



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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Spain Economic Outlook **— November 2025**

MARKET INTELLIGENCE REPORT

Summary

- Spain has emerged for the second year in a row as the fastest-growing advanced economy in the world.
- Spain's more than 3% growth in 2024 stands out within the Eurozone. It is driven by record tourism, robust exports, and immigration-led labour expansion, mainly from Latin America.
- Yet structural, employment, and productivity challenges remain. As in New Zealand, housing affordability is a major issue, with prices in Madrid and main centres skyrocketing in recent years, even as average incomes remain modest by western European standards.
- Spain – New Zealand trade relations continue to strengthen. Exports are rising nearly 23% year-on-year, and the total trade value currently stands at NZ\$1.4 billion. Spanish firms are showing increasing interest in New Zealand's infrastructure, energy, and defence sectors. On the back of the EU – NZ FTA and the EU – NZ Business Summit in October 2025, there is a solid foundation for deepening bilateral trade and investment ties

Report

Spain's economy is seeing considerable gains. In 2024, not only was it the world's fastest-growing major developed economy, but it also contributed about half of the overall growth in the Eurozone area. Spain, the EU's fourth-largest economy (8.6% of EU GDP), serves as a strategic hub between Europe, Latin America, and North Africa. Its leadership in EU climate, energy, and digital initiatives reinforces its role as an open, dynamic economy.

Spain's economic performance narrative: an impressive read

Spain posted a 3.2% GDP growth in 2024, outperforming all advanced economies – including the US, Japan, and EU peers – for the second consecutive year. This growth nearly tripled the eurozone average of 1.2%, and the OECD projects a 2.6% growth in 2025, keeping Spain firmly among the top performers in the developed world.

In 2024 the country welcomed a record-breaking 94 million international visitors – a 10% increase compared to 2023, despite some domestic pushback against this high volume. Total tourist expenditure also reached an all-time high, amounting to €126 billion. Early 2025 figures suggest another record-breaking year.

Spain's exports are also buoyant. According to the Spanish Ministry of Trade, Spain's foreign trade sector showed renewed dynamism with goods exports reaching €384 billion in 2024 (the second-best year in history), underscoring Spain's competitiveness in global markets.

In October 2025, the Ibex 35 (Spain's stock market) surpassed the 16,000-point mark, breaking its previous 2007 record. Spanish equities have surged 38% in 2025, outperforming other EU markets as investors bet on Spain's resilience. Cheap energy has helped Spain attract foreign investment, creating more FDI-related jobs than any other EU country in 2024, according to ICEX (NZTE's equivalent).

The key growth driver has been immigration. Spain has added 600,000 working-age migrants annually since 2022 – primarily from Latin America – boosting labour supply, domestic demand and alleviating skills shortages.

Spain's reality: it's not all sunshine and sangria

In May 2024, Prime Minister Pedro Sánchez described Spain's economy as "going like a rocket," highlighting a model aimed at long-term prosperity. While macroeconomic indicators are strong, some domestic voices question the sustainability of growth without broader reforms. Concerns include rising public debt, stagnating salaries, persistently high unemployment rate, weak productivity, and reliance on EU recovery funds and temporary factors.

Spain has achieved notable gains—real GDP is up 6.8% since 2019—but per capita growth (3.1%) reflects job creation concentrated in lower value-added sectors. Improving productivity remains key to lifting living standards.

Spain-New Zealand trade and economic ties are thriving – with opportunity to grow

New Zealand exports to Spain continue to grow significantly year-on-year. In the year ended June 2025, New Zealand exported some \$699 million – up 23% from \$567 million in 2024 – and imported \$718 million, representing a total trade value of \$1.4 billion. This is driven by kiwifruit (which are well liked in Spain), fish, meat, wood, and machinery.

Official statistics often do not accurately reflect substantial trade volumes with Spain that come through non-Spanish EU ports, with kiwifruit being the most significant. Spain accounted for 25% of the record-breaking European season (with \$1.8 billion in total sales) that Zespri posted in its 2024/25 financial year. Spain is Zespri's third-largest market globally, after China and Japan.

Several New Zealand companies are actively engaged in the Spanish market. Fonterra exports milk powders and specialty dairy ingredients to Spain, while Zebra-Tech Ltd supplies marine research instruments and anti-biofouling solutions through Spanish distributors. Campbell Scientific provides advanced environmental monitoring systems for Spain's water and energy sectors.

The [NZ-EU Business Summit](#) in October and the earlier [New Zealand Infrastructure Investment Summit](#) in March have highlighted strong interest from Spanish businesses and investors in deepening ties with New Zealand – particularly in infrastructure, defence, and energy sectors, where Spain has proven expertise.

Several major Spanish firms Acciona (infrastructure), Indra (transport and air traffic systems), and Elecnor (solar energy) already have a presence in New Zealand.

Takeaways

Spain's impressive economic trajectory, combined with its sectoral strengths and growing appetite for engagement, presents an opportunity for New Zealand business to consolidate and expand its footprint in the Spanish and EU markets.

Spain's appetite for internationalisation and businesses strengths – particularly in infrastructure, renewable energy, and defence – align with New Zealand's priorities under the EU–NZ FTA and the Infrastructure Investment Strategy. This alignment underscores the potential for deeper strategic engagement with key Spanish investors across NZ Inc., which could unlock significant trade and investment gains for New Zealand.

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