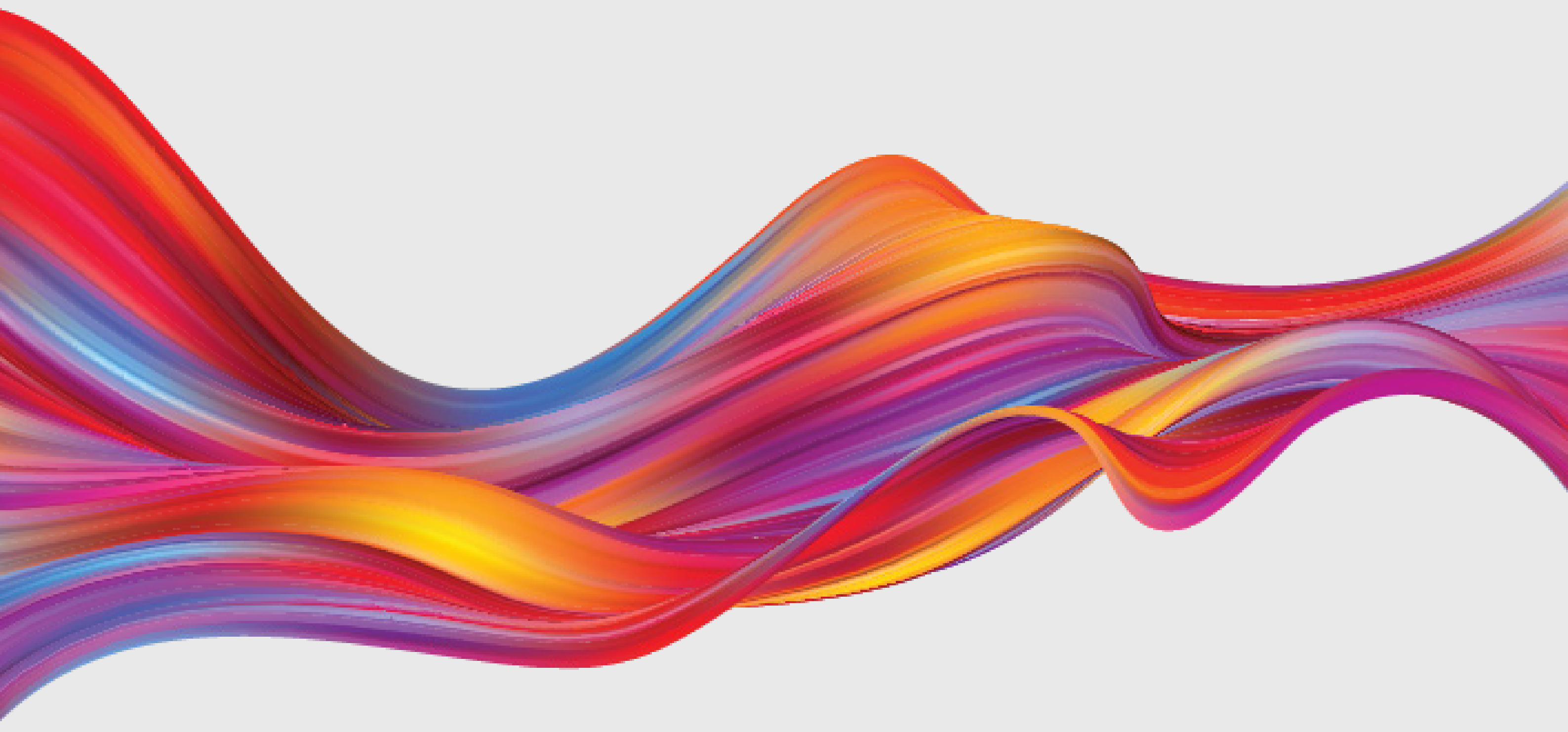
Chinese FDI in Spain: Global Outlook 2026

ICEX-Invest in Spain China Desk
KPMG China Practice



July 2026

About this report

"Chinese FDI in Spain: Global Outlook 2026" provides an updated assessment of how Chinese companies view the Spanish business climate, their expectations for growth and the strategic priorities shaping their operations. This edition also incorporates new questions on the economic environment, the impact of geopolitical and tariff tensions and the sustainability strategies adopted by Chinese owned companies.

Over the course of **January and February 2026**, ICEX Invest in Spain and KPMG in Spain conducted an **anonymous online survey** targeting senior executives of Chinese owned companies operating in Spain. Respondents represent a wide range of sectors — including automotive and mobility, energy and renewables, information technology, advanced manufacturing, transport and logistics, infrastructure and engineering, life sciences, consumer and retail, and financial services. In total, 82 valid responses were received.

To enrich the quantitative findings, ICEX Invest in Spain and KPMG carried out **in depth interviews** with executives from both private and state owned enterprises. These conversations provided qualitative insights into investment motivations, operational challenges, regulatory expectations and long term strategic plans, encompassing companies at different stages of their investment journey.

We gratefully acknowledge the support of the **Chinese Chamber of Commerce in Spain** (CCINCE), whose collaboration was pivotal in facilitating outreach to the Chinese business community. Our long standing partnership, including KPMG's designation as an Honorary Member of the Chamber, has once again ensured the depth, quality and representativeness of this study. The results confirm favourable performance in 2025 and strong expectations for **investment, revenue, employment and exports** in 2026 and beyond, despite prevailing global uncertainties.

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The vision of ....

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The principal activity of ICEX-Invest in Spain is to support potential foreign investors throughout the lengthy decision-making process involved in setting up and developing a business in Spain.

Whilst ICEX-Invest in Spain applies this philosophy to any investment project that requires its services, it also focuses its activities on specific markets and sectors. And this prioritisation, which is necessary to channel resources towards the initiatives with the greatest impact, requires a detailed understanding of the trends currently shaping international direct investment flows.

In this new global economic order, China is one of the world's geopolitical powerhouses. Not only has the Asian giant established itself in a very short space of time as the world's second-largest economy in terms of GDP, but it also boasts a robust, dynamic and technologically advanced manufacturing sector. According to the Forbes Global 2000 ranking, 290 Chinese companies are among the world's 2,000 largest companies. It is the country with the second-highest number of companies in this ranking, after the United States.

However, Chinese companies still face certain geopolitical, regulatory and cultural challenges when investing abroad. And, in fact, the level of outward foreign investment by Chinese firms does not yet reflect their status as a global power, nor the investment potential of their companies. The stock of FDI issued by China was equivalent to just over USD 3 trillion in 2024.

It is a very significant amount, but it still represents a relatively small volume when you consider the size of the country. This figure accounts for just 17% of its GDP. This is a low percentage when compared with foreign investment by developed countries. To give a few examples, the United Kingdom has a stock of FDI abroad equivalent to 63% of its GDP, France 53%, whilst Spain and the United States have invested abroad a stock of FDI equivalent to 37% and 33% of their GDP, respectively.

The same pattern holds true in Spain. China is the 13th largest investor in our country, with a stock of FDI amounting to €12 billion, which represents just under 2% of the total stock of foreign investment in Spain. It is true that this stock is more than three times larger than that held by Chinese companies just ten years ago, but it still falls short of reflecting China's true significance as a major world power.

Indeed, over the past decade, major Chinese conglomerates have established a presence in strategic sectors of the Spanish economy, such as energy, transport and logistics, and, more recently, the electric vehicle sector. It is a well-established fact that major Chinese electric vehicle manufacturers, which hold a prominent position on the global stage, are increasingly keen to become part of the Spanish value chain.

Leonardo da Vinci once said that "he who loves practice without theory is like the sailor who boards ship without a rudder and compass and never knows where he may cast". This document aims to shed light on the phenomenon of Chinese investment in our country and to serve as a guide and compass, enabling Chinese companies to successfully undertake new projects in Spain, thereby creating wealth in our country, generating local employment, transferring technology and knowledge, and strengthening our value chains.

David Höhn

Partner Head of China Practice at KPMG in Spain

We are pleased to present the 2026 edition of the Chinese FDI in Spain report, prepared in collaboration with ICEX Invest in Spain. This year's study furthers our commitment to analysing trends in Chinese investment in Spain and understanding the perspectives of Chinese companies operating in the country.

Chinese investment remains a strong driver of job creation in Spain, with companies steadily expanding their workforce and reinforcing their long term presence. At the same time, Chinese enterprises are stepping up their adoption of advanced technologies, thus increasing their demand for innovation incentives, digital transformation support and R&D related tax guidance. We also observe a growing interest in establishing production operations in Spain, particularly in the automotive and advanced manufacturing sectors, areas in which Spain is emerging as a strategic hub for Chinese multinational groups.

Despite global geopolitical tensions, Chinese companies continue to view bilateral relations between China and Spain in a positive light. This confidence is supported by the strength of institutional ties, which have remained robust in the post pandemic period. The state visit of His Majesty King Felipe VI and Queen Letizia in 2025, during which they met with President Xi Jinping, marked an important milestone in the 20th anniversary of the Comprehensive Strategic Partnership signed between the two countries. In parallel, Prime Minister Pedro Sánchez has maintained high frequency diplomatic engagement with China, including several visits aimed at bolstering economic cooperation. These developments underscore the resilience and strategic relevance of the bilateral relationship.

Our long standing collaboration with the Chinese Chamber of Commerce in Spain continues to be a cornerstone of our work. KPMG is proud to be an Honorary Member of the Chamber; a distinction earned through many years of close cooperation. Together, we have delivered seminars, training programmes, sector specific events and joint publications, while actively participating in the CCINCE's annual meetings and institutional activities. This partnership has been instrumental in ensuring that Chinese companies in Spain feel supported, informed and connected.

KPMG in Spain's collaboration with the local Chinese business community has also been fundamental. Over the past 16 years, we have supported numerous Chinese multinational companies, Spanish corporations with Chinese shareholders, and Chinese entrepreneurs. Our core services—tax and legal advisory, audit, and deal advisory—have accompanied clients through market entry, expansion and transformation. In recent years, major greenfield and brownfield investment announcements from Chinese companies have reinforced Spain's role as a strategic destination for Chinese investors.

In presenting this 2026 edition alongside ICEX, we reaffirm our commitment to supporting Chinese companies at every stage of their journey in Spain. We look forward to intensifying our support for the new wave of Chinese multinationals landing in Spain and to building new bridges between our business communities.

Key findings

Many Chinese companies have been in Spain for over a decade, and new establishments have been emerging at a rapid pace since 2020.

The companies surveyed view Spain as a predictable and reliable location for long term projects.

Spain is strengthening its role as a European hub for Chinese investment, combining location, market size, talent and connectivity.

Major Chinese EV manufacturers are increasingly showing an interest in entering Europe and integrating into its value chains.

Around **40%** of companies conduct R&D in Spain, up from **34%** in 2023.

Chinese companies currently make limited use of public incentive programs, despite recognising their value and citing administrative complexity, unclear eligibility criteria and low visibility as key barriers.

For certain companies however, multi level institutional support has been decisive for successful project implementation in Spain.

Spain has firmly consolidated its role as a strategic platform with seamless conectivity for Chinese companies, in both Europe and Latin America.

Business confidence is exceptionally strong, with **96%** of companies expecting stability or growth across all key indicators in 2026.

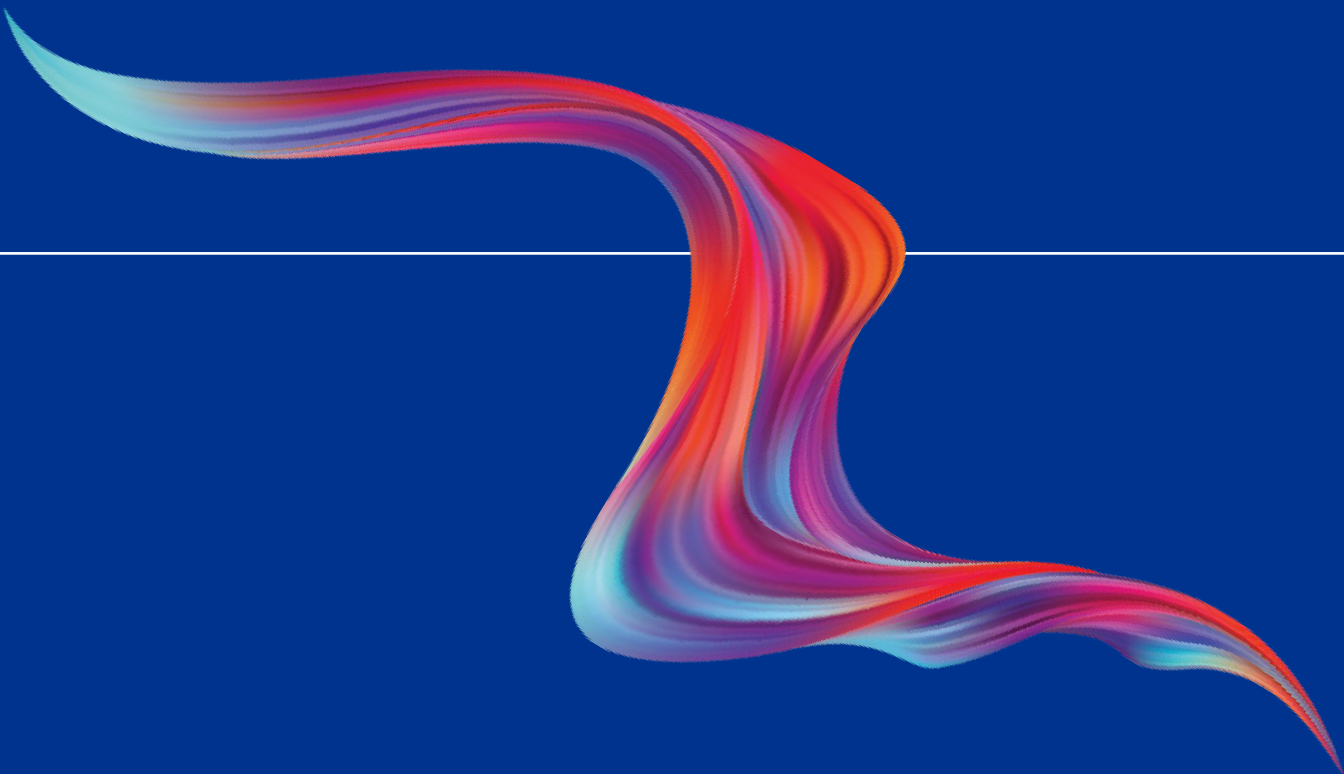
Spain's human capital and quality of life make it a highly attractive destination for relocating managerial and technical staff.

Investment, employment and industrial expansion point to greater integration and commitment at local level.

Chinese companies are placing increasing importance on adopting advanced technological tools.

Geopolitical tensions are felt but remain manageable, with specific pressure points in energy, infrastructure and logistics.

Perceptions of Chinese companies in Spain are increasingly positive and forward-looking.



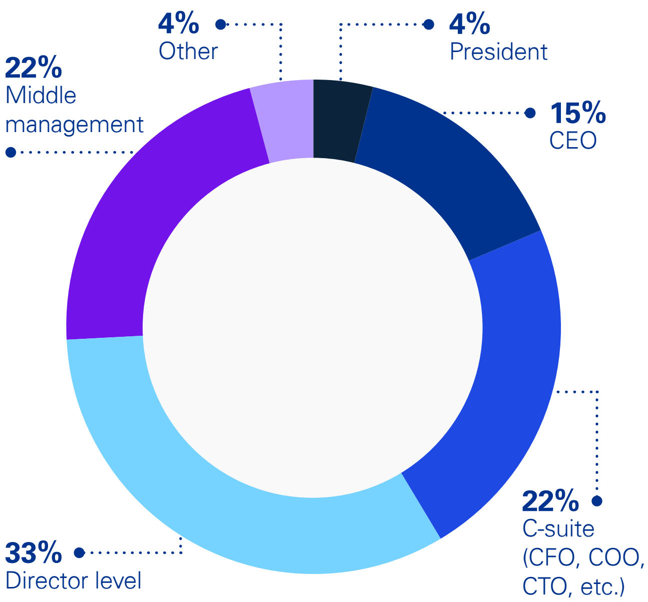
01 Survey demographics

Chinese companies have expanded rapidly across the Spanish economy over the past decade, mostly establishing structures such as subsidiaries and branches, with a growing number of greenfield projects across different sectors. This section provides a comprehensive snapshot covering their types of operations, geographic concentration, revenue and exports in 2025 and their diverse sector presence, spanning energy, transport and logistics, automotive and batteries, infrastructure, consumer goods, ICT, and manufacturing. It also outlines key indicators of their economic footprint, including employment levels, revenue distribution, export activity, and rising investment in R&D activities in Spain. Together, these findings illustrate a business community that is increasingly integrated into Spain's industrial fabric and committed to long term development.

Chinese investment in Spain has entered a phase of expansion. The survey, which has a high level of reliability thanks to the significant representation of senior decision makers, reveals that Chinese companies increasingly view Spain not only as a stable and predictable market, but also as a strategic production base with major industrial complementarities. This shift is reinforced by Spain's geographic advantages, mature industrial ecosystem and supportive institutional environment, which together underpin a growing bilateral dynamic marked by manufacturing expansion, technological upgrading and the consolidation of high value partnerships.

Based on the survey responses, a substantial 74% of respondents occupy top management roles—President, CEO, C suite or Director—thus ensuring that the insights gathered reflect strategic perspectives and an in depth understanding of corporate operations in Spain.

Position of our survey participants



There is an acceleration in Chinese investment as Spain gains strategic importance in Europe

Chinese owned companies established in Spain overwhelmingly favour stable business models, with subsidiaries and branches remaining the dominant modes of entry, clear indicators of sustained commitment to the Spanish market. M&A activity has accelerated significantly, enabling Chinese firms to acquire strategic assets in sectors such as agri-food, industrial manufacturing, construction infrastructure, engineering, transport and logistics, and energy. Although greenfield investment still represents a much smaller share, its recent rise, particularly since 2023, signals a decisive shift towards new production facilities, especially in the sustainable mobility sector and across the electric vehicle value chain.

A growing number of Chinese multinationals now use their Spanish subsidiaries as regional operation headquarters to serve both the Iberian Peninsula and the broader EU market. This reflects Spain's increasing role as a strategic operational base, offering access to European customers, regulatory alignment with the EU and seamless connectivity to global supply chains. For many firms, Spain functions not only as a production site but also as a logistics, distribution and after sales hub for their European expansion.

Interviews with company executives illustrate this acceleration, highlighting Spain's strategic geographical location, its proximity to major global players, and the maturity of its industrial, energy and automotive ecosystems as key factors in choosing Spain over other European destinations. These advantages, combined with Spain's reputation as a predictable and reliable market, underpin a deepening commitment among the companies surveyed. The emergence of new industrial projects, together with the solid economic and technological complementarities between China and Spain, reflects a growing bilateral dynamic built on shared strengths, mutual investment and the development of lasting, high value industrial partnerships.

An expanding industrial shift is strengthening China's commitment to Spain

Chinese companies are steadily expanding their manufacturing footprint in Spain. While 68% of the firms surveyed still operate primarily in commercial or distribution activities, nearly 30% now identify manufacturing as their core business, a clear indication that production has become a structurally relevant component of their presence. The turning point came in 2024, with major Chinese conglomerates announcing new industrial projects across the electric vehicle value chain, signalling deeper integration into Spain's productive fabric.

Interviews with executives highlight the strengthening industrial ties between China and Spain. Spain contributes a mature industrial ecosystem, particularly in automotive manufacturing, renewable energy systems and advanced mechanical components, while Chinese companies bring capital, scale, cost competitive production systems and technological capabilities. This complementarity reinforces value chain integration and positions Spain as a natural production base for Chinese firms seeking to expand within the EU. Testimonies such as those from an interviewed company show how new technologies and production lines are revitalising historically industrial regions with strong local support.

As a result, the companies surveyed increasingly view Spain not merely as a commercial hub, but as a strategic production base requiring long term commitments, fixed assets and sustained recruitment. Many emphasise that their investments go beyond assembly, incorporating advanced manufacturing capabilities, innovation and modern management systems. Their growing local embeddedness suggests deeper integration into Spain's industrial landscape and the likelihood that their high quality contributions will become more visible over time.

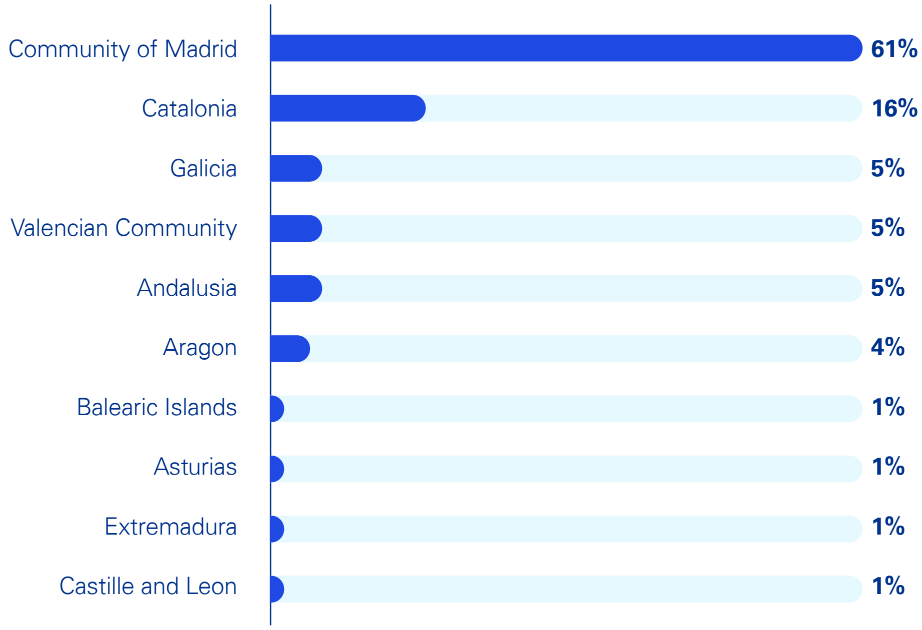
The data also reveals a recent and coordinated wave of investment: 83% of the firms surveyed were established after 2010, and nearly half after 2020. This pattern is consistent with China's Go Global initiative and Spain's appeal as one of the least restrictive destinations for foreign investment. Moreover, 78% of parent companies also operate in other European markets, underscoring Spain's role as a gateway to the EU. Together, these dynamics confirm Spain's rising importance in the global strategy of Chinese companies and its competitiveness as a base for industrial and regional expansion.

High geographical concentration, sector diversity, employment, revenue, exports

The distribution of investments made by the companies surveyed reveals a clear geographical concentration, with the Community of Madrid dominating the landscape and attracting 61% of reported projects. This underscores Madrid's pivotal role as Spain's primary hub for business, logistics and financial activity for Chinese funded operations.

Catalonia follows with 16%, consolidating its position as another major nerve centre of economic activity for Chinese companies. Together, Madrid and Catalonia play host to three quarters of all Chinese owned firms established in Spain, while the remaining presence is distributed across Galicia, the Valencian Community, Andalusia and Aragon.

Companies surveyed by region



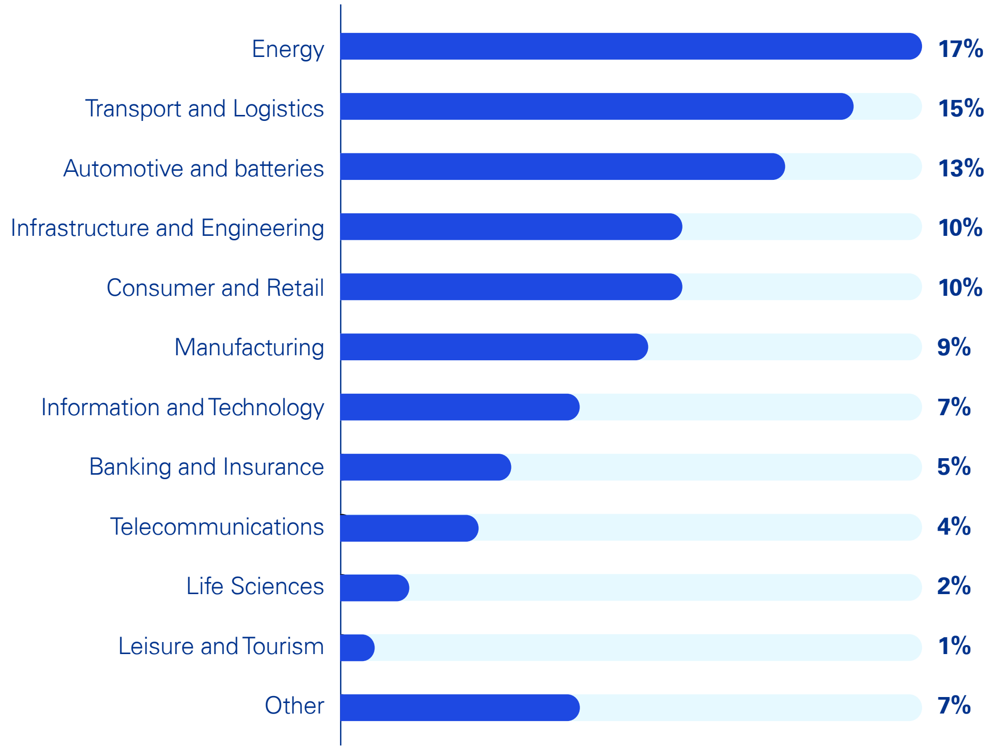
The data confirms that Chinese investment is heavily concentrated, an investment pattern that is consistent with broader global trends, where foreign companies typically gravitate towards regions offering robust infrastructure, connectivity and established business ecosystems. Meanwhile, compared to the 2023 edition, Chinese investment is also spreading across a wider range of regions, supported by active local investment attraction initiatives.

Regarding the activities of the Chinese companies surveyed, they operate across a broad and increasingly sophisticated range of sectors, combining traditional industries with high value, technology driven activities. The strongest presence is found in strategic areas such as Energy, Transport and Logistics, and Automotive and Batteries, which together reinforce Spain's position as a key industrial and logistics hub in Southern Europe.

Companies interviewed in the energy sector emphasise their contribution to Spain's energy transition and industrial resilience, while the growing interest of Chinese electric vehicle manufacturers reflects their strategy to integrate into European value chains and mitigate tariff exposure.

Spain's prioritisation of sustainable mobility and renewable energy aligns closely with these investments, making the country an attractive destination for projects involving batteries, EV components, hydrogen technologies, photovoltaic manufacturing and offshore wind.

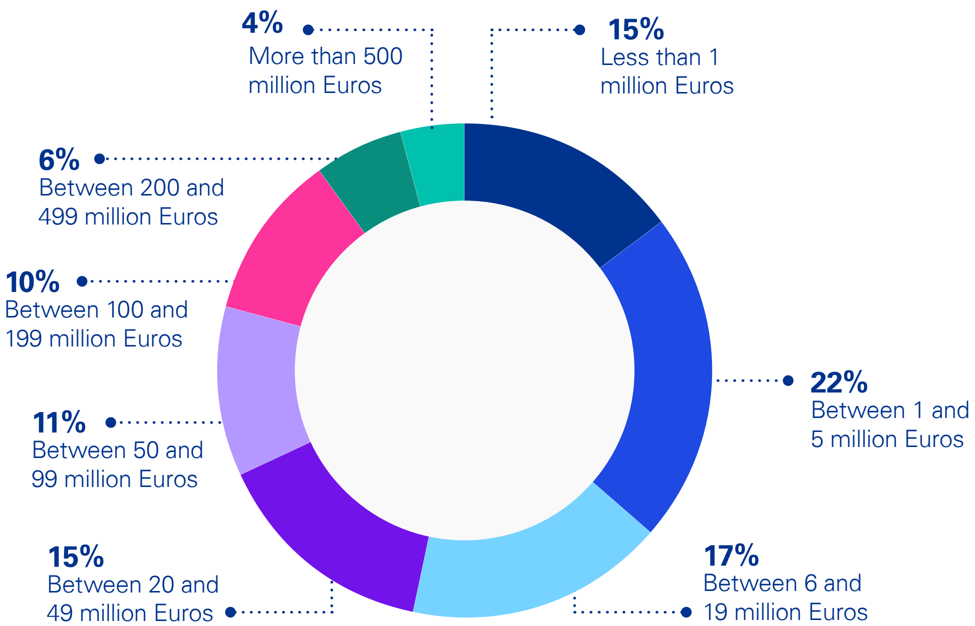
Companies surveyed in Spain by sector



Beyond these leading sectors, Chinese companies also maintain a significant presence in Infrastructure and Engineering, Consumer Goods and Retail, thus buttressing Spain's commercial and industrial ecosystem. Manufacturing related activities account for nearly 9% of the firms surveyed, confirming a structural shift towards local production, assembly and advanced component manufacturing.

Additional participation in Information and Technology, Telecommunications, Life Sciences, Leisure and Tourism, and a diverse "Other" category illustrates the breadth of Chinese business interests and the growing integration of these companies into Spain's productive fabric. Collectively, these trends point to a transition from purely commercial operations towards manufacturing driven industrial integration.

Companies surveyed in Spain by sales turnover



The revenue profile of Chinese companies operating in Spain reflects a diverse and consolidating business ecosystem. The largest group reports annual turnover of between Euros 1 and 5 million (22%), followed by companies earning between Euros 6 and 19 million (17%), and those posting either less than Euros 1 million or between Euros 20 and 49 million (each 15%). This distribution shows that most firms fall within intermediate revenue brackets, typical of companies that are already established but still in a growth phase, or that have recently entered the market and are beginning to scale their operations. At the upper end, 17% of the companies surveyed report revenue of between Euros 100 and 499 million, while 4% exceed Euros 500 million, denoting the presence of a smaller but significant group of large-scale enterprises.

Export activity further illustrates the varying stages of development among these companies. A majority of 65% do not yet export from Spain, suggesting that many firms are still consolidating their domestic operations before expanding internationally. However, 26% already generate between 25% and 50% of their revenue from exports, indicating the emergence of more advanced internationalisation strategies. A smaller but notable 9% rely entirely on exports, demonstrating the capacity of some firms to use Spain as a platform for global markets.

Overall, the data reveals a business landscape marked by diversity and gradual change. While many Chinese companies remain focused on the Spanish market, a growing share is developing export capabilities and integrating into international value chains. This mix of small, medium and large firms, combined with differing levels of export intensity, reflects a dynamic ecosystem with significant potential for further consolidation, expansion and internationalisation.

Kaiyu Yang

General Manager
Industrial and Commercial Bank of China, Spain Branch

Sector: Banking

Q: How would you describe the development of Chinese funded enterprises in Spain in recent years?

A: Chinese enterprises in Spain have entered a phase of steady expansion and greater localisation. ICBC's own trajectory illustrates this shift: since entering Spain in 2011, the bank has doubled its workforce and now employs more than 40 staff, over 30 of whom are local Spaniards, with women representing more than half of the team. This reflects a broader trend: Chinese companies are no longer just "project based entrants", but long term participants investing in local talent and industrial integration. Their presence has become more structured, more professional, and more embedded in Spain's economic fabric.

Q: How does ICBC rate Spain's business environment compared with other EU countries?

A: Spain stands out as one of the most welcoming EU markets for Chinese investment. I would highlight that it offers several advantages: a stable macro environment, a highly skilled workforce and a relatively smooth recruitment process, thanks to the high level of linguistic and cultural alignment. Government agencies such as ICEX actively support investors on practical issues, from site location to work visas, creating a genuinely service oriented environment. Spain's strong industrial base and its role as a natural gateway to Latin America further enhance its appeal. Compared with other EU countries, Spain uses fewer trade barrier tools against Chinese firms, making it a comparatively predictable and cooperative market.

Q: How well are Chinese and Spanish teams integrating in ICBC, and what lessons have emerged?

A: Cross cultural integration has become a defining capability for successful Chinese enterprises in Spain. ICBC emphasises that mutual respect, empathy and cultural understanding are essential as organisations scale and management complexity increases. Chinese and Spanish employees must adapt to each other's working styles to build a cohesive internal culture. ICBC also prioritises corporate responsibility: in 2025 alone, it made green finance one of its core pillars, with over Euros 500 million in green loans, more than half of its total portfolio.

"Government agencies such as ICEX-Invest in Spain actively support investors on practical issues, from site location to work visas, creating a genuinely service oriented environment."

Q: From your perspective as President of the CCINCE, what are the main growth drivers for Chinese enterprises in Europe over the next 3–5 years, and the challenges they face?

A: Europe's next wave of real economy growth will be shaped by renewable energy, advanced manufacturing, grid upgrades, data centre energy systems and cross border trade. EU recovery funds are accelerating digitalisation and green transformation, creating new openings for Chinese companies, many of which have already secured financial support. However, the challenges are mounting: energy costs remain high, regulatory compliance is increasingly complex and EU non tariff measures are being applied more frequently.

R&D growth and industrial integration underscore the strategic consolidation of Chinese investment in Spain

The latest survey results show a notable increase in R&D activity among Chinese companies operating in Spain: 40% now report investing in R&D, compared with 34% in 2023. This upward trend over a three year period highlights the growing importance that Chinese firms place on innovation, product development and technological upgrading within the Spanish market. Their R&D efforts increasingly reflect an adaptation to Spain's competitive environment, where innovation is a key driver of success. These investments also open the door to new business opportunities, including the development of Chinese patents in Spain and collaborations with universities, research centres and technology institutions.

The commitment to R&D is further illustrated by company testimonies, such as an automotive firm that emphasised its digital transformation strategy, the creation of an internal AI committee, and the expansion of its AI computing centre to support autonomous driving technologies. At the same time, the fact that 60% of the companies surveyed do not yet invest in R&D reveals an area for improvement. Encouraging these firms to take advantage of Spain's R&D incentives and grants could help them boost their competitiveness and accelerate their integration into Spain's innovation ecosystem. Increasing awareness of the strategic value of R&D will be essential to unlocking further technological collaboration and growth.

These findings reinforce several broader conclusions. Firstly, Chinese companies in Spain operate with a clear vision, supported by sustained capital commitments and organisational models designed to withstand the test of time. The pace at which new establishments are opening has accelerated since 2024, reflecting a deepening commitment to Spain as a stable base for expansion. Secondly, this trajectory increasingly includes manufacturing activities, accounting for approximately 30% of the firms surveyed, particularly in sectors such as automotive, batteries, storage, and renewable energy, where China has world leading capabilities and Spain offers major industrial and technological complementarities. Thirdly, Spain's record levels of foreign investment, especially in industry, technology, and renewable energy, provide a favourable environment for Chinese companies to expand. Lastly, interview evidence shows how this approach translates into concrete actions: multi year modernisation plans, major facility expansions and overwhelmingly local workforces demonstrate that these companies are not pursuing temporary market access, but building long-lasting, deeply rooted operations in Spain

40%

of companies established in Spain report investing in R&D

02

Business climate and company operations

In recent years, the global investment environment has been reshaped by rising geopolitical uncertainty, protectionist trends and ongoing conflicts, all of which are increasingly influencing the internationalisation strategies of Chinese companies investing abroad. While these dynamics are not the primary focus of this report, their relevance justifies their inclusion in this second edition of *Chinese FDI: Global Outlook 2026*, which presents survey insights on tariff impacts and measures to address policy uncertainty. Against this backdrop, this chapter examines Chinese owned companies' assessments of Spain's business climate, comparing importance and satisfaction levels across key investment factors to identify Spain's main strengths and areas for improvement as a destination for Chinese foreign direct investment.

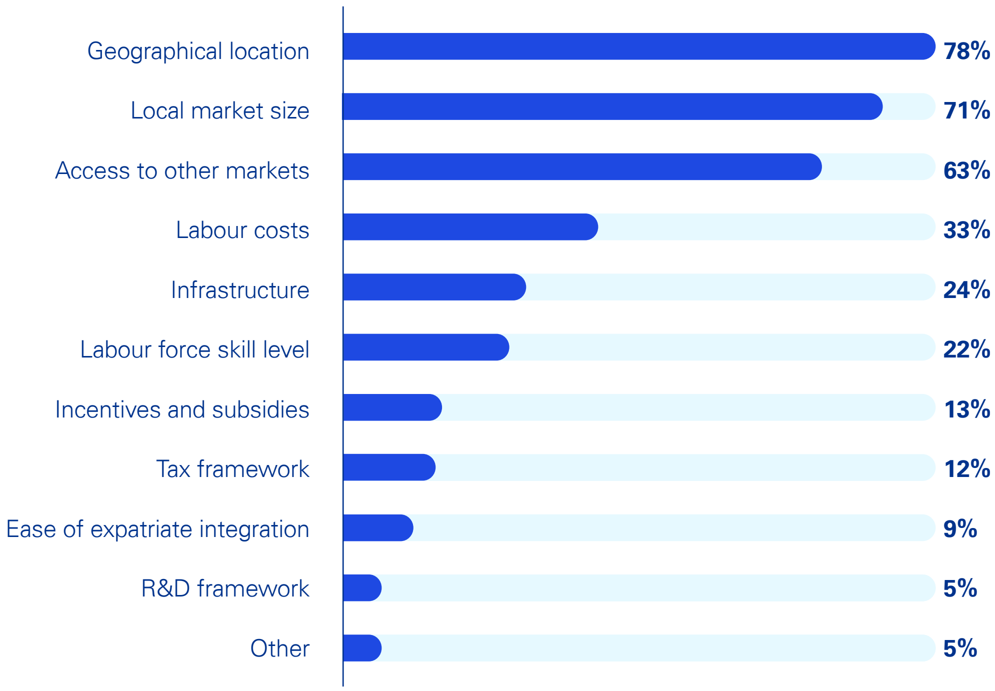
Main reasons for investment and establishment in Spain

The consistency of the findings across survey data and interviews highlights the structural and long term nature of Chinese companies' presence in Spain. Their management models emphasise patient capital deployment, operational continuity and greater integration into local and European value chains. Despite global geopolitical pressures and regulatory complexity at EU level—factors explicitly mentioned in several survey responses—companies show no clear signs of pulling back or making any major adjustments in the short term. On the contrary, they reaffirm Spain's role within their strategic plans.

Spain is not perceived as a market for opportunistic entry, but rather as a strategic location for sustained development, regional outreach and industrial commitment. In this context, Spain is increasingly consolidating its position as a hub for Chinese investment in Europe, combining cost competitiveness and solid infrastructure with privileged access to third markets.

As shown in the chart below, the three main reasons cited by the companies surveyed, in line with the 2023 edition, are "Geographical location" (78%), "Local market size" (71%) and "Access to other markets" (63%). This confirms that Chinese companies view Spain not only as an attractive destination in its own right, but also as a strategic platform for accessing broader regions, including the European Union, North Africa and Latin America, supported by cultural and linguistic ties.

Reasons for investment and establishment in Spain



Cost and operational efficiency also play a relevant role. One third of respondents highlight "labour costs," while nearly a quarter point to the "quality of infrastructure." Together, these factors reflect a favourable balance between cost competitiveness and logistical capabilities, particularly relevant for manufacturing, distribution and service activities.

In parallel, local talent is emerging as a key determinant. Indeed, 22% of companies cite the "labour force skill level," indicating their interest in higher value added activities beyond mere cost considerations. Talent retention is also emphasised in interviews, with one company noting: "*We actively work on our corporate culture and have obtained Best Place to Work certification, because we firmly believe that talent is the company's main asset.*"

"Incentives and subsidies" are selected by 13% of respondents, indicating that public support is not a primary driver of investment decisions among the Chinese companies surveyed, although its relative positioning has improved compared to 8% observed in the 2023 edition. Meanwhile, the tax framework (12%) has gained relevance, marking its first appearance as a factor of notable importance. Despite this progress, the moderate scores suggest there is still scope for public policy intervention, particularly to improve the visibility and accessibility of these instruments for Chinese investors.

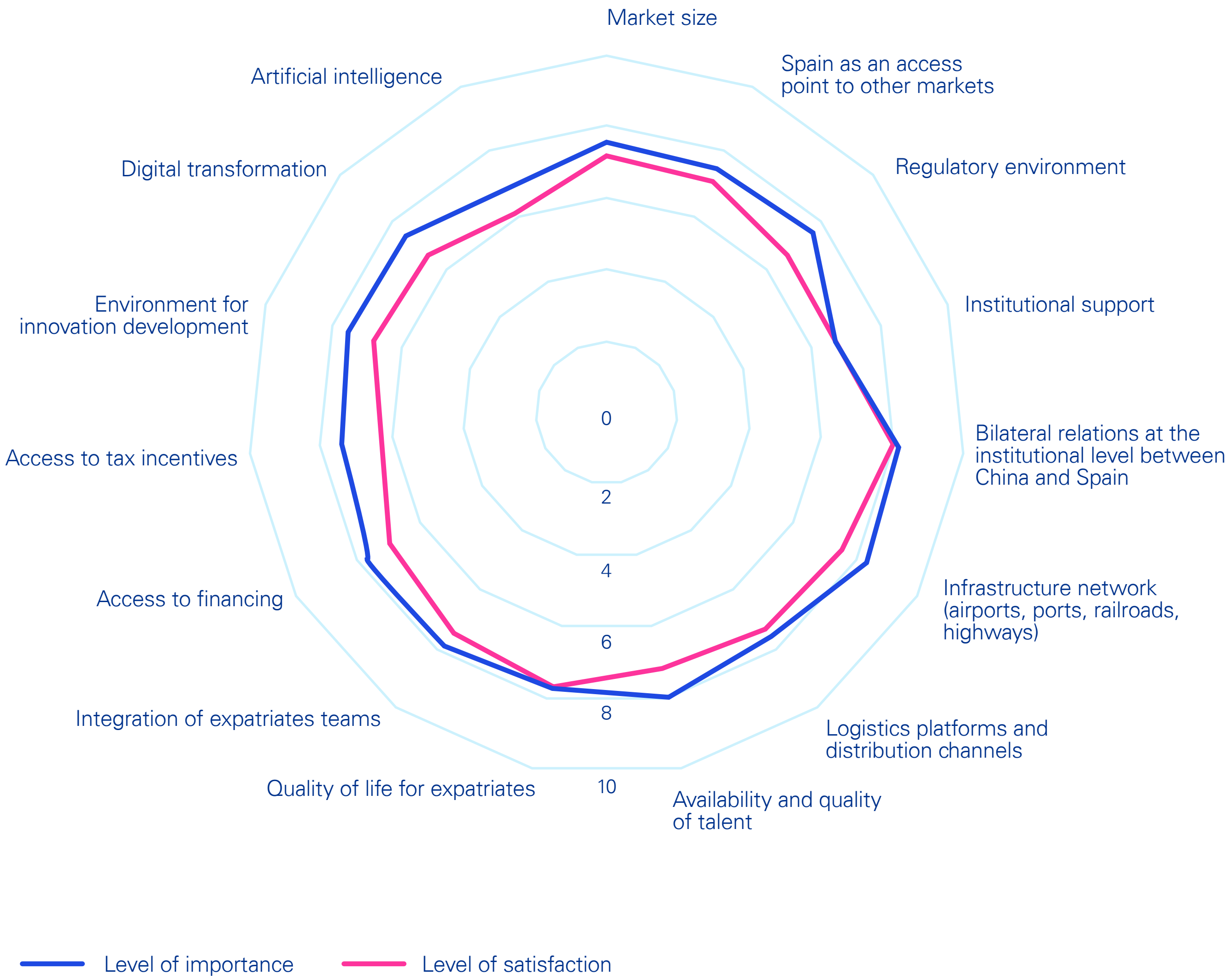
In short, the assessments provided by the companies surveyed confirm that Spain is consolidating its position as a destination for Chinese investment in Europe. This positioning is underpinned by a unique combination of geographical location, market size, human capital and international connectivity—factors identified by more than two thirds of respondents as key drivers for setting up a business.

"We actively work on our corporate culture and have obtained Best Place to Work certification, because we firmly believe that talent is the company's main asset."

Spain’s business climate strongly aligns with Chinese investor expectations

The following chart presents the levels of importance and satisfaction, measured on a scale from 1 to 10, that the Chinese owned companies surveyed assign to each of the 15 business climate factors analysed in this report. This comparative assessment makes it possible to identify both the key strengths of the Spanish business environment from the perspective of Chinese investors and those areas where further improvements could enhance Spain’s appeal as a destination for Chinese foreign direct investment.

Importance and satisfaction across key business climate factors



Survey results show a strong correlation between what Chinese companies consider important in Spain and their actual experience. As the document notes, *the* 'Level of importance' and 'Level of satisfaction' lines both follow a very similar trend, with scores predominantly ranging between 7 and 8 out of 10. This consistency indicates that Spain generally meets Chinese investors' expectations across most business climate aspects, reaffirming patterns already observed in the 2023 edition.

Bilateral institutional relations emerge as the strongest asset. This factor receives the highest score in both importance and satisfaction, reflecting a solid framework of trust. Certain interviewees point out that high-level institutional visits are greatly appreciated: "*The four visits made by the Spanish Prime Minister to China as well as that of Their Majesties the King and Queen are particularly highly regarded by the companies interviewed*." Infrastructure and logistics connectivity are likewise key strengths, with ports, airports, railways and roads consolidating Spain's role as a gateway to Europe, North Africa, the Middle East and Latin America.

Human capital and quality of life further reinforce Spain's appeal. High levels of satisfaction with "Quality of life for expatriates" and "Integration of expatriate teams" reflect a welcoming environment for international talent. Executives report that "*the integration of Chinese executives presents no more difficulties than that of executives of any other nationality*," and some companies have implemented structured exchange programmes to foster mutual understanding and strengthen team cohesion.

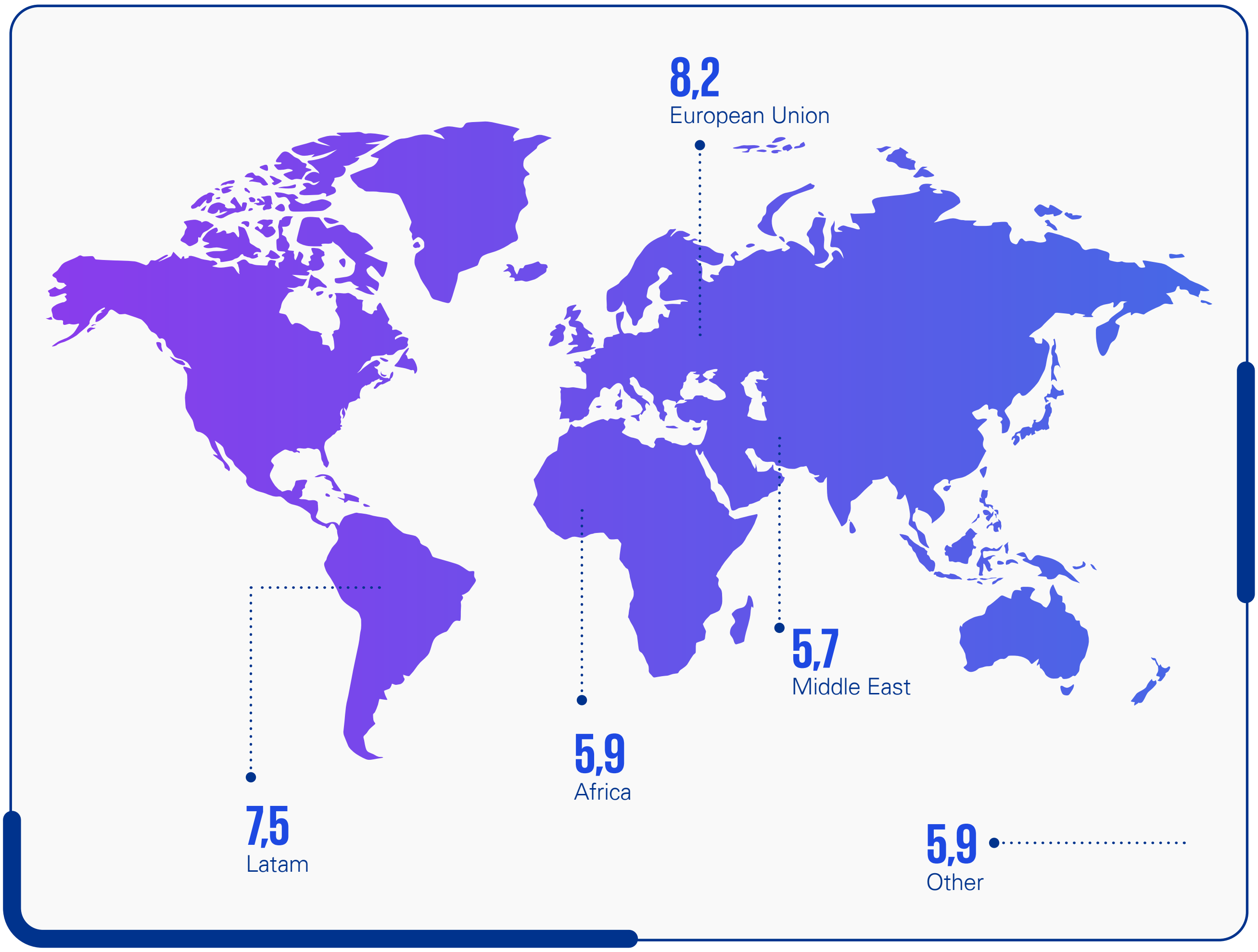
At the same time, the gap analysis identifies areas where satisfaction sits slightly below importance. Companies report challenges in recruiting specialised talent in sectors such as electric vehicles and renewable energy, despite acknowledging "*the high professional calibre, especially in engineering*," among Spanish professionals. Moderate gaps also emerge in access to tax incentives, financing and regulatory processes, which present administrative challenges. The document notes that "*regulatory simplification would be desirable" as the regulatory environment is also perceived as complex*.

These findings point to clear opportunities for action. Strengthening institutional dialogue, furthering administrative simplification and improving the visibility and accessibility of incentives would enhance Spain's competitiveness. Likewise, reinforcing the innovation ecosystem and promoting partnerships with research centres would help to address gaps in digital transformation and artificial intelligence. Overall, Spain presents an attractive profile for Chinese companies, supported by stable institutional relations, robust infrastructure and a privileged geostrategic position, confirming its role as a reliable and competitive partner for Chinese investment.

"The four visits made by the Spanish Prime Minister to China as well as that of Their Majesties the King and Queen are particularly highly regarded by the companies interviewed."

Spain as a Strategic Platform for EU and Latin American Markets

Access to other markets: average score out of 10 based on the number of response received from each region



Chinese companies view Spain as a sturdy platform for accessing third markets, undoubtedly the European Union and Latin America. The EU's scale and purchasing power reinforce Spain's role as a gateway to the Single Market, while cultural and linguistic ties make Spain an effective bridge to Latin America. This is supported by a wide range of tax and investment treaties and Madrid's position as Europe's main air transportation hub for the region. Access to Africa and the Middle East is perceived as more limited, although some companies still see emerging opportunities. Overall, the survey highlights Spain's relevance as an investment hub and a strategic base for Chinese companies expanding into global markets.

Javier Izcue

Vice-president Sungrow Europe
Head of Southern Europe, UK & Ireland

Sector: Clean energy

"Our strategy in Spain focuses on organic growth and consolidating a long term presence."

Q: How do you rate the outlook for the Spanish economy compared with the rest of Europe, and how does this influence your company's prospects and strategy?

A: Spain's outlook is increasingly positive as policies are accelerating progress in renewables, electric mobility, energy efficiency and electrification, thereby strengthening its position in Europe. Energy storage is set to lead sector growth by facilitating the integration of renewables and ensuring grid stability, while utility scale projects and EV charging networks continue to expand. Self consumption is growing more slowly due to current energy prices, but the broader trend towards electrification remains solid, and rising demand from data intensive sectors such as data centres will further increase the need for advanced energy solutions.

Q: What are your company's strategic priorities in Spain for the coming year?

A: Our strategy in Spain focuses on organic growth and consolidating a long term presence, supported by our technology and innovation centre in Pamplona which opened at the end of 2024. It now serves as a European logistics hub, repair and training facility, showroom, and platform for collaboration with universities and other institutions, while coordinating with our subsidiaries across the region. Looking ahead, we expect energy storage to remain the principal driver of growth, in line with Spain's and Europe's decarbonisation targets, and we will continue to adapt our portfolio and operations to evolving market needs.

Q: How do you rate the regulatory environment in Spain, particularly with regard to energy storage?

A: Spain's regulatory environment has become increasingly favourable for the energy sector, particularly for energy storage, where earlier uncertainty due to the absence of a clear framework limited visibility and slowed investment decisions. Recent regulatory and policy developments have provided greater clarity, enabling companies to plan their investments and align themselves more effectively with system requirements and market opportunities. Although there is still room for refinement, the overall trend is positive, and Spain's framework is gradually aligning with energy transition targets.

Q: Does your company plan to establish production facilities in Europe, and could Spain be a potential location?

A: We remain fully committed to strengthening our presence in Europe and are constantly evaluating opportunities to further support the continent's energy transition. While Poland is currently our priority for manufacturing, we do not rule out setting up additional production facilities if market growth and demand warrant it. In this context, Spain stands out as a credible option, offering robust infrastructure, a firm commitment to renewables and significant industrial and technological potential. Any decision will ultimately depend on how the European market evolves and on our strategic needs, but Spain remains an attractive and key component of our European strategy.

Growing interest in public aid amid calls for clearer access

Chinese companies are showing an interest in public aid for training, employment and innovation, yet their engagement with Spain's and the EU's incentive schemes remains limited. Survey data indicates that only about half of respondents applied for any incentives in the past year, with participation concentrated in training and employment programmes, regional investment support and R&D related schemes. A large proportion selected "None," confirming that uptake is uneven and far from widespread. This is noteworthy given that nearly 40% of the firms surveyed conduct R&D in Spain and more than 70% expect to expand their workforce—activities that typically qualify for innovation, training or recruitment incentives.

Only 13% of companies cited subsidies as a reason for establishing operations in Spain, which is consistent with the limited uptake observed in the survey.

Public incentives are not yet a decisive factor in investment decisions. Only 13% of companies cited subsidies as a reason for establishing operations in Spain, which is consistent with the limited uptake observed in the survey. Although many firms operate in sectors that align with available programmes, incentives are not perceived as a key strategic driver at this stage. Qualitative feedback helps to explain this gap: companies consistently cite fragmented information, administrative complexity and confusion regarding eligibility rules. Executives describe the incentive landscape, at European, national and regional levels, as difficult to navigate without external guidance. While successful cases, such as the PERTE VEC grant highlighted in our later interviews, demonstrate the value of these programmes, respondents consistently emphasise the need for clearer information, simpler procedures and greater visibility.

Taken together, these insights reveal significant untapped potential. Chinese companies recognise the value of public aid and often operate in areas that qualify for support, yet administrative complexity and uncertainty about how to engage effectively limit their participation. Raising the profile of incentive programmes, simplifying procedures and providing clearer, more targeted guidance would meaningfully broaden the uptake of public support schemes and better align them with the operational and strategic needs of Chinese companies in Spain. This represents a tangible opportunity for policymakers to boost investment, innovation and employment within a rapidly growing segment of the Spanish economy.

Luz Ma

CEO
Chint Energy in Spain

Sector: Clean energy

"Spain's abundant renewable resources, mature power infrastructure and highly capable local teams make it one of Europe's most attractive markets for energy transition and digital infrastructure."

Q: How has Chint Energy expanded in Spain, and what were the key factors behind its recruitment drives?

A: Chint Energy's growth in Spain has mirrored the developments of the local energy market. The company began with a sales focused presence in 2011, but the rebound of the photovoltaic sector in 2019 triggered a major shift: Chint Energy Spain set up a dedicated industrial and commercial engineering subsidiary and expanded its team by 20–30 people. When the market softened again in 2023, Chint pivoted toward high end energy storage, launching a fully localised development company. The company has achieved a high degree of localisation, with approximately 80% of employees hired locally, supported by an international management team combining global expertise with deep local market knowledge, reflecting a deliberate strategy to embed the company within the Spanish ecosystem.

Q: How is Chint engaging with European recovery funds, and what role does digital transformation play?

A: Chint closely tracks all major EU recovery and energy transition funds, especially those related to storage subsidies, auctions and potential manufacturing incentives. The company has spent the past year evaluating whether Spain, or other markets such as Poland, offer the right conditions and Next Generation funds for factory investment. On the digital front, Chint is moving beyond basic operational software and investing in AI driven energy efficiency tools. Through a joint venture with a Spanish IT firm, it is developing intelligent management systems that optimise how energy storage interacts with generation, consumption and the grid, ultimately improving asset performance.

Q: What are Chint's investment priorities and expectations in Spain, and how do China–Spain and China–EU relations shape your strategic decisions?

A: Chint's investment outlook for Spain depends on market dynamics. Pure PV may face headwinds in the near term, but energy storage is expected to drive growth over the coming years. The company is considering investing in and operating energy storage facilities as part of its expansion strategy. Geopolitically, China–Spain relations are viewed in a very positive light, but broader China–EU dynamics, particularly the risks of anti dumping measures and trade barriers, will influence decisions on major investments such as manufacturing. Spain generally follows EU policy, so Chint must carefully weigh up political and regulatory risks, even as it remains optimistic about mutual cooperation.

Q: As Vice-president of the CCINCE, how do you view the main growth opportunities and challenges that are shaping Europe's energy market today?

A: The biggest opportunities lie in the convergence of renewable energy, energy storage, digitalisation and emerging energy-intensive industries such as data centres. The rapid expansion of AI, cloud computing and digital infrastructure is creating significant demand for clean electricity, storage solutions and grid modernisation, opening up new opportunities for investment and innovation.

Core ESG focus areas among Chinese investors in Spain

- **57%** Energy efficiency
- **52%** Health and safety
- **30%** Waste management
- **29%** Circular economy
- **24%** Responsible supply chain
- **17%** Gender equality and diversity
- **16%** Training
- **16%** Corporate governance system
- **15%** Support for vulnerable groups and social assistance
- **12%** Remuneration

The ESG profile of Chinese companies in Spain reveals a pragmatic and operationally driven approach, with a strong emphasis on areas directly linked to industrial performance and workplace conditions. The highest levels of engagement are concentrated in energy efficiency and health and safety, reflecting the central importance of cost optimisation, regulatory compliance and risk management in sectors where Chinese firms are most active, such as manufacturing, energy and logistics. These priorities are consistent with the broader industrial shift currently taking place, whereby companies are expanding their production capacity and modernising their facilities, making efficiency and worker protection essential pillars of their ESG strategies.

Pedro Magalhães

General Manager
Arctech Solar Europe

Sector: Clean energy

"Arctech Spain's R&D centre, developed in collaboration with ISFOC and UPM, plays a key role in validating these smart energy innovations."

Q: How has Arctech expanded its European presence from its base in Spain?

A: Spain serves as Arctech's European headquarters, overseeing business development, engineering, R&D and product development for the entire region. The European team numbers approximately 50 people, with around 30 based in Madrid, making Spain the company's operational and engineering hub. Our company chose Spain for its considerable solar energy expertise and wealth of engineering talent, which has enabled the company to scale-up rapidly and build a full team across sales, project engineering, R&D and support functions.

Q: How does Arctech rate Spain's renewable energy business environment?

A: Spain is the number one solar market in Europe, especially for utility scale PV, where trackers are the dominant technology. We have a mature industrial ecosystem with experienced developers, EPC contractors, consultants and equipment suppliers. The country's robust supply chain and active project pipeline create an environment in which Arctech can design and deploy bespoke tracker solutions directly for European clients. However, Europe's regulatory landscape remains fragmented, requiring adaptation to different permit granting rules in Spain, Portugal, France, Italy and beyond.

Q: How is Arctech using digitalisation and AI to transform engineering and plant performance?

A: Digitalisation is now at the heart of our global strategy. Our company's highly digital ERP system can convert project requirements into engineering ready inputs, reducing solution generation time from two weeks to just a few hours. On the product side, Arctech's tracker controllers incorporate AI driven algorithms that proactively avoid shading, adapt to the terrain, and continuously seek out the points of maximum power. While regular trackers already boost energy yield by 20–35%, the AI enhanced trackers deliver an additional 1–8% productivity gain, depending on site conditions. Arctech Spain's R&D centre, developed in collaboration with Institute of Concentrated Photovoltaic Systems (ISFOC) and Polytechnic University of Madrid (UPM), plays a key role in validating these smart energy innovations.

Q: What opportunities and challenges do you see in the European solar market today?

A: We consider Europe, and especially Spain, as a market brimming with opportunity but marked by volatility, dubbing it the "solar coaster." Demand for renewable electricity continues to rise, and hybrid solar plus storage projects are gaining momentum. Yet the sector faces persistent challenges. Large projects often undergo multiple design iterations due to changes in the supply chain, requiring agility and strong engineering capabilities. Despite these fluctuations, we remain optimistic: the fundamentals of solar in Europe are strong, and Spain will continue to be the continent's largest and most active utility scale market.

57%

of companies in Spain regard energy efficiency as one of their ESG priorities.

Environmental management practices represent a second focus area. Waste management and circular economy initiatives indicate a growing emphasis on resource efficiency and environmental impact, although this remains at a moderate level. This suggests that while companies are adapting to Spain's sustainability expectations, many are still in the early stages of integrating circularity and advanced environmental practices into their operations. As industrial footprints expand, particularly in batteries, EV components and renewable energy, these areas are likely to gain strategic relevance.

Social and governance aspects receive comparatively less attention, although they are not entirely absent. Responsible supply chain practices, gender equality and diversity, and support for vulnerable groups show that companies are beginning to incorporate broader ESG expectations beyond their core operations. However, the relatively modest level of engagement suggests that these areas remain emerging priorities rather than fully embedded practices. The same applies to corporate governance systems and training, which are essential for organisational maturity but appear to be developing gradually.

The lower levels of focus on remuneration and diversity related initiatives indicate that social sustainability is still evolving within Chinese companies' ESG agendas in Spain. This may reflect differences in corporate culture, varying levels of familiarity with EU social standards, or the early stage of local integration for many firms. As companies build their presence, expand their local workforces and strengthen their management structures, these areas are likely to become more prominent.

In general, the data points to a transition phase: Chinese companies in Spain are strongest in ESG areas that directly support industrial operations and regulatory compliance, while more advanced social and governance practices are gradually emerging. As their manufacturing footprint grows and their integration into Spain's industrial ecosystem deepens, the next stage of ESG development will likely involve strengthening governance frameworks, expanding social initiatives and aligning more closely with EU sustainability expectations. This development will be essential for consolidating competitiveness, securing social licence to operate, and positioning Chinese companies as fully embedded contributors to Spain's sustainable industrial transformation.

Jin Tu

Chief Strategy Officer
EAG & CPECC

Sector:Engineering

“The creation of a China–Europe Innovation Centre in Madrid reflects our ambition to serve as a regional R&D hub for Europe and Latin America.”

Q: How has EAG (Empresarios Agrupados Ghesa) evolved in Spain since the acquisition, and what has fuelled its expansion?

A: Since its acquisition by China Energy Engineering Corporation (CPECC) in 2020, EAG has doubled its revenue from Euros 100 million to Euros 200 million and expanded its workforce from approximately 1,000 to 1,400 employees. Growth has been driven by a strategic shift towards new energy EPC projects, including two major biomass cogeneration contracts. This transition called for reinforcement of internal capacity, by recruiting 70 EPC management staff and expanding the R&D team to 12 people. The creation of a China–Europe Innovation Centre in Madrid further reflects EAG's ambition to serve as a regional R&D hub for Europe and Latin America.

Q: What is EAG's digital technology advantage, and how is it shaping future competitiveness?

A: EAG's digital edge comes from its proprietary simulation and modelling software, originally co developed with the European Space Agency nearly 30 years ago. This tool has been widely applied in scientific research, nuclear O&M, and engineering optimisation, giving the Spanish subsidiary a unique technical advantage. While EPC digital management systems still lag behind the group's most advanced platforms, EAG is actively upgrading and benchmarking them against best practices. This combination of mature technical tools and forward looking digital upgrades positions the company well for future engineering innovation.

Q: Where does EAG see the greatest opportunities for growth in Europe over the next 3–5 years?

A: EAG sees strong momentum across five strategic areas: hydrogen energy; solar, offshore wind and energy storage; major grid upgrade projects; energy intensive data centres; and user side carbon reduction solutions. These opportunities are Europe-wide, with notable potential in Germany, the UK and Eastern Europe. EAG's 2026-2030 plan reflects this optimism, positioning the company to capture value across multiple segments of the energy transition.

Q: How well integrated are Chinese and Spanish teams, and what does this mean for EAG's future?

A: EAG's cross cultural integration model has been largely successful. The original Spanish management team was retained post acquisition, and business plan targets have been consistently achieved thanks to clear governance and segregation of responsibilities. The innovation centre now brings together Chinese and Spanish researchers, demonstrating effective technical collaboration. While cultural differences are still an area for improvement, the overall model has enabled EAG to become a strategic foothold for China Energy Engineering Group's expansion into Europe and Latin America.

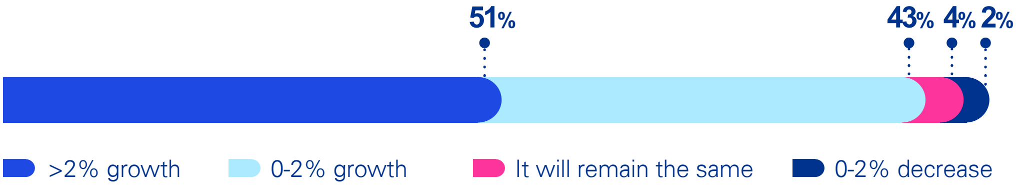
03

Economic, sector and business perspective

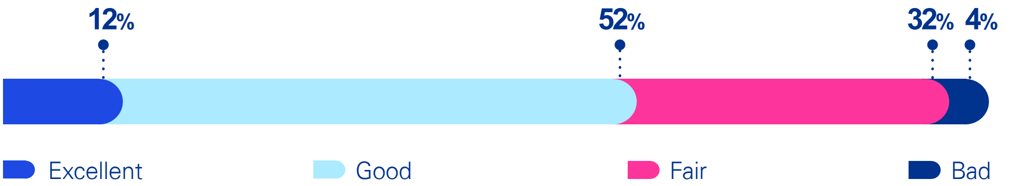
Compared with 2023, optimism has increased across all indicators, signalling even greater confidence in Spain's economic and operating environment. An overwhelming majority of respondents expect Spain's economy to grow over the next 12 months. This positive outlook translates into company level plans, with most firms expecting increases in sales turnover, investment and employment in 2026, albeit tempered by an awareness of prevailing global uncertainty and geopolitical risks.

Survey results are testament to a strong wave of optimism among Chinese companies operating in Spain. This positive sentiment is mirrored in sector specific expectations: over 96% of executives believe that conditions in their industry will remain stable or improve, indicating that companies anticipate a favourable operating environment in the short term. The data suggests that Chinese companies view Spain as a stable and promising market, with solid prospects for expansion. Their expectations for economic growth, sector performance and company level indicators point to continued consolidation of their presence in Spain and a willingness to invest further in the coming year.

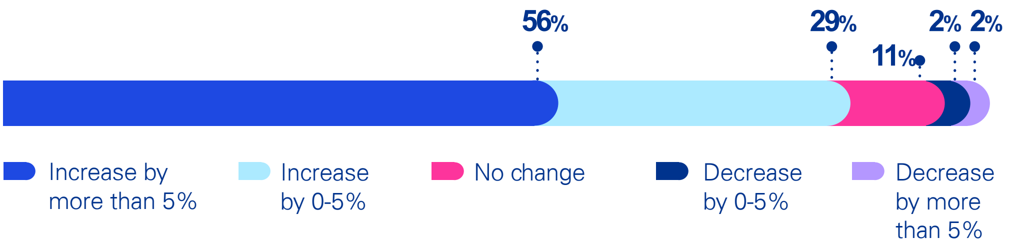
Expected economic growth in Spain over the next 12 months



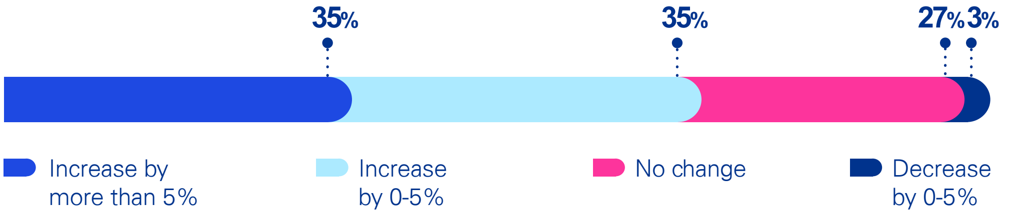
Expectations regarding sector conditions in Spain over the next 12 months



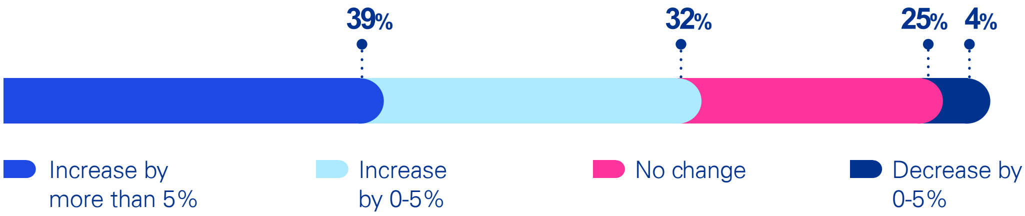
Expected trends in turnover of Chinese companies in Spain in 2026



Expected trends in investment by Chinese companies in Spain in 2026



Expected changes in your company´s workforce in Spain in 2026



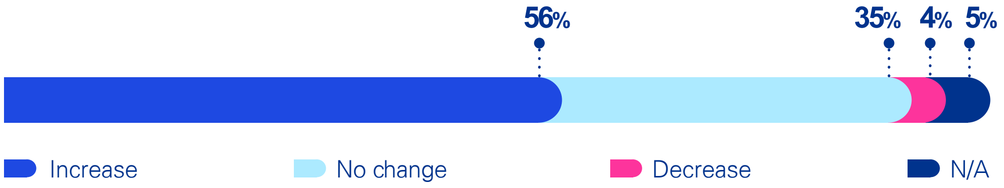
The above graphs indicate a positive investment outlook among Chinese companies operating in Spain. As shown in the graph, Chinese companies operating in Spain remain optimistic about their investment projects. Around 70% expect to increase their investment in 2026, signalling a willingness to expand their footprint. This anticipated growth reflects companies' plans to scale-up their operations, whether through new branches, expanded production capacity, entry into new markets or increased R&D activity. Such expectations point to a favourable business climate and the perception of Spain as a strategic platform for development.

Expectations regarding employment follow a similar pattern. More than 71% of companies foresee an increase in their workforce in Spain in 2026, indicating both operational stability and a commitment to greater local integration. The rise in recruitment plans suggest that companies are preparing for expansion, strengthening their teams and positioning themselves to seize new opportunities in Spain and beyond. Together, Chinese companies not only expect Spain's economy and sector conditions to remain favourable, but they are also preparing to invest more capital and create more jobs.

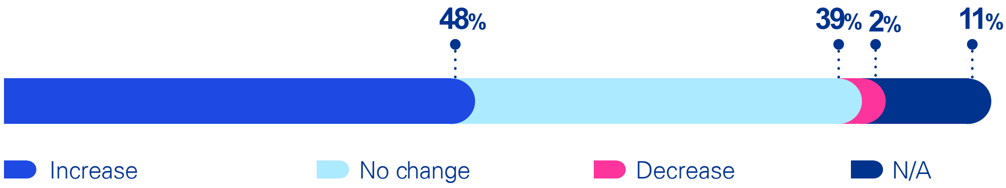
71%

of companies foresee an increase in their workforce in Spain in 2026

Chinese companies plan to increase their international presence over the next 12 months



Expected evolution of exports over the next 12 months

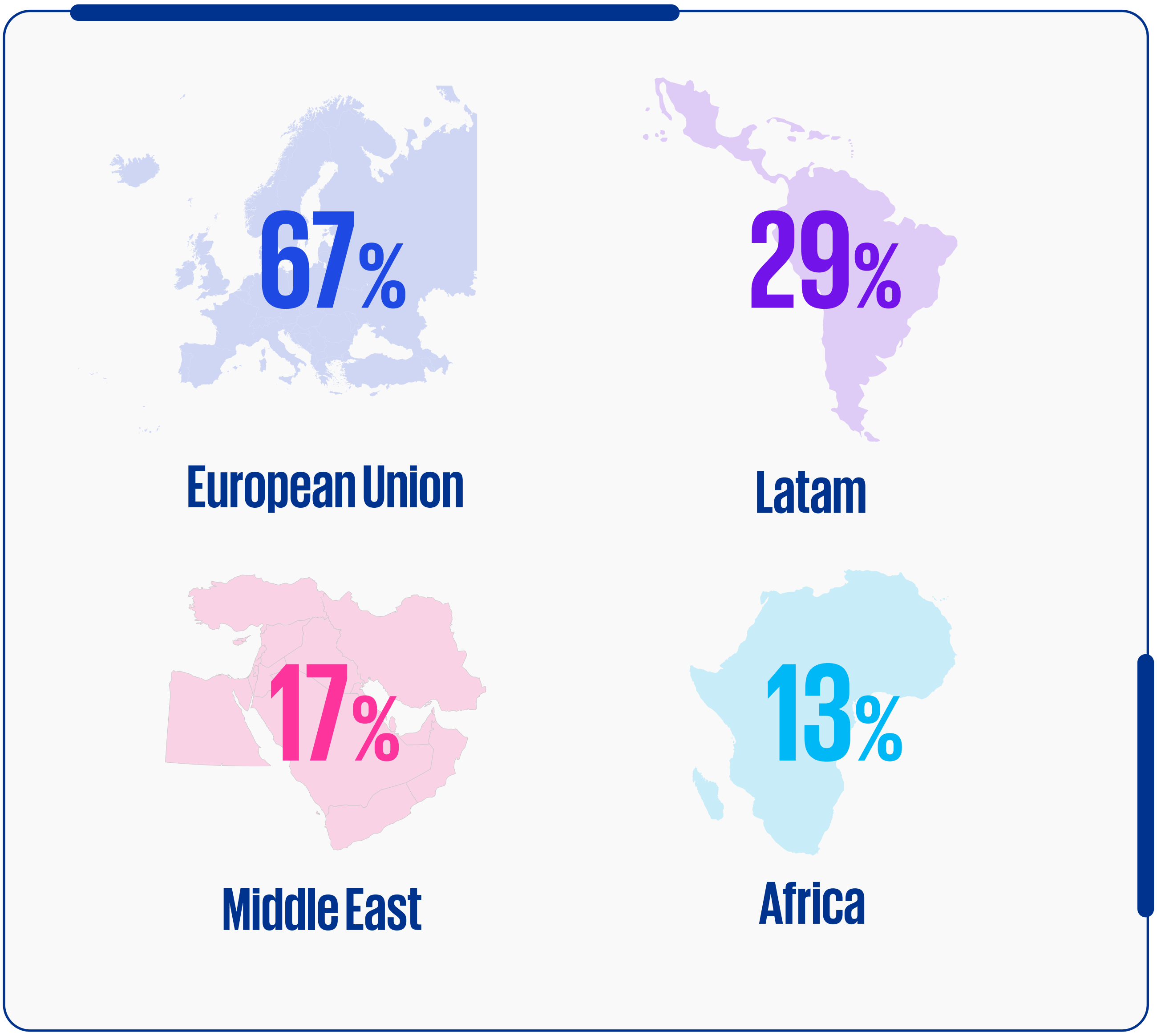


These companies operating in Spain have firm intentions to expand internationally in the coming year. More than half plan to increase their international presence, while only a very small proportion expect it to decline. This upward trend reflects growing confidence in Spain as a platform for global expansion, underpinned by stable operations, improving sector conditions and Spain's strategic position within the EU. The data suggests that companies are preparing to roll out their activities beyond the domestic market, leveraging Spain as a base for broader international growth.

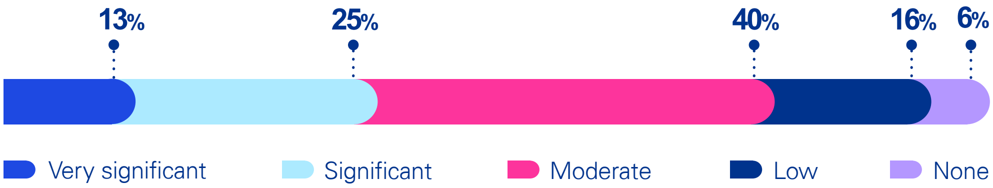
Export expectations reinforce this trend. Nearly half of the companies surveyed (48%) expect their export activity to increase, while 39% foresee stability. This indicates that many firms are shifting from a primarily domestic focus towards more outward looking strategies. The rise in export ambitions is consistent with the broader industrial shift observed among Chinese companies in Spain, particularly in sectors such as automotive, batteries, renewable energy and advanced manufacturing—industries that are naturally oriented towards cross border value chains.

Expansion priorities become even clearer when looking at specific regions. The European Union remains the top target, with more than two thirds of the companies indicating plans to strengthen their presence there, reflecting the EU's role as the primary market for scale and integration. Beyond Europe, companies are showing a notable interest in Latin America and Africa, regions where Spain's historical, linguistic and logistical ties offer strategic advantages. Interest in the Middle East and other global markets such as Asia and North America also highlights a diversified internationalisation strategy. Overall, the data points to a confident, multi regional expansion trajectory, with Spain serving as a springboard for Chinese companies seeking to broaden their global outreach.

Chinese companies plan to increase their international presence over the next 12 months



Impact of geopolitical tensions on business performance

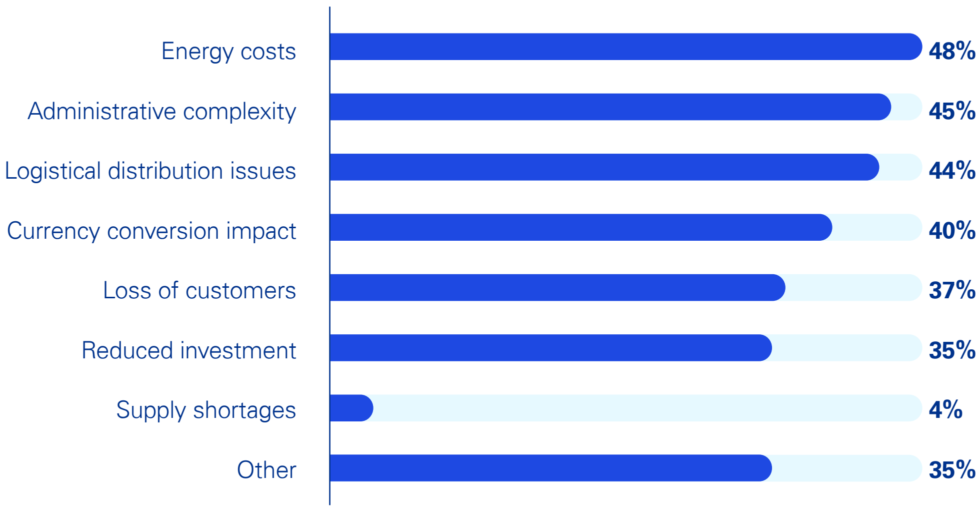


The survey results indicate that geopolitical tensions are influencing the operations of Chinese companies in Spain, although the impact remains manageable for most firms. A combined 38% of respondents report a significant or very significant impact, while 40% describe the effect as moderate. Only 22% experience low or no impact. This distribution suggests that companies are clearly feeling the consequences of global instability, but these pressures are not fundamentally disrupting their activities or deterring investment. Instead, firms appear to be adapting to a more complex environment while maintaining confidence in Spain's stability and market potential.

37%

of companies report that geopolitical tensions have a significant impact on their operations

Key aspects most affected by geopolitical tensions



Jianhui Ling

Executive Vice-president & COO
Desay SV

Sector: Automotive

"We have received strong, coordinated institutional support across all levels of government."

Q: Why did Desay SV choose Spain over other European countries for new production facilities?

A: Desay SV selected Spain following a systematic Europe wide assessment, highlighting three decisive advantages: its strategic proximity to major automakers (Volkswagen, Stellantis, Renault), a mature and globally competitive automotive ecosystem, and a stable, predictable investment environment supported by solid macroeconomic fundamentals and practical industrial policies. Together, these factors made Spain the most efficient and reliable location for industrial investment.

Q: What strategic advantages has the Santana Science and Technology Park in Linares offered Desay SV?

A: The Linares site combines industrial heritage with transformation potential, drawing on a skilled workforce shaped by the former Santana Motor plant. The park's reindustrialisation framework provides comprehensive, partner oriented support, ranging from project approvals and talent development to supply chain integration, creating an environment in which Desay SV can introduce new technologies while contributing to regional industrial renewal.

Q: How does Desay SV rate the support received from Spanish institutions?

A: Desay SV reports exceptionally strong, coordinated support across all levels of government. National authorities facilitated site selection, visas and access to subsidies; the Andalusian regional government expedited approvals and clarified regulatory issues; and Linares City Council provided hands on assistance with construction, administration and local integration. This multi level collaboration exceeded expectations and reinforced Desay's confidence in Spain as an investment destination.

Q: How does Desay SV view the PERTE VEC subsidy, and how do Chinese companies contribute to Spain's economy?

A: Desay SV received over Euros 5 million through the PERTE VEC programme, viewing this not only as financial support but also as a strategic endorsement of its technology and commitment to Spain. The company notes that Chinese firms are making an increasing contribution to Spain's economy through advanced manufacturing, technological innovation and integration into local supply chains, particularly in the automotive, photovoltaic and energy storage sectors. Their presence aligns with Spain's energy transition and industrial priorities, strengthening bilateral cooperation and local development.

Energy costs:

Energy costs emerge as the most sensitive area, reflecting the volatility of global energy markets since 2022. For companies operating in energy intensive sectors—such as automotive, batteries, industrial manufacturing, and logistics—energy is a critical cost driver. Geopolitical tensions have escalated:

- Price volatility, which complicates planning and budgeting
- Higher production costs, particularly for firms scaling up their manufacturing operations
- Margin pressure, especially in competitive, price sensitive markets

For many Chinese companies expanding their industrial footprint in Spain, energy costs have become a strategic factor that is shaping their competitiveness, investment decisions and supply chain configuration.

Administrative complexity:

Administrative complexity is the second most affected aspect, and geopolitical tensions exacerbate this challenge. Companies report:

- More stringent compliance requirements, especially in sectors under heightened EU scrutiny
- Longer approval and permit granting processes, as authorities apply additional due diligence layers
- Increased documentation demands, particularly for cross border transactions, technology transfers and supply chain verification

This trend reflects not only Spain's regulatory environment, but also a broader EU wide tightening of oversight in strategic sectors. For Chinese companies, this means navigating a more demanding administrative landscape at a time when geopolitical sensitivities are running high, making clarity, predictability and institutional support all the more essential.

Logistical distribution issues:

Logistics is another area where geopolitical tensions are clearly felt. Almost half of the companies surveyed report disruptions linked to:

- Longer shipping times, due to rerouting around conflict zones or congested maritime corridors
- Higher freight costs, particularly for maritime transport
- Unpredictable delivery schedules, which complicate inventory and production planning
- Global supply chain bottlenecks, especially for components sourced from Asia

These challenges are particularly relevant for companies in the automotive, electronics and industrial manufacturing sectors, where supply chain reliability is crucial. Delays and cost increases can affect production cycles, customer commitments and overall operational flexibility.

Hu Deng

Vice-president Shanghai Kaichuang and Executive Director Hijos de Carlos Albo

Sector: Agri-food

"Mutual respect and open communication are the cornerstones of effective teamwork, and both sides remain focused on shared company objectives."

Q: How satisfied is Shanghai Kaichuang with the acquisition of Hijos de Carlos Albo, and what is their view on Chinese capital entering new markets?

A: Shanghai Kaichuang is hugely satisfied with the acquisition, noting a decade of stable growth, close cooperation with the Spanish management team, and a strengthened market position for Albo. The company highlights that the partnership has been mutually beneficial: Albo gained access to global resources, while our company expanded its international presence. They emphasise that successful Chinese investment abroad depends on mutual respect, transparency, stability and commitment.

Q: How does the company rate the current Spain–China relationship, and how does it affect business?

A: We view Spain–China relations as stable and strategically important, especially amid global geopolitical tensions. Spain's institutional strength, legal certainty and transparency make it an attractive entry point into Europe. This favourable bilateral environment supports investment decisions and benefits companies such as Albo, which now aims to expand its brand across Europe with the support of its Chinese parent company.

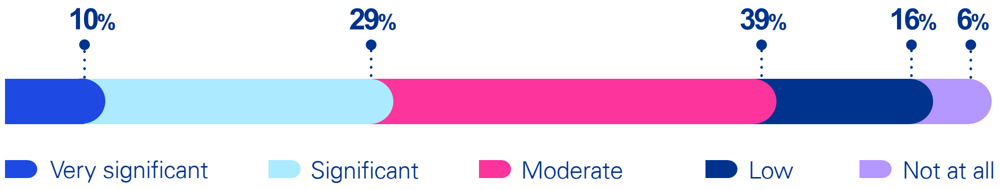
Q: How well have Chinese managers integrated into the Spanish team, and what cultural differences have emerged?

A: Integration has been very positive after ten years of collaboration. Although Chinese managers tend to prioritise speed and efficiency and Spanish teams value consensus and balance, these differences have become complementary strengths. Mutual respect and open communication are the cornerstones of effective teamwork, and both sides remain focused on shared company objectives.

Q: How does the company view Spain's regulatory environment, and what impact does it have on its business?

A: Spain is seen as offering a transparent and reliable regulatory framework that is aligned with EU standards. Although compliance—especially in terms of sustainability, corporate responsibility and food safety—requires effort, the company believes these regulations strengthen consumer trust and enhance competitiveness. In the food industry, the company considers trust to be essential for maintaining brand value and market positioning.

Trade dynamics, tariff pressures and their impact on business strategy



Survey results show that trade dynamics and tariff related challenges are exerting a meaningful influence on the operations of Chinese companies in Spain. A combined 39% of respondents report a *significant* or *very significant* impact on their pricing strategies and supply chain decisions, while a further 39% describe the effect as *moderate*. Only 22% experience low or no impact. This distribution indicates that while companies are not facing severe disruption, they are actively adjusting to a more complex global trade environment.

Tariff uncertainty and shifting trade policies have prompted companies to rethink their pricing structures, absorb or pass on cost increases, and diversify their sourcing strategies. For firms operating in sectors exposed to global value chains—such as automotive components, electronics, industrial machinery, and consumer goods—these pressures have accelerated the need to redesign supply routes, bolster European production bases and reduce reliance on single country sourcing. The data suggests that Chinese companies are responding pragmatically: adapting their supply chains, recalibrating their margins, and exploring local or regional production to mitigate external shocks.

Overall, the findings show that trade related challenges are shaping strategic decisions but are not undermining long term commitments. Companies remain focused on maintaining their competitiveness in Europe, and many view Spain as a stable platform from which to navigate global trade volatility.

Wenjun Lin

Deputy General Manager
Huayi Compressor Barcelona

Sector: Industry

“Cross cultural advantages include complementary strengths in discipline, communication and problem solving.”

Q: How would you summarise Huayi’s long term development in Spain?

A: Huayi has grown steadily in Spain over the past 15 years, focusing on building a highly localised operation that serves both European and global markets. Recruitment has been consistent, mainly hiring engineering graduates from the Polytechnic University of Catalonia for technical support and sales roles. The company now has four Chinese expatriate directors and 181 local employees, reflecting a high degree of localisation. While capacity expansion has been gradual, Huayi has ramped up its technical team to support product upgrades, rising customer expectations and broader market needs.

Q: How does Huayi rate Spain’s manufacturing competitiveness compared with other European markets?

A: Huayi views Spain’s manufacturing environment in a positive light, especially given Barcelona’s logistical advantages and the availability of skilled engineering talent. Recruitment is easier than in markets such as the Czech Republic. However, Europe’s industrial base and supply chains have weakened, with procurement shifting from almost 100% local to greater reliance on Chinese suppliers. Environmental regulations are strict, but the overall business environment remains stable and predictable, thus supporting our company’s planning processes.

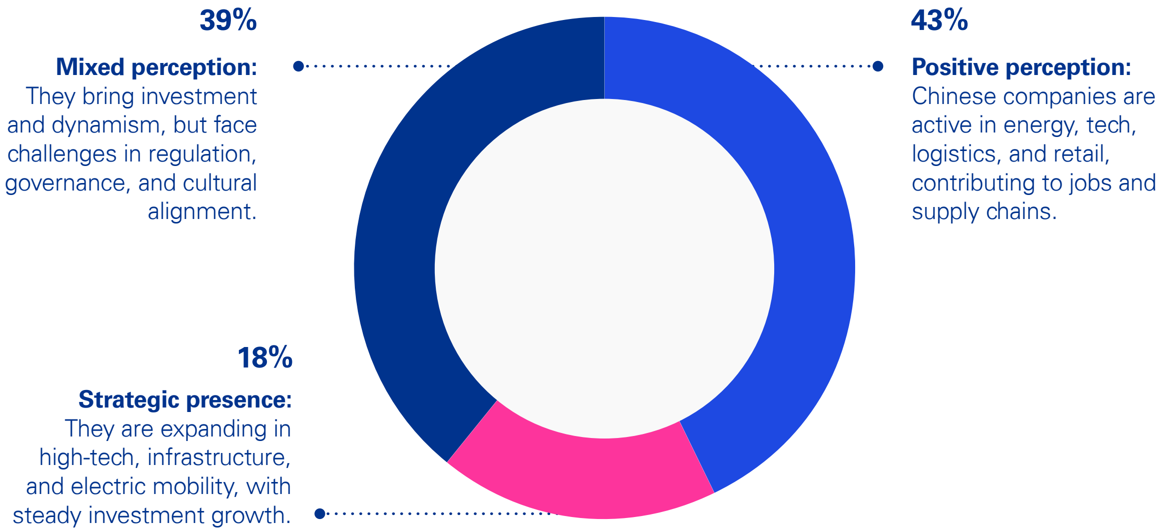
Q: How do you view the European compressor market’s prospects over the next three to five years?

A: Although the European compressor industry is contracting, technology is advancing towards smaller, more efficient and lower emission products. Huayi incorporates energy efficiency and carbon emission requirements at the product design stage. There are growth opportunities in high efficiency and hydrogen related compressors, but these require sustained innovation. Over the next 12–36 months, Huayi plans to expand its Spanish operations, upgrade its product lines and introduce new models that comply with EU sustainability standards.

Q. How would you rate integration between Chinese and Spanish teams at Huayi?

A: Integration is strong, with effective collaboration between Chinese expatriate leadership and local Spanish managers. Trade union relations are harmonious, and the company has never experienced a strike. Cross cultural advantages include complementary strengths in discipline, communication and problem solving. Challenges mainly stem from differing communication styles and decision making expectations, but these are managed through ongoing dialogue and mutual respect. This integration has been pivotal to Huayi’s long term success in Spain.

Perceptions of Chinese companies in Spain



The survey reveals a generally positive and increasingly nuanced perception of Chinese companies operating in Spain. A substantial number of respondents (43%) highlight the strong presence of Chinese firms in energy, technology, logistics and retail, noting their contributions to job creation, supply chain development and industrial activity. This reflects a growing recognition of the role Chinese companies play in Spain's economic transformation, particularly in sectors linked to the green transition and digitalisation.

A further 18% of respondents emphasise the strategic expansion of Chinese companies in high value sectors such as electric mobility, infrastructure and advanced manufacturing. These respondents view Chinese investment as technology-driven and aligned with Spain's industrial priorities. The steady growth of Chinese capital in Spain—through both acquisitions and new production facilities—reinforces this perception of strategic depth.

Meanwhile, 39% express a more mixed view, acknowledging the benefits of investment and dynamism while noting challenges related to regulation, governance practices and cultural alignment. These perceptions point to areas where continued institutional support, clearer communication and greater integration efforts can further enhance mutual understanding and operational efficiency.

Closing remarks

1

A growing trend can be observed in job creation in Spain by Chinese-owned companies. Investments by these companies are contributing a significant level of job creation, reindustrialising certain areas of the country and safeguarding existing employment. Moreover, 79% of companies plan to increase or maintain their workforce in 2026. Chinese-owned companies are thus consolidating their role as a driver of employment in Spain, with net job creation and a continuing expansionary trend. Initiatives such as training Spanish staff at the headquarters of Chinese corporations are emerging as a productive form of collaboration for talent development and knowledge transfer in Chinese investment projects in strategic and technologically advanced sectors, where there are challenges in recruiting qualified personnel in Spain.

2

Chinese companies are placing increasing importance on the adoption of advanced technological tools, and this shift is clearly reflected in their rising interest in public support mechanisms. As digitalisation, automation, artificial intelligence and data driven processes become central to their competitiveness, companies are showing greater willingness to explore and apply for technology related grants and incentives. This growing demand signals not only a strategic commitment to innovation, but also the realisation that public programmes can accelerate technological upgrades, reduce investment risks, and strengthen their position within European value chains. The trend suggests that, as Chinese firms continue to extend their industrial and R&D footprint in Spain, the role of public incentives in supporting their technological transformation will become increasingly relevant.

3

Chinese companies are increasingly showing an interest in establishing manufacturing operations in Spain, especially across the sustainable mobility and electric vehicle value chain. Since 2023, several greenfield projects have been announced or launched, including CATL's battery gigafactory with Stellantis in Zaragoza, a clear example of China's intention to integrate into Spanish and European industrial ecosystems. In parallel, Chinese corporations bring global leadership in electrification technologies, while recognising the strengths of the Spanish automotive industry and seeking closer cooperation based on complementarity and shared standards. This aligns with Spain's trade policy, which welcomes Chinese investment that contributes industrial value, shores up local value chains, and supports job creation, supplier development and technology transfer.

6

At this moment Chinese companies make limited use of public incentive programs, despite operating in sectors that are well aligned with available European, national and regional support schemes. Although half of the surveyed firms applied for some form of aid in the past year, participation remains modest and concentrated in a narrow set of instruments, mainly related to training, employment and regional or industrial incentives. Companies acknowledge the value of these programs but point to administrative complexity, unclear eligibility criteria and insufficient visibility as key barriers to access. Addressing these challenges by improving dissemination, simplifying procedures and providing clearer guidance would help unlock greater participation, ensuring that Chinese companies can more effectively benefit from public support mechanisms and reinforcing their contribution to Spain's industrial and technological development.

5

Chinese companies established in Spain maintain a long-term strategic vision, focused on the continuity of their investments and the sustainable growth of their operations. Increasing attention to cross-cultural management reflects a commitment to fostering collaboration between Chinese and Spanish teams, strengthening organisational cohesion, and building lasting relationships with local stakeholders. At the same time, growing interest in digitalisation, automation, and innovation-related incentives demonstrates their determination to enhance competitiveness and adapt to a rapidly evolving business environment. Supported by continued reinvestment, workforce expansion, and deeper local integration, these trends reinforce Spain's role as a strategic partner and a key platform for future growth.

4

Despite the current climate of international geopolitical tensions, Chinese companies take a positive view of the development of bilateral relations between China and Spain. Institutional visits, whether by Spanish officials to China or vice versa, are considered essential for fostering strong and fluid institutional ties. Direct contact is a key element in both cultures and is essential for strengthening relations and understanding mutual needs. Consequently, the four visits made by the Spanish Prime Minister to China over the past four years, as well as the visit by Their Majesties the King and Queen last November, are particularly highly regarded by the companies interviewed. Against a backdrop of geopolitical uncertainty, Spain has raised the level of political dialogue with China to its highest point in decades. For its part, China attaches particular importance to its relationship with Spain as part of its engagement with Europe, as Spain is one of the member states that supports maintaining a constructive relationship between the EU and China.

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