



I Barometer on the Climate and Outlook for Spanish Investment in the United States

June 2025



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MESSAGE FROM THE PRESIDENTS OF THE SPAIN-U.S. CHAMBER OF COMMERCE AND CAMARA DE COMERCIO DE ESPAÑA

It is with great pride that we present the **First Barometer on the Climate and Outlook of Spanish Investment in the United States**—a milestone publication that reflects the growing strength, resilience, and ambition of Spanish companies operating in one of the world's most competitive markets.

This Barometer is more than just a snapshot. It is a testament to the dynamic presence of Spanish investment across the United States, drawing insights from more than 100 companies established in 45 states. Their voices—your voices—help shape the strategic direction of the Spain-U.S. Chamber of Commerce and define our shared goals for the future.

In recent years, the Chamber has taken bold steps to reinforce its role as a transatlantic bridge for business. Since the opening of our Texas office in 2021—complementing our long-standing presence in New York—we have been better positioned to serve a diverse and expanding community, from global multinationals to agile SMEs and startups. Our dual presence allows us to support Spanish companies from two of the most economically influential regions in the country.

Despite ongoing global uncertainty—marked by geopolitical shifts, inflationary pressures, and supply chain challenges—Spanish investment in the United States has proven both resilient and forward-looking. The United States remains the top destination for Spain's foreign direct investment, and our members continue to thrive by adapting, innovating, and seizing opportunities across sectors.

We would like to extend our sincere thanks to the Spanish companies that contributed their insights to this Barometer. Your input is invaluable as we shape programs, forums, and initiatives that reflect your priorities and challenges.

As we look to the future, we remain committed to amplifying the voice of Spanish enterprise, fostering new alliances, and expanding the Spain-U.S. economic corridor. We hope this Barometer serves as a valuable resource for our members, partners, and anyone seeking to understand the evolving landscape of Spanish investment in the United States.

Sincerely,

Marco Antonio Achon Tuñón
President
Spain-U.S. Chamber of Commerce

Jose Luis Bonet Ferrer
President
Cámara de Comercio de España

ABOUT THE BAROMETER ON THE CLIMATE AND OUTLOOK FOR SPANISH INVESTMENT IN THE UNITED STATES

The *Barometer on the Climate and Outlook for Spanish Investment in the United States* is a landmark report led by the Spain-U.S. Chamber of Commerce. This inaugural edition provides a comprehensive analysis of the status, trends, and perceptions surrounding Spanish investment across the country. This initiative supports the Chamber's guiding mission to advance, promote, and assist in the expansion of bilateral trade and investment between Spain and the United States.

Analistas Financieros Internacionales (Afi) served as the consulting firm responsible for preparing the content of this edition of the Barometer. The Spain-U.S. Chamber of Commerce supported the process by conducting the survey.

The report is structured in two main sections. The first presents an overview of the latest available data on the value and distribution of Spanish investment in the United States. The second draws on insights from a survey of over 100 Spanish companies operating across 45 U.S. states, representing a broad range of industries. These survey results highlight investor perceptions of the U.S. business climate, regional opportunities, and emerging challenges.

Launched at a time of geopolitical complexity and shifting global economic priorities, the *Barometer* offers critical context and actionable intelligence. **Spanish companies continue to show strong interest in the United States, which remains the top destination for Spanish foreign direct investment.**

The presentation of the 2025 edition will be chaired by Mr. Carlos Cuerpo, Spain's Minister of Economy, Commerce and Business. With its data-driven insights and forward-looking perspective, the *Barometer on the Climate and Outlook for Spanish Investment in the United States* is poised to become a **key reference for corporations and investors** operating in or exploring the U.S. market. It serves as an essential tool for tracking progress, uncovering opportunities, and supporting informed decision-making in one of the world's most dynamic economic environments.

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NOTE: the findings, assessments, forecasts and opinions presented in this report do not necessarily reflect the standpoint of the businesses that sponsor it, the Spanish Chamber of Commerce in the United States or their partners.

EXECUTIVE SUMMARY

This Barometer is being published at a time when both the United States and Spain are growing faster than their potential output. The U.S. economy remained dynamic in 2024, growing by 2.8%. Spain, meanwhile, topped the rankings in the eurozone, posting annual growth of 3.2%. Internal demand was the main engine of growth in both economies, against the backdrop of a challenging global environment. The uncertainty derived from President Trump's protectionist trade policy and prevailing geopolitical tensions considerably clouds the outlook for growth in 2025.

According to the data published by the Secretary of State for Commerce, the stock of Spanish foreign direct investment (FDI) in the United States increased by 8.6% in 2022. The stock of Spanish investment stood at €81.95 billion in 2022, marking a recovery after annual corrections of 6.4% in 2021 and 10.6% in 2020. This put the United States back at the top of the ranking of destinations for Spanish direct investment, accounting for 14.9% of the total stock of Spanish FDI.

In 2022, Energy supply and Financial services concentrated 53% of the stock of Spanish FDI in the United States; with shares of 27% and 26%, respectively. In terms of the importance of certain sectors of the U.S. market for Spanish investment, it is worth noting that the U.S. *Human health activities* sector accounted for 57% of all Spanish FDI in that sector overseas as of 2022. Also, the United States *Energy supply* and *Financial services* sectors garnered shares of 45.2% and 13.5% of total Spanish FDI in those sectors, respectively.

Flows of Spanish FDI to the United States registered extraordinary annual growth of 57.1% in 2023. Investment flows continued to rise in 2024, by 4.5%, to €7.71 billion. As a result, 2024 emerged as the second year of highest flows of Spanish FDI to the United States since the onset of the sovereign debt crisis in the eurozone in 2008, reaffirming the country's position as the main destination for Spanish direct investment abroad.

Spanish FDI flows were concentrated in two sectors of the U.S. economy in 2024: Energy supply (74.1% of the total) and Manufacture of motor vehicles (17.9%). Two sectors account for 50% of total Spanish FDI flows since 1993: *Financial services* (27.2% of the total), followed by *Energy supply* (23.6%). The rest of the flows were smaller in volume and went to a mix of sectors of the U.S. economy.

The stock of Spanish FDI contributed to the generation of 143,500+ jobs (full time equivalents) in the United States in 2022, equivalent to around 0.1% of U.S. employment. Over 85,250 are considered direct jobs and the remaining 58,265, indirect jobs.

The Spanish companies surveyed gave the U.S. business climate an overall score of 3.4 (on a scale of 1 to 5). This means that four out of every five companies surveyed described it as 'acceptable'. In addition, 47% of all the respondents answered that they believed the American business climate had not changed significantly in the last 12 months.

The highest rated area of the U.S. business climate is related to the existence of a favorable ecosystem for 'digitization processes'. However, the integration by companies of Artificial Intelligence solutions in their processes is more limited, according to the lower score they assign to this aspect.

The 'imposition and/or tightening of new/existing tariffs' was flagged by 58% of the Spanish companies operating in the United States as the main issue that could have a major impact on their businesses. On the other hand, 69% of the businesses polled said they think the current political and economic climate in the United States will generate business development opportunities for them. Also, most respondents (82% of the total) reported that their investment plans had not changed in the wake of the results of the last elections.

The Spanish companies expressed significant optimism around the outlook for their business activities in the United States in 2025. Indeed, 83% expect to see their revenue increase, while about six out of ten respondents plan to make new investments (63%) and increase their headcounts (57%).

The main reasons given by the Spanish companies for the new investments planned for the United States are increasing productivity and expanding its presence in the country. To that end, the companies intend to pursue 'new product development' (35% of the total) and adopt 'new digital technologies' (30%). Sector-wise, the activities under the umbrella of the 'manufacturing industry' look set to be the main beneficiaries of the new investments planned. Regionally, the states of Texas, Florida and New York emerged as the most attractive destinations for welcoming the Spanish companies' new investments.

The United States is positioned as an 'important' or 'key' market for 86% of the companies surveyed. Moreover, virtually all the organizations (96%) reiterated this market's strategic importance for their businesses, as they are not contemplating any real likelihood of exiting the U.S. market within the next five years.

PART I

Spanish Investment in the United States

MACROECONOMIC ENVIRONMENT IN SPAIN AND THE UNITED STATES: ABOVE-POTENTIAL OUTPUT, FUELED BY INTERNAL DEMAND

2024 began with expectations for slower growth, ongoing deflation and the start of monetary policy normalization. The year was marked by cyclical divergence between the United States and eurozone, with attention shifting from inflation to growth. The U.S. economy proved surprisingly dynamic, particularly thanks to extraordinarily strong private consumption, growing 2.8% in 2024. Spain led growth in the eurozone, easily beating the consensus forecast at the start of the year, ultimately notching up growth of 3.2% in 2024. The uncertainty derived from President Trump's protectionist trade policy and prevailing geopolitical tensions considerably clouds the outlook for growth in 2025.

The global economy ended the year marked by three developments: (i) the widening in the growth and interest rate gap between the United States and eurozone, in favor of the former; (ii) increased uncertainty around the trade environment following Trump's decisive victory (taking the majority of seats in both houses); and (iii) tentative progress on containing geopolitical risk in both the Ukraine-Russia and Middle East conflicts (although we are talking about 'shaky peace' in both cases). The global economy grew an estimated 3.3% in 2024, with the developed economies registering annual growth of 1.8%.

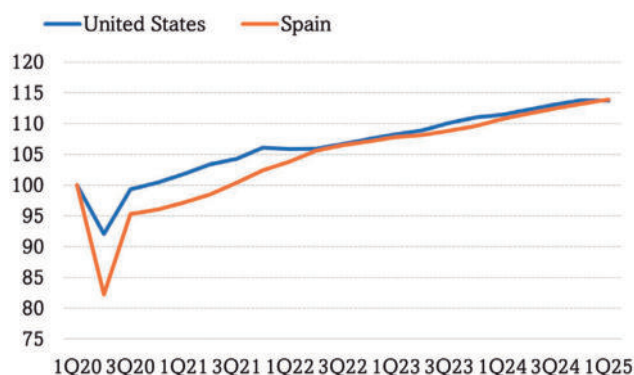
As noted above, the U.S. economy was surprisingly strong, recording annual growth of 2.8%, thanks to sharp growth in private consumption. Gross Domestic Product (GDP) growth topped the economy's potential output, growing at a quarterly average of 0.6%. Job creation was once again robust, the unemployment rate remained anchored close to its structural rate, and the strain of unfilled vacancies eased, with this metric returning to customary levels. This momentum continues to underpin strong spending dynamics and good household financial health in the United States.

The U.S. economy shrank at a quarterly rate of 0.1% in the first quarter of 2025 (+2.1% year-over-year), reflecting mainly growth in imports and significant stockpiling ahead of the expected tariff increases. Stripping out these one-off effects, underlying demand increased at a quarterly rate of 0.6% (+2.9% year-over-year), evidencing still-robust fundamentals. The main fear for the economy is what will happen from April.

The Spanish economy, meanwhile, recorded very solid momentum all year long, for annual growth of 3.2% and spearheading growth among the main eurozone economies. Domestic demand likewise stood out as the key growth engine. The let-up in inflation and attendant recovery in real earnings was one of the main drivers of the recovery in consumption, both public and private. In contrast, investment was weak for the first three quarters, albeit recovering considerably in the last quarter.

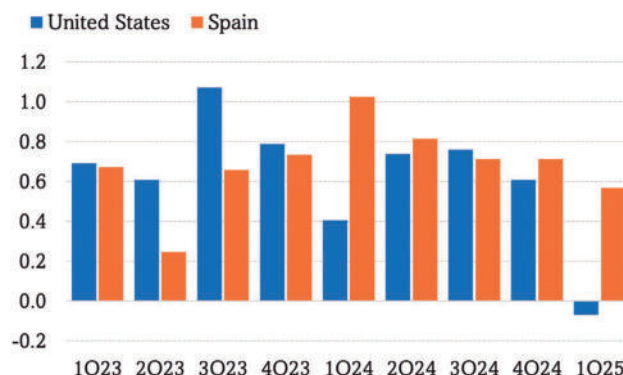
In the first quarter of 2025, the Spanish economy registered growth of 0.6%, 0.1 pp below expectations, evidencing a loss of momentum taking hold since mid-2024. 1Q25 growth was more balanced between internal and external demand, with the contribution by exports of non-travel and energy services standing out. Meanwhile, private consumption increased by only 0.4% (vs. an estimated 0.9%); potentially affected by slower migratory flows and a spike in precautionary savings.

REAL GDP GROWTH IN THE UNITED STATES AND SPAIN (rebased to 100 = 1Q20)



Source: Afi, INE, Bureau of Economic Analysis (BEA).

REAL GDP GROWTH IN THE UNITED STATES AND SPAIN (quarterly %)



Source: Afi, INE, BEA.

As already noted, internal demand was the key driver of growth in both Spain and the United States in 2024. The let-up in inflation while job dynamics remained resilient, coupled with monetary easing, were behind the recovery in spending in both economies.

In the United States, household consumption was the biggest contributor to growth in 2024, accelerating slightly in the last quarter of the year. Strong household income dynamics, thanks to growth in employment and earnings, a remnant savings buffer and low leverage painted a picture of very strong household financial health. Government spending also made a positive contribution to growth, similar to that of 2023.

The slowdown in growth in the fourth quarter (annualized growth of 2.3% compared to 3.1% in 3Q24) is attributable to a drop in inventories, which may be related with surprisingly robust private consumption. Investment, which played a bigger role in growth in the first half of the year, was affected in 4Q24 by the Boeing strike and was expected to recover in 1Q25. Manufacturing, which began in 2024 in recession, was showing signs of recovery towards the end of the year.

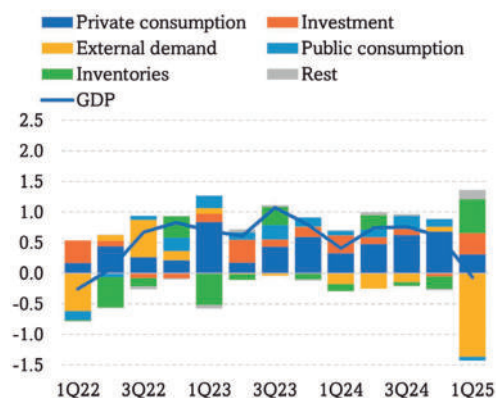
The U.S. economy shrank at a quarterly rate of 0.1% in the first quarter of 2025 (+2.1% year-over-year), shaped by three key factors: (i) sharp growth in imports in anticipation of higher tariffs (+15% year-over-year) hit the contribution to growth by trade; (ii) stockpiling, related to tariff fears, contributed 0.6% to quarterly growth; (iii) ongoing healthy consumption, albeit losing traction, particularly in services (+0.6%) and non-durable consumer goods (+0.7%). Consumption of durable goods contracted after a very strong 4Q24.

In Spain, on the other hand, investment was weak for much of the year, albeit improving considerably in 4Q24, particularly private investment. The strong growth in investment in capital goods towards the end of the year was closely related with the year-end push to settle and execute the NextGenerationEU (NGEU) funds, a pattern that has become common since this mechanism was put in place but until now had not given this GDP component such a big lift.

Exports started the year making a positive contribution to growth but waned as the year unfolded. Goods exports were affected by sluggish growth across Spain's main trading partners, while imports increased on the back of strong internal demand. Despite this weakness, tourism remained strong, outperforming previous records and making a very substantial contribution to economic growth.

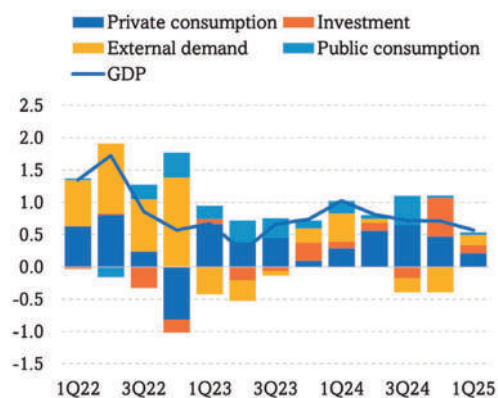
In the first quarter of 2025, Spanish GDP registered quarterly growth of 0.6%, 0.1 pp below expectations. Domestic demand contributed 0.4 pp to quarterly GDP growth, with external demand contributing 0.2 pp. Exports of non-travel services in general and energy services in particular are behind the foreign sector's positive contribution to growth. The let-up in internal demand also explains the slowdown in growth in imports. Private consumption increased at a quarterly rate of 0.4% (compared to a forecast 0.9%), foreseeably due to a slump in the growth in the number of consumers (migratory flows) and in average spending per consumer (precautionary attitude in an uncertain environment).

GROWTH IN GDP IN THE UNITED STATES
(% Quarter over Quarter (QoQ) | drivers)



Source: Afi, BEA.

GDP GROWTH IN SPAIN
(% QoQ | drivers)

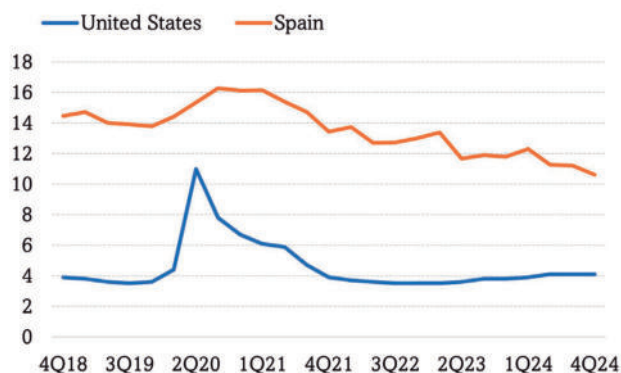


Source: Afi, INE.

In the United States, the labor market was strong and stable. Job creation (payroll) recovered and was surprisingly strong in December. Unemployment fell by 0.1 pp that month to 4.1% without any increase in the labor force, revealing a positive trend in job seekers finding work. Although unemployment started the year at 3.7%, it managed to contain an increase in joblessness in the early part of the year and remained at around 4.1% from May. The strength of the labor market shone the spotlight once again on inflationary pressures, which continue to translate into wage growth.

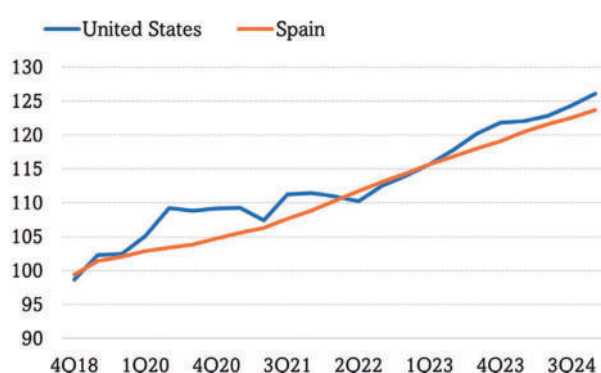
The Spanish labor market, meanwhile, remained remarkably dynamic throughout 2024, marked by strong job creation and contained unemployment. The unemployment rate gradually came down from 12.3% at the start of the year to 10.6% in the fourth quarter. The job market started to give signs of a loss of momentum during the second half of the year, however, marked by a shift towards more normalized rates of job creation, in line with the outlook for market stabilization. 2024 ended with growth of 2.2% in employment and more than 21.6 million people in work.

UNEMPLOYMENT IN THE UNITED STATES AND SPAIN (% of labor force)



Source: Afi, INE, Bureau of Labor Statistics.

LABOR COSTS IN THE UNITED STATES AND SPAIN (rebased to 100 = 1Q19)

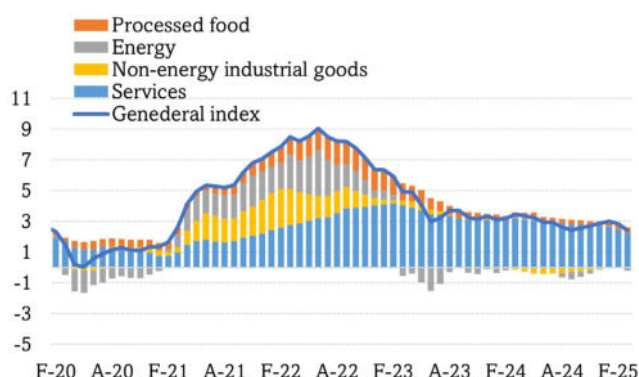


Source: Afi, Eurostat, Bureau of Labor Statistics.

In the United States, inflation remains a source of concern for the Federal Reserve. The drop in energy costs in the early months of the year alleviated pressure on production costs, helping to stabilize consumer prices. While the resilient job market and wage growth drove consumption, they also left core inflation (excluding food and energy) somewhat sticky at around 3% year-on-year. The Federal Reserve lowered its benchmark rates on three occasions in 2024, by a total of 100 basis points (bp), to a range of 4.25-4.50%. However, stubborn inflation is expected to lead the monetary authority to slow or pause its next rate cuts, leaving them in a contractionary range throughout 2025.

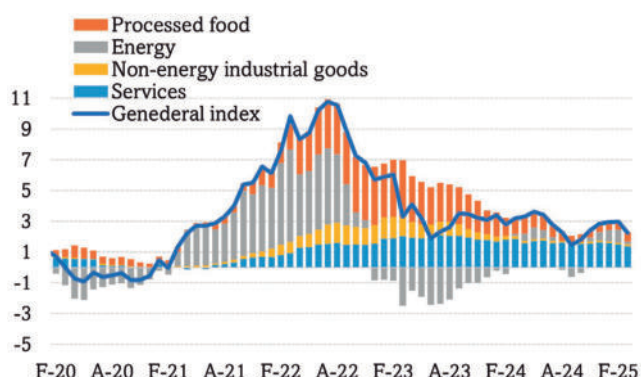
In Spain, inflation eased throughout the year, even falling below the target of 2% at one point. Headline inflation averaged 2.8% in 2024, down 0.9 pp from 2023. The let-up in core inflation was more pronounced, dropping from 6% in 2023 to just shy of 3%, driven mainly by energy and food price stabilization, with services continuing to exert some pressure due to rising labor costs. The European Central Bank also embarked on rate cuts, trimming its benchmark rate four times by 100 bp in total in 2024 to leave it at 3%. In the current climate, the ECB is not expected to reduce rates to expansionary territory but is expected to lower them to a level more conducive to growth than at present: the terminal deposit facility rate is currently estimated at 2% for mid-2025.

INFLATION IN THE UNITED STATES BY COMPONENT (% YoY)



Source: Afi, BEA.

INFLATION IN SPAIN BY COMPONENT (% YoY)

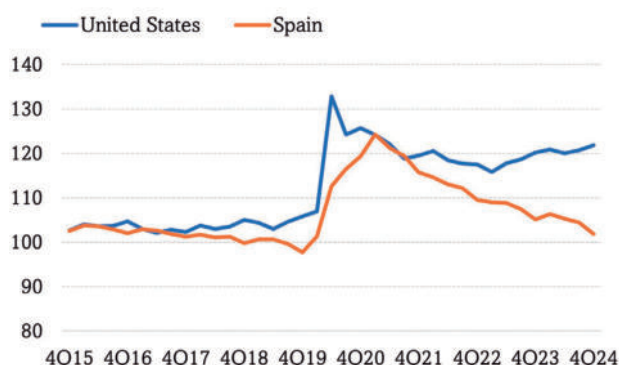


Source: Afi, INE.

Public debt in the United States continued its upward ascent, to 120% of GDP in 3Q24, fueled by a sizeable public deficit (6.4% of GDP as of 3Q24) and higher public borrowing costs. This in turn translated into volatility in Treasury yields, with the 10-year bond ending 2024 above 4.5%. The spread between interest rates in the United States and the eurozone also played a role in exchange rate dynamics. The euro (EUR) ended 2024 at a two-year low against the U.S. dollar (USD), mirroring the cyclical divergence between the two blocs' economies, as well as political uncertainty in France and Germany.

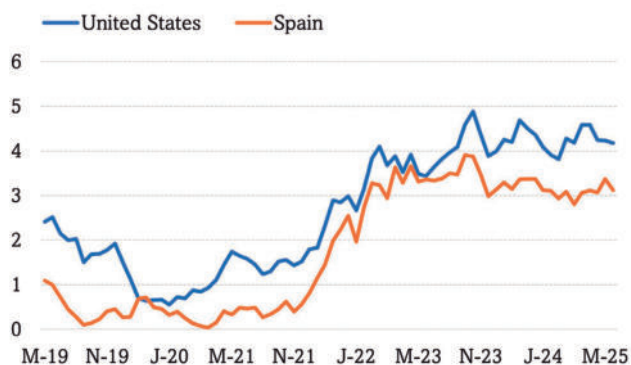
Strong growth and firm fiscal discipline left Spanish public debt at 104.4% of GDP as of 3Q24, down 3 pp from the 107.4% observed in 3Q23. Spain has the fifth-highest public debt ratio among the 27 EU member states, behind only Greece (158.2% in 3Q24), Italy (137.7%), France (110.8%) and Belgium (105.6%). In Spain, 10-year sovereign bond yields were stable at around 3% in 2024.

PUBLIC DEBT IN THE UNITED STATES AND SPAIN (% of GDP)



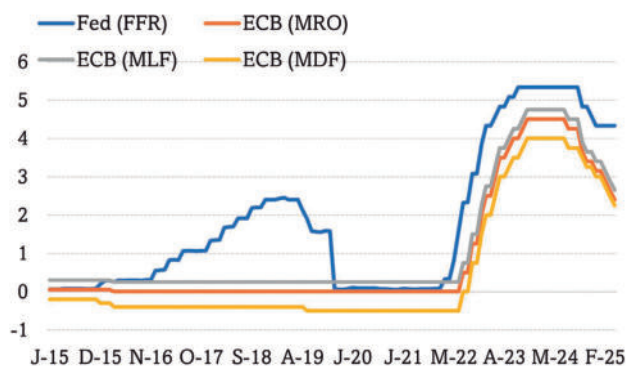
Source: Afi, Bank of Spain, Federal Reserve Bank (FRB).

10Y SOVEREIGN BOND YIELDS IN THE UNITED STATES AND SPAIN (%)



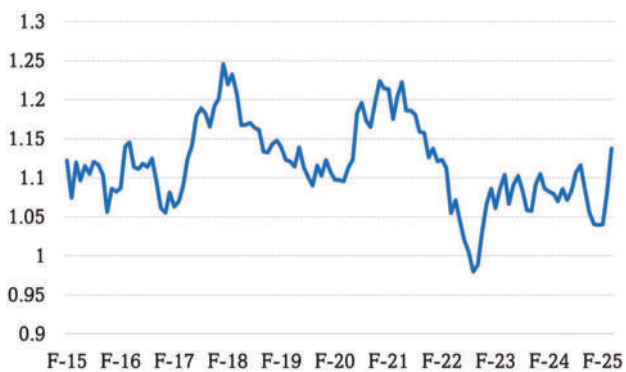
Source: Afi, Macrobond, FRB.

OFFICIAL INTEREST RATES, FED AND ECB (%)



Source: Afi, Eurostat, FRB.

EXCHANGE RATE (USD/EUR)



Source: Afi, Macrobond.

The outlook is good for both the United States and Spanish economies in 2025, again thanks to strong, albeit slowing, internal demand, less restrictive monetary policy and more favorable financing conditions. However, the continuation (or escalation) of the tariff conflict leaves both economies, more so the U.S. economy, exposed to lower growth than contemplated in our baseline scenario.

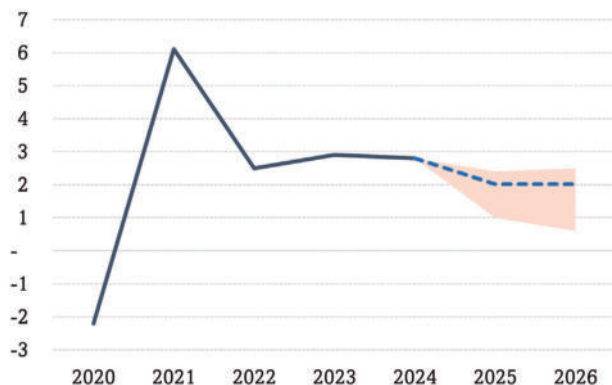
The trade war initiated by the United States and punctuated by the Liberation Day announcements of 2 April 2025 could reduce the average annual forecast growth in the United States from 2.3% to 1.4% in 2025 (0.9 pp lower) and from 2% to 1.4% in 2026 (0.6 pp lower). Most of the adverse impact would come from

heightened uncertainty, which would weigh heavily on consumption and, even more so, investment. There are no signs of contraction in income (the labor market continues to display signs of evident strength) in the near term in the context of strong household financial health (high savings levels and low indebtedness). Activity in the manufacturing sector is expected to increase on aggregate, the main risk being a sharp escalation in tariffs not only with China but also Mexico (key to its automotive industry). We think foreign trade will continue to detract from growth, shaped by strong imports.

In Spain, the impact of greater uncertainty and risk of protectionism on our GDP forecast for 2025 is estimated at around one percentage point. However, the recently approved fiscal stimulus package should lift GDP by 0.8 pp, for a net correction in GDP in Spain of 0.2 pp, i.e., instead of growing by 2.6%, we are now forecasting growth of 2.4%. More favorable financing conditions and the recovery in household purchasing power, not to mention positive migratory flows, point to solid growth in private consumption. Investment is also expected to improve, especially investment in residential construction and projects financed with EU funds. Service exports are expected to remain dynamic. We are forecasting inflation of 2.6% in 2025.

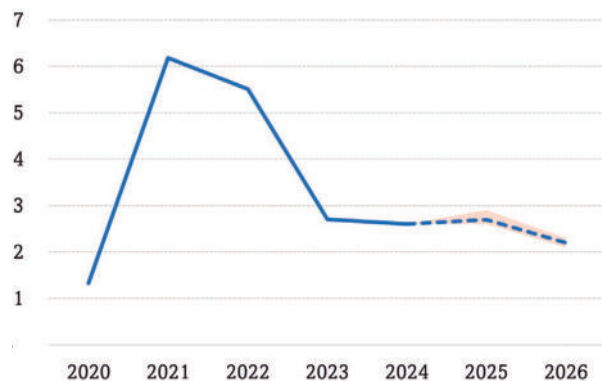
The economic outlook is clouded by certain risks, particularly heightened trade protectionism under the Trump administration and the ongoing international geopolitical tensions (Ukraine-Russia and the Middle East). These developments are a source of considerable political and economic uncertainty, as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

FEDERAL OPEN MARKET COMMITTEE (FOMC) FORECASTS FOR GDP GROWTH IN THE UNITED STATES
(% YoY)



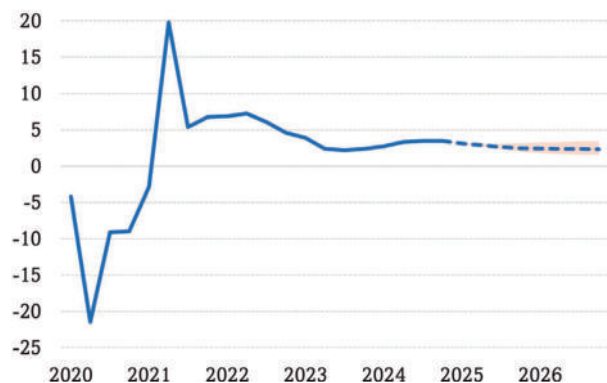
Source: Afi, Macrobond, Federal Reserve Board.

AFI FORECASTS FOR GDP GROWTH IN SPAIN
(% YoY)



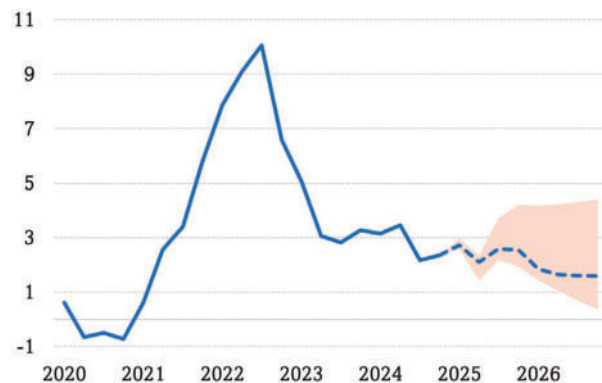
Source: Afi, Macrobond.

FOMC FORECASTS FOR INFLATION IN THE UNITED STATES (%)



Source: Afi, Federal Reserve. *Personal consumption expenditures (PCE).

AFI FORECASTS FOR INFLATION IN SPAIN (%)



Source: Afi, Macrobond.

2 STOCK OF SPANISH FDI IN THE UNITED STATES

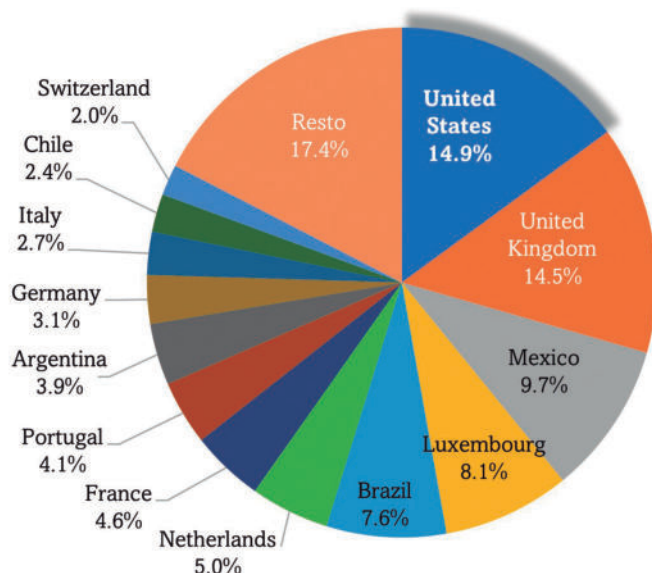
Historically, the United States has been one of the main recipients of Spanish FDI. According to the data published by the Secretary of State for Commerce, the stock of Spanish FDI in the United States increased by 8.6% year-on-year in 2022 to €81.95 billion. That put the United States back at the top of the ranks of recipients of Spanish FDI as of 2022, holding 14.9% of the total.

In 2022, the total stock of Spanish FDI increased by 8.7% from the year before (having increased by 10.6% in 2021) to €548.28 billion (excluding transactions channeled through foreign security holding companies, hereinafter ETVEs¹ for their acronym in Spanish). The United States ranks as the most important recipient of Spanish investment, with a stock of €81.95 billion as of year-end 2022, which is 14.9% of all Spanish direct investment abroad (using the Spanish criteria). Shaped by the global pandemic, the stock of Spanish FDI in the United States contracted by 10.6% in 2020 and a further 6.4% in 2021. In 2022, it rebounded by 8.6%, reversing some of the contraction accumulated during the previous two years. However, the rebound was not sufficient to return the stock of Spanish FDI to pre-pandemic levels, unlike in other destinations for Spanish investments (UK, Mexico, Luxembourg and Brazil). Nevertheless, the growth in 2022 did put the United States back at the top of the ranking of countries that are home to Spain's productive investment overseas (having ceded first place to the UK in 2021).

Between 2007 and 2013, the United States ranked among the top three recipient economies of Spanish FDI, along with the UK and Brazil. According to the Secretary of State for Commerce's statistics, Spain's investment position in the United States increased at an annual average of 14.6% between 2007 and 2013. The stock of Spanish FDI in the United States embarked on an upward trajectory in 2014, with the United States becoming the largest recipient by 2018, when it held 18% of all Spanish FDI, a position that peaked in 2019, at €90.16 billion. The global health crisis of 2020 interrupted the remarkable growth in Spain's investment position in the United States, which contracted that year by 10.6% to €80.61 billion, similar to the 2017 figure. In 2021, the stock of Spanish FDI in the United States shrank again, by 6.4% from 2020. It was not until 2022, when the stock of Spanish FDI in the United States rebounded, jumping 8.6%, reverting the downtrend observed during the two previous years.

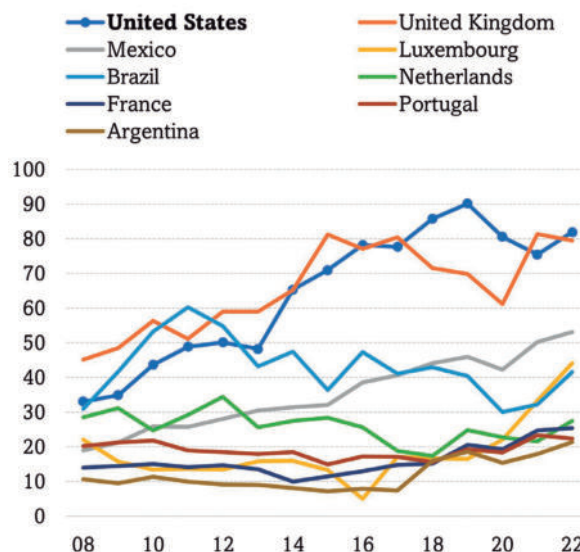
(1) The Secretary of State for Commerce, through its DataInvex platform, only published data for the stock of foreign direct investment through to 2022 as of the date of publishing this report. These figures lag the flow statistics due to the methodological complexity and consolidation requirements involved in estimating them.

STOCK OF SPANISH FDI AS OF 2022 BY DESTINATION COUNTRY
(% of the total)



Source: Afi, Secretary of State for Commerce.

LONG-TERM TREND IN THE STOCK OF SPANISH FDI BY DESTINATION COUNTRY
(€ billion)

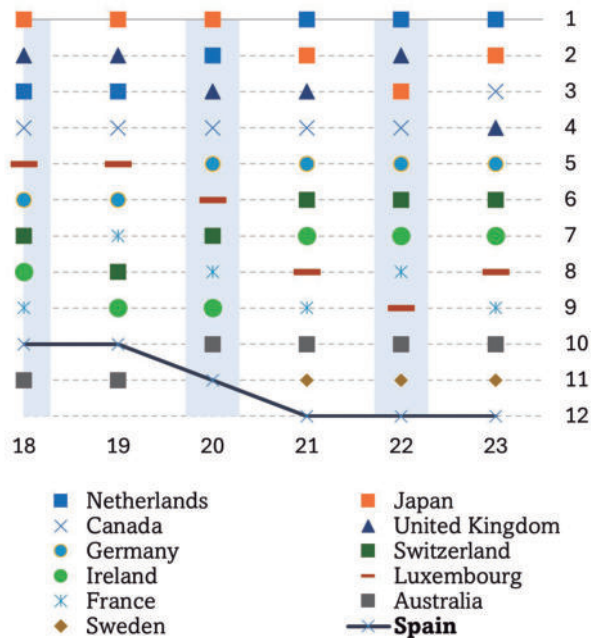


Source: Afi, Secretary of State for Commerce.

As a percentage of total Spanish FDI, in 2022, the US was home to 14.9%, a percentage that is below the average for the last 10 years (15.6%). The UK ranked in second place, with 14.5% of the total stock of Spanish FDI in 2022. Looking further back, the US was the most important destination for Spanish FDI between 2016 and 2020, accounting for an average of 17.1% of total Spanish investment overseas those years. In the years after the pandemic (2021 and 2022), Spain's investment position in the US contracted, leaving this country's share of total Spanish FDI at just under 15%.

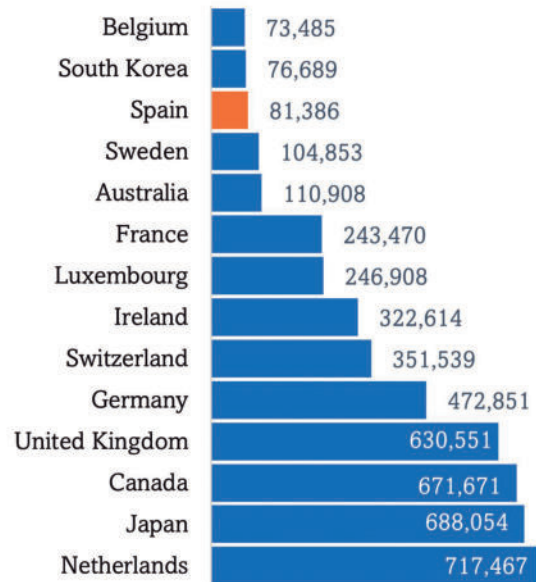
According to the data published by the U.S. Federal Reserve, Spain was the twelfth most important source of U.S. foreign investment in 2023 (the last year in which the Federal Reserve has published these statistics), accounting for 1.5% of all U.S. FDI and a stock of \$81.39 billion. Spain recorded its best performance in terms of its investment position in the United States between 2013 and 2025, when it was the country's tenth most important foreign investor with an average share of 2% of its stock of foreign investments. Broken down by sector, according to the Federal Reserve statistics, Spanish FDI is relatively more important in *Food manufacturing* and *Real estate and rental and leasing*, accounting for 3.3% and 2.1% of total FDI in those sectors, with stocks of \$3.55 billion and \$4.56 billion in 2023, respectively.

RANKING OF THE SOURCES OF THE STOCK OF FDI IN THE UNITED STATES BY COUNTRY (2018-2023)



Source: Afi, United States Federal Reserve

STOCK OF FDI IN THE UNITED STATES BY SOURCE COUNTRY IN 2023 (€ bn)



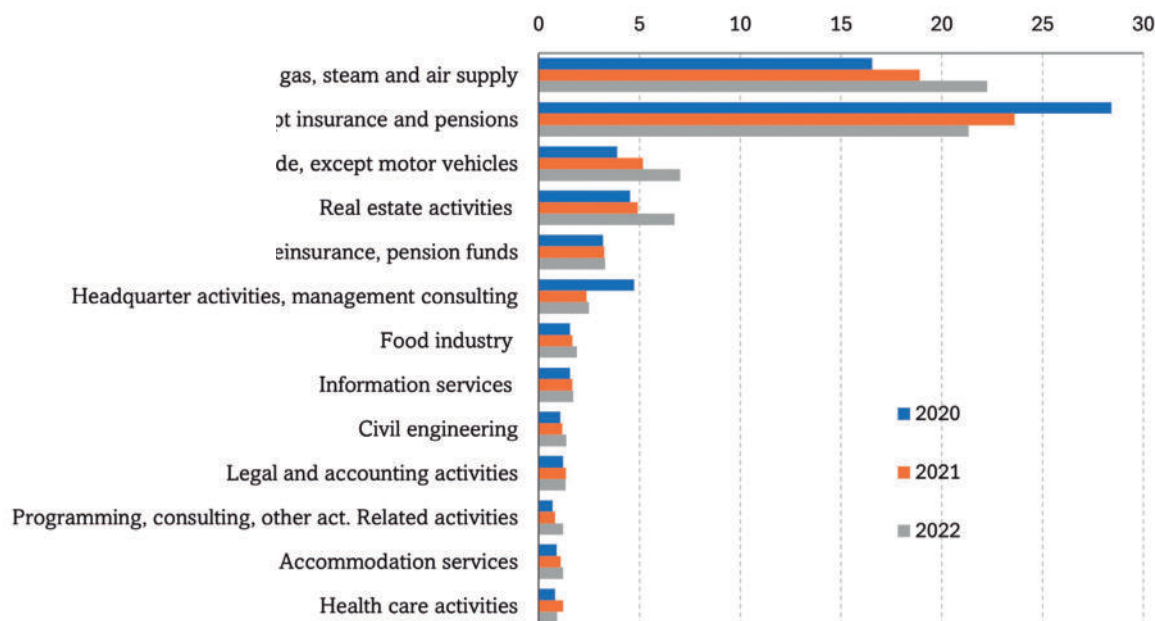
Source: Afi, United States Federal Reserve

STOCK OF SPANISH FDI IN THE UNITED STATES BY SECTOR

As of 2022, the Energy supply sector accounted for 27.1% of the stock of Spanish FDI in the United States, followed by Financial services and the Wholesale trade, with shares of 26% and 8.6%, respectively. In terms of the importance of certain sectors of the U.S. market for Spanish investment, it is worth noting that the U.S. Human health activities sector accounted for 56.8% of all Spanish FDI in that sector overseas as of 2022. As for the sectors that have attracted the highest absolute volumes of Spanish investment in the United States, the Energy supply and Financial services sectors accounted for 45.2% and 13.5% of total Spanish FDI in those sectors 2022, respectively.

Historically, Spanish FDI in the United States has been concentrated in the *Financial services* and *Energy supply* sectors, which have received 41.5% and 20.9% of all Spanish FDI, respectively, since the Secretary of State for Commerce has been keeping records (2007). In 2022, the stock of investment in the *Energy supply* sector jumped by 17.6% from 2021 to €22.24 billion, recovering first place among the U.S. sectors home to the highest volumes of Spanish investment. That growth was concentrated in the *Electric power distribution* and *Wind electric power generation* sectors. In second place, volume-wise, the stock of Spanish investment

STOCK OF SPANISH FDI IN THE UNITED STATES BY SECTOR, 2020, 2021 AND 2022
(€ billion)

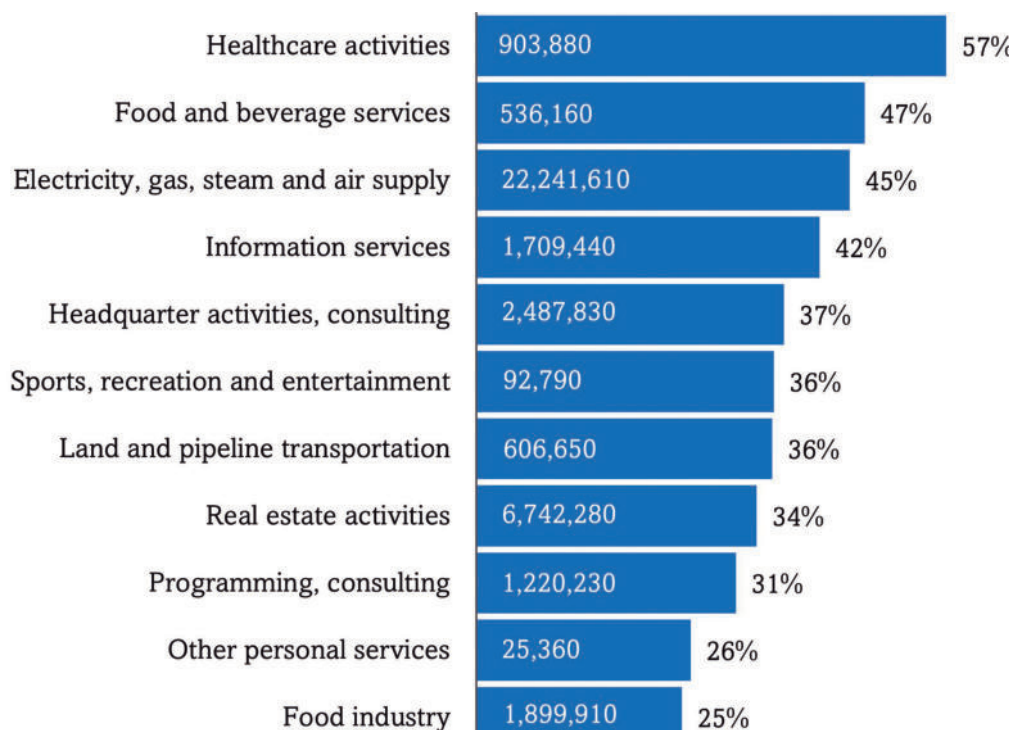


Source: Afi, Secretary of State for Commerce.

in *Financial services* decreased by 9.6% in 2022, accumulating a contraction of 25% since 2020. Other prominent sectors include the *Wholesale trade and Real estate and rental and leasing* sectors, where the stocks of Spanish FDI increased by around 35% in 2022 from 2021, to €7.01 and €6.74 billion, respectively.

In analyzing the relevance of the United States as a destination for Spanish investment, the *Human health activities* sector jumps out, accounting for 56.8% of all Spanish FDI in this sector as of 2022. Other sectors of the U.S. economy that account for high percentages of all Spanish direct investment abroad are *Food services and drinking places* (concentrating 47% of the total), *Electric power, natural gas and steam supply* (45%) and *Information services* (42%). As for the sectors that concentrate the most Spanish FDI, *Telecommunications* and *Financial services*, the United States is the second and twelfth most important recipient, accounting for 45.2% and 13.5% of the total stocks of investment in each sector, respectively.

SPANISH FDI IN THE UNITED STATES BY KEY SECTOR: PERCENTAGE OF TOTAL SPANISH FDI IN THE VARIOUS SECTORS AND ABSOLUTE INVESTMENTS AS OF YEAR-END 2022
(% of total Spanish FDI)



Source: Afi, Secretary of State for Commerce.

4 FLOWS OF SPANISH FDI TO THE UNITED STATES

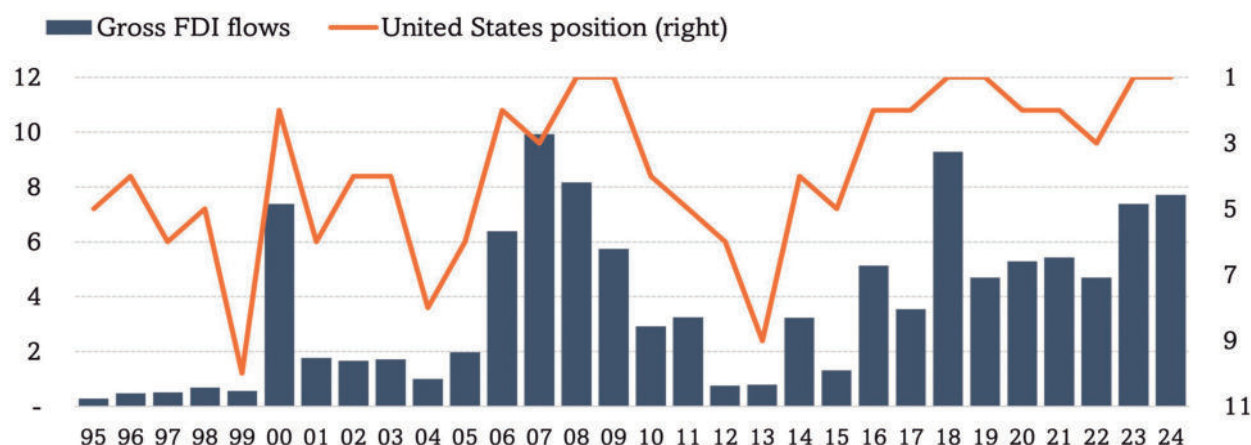
Since the beginning of the historical series in 1993, the United States has received €114.01 billion of gross Spanish FDI flows, which is 12% of the total, making it the number-two destination for Spanish investment. Spanish FDI flows to the United States were particularly strong in 2023, rising 57.1% from 2022, to €7.37 billion. The pace of flows remained strong in 2024, increasing a further 4.5% year-on-year. According to the data published by the U.S. Bureau of Economic Analysis (BEA), Spain ranks eighteenth in terms of cumulative flows of new FDI to the United States between 2014 and 2023.

In cumulative terms, during the period for which the Secretary of State for Commerce has been tracking these figures (from 1993 to 2024), the United States has received over €114 billion of Spanish FDI (gross investment, using the immediate investing country criterion, excluding ETVEs). Spanish FDI flows to the United States were particularly strong in 2023, rising 57.1% from 2022, to €7.37 billion. The sectors garnering the highest volumes of flows were *Financial services*, *Civil engineering and Warehousing and support activities for transportation*, which between them registered growth in flows of €3.49 billion. Investment flows continued to rise in 2024, by 4.5%, to €7.71 billion.

Historically, Spanish investment flows have gone primarily into the *Financial services* and *Energy supply* sectors, which have received 27.2% and 23.6% of cumulative FDI flows, respectively. The extraordinary peaks in investment flows related to two one-off transactions: in 2000, when investments went primarily to the *Telecommunications* sector (€3.66 billion) and in 2018, when the focus was *Insurance and pension funding* (€5.41 billion). These two transactions account for over 50% of all flows into each of these sectors since the Secretary of State for Commerce has data (i.e., 1993).

Since the start of the historic series, the United States has ranked among the top ten recipients of Spanish FDI flows. In fact, since 2014, it has ranked in the top five, ranking first in terms of annual flows in 2008, 2009, 2018, 2019, 2023 and 2024.

ANNUAL FLOWS OF SPANISH FDI TO THE UNITED STATES AND RANKING AS RECIPIENT COUNTRY (€ billion | ranking among recipients of Spanish FDI flows)

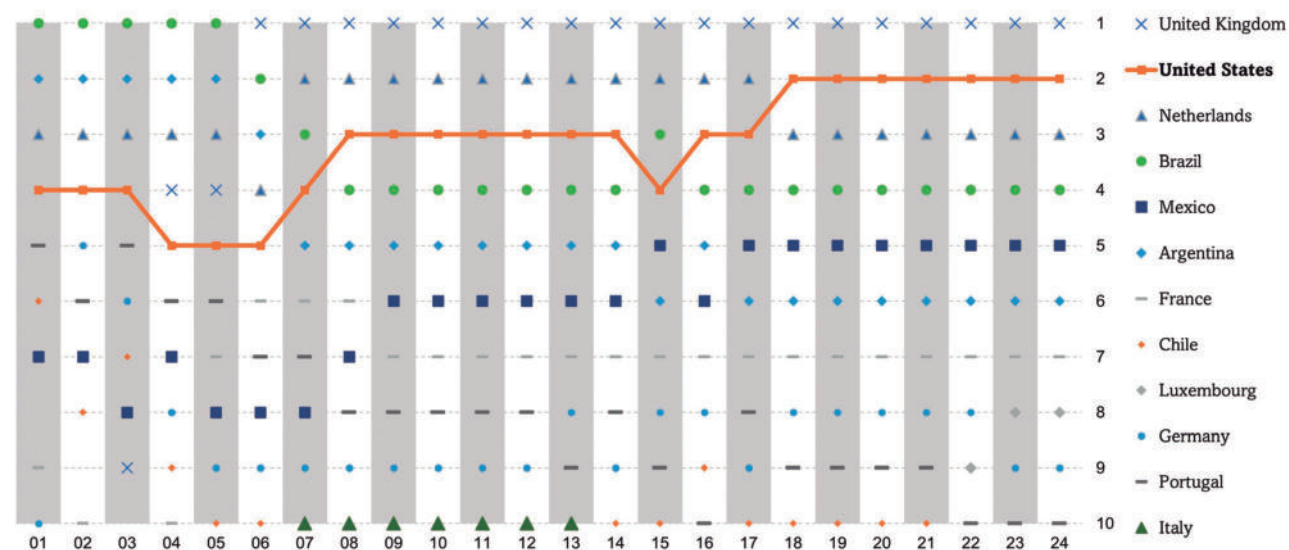


Source: Afi, Secretary of State for Commerce.

According to the Secretary of State for Commerce, between 1993 and 2024, the United States attracted a cumulative 12% of total outward FDI from Spain. Between 1993 and 1999, annual investment flows to the United States averaged €410 million, with the United States ranking between fifth and sixth position among the economies welcoming Spanish direct investment. The investment of over €3.66 billion in *Telecommunications* in 2000 lifted the United States to fourth place that year. Higher investment flows into the *Financial services* and *Energy supply* sectors between 2006 and 2009 (an average total of €8.17 billion) boosted the United States once again to third place in terms of cumulative flows. Following a drop in productive investment between 2012 and 2013 (annual average of €760 million), the upswing in flows in the last 10 years led the United States to overtake the Netherlands in 2018 to become the economy to have received the second-highest volume of cumulative Spanish FDI flows. The Netherlands remains in third place (cumulative flow of €81.03 billion since 1993), while the UK has cemented itself in first position since 2006 (cumulative flow of €169.93 billion).

RANKING OF CUMULATIVE SPANISH FDI FLOWS BY YEAR AND RECIPIENT COUNTRY (1993-2024)

(excludes investments channeled through ETVEs)

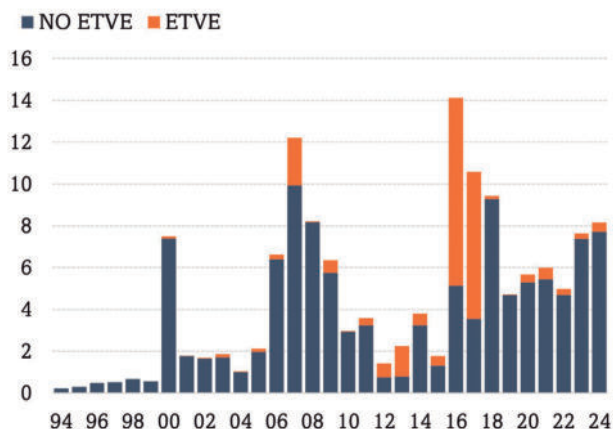


Source: Afi, Secretary of State for Commerce.

The nature of Spanish investment in the United States is eminently productive, as evidenced by the fact that the vast majority is not channeled through ETVEs, i.e., investments whose main purpose is to hold interests in companies based abroad rather than to benefit from a special tax regime associated with investments in foreign entities. On a cumulative basis, since 1993, 81.8% of Spanish FDI flows have been channeled other than through ETVEs. The exceptions were 2016 and 2017, years when non-productive investment accounted for around 65% of total flows, totaling €8.98 billion in 2016 (concentrated on *Insurance, reinsurance and pension funding*) and €7 billion in 2017 (concentrated on *Extraction of crude petroleum and natural gas*).

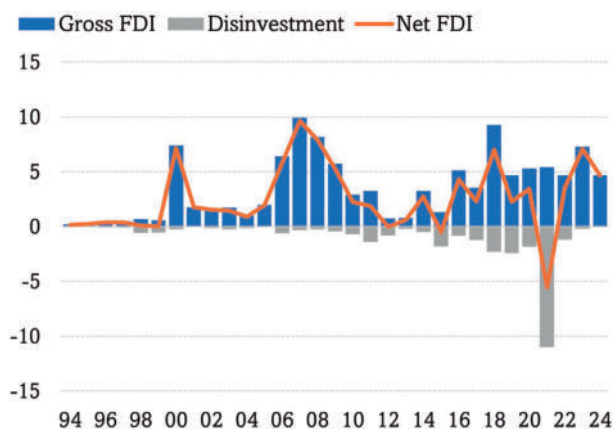
Until now our analysis has focused on gross flows of Spanish FDI to the United States. However, the Secretary of State for Commerce statistics enable a comparison with the net flows in order to identify the volume of disposals. Divestment flows are concentrated between 2014 and 2022, which account for around 75% of all FDI outflows since the Secretary of State has been keeping records (i.e., 1993). Other than during that period, disposals have been moderate, averaging around €325 million per annum. Divestment flows resulted in negative net investment flows in 2012, 2015 and 2021 (this happens when disposal volumes exceed new investments). 2021, for example, when net flows were negative by a peak of €10 billion, was marked by a disposal in the Financial services sector of €9.53 billion. Specifically, in mid-2021, BBVA closed the sale of its United States subsidiary (BBVA USA) to PNC *Financial Services* for approximately €9.6 billion.

**FLOWS OF SPANISH FDI TO THE UNITED STATES:
ETVE VS. NON-ETVE
(€ billion)**



Source: Afi, Secretary of State for Commerce.

**FLOWS OF SPANISH FDI TO THE UNITED STATES:
GROSS AND NET
(€ billion)**

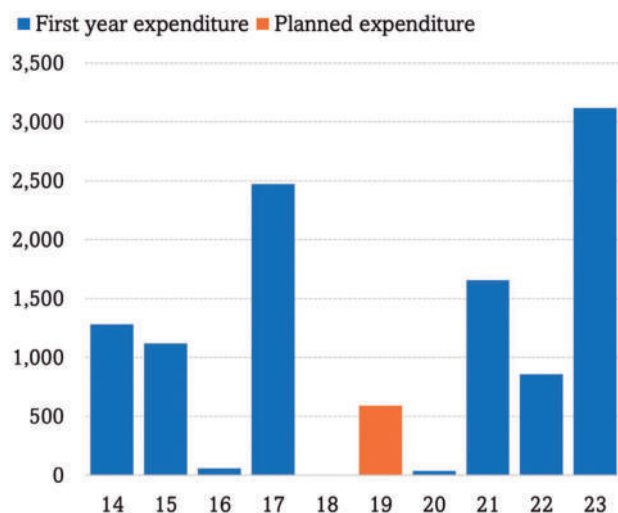


Source: Afi, Secretary of State for Commerce.

The U.S. Department of Commerce's Bureau of Economic Analysis compiles and reports data on annual new direct foreign investments in the United States by investor country, differentiating by type of expenditure between 2014 and 2023. In the case of Spain, the highest volume of direct investments in the United States related to first-year expenditure, i.e., investments by companies establishing themselves in the country, with the highest volume of new FDI recorded in 2023, at \$3 billion. On a cumulative basis between 2014 and 2023, Spain ranks eighteenth among the countries channeling the highest flows of new productive investment to the United States, at \$10.59 billion. Ireland holds third place, with cumulative new FDI of \$300.47 billion, followed by the UK in second place (\$329.81 billion), with Canada well ahead in first place (\$480.16 billion).

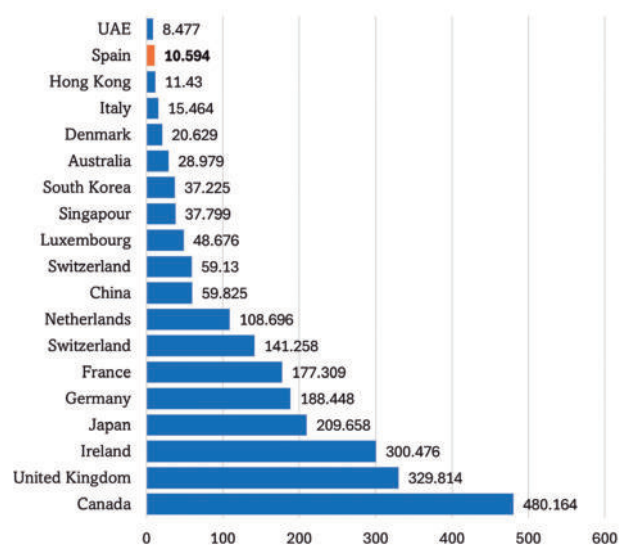
In 2025, Spanish investment flows to the United States will be conditioned by economic momentum on both sides of the Atlantic, as well unfolding events around President Trump's trade policy, particularly in terms of tariffs, and the response by other countries, including Spain, as part of the uniform response being coordinated by the European Commission. An escalation in protectionist measures could directly affect the returns anticipated from investments in the United States by making imports of inputs more expensive, generating regulatory uncertainty and provoking potential retaliation by affected countries. Their impact on both the U.S. economy (via possible trade deviations, competitiveness, and intensified inflationary pressures), and on the global economy, could reconfigure prevailing international capital flow dynamics, specifically including bilateral flows between the United States and Spain.

**NET FLOWS OF SPANISH FDI TO THE UNITED STATES
BY YEAR**
(€ billion)



Source: Afi, United States Federal Reserve

**NET CUMULATIVE FLOWS OF FDI IN THE UNITED
STATES BY INVESTOR COUNTRY (2001-1Q19)**
(\$ billion)



Source: Afi, United States Federal Reserve

5 FLOWS OF SPANISH FDI TO THE UNITED STATES BY SECTOR

Two productive sectors of the U.S. economy account for 50% of total Spanish FDI flows since 1993: Financial services (27.2% of the total), followed by Energy supply (23.62%). In 2024, of the total FDI flows of €7.71 billion, €5.71 billion went to the Energy supply sector (74.1% of the total) and €1.38 billion went to the Manufacture of motor vehicles (17.9% of the total).

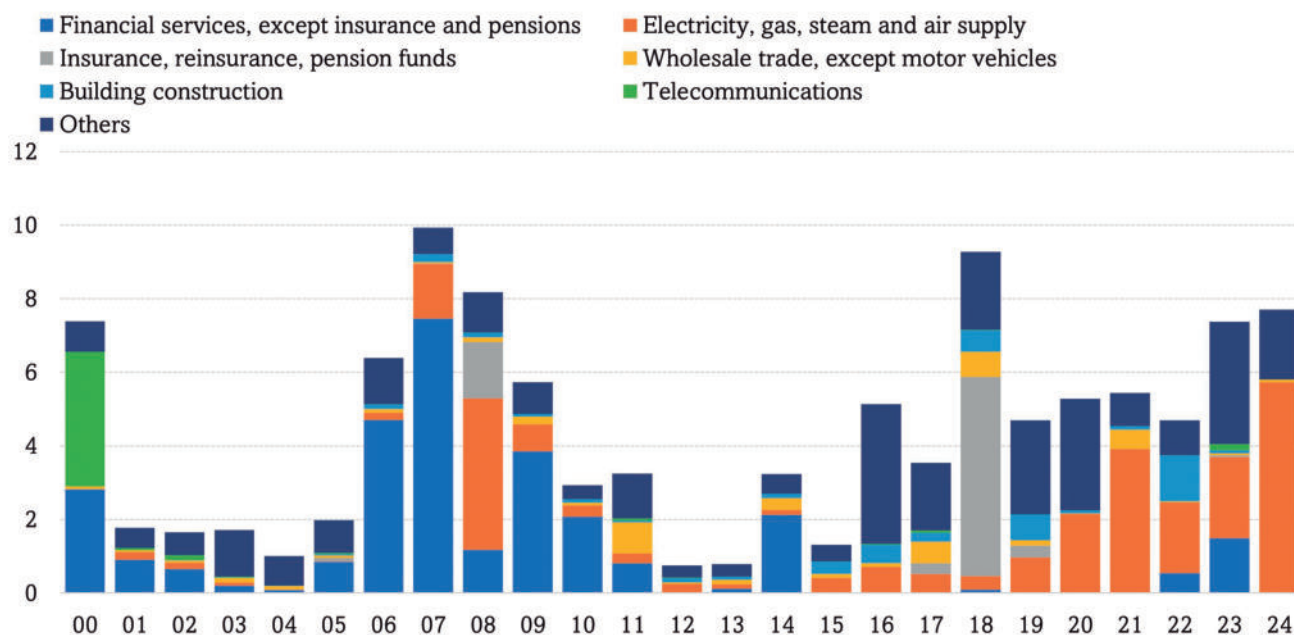
Between 1993 and 2024, flows of Spanish FDI to the United States totaled €114.01 billion, implying an annual average of €3.56 billion. Flows peaked at €9.93 billion in 2007, when more than three-quarters went to *Financial services*, shaped by BBVA's acquisition of Compass Bank, its biggest acquisition in the United States at the time.

By sector, those flows have been concentrated in *Financial services* (€31.04 billion between 1993 and 2024) and *Energy supply* (€26.94 billion). Whereas the financial sector was more prominent between 1993 and 2014 (cornering 48% of all flows), the energy sector has come to the fore in last decade, garnering 34.6% of all Spanish direct investment flows to the United States between 2015 and 2024.

The *Wholesale trade* and *Construction of buildings* each account for around 4.5% of total cumulative FDI flows. Productive investment in these sectors is characterized by regular but lower-volume flows, with an annual average of around €160 million. As for exceptional one-off flows, the *Telecommunications sector* received over €3.5 billion in 2000, with around €5.4 billion flowing to *Insurance, reinsurance and pension funding* in 2018. Between 1993 and 2024, these sectors accumulated €7.75 billion and €4.27 billion of direct Spanish investment, respectively, which is 7% and 3.9% of all flows of Spanish investments to the United States.

In 2024, Spanish investment in the United States was particularly concentrated in the Electricity, gas, steam and air conditioning supply sector, which took 74.1% of all Spanish FDI flows that year (€5.71 billion). It was followed by the *Manufacture of motor vehicles, trailers and semi-trailers*, at €1.38 billion (17.9% of the total), mirroring the importance of the automotive sector in the American productive ecosystem. In contrast, *Real estate activities*, a long-standing recipient of Spanish capital, registered a sizeable contraction (€51 million versus €524 million in 2023), affected by high interest rates and slowing demand. Flows into *Financial services and Management consultancy services* also dipped, potentially reflecting a more uncertain macroeconomic climate and growing regulatory requirements.

GROSS FLOWS OF SPANISH FDI TO THE UNITED STATES BY YEAR AND SECTOR
 (€ billion)



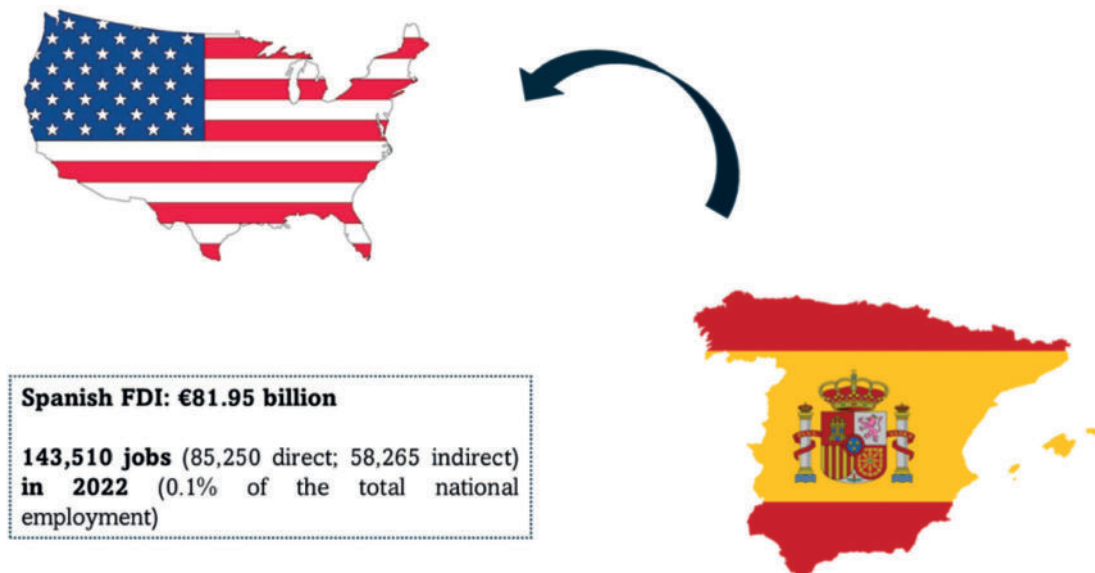
Source: Afi, Secretary of State for Commerce.

EFFECTS OF SPANISH FDI ON JOBS IN THE UNITED STATES

Spanish FDI contributed to the creation and maintenance of over 143,500 jobs in the US in 2022, equivalent to around 0.1% of total national employment.

The stock of Spanish direct investment in the United States stood at €81.95 billion in 2022 (the last year for which the Secretary of State for Commerce has stock statistics), having increased by 8.6% from 2021. It is estimated that Spanish FDI contributed to the generation of over 143,500 jobs in the United States, which is around 0.1% of the national total. Of the total employment generated by Spanish FDI, over 85,250 jobs correspond to direct jobs, with the remaining 58,265 classified as indirect jobs, i.e., jobs generated as a result of the knock-on effect of Spanish direct investment on other areas of the U.S. supply chain.

JOBS GENERATED BY SPANISH FDI IN THE UNITED STATES, 2022 (number of direct + indirect jobs)



Source: Afi, based on Secretary of State for Commerce and the OECD Input-Output Tables (2019). 2022, last year available.

PART II

Outlook for Investment in the United States

7. HOW SPANISH COMPANIES INVESTED IN THE UNITED STATES VIEW THE AMERICAN BUSINESS CLIMATE

This section analyses how the Spanish companies surveyed perceive the business climate in the United States based on their assessments of a series of aspects, factors and characteristics that shape the conditions for investing and doing business in the United States.

A total of 103 Spanish companies with direct investments in the United States contributed to this first edition of the *Barometer on climate and outlook for Spanish investment in the United States*, specifically participating in a survey conducted between February 5 and March 9, 2025.

Overall Assessment of the Business Climate and Recent Developments

The Spanish respondents gave the business climate in the United States an overall score of 3.4 points out of 5. Over half of the companies participating (56%) perceived the business climate as 'good' or 'excellent'. In parallel, a majority of respondents said they believed the business climate was 'unchanged' in the last 12 months.

For this first edition of the Barometer, the Spanish organizations with direct investments and business activities in the United States awarded the American business climate a blended score of 3.4 points (on a scale of 1 to 5). Eight out of every 10 firms defined the business climate as, at least, 'acceptable', which means a score of 3 or higher. And almost half of the respondents categorized it as 'good', with another 7% considering it 'excellent'. A mere 1% of the organizations polled expressed dissatisfaction ('bad') with the conditions for doing business in the United States.

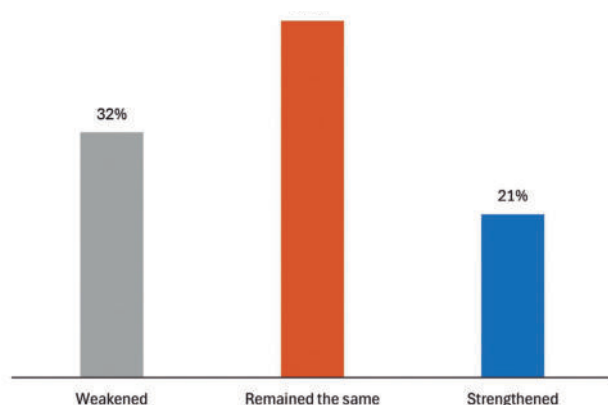
The majority positive perception of the current state of the business climate in the United States contrasts with the companies' perception of its performance in the last 12 months. Whereas approximately half of the Spanish companies believe that the business climate in the United States has been 'stable' over the past year, the percentage of firms perceiving that 'it has deteriorated' (32%) is 11 points higher than the universe of companies who claim, 'it has improved' (21%).

However, this somewhat contrasting perception should be seen against a complex context at every level in the United States: economic (dynamic growth and resilient job market but with inflation remaining a

top concern for the Federal Reserve, not to mention the trade tensions with other countries and other implications of the current Administration's tariff policy); and geopolitical (with the United States playing a prominent role in trying to manage the conflicts in the Middle East and end the war in Ukraine).

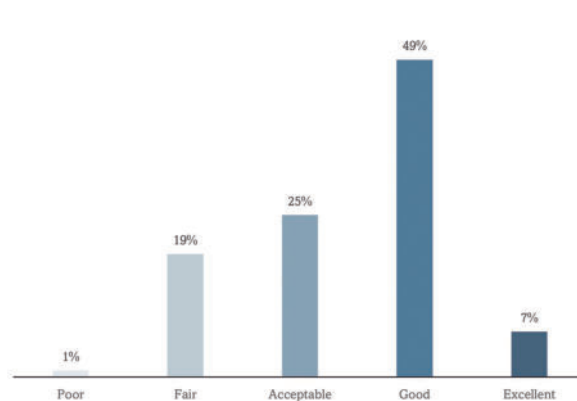
OVERALL ASSESSMENT OF THE U.S. BUSINESS CLIMATE

(% of responses)



PERCEIVED CHANGE IN THE BUSINESS CLIMATE IN THE LAST 12 MONTHS

(% of responses)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

Assessment of the Main Aspects of the Business Climate

The top-rated attribute of the American business was the existence of a favorable ecosystem for digitalization (with a score of 3.6 out of 5). In contrast, the degree of adoption of Artificial Intelligence in the company was the worst-rated feature (2.6 points) in the eyes of the Spanish companies surveyed.

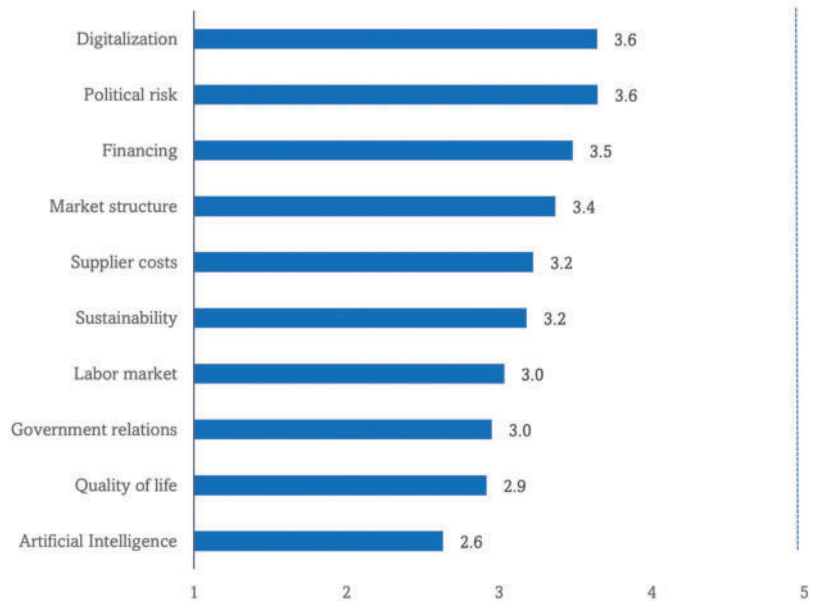
The degree and level of digitalization of the U.S. economy and its business ecosystem emerged as the top-rated attribute of the U.S. business climate for the Spanish firms surveyed for this debut edition of the Barometer. This category obtained an average score of 3.6 out of 5.

At the other end of the spectrum, the degree of adoption of Artificial Intelligence in the company was the worst-ranked aspect of the U.S. business climate in this first edition of the Barometer, having attained a score of 2.6 out of 5.

Overall, it is notable that as many as eight of the ten attributes analyzed for the Barometer obtained average scores of equal or over 3 points (on a scale of 1 to 5). The aspects that failed to reach that threshold of 'acceptable' (implied by a score of at least 3) were 'quality of life' and, as already noted, the degree of adoption of 'Artificial Intelligence'.

ASSESSMENT OF THE BUSINESS CLIMATE IN THE UNITED STATES BY CATEGORY

(Scores based on % of responses, where 1
is bad and 5 is excellent)



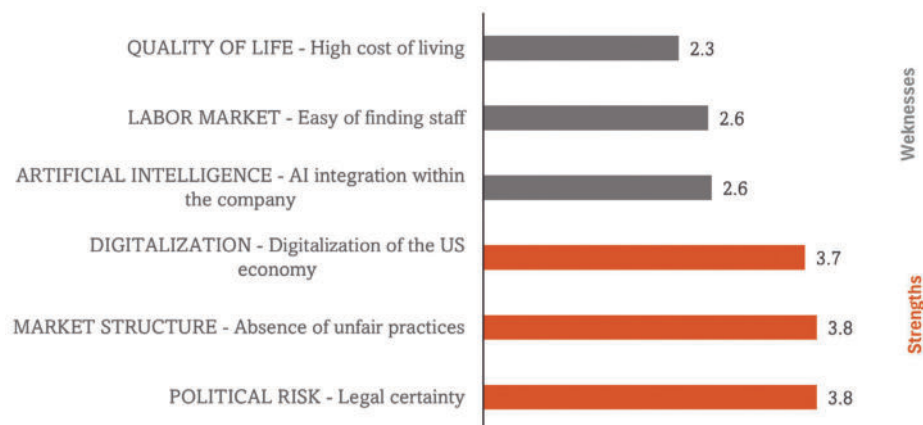
Source: Afi, "2025 Survey of
Spanish outward investment
into the United States."

On the other hand, the Spanish firms doing business and with direct investments in the United States see the chief strengths of the American business climate as: the existence of a high level of legal certainty (3.8 points out of 5); the absence of unfair competitive practices (3.8 points), and the level of digitalization of the economy as a whole (3.7 points).

In contrast, the three biggest weaknesses of the U.S. business climate perceived by the Spanish firms surveyed are: the perception of a high cost of living (2.3 points on a scale of 1 to 5); the easy of finding staff (2.6 points); and the degree of integration of artificial intelligence in companies (2.6 points).

KEY STRENGTHS AND WEAKNESSES OF THE U.S. BUSINESS CLIMATE

(scores based on % of
responses)



Source: Afi, "2025 Survey of
Spanish outward investment
into the United States."

To delve deeper in the assessments provided by the Spanish companies invested and operating in the US when asked how they view the business climate there, we now analyze each of the underlying attributes in brief:

Political Risk

‘Political risk’, which encompasses subtopics such as how the companies perceive the level of ‘legal certainty’ and the level of ‘institutional stability’, obtained an overall score of 3.6 points in this first edition of the Barometer, making it the second best-rated aspect of the business climate.

On the one hand, the Spanish companies invested in the United States transmitted a particularly positive perception of the level of ‘legal certainty’ existing in the United States. Indeed, 70% of the firms surveyed scored it as ‘good’ or ‘excellent’, making this the top-rated subtopic in the entire Barometer, with a score of 3.8 points out of 5.

In parallel, following the recent change of guard in the White House, the Spanish organizations also reported a positive assessment of the level of ‘institutional stability’ that characterizes the country, giving this attribute an average score of 3.4 points out of 5.

Government Relations

The Spanish respondents have shown an ‘acceptable’ perception of the category ‘government relations’ in the United States, which is exclusively composed by the level of ‘tax burden’. More than a third of respondents (48% of the total) said they ‘agreed’ or ‘strongly agreed’ with the idea that the tax burden in the United States is ‘high’, as a result of which this subtopic obtained a score of 3.0 points.

Overall, the ‘government relations’ category obtained an average score of 3.0 points (scale of 1 to 5).

Financing

The Spanish firms doing business in the United States, view the ecosystem around ‘financing terms and conditions’ as positive in the United States, giving this category an overall score of 3.5 points.

Indeed, 85% of the organizations surveyed described the ‘terms and availability of credit’ in the United States as at least ‘acceptable’. And 9% of them perceived them as ‘excellent’, giving this subtopic an average score of 3.4 points.

Similarly, nearly half of the Spanish respondents (49% of the total) also see the level of development of alternative financing channels (direct lending, business angels, venture capital, etc.) as ‘good’ or ‘excellent’. This subtopic therefore obtained a score of 3.6 out of 5.

Labor Market

The 'labor market' was one of the worst-rated business climate categories in the eyes of the Spanish companies that do business and have investments in the United States, obtaining a score of 3.0 points out of 5.

This result was shaped primarily by the respondents' view of the difficulty in finding staff to meet their needs. Thus, 42% of the companies surveyed consider it "difficult" to find staff that meet their needs, which has led to the rating for this category reaching 2.6 points out of 5.

In contrast, the majority of the participating Spanish organizations described the availability of specialists and skilled staff in the United States as 'adequate' for their business needs, yielding a score of 3.0 points for this subtopic.

Finally, Spanish companies' views on regulations (assistance of hiring, flexible working hours, dismissal costs, etc.) in the United States labor market were particularly positive. In this regard, more than half of the organizations indicated that the current state of regulations is "excellent" or "very good" for their business needs. Thus, this particular business climate category received an average overall rating of 3.5 points.

Market Structure

The 'market structure' category obtained a blended score of 3.4 points out of 5 from the Spanish firms surveyed.

Within this area of the business climate, the Spanish firms were particularly positive about the 'transparency and good governance' framework that characterizes 'relations between businesses and the public authorities'. In fact, 94% of them defined these relations as at least 'acceptable', with this subtopic earning a score of 3.6 points.

In addition, around seven out of every 10 companies surveyed (68% of the total) said they 'disagreed' or 'strongly disagreed' with the idea that the U.S. market suffers from issues related with 'unfair competitive practices' as a result of the existence of a significant 'shadow economy'. This level of consensus made this subtopic the second highest rated, with a score of 3.8 points out of 5.

In contrast, however, a majority of firms (78% of the total) said they perceived 'significant barriers to entry' as a result of regulatory matters and the configuration of the American market. This meant that this attribute of the business climate obtained an overall score of 2.7 points (out of 5).

Sustainability

Within the different attributes comprising the business climate in the United States, the level of engagement of the business ecosystem with 'sustainability' (environmental, social and governance) obtained a score of 3.2 points (on a scale of 1 to 5).

However, the Spanish firms' perceptions varied depending on the category of 'sustainability' in question. For example, over half of the Spanish organizations described their level of engagement with and progress on embracing and upholding ESG criteria as 'good' or 'excellent', an assessment that drops to just 19% of the respondents when asked about sustainability compliance in the U.S. business ecosystem as a whole. As a result, the first subtopic obtained a score of 3.7 points, whereas the second earned a much lower 2.7 points.

Digitalization

The existence of an ecosystem conducive to 'digitalization' emerged as the top-rated category of the U.S. business climate in the eyes of the Spanish companies doing business there, obtaining an overall score of 3.6 points (on a scale of 1 to 5).

In this context, 86% and 55% of respondents described the progress made on digitalization by the economy as a whole and at the level of their own firms as 'good' or 'excellent', giving these two subtopics scores of 3.7 points and 3.6 points, respectively.

Artificial Intelligence

The majority of companies (78% in total) perceive the level of 'Artificial Intelligence' integration within the company (e.g., process automation, data analysis, pattern recognition, etc.) as either 'low' or 'moderate'. This limited adoption is reflected in an average score of 2.6 out of 5 for this area of the business climate, making it the lowest-rated aspect of the U.S. business environment.

Supplier Costs

The Spanish firms doing business and directly invested in the United States mostly perceive the availability and cost of supplier networks as 'acceptable', giving this category an overall score of 3.2 points out of 5. More specifically, the organizations surveyed described the country's transportation, telecommunications and energy services as 'adequate' (average score of 3.0 out of 5).

In parallel, 49% said they 'agree' or 'strongly agree' with the statement that the availability of supplier and distribution networks is 'sufficient' for the purposes of their business development in the United States. They therefore gave this subtopic an average score of 3.4 points.

Quality of Life

In this first edition of the Barometer, the 'quality of life' category, which comprises several subtopics, including the 'cost of living', 'adequate integration of expatriates' and 'quality of life', obtained an overall score of 2.9 points out of 5.

However, the Spanish firms' perception of the 'cost of living' in the United States weighed down this blended score. With inflation still high in the United States, 64% of the organizations surveyed said they 'disagreed' or 'strongly disagreed' with the idea that the cost of living in the United States was 'reasonable'. This made this sub-topic the worst-rated of the 20 subtopics, giving shape to the U.S. business climate (2.3 out of 5).

On the other hand, over a third of the Spanish respondents agreed that the conditions for ensuring ‘adequate integration of expatriates’ were ‘good’ or ‘excellent’. By the same token, 56% of the firms surveyed described the ‘level of quality of life’ as ‘good’ or ‘excellent’. As a result, the ‘adequate integration of expatriates’ and ‘quality of life’ subtopics obtained average scores of 3.0 and 3.5 points, respectively.

SUMMARY OF THE SCORES AWARDED BY THE SPANISH FIRMS TO THE VARIOUS ASPECTS THAT GIVE SHAPE TO THE UNITED STATES BUSINESS CLIMATE

Category	Subtopic	Score
Political Risk	Legal certainty	3.8
	Institutional stability	3.4
Government Relations	High tax burden	3.0
Financing	Terms and availability of credit	3.4
	Alternative financing channels	3.6
Labor Market	Adequate labor regulations	3.5
	Adequate staff training/skills	3.0
	Easy of finding staff	2.6
Market Structure	Transparency and good governance	3.6
	Existence of barriers to entry	2.7
	Absence of unfair competitive practices	3.8
Sustainability	Engagement with and/or progress on compliance with ESG criteria: overall economy	2.7
	Engagement with and/or progress on compliance with ESG criteria: firm level	3.7
Digitalization	Digitalization of the U.S. economy	3.7
	Firm-level digitalization	3.6
Artificial Intelligence	Integration of AI use in the company	2.6
Supplier Costs	Suitability of transportation, telecommunications and energy services	3.0
	Sufficiency of supplier and distribution networks	3.4
Quality of Life	Reasonable cost of living	2.3
	Adequate integration of expatriates	3.0
	Quality of life	3.5

Source: Afi, “2025 Survey of Spanish outward investment into the United States.”

PERCEPTION OF THE FACTORS IMPACTING THE BUSINESS ACTIVITIES CARRIED ON BY THE SPANISH FIRMS IN THE U.S. MARKET

Next, we analyze the participants' outlook around certain developments, some circumstantial (macroeconomic context) and others structural (new political-economic context), that, in their opinion, could have a bigger impact on their business activities in the U.S. market.

Main Channels of Impact on the Companies' Business Activities

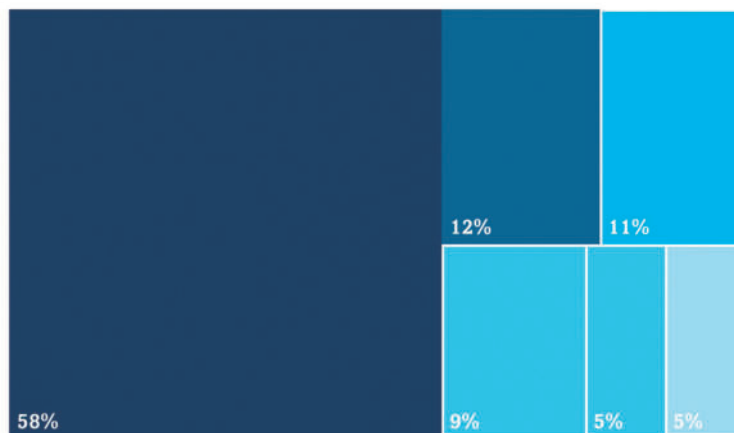
The majority of the Spanish companies surveyed (58% of the total) believe that the 'imposition and/or tightening of new/existing tariffs' is the factor that could have the biggest impact on their businesses in the next year.

The fate of the current geopolitical context is, in the opinion of the Spanish companies doing business in the United States, the area that could generate the biggest impact on their business in 2025. More specifically, the Spanish companies invested in the United States view the 'imposition and/or tightening of new/existing tariffs' as the factor that could have the biggest (adverse) impact on their businesses, or so said 58% of the companies surveyed. In parallel, 12% identified 'intensification of geopolitical tensions' as the factor that could have the biggest negative impact on their businesses.

Elsewhere, and touching on the current macroeconomic environment, 11% of respondents identified 'interest rate cuts' by the Federal Reserve (assuming the current deflation process continues) as the factor that could have the biggest (positive) impact on their businesses during the next year.

FACTORS WITH BIGGEST EXPECTED IMPACT ON BUSINESS IN NEXT 12 MONTHS (% of respondents)

- Imposition/Tightening of tariffs
- Interest rate cuts
- Exchange rate fluctuations
- Increase in geopolitical tensions
- Supply chain disruptions
- Other



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

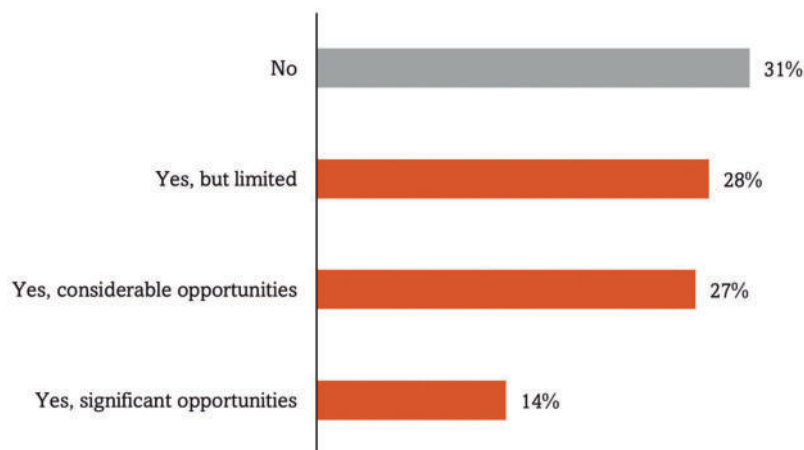
Derived from the Political and Economic Context in the United States

Over two-thirds of the Spanish companies believe that the political and economic landscape will provide them with fresh opportunities for business development in the United States. The change of government has not prompted the vast majority of the firms surveyed to alter their investment plans.

Following the U.S. Presidential, Congress and Senate elections last November, the incoming government pledged to make good on electoral promises that included deregulating strategic sectors such as the energy and technology sectors, broadening benefits under the Tax Cuts and Jobs Act (TCJA) and boosting manufacturing in the United States (by tightening import tariffs).

Against this backdrop, around seven out of 10 respondents (69% of the total) said they believe the new political and economic environment in the United States creates business development opportunities for them in the United States. Indeed, 27% of the Spanish organizations described these new opportunities as 'considerable', with another 14% categorizing them as 'significant' for their U.S. business development.

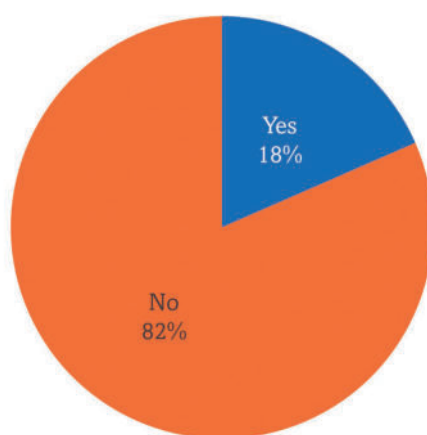
OPPORTUNITIES FOR SPANISH BUSINESSES DERIVED FROM THE NEW POLITICAL AND ECONOMIC CONTEXT IN THE UNITED STATES (% of respondents)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

In line with that sentiment, the majority of the Spanish companies surveyed (82% of the total) reported that their investment plans for the United States had not changed in the wake of the change of administration following the elections in November 2024.

CHANGE OF INVESTMENT PLANS BY SPANISH BUSINESSES IN THE WAKE OF THE CHANGE OF GOVERNMENT IN THE UNITED STATES
(% of respondents)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

9 OUTLOOK FOR BUSINESS IN THE EYES OF THE SPANISH COMPANIES WITH DIRECT INVESTMENTS IN THE UNITED STATES

This section provides an analysis of the business outlook of the Spanish companies with direct investments in the United States. Specifically, it assesses the surveyed companies' outlook for revenue, employment, and investments in 2025. Lastly, it takes a look at the Spanish companies' specific investment goals and initiatives, analyzing them by sector and region.

Business Expectations

Over eight out of every ten Spanish companies (83% of the total) expect to see revenue growth in the U.S. market in 2025. In addition, around 60% of the companies surveyed aspire to increase the number of people they employ in the United States and undertake long-term investments.

When asked about their expectations for the outlook for their business activities in the United States, the Spanish companies with direct investments in the United States were notably optimistic about 2025.

Virtually all of the companies surveyed (98% of the total) said they expect their revenue to either increase (83%) or remain stable (15%) over the next year. In addition, around six out of every 10 companies surveyed (57%) said they plan to make new hires in 2025, with a mere 3% reporting plans to reduce their headcounts in the United States in the next 12 months.

As for their outlook for investments, 63% of the Spanish firms participating in the survey said they expect to undertake new investments in 2025. The percentage of firms reporting plans to scale back their investments in the United States was a scant 1% of the total, while the remaining third (36% of the total) said they planned to neither increase nor decrease their investments in the United States over the next 12 months.

SPANISH COMPANIES' OUTLOOK FOR THEIR BUSINESS ACTIVITIES IN THE UNITED STATES IN 2025

(scores based on % of responses, where 1 means reduced activity and 3 means increased activity)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

Investment Plans

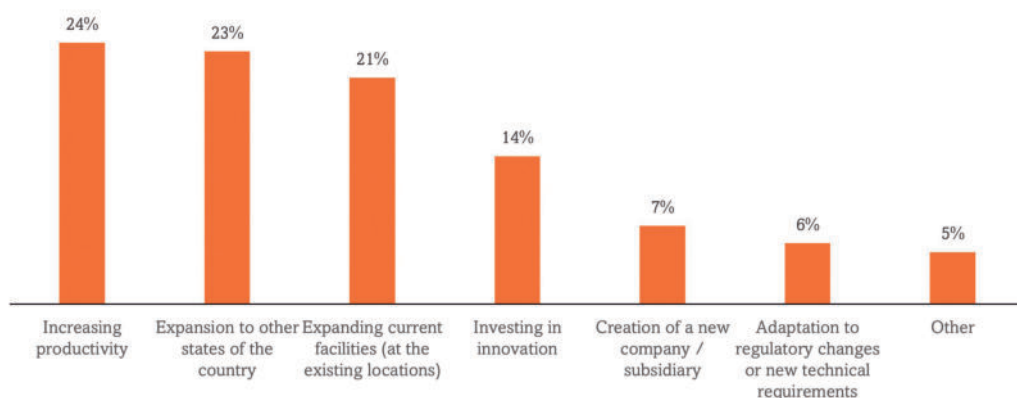
Among the companies reporting plans to make new investments in the United States in 2025, the main reasons were increasing productivity (24% of the time) and expanding into new states (23%). In order to meet both goals, the companies said they would implement new digital technologies (30%) and develop new products (35%).

The main objective of the Spanish companies planning new investments in the United States in 2025 is to 'increase productivity', as signaled by roughly one-quarter (24%) of all respondents. Aligned with this investment objective, a notable 14 of the companies surveyed also said they would prioritize 'investing in innovation'.

Elsewhere, over one-fifth cited 'expansion (of their business) to other regions of the country' (23% of the total) and 'expansion of existing facilities' (21%) among their main investment objectives.

MAIN OBJECTIVES PURSUED BY THE NEW INVESTMENTS PLANNED BY SPANISH FIRMS IN THE UNITED STATES IN 2025

(% of responses indicating plans to increase investments next year)

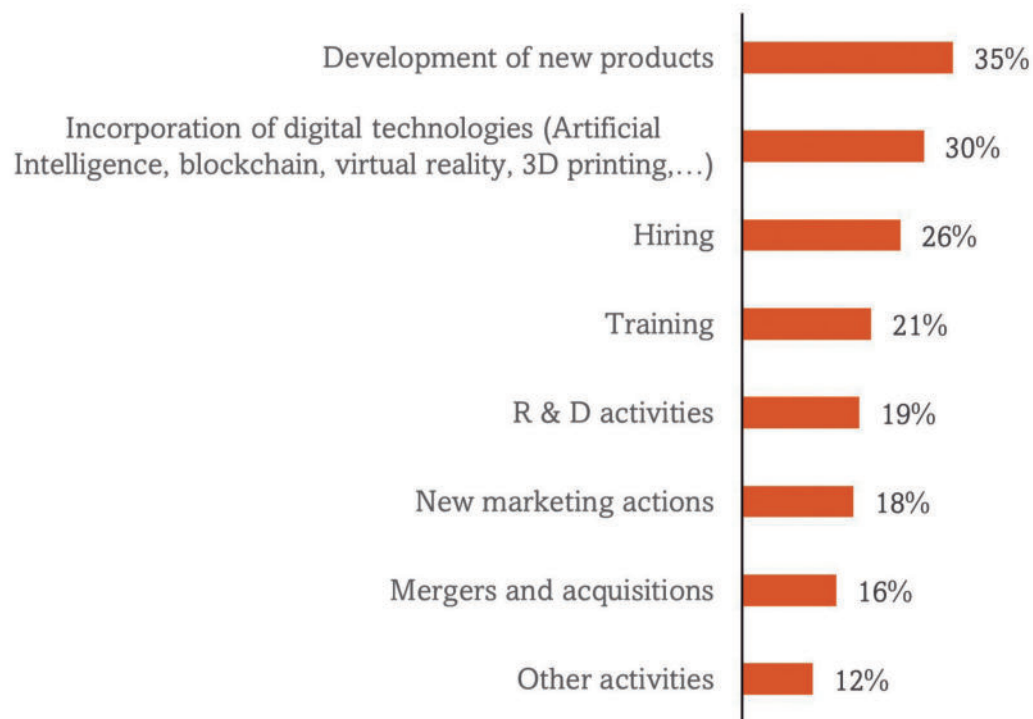


Source: Afi, "2025 Survey of Spanish outward investment into the United States."

Against this backdrop, implementing ‘digital technologies’ in their businesses (30% of the total), undertaking staff ‘training’ (21%) and carrying out ‘R&D&I activities’ (19%) emerged as three key investment strategies for delivering the main goals of the Spanish companies with direct investments in the United States, which include ‘increasing productivity’ and ‘investing in innovation’.

In parallel, and related with the objectives underlying the decision by the Spanish companies with direct investments in the United States to invest in order to increase the scale of their activities, whether via expansion to new regions of the country or via capacity additions, more than one-third (35% of the total) of the organizations surveyed said they plan to ‘develop new products’, with another 26% and 18% of the total aspiring to make ‘new hires’ and embark on new ‘marketing initiatives and campaigns’, respectively.

TYPES OF INVESTMENTS PLANNED BY SPANISH FIRMS IN THE UNITED STATES IN 2025
(% responses indicating plans to increase investments next year)



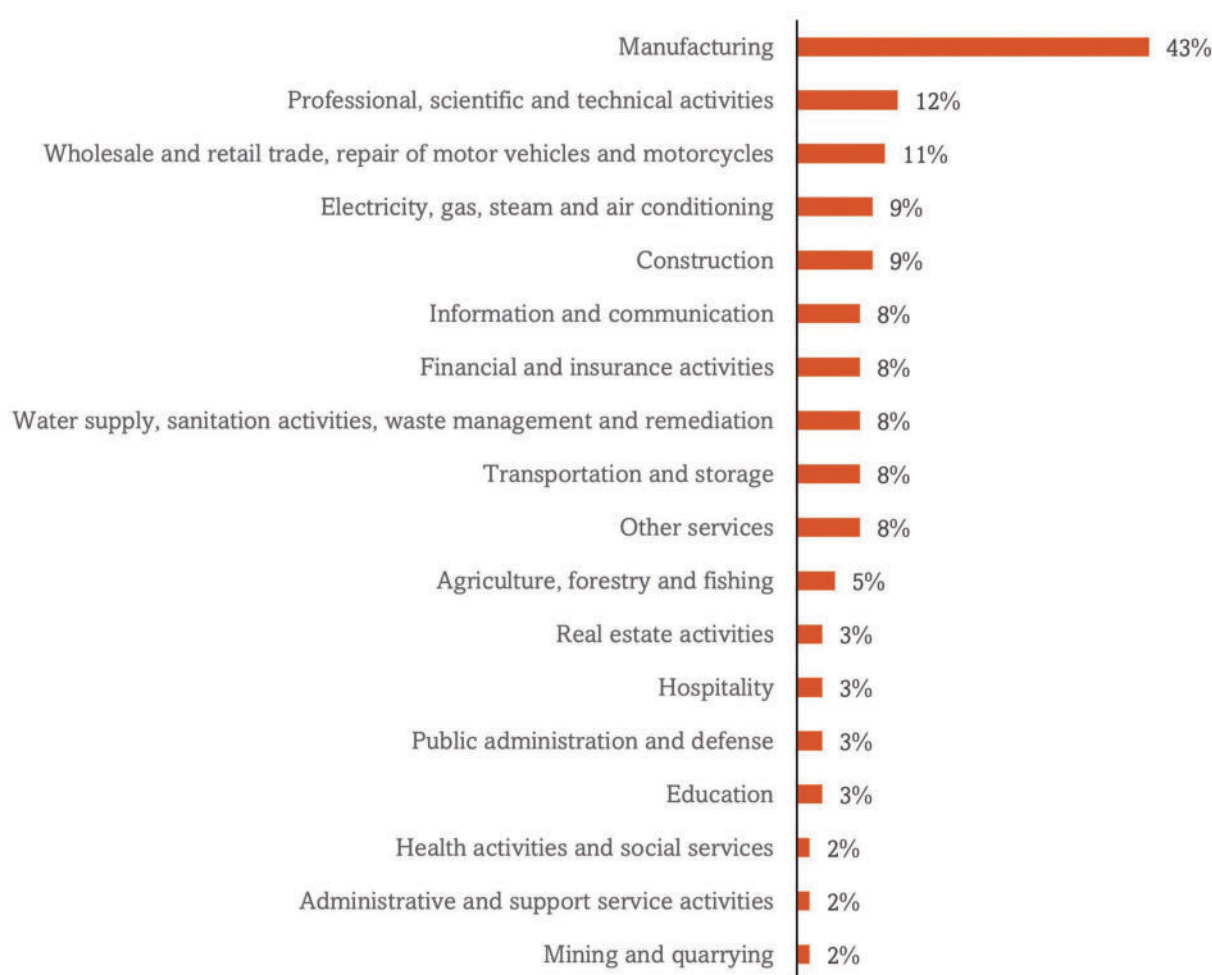
Source: Afi, “2025 Survey of Spanish outward investment into the United States.”

Sector-wise, the economic activities encompassed by the 'manufacturing industry' emerged as the key beneficiaries of the new investments planned by the Spanish companies with direct investments in the United States, specifically 43% of the total.

However, around one out of every 10 companies reported investment plans in other sectors, including 'professional, scientific and technical activities' (12% of the total), the 'wholesale and retail trade' (11%), 'electricity, gas, steam and air conditioning supply' (9%) and 'construction' (9%).

SECTOR BREAKDOWN OF THE INVESTMENTS PLANNED BY SPANISH FIRMS IN THE UNITED STATES IN 2025

(% of responses indicating plans to increase investments next year)

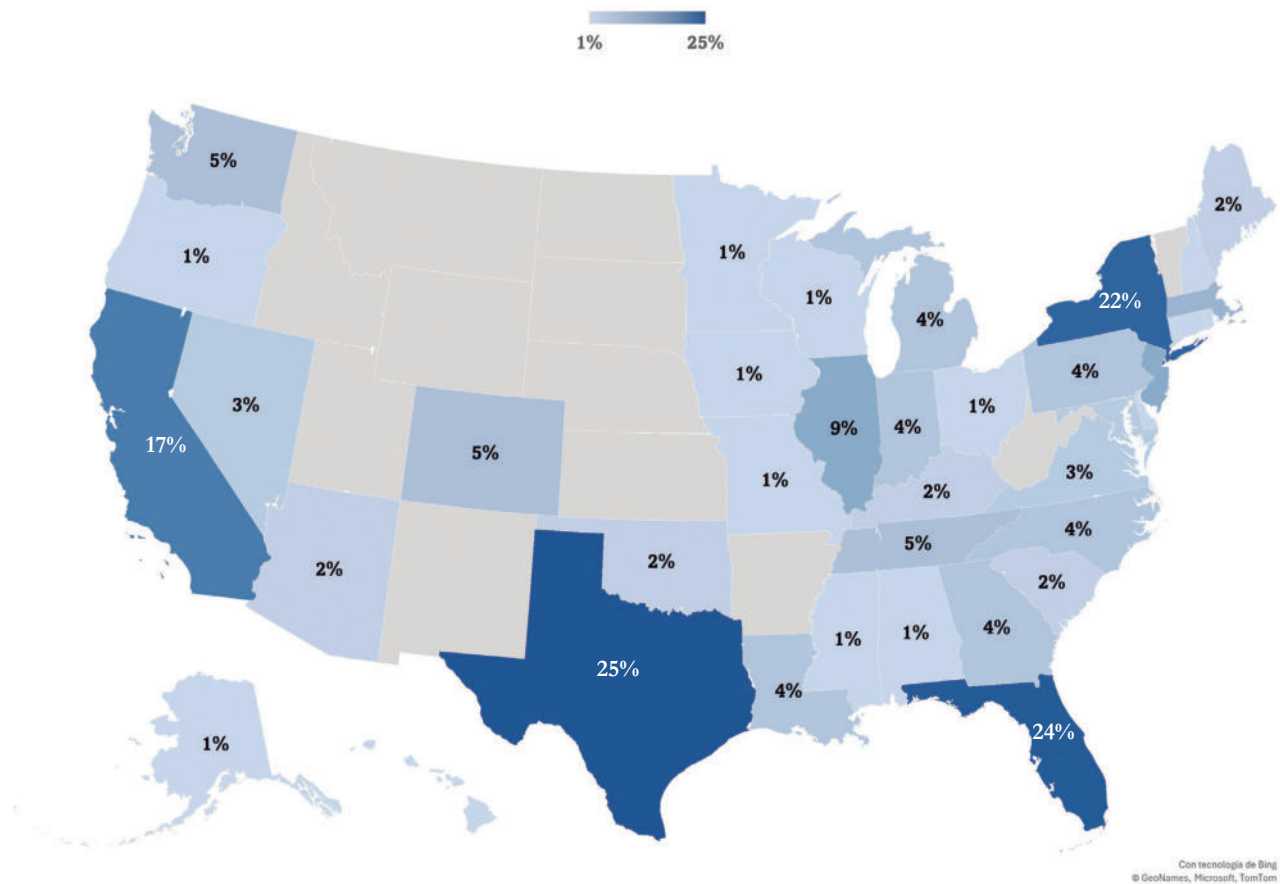


Source: Afi, "2025 Survey of Spanish outward investment into the United States."

Region-wise, the Spanish firms with plans to undertake new investments in the United States in 2025 cited the states of Texas (25% of the total), Florida (24%) and New York (22%) as the top candidates for their planned investments.

REGIONAL BREAKDOWN OF THE SPANISH INVESTMENTS PLANNED FOR THE UNITED STATES IN 2025

(% of responses indicating plans to increase investments next year)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

10 STRATEGIC IMPORTANCE OF THE U.S. MARKET FOR SPANISH CORPORATE INVESTMENT

This last section analyses the strategic importance of the U.S. market for the Spanish firms' business plans and the relationship between the government and the Spanish companies with direct investments in the country.

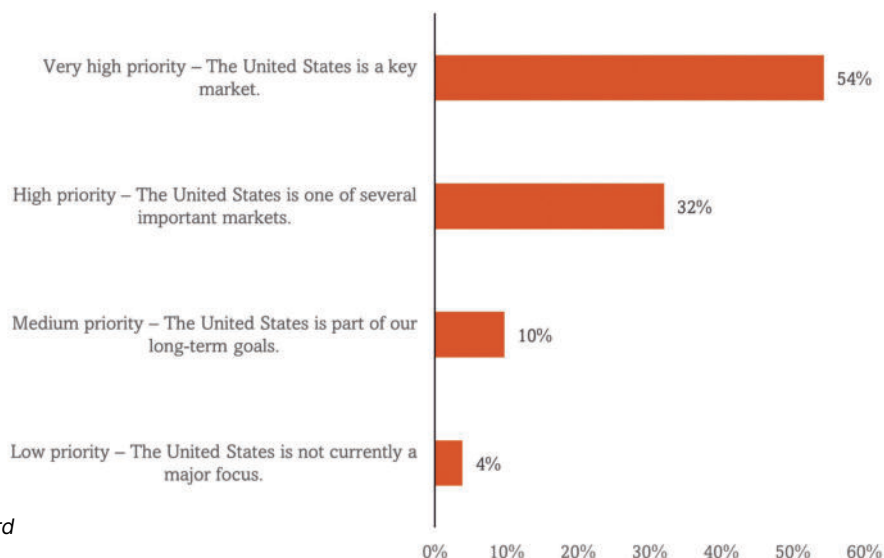
Strategic Importance of the U.S. Market for the Spanish Companies

Eighty-six per cent of the organizations surveyed said that the U.S. market was a (very) high priority for their businesses. Also, over nine out of every ten Spanish companies (95%) said they had no real plans to abandon the U.S. market in the medium or long term.

The Spanish companies with business activities and direct investments in the United States stressed the importance of this market for them. Ninety-six per cent of the companies surveyed said that, at a minimum, the U.S. market formed part of their 'companies' long-term objectives'. Moreover, 54% of the Spanish companies with direct investments in the United States described the United States as 'key market', with roughly another third (32%) also considering the United States 'one of their most important markets'.

ASSESSMENT OF THE STRATEGIC NATURE OF THE U.S. MARKET FOR THE SPANISH COMPANIES DIRECTLY INVESTED IN THAT MARKET

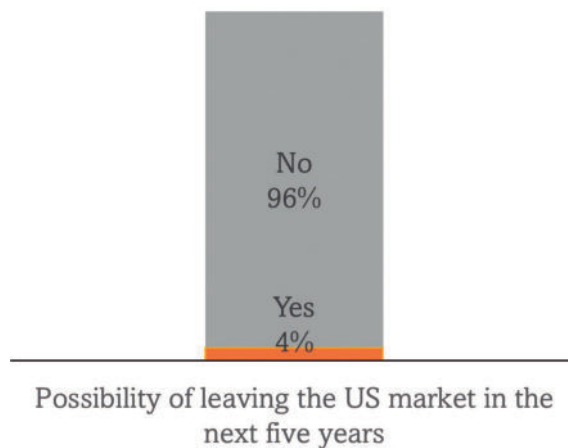
(% of respondents)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

In line with all of that, as many as 96% of the Spanish companies said that they currently do not expect to exit the U.S. market in the medium-long term (5 years out), with a mere 4% of those surveyed answering that they had contemplated the possibility of ceasing to operate in the United States in the next five years.

SPANISH COMPANIES' EXPECTATIONS FOR REMAINING IN THE U.S. MARKET IN THE NEXT FIVE YEARS
(% of respondents)

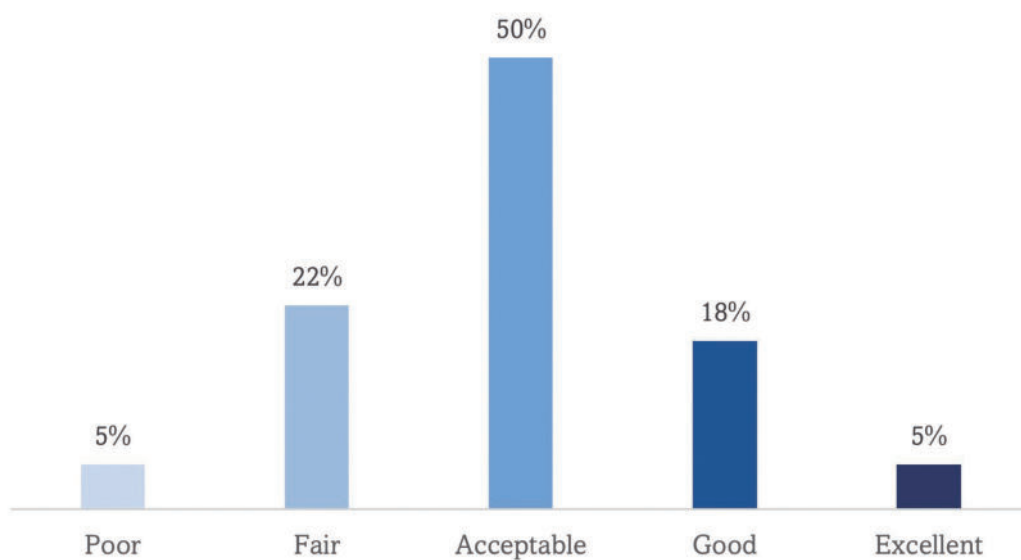


Source: Afi, "2025 Survey of Spanish outward investment into the United States".

Elsewhere, 50% of the Spanish companies with direct investments on American soil described the level of support received by the business ecosystem as a whole from the U.S. government as 'acceptable'.

However, the percentage that described this support as 'mediocre' or 'insufficient' (22% of the total) is four percentage points (pp) more than the universe of companies that categorized it as 'good'. As a result, the Spanish companies' overall perception of the support received from the U.S. government obtained an average score of 2.9 points (on a scale of 1 to 5).

**PERCEPTION OF THE INSTITUTIONAL SUPPORT RECEIVED FROM THE U.S. GOVERNMENT BY
THE SPANISH COMPANIES WITH DIRECT INVESTMENTS THERE**
(% of respondents, with 1 reflecting the lowest appraisal and 5, the highest)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

APPENDIX: METHODOLOGY AND CHARACTERISTICS OF THE COMPANY SAMPLE

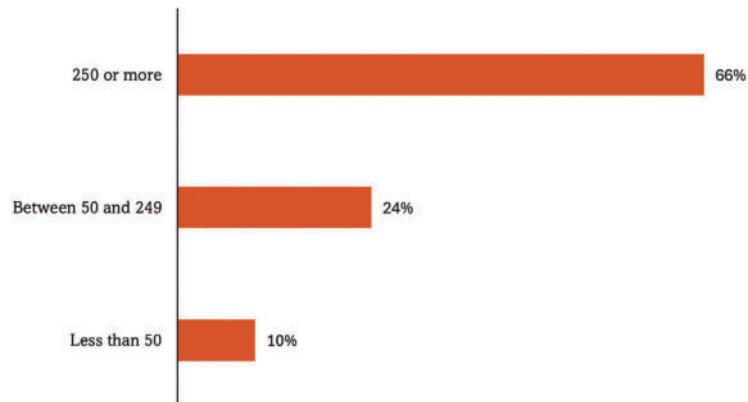
More than 100 Spanish companies with direct investments in the United States participated in this survey for the first edition of the *Barometer on climate and outlook for Spanish investment in the United States for 2025*.

A total of 103 Spanish companies with direct investments in the United States contributed to this first edition of the *Barometer on climate and outlook for Spanish investment*, specifically participating in a survey conducted between February 5 and March 9, 2025.

The Spanish companies invested and operating in the U.S. market were surveyed by means of an online questionnaire. The questionnaire addressed a range of questions related with the companies' profiles; their assessment of the business climate in the United States; their outlook for growth in the United States, paying particular attention to the investments planned for that market; their perception of the impact a range of macroeconomic factors (inflation, interest rates, etc.) and the current geopolitical context could have on their businesses; and the strategic importance of the U.S. market for their firms.

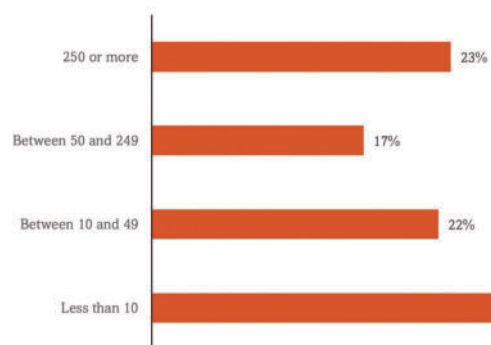
The pool of companies surveyed is very diverse in terms of sector providence and company size, as is illustrated in the following charts.

BREAKDOWN OF THE SAMPLE BY SPANISH PARENT COMPANY SIZE
(% of all firms surveyed)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

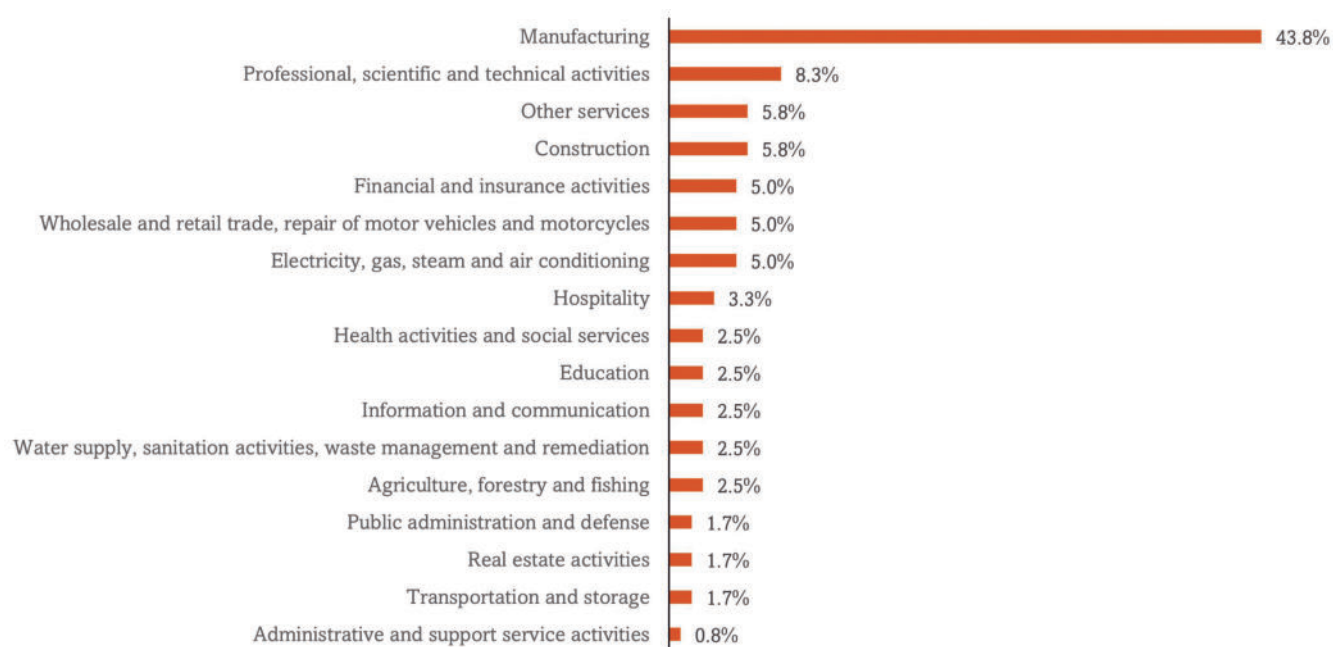
BREAKDOWN OF THE SAMPLE BY SPANISH SUBSIDIARY SIZE
(% of all firms surveyed)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

BREAKDOWN OF THE SAMPLE BY SECTOR OF ACTIVITY OF THE SPANISH SUBSIDIARY OPERATING IN THE UNITED STATES

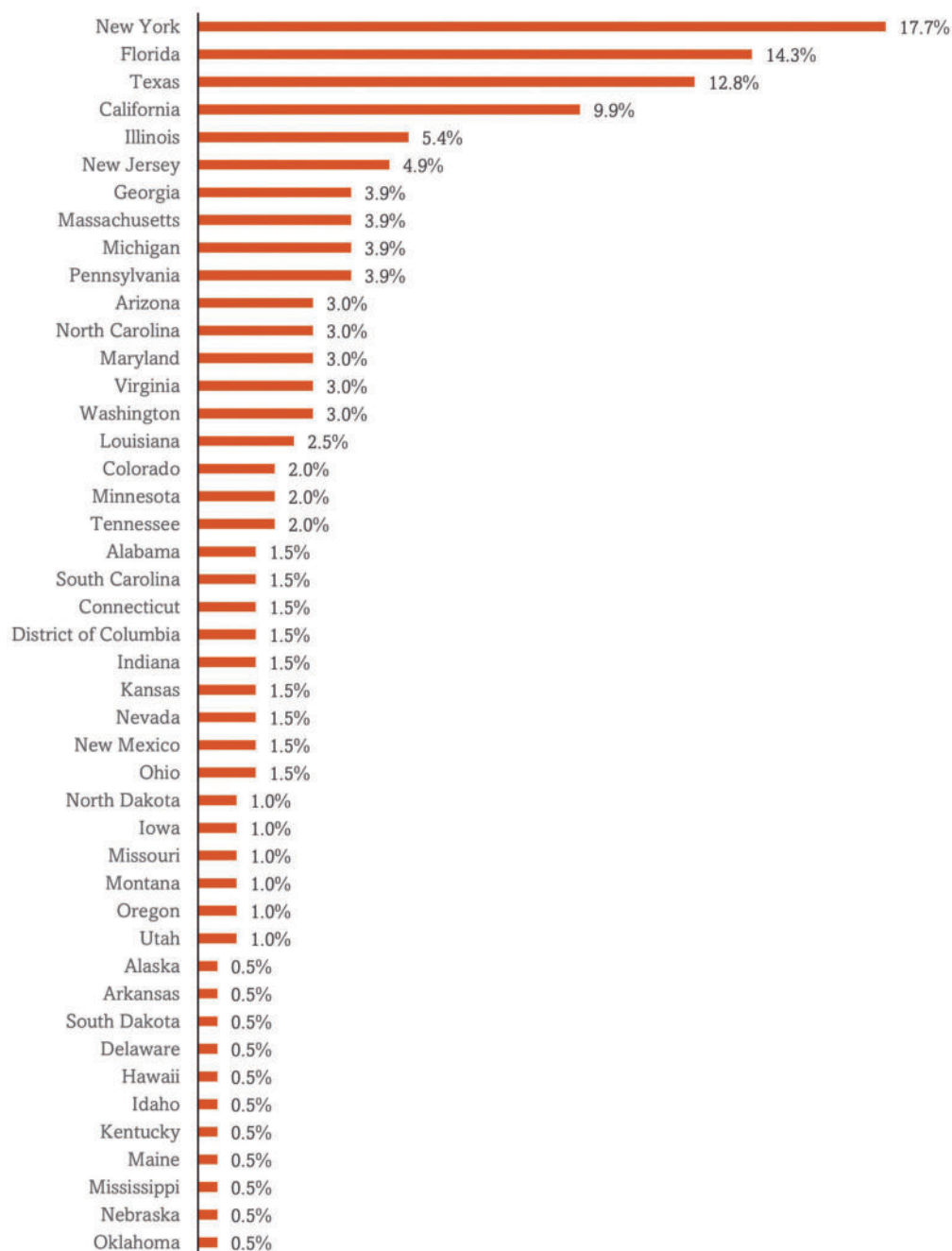
(% of all firms surveyed)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

BREAKDOWN OF THE SAMPLE BY GEOGRAPHIC PRESENCE OF THE SPANISH SUBSIDIARY OPERATING IN THE UNITED STATES

(% of all firms surveyed)



Source: Afi, "2025 Survey of Spanish outward investment into the United States."

ABOUT THE SPAIN-U.S. CHAMBER OF COMMERCE

Founded in New York in 1959, the Spain–United States Chamber of Commerce has become one of the leading transatlantic business organizations fostering economic ties between the two countries. Our guiding mission is to advance, promote and assist in the expansion of bilateral trade and investment between Spain and the United States.

The Chamber is a not-for-profit, membership institution that represents the interests of companies that have established, or are interested in establishing, business and commercial relations between Spain and the United States.

The Chamber brings together businesses. Ranging from individual entrepreneurs to large corporations, our membership includes the most important and influential companies from both countries, including major players in banking, energy, pharmaceuticals, telecommunications, accountancy, law, management/business consultancy, fashion, food and beverages, airlines and furnishing.

We provide our members with practical, measurable business-expansion opportunities by delivering high-caliber networking, top-quality business intelligence and targeted-marketing platforms and events. The Chamber represents the business interests of its members and facilitates positive relations between its members and a full network of business institutions and organizations, governmental agencies, professional and trade associations, and prominent dignitaries.

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