from the U.S. to Spain continued to be strong at USD 6.94 billion in 2018.

Investment plays a key role in the bilateral economic relationship. Many of the largest U.S. companies are present in Spain, many of which are in the industrial sector – automobiles, chemicals, pharmaceuticals, industrial machinery, etc. According to the Spanish Ministry of Industry, Trade, and Tourism, [accumulated U.S. investment in Spain was estimated at Euros 64.6 billion in 2017](#). The Secretariat for Trade indicates that the gross investment flow from the United States in 2019 (Euros 3.7 billion) reflects a decrease of 57.4 percent over the Euros 8.7 billion in 2018. It is estimated that U.S. firms in Spain employ over 163,000 people.

The presence of large well-known foreign companies serves as a catalyst for innumerable local suppliers and service providers and, in almost all cases, increases exports. Over 50 percent of Spanish exports are made by foreign multinationals located in Spain. U.S. investors also hold significant portfolio investment in shares of some of Spain's largest companies.

Spanish foreign direct investment increased as Spain's economy recovered from the 2008-2013 crises. Spanish investments in the United States increased substantially in recent years, making Spain the 10th largest investor in the United States in 2019, according to data from [SelectUSA](#) and the [U.S. Bureau of Economic Analysis](#). Much of the investment has taken place in the past nine years, growing from a stock of USD 14 billion in 2006 to approximately USD 84.3 billion in 2019 (by Ultimate Beneficial Owner). Spanish-owned U.S. subsidiaries contributed more than USD 143 million in R&D, supported 84,100 jobs and accounted for USD 1.6 billion in exports from the U.S. in 2017. According to data from [ICEX](#) - the Spanish Institute of Foreign Trade and Investment (Ministry of Industry, Trade, and Tourism,) the United States was the principal destination of FDI from Spain in 2019 (23 percent), ahead of destinations such as France (18.5 percent), Brazil (9.3 percent), the United Kingdom (6 percent), Luxembourg (5.7 percent), and Argentina (5.6 percent).

## **Market Challenges**

Cost, financing terms, and after-sales service are important competitive factors. U.S. exporters to Spain will find that their European competitors often provide generous financing and extensive cooperative advertising, while most European governments support exporting with trade promotion events. Japan has traditionally had an active presence, while China has adopted a very proactive approach in recent years and Chinese companies are also emerging as formidable competitors. Chinese President Xi visited both Spain and Portugal in 2018 as part of a concerted effort to cultivate more business and investment on the Iberian Peninsula. Although U.S. products are well respected for their high level of technology and quality, American firms sometimes fall short of their competitors in flexibility on financing, adaptation of product design to local market needs, and assistance with marketing and after sales service.

Delays in reimbursement can represent a problem, particularly in the public sector, although the situation has improved substantially since 2015 when additional legislation was passed to enforce more timely payments by the regional and local governments.

As a member of the European Union, Spain is a party to the new EU legislation covering broader data protection throughout the EU that came into effect on May 25, 2018. [Additional details are available via the Trade.Gov website.](#)

Spain is a price-sensitive market, and foreign goods must conform to EU and certain local standards and labeling regulations in order to import products into the market. A local agent or distributor should be able to assist with obtaining the necessary certifications and permits required for importation.

Spain has 17 regional governments, known as autonomous communities, that are more or less the equivalent to U.S. states. The level of autonomy varies from region to region, with Catalonia and the Basque Country being the most advanced in this regard. While the ongoing dispute between the Spanish Central Government and the Catalanian Regional Government has not had an impact on imports from the United States, the regional government requirement that products for distribution in the region be labeled in the Catalan language implies higher costs and administrative requirements.

The economic downturn precipitated by the international healthcare and economic crisis may well result in some Spanish companies, particularly in areas where public spending is an important component, becoming more reluctant to commit to purchasing in advance or taking on the expense of introducing and marketing new products or services. However, given that developing export sales or distribution channels takes time and that the economy is expected to start showing signs of recovery in 2021, export-ready U.S. firms are urged to continue to explore opportunities in Spain and throughout the Eurozone.

Despite high-profile, high-impact raids in 2016, storefronts selling counterfeit goods persist. The USTR's 2019 Notorious Markets includes *Els Limits de La Jonquera* market in Girona (Catalunya) for widespread sales of counterfeit goods.

## **Market Opportunities**

Chemicals were the principal U.S. export to Spain in 2019, accounting for 22.5 percent of total exports, followed by oil and gas (16 percent), transportation equipment (15.6 percent), and agricultural products -fruits and nuts (10.1 percent). Primary U.S. exports to Spain have consistently included aircraft and associated parts and equipment, pollution control and water resources equipment, medical products and equipment, outbound travel and tourism, electric power systems, telecommunications equipment, automotive parts and supplies, and pharmaceuticals. Other

sectors offering good prospects include defense, security equipment, renewable energy equipment and services, e-commerce, and industrial machinery. The service sector is playing an increasingly important role in the Spanish economy (approx. 75 percent).

The U.S. Commercial Service in Spain offers a range of programs tailored to the needs of U.S. companies interested in exporting their products and services to Spain and other European markets. Services provided vary from business intelligence reports to identifying opportunities and potential partners, appointment schedules, and organizing company promotional events.

Due to the macroeconomic reforms in the financial sector and labor laws, costs have dropped, and productivity has increased in comparison to other major markets in the region. These reforms have sharply increased Spain's competitiveness, making it a good market for entry not only into the European region but also for Latin America and Africa.

Spanish firms are value-added partners for the Latin American and Caribbean (LAC) markets – their language and cultural skills are a key advantage for developing opportunities in the LAC region.

CS Spain has been actively supporting SelectUSA, the federal initiative announced in May 2011 to promote foreign direct investment into the United States on a national level.

With a reduced availability of credit in the Spanish market, ExIm Bank can now play a more active role in financing exports of U.S. products and services by financing Spanish buyers through loan guarantees. This tool could be an attractive alternative for Spanish importers.

Spain's food, beverage and agricultural processing sectors continue to consolidate its position and importance in the country. Spain has one of the most competitive food processing industries in Europe, which makes this sector an important target for U.S. food ingredient exporters.

Principal agricultural exports to Spain from the U.S. in 2019 included tree nuts, soybeans, forest products, fish products, distilled spirits, and coarse grains (excluding corn) in this order.

Principal agricultural growth sectors in 2019:

Consumer Oriented Products: tree nuts, prepared food, dairy products, condiments and sauces

Fish Products: cod, hake

Forest Products: wood casks

Bulk: coarse grains (ex.corn)

The U.S.-E U Organic Equivalence Agreement has been in effect since June 2012. As a result, products certified as organic for one market can be sold as organic in the other market.

Note that the Foreign Agriculture Service provides market information for Spain and Portugal. Please visit the [Foreign Agricultural Service](#) web to access all these reports.



## Leading Sectors for U.S. Exports and Investment

### Aerospace and Defense

This is a best prospect industry sector for Spain, including a market overview and trade data.

#### Overview

USD (Millions)	2017	2018	2019 (estimated)	2019 (estimated)
Total Market Size	9,802	10,273	10,358	9,838
Local Production	12,630	13,980	14,104	13,376
Imports	4,543	5,519	5,558	5,581
Exports	7,371	9,226	9,304	8,829
Exchange Rate – Euro 1.00: USD 1.00	1.1297	1.1810	1.1195	1.1182

USD millions. (total market size = (total local production + imports - exports)

Data Sources: Unofficial estimates based on information from sector sources, including TEDAE (Spanish Association for Defense, Aeronautics and Space) <https://www.tedae.org/es> and Cámara Oficial de Comercio, Industria, Servicios y Navegación de España. <https://www.camara.es/>

U.S import figures include aeronautics only. Data for 2019 available in July 2020. Lower USD estimates reflect the large change in dollar/euro exchange rate.

Spain has a highly advanced aerospace industry that offers excellent opportunities for foreign companies. Sales reached an estimated USD 13.2 billion in 2018 (official data for 2019 to be announced this month) and the sector employs more than 56,999 workers. It is characterized by rapid growth in recent years and significant investment in R&D, up to 10.5 percent of turnover in aeronautics and 11 percent in defense. These companies have consistently dedicated more than 11 percent of their turnover to R&D activities over the last ten years. The volume of business grew by 9.4 percent when compared to the previous year.

Spain's aerospace industry is currently ranked 5<sup>th</sup> in Europe in terms of turnover and 8<sup>th</sup> in the world. Activity is concentrated in:

Madrid (49.4 percent of total sales)

Andalusia (21.7 percent)

Castilla La Mancha (12 percent)

Basque Country (9.9 percent)

Catalonia (1.4 percent)

Source: ICEX (Spanish Trade & Investment Institute) <https://www.icex.es>

Spain, as one of the leading five European players in civil and military aeronautics, actively participates in the main European aeronautic initiatives. Over the last decade, Spain’s participation in civil aviation and military aircraft programs has increased significantly, so much so that its workforce has increased by 65 percent since 2000.

The Spanish space industry is primarily involved in contracts of high value added in the areas of qualification of flight and ground equipment and the development and operation of satellite systems. There are also several space centers located in Spain, the most important ones being the European Space Astronomy Center (Madrid), the Madrid Deep Space Communication Complex (NASA) and Boeing’s European Center for Research and Technology located in Madrid. Boeing’s European Center for Research and Technology areas of action include Air Space Management, Safety, Unmanned Aerial Systems (UAS), Security and Sustainable Environment.

**Leading Sub-Sectors**

Key Areas of Activity for Spanish Aerospace Companies:

Aeronautics Sales by Segment

Aerostructures and Systems	79 percent
Equipment	11 percent
Motors	10 percent
Total: USD 10 billion	

Space Sales by Segment

Flight Segment	43 percent
Operators	33 percent
Ground Segment	18 percent
Launch Equipment	6 percent
Total: USD 961 million	

Source: TEDAE

Spanish aeronautics covers the entire value chain of an aircraft which makes it well positioned in the global context. The established aeronautics companies in Spain stand out in several fields, including military transport and special mission aircraft, low pressure turbines, maintenance, repair and operation activities, air-refueling aircraft and air traffic

management. Spain also has a highly specialized industry in aero-engines and propulsion engineering technology, with experience in advanced manufacturing processes.

In recent years, there has been ongoing interest within the industry in products related to composite tape-laying machines and fiber placement systems with computerized numerical control. Other products in demand include components for aeronautical software programming, avionics, ground support equipment, and extruded metal products and plastics.

According to the Spanish Chamber of Commerce, aeronautics imports from the U.S. have grown steadily since 2010, after declining in previous years. Due to the recent international health crisis that had a significant impact on the economy in Spain, it is estimated that in 2020, U.S. civilian aircraft, equipment, parts and engines imports for commercial airlines will decrease. Nevertheless, the private jets sector is estimated to increase enormously according to Spanish sources.

U.S. aeronautics products and services are well regarded in terms of price and quality, so U.S. exporters typically have good business opportunities in Spain. The best prospects for U.S. firms in this market continue to be those associated with the manufacturing of new aircraft or engine models, or in highly technical products such as composites.

The Spanish space sector has seen a change of priorities from those traditionally linked to launches and scientific developments. The emphasis is currently on satellite uses that meet the needs of not only telecommunications, but also institutions, governments and civilians. TEDAE estimates that total sales of the Spanish space sector in 2019-2020 will be USD 1.12 billion.

### **Opportunities**

Spain's aerospace sector continues to grow and shows great potential due to increased competition in the Spanish air transport market and demand for new technology. Spain's emphasis on the development of new airport infrastructures should further contribute to this trend.

In response to the current and previous administrations' calls for Spain to increase NATO spending, the Ministry of Defense has succeeded in securing a dramatically increased budget plan for the coming years. In December of 2017, the Spanish Minister of Defense communicated to NATO's Secretary General Spain's commitment to increase its military spending to 1.53 percent of GDP by 2024, which would amount to an increase of EUR 10 billion (USD 11.8 billion) per year. The Minister also recently pledged to invest EUR 10.8 billion (USD 12.8 billion) to cover the "most necessary and urgent needs" of the Armed Forces. Advocacy cases where CS Spain is involved will help reach agreements essential to the success of large U.S. companies, in securing part of this new business and will ensure continued bilateral defense between Spain and the U.S. Through assisting these U.S. firms with their expansion into the Spanish markets, the companies' revenues and connections are expected to grow, supporting the jobs of some of their tens of thousands of employees.

Unfortunately, the Spanish government is running out of money due to the demands generated by the current healthcare crisis and will not be able to increase their defense spending this year as expected.

During the 2008 global financial crisis, companies continued to request airline licenses for landing rights from civil aviation authorities. This increased the total number of airplanes operating in Spain and created a steady expansion of the spare-parts market. This market should be further bolstered in the coming years by increased regional air traffic.

To decrease operating costs, some airlines have leased equipment or even aircrafts, creating opportunities for U.S. companies. This strategy has been in use by the aviation industry for a number of years and, with additional tax incentives added in 2013, this service market is expected to continue in the short term.

Market opportunities are expected to remain due to the need to replace less fuel-efficient aircraft with ecofriendly jets as well as the growth in domestic and international air travel demand. Lightweight aircraft constructed using new materials and composites can improve fuel efficiency. Much of the current effort of airplane producers and their component suppliers to reduce fuel consumption and emissions is concentrated in the area of these lightweight materials. Environmental-friendly aircraft also involve innovative technology in the area of power and fuel management, “smart wings”, cockpit advances and independent energy sources for equipment.

While Spanish aerospace companies do seek outside suppliers, becoming a supplier can require patience, financial effort, an innovative approach and competitive pricing. A direct presence in Spain could strongly support this process. The best entry strategy into the Spanish aerospace market is to enter into a partnership with an existing local company, since the Spanish company can act as a representative and provide insight into local markets.

Spain has a presence at several important aerospace trade events:

[MRO Europe 2020\\*](#): The largest Maintenance, Repair and Overhaul show in Europe. The next edition will take place in Barcelona, October 27-29, 2020.

Concerns about current international health crisis. MRO Europe has advised that the event will continue to take place as planned. The safety, wellbeing and experience is a top priority. Show organizers are following official guidance and working with the venue to put the best preventative measures in place.

[FEINDEF](#). The first ever defense trade show in Spain took place on May 29-31, 2019 and was a huge success. The next edition will take place in Madrid in May 19-21, 2021.

The [Aerospace and Defense Meetings](#) in Seville is a very important B2B event in Spain for the aerospace sector. The event provides a platform where leaders in the aerospace industry can meet with potential industry partners. The event includes conferences and workshops covering topics such as OEM procurement and supply chain policies for the aerospace and defense sectors. The event is designed to help large firms and SMEs involved in global aviation and space industries to explore specific markets and seize business opportunities with civil and defense applications. The next edition was postponed until February 2-4, 2021.

At the European level, the [International Paris Air Show](#) is the largest and longest-running aerospace trade show in the world. The event is considered one of the most important aerospace meeting places. It is held every two years and the 53rd edition will be held at Le Bourget Exhibition Center from June 21-27, 2021.

Another important aerospace event is the bi-annual [Farnborough International Airshow](#), held in Farnborough, United Kingdom. The stated objective of the event is to provide first-class business opportunities for the global aerospace industry. The next edition will be held July 16-22, 2022. The 2020 Farnborough Air Show had to be cancelled because of the global health crisis.

Some of the trade shows above are U.S. Department of Commerce certified trade events and include a global chat component.

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## Business Investment Services

This is best prospect industry sector for Spain, including a market overview and trade data.

### Overview

Foreign Direct Investment Position	2017	2018	2019 estimated	2020
U.S. FDI in Spain	35,482	35,425	40,793	n.a.
Spanish FDI in the U.S.	77,816	83,379	86,796	n.a.
Foreign Direct Investment Flows				
U.S. FDI in Spain	-1,169	-57	5,368	n.a.
Spanish FDI in the U.S.	6,257	5,563	3,417	n.a.
Exchange Rates – Euro 1.00: USD 1.00	1.1297	1.1810	1.1195	1.1182

Units: USD millions

*Source: Bureau of Economic Analysis/SelectUSA*

The United States continues to be a strategic destination for investment by Spanish firms. Spain is the 10th largest investor in the United States, based on country of ultimate ownership. Latest statistics from the Bureau of Economic Analysis (BEA) show Spanish investment in the United States in 2019 at USD 86.8 billion, much of which has been invested by companies providing top-notch, cutting-edge technology. According to the [Spanish Ministry of Industry, Commerce and Tourism](#), the United States is the number one destination for Spanish FDI in terms of accumulated stock and ranked third in terms of investment flow in 2018. Statistics from [the Bureau of Economic Analysis](#), show U.S. affiliates of Spanish-owned firm as employing more than 84,100 U.S. workers in 2017.

### Leading Sub-Sectors

Spanish investors have been very successful in tapping into investment opportunities in the United States, particularly in textiles, financial service, business services, software & IT services, renewable energy and consumer products. Many of these companies bring with them new products, new technology, and, in many cases, new business models. The success enjoyed by these companies is attracting the interest of second tier Spanish company investors, many of which are key suppliers to the leading Spanish multinationals.

The U.S. Commercial Service receives many inquiries from Spanish companies about establishing contacts with **U.S. companies that can provide assistance with task including setting up an office, understanding tax** implications and legal requirements, or preparing visa applications. Business and site selection consultants are also sought to help with business plan development, labor legislation, and specialized human resources. There is specialized demand for consultants who can identify partners for the development of alliances in specific areas.

## **Opportunities**

Business opportunities exist for U.S. service companies such as attorneys, accountants, consultants, and engineers that can offer their services to the Spanish investors and companies expanding in the U.S. Opportunities also exist for state and regional Economic Development Offices to conduct outreach activities to promote the advantages of investing in their respective states.

[SelectUSA](#) is a U.S. government-wide program led by the U.S. Department of Commerce. Its mission is to facilitate job-creating business investment into the United States and raise awareness of the critical role that economic development plays in the U.S. economy. SelectUSA assists U.S. economic development organizations to compete globally for investment by providing information, a platform for international marketing, and high-level advocacy. It also helps companies of all sizes find the information they need to make decisions, connect to the right people at the local level, and navigate the federal regulatory system.

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## **Energy**

This is a best prospect industry sector for Spain, including a market overview and trade data.

### **Overview**

The Spanish electricity system switched towards a sustainable energy model in 2019 reaching a turning point towards renewable energy. Green energy reached 52 percent and, for the first time, exceeded the other generation technologies in the Spanish Peninsula, with the integration of an additional 6,528 MW new renewable generation. The Spanish electricity system closed 2019 with an all-time high of 104.8 GW worth of generation capacity. Wind power was the number one technology in installed capacity - ahead even of combined cycle - with a total generation capacity of 25,255 MW. At the end of 2019, the overall installed renewable energy capacity totaled 54,457 MW, of which 46 percent is wind, 16 percent is photovoltaic, and the remaining 38 percent corresponds to other renewable technologies. Power generation increased capacity by 6.2 percent compared to 2018, mainly due to the rise of 13.6 percent in the country's installed renewable generation capacity. Solar photovoltaic, which closed the year with 8,623 MW of installed power capacity, was the technology that grew its capacity the most in 2019 - 93.2 percent increase (4,159 MW) - compared to the previous year.

Solar PV additions nearly doubled in Europe in 2019, reaching 17 GW compared to just 10 GW installed in 2018. This is the highest level achieved since 2012 when many countries began to remove high feed-in tariffs for utility-scale PV. In Spain, the strong growth in 2019 was driven by a combination of increasing economic attractiveness of distributed PV under net-metering and self-consumption policies, and utility-scale projects awarded under the new auction schemes. Almost half of Europe's utility-scale additions came from one auction in Spain held in 2017. PV additions may decline in 2020 as a result of several trends: i) exceptionally high growth in 2019; ii) uncertainty relating to policy transitions (particularly in Germany and Spain); iii) lockdown-induced construction delays; and iv) the economic impact of the pandemic on the business case of unsubsidized utility projects and distributed PV. Nonetheless, capacity additions are expected to rebound in 2021. Overall, the EU is forecast to add 25 GW over 2020-21, led by Spain, Germany, and France, representing 18% less than the October 2019 PV forecast.

The electricity generation mix has shown in 2019 that Spain is strongly committed to renewable energy, and it is also making progress in the process of decarbonization. Spain recorded in 2019 the lowest share of coal-fired technology ever, representing just 4.3 percent of the total generation compared to 14.1 percent in 2018. In addition, the year closed with an unprecedented event in the history of the peninsular electricity system: the so-called 'zero' carbon or, what equates to a several days without generating a single MWh using coal in December 2020. One of the main consequences of this boost to decarbonization has been the decrease in CO<sub>2</sub> emissions associated with electricity generation, which have registered an all-time low since 1990: 40.6 million tons of CO<sub>2</sub>, 25.5 percent less than in 2018. On the other hand, the demand for electricity on the peninsula during the year stood at 249,144 GWh, slightly lower than in 2018 (2.7 percent) compared to the previous year. In addition to moving towards full decarbonization and in order to comply with European regulations on industrial emissions, Spain shut down eight of its 15 unprofitable and highly polluting coal-fired power stations on June 30, 2020. This closure comes 18 months after Spain closed its last coal mines.

### **Leading Sub-Sectors**



The Spanish government submitted to the EU in April 2020 its Strategic Energy and Climate Framework, which includes the National Integrated Energy and Climate Plan 2021-2030, the Draft Bill on Climate Change and Energy Transition, and the Just Transition Strategy. The document proposes a reduction of between 20 to 21 percent of greenhouse gas emissions compared to 1990 levels. It plans to achieve up to 42 percent consumption of renewable energies out of the total energy use and 74 percent of electricity generation from renewables by the year 2030. By reaching these targets, Spain's energy efficiency will improve by 39.6 percent by 2030. Regarding energy efficiency, the 2030 primary energy consumption target represents a 39.6 percent reduction. On energy security, it sets the ambitious objective of reducing energy dependency to 59 percent by 2030, having had an import dependency of 74 percent in 2017. It is phasing out coal for energy and closing some of its nuclear energy capacity by 2030. With respect to the improved functioning of the internal energy market, the draft plan includes policies to improve gas market integration and consumer protection. An increase of the interconnection level will be pivotal to improve the integration of Spain and the Iberian Peninsula into the Energy Union. Spain aims for an interconnection level of 15 percent in 2030. The current level (6 percent) is still well below although the ongoing Project of Common Interest (PCI) in the Bay of Biscay will almost double the interconnection capacity between Spain and France. Regarding investment needs, the draft plan quantifies a total of USD 264 billion, in the period 2021-2030, annually around 2 percent of GDP, of which only 20 percent would come from public sources.

Other top energy market sectors for U.S. businesses include natural gas, energy efficiency, and smart grid developments. Spain has no domestic production of liquid fuels or natural gas. Thus, there are government regulations that support Spain's oil and gas imports from multiple countries which diversifies their suppliers.

LNG imports are projected to grow in Europe as new suppliers – notably the United States – increase their presence in international markets and more European countries build LNG regasification capacity. However, import dependence is only one part of the gas security equation. Other issues that may, in the long run, have an even greater impact on gas security in the European Union: how easily gas can flow within the European Union itself, how patterns of demand might change in the future and what role gas infrastructure might play in a decarbonizing the energy system. Spain's gas imports hit an 11-year high 37.3bcm for 2019, up 7percent on the back of increased LNG volumes from the U.S., Qatar and Russia. Spain's gas imports from the US at 1.8bcm were higher than traditional top supplier Algeria (1.76bcm) for the first time ever on a quarterly basis in Q1 2020. Spain regasification capacity counts for 40 percent of the total LNG regasification capacity in the EU.

### **Opportunities**

Spanish renewable energy firms are extremely active worldwide. In the renewable sector, self-production/consumption has proven to be a promising prospect. Opportunities exist for U.S. firms to partner with Spanish firms in projects in Europe, Latin America, the Middle East and Africa. Joint ventures and partnerships will play an important role in capturing market share and in injecting necessary capital and state-of-the-art technology in these regions. The Spanish government is exploring ways to persuade the private sector to invest USD 118 billion for the transformation of its energy system as it tries to move beyond past policy mistakes that led to widespread losses and lawsuits, to draw up plans to expand renewable power generation, to modernize its transport system and to refit buildings to make them more energy efficient through 2030. Energy efficiency is a sub-sector that shows growth prospects. Spain is one of the European countries with the highest index of energy consumption based on GDP. Electricity prices are high which leaves significant business opportunities for companies that offer energy efficiency solutions. Spain's decarbonization efforts between 2016 and 2050 will require investments valued at between USD 390 – 455 billion. The Spanish government estimates that implementing the carbon-reduction plans would require

USD 224 billion of total investment in the next decade, USD 53 billion of which would come from the public sector. Spain plays an important role in smart city development throughout Europe as one of the 31-member countries of the European Innovation Partnership for Smart Cities and Communities. The Partnership combines energy management, information and communications management, and transportation management to come up with innovative. It seeks to reduce high energy consumption, greenhouse gas emissions, poor air quality, and road congestion.

#### Stakeholders

The [Ministry for Ecological Transition \(MINET\)](#) is responsible, at state level, for: proposing and executing government policies in relation to energy; adopting the necessary measures to secure the supply of electricity and the economic and financial sustainability of the electric system; granting the relevant authorizations for facilities with an installed capacity of more than 50MW, when they affect the territorial scope of more than one autonomous community, and when they are offshore in the territorial sea. [Autonomous Regions, or Regional Governments](#) are in charge of developing basic state-level legislation. They also grant the necessary authorizations when the electric infrastructure solely affects their territory unless such authorizations are expressly reserved for the MINET. At the [municipal level](#), town councils oversee granting the necessary works and activity licenses for the installation of the facilities.

The [National Commission for Markets and Competition \(CNMC\)](#) is the independent regulator in charge of supervising and controlling the proper functioning of the electricity sector. It also oversees the degree and effectiveness of market openness and competition in both the wholesale and retail markets.

[Red Eléctrica de España, SA \(REE\)](#) is a company partially owned by the state (20 percent) and the sole transmission agent and system operator (TSO) for the Spanish electricity system. Among other duties, it is responsible for guaranteeing the continuity and security of the electricity supply, for ensuring proper coordination between generators and the transport and distribution networks, and for operating and managing the transmission grid.

[OMI-Polo Español SA \(OMIE\)](#) is the electricity market operator. It manages the wholesale electricity market for the Iberian Peninsula (Spain and Portugal) where market agents trade the amounts they need (MWh) at transparent prices. In addition, the [Iberian Energy Market Operator \(OMIP\) \(Portuguese Division\)](#), SGMR, SA manages the futures market (forward and derivatives) on the Iberian Peninsula. OMIE belongs to the Iberian Market Operator business group.

In the liberalized market context of the energy sector, although subject to a high degree of regulation, all operators are private (except for the 20 percent stake held by the state in REE). The CNMC publishes an annual list of the principal operators in the energy market, that is those that hold one of the five largest shares of the market or sector in question. The dominant operators, those whose market share exceeds 10 percent, continue to be [Endesa](#), [Iberdrola](#), [EDP](#) and [Naturgy](#). In the case of gas, Naturgy remains the main market operator, followed by Endesa, Iberdrola and [Cepsa Gas](#). The main operators in the fuel sector are [Repsol](#), Cepsa, [BP](#), [Galp](#) and [Disa](#). In liquefied petroleum gases (butane and propane), the leaders are Repsol, Cepsa, BP, Naturgy and Disa. In natural gas, there are only two dominant operators, whose market shares exceed 10 percent which are Naturgy and Endesa. Repsol and Cepsa are the dominant operators in the sectors of fuels and liquefied petroleum gases.

The stakeholders in the energy sector in the evolution of Spain's energy include the public sector, [Institute for Diversification and Energy Saving \(IDAE\)](#) at State level, and trade groups such as [Aelec](#) (former UNESA, Spanish Electrical Industry Association) that groups the largest utilities in Spain.

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## Green Technology

This is a best prospect industry sector for Spain, including a market overview and trade data.

### Overview

Spain is the second largest country in Western Europe and the European Union after France in extension, covering an area of 504,030 km<sup>2</sup>. Its abundance of natural resources includes four of the EU's nine biogeographic regions and two of its four marine regions. Implementation of EU environmental law and policy, through significant assistance from EU funding, has contributed to the preservation and improvement of its rich environment. Overall, strengthened coordination and cooperation among all administrations has resulted in better environmental implementation.

The policies implemented by the [Government of Spain](#), within the framework of the [European Union](#), are aimed at rising to meet environmental challenges. Most Spanish environmental laws are derived from EU legislation. The EU published the second European Implementation Review (EIR) review in April 2019 to ensure the full implementation of EU environmental legislation.

Enforcement of environmental law in Spain works on three levels: national, regional and local. At the national level, and as a result of the recent change in government, there is a new ministry fully devoted to energy and environment, the [Ministry of Ecological Transition](#). Its aim is to propose and execute the Government's policy on energy and the environment as Spain transitions to a more ecological and productive social model. Some areas related mainly to forestry environment and conservation, agricultural irrigation, marine reserves protection among others are under the [Ministry of Agriculture, Fishing and Food](#), always in conjunction with the Ministry of Ecological Transition. The [Autonomous Regions, or Regional Governments](#), develop basic legislation in their territorial scope and approve regional environmental plans. At local level, the main environmental powers of the municipalities relate to municipal environmental permits, urban waste, water treatment, air pollution and noise limits. Spain is leading the creation and maintenance of sustainable urban populations. A large number of [Spanish cities and towns](#) are successfully pioneering smart city projects with actions covering a wide range of population sizes, climatic conditions, geographic locations, city structures and activities. Apart from these three levels, there are other national and regional bodies and agencies which take part in the enforcement of environmental law within specific sectors, such as [hydrographic confederations](#), the [Spanish Climate Change Office \(OECC\)](#), the [police in charge of the protection of the environment \(Seprona\)](#), among others.

### Water

Water is a problem for Spain. One of the main objectives of the Ministry of Ecological Transition is to guarantee that the water supply is sufficient and of the right quality throughout the country, while ensuring respect for the environment. According to a recent study from the Spanish Association of Water Supply and Sanitation and the Spanish Association of Urban Water Management Services Companies, the annual average of real investment does not even reach 50 percent of what is necessary in urban waters. In this sense, this area needs an annual investment of USD 2.8 billion, up to USD 5.5 billion, to guarantee quality, its sustainability and face future challenges.

These improvement efforts are in conjunction with due management of extreme weather phenomena, floods and droughts, which represent a threat not only to public safety but also to the environment and the economic activities associated with water. Water planning by the central government is organized at two levels: river basin management plans and the national water plan. Despite new legislation, water management reform and substantial investments in some areas of Spain, water resources are not currently sustainably administered. Water quality in many rivers is sub-

standard. The most significant pressures on surface water bodies in Spain is urban waste, followed by diffuse agriculture, abstraction or flow diversion for agriculture; surface water bodies, among others. Groundwater is used up faster than it is replenished.

#### Air Quality and Noise Pollution

Most of the emissions of several air pollutants have decreased significantly in Spain. Despite these reductions in emissions, additional efforts are needed to attain the emission reduction commitments (compared to 2005 emission levels) laid out in the new EU National Emissions Ceilings Directive 63 for 2020-2029 and for any year from 2030. At the same time, air quality in Spain continues to give cause for concern. Spain and the rest of member states are now required to report both real-time and validated air quality data to the EU Commission. The persistent breaches of air quality requirements are being followed up by the EU Commission through infringement procedures covering all the member states concerned, including Spain. Spain must reduce the main emission sources through targeted actions.

#### Industrial Emissions

Spain policy objectives on industrial emissions are: protect air, water and soil; prevent and manage waste; improve energy and resource efficiency; and clean up contaminated sites. To achieve this, Spain should take an integrated approach to the prevention and control of routine and accidental industrial emissions. The industrial installations identified as having a significant environmental burden on emissions to water and generation of hazardous and non-hazardous waste are intensive poultry and pig farming, minerals, waste and the chemicals sector. In January 2020, the Spanish government informed on the development of a draft bill “to reduce greenhouse gas emissions with the objective of reaching climate neutrality by 2050” — effectively net-zero carbon emissions.

#### Current Environmental Investment Climate

According to the most recent available statistics from the official Spanish Statistics Institute, the national expenditure on Environmental Protection increased 5.5 percent in 2018 and represented 1.56 percent of GDP. The companies in that sector accounted for 47.3 percent of total spending, public administrations for 35.2 percent and households for 17.5 percent. Green technologies are crucial for the economic recovery as they help save valuable resources such as energy and water. Spain has taken major steps to reinforce its environmental policy and institutional framework. In the private sector, the major Spanish multinationals in the construction and civil engineering sectors are active in the waste and water treatment areas of the environmental industry and are supportive of the government’s commitment to sustainability. Most of companies in the Spanish environmental sector use proprietary technology and a smaller proportion use primarily European environmental technology, with Germany as a leading supplier.

#### Leading Sub-Sectors

Demand for green equipment, technology, and services have decreased due to the 2008 economic crisis and subsequent government austerity measures in the recent years. The newly elected government is giving priority to environmental issues and concerns and implementation of environmental regulations. The fact of a stricter EU review to members states on environmental issues and solutions implemented to meet EU environmental directives puts greater pressure to Spain for improvements in pollution control and remediation. Increasing resources and programs underscore Spain’s commitment to this sector, especially in the areas of higher impact on the environment.

#### Opportunities

Spain's growth prior to the 2008 economic crisis placed even greater pressure on the environment and the use of natural resources. Challenging economic conditions in the last decade have had an impact on the demand for new products and services. U.S. technology and services can play a significant role in some niche business areas where there is scope for action, especially where ongoing technological and process innovation is essential. As domestic opportunities have diminished over the last years, Spanish engineering and construction firms have gone abroad to work in foreign environmental and pollution control projects. These types of companies could be excellent potential clients for U.S. suppliers in the environmental sector. Areas of opportunity could include: advanced technology for treating certain components of end-of-life; plastics treatment; hazardous waste treatment; soil remediation; water and wastewater treatment, among others. In urban areas, opportunities are in technology for smart pollution control and monitoring, green buildings, technology for the efficient use of resources (specially water), among others.

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## Information and Communication Technology (ICT)

### Overview

The ICT sector in Spain has clearly been affected by the recent international health crisis, which has had a significant impact on the economy in Spain, as major investment decisions and IT upgrades had to be reconsidered or postponed. Nevertheless, Spain is one of the largest economies in the European Union, and industry-specific solutions will continue to find good opportunities in the private sector. U.S. companies are key suppliers of innovative products and services.

U.S. multinationals in IT equipment and software have a very strong position in the Spanish market due to their long-term commitment and presence in the market. More than 70 percent of ICT-related company headquarters are in two autonomous regions: Madrid and Catalonia (the region including Barcelona). The number of ICT companies in Spain is estimated at 29,000. Wholesalers and distributors play an important role in the market.

### Leading Sub-Sectors

Telecommunication equipment: [Spain's 5G National Plan](#) will be a driver for equipment upgrades in Spain, not only on mobile networks, but on the further development of their backbone fiber networks. Telefonica announced on July 30, 2020 that by 2025 their fiber optic network will cover the whole country. The Spanish CMNC publishes an [annual report on the Telecommunications and audiovisual sector](#) in Spain.

Cybersecurity: The recent need of companies to increase telework and the related exponential growth of BYOD is generating major challenges to IT security teams.

Cloud Computing and Artificial Intelligence (AI): The trend to move to hybrid or pure cloud solutions for companies has accelerated in the last few months. AI adoption has also been significantly enhanced in parallel.

### Opportunities

The Spanish Government announced on July 23, 2020, that it had adopted [its digital strategy](#) 2025 which aims to promote the digital transformation of the country through digital connectivity, strengthened cybersecurity, digitalization of public administrations and incorporation of artificial intelligence technologies, among other initiatives.

Alphabet announced in its plans on July 28, 2020 to build a new subsea cable with landing points in New York, Bude, U.K., and Bilbao, Spain. The new cable is scheduled to go online in 2022. Google plans to launch a new Google Cloud region in Madrid. U.S. cloud-based services will likely benefit from this increased capacity and from the rapid adaptation of Spanish companies to telework readiness.

For additional market information, please check out the entities and activities indicated below:

[Spanish Markets and Competition Commission](#)

[Spanish ICT Association \(AETIC\)](#)

[Spanish Digital Economy Association](#)

[National Institute of Cybersecurity](#)

[IOTS World Congress Barcelona:](#)

[Mobile World Congress Barcelona](#)

[Smart Cities Expo World Congress Barcelona](#)

[IT magazine](#)

[SIC Magazine \(Cybersecurity\)](#)

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## **Medical Equipment & Devices**

This is a best prospect industry sector for Spain, including a market overview and trade data.

### **Overview**

Medical Equipment (USD millions)	2017	2018	2019	2020*
Total Market Size	6,678	6,366	6,287	6,597
Total Exports	1,720	1,842	1,759	n.a.
Total Local Production	3,723	3,170	2,919	n.a.
Total Imports	4,675	5,038	5,127	n.a.
Exchange rate - Euro 1.00: USD 1.00	1.1297	1.1810	1.1195	1.1812

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data sources: Unofficial estimates based on input from sector sources and research firms.

\*Estimate prior to onset of international health crisis.

\*\*Given the magnitude of the unforeseen international health crisis, estimates for 2020/21 are currently unavailable.

With a population of over 47 million, and the fourth largest economy in the EU, Spain is an important market for medical products. Public healthcare institutions are the main purchasers of medical equipment and supplies and currently represent 75-80 percent of the market. These entities include public hospitals, health centers, research institutes, etc. The private healthcare sector currently accounts for approximately 20 percent of the market, although this share may well increase given the need for greater public/private collaboration, particularly as a result of the current healthcare crisis. Comprehensive medical attention is available to all Spaniards, while more than 10 million Spaniards also have private health insurance. The regions of Madrid and Catalonia account for over 80 percent of medical equipment sales.



Small and medium sized companies make up 90 percent of the market and account for more than 40 percent of the sales. Large companies account for only 8 percent of the market but they generate approximately 60 percent of the sales. The majority of the large U.S. names are well-established in Spain.

Spain underwent a severe prolonged economic crisis from 2007 through 2013. One of measures taken by the Government to offset the crisis was a reduction in the healthcare budget. This reduction was felt at all levels, including procurement which, at one stage fell below 2007 levels. Despite budget increases over the past several years, the pace of recovery in this area has been relatively slow. According to a report released in December 2019 by the country's healthcare technology federation, [FENIN](#), Spain continues to have a major problem with obsolete equipment. While the situation in the area of diagnostic imaging equipment has improved due to a substantial private sector donation, the report, nonetheless indicates that approximately 50 percent of the equipment in many areas including surgical and intensive care, is approximately 10 years old, if not more. The [Spanish Ministry of Health, Consumer Affairs and Social Services](#), announced in October 2019 a centralized acquisition over a period of two years, with a possible one-year extension of cardiovascular devices (pacemakers, defibrillators and electrodes). The total acquisition was valued at USD 39 million, however, as in so many other areas, the impact of the health crisis on undisbursed funding will be substantial.

According to [Spanish Ministry of Health, Consumer Affairs and Social Services](#), total (public and private) [healthcare expenditure in 2019](#) was (USD 117.5 billion) which represents 9 percent of the country's GDP. The average per capita expenditure (public and private) is reported at USD 2,524 (USD 1,904–public, USD 741- private). Each of the 17 regional governments administers its respective healthcare budget authorized by the Central Government. Consequently, per capita expenditures vary from region to region, with public expenditures ranging from USD 1,376 in the region of Andalusia with a population of more than 10.4 million to USD 1,993 in the Basque Country where the population is 3.7 million.

Official statistics for the sector are not available. The above figures are not all-inclusive but reflect market trends. Estimates for the rest of 2020 are currently unavailable due to the magnitude of the current healthcare crisis and the inordinate amount of resources utilized by the government to date. Despite the demand for equipment and supplies to meet the current health situation, overall the market for medical devices will be slow in the coming months due to the drain on resources and the contraction of the economy, estimated at between minus 9–13 percent in 2020. Spain is the fifth largest market in Western Europe for medical devices and, as the economy starts to slowly recover, the value of technological renovation and digital transformation that became so apparent during the health crisis will result in these areas becoming the object of prime attention. An ageing population and the prevalence of chronic diseases are also factors that will generate a demand in the future.

The sector continues to rely heavily (approximately over 70 percent) on imports. Germany accounts for approximately 50 percent of the imports, while the United States accounts for another 25 percent, some of which comes through other European ports. Most of the well-known U.S. brands are well-established in the Spanish market.

Spanish manufacturers have stepped up their international activities since the previous economic crisis. Medical device exports from Spain increased over 30 percent between 2012-2017. Exports have since slowed down. The European Union continues to be the principal destination for Spanish exports in this sector, with more than 60 percent of exports going to Germany, Portugal, Belgium, France and Italy.

A revised [Medical Device Regulation](#) (MDR) was approved in May 2017 and was scheduled to be fully implemented by May 2020. In order to avoid shortages of medical devices during the ongoing COVID-19 pandemic due the limited

capacity of [national competent authorities](#) or [notified bodies](#) to implement the Regulation, the European Parliament and the Council of the EU adopted a proposal in April 2020 to extend the transitional period of the Medical Devices Regulation by one year - until 26 May 2021.

Medical products and devices must have [the CE mark](#) and need to be imported by a company that has the corresponding authorization to handle medical products. This permit is issued by [the Spanish Agency for Medicine and Health Products](#). As a result of the development and expansion of the EU market and the requirement for the CE Mark, many U.S. companies have been centralizing their manufacturing and import operations into one single EU country from which they register and distribute their products to the rest of the EU.

Official tenders are used for most public healthcare sector purchases. There is a pre-selection process among the competing companies prior to the open bid. During pre-selection, supplying companies present the hospital with descriptions of their products and their prices. After reviewing the proposals, the hospital chooses the companies considered the most suitable. Tenders are not used in the private sector. Normally, private hospitals select a small number of suppliers from whom they make direct purchases. Non-EU and U.S. companies need to have either a Spanish distributor or their own branch in Spain in order to participate in official tenders and to avail of other market opportunities, as also to provide the after-care service required by law.

Refurbished medical equipment can be imported, but both public and private medical providers in Spain have traditionally shown interest only in new equipment. As is the case for new equipment, refurbished equipment must follow CE mark and registration with the Ministry of Health requirements.

### **Leading Sub-Sectors**

While the increased demand for products related directly to the current health crisis (personal protection equipment, consumables, infection control, etc.) will help drive the market in 2020, the demand for other products will decline due to the pressure on healthcare resources and the severe contraction in the economy. Nonetheless, according as the economy improves, and despite the cost containment measures that will be imposed in order to balance the budget, as Spain is heavily reliant on imports there will be an increased demand for e-health products as well as innovative and efficient cardiology, respiratory/anesthesia, neurology, orthopedic, MRA, ETP, CT, etc. The area of personalized medicine will continue to prosper. Minimally invasive technologies, primarily in the areas of cardiology and robotics, are growing more popular as well, due to the lower cost of treatment. As a result of the aging population, the demand for orthopedics and prosthetics, patient aids, home care and hospice products will continue.

While there is a good demand for disposables, Asia has become the dominant supplier in recent years because of greater cost control. In light of the current situation, it remains to be seen what impact the need to guarantee national requirements will have on trade and supply chains, although pricing will continue to be a major component of the decision process. Likewise, budgetary considerations will drive other changes in the sector, one of which may well be more centralized procurement, more emphasis on cost/benefit of equipment, increased tax on products.

### **Opportunities**

As a result of the healthcare crisis, there will be increased healthcare expenditure in the immediate future. Increased resources will be used to cover diverse areas including increased personnel and infrastructure, improved primary assistance, personal protection equipment, increased public-private partnerships, increased collaboration between the central government and the 17 regional governments, swifter transition towards greater digitalization, big data etc.

Traditionally, the [MEDICA](#) trade fair that takes place every November in Düsseldorf, Germany, is by far the most important venue for Spanish professionals, both manufacturers and distributors on an international level. ICEX, the Spanish Institute for Foreign Trade -in collaboration with [FENIN](#) organizes a large pavilion at the fair. Many of the Spanish exhibitors at the fair also import products. Irrespective of the final format for the November 2019 edition, CS Madrid will actively promote the event to professionals in the Spanish healthcare sector.

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### **Safety & Security**

This is a best prospect industry sector for Spain, including a market overview and trade data.

#### **Overview**

Safety and Security are defined for Spain's Country Commercial Guide as the Equipment and Services used to protect corporate assets (whether a person or an organization) by creating safe, secure, risk-free conditions. Security pertains to protection against criminal activities and threats (real and perceived) like employing a guard or installing video cameras, while safety is concerned with the protection of human lives and assets against hazards (mishaps and accidents). Both aspects are developed as sectors of opportunity for U.S. exporters of goods and services interested in Spain for the following [NAICS codes](#).

#### ***Security Equipment***

Spain's security equipment manufacturing industry is roughly a USD 2 billion industry, making it the fifth largest in Europe. National production consists of basic products like fire extinguishers, locks, and safes, although there is some production of more sophisticated items such as access controls. National manufacturing capacity is not sufficient to meet local requirements. Spain has a trade deficit equivalent to ten percent of its security equipment demand and relies on imports from the key trading partners like China, France, Germany, Italy, UK and the U.S. This makes the U.S. a great supplier source for the Spanish demand.

The strongest growth is shown in the segments of access controls, closed-circuit TVs and other upper-end electronic security products and systems. Double-digit annual increases in product demand are estimated to continue through 2020. This reflects the impact of technological advances and falling costs that have made electronic security equipment more attractive as well as the continuing influence of measures passed following the 2004 Madrid terrorist attack.

The increasing installation of high-value biometric access controls, such as those identifying a person by their fingerprint or vein pattern, will also boost sales in Spain as companies and government facilities look to upgrade to more effective technologies.

Much of Spain's security equipment production is comprised of small and mid-sized firms. The most relevant Spanish manufacturers include: Bunker Seguridad Electronica, DORLET, Fermex Electronica, Grupo Aguilera, and JR Sistemas de Seguridad.

#### ***Barriers***

It is strongly recommended for U.S. manufacturers to appoint a local representative to be competitive in the Spanish market and, especially, if they are seek to participate in public tenders.

Payment terms, which can be significantly long in some cases, may act as a barrier to an effective conclusion of distribution and sales agreements. The exchange rate fluctuation and the long-term financing required in some cases should also be taken in consideration.

The August 2017 Barcelona terrorist attacks and the 2015-2017 attacks across Europe have focused greater attention on the threats posed by terrorists and was a catalyst for the Spanish authorities to enhance emergency planning and response capabilities. While Spain has a tradition of quite effective coordination among its counter terror and public safety agencies, some inter-agencies coordination problems are an obstacle to harmonized efforts to carry out the country's counter terror and public safety missions.

The same applies for the firefighters' responses, where lack of a national coordinated center with representation across Autonomous Communities can be an impediment in the advancement of fire safety/prevention responses, delaying the decision-making process and making it less efficient.

### **Leading Sub-Sectors**

- Video Surveillance Systems (CCTV/Video surveillance, Video Management, Video Analytics; facial recognition technologies);
- Crowd control systems (Safety barriers, access control, and security solutions for employees and customers; temperature measurement devices)
- Intrusion Detection/Burglar Alarm systems (Door alarm monitoring, Sound and glass break sensors, Security system monitoring);
- Electronic Access Control System (Proximity and Smart cards, Electromechanical locking solutions, Biometrics);
- Entrance Solutions (Mechanical locks, Automated gates, Vehicles barriers, Turnstiles, Roll-up doors);
- Physical Security (Fencing, Grilles, Bullet resistant glazing, Mechanical window coverings, Safes, Locks);
- Scanning Equipment (Narcotics/explosive/metal detectors, Scanning and screening equipment);
- Personal Protections Products (Goggles, Bullet proof vests, Mace);
- Protection services (Bodyguards, Security guard services);
- Consultancy Services (Risk analysis, Risk management, Disaster recovery, Business continuity, Organizational resilience);
- National Security (Counter terrorism, Border security, Critical infra., Command & control, Law enforcement eq.);
- Fire & Rescue (Fire/smoking detection, Fire suppression, Fire proofing, Leak detection, Protective gear)

### ***Current Market Trend***

There is increased demand for integrated solutions, such as security solutions that cover on-site and immediate response personnel, intelligent video surveillance systems, biometrics solutions, electronic security, alarm systems, and fire-related security systems to help increase city's resilience and response time.

The current Spanish economic recovery measures and its impact on public procurement budgets are yet uncertain. Nevertheless, there are many products that are expected to maintain a high degree of interest in the market like: explosives detection equipment for ports, equipment for scientific police, law enforcement; high-end surveillance systems; equipment for temperature measurement and crowd control.

### **Opportunities**

In general, U.S. safety and security products enjoy an excellent reputation as being high quality and state-of-the-art. Teaming with a Spanish counterpart should be considered as a primary option to develop an effective market access strategy. Most multinationals in the sector are present in Spain directly or through partners.

Spain's market for safety and security products is sophisticated and well served. Local defense and security companies are well entrenched in the Spanish security market. Even with a preference for locally manufactured products, foreign products can usually compete strongly based on price and innovation.<sup>2</sup>

In the safety area, wildfire firefighting equipment and services are also in demand. Partnering with a Spanish company that has successfully participated in public tenders is recommended.

### ***Specific Sector Opportunities***

The Fire Safety Equipment sector in Spain presents several opportunities for fire prevention and fire control initiatives. Below are the Spanish tender notices, project information, procurement news, procurement plans, and contract awards.

Port Security - One of the greatest challenges to the development of a smart port is the rising threat of cyber-attacks and the need for increased physical security. Ports around Spain have begun to install cameras at terminal entrances to keep a registration of vehicles accessing port territories and systems of so-called "remote security" to provide security personnel with wireless devices. Solutions in high demand are facial recognition systems; control of cargo activity; tracking control of vehicles, and/or persons inside the port and any innovative smart port security technology. Furthermore, because many companies in the port industry are responsible for safeguarding physical assets as well as customer data, many ports require modernized and guarded security systems. The U.S. is a great source for these types of innovative technologies.

Personal Defense Sprays - The personal defense spray industry is growing in popularity in Spain with their recent integration into the police force; however, each brand must be duly approved by the Permanent Inter-ministerial Commission of Weapons and Explosives (CIPAE) and authorized by the Ministry of Health and Consumer Affairs.<sup>5</sup> Personal defense sprays are defined as weapons that release gases or aerosols, as well as any device that includes mechanisms capable of projecting substantially intoxicating, toxic, or corrosive substances according to Article 5.1 b) of the Weapons Regulation (Royal Decree 137/1993, of January 29).<sup>6</sup> In recent years, the General Directorate of the Police has given into public pressures, gradually distributing pepper spray among the police force while private security guards may only use the spray if expressly authorized; otherwise, it is forbidden.

### **Trade Promotion Activities**

There are two main events that CS Spain focuses efforts and resources on behalf of US companies. The first is [GSX-Global Security Exchange USA](#) and it is organized every year in the US. It is the world-class education, networking, and solutions marketplace for the industry.

The second is Spain's premier bi-annual event [SICUR Spain](#). The last edition organized in Madrid from February 25 to 28, 2020 has confirmed that it is a great place to conduct business and matchmaking. The event accounted for 706 exhibitors distributed in 8 halls, with almost 43 thousand visitors. During the four days of the event, SICUR showed innovative solutions for the prevention of risks and infrastructure protection of goods and people, in the areas of Security-Defense; Cybersecurity; Workplace Safety and Fire and Emergency Safety.

The Commercial Service counts with a great network of local partners to help advance these opportunities and include US stakeholders in this dynamic environment. Some of the partners that were present at these events and at our outreach efforts are:

Fundación Borredà

Association of safety equipment (ASEPAL)

Association related to protection against fire (Tecnifuego AESPI)

Association of safety equipment (ASEPAL) Association related to protection against fire (Tecnifuego AESPI)

Association of Spanish security companies (AES)

**U.S. Commercial Service Spain:**

Safety and Security Specialist: [Angela Turrin](#)

Tel: (+34) 91 308 1567

**Agricultural Sector**

Following below are several best prospects for Spain in the agriculture sector, including a market overview and trade data.

Seafood

**Overview**

Spain	2017	2018	2019	2020*
Total Market Size	8,643,598	8,852,031	8,530,235	8,510,000
Total Local Production	5,200,000	5,225,000	5,200,000	5,210,000
Total Exports	3,573,784	3,934,708	3,518,812	3,500,000
Total Imports	7,017,382	7,661,739	6,849,047	6,800,000
Imports from the U.S.	102,817	100,905	93,988	93,000

Average Exchange Rate: Euro1.00:USD1.00	1.1297	1.1810	1.1195	1.1182
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\*Estimate

Unit: \$US thousand

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor Inc (TDM)

Total Imports: Trade Data Monitor Inc (TDM)

Imports from U.S.: \ Trade Data Monitor Inc (TDM)

Data corresponds to HS Code 03 (Fish and Crustaceans, Mollusks and other aquatic Invertebrates).

Spain is an enormous market for fish and seafood. In 2019, Spain was the fourth largest importer of fish and seafood in the world and is a net importer of these products, after the United States, China and Japan. Spain has the largest fish processing industry in Europe and has a high per capita consumption and a high per capita expenditure on fish and seafood products. Furthermore, Spanish fish and seafood production through commercial fishing and aquaculture is not sufficient to meet domestic demand and imports thus remain a key element in sustaining the category. Top sellers from the United States in 2019 include cod, hake, surimi, albacore tuna, salmon and squid.

## Resources

[Ministry of Agriculture, Fisheries and Food](#)

[NOAA Fisheries “How to export seafood to the European Union”](#)

[NOAA Seafood Inspection Program](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Madrid Contact: [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

## Tree Nuts

This is a best prospect industry sector for Spain, including a market overview and trade data.

## Overview

Spain	2017	2018	2019	2020*
Total Market Size	2,476,536	3,174,476	3,058,337	3,065,000
Total Local Production	2,312,366	3,040,532	2,986,055	3,000,000
Total Exports	712,219	802,556	904,023	925,000

Total Imports	876,389	936,500	976,305	990,000
Imports from the U.S.	594,613	654,677	686,801	690,000
Average Exchange Rate - Euro 1 : USD 1	1.1297	1.1810	1.1195	1.1182

\*Estimate

Unit: \$US thousand

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor Inc (TDM)

Total Imports: Trade Data Monitor Inc (TDM)

Imports from U.S.: Trade Data Monitor Inc (TDM)

Data corresponds to HS Code 0802 (Nuts NESOI, Fresh or dried).

### Opportunities

Spain is a major import market for tree nuts and the United States is the primary supplier to the national market. In 2019, U.S. exports of nuts to Spain were USD 799 million, led by shelled almonds, valued at over USD 581 million followed by pistachios and walnuts. In Spain, tree nuts are part of the traditional Mediterranean diet and with consumption split between the snack food and the ingredient categories. Tree nuts enjoy an excellent image related to health and nutrition.

The U.S. share of the Spanish almond market is expected to remain unchanged at about 90 percent. Spain is a major processing and distribution center for California almonds in Europe. The nuts are imported and reprocessed domestically to then re-export them to third countries. U.S. walnuts, both shelled and in-shell are also making important inroads in the Spanish market. Pistachio imports have considerably increased over the last 5 years and are expected to continue this trend.

### Resources

[Ministry of Agriculture, Fisheries and Food](#)

[Almond Board of California](#)

[California Walnut Commission](#)

[American Pistachio Growers](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Madrid Contact: [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

### Soybeans

This is a best prospect industry sector for Spain, including a market overview and trade data.



## Overview

	2017	2018	2019	2020*
Total Market Size	1,353,321	1,341,767	1,205,111	1,197,700
Total Local Production	1,800	1,683	1,755	1,700
Total Exports	7,253	5,395	4,523	4,000
Total Imports	1,358,773	1,345,479	1,207,880	1,200,000
Imports from the U.S.	272,850	438,479	496,555	426,700
Average Exchange Rate – Euro 1 : USD 1	1.1297	1.181	1.1195	1.1182

Unit: USD thousands

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor

Total Imports: Trade Data Monitor

Imports from U.S.: Trade Data Monitor

Data corresponding to Soybeans, (HS Code 1201) Trade Data Monitor

## Opportunities

Soybeans in Spain are crushed to obtain soybean meal for the feed industry and soybean oil for the biodiesel industry. Soybean crushing capacity in Spain amounts to 3.5 million metric tons of beans and consists in four processing plants managed by two companies located in the ports of Barcelona (two plants), Bilbao and Cartagena. Crushers tend to use installed capacity at a high level in order to ensure assets optimization. Price competitiveness with other suppliers (mostly located in South America) and other oilseeds determines demand for U.S. soybeans in the feed and biofuel markets. However, beyond price competitiveness, initiatives to minimize the EU's contribution to deforestation, could increase up market opportunities for U.S. soybeans in Spain.

## Resources

[Ministry of Agriculture, Fisheries and Food](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Madrid Contact: [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

Pulses and Legumes

This is a best prospect industry sector for Spain, including a market overview and trade data.

### Overview

Spain	2017	2018	2019	2020*
Total Market Size	666,665	1,006,434	622,914	760,000
Total Local Production	515,510	741,701	456,487	597,000
Total Exports	53,593	52,014	46,912	47,000
Total Imports	204,748	316,747	213,339	210,000
Imports from the U.S.	62,025	50,462	47,970	47,000
Average Exchange Rate-Euro1: USD 1	1.1297	1.1810	1.1195	1.1182

\*Estimate

Unit: \$US thousand

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor Inc (TDM)

Total Imports: Trade Data Monitor Inc (TDM)

Imports from U.S.: Trade Data Monitor Inc (TDM)

Data corresponds to HS Code 0713 (Leguminous Vegetables, Dried Shelled)

### Opportunities

Legumes are a fundamental part of the traditional Mediterranean diet. Spain is a net importer and the largest consumer of pulses in the EU. Dry legumes dominate the market, compared with canned products; however, canned legumes have registered a steady increase over the years, most likely due to changing eating habits towards ready-to-eat products. The increased interest in consumption, the plant-based diet trend and the limited domestic supply of dry beans open opportunities for exporters. U.S. exports in this market are led by lentils followed by chick peas. Furthermore, Spanish companies also process and re-export dry edible beans to foreign markets.

### Resources

[Ministry of Agriculture, Fisheries and Food](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

[FAS Madrid Contact: AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

## Cereal

This is a best prospect industry sector for Spain, including a market overview and trade data.

### Overview

Spain	2017	2018	2019	2020*
Total Market Size	6,150,574	8,497,947	8,150,000	8,035,000
Total Local Production	3,297,206	5,227,017	4,012,024	5,460,000
Total Exports	425,864	512,783	516,640	425,000
Total Imports	3,279,232	3,785,455	3,674,269	3,000,000
Imports from the U.S.	56,470	346,958	86,057	50,000
Average Exchange Rate – Euro1: USD 1	1.1297	1.1810	1.1195	1.1182

\*Estimate

Unit: \$US thousand

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

#### Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor Inc (TDM)

Total Imports: Trade Data Monitor Inc (TDM)

Imports from U.S.: Trade Data Monitor Inc (TDM)

Data corresponds to HS Code 10 (Cereals)

### Opportunities

Depending on the size of the domestic grain crop and feed demand, Spain has an annual grain deficit of between 10 and 19 million metric tons. In 2019, Spain produced less than 20 million metric tons of feed, which boosted import needs. The dynamic Spanish export-oriented livestock sector ensures a strong feed ingredients demand. Bulk commodity trading companies based in Spain are the main gateway to the Spanish feed and food grains market.

As far as food grains are concerned, U.S. exports of wheat to Spain are losing competitiveness against other origins, on average, U.S. wheat exports to Spain amount to nearly 55,000 MT every year. Wheat imports from the United States consist mainly in food grade soft wheat. In contrast to other EU countries, Spain is a net exporter of durum wheat, so durum imports are negligible.

Spain's total corn imports continue to grow steadily due to increased competitiveness of corn compared to other feed grains. However, since June 2018, when the EU imposed a 25 percent duty, U.S. corn, imports are virtually zero.

### Resources

[Ministry of Agriculture, Fisheries and Food](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

[FAS Madrid Contact: AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

### Pork Meat

This is a best prospect industry sector for Spain, including a market overview and trade data.

### Overview

Spain	2017	2018	2019	2020*
Total Market Size	6,426,185	5,780,933	5,600,994	5,570,000
Total Local Production	10,695,414	10,238,930	11,141,816	11,280,000
Total Exports	4,627,593	4,754,568	5,831,106	6,000,000
Total Imports	358,364	296,571	290,285	290,000
Imports from the U.S.	28	89	129	100
Average Exchange Rate – Euro1: USD 1	1.1297	1.1810	1.1195	1.1182

\*Estimate

\$US thousand

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor (TDM)

Total Imports: Trade Data Monitor (TDM)

Imports from U.S.: Trade Data Monitor (TDM)

Data corresponds to HS Code 0203 and 0210

### Opportunities

In 2019, the presence of African Swine Fever (ASF) in China raised demand for Spanish pork meat by 210 percent compared to the previous year and valued at \$1.2. In response to new international and domestic demand, Spanish hog supplies tightened and pushed pork prices by 40 percent during 2019. Spanish hog producers, slaughterhouses, and export companies have benefited from these developments. However, Spanish pork processors dependent on raw material are taking proactive steps to keep above water by actively looking for direct suppliers of U.S. pork (ractopamine free). Spain imports three percent from non-EU suppliers, mainly from New Zealand, Norway, China, and Chile.

## Resources

[Ministry of Agriculture, Fisheries and Food](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

[FAS Madrid Contact: AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

## Sweet Potato

This is a best prospect industry sector for Spain, including a market overview and trade data.

### Overview

Spain	2017	2018	2019	2020*
Total Market Size	35,791	27,896	7,738	3,095
Total Local Production	66,274	65,495	52,172	49,595
Total Exports	32,679	41,705	52,301	55,000
Total Imports	2,195	4,106	7,327	8,500
Imports from the U.S.	75	416	1,172	1,500
Average Exchange Rate – Euro 1: USD 1	1.1297	1.1810	1.1195	1.1182

\*Estimate

Unit: \$US thousand

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Trade Data Monitor (TDM)

Total Imports: Trade Data Monitor (TDM)

Imports from U.S.: Trade Data Monitor (TDM)

Data corresponds to HS Code 071420

### **Opportunities**

U.S. sweet potatoes have good sales potential to grow in the Spanish market. Over the last five years, Spain has increased its sweet potato production and imports to respond to the growing domestic and EU demand. Sweet potato is seen as a healthy product and a good alternative to potato.

In 2019, Spain's total sweet potatoes imports grew almost 80 percent. In 2019, the Netherlands, Portugal, and the United States became the major suppliers surpassing traditional shipments from France, the United Kingdom, and Honduras. Spanish imports of U.S. sweet potato increased 182 percent last year, accounting for 16 percent of Spain's total imports of sweet potato. During the first quarter of 2020, the United States became the first sweet potato supplier to Spain.

### **Resources**

[Ministry of Agriculture, Fisheries and Food](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

[FAS Madrid Contact: AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

## **Market Entry Strategy**

There are 17 autonomous communities in Spain with varying degrees of autonomy and cultural identity. A number of regional markets joined by the two hubs of Madrid and Barcelona make up the Spanish market. The majority of agents, distributors, foreign subsidiaries and government-controlled entities that make up the economic power bloc of the country operate in these two hubs.

Spanish commercial procedures are in line with the rest of Western Europe, where price and value remain paramount. However, credit terms, marketing assistance and after-sales service are important factors in local purchase decisions. The use of credit to purchase consumer goods is widely accepted in Spain, particularly in the cities, with banks competing to offer coverage.

The Spanish government has eased regulations at all levels and increased incentives in an effort to attract foreign firms and investments. In recent years, investment incentives designed to reward investors for establishing manufacturing operations in less developed areas have dispersed some investment from the major hubs. Except for in a few cases, Spanish law permits foreign investment of up to 100 percent of equity, although investment screening by the Spanish government is required for most investments in a list of strategic industries. Unit labor costs have fallen dramatically over the last four years, and Spain has regained most of the competitiveness that it lost during the construction boom in terms of labor costs. However, despite changes in labor legislation, the law remains relatively inflexible.

Spaniards tend to be more formal in personal relations than Americans are, but much less rigid than they were 10 years ago. The approach to doing business is similar to that of Italy or France. Professional attire is recommended.

In order to break into this market, there is no substitute for face-to-face meetings with Spanish business representatives. Spaniards expect a personal relationship with suppliers and partners. It can be challenging to elicit a response to initial communication by phone or e-mail. Direct mail campaigns generally yield meager results. Less than 30 percent of local managers are fluent in English.

Spaniards tend to be conservative in their buying habits. Recognized brands do well. Large government and private sector buyers appear more comfortable dealing with other large, established organizations, or with firms that are recognized as leaders within their sectors.

## **Customs, Regulations and Standards**

### **Trade Barriers**

For more information and help with trade barriers please contact:

International Trade Administration

Enforcement and Compliance

(202) 482-0063

ECCcommunications@trade.gov

The United States and the EU are committed to ongoing cooperation aimed at reducing or eliminating barriers to trade and investment. American businesses in Spain have few complaints about trade barriers.

American construction firms note that they have not been able to win public-sector construction contracts in Spain, although they have not specifically alleged systematic discrimination against them by Spanish authorities. Spanish counterparts have won many large public-sector construction contracts in the United States, which has prompted typically very competitive American firms to ask why they are not similarly successful in the Spanish market.

Commercial cultivation of genetically engineered crops in the EU is limited to just over 107,130 hectares of MON810 corn in Spain (95 percent) and Portugal (5 percent) in 2018. Regulatory constraints that prevent this area from further growth include a cultivation ban in 18 member states, strict coexistence rules and mandatory field register.

New GE crops are entering the global marketplace at an increasingly rapid rate. The EU regulatory procedures for approving biotech plants take significantly longer than those in supplier countries. This has led to a widening gap between GE products deregulated and grown in the United States, and other biotechnology growing countries, and those approved in the EU, resulting in the partial or complete disruption of trade in affected commodities and processed products. This represents a problem for commodity trading companies, as it limits their sourcing options and increases the risk in their operations with those countries where non-yet approved events are grown. Shipments of agricultural commodities destined for the EU have been rejected when traces of such events have been detected at the point of entry. Also, delays in approval in the EU impact farmers' planting decisions in third countries that want to remain an agricultural supplier to the EU.

The effect of these asynchronous approvals is reinforced by the EU's policy for low level or adventitious presence of events. Commodity trading companies see the risk of their operations increased when trading with countries where non-yet fully approved events are grown, despite those GE crops are not the product they are trading with, as low-level presence may appear throughout the different links of the commodities supply chain.

Seed trade is affected by the zero tolerance of adventitious presence. The fact that the EU only allows cultivation of MON810, serves as a trade barrier for U.S. seed exports containing or with adventitious presence of other GE events. A threshold level for adventitious GE material presence has not yet been set. As a consequence, the EU is forced to either produce its corn seeds domestically or import seeds from a limited number of origins where seed is produced under restrictive conditions that prevent from cross-contamination with non-yet approved for cultivation events.

Spanish broadcasters are required by law to reserve 51 percent of their annual broadcast time for European audiovisual (AV) productions. Television operators are also obliged to contribute five percent of their annual earnings to finance



European feature-length films and series for European television, with 60 percent of the “investment quota” being spent on AV productions in one of Spain’s official languages. The revised General Audiovisual Law (Law 7/2010) imposes restrictions on the holding or lease of audiovisual communication licenses by individuals or legal entities that are nationals of non-European Economic Area countries.

A Cinema Law (Royal Decree 2062/2008 of 12 December) contains anti-piracy measures and changed official mandatory proceedings between film production companies and the Spanish authorities, simplifying the process to obtain a certificate of nationality, film qualification, distribution certificates, or registration in the Register of AV companies. A provision was included to allow the production companies and TV channels to agree on how to invest five percent of the TV companies’ gross income. TV channels can decide when and on which films to invest. In addition, the decree gives an incentive to Economic Interest Associations to invest in movie production, opting for the same forms of aid as other film production companies.

The law also favors co-productions with foreign companies by easing the requirements for the approval of such initiatives. Movie theaters are also obliged to show cinematographic works from EU member countries in any version. Throughout the course of one calendar year, at least 25 percent of total sessions need to be EU cinematographic works. Cinematographic works from third countries in original version with subtitles are exempted from the total.

A Catalan Cinema Law (7 July 2010) requires film distributors to dub and subtitle 100 percent of the digital prints of any film dubbed or subtitled for release in Catalonia. At the same time, the law imposes on film exhibitors the obligation to exhibit such films. The law does not provide any funding mechanism to comply with the dubbing/subtitling obligation. All U.S. films are caught by the dubbing/subtitling obligations, whereas films in O.V. in Spanish (amongst which, Latin American) fall out of the scope of this law.

In September 2011, film distributors and exhibitors and the Catalan Government entered into a cooperation agreement. This agreement established a network of movie theaters exhibiting films dubbed in Catalan, with distributors committing to provide prints in Catalan for a few new films each year. The Catalan Regional Government committed to fund the dubbing and amend the law when possible.

After the European Commission found Article 18 of the legislation discriminatory towards other European countries (June 2012), the Catalan Government amended the law by removing European works from the scope of the obligation, leaving the quotas for non-European works only. The amending legislation never passed since the Parliament closed due to early elections. The European Commission (EC) requested updated figures and kept the file open but has not brought the case before the European Union Court of Justice (EUCJ).

In March 2014, the Catalan Government established a tax on the provision of content by Internet Service Providers (ISPs), with a fixed quota on 0.25 euros per month for each connection contract signed in Catalonia, with the explicit specification that ISPs cannot pass on the amount of the tax to the consumer.

## **Import Tariffs**

When products enter the EU, they need to be declared to customs according to their classification in the Combined Nomenclature (CN). The CN document is updated and published every year, and the latest version can be found on the European Commission’s website.

Spanish Customs values shipments at C.I.F. (cost, insurance, and freight) prices. For U.S. products, the tariff rate averages three - five percent. A registered customs agent must clear all shipments through customs. Usually, total

costs to clear customs are between 20 to 30 percent of the shipment's C.I.F. value. This estimate includes tariffs, a 21 percent Value Added Tax (VAT), plus customs agent and handling fees. Total costs are lower for goods assessed at lower VAT levels (i.e. foodstuffs).

Additional detailed information on customs duties is available via the EU website.

The rules applying to products being imported into the customs territory of EU are available in the Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté). The TARIC is also used to help determine if a license is required for a particular product.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily. The European Commission also maintains an export helpdesk with information on import restrictions of various products - Export Help.

Import documentation and tariffs for agricultural products are similar to those of other EU countries. Some agricultural commodities such as soybeans, sunflower seeds, corn by-products and lumber are tariff free or subject to minimal tariffs. However, the majority of food and agricultural products covered by the EU's Common Agricultural Policy (CAP) like grains are subject to tariffs, tariff rate quotas, and / or variable import levies which significantly restrict access to the Spanish market.

For information on EU regulations on imports, please refer to Doing Business in the European Union: Country Commercial Guide for U.S. Companies

## **Import Requirements and Documentation**

### **Import Documentation**

All goods imported into the EU must be declared to the customs authorities of the respective country using the Single Administrative Document (SAD), which is the common import declaration form for all EU countries. This document is used for trade with non-EU countries and for the movement of non-EU goods within the EU.

The SAD may be presented either by:

- Using an approved computerized system linked to Customs authorities; or
- Lodging it with the designated Customs Office premises.
- The main information to be declared includes:
  - Identifying data of the parties involved in the operation (importer, exporter, representative, etc.) Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit, etc.)
  - Identifying data of the goods (Taric code, weight, units), location and packaging Information referring the means of transport
  - Data about country of origin, country of export and destination
  - Commercial and financial information (Incoterms, invoice value, invoice currency, exchange rate, insurance etc.)

List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice, insurance documents, and, when required, special certificates of origin, sanitation, ownership, etc.

Companies doing business in the EU or companies exporting to the EU need an Economic Operator Registration and Identification number (EORI) for Customs Declarations and need to apply for Authorized Economic Operator status. An EORI number is requested from the customs authorities of the EU member state to which the company first exports. Once an operator holds an EORI number s/he can request the Authorized Economic Operator status, which can give quicker access to certain simplified customs procedures. Additional information about the EORI number can be found at Economic Operator Identification and Registration

U.S. companies seeking information about general EU-wide import requirements are encouraged to check information on the EU website as well as the U.S. Commercial Service's Commercial Guide for the European Union, including information on specific products. Areas covered include circular economy and plastics strategy, the EU Battery Directive, REACH (Registration, Evaluation and Authorization and Restriction of Chemicals), WEEE Directive (Waste Electrical and Electronic Equipment, RoHS (Restriction on Hazardous Substances), cosmetics regulations, phytosanitary certifications and sanitary certifications.

### **Spanish Requirements**

While Spain does not enforce quotas on most products manufactured in the U.S., it still requires import documents, which are described below, none of which represent a trade barrier for U.S.-origin goods.

Import Authorization: (Autorización Administrativa de Importación, AAI) is used to control imports subject to quotas. Although there are no quotas against U.S. goods, this document may still be required if part of the shipment contains goods produced or manufactured in a third country. For goods of U.S.-origin, the document is used essentially for statistical purposes or national security.

Prior notice of imports: (Notificación previa de importación) is used for merchandise that circulates in the EU Customs Union Area but is controlled for statistical purposes. The importer must obtain the document and present it to the General Register.

Importers may apply for import licenses at the Register of Spain's Secretariat of Commerce or at any of its regional offices. A commercial invoice that includes freight and insurance, C.I.F. price, net and gross weight, and an invoice number must accompany the license application. Customs accepts commercial invoices by fax. The license, once granted, is normally valid for six months, but may be extended if adequately justified.

Goods shipped to a Spanish customs area without proper import licenses or declarations are usually subject to considerable delay and may run up substantial demurrage charges. Prior to making shipments, U.S. exporters should ensure that the importing party has obtained the necessary licenses. In addition, U.S. exporters should have their importer confirm with Spanish customs whether any product approvals or other special certificates will be required for the shipment to pass customs.

### **Labeling and Marking Requirements**

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in the European Union Country Commercial Guide. Spanish labeling requirements are similar to those used elsewhere in the EU, except that they must be in Spanish and include that the name and the EU address of the

manufacturer/distributor/packer. It should also be noted that the all labels require metric units. In addition, the Regional Government of Catalonia requires that all products for distribution in the region need to be labeled in the local language (Catalan). Catalonia is the only region in Spain with this official requirement, making the need for close collaboration with a good local partner/importer/distributor all the more important in order to ensure a smooth market entry.

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These Union has updated certain regulations on products including batteries, chemicals, cosmetics, agriculture and more. schemes may be highly appreciated by consumers, thus become unavoidable for marketing purposes. There is also an EU Directive covering nominal quantities for pre-packed products and also liberalizes pack sizes and promotes free circulation of products in the EU single market

The standard U.S. label does not comply with the EU's labeling requirements. On December 13, 2014, the EU's new "Food Information to Consumers (FIC)" Regulation 1169/2011 became applicable and introduced new obligations and changes to the existing rules. The FIC regulation established new horizontal labeling requirements and repealed labeling directive 2000/13/EC, as well as nutrition labeling directive 90/496/EEC and warning labels directive 2008/5/EC.

Detailed information on this labeling requirements can be found in the GAIN report "How to comply with the EU's new food labeling rules"

#### The Eco-label

The EU eco-label is a voluntary label, which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 30 different product groups, and approximately 1,300 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between EUR 275- 1600 (USD 325-1,890) depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between USD 480 - 2000), with a 20 percent reduction for companies registered under the EU Eco-Management and Audit Scheme (EMAS) or certified under the international standard ISO 14001. Discounts are available for small and medium sized enterprises (SMEs).

In view of the complexity and rapid change in marking, labeling and testing requirements in Spain, U.S. exporters are advised to request pertinent instructions from their importers prior to shipment.

Basic labeling requirements apply in certain product categories:

Electrical products that operate in a range of 50 to 1,000 volts alternating current or 75 to 1,500 volts direct current must comply with the EU low-voltage directive. There are three accepted forms of proof of conformity with this regulation: a mark issued by an authorized EU agency, a certificate issued by an approved EU authority or a declaration issued by the manufacturer, which can self-certify the product.

Used equipment: Spain now allows the entry of used equipment, material and goods subject to the same standards concerning safety as new imports in the same product category.

Foodstuffs: The Directorate General of Health implements human consumption standards for the preparation, residue content and storage media for virtually all foodstuffs. Labeling must conform to EU requirements and must be in Spanish.

Food and Animal Feed: Genetically modified organism (GMO) containing products must be labeled “contains GMOs”. “Traceability” through the production chain is required by the new legislation. The GMO content of products must be documented along the production chain and kept on file for five years.

Agricultural products: Labeling requirements are fully harmonized with the EU labeling system and labels must be in Spanish.

The standard U.S. label does not comply with the EU’s labeling requirements. On December 13, 2014, the EU’s new “Food Information to Consumers (FIC)” Regulation 1169/2011 became applicable and introduced new obligations and changes to the existing rules. The FIC regulation establishes new horizontal labeling requirements and repeals labeling directive 2000/13/EC, as well as nutrition labeling directive 90/496/EEC and warning labels directive 2008/5/EC. For specific information on agricultural standards, please refer to the Foreign Agricultural Service’s website.

Textiles: Customs and point-of-sale regulations require that all textile goods and ready-made clothing have a Spanish label. Standard Spanish textile nomenclature and content requirements must be stated on the label. Requirements relating to textile content, labeling and packaging are specific and extensive.

Drugs, Pharmaceuticals, and Cosmetics: These goods are subject to technical inspection and registration by the Directorate General of Health prior to entry. There are also detailed marking and labeling requirements, somewhat similar to those for foodstuffs, which include detailed chemical composition.

Fertilizers and Fungicides: Imported fertilizers must be registered with the local Ministry of Agriculture. Inspection and analysis will be performed prior to customs clearance.

The Ministry of Agriculture must approve all printed advertising and publicity materials, and labels must be in Spanish and include detailed precautions. The Ministry web page includes a link for “phytosanitary products” and the on-line register.

## **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives. BIS’s Export Enforcement (EE) is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure. In accordance with the EAR, BIS officials conduct site visits, also known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR, to verify compliance.

An EUC is an on-site verification of a party to a transaction to determine whether it is a reliable recipient of U.S. items. EUCs are conducted as part of BIS’s licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an

EUC verifies the bona fides of recipient(s) of items subject to the EAR, to include: confirming their legitimacy and reliability relating to the end use and end user; monitoring their compliance with license conditions; and ensuring such items are used and/or re-exported or transferred (in-country) in accordance with the EAR.

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews.

If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, intended to discover possible violations of the EAR. Also, BIS has "Know Your Customer" guidance.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. Check a list of upcoming seminars and webinars. BIS also provides online training.

The EAR does not regulate transactions involving all U.S. goods, services, and technologies. Other U.S. Government agencies regulate more specialized exports. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS website or in Supplement No. 3 to Part 730 of the EAR. The EAR is available on the BIS website and on the e-CFR (Electronic Code of Federal Regulations).

The Consolidated Screening List (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL The Consolidated Screening List API consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

The Consolidated Screening List API consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of potential parties to regulated transactions. consolidates a number of smaller lists of restricted parties that are maintained by a variety of U.S. Government agencies, including the Department of Commerce, as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

### **Temporary Entry**

The Spanish re-export system is in line with EU regulations. Re-export inquiries must be addressed to the Port's Customs Director. Re-exports of U.S. goods from Spain follow the same procedures as exportation of Spanish products. Goods re-exported to other EU member states are subject to statistical surveillance.

Re-exports to destinations outside the EU and not covered by specific EU regulations are exported with an accompanying Customs Export Declaration at the exit point. A limited number of goods require a Prior Notice of Export.

Exporters of high-technology goods subject to U.S. export control procedures must ensure that Spanish clients and subsidiaries are aware of all relevant U.S. export controls.

There are four types of procedures for handling the re-export of goods:

*Temporary Imports:* Goods imported for a limited period under an ATA (international customs document for temporary duty-free imports) carnet. A bank guarantee in the form of a bond equivalent to duties owed must be provided to customs, which will be refunded once the goods leave the country.

*Temporary Admission:* Goods that will be incorporated into a final product for export. The same procedure used for temporary imports applies for re-export.

*Replacement Goods:* Companies with continuing needs for primary materials, commodities, or intermediates can request prior approval for replacement goods after the second year of operation. They must deposit a bond with customs on the compensatory tax only. Replacements for defective goods destroyed under customs supervision are admitted duty-free, but require extensive supporting documentation.

*Drawback:* Duties are paid simultaneously with a presentation of a list of products to be re-exported in the future. Later, a rebate is given upon customs clearance out of Spain.

For temporary entry it is usually advisable to purchase an ATA Carnet, which allows for the temporary, duty-free entry of goods into over 50 countries, and is issued by the United States Council for International Business by appointment of the U.S. Customs Service: [www.uscib.org](http://www.uscib.org).

Companies are advised to use this carnet procedure to temporarily bring goods into Spain for demonstration purposes without paying duties or posting bond. The carnet must be presented to the customs authorities whenever entering or leaving the country. Consumable items and give-away samples are not included under carnet procedures.

Information on carnet applications is available from all U.S. Export Assistance Centers, most U.S. Chambers of Commerce, and authorized export insurance companies. On-line information and instructions are also available at: [ATA Carnet Export Service](#)

Advertising material, catalogs, price lists, and similar printed items are admitted duty free. However, to avoid problems, such items should always be labeled, "no value." Otherwise, a customs duty is likely to be levied on the sample.

Spain admits samples of negligible value duty free, as a signatory to the International Convention to Facilitate the Importation of Commercial Samples and Advertising Matter. Items of commercial value not covered under carnet procedures can be imported by companies for up to a year upon payment of a bond. Upon presentation of the customs receipt and at re-export, the deposit is refunded.

Business visitors entering with commercial samples should bring letters from their companies attesting to their status, identifying the samples and certifying that the samples are not for sale.

### **Prohibited and Restricted Imports**

To determine if a product is prohibited or subject to restriction, check the TARIC for that product for the following codes:

CITES	Convention on International Trade of Endangered Species
PROHI	Import Suspension
RSTR	Import Restriction

For information on [the TARIC](#), see the Import Tariffs section above.

Spanish regulations ban the import of illicit narcotics and drugs. There are also very restrictive regulations for imports of explosives, firearms, defense equipment and material, tobacco and gambling material. There are also restrictions on many types of pharmaceutical products.

EU regulations on hormones ban most U.S. beef and beef products from entry into the EU and disable the importation of certain live cattle. The United States successfully challenged the EU hormone ban at the World Trade Organization, but the EU has not yet opened its market to hormone-treated beef. The EC has instead opened a quota for the import of hormone-free beef.

The basis for this HQB quota is a Memorandum of Understanding (MOU) between the United States and the European Union. The details for the administration of this zero duty, 20,000 MT beef quota were published in [Commission Regulation \(EC\) No 620/2009](#). This U.S. - EU compromise deal was formally approved in [Council Regulation \(EC\) No 617/2009](#), published in the Official Journal on July 15, 2009. The quota was put into place on August 1, 2009, for a period of three years. The quota was expanded by mutual agreement on August 1, 2012 to 45,000 MT. However, the following countries were authorized to include their beef under the HQB quota: Australia (January 2010), Canada (March 2011), New Zealand (July 2011) and Uruguay (August 2011). The Canada MOU made a further 3,200 MT of HQB at zero duty available as of August 1, 2012, thus bringing the total available amount to 48,200 MT. Brazil is in the process of authorization as well. In August 2014, the EC allowed Argentina to join the group of countries which are eligible to export under the quota.

In 2016, the U.S. beef industry put forward a petition to reinstate trade actions against the EU in connection with the EU's longstanding ban on the import of most beef produced in the United States. On February 2017, the Office of the United States Trade Representative (USTR) held a hearing in Washington, DC to gather comments on the petition. The U.S. and the EU are discussing a review of the Memorandum of Understanding (MOU) on hormone beef. In the spring of 2019, the United States and the EU concluded an updated agreement modifying the Memorandum Of Understanding (MOU) on High Quality Beef (HQB). Under the new regime, 18,500 mt Product Weight Equivalent (PWE) of hormone-free raised beef is reserved for the United States, increasing to 35,000 mt PWE in year seven under the new agreement. Upon implementation of the new agreement, the HQB quota tier for the United States for that first quarter should be roughly 4.625 mt PWE. For more information see the [FAS GAIN Report](#). U.S. exporters can use this quota as well as the Hilton quota for exporting high quality bovine meat to the European Union. This [report](#) details the program and certification requirements for both tariff rate quotas.

## **Customs Regulations**

Spain as a member of the European Union is also a member of the [EU Customs Union](#). The Spanish customs authority is the [Agencia Tributaria](#) (Tax Authority)

[The Union Customs Code](#) (UCC) was adopted in 2013 and its substantive provisions went into effect on 1 May 2016. The basic rules of the EU Customs Union include: no customs duties at internal borders between the EU Member States; common customs duties on imports from outside the EU; common rules for origin of products from outside the EU; and common definition of a customs value. Spain has adopted the [Common Tariff \(CCT\)](#) of the EU that applies to goods imported from outside Europe. In general, EU external import duties are relatively low, especially for industrial goods (3 – 5% on average). Applicable customs duty for a specific product imported from selected country of origin can be found on the [TARIC website](#). The combined nomenclature of the European Community



(EC) integrates the HS nomenclature and has supplementary eight figure subdivisions and its own legal notes created for community purposes. For goods from outside Europe, customs duties are calculated ad valorem on the CIF value, in accordance with [the Common Customs Tariff \(CCT\)](#) for all the countries of the Union.

The documents required for shipments include items such as the commercial invoice, bill of lading or airway bill, packing list, insurance documents, and when required, special certificates of origin, sanitation, and ownership. A copy of the commercial invoice should accompany the shipment to avoid delays in customs clearance. It is worth noting that a clear description of the goods is essential in order to avoid delays in customs clearance. The description needs to be easily understood by individuals who may not necessarily have an understanding of a particular industry or article. A clear description of goods should satisfy three basic questions: what the product is, for what it is used, and of what it is made. At least two additional copies of the invoice should be sent to the consignee.

#### Customs and Security

With the passing of [Regulation \(EC\) n° 648/2005 of 13 April 2005](#) the European Union introduced a number of measures amending the Community Customs Code designed to tighten security around goods crossing international borders.

One of these initiatives is the [Authorized Economic Operator \(AEO\)](#) program (known as the “security amendment”). AEO certification issued by a national customs authority is recognized by all member states’ customs agencies. Economic operators can apply for an AEO status to have easier access to customs simplifications or to be in a more favorable position to comply with the new security requirements. AEO certified members benefit from facilitations with regard to customs controls relating to security and safety, according to [regulation \(EU\) 58/2013](#).

Other major changes to the Customs Code require traders to provide customs authorities with information on goods prior to import to or export from the European Union; see [Pre Arrival / Pre Departure Declaration](#) and introduce a mechanism for setting uniform Community risk-selection criteria for controls, supported by computerized systems. [Further information on EU customs and security.](#)

U.S. - EU Agreement on Customs Cooperation and Mutual Assistance in Customs Matters. The U.S. and the EU have had a Customs Cooperation and Mutual Assistance in Customs Matters Agreement (CMAA) since 1977. For additional information, please see [Agreements with the United States](#)

#### Customs Valuation

Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. The EU applies an internationally accepted concept of ‘[customs value.](#)’

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the [customs tariff](#).

Contact information for [the Spanish National Customs Authorities](#):

Agencia Estatal de Administración Tributaria,

Departamento de Aduanas e Impuestos Especiales

Avda. Llano Castellano, 17,

28034 Madrid

Tel: A.M. (34) 91-728-9450/P.M. (34) 91-728-9502

Fax: (34) 91-729-2065 [EU Contact point information](#)

[General information](#) : Telephone: 901 335 533/+34 91 554 87 70)

## **Standards for Trade**

### **Overview**

Products tested and certified in the United States to American standards are likely to require re-testing and re-certification for EU requirements as a result of the EU's different approaches to health, safety, and environmental concerns. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive, as well as to possible additional national requirements.

European Union standards were harmonized across the 28 EU member states and European Economic Area countries to allow for the free flow of goods. Information on the harmonization of the EU legislation including agricultural standards, and standards organizations like CENELEC (European Committee for Electrotechnical Standardization), ETSI (European Telecommunications Standards Institute) and CEN (European Committee for Standardization, handling of all other standards) can be found using the link below.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standard (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Spanish requirements for certification and testing standards have gradually adopted EU directives. Most products that meet the standards and certification requirements of any other EU country can be imported and sold in Spain without further testing.

The [Spanish Ministry of Industry, Trade and Tourism](#) processes applications for homologation and promotes certification and normalization for industrial products and processes and quality control procedures.

Spanish Standards are developed by [UNE](#) (previously known as AENOR), the Spanish Standards Association.

Testing, inspection, and certification

The Spanish Standards Association & Certification Associations was originally known as [AENOR \(Asociación Española de Normalización y Certificación\)](#). In early 2017, the organization was split into separate legal entities, UNE and AENOR, with UNE becoming the parent body. UNE is responsible for developing standards and cooperation projects, while AENOR, the Spanish benchmark certification agency, is responsible for conformity assessment and the promotion of Spanish standards, training, information services, the sale of standards and other commercial activities. UNE participates in international and European standardization bodies.

[ENAC](#), is the National Accreditation Entity and officially recognizes the technical competence of the conformity assessment entities in Spain. A detailed breakdown of Conformity Assessment (see Conformity Assessment, next section) bodies:

- Laboratories

- Inspection bodies
- Certification bodies
- Environmental verifiers

At the national level, most Spanish Ministries as well as Autonomous Communities and local governments use ENAC accreditations.

ENAC was nominated by the Ministry of Agriculture, Fisheries and Food as the body in charge of checking compliance with the principles of Good Laboratory Practice (GLP) by testing labs engaging in studies of phytosanitary products, such as pesticides, insecticides, and fungicides.

### **Conformity Assessment**

[ENAC \(Entidad Nacional de Acreditación – National Accreditation Entity\)](#) and [AENOR \(Spanish Certification Association\)](#) are the major entities for conformity assessment in Spain. ENAC establishes the criteria and grants permits to the authorized certification labs.

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessments, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in [NANDO](#), the European Commission's website.

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

### **Product Certification**

To sell products on the EU market as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards.

Products manufactured to standards adopted by CEN, CENELEC, and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies [the CE marking](#) and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, or when U.S. companies lack the benefit of some sort of European presence to assist in or handle the process. As market surveillance was found lacking, the EU adopted the [New Legislative Framework](#), which went into force in 2010. This framework is similar to a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

[The CE Mark](#) is primarily for the benefit of the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized EU representative. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

### **Publication of technical regulations**

In Spain, the Spanish National Gazette is the Boletín Oficial del Estado (BOE). An English version of the [website](#) can be viewed. BOE publishes a monthly list of all new technical regulations approved by the Spanish [Ministry of Industry, Trade and Tourism](#) plus amendments or other changes to technical regulations. However, the full text of the documents with the technical regulations does not appear in the BOE, and can be requested through AENOR.

Both [AENOR](#) and [ENAC](#) have newsletters and publications that provide a broad range of information on developments in these areas.

[The Official Journal is the official gazette of the European Union](#). It is published daily on the internet and consists of two series covering draft and adopted legislation, as well as case law, studies by committees, and more. [It lists the standards reference numbers linked to legislation](#).

National technical regulations are published on the [Commission's website](#) to allow other countries and interested parties to comment.

*Firearms:* The Spanish government must clear all firearms, which must bear stamps of certifications.

*Motor Vehicles:* Each vehicle will be inspected for engraved serial numbers on both the engine and chassis. If both of these are not present, Spanish customs levies a special charge for stamping the number.

*Tires and Tubes:* All tires and inner tubes must be marked with serial numbers.

### Contact Information

#### [ENAC:](#)

Calle Serrano 240 – Planta 3,  
28016 Madrid  
Tel: +34 650 04 9065  
Fax: +34 91 458 6280  
E-mail: [enac@enac.es](mailto:enac@enac.es)

#### [AENOR:](#)

Calle Génova 6  
28004 Madrid  
Tel: +34 91 432 6000/ +34 902 102 201  
Fax: +34 91 310 3172

## **NIST Notify U.S. Service**

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. **Notify U.S.** ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce

## **Trade Agreements**

Spain has been a member of the EU since 1986. The EU has free trade agreements with other economic associations (e.g., the European Free Trade Association or EFTA) and countries, providing a higher level of mutual market access.

As a result of the U.S.-EU Trade Agreement Negotiations, announced in a joint statement in Washington in July 2018, an Executive Working Group was established to seek to reduce transatlantic barriers to trade, including the elimination of non-auto industrial tariffs and non-tariff barriers. As a result of these negotiations, for example, the LNG Forum was organized by both governments and hosted by the EU in early May 2019, [http://europa.eu/rapid/press-release\\_IP-18-4920\\_en.htm](http://europa.eu/rapid/press-release_IP-18-4920_en.htm), with plans for another major forum in July 2020.

More info on this agreement is available in: <https://ustr.gov/countries-regions/europe-middle-east/europe/european-union/us-eu-trade-agreement-negotiations>

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see the EU Country Commercial Guide.

## **Licensing Requirements for Professional Services**

Non-EU/European Economic Area (EEA) nationals need a residence and employment permit to work in Spain. However, there are some exceptions although they may still need to apply for a visa or residence permit to come to Spain. Some of these exceptions include university professors, technicians and scientists, professionals invited to Spain to develop scientific or cultural programs, foreign journalists, artists coming for specific performances, and clergy.

A new program was introduced in 2014 that allows non-EU national investors, entrepreneurs, highly qualified professionals and researchers to apply for fast-track visas and permits as a result of investing in the country. Contact [the Spanish Embassy or Consulate](#) for more information.

Certain professions need specific qualifications to practice in Spain. Please check out the following links for more details: [Regulated professions](#); [Free movement of professionals](#)

Assistance with the recognition of professional qualifications and advice on how to navigate through the administrative formalities is available via:

Subdirección General de Títulos y Reconocimiento de Cualificaciones  
Secretaría General de Universidades  
[Ministerio de Educación y Formación Profesional](#)

Torrelaguna, 58  
28027 Madrid  
Tel: +34 910 837 93

## **Selling US Products and Services**

### **Overview**

Discuss the distribution network within the country from how products enter to destination, including reliability and condition of distribution mechanisms. What are the major distribution centers, ports, etc.

### **Using an Agent or Distributor**

Include typical use of agents and distributors and how to find a good partner. Indicate if use of an agent or distributor is legally required.

### **Establishing an Office**

Include steps involved in establishing a local office.

#### Franchising

Discuss franchising as a method of exporting and legal requirements in the market. Posts may also include a separate discussion of franchising opportunities in the “Leading Sectors” chapter.

#### Direct Marketing

Discuss the state of direct marketing and available channels for companies to use direct marketing.

#### Joint Ventures/Licensing

Discuss the legal requirements/options for joint venture/licensing in your market.

#### Express Delivery

Discuss the prevalence and reliability of express delivery firms within the country, time from large U.S. cities, and relevant customs procedures, including de minimis amounts.

#### Due Diligence

Advise companies that they should perform appropriate due diligence on their business partners and agents [and in what areas it is necessary for a U.S. company]. Include information on Commercial Service ICP.

## **Distribution & Sales Channels**

Sales channels to consumers have developed significantly in the last few years. While the traditional method of wholesalers selling directly to small shops continues, online sales and shopping malls are growing rapidly throughout the country.

Madrid and Barcelona are the two major hubs for the regional market. The majority of agents, distributors, foreign subsidiaries, and foreign trade related entities are present in both cities. The section “Regions” in the website “Invest in Spain” includes details on each Spanish region, including main sectors of opportunity and investment incentives. Nonetheless, given the ongoing importance of the 17 autonomous communities, greater importance is being attached to distributors being located in the respective region. In the case of Catalonia, products for distribution in the region need to be labeled in the language of the region, i.e. Catalan.

Price is a very important factor in the Spanish, as in the Western European market. Although EU member states' exports to Spain have lower tariffs than those imposed on U.S. goods because of the EU's common External Tariff, the dollar-euro exchange rate and possible lower production costs keep U.S. companies competitive with EU exports.

ExIm Bank can now play a more active role in financing exports of U.S. products and services by financing Spanish buyers through loan guarantees.

#### Using an Agent to Sell US Products and Services

The legislation governing business activities in Spain is similar to that of other OECD (Organization of Economic Co-Operation and Development) countries.

The most common forms of representation agreements in Spain are:

##### Distribution Agreements:

- Commercial Concessions or Exclusive Distribution Agreements: The supplier agrees to provide its products to a number of distributors within a specific territory and agrees not to sell those products itself within the territory of the exclusive distributor(s).
- Sole Distribution Agreement: Includes the provisions in the above-mentioned Exclusive Distributor Agreement and reserves the right of the distributor to supply certain products to users in the territory of concession.
- Authorized distribution agreements under the selective distribution system: Distributors are selected according to their ability to handle technically complex products and to retain a certain image or brand name.

##### Agency Agreements:

The agent promotes and sells the products as if he or she is the principal supplier; informs the principal supplier of all matters relating to the agency.

##### Commission Agency Agreements:

- Involve occasional engagements; agent facilitates the conclusion of an agreement but does not ultimately represent either party.
- Models of distribution contracts and clauses are available on-line from **the bookstore of the International Chamber of Commerce**. It is recommended that contracts be reviewed by legal counsel prior to signature.

EU standards provide protection for self-employed commercial agents, changes in clauses, competition in the internal market, and payment delays. Companies with grievances regarding inefficient management can contact the European Ombudsman, which will investigate cases.

#### Establishing an Office

There are two options for businesses interested in establishing an office in Spain: incorporating a subsidiary or establishing a branch. Both options have full legal status and their profits are taxable in Spain. It is recommended that companies obtain legal advice to aid in the process.

A subsidiary can be one of the following: a corporation, a public limited-liability company (Sociedad Anónima, SA) or a private limited company (Sociedad de Responsabilidad Limitada, SL or SRL).



The structure of the SA is better suited for larger operations and the SL for smaller.

Corporations (S.A.) and limited liability companies (S.L.) are similar in that the shareholders are not liable for the company's debts and are limited to their contribution. The main differences between these entities are:

- Capital (Euros 60,000/USD 67,200 minimum versus Euros 3,000/USD 3,360);
- The number of founding members (three versus two);
- Flexibility permitted at general meetings, transfer of shares and management of an S.L.
- The steps to legally establish a branch are:
- Register company name: Applications are made at the Central Mercantile Registry. The certification is valid for two months.
- Declare the investment to the Spanish Ministry of Economy and Competitiveness.
- Notarize public deed of incorporation.
- Pay asset transfer tax and legal proceedings document tax: These taxes are for new incorporations (roughly one percent of capital stock).
- Request a tax identification number (locally called NIF – Número de Identificación Fiscal): This must be done within 30 working days from the signing of the public deed. The NIF must be used within six months of application.
- Register the company in the Mercantile Registry: This is done at the corporate registry corresponding to the company's official address. On average, it takes two months to complete registration. The Spanish Government and local chambers of commerce have created [the "Ventanilla Unica" \(One Stop Shop\)](#) to simplify the process of setting up a business in Spain.
- The Spanish Ministry of Economy and Competitiveness website, [Invest in Spain](#), has specific chapters addressing "[Establishing a business in Spain](#)" and "Company and Commercial Law". Information in English on how to open a business, or establish an office is available at: [Invest in Spain, Setting up a Business](#)

## Franchising

The franchise sector is an important segment of the Spanish economy. With 1,381 networks and an annual turnover of nearly USD 3 billion in 2019, the sector continues to offer good potential for U.S. companies.

When drawing up contracts, franchise companies - whether Spanish, foreign, or the master franchisee – must register with a special administrative Franchisors Registry and need to meet the requirements of the Disclosure of Pre-Contractual Information. The intended franchisee must receive all the required information in writing at least 30 days prior to signing a franchising contract or a pre-contract, or prior to any payment to the franchisor. All new contracts should comply with Spanish and EU legislation. Current contracts should also be reviewed whenever possible.

### Franchise Disclosure Rules in Spain

According to current law, the most important considerations are:

- Each franchisor must disclose how long he/she has been managing the franchised business in question prior to disclosure.
- Master franchisees are obliged to annex to their disclosure document a copy of his/her Master Franchise Agreement.
- Foreign companies must translate all legal documents into Spanish and register them together with the original language versions.

Additionally, each franchisor may voluntarily register the following information:

- The company's quality certifications.
- Any mediation or ADR (Alternative Dispute Resolution) systems in use in the franchise network.
- Whether the franchisor observes a Code of Conduct.
- Whether the franchisor participates in the consumers' arbitration system or any other system to settle consumer complaints. Both sides must decide in which country (ies) the arbitration method will apply, if needed.

Given the size of the franchise market in Spain and the important presence of Spanish franchise concepts worldwide, [the Spanish Franchise Association](#) (Asociación Española de Franquiciadores – AEF) has an agreement with the World Intellectual Property Organization (WIPO) to promote arbitration in master franchise agreements. AEF collaborates in the verification that potential arbitrators have the appropriate ADR WIPO training and experience to be nominated as WIPO arbitrators.

Legislation regulating franchise matters in Spain includes:

- Article 62, of Law 7/1996, of 15th January, of Retail Sector Management.
- Royal Decree-Law 201/2010, of 26th February, regulating the exercise of commercial activity under a franchise regime and the communication of data to the Registry of Franchisors.
- Law 14/2013 of 27th September, Support for Entrepreneurs.
- Law 20/2013 of 9th December, Warranty of Market Unity.
- When operating In Spain, franchisors need to comply with the European Union General Data Protection Regulation (GDPR) which became effective on May 25, 2018. The main points to consider are:
- Requires companies including Franchisors & Franchisees to protect personal data of EU residents.
- Applies to all companies that process personal data of EU residents (“Covered Entities”), including personal data of EU residents collected during their visits to other countries.
- “Data protection officers” must be hired by each Covered Entity.
- Individuals must give written consent to use their personal data, and they may withdraw their consent, easily, at any time. Personal data must be readily provided to customers if requested by them at no cost, within 30 days.
- Companies must notify their “Data Controllers” of changes in customers’ consent.

- Notices of data breaches must be sent by Data Controllers no later than 72 hours after breach occurs.
- EU Data Directive restricts sharing personal data outside of EU unless company adheres to certain international agreements, e.g., the EU-US Privacy Shield.
- Fines and penalties of up to the greater of €20 million or 4% of a company's global annual sales are permitted for violations.
- Class action lawsuits and other judicial relief are also available.

The most recent change in Spain, that benefits U.S. franchisors, is that effective December 7, 2018 the Franchise Registration Requirements have been cancelled by Royal Decree 20/ Act 20/2018. It deletes certain obligations for franchisors (local or foreign) where they are no longer required to register their franchise concepts with the Registry of Franchisors. In additions, franchisors do not have to provide annual reports updating its information with the Registry. The sanctions for such breaches were also deleted from the law.

Companies are advised to have all new contracts drawn up in compliance with Spanish and EU legislation, and to have current contracts reviewed whenever possible.

The CS Spain advises all U.S. companies to consult with a local legal office to ensure this compliance.

#### Snapshot

The Spanish franchising system is made up of a total of 1,381 brands as of December 2019, five more than in 2018, of which 1,132 are of Spanish origin (81.9%) and the remaining 249 (18.1%) come from a total of 26 countries, most notably France (56 brands), the United States (46), Italy (44), the United Kingdom (16) and Germany and Portugal (14).

The market share of brands coming from the United States has increased from 43 to 46 between 2018 and 2019, surpassing Italy for the first time since CS Spain started to focus in franchising. This is a direct result of the work done in recent years to increase the U.S. presence via targeted and customized programs.

Of these 1,381 franchises, the sub-sector with the most stores is “Fashion”, with a total of 242, followed by “Hospitality/Food/Beverage”, with 207 chains and “Beauty/Wellbeing”, with 113 networks.

The major trade shows in [Madrid](#) and [New York](#) are promoted to U.S. and Spanish audiences.

[Detailed information on the sector](#) is available via the Spanish Franchisors Association annual report.

#### **Direct Marketing**

Direct marketing in general continues to be an important promotional activity in Spain despite the steady progress of e-commerce. Spain is now the fourth largest B2C market in the EU, behind UK, Germany and France. According to [INFOADEX](#) (leading source of advertising sector intelligence), digital marketing now accounts for 38 percent of traditional marketing, increasing by 8.8 percent to USD 2.6 billion in 2019, and having surpassed television which dropped by 5.8 percent to USD 2.2 billion in the same year. Investment in non-traditional marketing in 2019 reflected a slowdown for the first time in several years, reaching USD 7.8 billion, a decrease of 1 percent over the previous year. Personalized marketing, decreased by 9.7 percent to USD 2.4 billion; while other segments remained positive

but with less growth than in previous years, i.e. on-site advertising, up by 1.4 percent to USD 1.84 billion and telemarketing increased by 1 percent to USD 1.44 billion.

The wide range of EU legislation covering the direct marketing sector is applicable in Spain. Companies are required to provide full and transparent information to consumers prior to the purchase, as well as detailed information on the procedures followed to collect and use customer data. Compliance requirements are stiffest for marketing and sales to private consumers.

The EU has a single rulebook, titled “[the Consumer Rights Directive](#)”. It covers important areas of Distance [Selling to Consumers](#), Doorstep Selling, Financial Services, and E-Commerce. [Consumers have the right](#) to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. The platform to handle online dispute resolutions became operational at the end of 2015.

Trust is an important competitive factor in this market. The [Spanish E-Commerce and Direct Marketing Association](#) (Asociación Española de la Economía Digital) places importance on generating greater consumer confidence and requires members to follow a number of ethical codes, including a code of self-regulatory rules for electronic advertising.

As indicated in Chapter 1, new EU legislation, the General Data Protection Regulation (GDPR) covering data privacy came into effect in May 2018, replacing the previous data protection Directive 1995/46. The GDPR applies in all member-states of the EU, including Spain. This horizontal privacy legislation applies across sectors and to companies of all sizes and will continue to gain importance in all areas of marketing.

#### Distance Selling of Financial Services

Financial services are covered by a separate directive (2002/65/EC), designed to ensure that consumers are appropriately protected in transactions where consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the [Directive](#) establishes criteria for the presentation of contract information.

#### Joint Ventures/Licensing

License contracts in Spain may include industrial property rights (patents, utility models, and trademarks), intellectual property rights (rights of use for literary, scientific, artistic works, or software), know-how, or other uses of technology. The Spanish system allows for flexibility when negotiating the terms and conditions of the agreement. Common clauses include:

- Exclusivity clauses, including exclusive purchase obligations.
- Measures to limit a licensor's commercial activity.
- Confidentiality and non-compete obligations.
- Obligations relating to improvements and innovations (this includes updating the rights granted to the licensee and communicating to the licensor innovations developed by the licensee).
- Restitutions, in case of breach of contract.
- U.S. companies can also enter the Spanish market through joint ventures.
- Express Delivery

Major global organizations such as DHL, FedEx, UPS, ARAMEX and others operate in Spain and offer express delivery services. Transit times vary but for packages shipped from the U.S. to Spain, the average time is 2-3 days, not including the customs clearance process. Express service points are serviced at several locations around the country.

Customs procedures and requirements are standard and can be found on the [Spanish Customs website](#).

### **Due Diligence**

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence (act with a certain standard of care) in accordance with mandatory EU legislation prior to exporting.

CS Spain provides International Company Profiles and input from a qualified local credit-reporting agency. Commercial information and financial reporting are also available from the private sector or local chambers of commerce.

A complete list of credit reporting agencies may be obtained from [CS Spain](#). Two of the main entities include:

[Informa](#)  
[Axesor](#)

### **eCommerce**

#### Current Buyer Behavior in Market

During 2019, the Spanish eCommerce sector continued the very positive double-digit growth, as in previous years. The sector remains highly competitive and offers opportunities for U.S. companies. Due to the international health crisis beginning in early 2020, this trend in Spain has only strengthened by enticing both companies and consumers to accelerate the adoption of ecommerce.

For reference purposes, Spain is considered the fourth largest B2C market in the EU, behind the UK, Germany and France. Internet penetration in Spain is estimated to be 91 percent, with 42 million users in January 2020.

There are three main trends in the Spanish eCommerce market. First, logistics has become a critical differentiator for Spanish sellers since the introduction of Amazon's Prime service. Secondly, Spain is considered to have one of the largest smartphone penetration rates in Europe, fueling eCommerce growth. Lastly, as the market expands, the need to integrate analytics, artificial intelligence, big data, and chatbots is more relevant to industry participants.

Popular eCommerce sites in Spain are:

[Amazon](#)  
[Ebay](#)  
[El Corte Ingles](#)  
[Mediamarkt](#)  
[PC Componentes](#)  
[VeePee](#)  
[Zalando](#)  
[Zara](#)  
[Carrefour](#)

## [Aliexpress](#)

The [Spanish Markets and Competition Commission](#) has developed detailed eCommerce [statistical data by quarter](#), based on credit card payment information for eCommerce transactions.

Top product categories for online purchases by consumers were travel and hotel, ticket services, clothing, electronics, and food, with the value of most purchases ranging from \$100 - \$500. Credit cards were one of the most widely used payment methods, followed by Paypal.

### Major Buying Holidays

- Epiphany/Day of Three Kings (January 6, 2021)
- Valentine's Day (February 14, 2021)
- Father's Day (March 19, 2021)
- Mother's Day (May 4, 2021)
- Black Friday / Cyber Monday
- Christmas (December 25)

### Local eCommerce Sales Rules & Regulations

Spanish patent, copyright, and trademark laws approximate or exceed European Union levels of intellectual property protection. Spain is a party to the Paris Convention, Bern Convention, the Madrid Accord on Trademarks and the Universal Copyright Conventions.

Please refer to the "Protection of Property Rights" section in the Country Commercial Guide for Spain, as it contains detailed information on Protecting your Intellectual Property in Spain.

### Local eCommerce Business Service Provider Ecosystem

The number of companies and the depth of their eCommerce-related services related to logistics, shipping, warehousing, and fulfillment has recently seen a significant growth in Spain. The U.S. Commercial Service can assist in identifying a reliable partner. Most of them are members of [Adigital](#), the leading association focusing on eCommerce and the digital economy in Spain. Adigital, for example, has developed the most widely used seal of confidence for eCommerce websites in Spain, called "[Confianza Online](#)". Meanwhile, in Europe the seal of confidence more used is "[TrustedShops](#)".

Amazon announced plans to create 2,000 new jobs in Spain throughout 2020, raising its permanent workforce to 9,000 employees by 2021. There are more than 8,000 Spanish SMEs currently selling on the Amazon Spain platform.

Digital marketing is another important component. Digital ad spending was estimated at 1.7 billion Euros in 2017, according to [IAB Spain](#) Digital Ad Spending Report. It includes SEM, display + video and represents 31.6 percent of traditional marketing, coming just after television, which accounts for 38.6 percent of investment.

The main in-country events focused on eCommerce include [E-Show Madrid](#), co-hosted with the [Technology for Marketing](#), which is next scheduled to take place October 28-29, 2020 in Madrid. Regarding logistics and 'Last Mile', the primary event is [eDelivery Barcelona Expo and Congress](#) (June 1-3, 2021). Another pertinent Show is [DES2020 Digital Enterprise Show](#) (September 15-17, 2020 in Madrid).

## **Selling Factors & Techniques**

### **Overview**

Relationships are still very important in selling in Spain, sometimes as important as price or quality, especially in large account sales.

The decision-making process within a Spanish company is different from that in the United States:

In Spain, top executives often make decisions that would typically be made at lower levels elsewhere.

These executives take action after review by different departments, making the sales process longer.

An initial "yes" can mean that the company will study the situation, but not necessarily that it will buy the product.

Additionally, once the Spanish potential partner of a U.S. firm has agreed to start a commercial relationship, the Spanish company normally expects the U.S. firm to translate all commercial brochures, technical specifications and other relevant marketing materials into Spanish. Decision makers at the Spanish firm may do business in English with the U.S. firm, but the communication from the U.S. firm to its clients should come in Spanish, if possible, due to an overall lack of proficiency in English.

Department stores, hypermarkets, shopping centers and very specialized outlets are introducing the customer fidelity concept, including client cards, cumulative discounts and special offers for frequent customers. E-commerce is having an effect on some traditional segments of the direct marketing sector, such as mail order. Selling techniques, taking into consideration local tastes, are very similar to those in the rest of the Western world.

### **Trade Promotion & Advertising**

CS Spain's primary objective is to help small and medium-sized businesses (SMEs) to enter the Spanish market. One of our most valuable tools is counseling, including identifying the best possible trade promotion strategies for specific products or services.

Visit [CS Spain](#)'s website, or [contact our office](#) to learn more about the variety of services available to facilitate U.S. exports to this market and others within Europe

Commercial Service Madrid has close relationships with the main trade fair authorities, i.e. in Madrid, Barcelona, Valencia and Bilbao and actively supports leading trade shows in these cities.

### **The News Media**

Spain has more newspapers and magazines per capita than any other European country. However, only 21.7 percent of Spaniards read the newspaper every day, a number that has been steadily decreasing for the past years. Despite low readership, newspapers still shape the news agenda and program content of broadcast media. Spanish newspapers tend to have an editorial line that favors a particular political group. (Source: AIMC-EGM as of 2019)

The main newspapers are:

- [El País](#) – center-left, regarded as the nation’s paper of record.
- [El Mundo](#)- centrist
- [ABC](#) – center-right
- [La Razón](#) – center-right
- [La Vanguardia](#) – centrist, based in Barcelona
- [El Periódico](#) – left-leaning

More than 140 different dailies (mainly local or regional) plus a dozen supplements are published in Spain. Sports daily newspaper Marca rates as the most popular. Despite Spain’s having formally recovered from the financial crisis of 2008, Spanish newsrooms still suffers the effects of a downsizing industry, where news consumption shifts from print to on-line. Newspaper companies have seen their advertising revenues reduced by more than 40 percent and all have suffered the impact of fleeing readers that now get their news from the internet (78.9 percent). Digital-only platforms, led by [www.elconfidencial.com](http://www.elconfidencial.com), have become leading players in the Spanish news market. All national dailies have on-line news sites, most popular among younger audiences. While these sites have growing readership, news agencies face the challenge of how to monetize their platforms beyond on-line advertising. Since the first quarter of 2020, all main national newspapers have created pay walls to access their sites.

Six major media holding companies own most of the media outlets in Spain. They are:

[Grupo Prisa](#)

[Grupo Godó](#)

[Grupo Zeta](#)

[Grupo Planeta](#)

[Vocento](#)

[Grupo Voz](#)

Virtually every Spanish home has a television (99.7 percent) and it is the most followed media (85,4 percent of all Spaniards). The average consumption TTV time was 213 minutes/day in 2019. Peak viewing hours are between 2:00-4:00 p.m. and 9:00-11:30 p.m., but in the last 25 years, the prime time in Spain has been delayed one hour, and currently takes place at 22.49 p.m.

State-run [Radio Televisión Española](#) (TVE 1, TVE 2 and the 24/7 channel TVE24H) and regional stations run by the autonomous governments have been supplemented by five national private commercial channels: [Antena 3](#), [Telecinco](#), [La Sexta](#) and [Cuatro TV](#) (in order of audience). A merger between Telecinco and Cuatro was finalized in 2010; both stations remain on the air. A second merger took place in 2011 between Antena3 and La Sexta in response to the latter’s dire financial situation.

About 56,9 percent of Spaniards listen to radio every day for almost two hours, mostly on FM channels, and radio remains the most-trusted news medium. Peak listening hours are early in the morning and late at night. Major radio stations and wire news services include:

Privately owned stations:



- Cadena [SER](#), is the leading Spanish radio station with an average audience of 3.9 million listeners, 29,7% of the total audience share. Left oriented.
- [COPE](#). Has surpassed Onda Cero as the second most popular station in the past year and currently has 3.3 million listeners, 24,6% of the audience share. Right-oriented, conservative, owned by the Spanish Church.
- [Onda Cero](#), is down to third with to 2 million listeners, 12,3% audience share. Center-right oriented.
- Government-owned station:
- [RNE](#), 1.3 million listeners 8,7% audience share. (Source: EGM)
- Publically owned wire news service:
- [Agencia EFE](#)
- Privately-owned wire news services:
- [Europa Press](#)
- [Colpisa](#)
- [Servimedia](#)

The [U.S. Embassy's Public Diplomacy \(PD\)](https://es.usembassy.gov/embassy-consulates/madrid/sections-offices/public-diplomacy/) (<https://es.usembassy.gov/embassy-consulates/madrid/sections-offices/public-diplomacy/>) section maintains active relations with the full range of Spanish media. PD actively pursues placement of policy and program material in the major Spanish media, primarily on foreign affairs, security, and international trade issues.

### **Pricing**

Pricing practices in Spain are similar to those of the United States, although markups tend to be slightly higher. There is greater transparency in agent and distributor commissions in Europe in comparison with the United States.

Products and services in Spain are subject to Value Added Tax (VAT, or IVA in Spanish). Presently, the general VAT rate is 21 percent.

A reduced rate VAT of 10 percent is applied to certain goods and services including ingredients, animals and vegetables used for food products for humans and animals, goods used for agricultural activities, medicines for veterinary purposes, certain healthcare products, i.e. prescription glasses, prostheses, wheelchairs, crutches, bandages, etc.

An extra-low rate of 4 percent is applied to basic foodstuffs such as bread, dairy products, eggs, fruit and vegetables, books and newspapers. Numerous items previously taxed at this extra low rate are now subject to the full 21 percent.

VAT is not imposed in the Canary Islands, Ceuta and Melilla, but a general indirect tax is imposed in the Canary Islands. This tax was also increased in 2012, with the reduced rate increasing from 2 to 3 percent, the standard rate from 5 to 7 percent, and the top rates from 9 to 9.5 percent and 13 to 13.5 percent.

[Additional details on the VAT regime in Spain and on the Spanish taxation system](#)

Payment terms are usually based on 15, 30, 60, and under certain circumstances, 90-day terms. Although there is an EU directive covering payments, common practice in Spain is that large corporations and large retailers negotiate or impose longer payment terms of up to four to six months. Timely reimbursement is also covered by Spanish legislation. The Spanish government has deferred payments in the past.

The current repayment time allowed is:

- Private companies up to 60 days
- Public administrations up to 30 days
- Public works up to 60 days.

[The EU also looks to combat payment delays](#). All commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment, are covered by Directive 2011/7/EU. Transactions with consumers, however, do not fall within the scope of this Directive.

Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8 percent above the European Central Bank rate) as well as EUR 40 as compensation for recovery of costs. For business-to-business transactions, a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

### **Sales Service/Customer Support**

Spanish consumers are becoming more demanding when it comes to after-sales and customer service. At the industrial level, service and technical support remains an important competitive factor. After-sales service is a requisite for government procurement.

Customer service is not as developed as it is in the United States; though, the larger department stores and new retailers (usually foreign) have return policies similar to those in the United States. In recent years, customer and end-user organizations have gained ground in their effort to acquire greater protection and fair treatment for consumers. These entities are similar to the Better Business Bureaus. [OCU \(Organización de Consumidores y Usuarios\)](#) is the best organized of these entities.

OCU, Organización Consumidores y Usuarios  
Calle Albarracín, 21  
28037 Madrid  
Tel: 902 300 187  
Fax: 917 543 870

The producer is liable for damage caused by a defect in his product under the EU1985 Directive on [Liability of Defective Products](#). The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability is granted in cases of negligence by the victim.

Product Safety

The [EU General Product Safety Directive](#) requires the producer and distributor to notify the Commission in case of a problem with a given product. The Directive also includes provisions on product recalls, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not considered safe in the EU.

#### Legal Warranties and After-Sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum **two-year warranty** on all consumer goods sold to consumers.

The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract

#### Local Professional Services

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the [Commercial Service at the U.S. Mission to the European Union](#).

It is recommended to acquire local legal advice before entering into any complex business transaction in Spain. A local attorney can guide and assist in the establishment of a subsidiary or a branch, carry out business transactions, represent a company in government contracts or establish residency in Spain.

[A list of attorneys by legal specialty is available on the U.S. Embassy website](#)

[Information on useful service providers available on CS Spain's website](#)

#### Principal Business Associations

[The American Chamber of Commerce in Spain](#) is the main organization that accepts membership from U.S. companies located outside of Spain. U.S. companies established in Spain are free to join local organizations, chambers of commerce, sectoral associations, etc.

#### Associations

CEOE – Spanish Confederation of Employers' Associations, is the largest business association in the country, representing approximately two million companies and self-employed entrepreneurs from all sectors and participating in almost all business-related commissions, committees and working groups of the Spanish Public Administration.

[Spanish Better Business Bureau](#)

[Spanish Federation of E-Commerce and Direct Marketing](#)

[Spanish ICT Association \(AETIC\)](#)

[Spanish Internet Companies Association \(ANEI\)](#)

[Association of Telecommunications Service Providers – ASTEL](#)

[Spanish Franchiser Association](#)

[FENIN – The Spanish Federation of Manufacturers, Exporters and Importers of Medical Devices](#)

[Turespana](#): Spanish Tourism Organization

[Federación Española de Industrias Alimentarias y Bebidas \(FIAB\)](#) (*Spanish Food and Drink Industry Federation*)

[Asociación Española para el Comercio Exterior de Cereales y Productos Análogos \(AECEC\)](#) - (*Spanish Cereal Trade Association*)

[Almendrave](#) (Almonds and Hazelnuts Exporters/Importers Association)

[Confederación Española de Alimentos Compuestos para Animales](#) (*Spanish Federation for Prepared Foods, for Animals*)

[Federación de Industrias Lácteas](#) (*National Federation of Dairy Industries*)

[AFOEX](#) (*Oilseed Crushers Association*)

[Asociación Española de Importadores de Maderas](#) (*Spanish Timber Importers Association*)

[ANOVE](#) (*National Seed Breeders Association*)

[Asociación Industrial del Textil del Proceso Algodonero](#) (*National Cotton Processors Association Center*)

[PROPOLLO](#) (Spanish Poultry Producers Association)

[PROVACUNO](#) (Spanish Beef Producers Association)

INTERPORC (Spanish White Pork Producers Association)

[ASEPRHU](#) (Spanish Egg Producers Association)

Grain Marketing

[Llotja de Cereales de Barcelona](#) (*Barcelona Cereal Market*)

Chambers of Commerce

[American Chamber of Commerce in Spain](#). This organization is a strong advocate for U.S. firms located throughout the country. It also has Spanish members, including leading Spanish multinationals.

[Spain-U.S. Chamber of Commerce – New York](#). Based in New York, this organization is open to U.S. and Spanish companies.

[Spain-U.S. Chamber of Commerce – Miami](#). Open to U.S. and Spanish companies.

[Cámara de Comercio de España \(Spanish Chamber of Commerce\)](#). Umbrella organization for chambers of Commerce located throughout the country. Has close ties to the Spanish Government.

[Cámara Oficial de Comercio e Industria de Madrid](#) (Madrid Chamber of Commerce and Industry)

[Cámara Oficial de Comercio, Industria y Navegación de Barcelona](#) (Barcelona Chamber of Commerce, Industry and Navigation)

[Cámara Oficial de Comercio, Industria y Navegación de Bilbao](#) (Bilbao Chamber of Commerce, Industry and Navigation)

## **Limitations on Selling US Products and Services**

There are no sectors or services where only Spanish citizens are allowed to own or sell.

## **Trade Financing**

### **Methods of Payment**

In general, foreign products are imported to Spain by an irrevocable letter of credit, but other forms of payment can be negotiated when a relationship has already been established between exporter and importer/distributor.

EU and Spanish legislation stipulate that payment conditions should fall within 30, 60 or 90 day terms. Nonetheless, large corporations (including large retailers) often impose longer payment terms of up to six months. The government may defer many payments - depending on the department, payments may be deferred up to one year.

The most common methods of payment for international trade are:

Check (cheque): Bank checks guarantee secure transactions, while personal checks do not. Personal checks do not provide adequate guarantees against commercial risk because the bank does not guarantee the funds in the account of the issuer.

Payment Order (orden de pago): Through a payment order to the bank in Spain, the importer pays the exporter's bank the amount due by using a correspondent bank in the base country. The initiative for the payment in this case is the importer's responsibility. These transfers, via SWIFT (Society for Worldwide Interbank Financial Telecommunications), are common in the Spanish banking system.

Documents against payment (remesa documentaria): Exporters use this instrument to ensure the possession of the merchandise until they have received payment or at least until the importer accepts a bill of exchange.

Documentary Credit (crédito documentario): This enables safer transactions owing to the involvement of banks in both countries. In this case, the importer's bank insures against the entry of a third party (an exporter, the bank or a correspondent bank).

Further counseling on international payment methods can also be obtained from [U.S. Export Assistance Centers](#), [The International Chamber of Commerce \(ICC\)](#), local chambers of commerce, the [U.S. Government Export Portal](#) and at [Unzco](#).

The ICC also has a mechanism to settle disputes, [Dispute Resolution Service](#)

### **Banking Systems**

Spain's expansive and modern financial system is fully integrated with international financial markets. The system includes credit, stock and money markets, and specific markets for derivatives.

The banking system is regulated by three entities, the Secretary General of Treasury and Financial Policy, the Directorate General of International Trade and Investments in the Ministry of Economy and Competitiveness, and the Bank of Spain. Spanish legislation on bank incorporations is regulated by Royal Decree 1245, dated July 14, 1995. When looking to set up a branch or representative office in Spain, foreign banks that have already been authorized to operate in another EU member country do not need authorization from the Bank of Spain. Conditions of access to the Spanish financial system are the same for both Spanish and foreign companies.

The EU single market in banking and insurance services has changed the Spanish legal framework. Spain has adopted EU Directives that regulate the equity and solvency ratio of credit institutions and Council Directives on banking coordination. It has also adopted EU Directives on the securities market and insurance services. As Spain is a member of the Eurozone, it lacks traditional monetary policy tools; interest rates instead fluctuate in response to actions of the European Central Bank.

The banking industry in Spain expanded significantly during the country's 15 years of rapid economic growth prior to Spain's housing bubble and the international financial crisis, which forced Spain in 2012 to request EU bailout funds to recapitalize and restructure its financial sector. In the run-up to the housing crisis of 2008, Spanish banking was dominated by regional savings banks ("cajas de ahorro"), which were often controlled by political interests and whose poor lending practices fueled the rapid growth of Spain's housing bubble. The Spanish government used the bailout in 2012 to close and recapitalize banks as well as shift bad assets into a bank (SAREB) specifically created to manage them. As a result, Spain's banking sector consolidated significantly; most of Spain's regional savings banks have closed or merged. Since the bailout, Spain's banks have made significant progress deleveraging bad mortgages but are still cleaning up their balance sheets. After years of very tight lending in response to the real estate and financial crises, Spanish banks have begun to increase access to consumer and commercial credit.

[The GOS website](#) has additional information on relevant data on the Spanish financial sector and a special section on the status of the financial sector reform and international assessments,

Operators in the Spanish financial system

The Bank of Spain listing shows:

- Supervised Institutions in Spain (248)
- Credit institutions (192)
- Banks.
- Savings banks.
- Credit co-operatives.
- Branch offices of foreign credit institutions.
- Other institutions (53)
- Specialized lending institutions.
- Electronic money institutions.
- Payment institutions.
- Mutual guarantee and re-guarantee companies.
- Currency exchange establishments authorized to buy and sell foreign currency.
- Valuation companies.
- Company for the management of assets from the restructuring of the banking system (SAREB).
- Banking foundations.

- Money Market Funds (2)
- Central bank (1)
- *Source: [Bank of Spain](#)*

Spain has one of the largest banking branch networks in the Eurozone despite significant consolidation of the sector since the financial crisis. Given its still relatively high penetration of banks per capita and banks' tight profit margins, analysts expect further consolidation of Spain's banking sector.

Other credit entities:

- Credit financial establishments specialize in asset products such as leasing, lending, factoring, and mortgage loans. They cannot take public deposits.
- ICO - Instituto de Crédito Oficial (Institute for Official Credit) serves as the State's finance agency and investment bank.
- Investment institutions
- Collective investment entities:
- Investment companies dealing in marketable securities and property assets.
- Investment funds dealing in marketable securities, money market assets, property assets, mortgage securities, pension plans and funds.
- Venture capital funds and companies.
- Other investment entities.

Brokers:

- Stock market: Stockbroker companies and agencies.
- General: Banks, security management and deposit companies.
- Insurance and re-insurance companies and insurance brokers.

Spain has improved its investment and brokerage entities. Governing investment entities are required to provide financial reporting to the public and recognize new types of investment organizations such as venture capital funds and companies. Spain has implemented tax relief measures in an effort to reduce extra costs involved in using this form of investment.

Money Market

The Bank of Spain bases Spain's money market essentially on the issuance of short-term securities, taken up by banks, finance companies and money market operators. The Spanish money market has become increasingly important in recent years after the system was made more liberal and flexible. The government debt market is also important in

Spain, and both residents and foreigners invest in it. For non-residents, tax arrangements for investments in these securities are quite favorable.

#### Credit Market

The Spanish credit market is structured around private banks, which use their funds to provide financing for the private sector. These banks also operate as investors and underwriters in the stock market since they are able to adjust their liquidity by inter-bank and money market transactions. Liberalization of capital movement within the EU has made it easier for Spanish companies to obtain financing from abroad.

#### Stock Market

Bolsas y Mercados Españoles (BME) is the Spanish company that deals with the organizational aspects of the Spanish stock exchanges and financial markets, and includes the stock exchanges in Madrid, Barcelona, Bilbao and Valencia. BME has been a listed company since 14 July 2006 and a constituent of IBEX 35—the benchmark index for Spain’s principal stock exchange—since July 2007.

The Spanish system of market regulation is based on a British/U.S. model. Spain has a single computerized and centralized continuous stock market that penalizes insider trading. The National Stock Exchange Commission, CNMV, supervises the system and cooperates in developing its regulations.

The competitive securities market has a three-day settlement system. Trading on credit is permitted; new hedging instruments, index, and warrant options are available. The government has enacted stricter and more comprehensive regulations regarding takeover bids. Other positive developments in Spain’s stock market include establishment of futures and options markets, plus an unofficial second market for trading in fixed-income assets. These advances have made the Spanish securities market safer and more transparent.

#### Pension Plans and Insurance Companies

Security investment companies and funds in Spain have increased in recent years. Employers, associations, and financial entities are able to promote pension plans. These plans include favorable tax treatment and restrictions on use of funds before retirement, death or disability. Accumulated savings in pension plans may also be used in the event of long-duration unemployment or serious illness. Private insurance legislation, Law 30/1995, requires companies to formalize their pension plans with an external fund or insurance contract.

The life insurance market has also grown substantially in Spain. This is mostly due to the similarities between survival insurance contracts, which include favorable tax treatment, and traditional saving formulae. The government prohibits the sale of short-term survival insurance with low actuarial content. In recent years, international insurance companies have begun operating in Spain by forming subsidiaries and branch offices or by purchasing existing companies. In general, the companies have attained profitable results and excellent market positions.

#### **Foreign Exchange Controls**

Some main features of key legislation on foreign transactions (Royal Decree 1816/1991) include:



Safeguard clauses -- Under exceptional circumstances, this law authorizes the Spanish government to prohibit or limit certain financial transactions with non-residents if the transactions affect Spanish interests, or if they affect measures adopted by international bodies of which Spain is a member. The Ministry of Economy or the Council of Ministers may invoke these safeguards if necessary.

Documenting transactions -- For statistical purposes, banks must document money transactions.

Declaration to the Bank of Spain -- Notification must be given to the Bank when certain transactions occur between residents and non-residents. These transactions may include financing and deferral of payments and receipts for over a year, offsets of credits and debits on commercial and financial transactions, or financial loans received from non-residents.

Prior notification -- This regulation requires prior notification for the export of coins, bank notes and bearer checks, in either local or foreign currency, to non-E.U. countries for amounts of more than Euros 6,000 (USD 6,720 at average 2019 exchange rate) per person, per trip. Prior notification is also required for quantities of more than Euros 6,000 (USD 6,720) coming into Spain.

Prior authorization -- Prior administrative authorization is required for the export of coins, bank notes, and bearer checks, in either local or foreign currency, for amounts over Euros 30,000 (USD 33,600) per person, per trip.

Bank accounts -- Non-resident individuals and companies can maintain bank accounts in Spain and do so under the same conditions as residents. The only requirement to have a bank account is documentation of non-resident status. For exchange control purposes, residents are individuals who live in Spain, companies with registered offices in Spain or branches/subsidiaries of foreign companies or of individuals living abroad.

[Check here for more details on exchange control regulations:](#)

US Banks & Local Correspondent Banks

U.S. Banks in Spain: Of the U.S. banks listed below; none offer retail-banking services.

JPMorgan Chase Bank National Association, Sucursal en España

Paseo de la Castellana, 31  
28046 Madrid  
Tel: (34) 915 161200; Fax: (34) 9151 61616

***Representative Offices***

*The Bank of New York Mellon*

José Abascal 45, Plta. 4  
280030 Madrid  
Tel: (34) 91 177 5120; Fax: (34) 91319 2247

*Brickell Bank*

Velazquez 94, 2ª.  
28006 Madrid  
Tel: (34) 91400 5009; Fax: (34) 91 400 5072

Spanish Correspondents

[Banco Bilbao Vizcaya Argentaria \(BBVA\)](#)

International Department  
Calle Azul, 4  
28050 Madrid  
Tel: (34) 91-374-3000; Fax: (34) 91-374-7197

[Banco Santander](#)

Central International Division  
Ciudad Grupo Santander  
Calle Partenón  
Boadilla del Monte  
28660 Madrid  
Tel: (34) 91-289 4866

[Caixa Bank](#)

Avda. Diagonal, 621-629  
08028 Barcelona  
Tel: (34) 93-404-7110; Fax: (34) 93-330-0097

[Bankia, S.A.](#)

Paseo de la Castellana 189  
28046 Madrid  
Tel: (34) 91 391 5380/Fax: (34) 91 391 5414

## **Protecting Intellectual Property**

IP rights must be registered and enforced in Spain as U.S. trademark and patent registrations will not protect you in Spain. [Granting or registering patents is generally based on a first-to-file basis.](https://www.trade.gov/knowledge-product/spain-protecting-intellectual-property) (https://www.trade.gov/knowledge-product/spain-protecting-intellectual-property) Similarly, registering trademarks is also based on a first-to-file basis, so you should consider how to obtain patent and trademark protection before introducing your products or services to the Spanish market. Intellectual property is primarily a private right and the U.S. government cannot enforce rights for private individuals in Spain. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Spanish law. The U.S. Commercial Service can provide a list of local lawyers upon request.

Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

In any foreign market companies should consider several general principles for effective management of their intellectual property For background, link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources. It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad

actors. Projects and sales in Spain require constant attention. Work with legal counsel familiar with Spanish laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

Businesses may seek a trademark valid throughout the EU via the [Office for Harmonization in the Internal Market \(OHIM\)](#), headquartered in Alicante, Spain.

Office for Harmonization in the Internal Market (Trade Marks and Designs)  
Avenida de Europa, 4  
E-03008 Alicante  
Tel: (34) 96-513-9100

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Spain or U.S.-based. These include:

The U.S. Chamber and local American Chambers of Commerce

The National Association for the Defense of Trademarks (ANDEMA)

National Association of Manufacturers (NAM)

International Intellectual Property Alliance (IIPA)

International Trademark Association (INTA)

The Coalition Against Counterfeiting and Piracy

International Anti-Counterfeiting Coalition (IACC)

Pharmaceutical Research and Manufacturers of America (PhRMA)

Biotechnology Industry Organization (BIO)

IP Resources

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

IP Attaché Contact for Spain:

Susan F. Wilson  
European Union, European Commission and Turkey  
U.S. Mission to the European Union  
Boulevard du Régent 27  
BE-1000  
Brussels, Belgium  
Tel: +32 2-811-5308  
[EMAIL : Susan.Wilson@trade.gov](mailto:Susan.Wilson@trade.gov)

For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at [Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov).

## Selling to the Public Sector

In Spain, all levels of administration -- central government, autonomous communities, municipalities and companies with at least 50 percent government ownership -- have to follow specific procurement practices as regulated by the [2017 Law of Contracts of the Public Sector](#), Law 9/2017 of November 8 (Spanish).

The authorities allowed to contract or require funds on behalf of the Government are:

- Central Government: Ministers and State Secretaries
- Autonomous Communities: Legal representatives as established by the local government (usually a member of the cabinet) Municipalities: Mayor or any other formally designated official
- State-owned companies: Chief Executive Officer

Public and government procurement in Spain follow the [WTO Government Procurement Agreement](#) (GPA) and EU-wide legislation under [the EU Public Procurement](#) Directives. GOS Ministries are the main central contracting agencies. At the local level, principal contracting agencies include regions, provinces, municipalities and entities controlled by the municipalities, including regional/local healthcare authorities.

U.S.-based companies are eligible to bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

Tenders are published in the Official European Gazette and the official Spanish Official Gazette (BOE).

EU public procurement opportunities are published online in the Tenders Electronic Daily, [TED](#), including public purchases of supplies, works and services by European governments and institutions at the national and sub-central levels. TED includes GPA as well as non-GPA covered tenders covered by EU Public Procurement Directives in any EU country. A user does not have to be registered in order to access TED. Under “business opportunities”, click on “contract notices”. This will produce a list of all notices in all countries unless the search is refined, and a specific country or countries have been selected.

A listing of Spanish tenders is also available on a GOS [centralized procurement platform](#) (PLACSP). Spanish regional governments also publish tenders within their areas, although access to the list of tenders varies from region to region. Some, such as the [Catalonian Regional Government](#) publish the list, while many others invite interested parties to register in advance.

### Selling to the Government

[Spanish Government procurement](#) follows the principle of best value through competition. There is no official domestic preference policy, or discrimination against foreign suppliers, however the Spanish Government does encourage “full and fair opportunity” for Spanish suppliers.

The bidding procedure for a specific tender is relatively straightforward. All proposals for bids are confidential and must be accompanied by proper documentation.

This information should include:

- Accreditation of the legal representation used by the company.
- Proof of economic and financial ability to meet all obligations and technical or professional competence plus a declaration that the company is not prohibited from contracting.
- Proof that a provisional guarantee, as required by the conditions of participation, has been deposited. For foreign companies, formal acceptance of the jurisdiction of the Spanish courts (if necessary).
- Accreditation that all fiscal and social security obligations have been met.

U.S. companies interested in bidding for contracts with the Public Administration must comply with the Spanish Public Sector Procurement Law (Ley de Contratos del Sector Público). Companies must also document their compliance with the [Spanish Embassy in Washington, D.C.](#)

Embassy of Spain  
Commercial Section  
2558 Massachusetts Ave. NW  
Washington, DC 20008-2865  
Tel: (202) 265-8600;  
Fax: (202) 265-9478

Procurement decisions are normally made at the respective department or agency level. For some categories of products, however, the Spanish Sub-Directorate of Procurement has opened [a centralized bidding mechanism that uses an on-line register for bidders and open bids](#). These categories include computers, vehicles, office equipment and heating.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information

#### EU Procurement

The U.S. and the EU both participate in the World Trade Organization's (WTO) Government Procurement Agreement (GPA). This means that U.S.-based companies are able to bid on supplies and services contracts from European public contracting authorities. However, there are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in the EU coverage of the GPA.

The four relevant EU directives on public procurement include:

**Directive 2014/24/EU** - public works contracts, public supply contracts and public service contracts applies to the general sector.

**Directive 2014/25/EU** - entities operating in the water, energy, transport and postal services sectors.

**Directive 2009/81/EC** - defense and sensitive security procurement. Procedures for the procurement of arms, munitions and war material (including related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes.

**Directive 2014/23/EU** - concession contracts, either for the delivery of works or services, giving the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The U.S. Commercial Service at the U.S. Mission to the European Union has developed a database of all European public procurement tenders that are open to U.S.-based firms. The office has also prepared an interesting report on EU public procurement including restrictions in the area of utilities indicated in **Directive 2014/25/EU** .

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

### **Project Financing**

Banks are the primary sources for short and long-term capital. While short-term financing is relatively easy to obtain, medium- and long-term funds are typically only made available to large companies and are thus more difficult to obtain.

The most important types of short-term financing are through loan agreements (pólizas de crédito), discounting of commercial bills, and loans against bills drawn on a borrowing company to the order of the bank (efectos financieros). Under a "póliza de crédito," (the usual term is six months) the borrower has access to credit up to the maximum amount negotiated in the loan agreement. Spanish borrowers prefer "pólizas" to loans made against bills (efectos financieros or letras financieras) because the latter are subject to stamp tax.

Commercial bills and other trade instruments are generally discounted under an overall credit line agreed upon by the bank and its client. Banks usually offer these lines for one year and prefer that short-term paper (30, 45 or 90 days) be passed through the line.

Local companies can raise their discount ceilings by opening term or savings accounts equal to 5-20 percent of their drawings. Equity financing is also available. Savings banks offer primarily, but not exclusively, credit for projects within their local areas. Loans are directed towards financing projects that create new jobs and improve local infrastructure.

The Official Credit Institute (ICO), an agency supported by the Government of Spain, offers special loan terms for industrial restructuring and for smaller firms.

Credits from the European Investment Bank are significant in Spain and are available for investment projects for development of selected sectors and regions.

#### Types of Available Export Financing and Insurance

Numerous financial organizations exist to assist U.S. exporters. These organizations include commercial private financial sources such as factoring, forfeiting and confirming services. U.S. federal, state, and local government agencies offer many different types of financing programs. Some are guarantee programs that require the involvement of an approved lender; others provide loans or grants to the exporter or a foreign government banks and Commercial banks use government guarantee and insurance programs to reduce risk associated with loans to exporters. Lenders use these government programs to protect themselves against the risk surrounding an exporter's ability to pay.

To determine financing options available, consult:

- Your international or domestic banker
- Your state exports promotion or export finance office
- [U.S. Department of Commerce / ITA](#)
- [U.S. Export Assistance Centers](#)
- The Export-Import Bank of the United States ([ExImbank](#))

#### Availability of Project Financing

The Export-Import Bank of the United States ([ExImbank](#)) is the federal government's trade finance agency and offers many programs to meet the financial needs of American firms and their buyers. Other agencies fill various market niches; [the Department of Agriculture](#) offers a variety of programs to foster agricultural exports while [The Small Business Administration](#) (SBA) caters to the needs of smaller exporters.

#### Types of Projects Receiving Financing Support

As indicated above, financing may be available to U.S. exporters from public and private U.S. institutions. In Spain, grants and incentives offered by different levels of the EU and Spanish Government, as well as by regional and local authorities, include:

State and regional incentives for training and employment, especially focused on improving qualifications of active/under-skilled workers and fostering indefinite employment.

State and regional incentives such as financial aid and tax benefits for specific sectors (agriculture and food, research and development, energy, mining, technological improvement). The "National Plan for Scientific Research and Technological Innovation," partly funded by EU Structural Funds, aims to raise the level of Spanish science and technology and increase competitiveness and the efficient use of research and development results.

Investment incentives to promote economic growth in less developed areas (Economic Promotion Areas and Special Areas), with a ceiling of up to 50 percent of the investment.

State incentives for small and medium-sized firms (SMEs), known as "Iniciativa PYME." The Directorate General for Small and Medium Firms promotes several programs for SMEs, mainly for business cooperation and promotion of key areas (Information Services, Design Programs and Financing Programs).

Incentives for internationalization, primarily for Spanish firms looking to invest or promote their business activities abroad, primarily through the Spanish Industry for Foreign Trade -- ICEX (Spanish Trade & Investment Institute).

National government incentives for technology development and innovation in industrial sectors, principally through CDTI (Centro para el Desarrollo Tecnológico Industrial) and CSIC (Consejo Superior de Investigaciones Científicas).

EU incentives and grants from the [European Regional Development Fund](#) aid those areas with lower levels of income and high unemployment; EU incentives are routed through Spanish institutions.

#### EU Programs

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and infrastructure projects in a number of key sectors (e.g. environmental, transportation, energy, telecommunications, tourism, public health). From a commercial perspective, these assistance programs create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors. Additional information on the financing programs made available by the European Union is available via the [CS Mission to the EU](#) website.

#### Loans from the European Investment Bank

[The European Investment Bank \(EIB\)](#) is the financing arm of the European Union. The EIB is a non-profit banking institution that offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all economic sectors, such as telecommunications, transport, energy infrastructure and environment.

While more than 90 percent of its activity is focused on Europe, the bank now works with over 150 non-EU states which receive around 10 percent of the entities funding.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs and assisting urban renewal. In general, projects financed by the EIB must promote growth, competitiveness and employment in Europe. The [EIB website](#) contains information on upcoming tenders related to EIB-financed projects.

The EIB also presents attractive opportunities to U.S. businesses, as EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must use the loan proceeds for projects that contribute to the European objectives cited above.

The U.S. Mission to the European Union in Brussels has developed a database to help U.S.-based companies bid on EIB public procurement contracts in non-EU countries. All the tenders in this database are extracted from the EU's Official Journal. The [EIB database](#) contains, on average, 50 to 100 tenders and is updated twice per week.

#### Multilateral Development Banks

Spain does not borrow from Multilateral Banks.



## **Business Travel**

Spain is a party to the Schengen Agreement. Check the [Embassy](#) of Spain website for the exact requirements on visa-free travel to Spain. Your passport should be valid for at least six months beyond the period of stay.

### **Business Travel and Etiquette**

#### **Business Customs**

Spaniards tend to be more formal in personal relations than Americans are, but less rigid than they were 10 years ago. It is a mistake to assume doing business in Spain is just like doing business in Mexico and Latin America; Italy or France would be a better comparison. Traditionally, a handshake was customary upon initiating and closing a business meeting, accompanied by an appropriate greeting. 'Air' kisses on each cheek has also been a traditional greeting between men and women, even if only a casual acquaintance (likely not for a first-time meeting). It has yet to be determined how/if cultural norms will change as a result of the recent global health pandemic. Professional attire is expected: business dress is suit and tie, and business cards are required.

Spaniards expect a personal relationship with suppliers; there is no substitute for face-to-face meetings with Spanish business representatives to break into this market. It has yet to be determined how/if cultural norms will change as a result of the recent global health pandemic. Traditionally, initial communication by phone or fax is far less effective than a personal meeting, and mail campaigns generally yield meager results. Less than 30 percent of local managers are fluent in English.

Spaniards tend to be "conservative" in their buying habits. Large government and private sector buyers generally are more comfortable dealing with other large, established organizations or with firms recognized as leaders within their sectors — so known brands do well.

Business travelers to Spain seeking appointments with U.S. Commercial Service officials at the Embassy in Madrid should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at (34) 91-564-8976, and by [e-mail](#).

#### **Tipping**

Tips are not obligatory in Spain. A service charge is not included in restaurant bills; however, waiters in Spain (unlike in the United States) are paid at least the minimum official wage and do not rely to the same extent on tips for their income. Tips are customarily left for good service (normally up to five percent of the bill). Taxi drivers may be tipped by rounding up the payment to include up to five percent of the fare.

#### **Climate and Clothing**

Due to the differences among various regions, it could be said that Spain has a Mediterranean-continental climate. The weather in the northern coastal regions (bordering the Atlantic and the Bay of Biscay) is temperate and often rainy throughout the year, and temperatures are neither very low in winter nor very high in summer. The climate on the Mediterranean coastline, including the Balearic Islands, is typically Mediterranean -- mild in the winter, and hot and dry in the summer. The differences are more extreme on the inland plateau, where Madrid is located, and which is the highest in Europe. The climate is dry, with cold winters and hot summers. The Canary Islands have a climate of their own, with pleasant temperatures all year and a short, milder winter.

While Spanish women tend to dress down in the summer, men still wear suits and ties, particularly in the cities. Air conditioning is common in all major hotels and business establishments.

Travel Advisory:

Please refer to the Department of State's [Country Specific Information for Spain](#) for more information.

Embassy and Consulate Locations

The U.S. Embassy in Madrid is located at Serrano, 75. You must have an appointment to access the Consular Section for all services, including U.S. visa, passport, citizenship, and notarial services. For more information, see the Embassy's website at [es.usembassy.gov](http://es.usembassy.gov)

There is a U.S. Consulate General in Barcelona, at Paseo Reina Elisenda, 23, telephone (34) 93-280-2227. You must have an appointment to access the Consular Section for all services. We do not provide U.S. visa services in Barcelona.

We also provide limited consular services at five [Consular Agencies](#) in Spain, by appointment only. We do not provide U.S. visa services at the consular agencies.

Visa requirements:

Check the [Embassy](#) of Spain website for the exact requirements on travel to Spain.

### ***Entry requirements for the United States***

For U.S. companies wishing to invite Spanish visitors to the United States, Spanish passport holders generally may enter the United States for tourist or business visits of 90 days or less under the Visa Waiver Program. They need, however, to register online for the advance travel authorization under Electronic System for Travel Authorization (ESTA). [ESTA Travel Authorization](#)

The U.S. Department of Homeland Security (DHS), Customs and Border Protection (CBP), reminds travelers to allow 72 hours for ESTA. In normal conditions, consistent with existing requirements, international travelers using ESTA for travel to the United States should apply **as soon as possible but not less than 72** hours before their international flight is scheduled to depart. Due to changes in ESTA application processing, real-time approvals will no longer be available. International travelers without an approved ESTA will not be authorized to board their flight.

Please note that due to matters related to the global health pandemic starting in early 2020, the admission of foreign nationals to the US has been restricted by Presidential Proclamations that could affect the use of the Visa Waiver Program and the Electronic System for Travel Authorization (ESTA) to gain [admission to the US](#). Seeing that this is an evolving situation, travelers are encouraged to monitor [the CBP website](#) for changes.

Emergency Information

The Embassy has a Duty Officer to assist U.S. citizens only outside of normal business hours. The Duty Officer will not assist with U.S. visa questions or issues. The Duty Officer can provide information on medical facilities, on obtaining emergency funds from home, on dealing with and replacing lost/stolen passports, and on reporting crimes. However, most activities, like obtaining an emergency passport to replace a lost/stolen one, can only be performed during normal working hours.

The Duty Officer can be reached at tel. (34) 91-587-2200.

Please consult this [website](#) regarding emergency assistance.

From the United States, the Office of Overseas Citizens Services at the Department of State can be reached by calling 1-888-404-4747.

From outside the United States, this office can be reached through (1) 317-472-2328.

### **Currency:**

Spain is part of the Euro zone and uses the euro as the local currency.

Credit cards are a widely used method of payment in Spain. The number of credit cards circulating in Spain at the end of 2019 was 85 million, of which 48 million were debit cards, up 4.27 percent over 2018. Some of the most commonly used credit cards in Spain include Mastercard, and Visa. Debit cards including Maestro, Visa Debit and Debit Mastercard are accepted. Many banks are investing in innovative products and new technologies to rebuild their images. Spanish banks BBVA, Grupo Santander, and Caixabank have been the leaders in the innovation process of contactless cards and devices, mobile payments, and digital wallets. Spain is one of the European countries with the highest rate of penetration for such products. Vendors may require additional identification such as a passport or other form of accepted picture identification.

ATMs are commonplace in cities and towns both on the street, in retail outlets and some gas stations and visitors should be aware that bank transaction fees may apply, including foreign transaction fees and conversion fees. Traveler's checks are not generally accepted for purchases. Visitors should inquire about the policy of the bank, hotel, or store before seeking to cash a personal check.

For currency or other numerical quantities, a decimal point (period) is commonly used to mark off the thousands position and a comma to denote decimal amounts – unlike the practice in the United States; for example, 1.234.456,78 EUR.

### **Telecommunications/Electronics:**

Telecommunications to and from Spain, compare favorably with similar services found throughout the European Union. A direct-dial telephone system links Spain to the United States and most of the world. Calls to the United States may be charged to international telephone cards such as AT&T (900-99-00-11), Sprint (900-99-00-13), and Verizon (900-99-00-16). These numbers can be used to place collect calls to the United States.

All landline numbers in Spain start with 9. Mobile phone numbers start with 6. To place a call to Spain, dial 011+34+ telephone number. To place a call to the United States from Spain, dial 00+1+area code+ telephone number.

Public phones in Spain accept coins and Telefónica (main Spanish telephone company) debit cards. Some public phones also accept commercial credit cards, however, given the rise in the use of cellphones fewer public phones are currently available.

### **Transportation:**

Frequent direct air service is available to major U.S. cities from Madrid and Barcelona. Airports in both Madrid and Barcelona have good public transportation service to downtown. There is a flat rate of Euros 30 from the Madrid Airport to the city center. All major cities have metered taxis, and extra charges must be posted in the vehicle. Travelers are advised to use only clearly identified cabs and to ensure that taxi drivers always switch on the meter. A green light on the roof indicates that the taxi is available.

Public transportation in large cities is generally excellent. Rail service is comfortable and reliable but varies in quality and speed. High-speed trains are available to Seville, Cordoba, Malaga, Valencia, Alicante, Saragossa, Barcelona, Granada and Leon. Work has started on extending the Madrid-Leon route to connect with the north-western region of Galicia. Intercity buses are usually comfortable and inexpensive. International Driving Permits are required for non-EU drivers planning to drive in Spain.

For additional general information about road safety, including links to foreign government sites, please see the [Department of State Bureau of Consular Affairs home page](#).

### **Language:**

While an increasing number of businesspeople speak English, having product literature, correspondence, and negotiations in Spanish provides a distinct advantage over competitors who use only English. Certain regions in Spain have second official languages: Catalan in Catalonia and the Balearic Islands; Valencian in Valencia; Galician in Galicia; and Basque in the Basque Country.

### **Health:**

Good medical care in Spain is available, though U.S. medical insurance is not usually valid outside the United States. Travelers have found supplemental medical insurance with specific overseas coverage to be useful since doctors in Spain expect up-front payment.

The hotline for the Center for Disease Control for international travelers can provide further information on health matters: (404) 332-4559.

For more details, please check this [website](#).

### **Local time, business hours, and holidays:**

#### **Local Time**

Spain follows Central European Time (CET). The time difference between Madrid and the U.S. east coast is six hours during daylight savings time, and 5 hours otherwise.

#### **Work Week and Business Hours**

Workdays on either side of a Spanish holiday are not good times to schedule business meetings, nor is the month of August or the vacation periods around Christmas and Easter.

Business hours in Spain are generally 9:00 a.m. to 6:00 p.m. Monday through Friday. To ensure availability, appointments are recommended. Banking hours are 8:30 a.m. to 2:30 p.m. during the week, and sometimes Saturday morning. Department stores are generally open 10:00 a.m. to 8:00 p.m., Monday through Saturday. Many small shops and businesses close at lunchtime, generally from 2:00 p.m. to 4:00 p.m. but stay open until 8:00 p.m.

Spaniards are receptive to breakfast invitations starting not earlier than 8:00 a.m. A Spanish breakfast typically consists of juice, rolls and coffee. Lunch normally starts at 2:00 p.m. Spanish business lunches can last up to last two hours. Dinner starts late, i.e., around 9:30 p.m. and may last until midnight.

### **Spanish National Holidays**

The Government of Spain publishes a list of official holidays every year. The holidays authorized for 2020 are:

January 1	New Year
January 7	Epiphany (Wise Kings' Day)
April 9	Easter Thursday
April 10	Easter Friday
May 1	Labor Day
August 15	Our Lady's Assumption
October 12	National Holiday
November 2	All Saints' Day
December 6	Constitution Day
December 8	Day of the Immaculate Conception
December 25	Christmas Day

In addition to these national holidays, other local holidays vary by region and city.

In Madrid:

May 2,	Regional Holiday-Madrid
May 15,	St. Isidro- Patron of Madrid
November 2	All Saints' Day
November 9	Our Lady of Almudena
December 9	Day of the Immaculate Conception

In Barcelona:

April 13	Easter Monday
June 1	Whit Monday
June 24	St John's Day
September 11	Regional Holiday - Catalonia
September 24	La Merce – Patron of Barcelona
December 26	St. Stephen's Day

The Embassy and Consulates also observe official U.S. holidays:

January 1,	New Year's Day
January 20, 1	Martin Luther King's Birthday

February 17	Presidents' Day
May 25,	Memorial Day
July 3 (observed) 4	Independence Day
September 7	Labor Day
October 12	Columbus Day
November 11	Veterans Day
November 26	Thanksgiving Day
December 25	Christmas Day

Please check the Embassy website for a [full listing of official holidays](#) observed by the Embassy.

**Temporary Entry of Materials and Personal Belongings:**

Laptop computers for personal/business use do not require any special documentation. Occasionally, the Customs service at Madrid's Barajas airport [tel. (34) 91- 393-7552] decides shipping a laptop constitutes as a temporary importation requiring the presentation of a warrant: a cash deposit or a statement from a Spanish bank stating an import tax will be paid if the equipment is sold in Spain. Before leaving Spain, the equipment and necessary forms should be taken to the Customs Office at Barajas airport for reimbursement of the deposit.

**Electrical Characteristics**

Electric current in Spain is 220 volts AC, 50 cycles. Most U.S. electrical equipment and appliances need a transformer and plug adapter. Although laptops today are often dual voltage, it is advisable to verify this before plugging one into Spanish current.

U.S. cell phones, unless they are tri-band and the U.S. wireless carrier works on the GSM standard, will not work in Spain or the rest of Europe. Additionally, the carrier plan should allow for international roaming. Phones, which work in the United States as well as in European countries, can be purchased at cell phone retail stores in the United States. Cell phone rental is also available in Spain, although some travelers find it cheaper to purchase a basic pay-as-you-go phone upon arrival and charge it with pre-paid phone cards as needed.

## **Investment Climate Statement (ICS)**

The full document can be viewed on the [U.S. Department of State website](#).

## **Political Environment**

For background information on the political and economic environment of Spain, please click on the following link to the [U.S. Department of State website](#).