



Sweden
Sverige



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN SPAIN 2024

A REPORT FROM TEAM SWEDEN IN SPAIN

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FOREWORD

Two million Swedes, a fifth of the country's population, visit Spain a normal year. Additionally, an increasing number of Swedes are choosing to relocate to Spain. Spain is the second country in the world, only after the USA, with the biggest Swedish diaspora. Spanish culture, gastronomy and its pleasant climate contribute to making Spain a special place for many Swedes. More Spaniards are also beginning to discover Sweden as a tourist destination, which combined with an important number of Spanish researchers, professionals, and students in Sweden, contribute to strengthening the bonds between our countries.

In the past few years, however, the true success story in the Swedish-Spanish relations has been the commercial exchange, showing some impressive growth figures. Since 2017, both Spanish exports to Sweden and Swedish exports to Spain – both in goods and in services – have doubled in value. Several Swedish and Spanish companies have announced large cross-border investments, signalling a continued expansion of trade flows in the years to come. Spain's economy maintains stable growth figures, well above the EU average, which combined with large-scale investments in sustainable energy and infrastructure, makes Spain an attractive market for Swedish companies – also as a potential gateway to foreign markets in Latin America and Africa.

Sweden and Spain are close allies in several areas, with our joint membership in the European Union as the cornerstone. Our consecutive EU Presidencies during 2023 required close coordination between our governments in practically all current topics on the EU agenda: from energy and competitiveness to Russia's invasion of Ukraine and migration and asylum. This year, in 2024, our partnership was further strengthened, as Sweden joined NATO, thus also deepening our collaboration in defence.

During the spring of 2024, Team Sweden Spain (the Embassy of Sweden in Madrid, Business Sweden, the Swedish-Spanish Chamber of Commerce, and the Swedish-Spanish Chamber of Commerce in Barcelona) have once again joined forces and carried out a business climate survey among Swedish companies present in Spain. This is the fourth consecutive year in which the survey has been conducted and as previous years' surveys, the purpose has been to assess the performance of Swedish companies in Spain as well as to provide an overview of some of the opportunities and challenges they face in the Spanish market. Comparing the results from previous years' business climate surveys also allows Team Sweden Spain to better understand how Swedish companies in Spain and the bilateral trade relation is developing. Active participation from the Swedish business community has therefore been of crucial importance in constructing an aggregated and representative picture of the views of Swedish companies in Spain, as well as gain an understanding on how these views have developed over the last four years during which the survey has been conducted.

We would like to take the opportunity to extend our most sincere gratitude to the participating companies for the knowledge and insights that they have shared with us – without these companies the survey would have not been possible. Gracias!



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61 respondents

Financial performance

77%

of Swedish companies in Spain reported profitability in 2023

Industry turnover

67%

of Swedish companies expect their industry turnover to increase in Spain

Future investments

56%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Valued success factors in Spain

Cost efficiency
Sales competence
Collaboration with clients

Brand Sweden in Spain

87%

of Swedish companies in Spain consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Infrastructure
Personal safety
Suppliers

Local conditions with least satisfaction

2. Licenses and permits
3. Labour market regulation
4. Corporate taxation

Environmental considerations

17%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

Not indicated as a major issue by Swedish companies

Human rights violation and labour rights abuse

Swedish companies in Spain perceive the risk of human rights violation and labour rights abuse as low

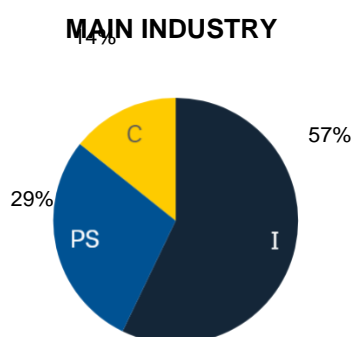
ABOUT THE SURVEY

Survey results are based on the answers of 61 Swedish companies in Spain

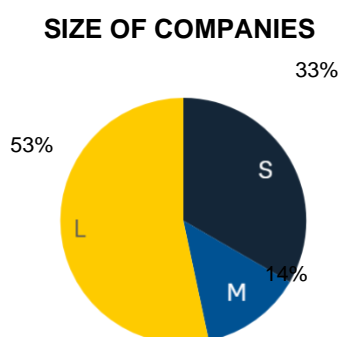
Almost 180 Swedish companies out of the approximately 600 Swedish companies present in the Spanish market received the survey with the main question being about how these companies perceive the business climate in Spain. Moreover, the purpose of the survey has been to track how Swedish companies operating in the Spanish market experience the market conditions, the economic situation today and the outlook in the near future. Sixty-one companies responded to the survey, which was conducted in February-March of 2024, thus yielding a response rate of around 33 per cent.

The survey report is divided into four main sections. In the first section, we elaborate on the economic status and business performance of Swedish companies and their outlook in the coming 12 months. We then shift to the Spanish market itself and respondents' viewpoints on the business climate and what factors contribute in positive and negative terms to their commercial result. The third section discusses Swedish companies' operations and perceived success factors in the market, and the last section highlights aspects related to sustainability and how they are dealt with in the market. Out of the responding companies, more than half of them (53 per cent) are large companies with 1000+ global employees. Fourteen per cent of the companies are medium-sized, with between 250 and 1000 global employees, while 33 per cent are classified as small companies with less than 250 global employees.

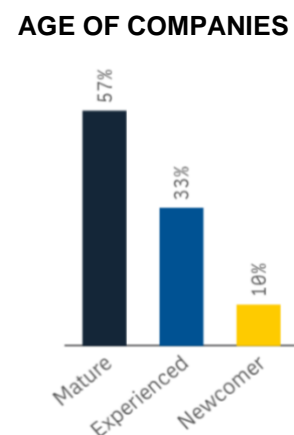
The wide range of sectors that the responding Swedish companies represent are grouped into three broad categories in this report: industrial companies (57 per cent), professional services (29 per cent) and consumer companies (14 per cent). In terms of experience in the Spanish market, 57 per cent of the responding companies established their operation in Spain prior to 2002 (Mature); 33 per cent of the companies between 2003-2018 (Experienced) and 10 per cent after 2019 (Newcomer). We hope that this report will provide you with valuable insights on how Swedish companies in Spain view the business climate and market, and what their expectations holds for the future.



NOTE:
 Industrial (I)
 Professional Services (PS)
 Consumer (C)



NOTE: Global employees
 Large >1000
 Medium 250-1000
 Small <250



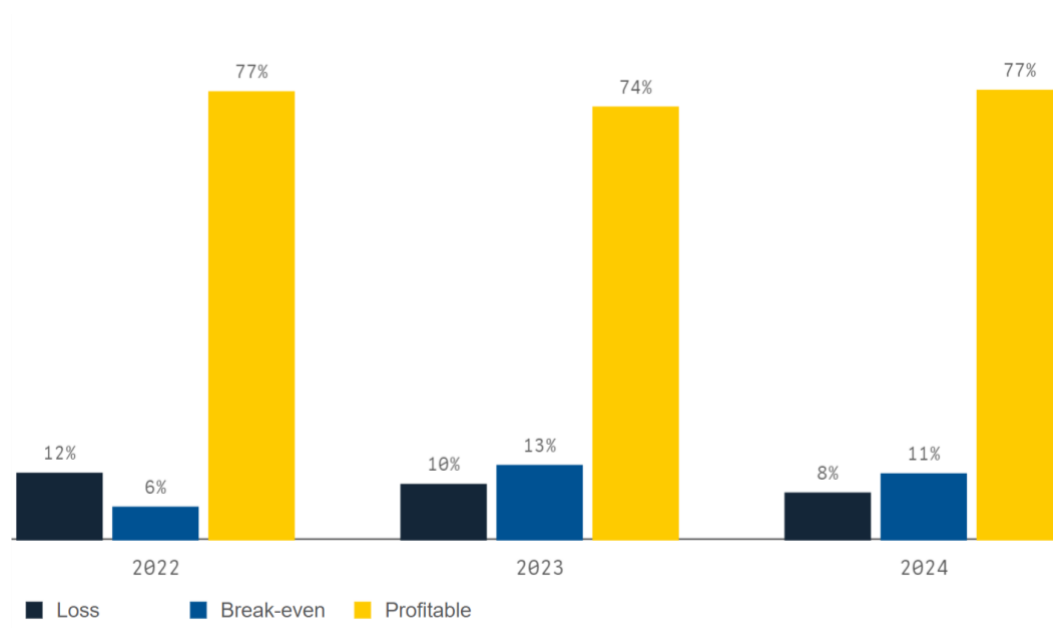
NOTE: Establishment year in Spain
 Mature (-2002)
 Experienced (2003-2018)
 Newcomer (2019-)

ECONOMIC OUTLOOK

2023 was a profitable year for the absolute majority of the Swedish companies surveyed in Spain

More than 3 out of 4 of the companies surveyed (77 per cent) reported a profitable year in 2023, similar to prior years surveyed. There are some differences to keep in mind in terms of the size of the companies and their profitability. One hundred per cent of the medium-sized and 91 per cent of large-sized companies reported a profitable 2023, while 50 per cent of the small-sized companies reported profitability. Moreover, there are variations in profitability that can be observed with regards to the experience of Swedish companies in the Spanish market. Of mature companies, 91 per cent reported profitability, up from a figure that was 68 per cent in last year's survey. For the experienced ones, 65 per cent reported profitability (down from 87 per cent compared to last year) while 33 per cent of the newcomers did so (up from 25 per cent from last year). In terms of industries, 100 per cent of consumer companies, 82 per cent of industrial and 79 per cent of companies within professional services reported profitability.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN SPAIN IN 2023?



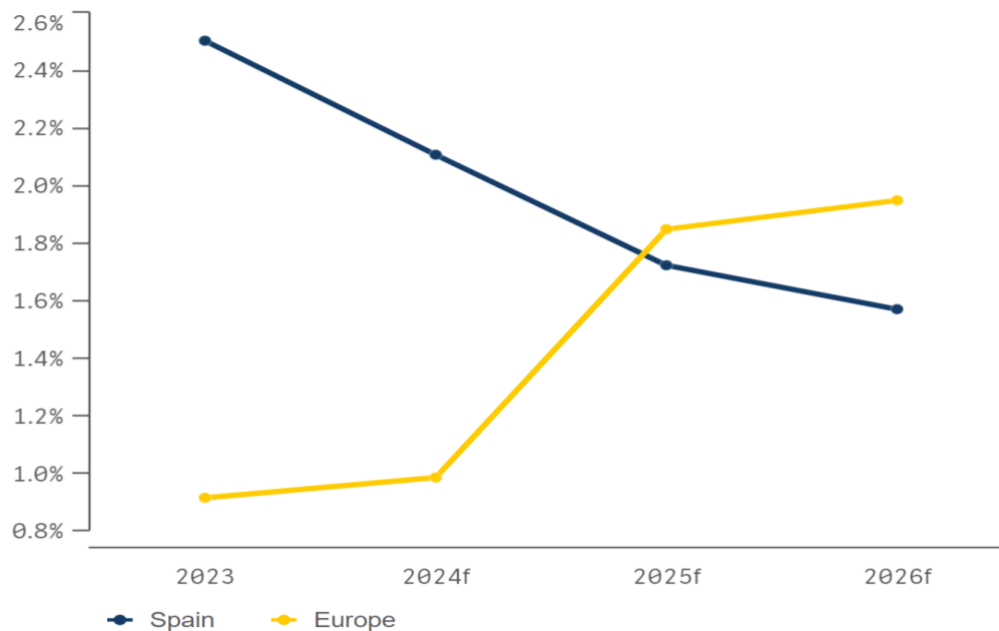
NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Slowdown in the Spanish economy is expected, after a strong post-pandemic recovery

Following solid growth y-o-y in 2022 (5.8 per cent) and a moderate one in 2023 (2.5 per cent), the Spanish economy is expected to slow down in 2024, albeit with an expected growth of between 1.7 per cent and 2.1 per cent. The expected slowdown in 2024 is attributed to an expected decrease of economic activity within the tourism sector, combined with a somewhat weak economic situation with Spain's main trading partners, thus impacting Spanish exports. On the positive side, private consumption is expected to increase (albeit moderately) due to real income gains for households and relatively high level of household's savings. Investments are expected to grow further, supported by the implementation of the Recovery and Resilience Plan.

PROJECTED GDP GROWTH IN SPAIN



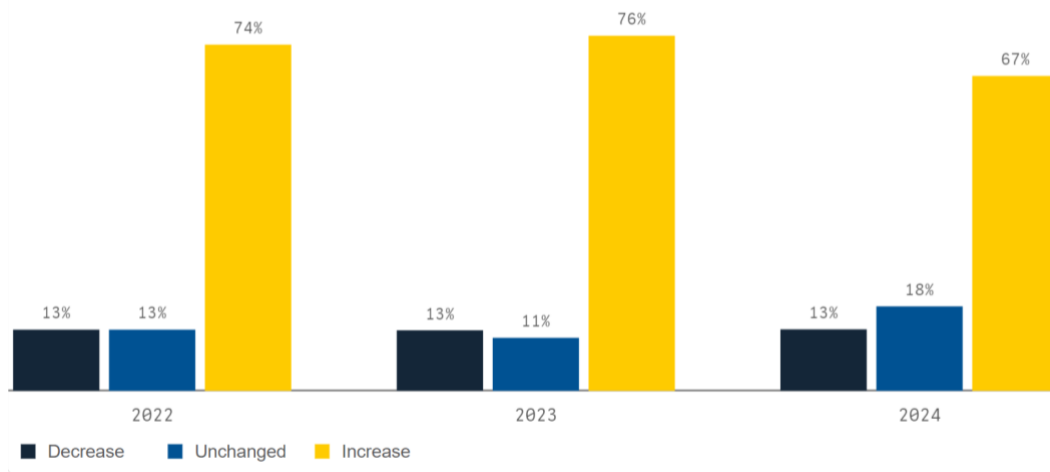
NOTE: Constant prices.

SOURCE: Oxford Economics [date]

Most companies surveyed present a positive outlook for their respective industry

In the short term, more specifically in the coming 12 months, there is a damped optimism compared to the same period last year with regards to expected turnover for Swedish companies. Only 67 per cent of the respondents indicates an increase in turnover compared to 76 per cent last year. The companies considered mature indicate a higher degree of optimism as well as those considered to be of medium size. The larger companies present a more cautious outlook compared to the smaller ones where 22 per cent expect a decrease in turnover, compared to five per cent of the small ones. In terms of differences based on activities, all three categories (professional services, consumer, industrial) report similar outlook, although the industrial companies indicate a somewhat higher degree of optimism. This could be related to the easing of bottlenecks in the global supply chain that we have seen during the last 2-3 years. Hence, industrial companies have been able to pick up their production and adjust their supply chains through increased regionalisation measures, for example.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN SPAIN IN TERMS OF TURNOVER?



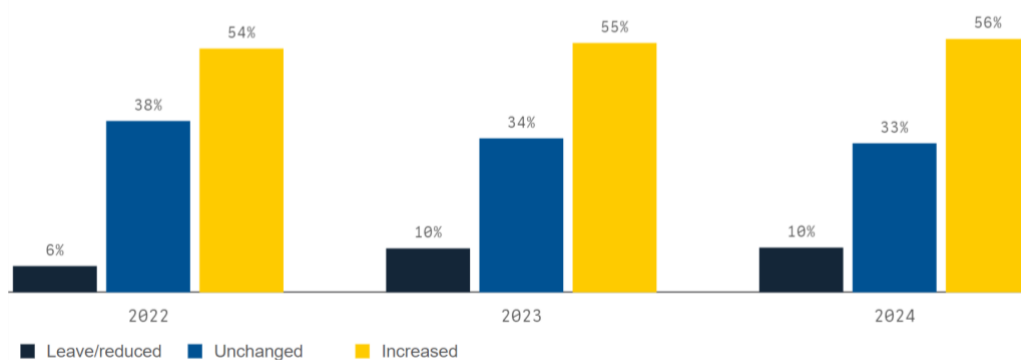
NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Investment plans remain optimistic

The investment appetite of our surveyed companies is to a large extent in line with last year's surveys, with 56 per cent of the respondents planning to increase investment in the coming 12 months, compared to the past 12 months. Indications of divestments in this year's survey are similar to last year at 10 per cent and still higher than the year before (six per cent). Companies indicating a divestment can mainly be found within professional services with 21 per cent of those respondents indicating a reduction of some sort, a figure that was at 24 per cent last year. In terms of company size, we can see that the medium-sized companies are indicating an increase in investments to a higher degree (75 per cent), although a figure that was at 100 per cent last year. Moreover, companies considered newcomers to the market are quite optimistic about their investment plans, with 67 per cent indicating an increase in the coming 12 months.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN SPAIN, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024

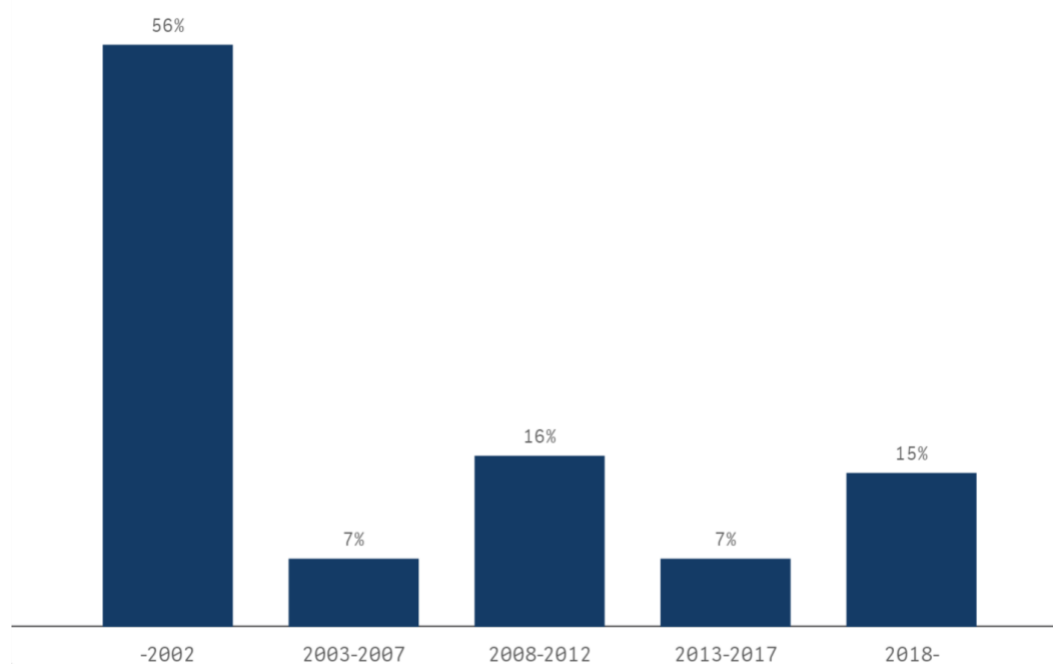
THE MARKET

Spain is an important market with potential access to global markets

Spain is the fourth largest economy in the EU and the 14th largest in the world, with a population of almost 48 million people. Spain and Sweden's long-standing trade relationship has been solid, with a relative trade balance between the two countries. According to the latest trade figures from 2022, Sweden exported goods and services with a value of approximately €4 billion, while Spain's exports to Sweden reached approximately €3.8 billion, an increase of 14 per cent in total trade between the two countries compared to the year before. Spain continues to be an important market for foreign companies in general and Swedish ones in particular. Around 20,000 foreign companies are present in the Spanish market, of which around 600 are Swedish. Spain is an attractive market thanks to its highly developed infrastructure network throughout the country, with the longest high-speed railway network in Europe and the second longest globally, after China. Moreover, the Spanish economy is relatively diversified with strong healthcare, automotive, agricultural, chemical, and energy sectors, among others, making it an attractive destination for investments.

The Spanish market has historically been, and continues to be, a market where the majority of Swedish companies have been present for more than a couple of decades. In this year's survey, 56 per cent of the companies surveyed were companies that have been established in the market prior to 2000. The rest of the Swedish companies (46 per cent) established their presence in the years after 2000.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN SPAIN?

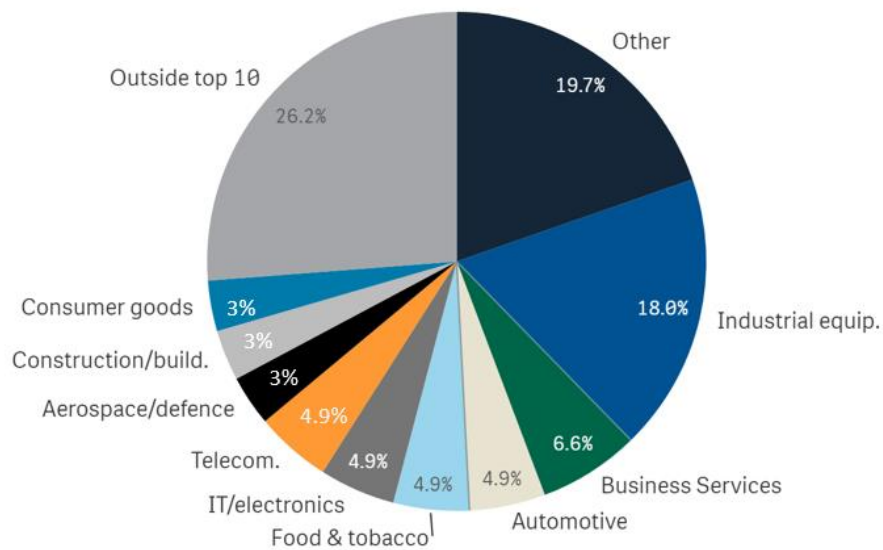


NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Swedish companies present in Spain are active within a wide range of industries, although some industries constitute larger shares than others. Out of the companies surveyed, the industrial equipment sector is by far the largest one, representing 18 per cent. Similar tendencies can be observed in other global markets as well. Other important sectors include general business services, automotive, consumer goods and IT/Electronics, to name a few. All in all, the Swedish business community present in Spain do showcase a variety of activities.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN SPAIN?

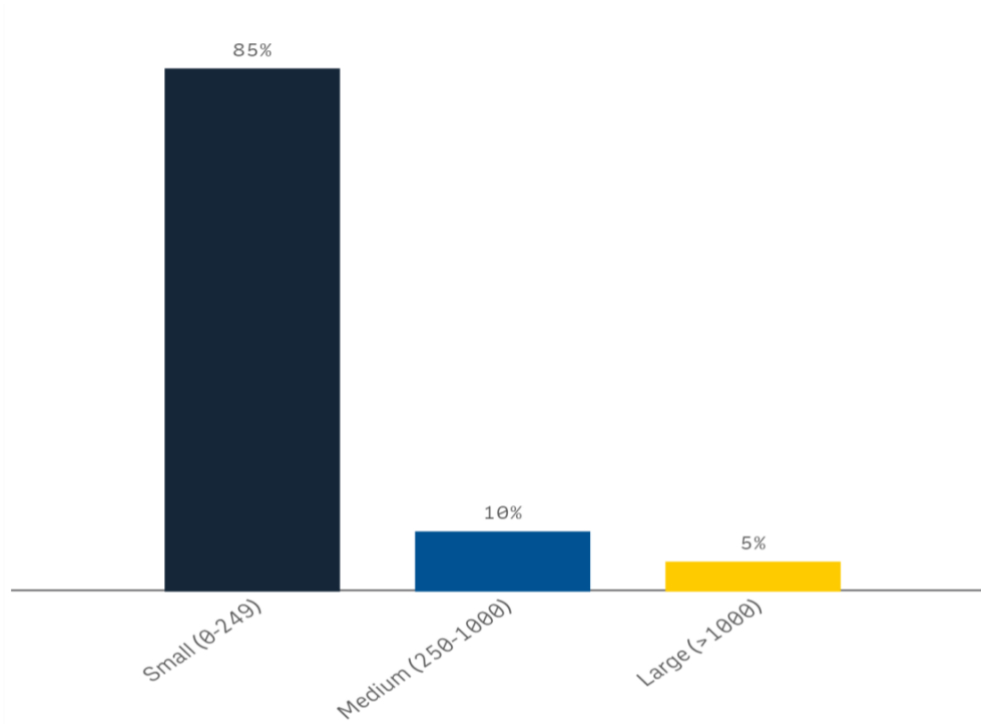


NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

The overwhelming majority (85 per cent) of the Swedish companies surveyed employ a small number of people in Spain, with only five per cent of the companies employing a local workforce of more than 1000 people each. No major differences could be observed when comparing with last year's responding companies, nor when comparing across industries. However, companies that have been present in the Spanish market for a longer period of time are more likely to have over 250 employees.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN SPAIN IN 2024



NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

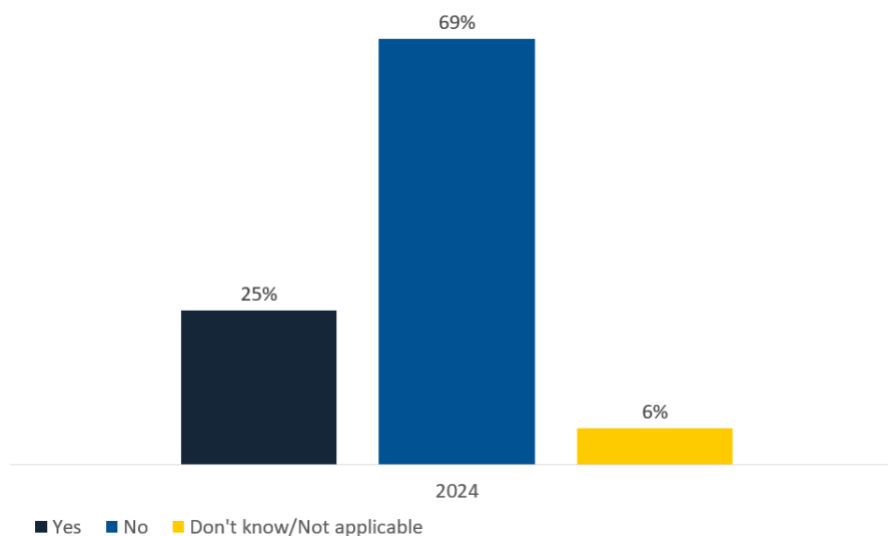
SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Spain as a bridge to global markets

New for this year's survey was a question about to what extent the Swedish company's entity in Spain conducts business activities in other markets, where we highlighted Latin America and Africa as examples. This has been based on the perception that the Spanish market, in many cases, function as a bridge to other markets due to its geographic proximity to northern Africa as well as cultural and language linkage to Latin America. Out of the surveyed companies, 25 per cent indicate indeed that their entity in Spain conducts export and/or business activities of some sort towards Latin America and/or Africa.

The trade between Spain and Latin America is particularly interesting to have a look at from a cultural point of view, which has an impact on the Swedish companies with entities established in Spain. A study was conducted in 2021 by José Luis García Delgado, Professor of Applied Economics at the Faculty of Social Sciences of the Nebrija University, investigating the impact of the Spanish language trade between Spain and Latin America. His study results showed that trade between Spain and the Spanish-speaking parts of Latin America would be four times less if it wasn't for the use of the common Spanish language. Moreover, his study revealed that investment flows from Spain to Latin America between 1995-2020 was seven times greater due to the advantages of a common language. One can therefore say that for Swedish companies having global ambitions for their growth, the Spanish market is of immense importance and one that deserve investment and effort.

DOES YOUR COMPANY'S ENTITY IN SPAIN CONDUCT EXPORT TO/BUSINESS ACTIVITIES TOWARDS OTHER REGIONS, E.G. LATIN AMERICA AND/OR AFRICA?



NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

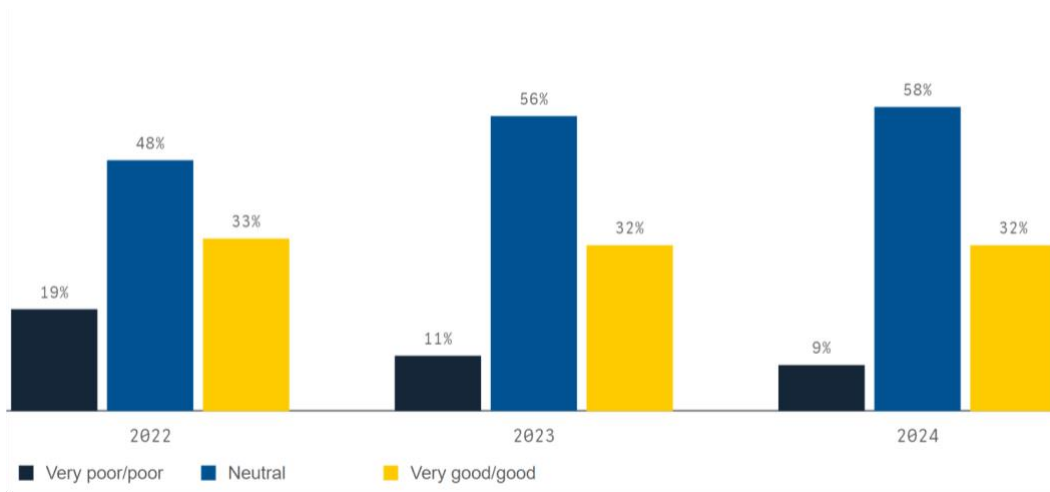
SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Slightly improved business climate in Spain according to Swedish companies in the market

Swedish companies' perceptions of the current business climate in Spain have improved over the years, although this year's responses indicate no major change compared to the last two years. A minor improvement can be observed where those respondents indicating "Neutral" have increased two percentage points, while those indicating "Poor/Very poor" have decreased two percentage points. By segmenting the survey responses according to industry and size, some interesting observations can be made. Similar to last year's surveys, consumer goods companies continue to indicate the most positive view on the business climate at 57 per cent, a figure that was 35 per cent last year. Professional service providers are the ones indicating a positive business climate to a lesser extent at 21 per cent, followed by the industrial companies at 28 per cent.

A plausible explanation for the drastic increase in consumer companies' positive perception of the business climate can be traced to the improved standing of the Spanish private consumers with solid savings and an increase in real incomes, as previously mentioned. In terms of size of the companies when sharing their views on the business climate in Spain, the large ones have indicated the most positive view at 38 per cent, compared to the small companies (26 per cent) and medium-sized companies at around 25 per cent. Different from last year's survey, where the medium-sized companies indicated by far the most optimistic view on the business climate in Spain, they are the most pessimistic in this year's survey. Similar to last year, those companies considered to be newcomers to the market indicate an overwhelmingly positive view of the business climate in Spain at 50 per cent, compared to 33 per cent for the experienced companies and 28 per cent for the mature ones.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN SPAIN?



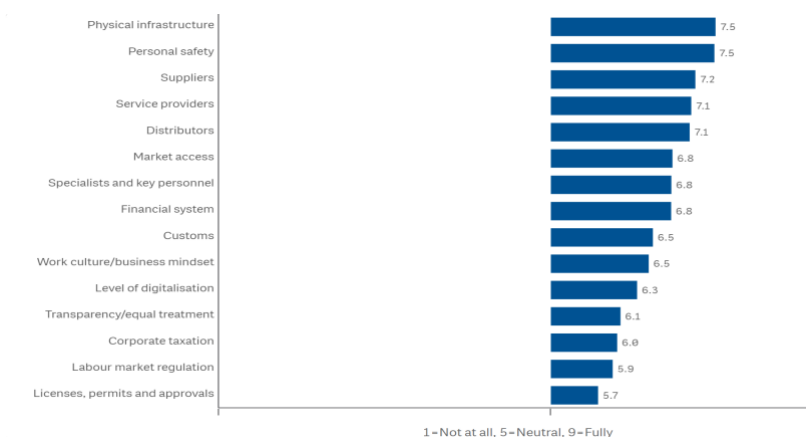
NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Physical infrastructure tops the list in terms of favourable conditions

In order to assess the business climate in Spain further, it is important to gain an understanding of the extent to which the market conditions meet the needs of the Swedish companies. We asked Swedish companies to evaluate to what degree certain factors met their needs in the Spanish market. Based on previous year's survey, personal safety vs physical infrastructure take turn to be at the top. This year, physical infrastructure is highlighted as the condition that most meets the companies' needs, closely followed by personal safety. Access to various kinds of partners (suppliers, distributors and service providers) come right after and this is one condition that we encounter on a daily basis as an important condition and many of the surveyed companies have commented on this aspect as well. Close relationships with partners continue to be highlighted as an important consideration that do require time and effort. Taking a look at the conditions that came out in the bottom in terms of meeting the needs of the Swedish companies in Spain, we find the same conditions as in previous years' surveys: licences, permits and approvals, corporate taxation and labour market regulation.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN SPAIN?



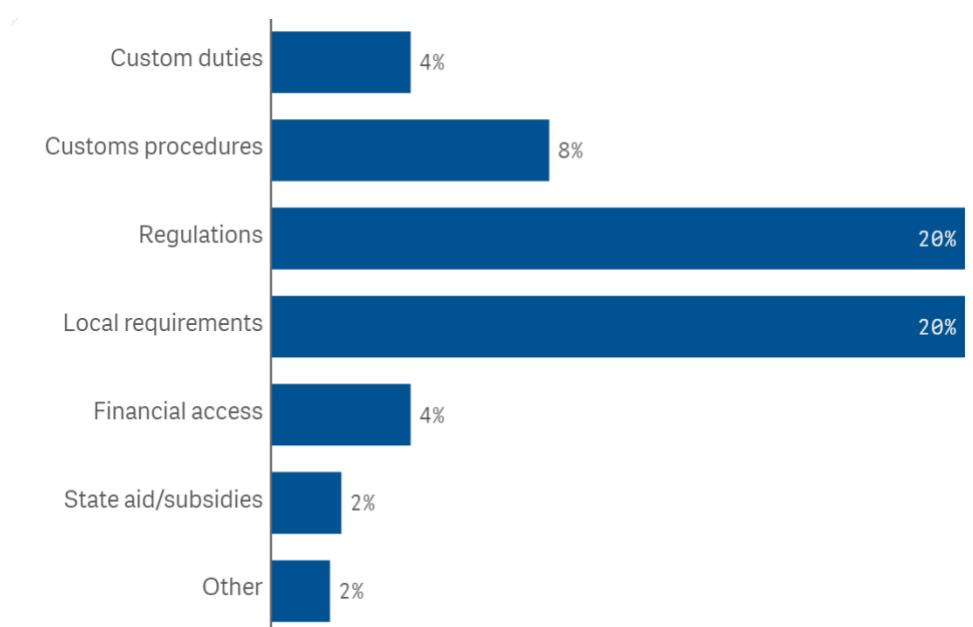
NOTE: The number of respondents for this question was 61.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Regulations continue to have a negative impact on the operations of Swedish companies

As both Sweden and Spain are part of the EU's internal market, trade barriers in terms of customs duties and procedures are generally not a consideration. However, trade barriers can occur in various ways, and in the case of Spain, a number of these have been highlighted as having a negative impact on the operations of the Swedish companies surveyed. Similar to previous years' survey, Spain's various autonomous regions add a layer of complexity in terms of administrative procedures, as national regulations are, in many cases, implemented by regional authorities within the different autonomous regions. Moreover, the language barrier can be a constant challenge for many companies entering the market, as formal administrative procedures can rarely be handled in English.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN SPAIN WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



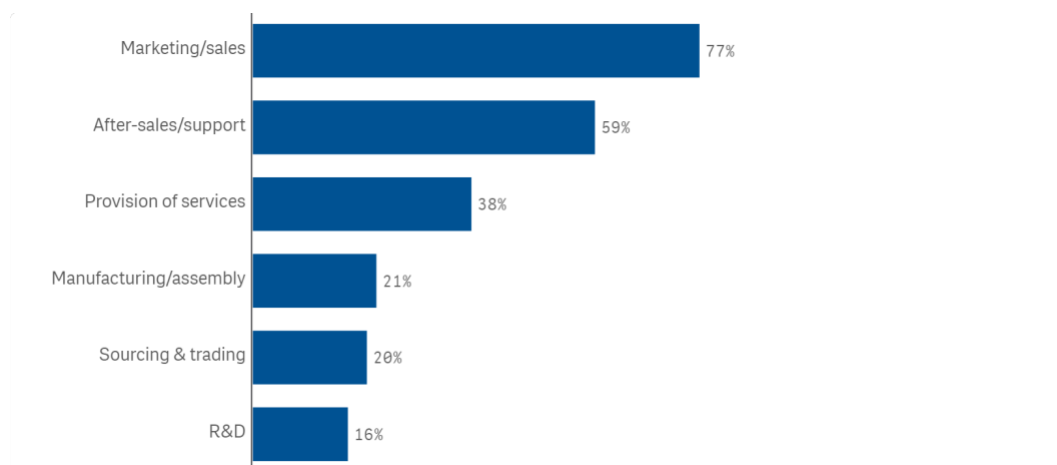
NOTE: The number of respondents for this question was 61.
SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

HOW SWEDISH COMPANIES SUCCEED IN SPAIN

Sales and marketing activities are the main operations for Swedish companies in Spain

Swedish companies maintain a relatively diverse range of operations in the Spanish market, although most of the Swedish companies surveyed (77 per cent) highlighted marketing and sales activities as their main operations, similar to last year. After-sales support and service provision are two other areas where Swedish companies are active in the market, with 59 per cent and 38 per cent, respectively, of the surveyed companies highlighting these areas. An interesting comparison with last year's survey is that the number of Swedish companies active in manufacturing/assembly in Spain has increased from 16 per cent to 21 per cent. The same goes for research and development (R&D), where there is a slight increase from 15 per cent to 16 per cent.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



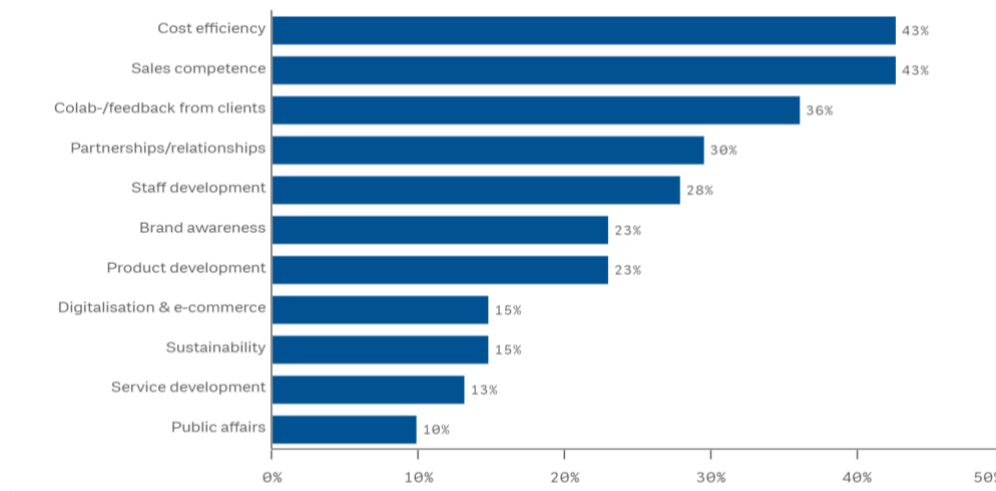
NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Competitiveness in Spain is driven mainly by cost efficiency and sales competence

Similar to previous years' comments that have raised the price sensitivity in the Spanish market, it should not come as a surprise that, once again, cost efficiency is highlighted as the main driver for staying competitive from the point of view of our Swedish companies. In addition, as price is rarely a factor that Swedish companies can compete with, the fact that sales competence is highlighted as another important driver makes sense. Compared to last year, feedback from and collaboration with clients has been highlighted as the third driver to remain competitive, up from sixth spot in last year's survey. Activities related to maintaining relationships with government authorities have been indicated as the least important driver for Swedish companies in order to stay competitive, in line with previous year's responses.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN SPAIN?

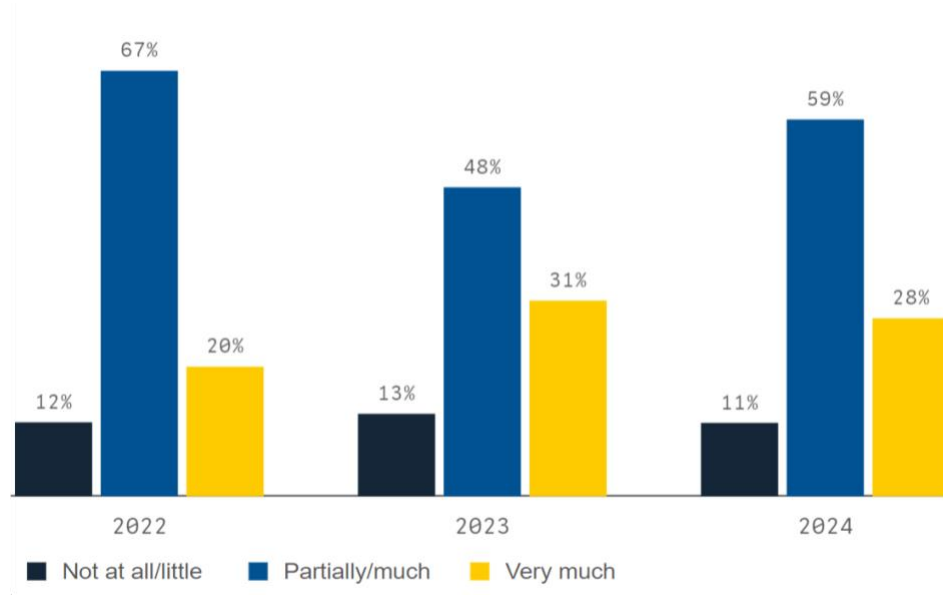


NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

The "Swedish brand" is increasing in importance

Sweden has, in general, a very good reputation in Spain, and this aspect does contribute to the success of Swedish companies in the market. Compared to last year's survey, this year does see a slight decrease (from 31 per cent to 28 per cent) in companies indicating that the "Swedish brand" contributes to their business in Spain "Very much". This is particularly the case for Swedish companies within the industrial sector as well as newcomers to the market. Most companies indicating a minimal impact of the "Swedish brand" on their business can be found within the professional services sector, an observation similar to last year's survey.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE "SWEDISH BRAND" CONTRIBUTES TO YOUR BUSINESS IN SPAIN?

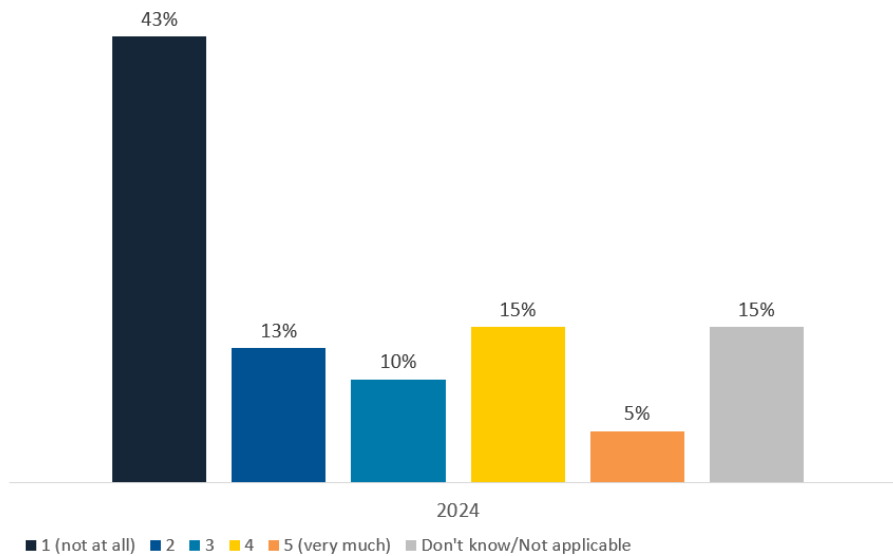


NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Spain's Recovery and Resilience plan has generated few business opportunities

Spain's Recovery and Resilience plan was launched in 2021 with both grants and loans approved from the Next Generation EU Fund, a financial support package that was put in place following the drastic economic impact yielded by the pandemic. The Recovery and Resilience plan in Spain outlines investment areas with attached funding as well as financial support available for eligible companies. When asking our Swedish companies to what extent the plan has generated any new business, 43 per cent of the respondents indicate not at all, while 43 per cent indicate to a varying degree that the plan indeed has generated some business opportunities.

HAVE THE INVESTMENTS INCLUDED IN SPAIN'S RECOVERY PLAN (PLAN DE RECUPERACIÓN, TRANSFORMACIÓN Y RESILIENCIA) GENERATED ANY ADDITIONAL BUSINESS OPPORTUNITIES FOR YOUR COMPANY?



NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

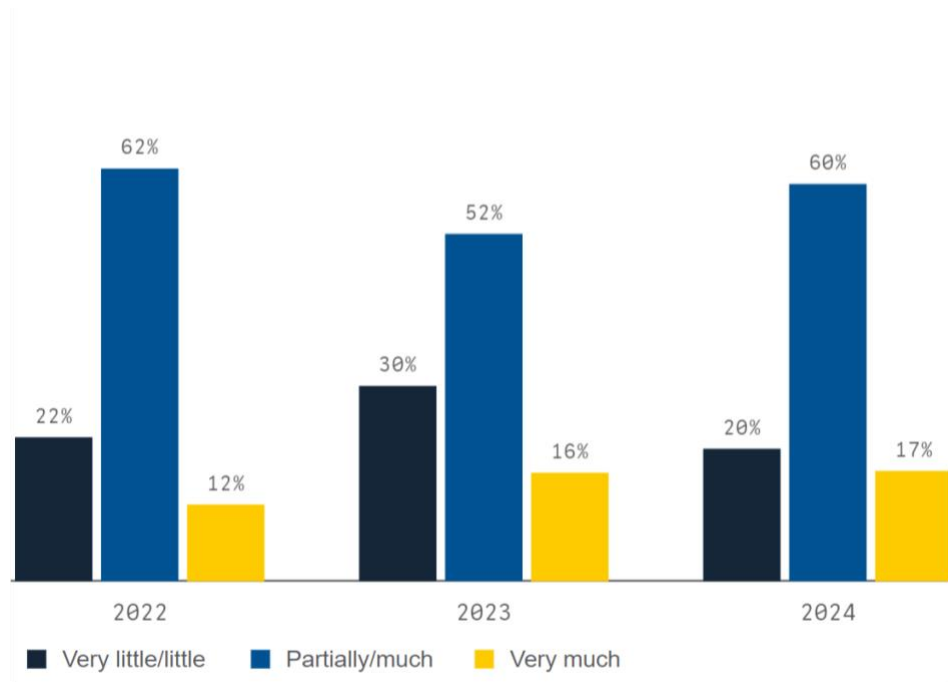
SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

ACTING SUSTAINABLY

Considerations of sustainability are moderate but on the rise in Spain

Sustainable aspects of business have slowly but steadily been taken into consideration to a larger extent in the last couple of years in Spain. Although Sweden is considered to be at the forefront within the EU (and globally) in terms of integrating sustainability considerations into business and purchasing decisions, the awareness is increasing in Spain, and that is a trend that can be observed when comparing the responses of our Swedish companies over the last years. Moreover, the Next Generation EU funds that are being materialised through Spain's Recovery and Resilience plan are expected to accelerate sustainable practices and considerations in business. As these funds have strong sustainability considerations integrated, they can be seen as a catalyst, albeit more in the long term than in the short-medium term. In addition, it may be helpful to compare the sustainability context with Sweden by taking a look at the Europe Sustainable Development Report (ESDR). Each year, the report evaluates the member countries and tracks their progress towards the Sustainable Development Goals. An identical observation can be made compared to the year before, where Sweden was ranked second while Spain was in 22nd place. As has been highlighted in previous years' surveys, sustainability is rarely a factor impacting whether a product or service would be purchased and is seen more as a "good to have" or a bonus. Nevertheless, we can see that our responding companies are indicating an increase in the extent to which their Spanish customers are considering environmental aspects compared to last year's survey, where 77 per cent responds "Partially/Much or Very much" compared to 68 per cent in last year's survey.

TO WHAT EXTENT DO CUSTOMERS IN SPAIN CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



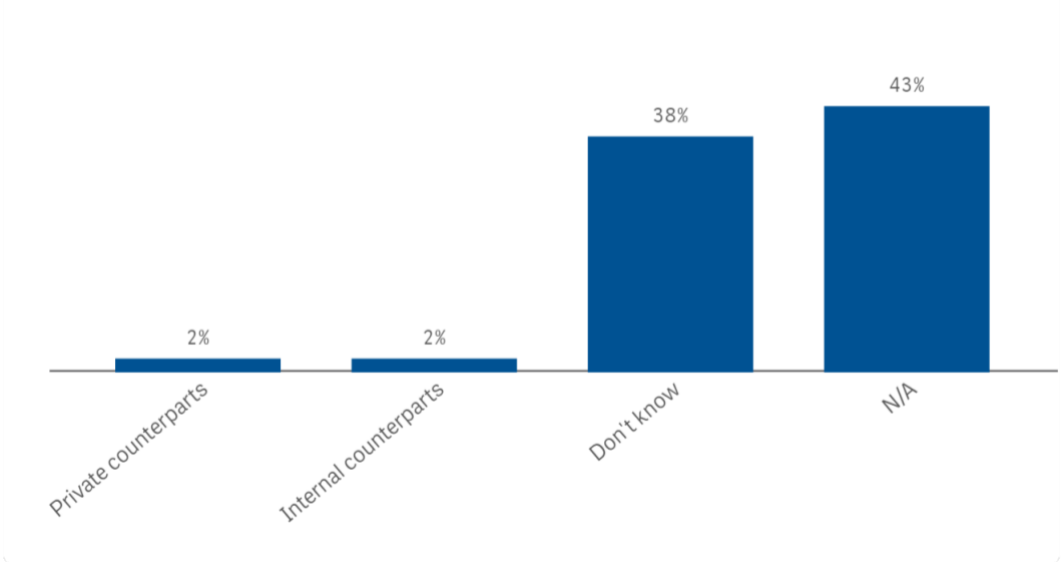
NOTE: The number of respondents for this question was 61. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

Corruption is not highlighted as an issue in Spain

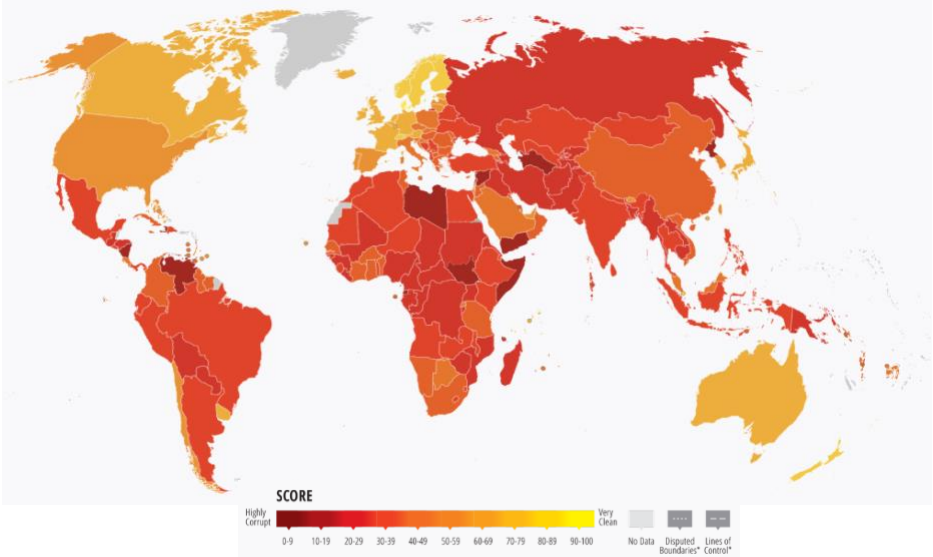
According to the latest ranking, Spain ranked 36th out of 180 countries in Transparency International’s Corruption Index, with a score of 60 out of 100, indicating that the situation is good but that there still are areas for continued development. When asking Swedish companies in Spain if they have been exposed to corruption, the largest share of respondents (43 per cent) answered “Not applicable”, suggesting that corruption is not considered a major issue in Spain. Out of the surveyed companies, four per cent indicated that they had been exposed to corruption, while 38 per cent answered “Don’t know”. The four per cent of companies indicating that they have been exposed to corruption indicate that it arose from “private counterparts” or “internal counterparts” within mainly the industrial sector.

HAS YOUR COMPANY IN SPAIN BEEN EXPOSED TO CORRUPTIONSUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 61.
 SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

CORRUPTION PERCEPTION INDEX 2023

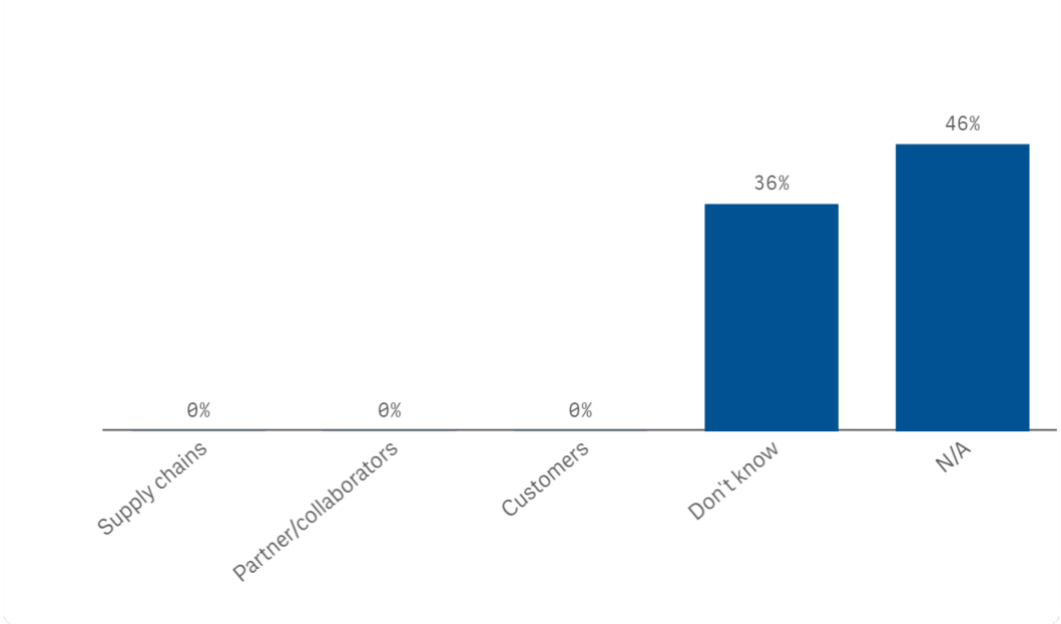


SOURCE: Transparency International.

Low perceived risk of human rights violations

Similar to last year’s survey responses, Spain seems to be maintaining a positive image in terms of upholding human rights, with a low risk of encountering violations. Among our surveyed companies this year, 36 per cent answered “Don’t know”, while 46 per cent answered “Not applicable”, in addition to no respondent highlighting any risks related to supply chains, partners or customers. Thus, these responses indicate a small risk of encountering human rights violations and/or labour rights abuses when conducting business in Spain.

HOW DO YOU PERCEIVE THE RISK OF ENCOUNTERING HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSES WHEN CONDUCTING BUSINESS IN SPAIN?



NOTE: The number of respondents for this question was 61.
SOURCE: Business Climate Survey for Swedish Companies in Spain 2024.

CONCLUSION

The Business Climate Survey in Spain 2023, published by Team Sweden in Spain (Embassy of Sweden in Spain, Business Sweden and the Swedish-Spanish Chambers of Commerce in Madrid and Barcelona), has once again aimed to strengthen the understanding of how Swedish companies experience the business climate in the market and how their business activities have proceeded. The report has been developed both for Swedish companies already present in the market and for Swedish companies considering expanding to Spain, thus enabling these companies to gain insights into the characteristics of the market. Through the answers and comments from our respondents, we have gained an insightful overview of how Swedish companies view the current state of the market and future outlook, key factors driving success in Spain, as well as an understanding of the challenges that exist.

Despite the optimism that once again can be observed in general from the Swedish business community in Spain, there are regional and global uncertainties impacting business in different ways. The security situation in Europe following the Russian war on Ukraine and the shifts in global alliances and partnerships as well as increasing inflation rate have all posed new challenges for business and Swedish companies in Spain have not been exempt from these challenges. On the other hand, the overall positive results observed in this year's survey suggest that Swedish companies are well-positioned to adapt to the changing business climate. The majority of responding companies reported a profitable 2023 and a turnover that is expected to increase in the coming 12 months, which is highly positive. Administrative challenges remain and complex bureaucracy has, like last years' surveys, been highlighted as a burden on many of the responding Swedish companies, thus indicating room for improvements in this area.

To conclude, there are several takeaways from this year's business climate survey but perhaps the most important one is that the Swedish business community in Spain is to a large extent successful and profitable. As always, we at Team Sweden in Spain (Embassy of Sweden in Spain, Business Sweden and the Swedish-Spanish Chambers of Commerce in Madrid and Barcelona) are active on the market to support our Swedish companies present locally as well as supporting Swedish companies interested in Spain. It is, therefore, with great pleasure that we can conclude that the Swedish business community is to a large extent thriving in and committed to the Spanish market.

