THE BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION OF SPAIN IN 2025

2026

BANCO DE ESPAÑA
Eurosistema

Notas Estadísticas
N.º 26

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https://doi.org/10.53479/44165

ABSTRACT

The Balance of Payments (BoP) and the International Investment Position (IIP) are of particular interest in the current international environment, marked by increasing trade and geopolitical tensions, as well as new trade agreements such as Mercosur. This note analyses the evolution of net lending and the IIP for the Spanish economy in 2025. It also includes two boxes: one focused on data relating to the United States and another on foreign direct investment in technology sectors.

Keywords: Balance of payments, net lending, current account, capital account, international tourism, energy deficit, financial transactions, foreign direct investment, ultimate investing economy, international investment position, external debt.

JEL classification: F10, F21, F23, F30, F32, F34, F36, E50.

RESUMEN

La Balanza de Pagos (BP) y la Posición de Inversión Internacional (PII) resultan de especial interés en un entorno internacional como el actual, de crecientes tensiones comerciales y geopolíticas, así como de nuevos acuerdos comerciales como el de Mercosur. En esta nota se analiza la evolución de la capacidad de financiación y de la PII para la economía española en 2025. Además, se incluyen dos recuadros, uno dedicado a los datos frente a Estados Unidos y otro dedicado a la inversión directa en sectores tecnológicos.

Palabras clave: Balanza de Pagos, capacidad de financiación, cuenta corriente, cuenta de capital, turismo internacional, déficit energético, transacciones financieras, inversión extranjera directa, última economía inversora, Posición de Inversión Internacional, endeudamiento exterior.

Códigos JEL: F10, F21, F23, F30, F32, F34, F36, E50.

1 Introduction

In 2025 the Spanish economy continued to record historically high net lending, at 3.9% of gross domestic product (GDP), slightly below the 4.3% recorded in 2024. These developments were mainly due to a wider goods trade deficit, driven by the increase in the non-energy deficit, which was partly offset by a higher surplus on other services. The travel surplus stood at 4.2% of GDP, broadly unchanged from the previous year. The primary income deficit narrowed by 0.2 percentage points (pp), as investment income debits declined more sharply than receipts, especially in the monetary financial institutions sector, reflecting the fall in interest rates compared with 2024. Lastly, the secondary income balance and the capital account balance deteriorated slightly, in both cases owing to transactions with the European Union.

Spain's negative net international investment position (IIP) stood at -44.8% in 2025, a historically low level and one of the lowest since 2002 – albeit somewhat higher than in 2024 (-41.0%) – thanks to the net lending position holding at increasingly high levels. Growth in nominal GDP and the financial account transactions surplus[1] contributed to these developments, but was outweighed by negative net revaluations, which affected the debtor IIP. Spain's gross external debt remained virtually stable as a percentage of GDP, at 163.5% (162.8% in 2024).

This note begins by analysing developments in the balance of payments current and capital account balances and their main components. It then examines the external financial position, financial transactions with the rest of the world and gross external debt.[2,3] It also includes two boxes: one on data vis-à-vis the United States and another on direct investment in technology sectors.

2 The current and capital account balances

As shown in Chart 1, in 2025 the Spanish economy recorded net lending of 3.9% of GDP, the highest figure among the four major euro area economies, in line with Germany's.[4] From a historical perspective, this indicator remained high, above both the 1995-2012 average (-3.4% of GDP) and the 2013-22 average (2.3%), although slightly below the 2023-24 average (4.1%). This once again highlights the strength of the external sector. It should be noted that the Spanish

1 Including the Banco de España.

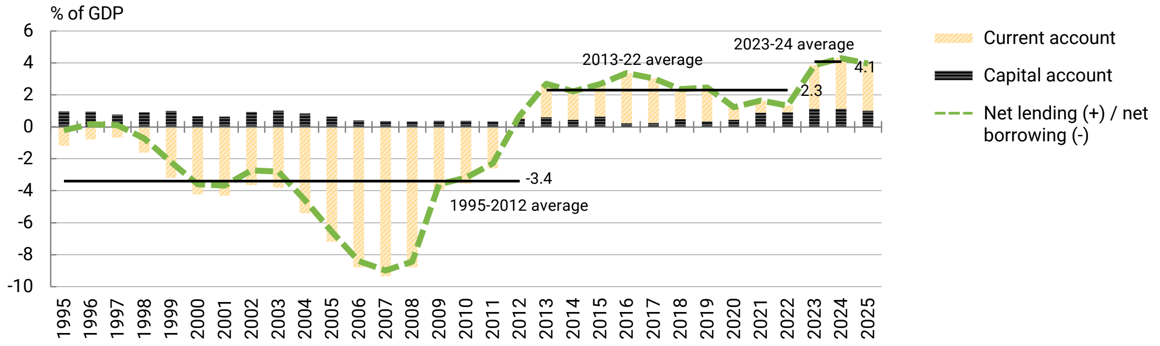
2 The balance of payments, IIP and external debt data are available on the External Statistics page of the Banco de España's website and in the BExplora interactive table of external statistics. For details of the methodology, see Banco de España (2025).

3 The press release referring to January 2026 data is also available.

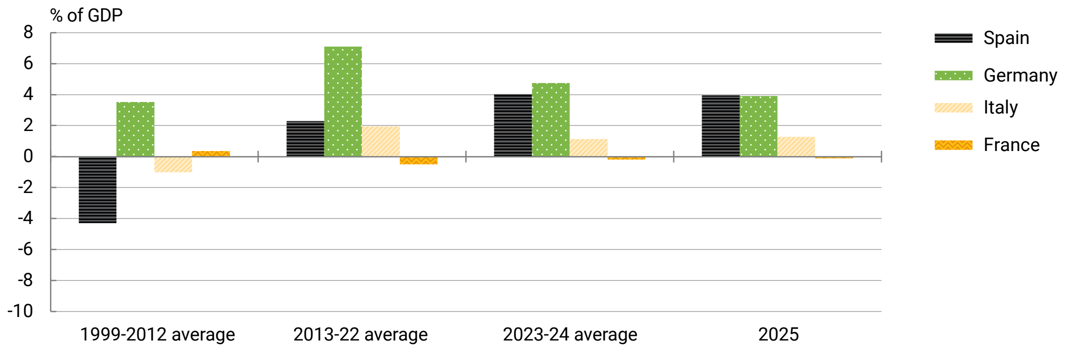
4 See the balance of payments data by country published by Eurostat.

Chart 1
The Spanish economy's net lending (+) / net borrowing (-) in 2025

1.a Balances



1.b Euro area economies. Balances



SOURCES: Banco de España and Eurostat.

economy has recorded net lending continuously since 2012, following an earlier period of net borrowing that peaked at above 9% of GDP, averaging -3.4% between 1995 and 2012 (Chart 1.a).

Compared with the previous year, net lending declined by 0.4 pp, mainly owing to the lower current account surplus. This chiefly reflected a wider goods trade deficit, partly offset by a higher surplus on other services. Developments in the goods balance were shaped by the increase in the non-energy deficit, which more than offset the slight reduction in the energy deficit. The travel surplus and the combined primary and secondary income deficit remained very close to their previous-year levels. The capital account surplus was also broadly in line with 2024 and with the historically high levels recorded in the final years of the pandemic, supported by flows received from the European Union.[5]

In 2025 the trade in goods deficit widened by 0.8 pp compared with 2024, to 2.9% of GDP (with nominal rates of change of 1.3% in exports and 4.8% in imports), mainly driven by the increase

5 For a more detailed explanation of how NextGenerationEU (NGEU) funds are recorded in the balance of payments and the IIP, see Banco de España (2022).

Table 1
Balance of payments. Components

% of GDP

	Average 1995-2012	Average 2013-22	Average 2023-24	2025
Net lending (+) / net borrowing (-)	-3.4	2.3	4.1	3.9
Current account	-4.1	1.8	3.0	2.9
Goods	-5.3	-1.9	-2.2	-2.9
Energy (a)	-2.5	-2.7	-2.1	-1.8
Non-energy (a)	-2.8	0.7	-0.2	-1.1
Services	3.2	4.6	6.2	6.7
Travel	3.5	3.3	4.1	4.2
Other services	-0.3	1.3	2.1	2.5
Primary income	-1.2	0.1	-0.3	-0.1
Investment income	-1.9	-0.4	-0.7	-0.5
Monetary financial institutions	-0.4	0.7	0.0	0.3
General government	-0.9	-1.0	-0.9	-1.1
Other resident sectors	-0.6	-0.1	0.1	0.3
Secondary income	-0.8	-0.9	-0.8	-0.8
Capital account	0.7	0.5	1.1	1.0
Memorandum item				
EU transfers (b)	0.7	0.5	1.0	0.6

SOURCES: Banco de España and Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración Tributaria.

a The energy and non-energy balances are Banco de España estimates drawing on Customs data.
b Spain's transfers with the EU included in primary income, secondary income and the capital account.

Table 2
Balance of payments. Goods breakdown (a)

% of GDP

	Average 1995-2012	Average 2013-22	Average 2023-24	2025
Goods balance	-5.3	-1.9	-2.2	-2.9
Energy exports	0.7	1.4	1.8	1.3
Non-energy exports	17.2	22.8	23.2	22.0
Energy imports	3.2	4.0	3.9	-3.1
Non-energy imports	20.0	22.1	23.4	-23.1

SOURCES: Banco de España and Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración Tributaria.

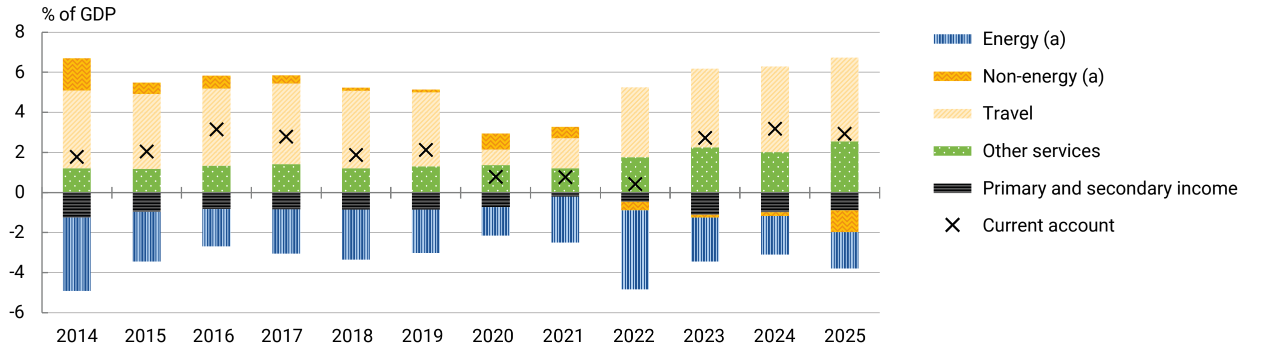
a The energy and non-energy balances are Banco de España estimates drawing on Customs data.

in the non-energy deficit, which offset the slight reduction in the energy deficit. The non-energy goods trade balance deteriorated, recording a deficit of 1.1% of GDP (Table 1 and Chart 2), compared with 0.1% in 2024, in a context of strong domestic demand and an appreciation of the euro against the US dollar and other currencies, which boosted import growth relative to export growth. In nominal terms, exports grew by 2.5% and imports by 7.1%, reflecting changes

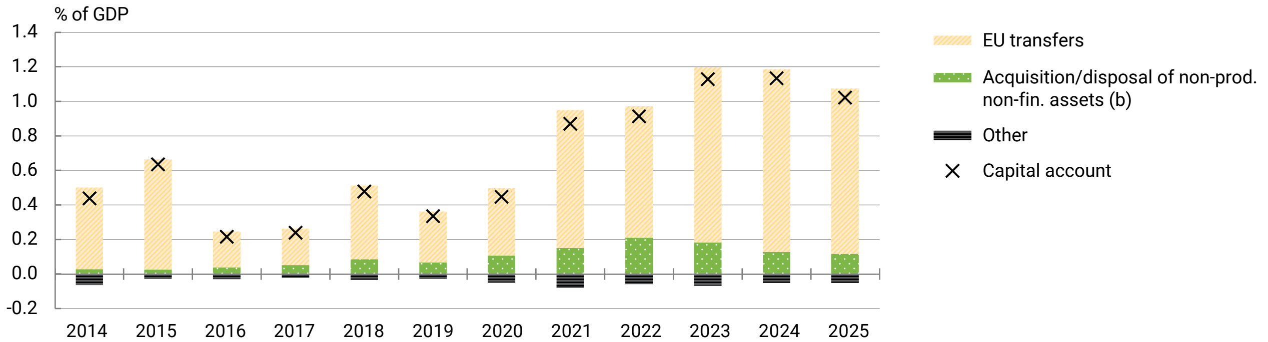
Chart 2

Reduction in net lending

2.a Current account balance. Components



2.b Capital account. Components



SOURCES: Banco de España and Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de la Administración Tributaria.

a The energy and non-energy balances are Banco de España estimates drawing on Customs data.
b Non-produced non-financial assets comprise transactions associated with assets that may be used or needed for production of goods and services, but that have not been produced, such as trademarks, concessions, etc. and leases or other transferable contracts.

in export and import volumes (of 2.3% and 11.8%, respectively)[6] and in non-energy prices (of 0.2% and -4.2%).[7]

The energy deficit narrowed by 0.2 pp in 2025, to 1.8% of GDP (Table 1 and Chart 2), influenced by Spain's higher domestic generation of renewable energy and the fall in energy prices. Energy exports and imports decreased in nominal terms by 15.6% and 9.4%, respectively, compared with 2024. This owed to the change in the volume of exports and imports (-9.4% and 4.6%, respectively)[8] and in energy prices (-6.9% and -13.4%).

6 Rates estimated based on balance of payments data on non-energy goods and the related unit value indices. These differ somewhat from those calculated based on Customs data published by the Ministry of the Economy, Trade and Business (2026a).

7 See the unit value indices published by the Ministry of the Economy, Trade and Business (2026a).

8 Rates estimated based on balance of payments data on energy goods and the related unit value indices. These differ somewhat from those calculated based on Customs data published by the Ministry of the Economy, Trade and Business (2026a).

By product type,[9] the increase in the non-energy deficit was driven by the higher trade deficits in machinery and transport equipment (where exports fell by 3%, including an 8% drop in the automotive sector, and imports rose by 8%) and in other manufactures (with imports increasing by 6%). A smaller surplus in chemical products – where imports increased by 8%, with pharmaceutical products rising by 15% – also contributed to the wider deficit.

Meanwhile, the services balance reached the highest level on record in the current series, with a surplus of 6.7% of GDP following a 0.4 pp improvement on the previous year, due to the larger surplus in other services (Table 1 and Chart 2). The travel balance decreased by 0.1 pp in 2025 to 4.2% of GDP, as receipts lost momentum (they rose by 6.9% compared with 15.7% in 2024). The 6.9% increase in travel credits in absolute terms reflected both the higher number of international tourists (96.8 million in 2025, up by 3.2%) and higher spending per tourist.[10] Tourists' main countries of origin were the United Kingdom, France and Germany, and their main destinations were the regions of Catalonia, the Balearic Islands and the Canary Islands. The countries contributing most to the increase in travel receipts in 2025 were the United Kingdom, France, the United States and the Netherlands. Travel debits increased notably (by 14.8%) and, for the first time, slightly exceeded pre-pandemic levels as a percentage of GDP (Chart 3.a).

The balance of non-travel services stood at 2.5% of GDP in 2025 (0.5 pp more than in 2024) as exports grew more strongly in nominal terms (by 14.8% year-on-year) than imports (6.1%). Surpluses widened in freight transport services (with imports declining by 11%) and passenger transport services (where exports increased by 32%), and in telecommunications, IT and business services (Chart 3.b).

The primary income balance[11] recorded a deficit of 0.1% of GDP in 2025 (Table 1), 0.2 pp lower than a year earlier. Investment income credits declined by 4% in nominal terms, while debits did so by 6% (Chart 4). This change was largely due to interest rate developments, as rates were lower than in 2024.[12]

General government made the largest contribution to the investment income deficit in 2025. The sector's payments increased by 19%, mainly reflecting portfolio investment payments, which rose by 20% from the previous year (with the corresponding balance increasing by 15% in 2025), against a backdrop of higher holdings of Spanish government debt securities by non-resident investors.

The Banco de España's income receipts and payments declined significantly in 2025, while those of other monetary financial institutions also fell, albeit to a lesser extent. In the case of the Banco de España, these flows are associated, respectively, with credits from the position vis-à-vis the Eurosystem and interest debits in respect of the TARGET liability

9 See the breakdown of the balance of payments goods heading by type of product published in the table "Current account. Goods. Breakdown by product", available in the external statistics section and in the related infographic. A "Methodological note" explaining how this breakdown was compiled is also available.

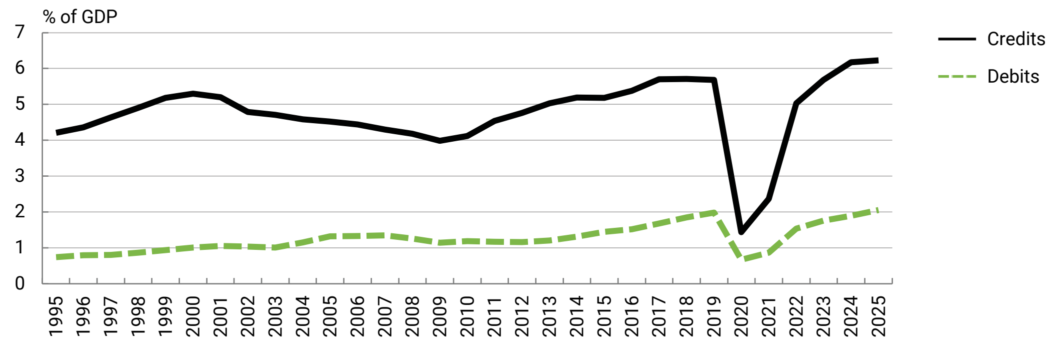
10 Instituto Nacional de Estadística (2026a and 2026b).

11 Primary income includes compensation of employees, investment income, taxes on production and imports, and subsidies.

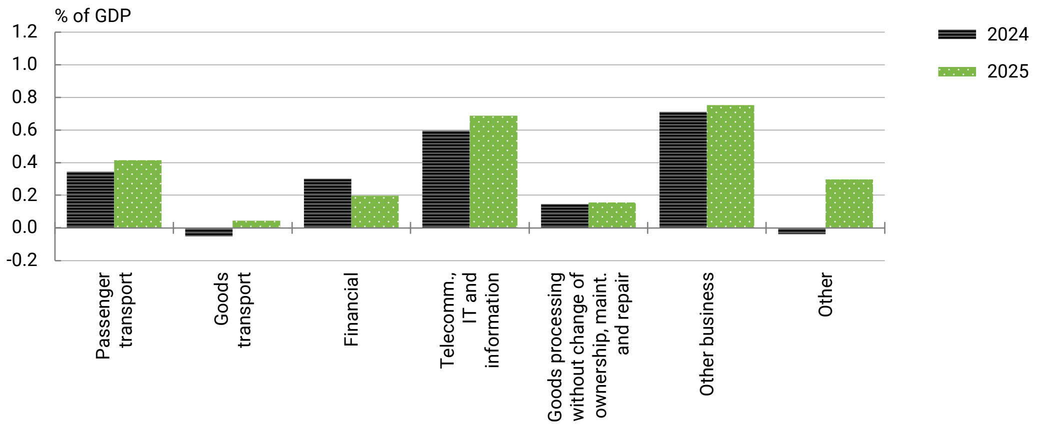
12 The European Central Bank lowered its key interest rates significantly in 2025, following the sharp increases that began in 2022 Q3. The interest rate on the Eurosystem's main refinancing operations (MRO), which had reached 3.15% in December 2024, was gradually reduced over the course of the year, ending 2025 at 2.15%.

Chart 3
Services at an all-time high in 2025

3.a Travel credits and debits



3.b Non-travel services balance



SOURCE: Banco de España.

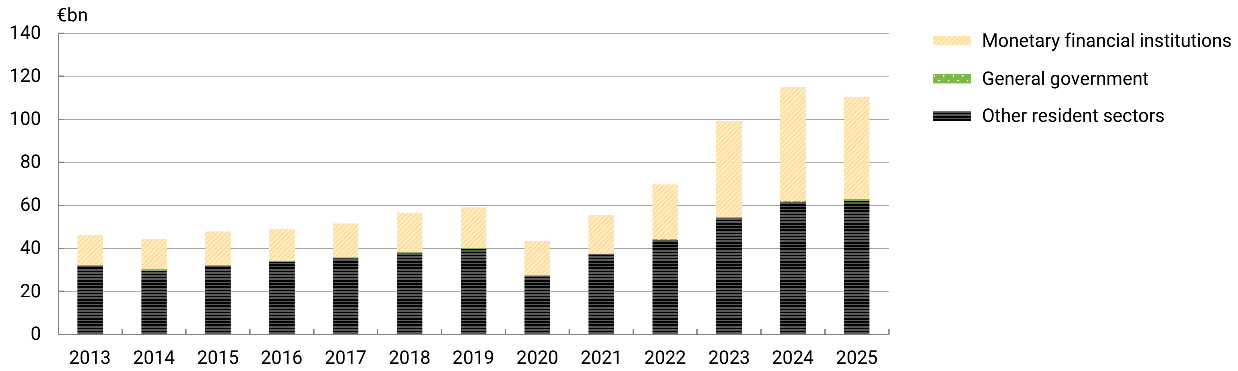
position, whose average balance in 2024 and 2025 was €313 billion. Both positions are remunerated at the MRO rate, whose annual average fell to 2.4% in 2025, from 4.1% in 2024 (a 58% decline). The secondary income deficit[13] stood at 0.8% of GDP in 2025, very close to the 0.7% recorded a year earlier (Table 1). This was mainly due to the increase in Spain's contributions to the European Union (EU) budget,[14] which reached historical highs. However, their impact on the balance as a percentage of GDP was contained by favourable developments in the denominator of the ratio. Meanwhile, workers' remittances from Spain remained at around 0.7% of GDP, up by 7% in nominal terms, with notable growth in

13 Secondary income includes personal transfers, current taxes, social security contributions and benefits, transfers relating to insurance transactions, current international cooperation and other miscellaneous items, in addition to transfers related to the EU.

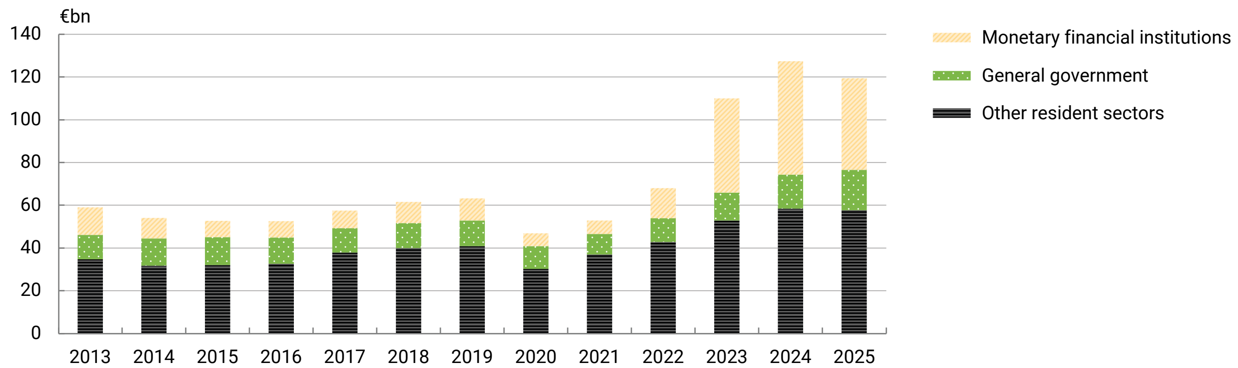
14 Contributions to the EU common budget are mandatory payments by each Member State, set in accordance with Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom. Some of these contributions are calculated on the basis of value added tax (VAT) revenue, gross national income or non-recycled plastic packaging waste. Taken together, these three contributions, which are recorded as payments under secondary income, increased by 22% in 2025.

Chart 4
Investment income credits and debits declined in 2025

4.a Investment income credits



4.b Investment income debits



SOURCE: Banco de España.

remittances to Latin American countries (especially the Dominican Republic and Paraguay) and African countries (especially Senegal).[15]

The capital account surplus stood at 1.0% of GDP in 2025 (Table 1 and Chart 2.b), very close to the 1.1% recorded in 2024. Investment grants received from the EU declined by 4% overall. This reflected a significant fall in so-called “traditional funds”, concentrated in rural development funds, which was largely offset by the increase in receipts from NextGenerationEU (NGEU) funds.[16] Meanwhile, the balance of acquisitions/disposals of non-produced non-financial assets remained at 0.1% of GDP, despite falling by 4% in nominal terms. This was due to payments increasing by more than receipts, due in both cases to developments in purchases and sales of carbon dioxide (CO_2) emission allowances, which increased in 2025 by 11% and 31%,[17] respectively.[18]

15 The most recent data for the main counterparty countries can be found in the interactive infographic on workers’ remittances.

16 Banco de España (2022).

17 In the case of payments, the data correspond to ECIS survey responses from electricity and air transport companies under “Acquisition of non-produced non-financial assets”, where these transactions are included.

18 In 2025, the average price of CO_2 emission allowances increased compared with 2024 and approached the historical highs recorded in 2023.

3 Developments in trade in goods and services by geographical area in a year of tariff changes

The trade tensions recorded in 2025, associated with the US Administration's trade policy measures,[19] affected Spain's trade with the United States and other countries. This section describes developments in trade in goods and services by geographical area. Box 1 also provides a brief descriptive analysis of Spain's direct exposure to the US economy in 2025, as reflected in the main components of Spain's net lending/net borrowing position vis-à-vis that country.

Spain's goods balance deteriorated more as a percentage of GDP than that of the euro area as a whole (according to ECB data, the aggregate euro area goods balance showed a stable surplus of around 2.3% of GDP in both 2024 and 2025).[20] As Table 3 shows, the increase in Spain's trade deficit in 2025 was mainly driven by a decline in its surplus with EU countries, particularly with the euro area.[21] This lower surplus vis-à-vis the euro area occurred despite a slight increase in exports (0.3%) – reflecting the sluggish performance of Spain's main trading partners in the area – and was more than offset by a rise in imports (6%).

The goods trade deficit with non-EU countries widened mainly owing to the larger trade imbalance with China – primarily due to a rise in imports (by 12%), coupled with a fall in exports (by 2%) – and the United States, with an increase in imports by 8% year-on-year and a decline in exports by 4%, reflecting the tariffs imposed by that country. By contrast, the deficits with the Organization of the Petroleum Exporting Countries (OPEC) and Africa narrowed, and the surplus with the United Kingdom widened.

The deficit with South America – particularly the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) –[22] also narrowed, albeit to a lesser extent. The EU recently signed an association agreement[23] with Mercosur, introducing liberalisation measures such as tariff reductions for trade in goods and the removal of barriers to trade in services.[24] In 2025, the goods deficit with Mercosur stood at 0.3% of GDP (with exports accounting for 0.3% of GDP and imports for 0.6% of GDP).[25]

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19 After months of tariff tensions, a trade agreement was signed between the United States and the EU in July 2025, with the aim of restoring stability and predictability in trade and investment. The agreement, which is being implemented, established, among other measures, a 15% tariff ceiling for most EU exports, including strategic sectors such as the automotive, pharmaceutical and semiconductor sectors.

20 See data published on the ECB website.

21 The surplus reduction was particularly notable in the case of Italy (with exports falling by 3% and imports increasing by 8%), France (with exports falling by 1% and imports increasing by 4%) and Germany (with exports increasing by 1% and imports increasing by 5%).

22 Specifically, the deficit with the area narrowed in 2025 by €762 million, owing to the increase in exports (7%) and the decline in imports (5%).

23 See https://comercio.gob.es/PoliticaComercialUE/AcuerdosComerciales/Paginas/Mercosur.aspx and, for further details, Campos, Timini, Viani and Vidal (2026).

24 Spain's total trade in goods and services with Mercosur, measured as exports plus imports, accounted for 1.2% of GDP in 2025 (of which 0.5% corresponded to exports and 0.7% to imports). The main trading partner was Brazil (68% of total trade with the area), followed by Argentina (23%), Uruguay (7%) and Paraguay (2%).

25 By type of product, goods trade with Mercosur mainly included chemicals (pharmaceuticals, perfume products and others), machinery and transport equipment (motor vehicle parts and components), other miscellaneous manufactures, and oil and related products. Imports were mainly oil and related products, animal feed, foodstuffs (coffee, crustaceans, maize and fruit) and commodities (copper, seeds and vegetable oils). For further information, see Ministry of Industry, Trade and Tourism (2026b).

Table 3
Goods and services balance by region

€bn

	Goods			Services		
	2024	2025	Change 25-24	2024	2025	Change 25-24
Total	**-33.9**	**-49.0**	**-15.1**	**100.2**	**113.5**	**13.3**
EU27	35.2	25.5	-9.7	49.5	55.7	6.2
Euro area	38.9	29.1	-9.8	42.0	47.5	5.5
Germany	-9.0	-11.0	-2.1	13.3	13.2	-0.1
Belgium	1.9	0.8	-1.0	4.3	4.4	0.1
Netherlands	-5.0	-5.9	-1.0	6.5	8.6	2.1
France	21.5	19.3	-2.2	9.3	11.0	1.7
Italy	4.2	0.6	-3.6	1.7	1.8	0.1
Portugal	16.4	18.3	1.9	0.4	1.0	0.6
Extra-EU27	-69.1	-74.5	-5.4	50.8	57.8	7.1
United Kingdom	14.0	14.7	0.7	19.3	20.6	1.3
America	-11.9	-14.5	-2.6	21.1	23.6	2.5
North and Central America	-5.0	-8.2	-3.2	15.5	16.7	1.2
United States	-10.9	-13.6	-2.7	10.6	12.0	1.4
South America	-6.9	-6.3	0.5	5.6	6.9	1.3
Mercosur	-5.9	-5.1	0.8	2.3	2.7	0.4
Africa	-14.1	-11.7	2.4	0.9	1.3	0.5
Asia	-55.9	-63.5	-7.5	1.2	3.2	2.0
China	-35.8	-41.1	-5.3	-0.6	0.0	0.6
OPEC	-16.6	-12.0	4.7	3.0	4.3	1.3

SOURCE: Banco de España.

As regards trade in services, in 2025 the surplus with EU countries and, in particular, with the euro area, increased, with a notable improvement vis-à-vis the Netherlands and France. The surplus with non-EU countries also rose, especially with Asia (reflecting a reduction in the deficit with China), the United States, the United Kingdom and the OPEC countries. The surplus with South American countries improved as well, most notably with Mercosur countries. In this case, the services balance vis-à-vis that area recorded a surplus of 0.2% of GDP in 2025 (0.1% of GDP from travel services and 0.1% from non-travel services).[26]

4 The international investment position, financial flows with the rest of the world and gross external debt

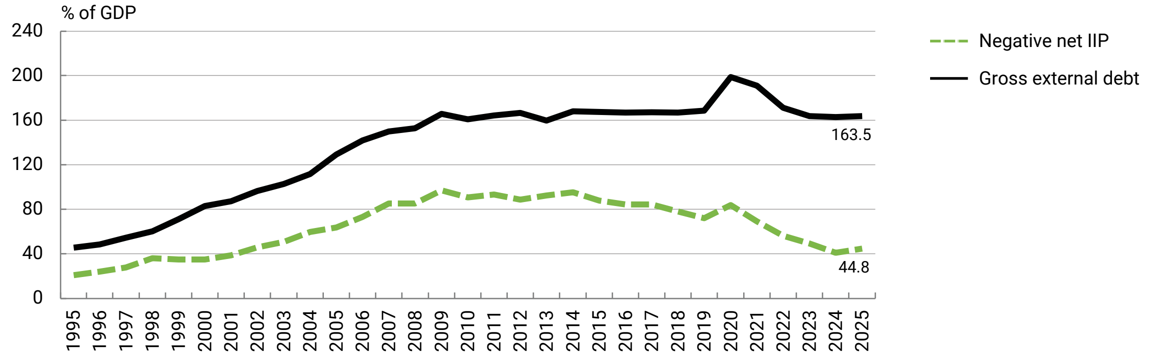
In 2025 Spain's negative net IIP stood at one of its lowest levels since 2002 (a net external indebtedness level of -44.8% of GDP), despite increasing slightly (by 3.8 pp) compared with the

26 The most significant services exports were transport services, telecommunications, computer and information services, and business services; services imports mainly comprised business services, telecommunications, computer and information services, and insurance and pension services.

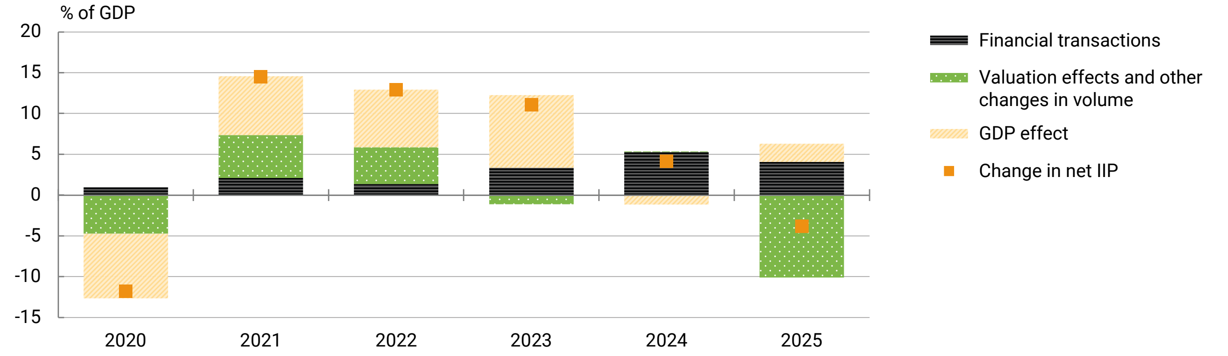
Chart 5

Gross external debt and net IIP

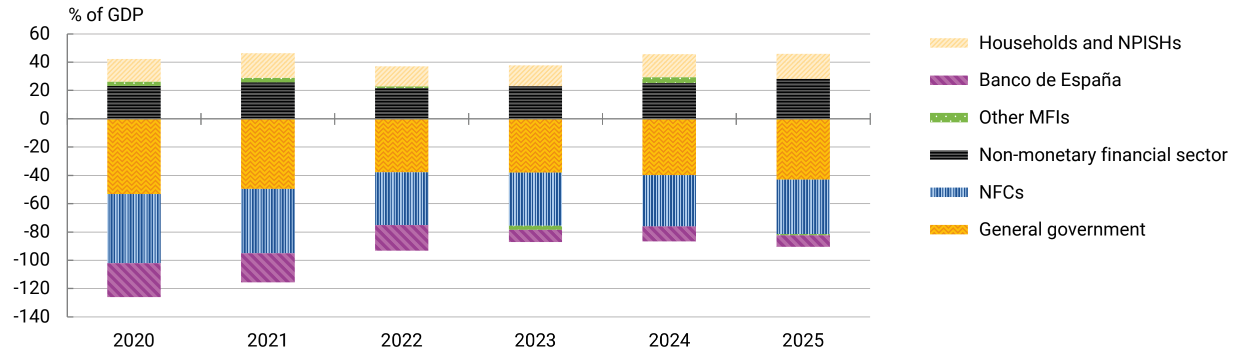
5.a Gross external debt and negative net IIP (a) (b)



5.b Change in net IIP by component (b)



5.c Net IIP by institutional sector



SOURCE: Banco de España.

a External debt comprises all liabilities that entail a future payment obligation for principal, interest or both (i.e. all financial instruments, except for equities, financial derivatives and monetary gold ingots).
b The net IIP is the difference between the value of foreign assets held by residents and that of liabilities to the rest of the world.

previous year (Chart 5.a). This represents a substantial reduction relative to 2015 and is even below the pre-global financial crisis average (1995-2009).

Nevertheless, this debtor position remains high compared with other European countries. It also remains above the alert threshold of the macroeconomic imbalance procedure, set by the

European Commission[27] at -35% of GDP. However, the balance is now relatively close to that threshold, especially considering that Spain's negative net IIP reached as much as -97.2% of GDP in 2009, as illustrated in Box 2 of the 2024 statistical note.[28]

From a sectoral perspective, the cumulative correction in the negative net IIP between its 2009 peak and 2025 was mainly driven by developments in the financial sector; by functional category, it was driven by portfolio investment; and, in terms of the origin of the flows, it was driven by the travel surplus accumulated over those years.

Valuation effects and other changes in volume made a negative contribution of 10 pp to the year-on-year change in 2025 (Chart 5.b and Table 4). This was partly offset by nominal GDP growth, which contributed 4 pp to reducing the ratio (following nominal growth of 6% in 2025), and by positive net financial transactions, which made a similar contribution.

By institutional sector, the non-monetary financial sector[29] had a net creditor position (28% of GDP, representing an increase of 3 pp on 2024) (Chart 5.c). By contrast, monetary financial institutions (MFIs), excluding the Banco de España, went from a creditor position in 2024 (4.2% of GDP) to a debtor position in 2025 (-1.0% of GDP), mainly as a result of the increase in deposit liabilities. General government increased its net debtor position to -43% of GDP, up 2.6 pp on 2024. This was largely due to non-residents' acquisitions of Spanish government debt securities, the amount of which was among the highest recorded in the last decade.

The Banco de España maintained a debtor position of -8.1% of GDP in 2025, 3.1 pp lower than in the previous year. As in recent years, this position has followed a downward trend since the highs reached in 2020 and mainly reflects the TARGET position.

Meanwhile, the non-financial private sector increased its debtor position (-20.8% of GDP, 0.9 pp lower than in the previous year). This aggregate is the result of combining the negative net IIP of non-financial corporations (-38.4% of GDP, 2.3 pp lower than in the previous year) and the net creditor position of households and non-profit institutions (17.6% of GDP, 1.4 pp higher than in the previous year).[30]

Excluding the Banco de España,[31] the net financial account balance remained positive in 2025 at 2.3% of GDP (Table 2), 5.3 pp lower than a year earlier.

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27 This procedure is based on a scoreboard of 14 indicators with alerts triggered when certain thresholds are exceeded. One of these indicators is the net IIP as a percentage of GDP.

28 https://www.bde.es/f/webbe/SES/Secciones/Publicaciones/InformesBoletinesRevistas/BoletinEconomico/25/T3/Files/be2503-art05e.pdf

29 The non-monetary financial sector comprises financial institutions that cannot issue deposits or money market fund shares. This sub-sector includes pension funds, insurance companies, collective investment undertakings (excluding money market funds), other financial intermediaries and financial auxiliaries and captive financial institutions and money lenders.

30 More detailed information is available at https://app.bde.es/bie_www/bie_wwwias/xml/Arranque.html?Idioma=en

31 Since the start of the Economic and Monetary Union in 1999, the financial account of the Banco de España must largely be considered an accommodative item as, in addition to reserve holdings, it also includes the net position of the Banco de España vis-à-vis the Eurosystem. In consequence, to facilitate economic analysis, the Banco de España's financial account is separated from that of the other resident sectors. For more details see Banco de España (2015).

Table 4

Integrated international investment position. Breakdown of the change in balance between transactions and other flows (a)

€bn

	2024	2025				
	End-period position	Transactions in the period	Change in prices	Exchange rate fluctuations	Other changes in volume	End-period position
Total net position (assets - liabilities)	-652.9	68.1	-108.0	-63.3	0.8	-755.3
As a % of GDP	***-41.0***					***-44.8***
Excluding the Banco de España	-482.8	38.8	-118.8	-56.7	0.8	-618.6
Direct investment	-196.4	16.0	-14.2	-33.5	-0.8	-228.8
Portfolio investment	-360.4	31.2	-103.1	-13.4	-1.3	-447.0
Other investment (b)	71.4	-12.0	0.0	-9.8	3.1	52.7
Financial derivatives	2.6	3.6	-1.5	0.0	-0.2	4.5
Banco de España	-170.1	29.2	10.8	-6.6	0.0	-136.7
Of which, net position vis-à-vis the Eurosystem	-242.5	45.2	0.0	0.0	0.0	-197.4
Assets excluding the Banco de España (c)	3,244.8	301.9	74.5	-92.7	3.7	3,532.3
Direct investment	968.0	41.3	26.1	-38.4	1.1	998.0
Portfolio investment	1,016.1	153.6	54.5	-23.0	0.0	1,201.2
Other investment	731.5	98.4	0.0	-23.6	2.8	809.1
Liabilities excluding the Banco de España (c)	3,897.8	233.9	182.5	-29.4	2.9	4,287.6
Direct investment	1,164.4	25.3	40.2	-4.9	1.9	1,226.8
Portfolio investment	1,376.6	122.3	157.6	-9.6	1.3	1,648.2
Other investment	660.0	110.4	0.0	-13.8	-0.4	756.3
Memorandum item:						
Gross external debt	2,596.5	195.5	-5.8	-29.4	1.7	2,758.5
As a % of GDP	***162.9***					***163.5***

SOURCES: Banco de España and Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de la Administración Tributaria.

a Other flows include revaluations (due to changes in prices of financial instruments or exchange rates) and other changes in volume (including unilateral loan write-offs, reclassifications and statistical discrepancies between the international investment position and the financial account of the balance of payments).
b Mainly includes loans, repos and deposits.
c Excluding financial derivatives. Following international methodological recommendations and in view of the difficulty of correctly allocating this heading, especially its transactions, to assets or liabilities, it is shown only in net terms in the upper part of the table.

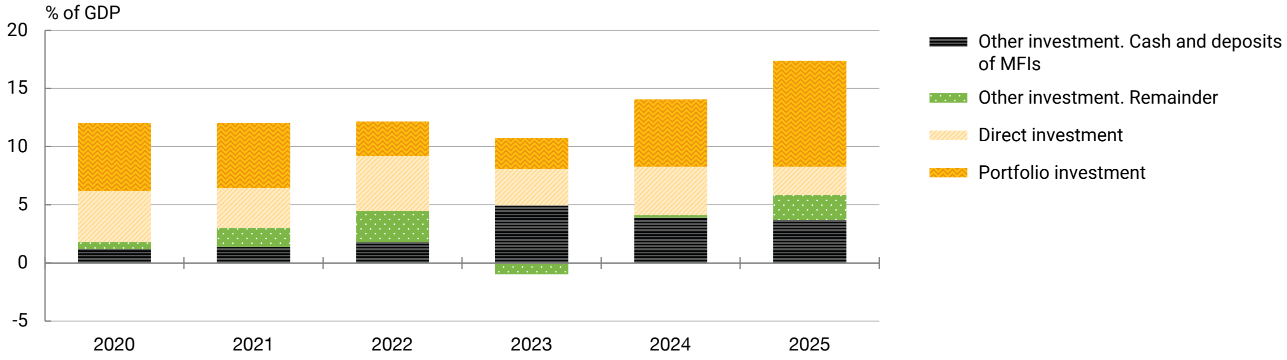
On the assets side, in keeping with the pattern of recent years, net outward investment by resident agents was positive under all headings (Chart 6.a). Most outward funds were channelled into portfolio investment (9.1% of GDP, compared with 5.9% in 2024), especially acquisitions of (mainly long-term) debt securities and investment fund shares/units.

In the case of debt securities, acquisitions by the financial sector again predominated, especially those by collective investment undertakings and, in the case of securities issued by euro area countries, by other MFIs. Households were the main investors in investment fund shares/units, most of which were issued by Luxembourg.

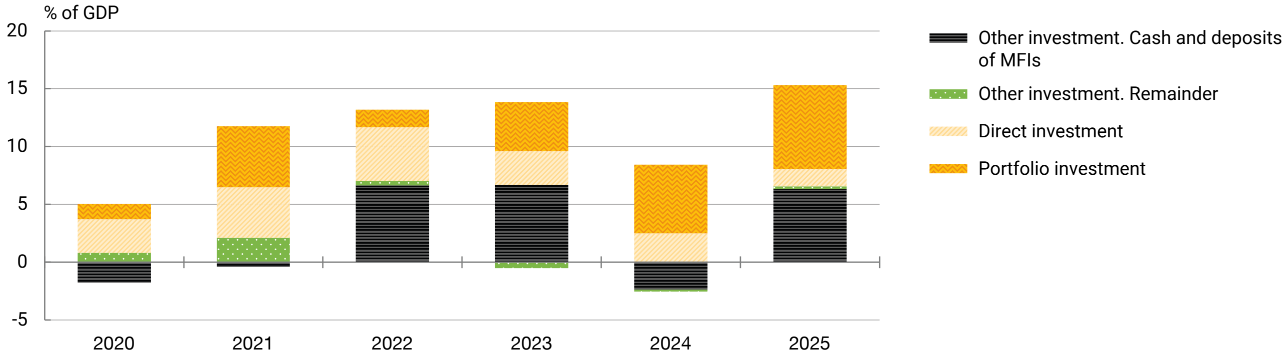
Net asset transactions in other investment were positive and higher than a year earlier (5.9% of GDP, compared with 4% in 2024), concentrated in deposits by other MFIs. In direct investment, the net change in assets was lower than in the previous year (2.5% of GDP, compared with 4.1% in 2024).

Chart 6
Net capital outflows in 2025

6.a Net change in assets in the financial account, excluding the Banco de España and financial derivatives



6.b Net change in liabilities in the financial account, excluding the Banco de España and financial derivatives



SOURCE: Banco de España.

On the liabilities side, net capital inflows in 2025 were also positive. Other investment recorded capital inflows of 6.6% of GDP (compared with -2.2% in 2024), mainly in the form of deposits with other MFIs (Chart 6.b). Portfolio investment inflows were higher than in the previous year (7.3% of GDP, up 1.3 pp), mainly owing to non-residents' acquisitions of long-term Spanish government debt securities. Direct investment net inflows were below 2024 levels (1.5% of GDP, 1 pp lower than in 2024), materialising, as usual, in the form of purchases of shares and other equity in the non-financial private sector.

In 2025 Spain's gross external debt[32] as a percentage of GDP stood at 163.5%, 0.6 pp up on the previous year, as external debt grew slightly more than GDP (Chart 5.a). From a medium-term perspective, however, this variable has remained remarkably stable since 2009, excluding the disruptions caused by the pandemic.

32 Gross external debt comprises all of a country's liabilities to the rest of the world that entail a future payment obligation. It therefore excludes equities (shares and other equity and investment fund shares or units), financial derivatives and gold bullion. The Banco de España's liabilities to the Eurosystem are included in this category, even though they have no explicit maturity.

In nominal terms, gross external debt increased by €162 billion, to €2,758 billion. This was due to an increase in financial transactions (by €195.5 billion) which was partially offset by price declines owing to interest rate developments (€5.8 billion) and a negative revaluation arising from the exchange rate effect (€29.4 billion). A large share of debt liabilities were issued by general government (29%) and the Banco de España (21%), followed by those linked to direct investment (12%). Additionally, most debt instruments are long-term, fixed-interest and euro-denominated debt. All this reduces refinancing, interest rate and exchange rate risks.

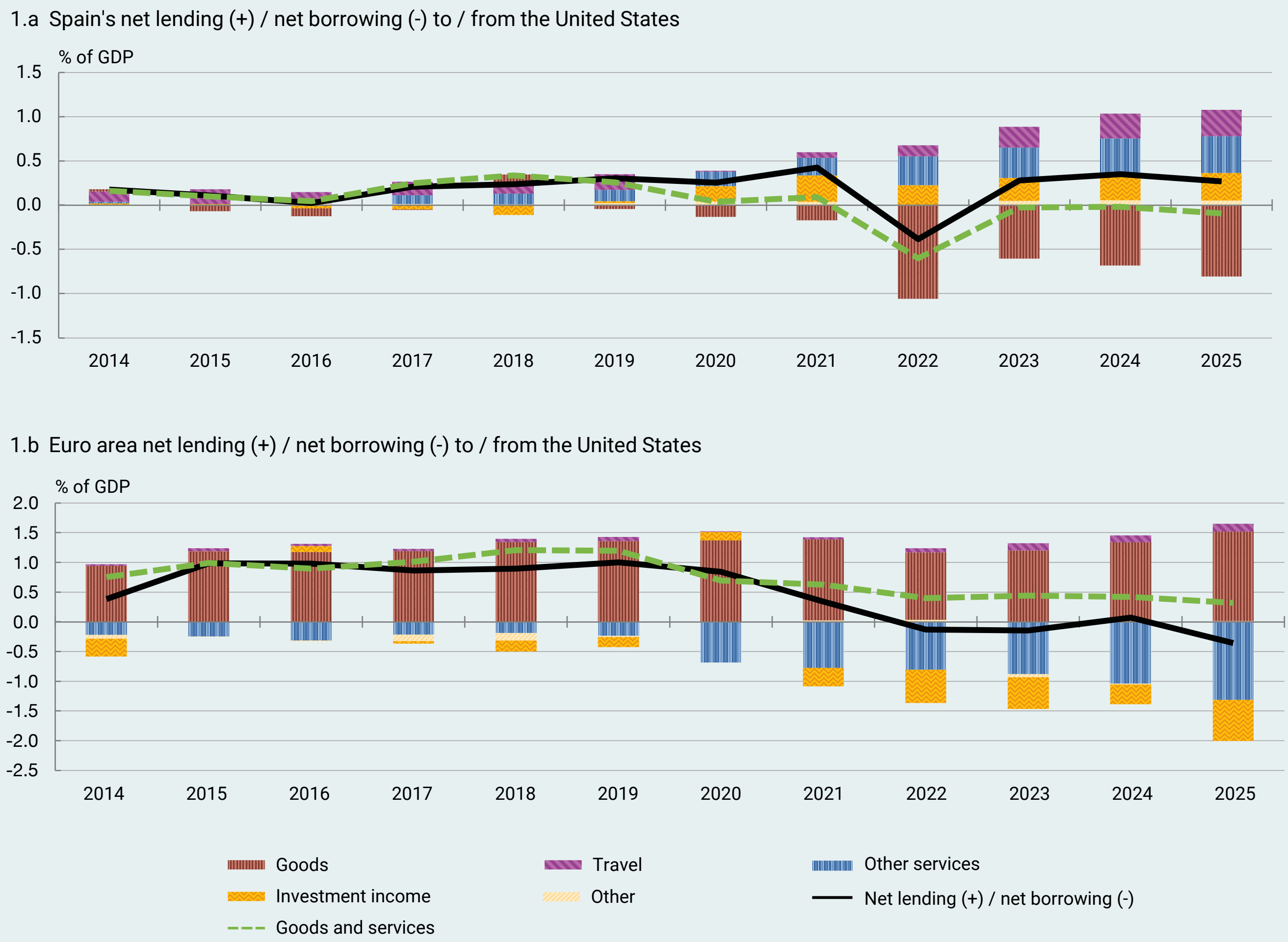
Box 1

THE CURRENT AND CAPITAL ACCOUNT BALANCE AND THE INTERNATIONAL INVESTMENT POSITION VIS-À-VIS THE UNITED STATES

Chart 1 shows Spain's net lending position vis-à-vis the United States as a percentage of gross domestic product (GDP), broken down by components. This has become a matter of particular interest in light of the trade tensions in 2025 stemming from the measures announced by the new US Administration.[1] As can be seen, between 2014 and 2019 there was a surplus in goods and services trade, which narrowed between 2020 and 2021 in a context marked by the pandemic and global supply chain disruptions. In 2022, as a result of the outbreak of the war in Ukraine, the balance began to show a significant deficit, which gradually narrowed up to 2024.

In 2025 there was a slight increase in the goods and services trade deficit, standing at 0.1% of GDP (€1,616 million), driven by the goods trade deficit (0.8% of GDP). Specifically, exports fell by 4%, most notably fuels and lubricants (oil and petroleum products), vegetable oils and fats, and miscellaneous manufactured articles.[2] Meanwhile, imports rose by 8%, especially fuels and

Chart 1
Net lending (+) / net borrowing (-) to / from the United States. Spain and the euro area



SOURCES: Banco de España and ECB.

1 In connection with this issue, see also Álvarez de Pedro, García Esteban, Gómez Rubio and Jiménez García (2025).

2 Ministry of the Economy, Trade and Business (2026b).

lubricants (chiefly natural gas), food products (maize, fruit and nuts) and chemical products (medicines).[3]

In contrast to goods, services recorded a surplus (0.7% of GDP, comprising 0.4% in other services and 0.3% in travel services).

Spain's bilateral goods deficit and services surplus contrast with the situation for the euro area, whose trade flows with the United States show a substantial and persistent surplus in goods and a deficit in services that has grown significantly in recent years. Taken together with the investment income surplus, this puts Spain's net lending position vis-à-vis the United States in 2025 at 0.3% of GDP (compared with 0.4% for the euro area as a whole).

Spain's net international investment position (excluding the Banco de España) with the United States is negative and has declined in recent years, shrinking to -3.5% of GDP in 2025 from -6.7% in 2019.[4] By functional category, portfolio investment and direct investment have posted negative net positions, while other investment has a positive net position.

Financial assets vis-à-vis the United States accounted for 11% of the total, with similar shares across the different functional categories. On the liabilities side, the United States represented 8% of the total. Among these liabilities, portfolio investment was particularly notable, with the United States accounting for 12% of the overall amount (€203.3 billion) according to estimates based on mirror data, followed by direct investment, at €153.5 billion in 2025, 13% of liabilities in this functional category.

3 Ibid.

4 For portfolio investment liabilities, rather than using the immediate counterparty the data are calculated based on the information reported by the United States as ultimate holder of the Spanish securities, drawing on the International Monetary Fund's Coordinated Portfolio Investment Survey. Further, the December 2025 data are calculated using the Treasury International Capital system of the US Department of the Treasury. For direct investment, the concept of ultimate investing economy has been used.

Box 2

FOREIGN DIRECT INVESTMENT IN THE TECHNOLOGY SECTOR: DEVELOPMENTS AND MAIN COMPONENTS

Direct investment is a functional category of the balance of payments and the international investment position that is broken down by economic activity, in accordance with the recommendations of the methodological manuals in force internationally and the mandatory requirements laid down in European regulations. This information makes it possible to analyse not only the scale of investment flows and positions, but also their relationship with the economy's productive structure. Productive activities related to the technology sector can be identified and classified according to their inherent degree of technology intensity, following the methodology developed by the Organisation for Economic Co-operation and Development (OECD).[1]

The main categories referred to in this methodology, and the sectors they comprise, are summarised in Table 1.

Chart 1 shows recent developments in foreign direct investment (FDI) in Spain's technology sector, identifying its main components and growth patterns, as well as its contribution to direct investment as a whole.

FDI in the technology sector grew steadily between 2013 and 2025, with growth concentrated in medium-high-technology manufacturing and high-technology services. Over this period, the total position rose from close to €75 billion at the start of the period to more than €160 billion in the final year. After particularly strong growth between 2016 and 2022, a slight correction was observed in 2023, followed by a recovery that brought the technology sector's share to around 13% of total FDI in 2025. It should be noted, however, that these developments also include significant round-tripping investment (i.e. investment flows that return to the economy via intermediary structures located abroad) in high-technology services, as discussed in greater detail below.

The number of agents involved in these activities almost doubled between 2013 and 2025, rising from approximately 600 to 1,200 firms. Net entries remained relatively stable over the period 2016-20, averaging around 50 firms per year. The highest number of entries into the sector was recorded in 2021, with around 250 new entrants, although most contributed relatively small amounts. In subsequent years, the pace of new entries slowed, resulting in the aforementioned total number of active agents in 2025.

In this respect, evidence based on direct investment microdata shows that growth in the number of investing firms may coexist with a high concentration of the investment stock in a small fraction of companies and with limited diversification of investment at firm level. The increase in the number of agents should therefore be

Table 1
Activities related to the technology sector according to the OECD

Category	Area	Main activities
High technology	Manufacturing	Manufacture of basic pharmaceutical products and pharmaceutical preparations; computer, electronic and optical products; aerospace; related machinery
Medium-high technology	Manufacturing	Manufacture of chemicals and chemical products; manufacture of electrical equipment; machinery and equipment not elsewhere classified; motor vehicles and other transport equipment; medical and dental instruments and supplies
High technology	Services	Audiovisual services; telecommunications; computer programming and consultancy; R&D

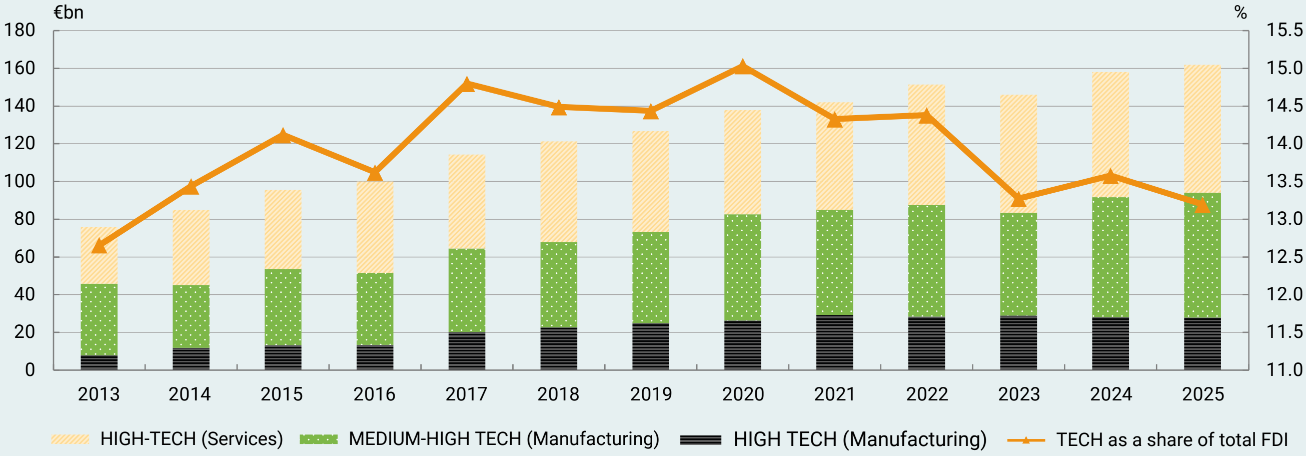
SOURCE: OECD.

1 The OECD classifies sectors and products by their technology intensity, using research and development (R&D) intensity as the main criteria. This makes it possible to distinguish between high- and medium-high-technology activities in the manufacturing sector, and identify high-technology services. For more methodological details, see Hatzichronoglou (1997). https://www.oecd.org/en/publications/revision-of-the-high-technology-sector-and-product-classification_134337307632.html

interpreted with caution from the standpoint of its aggregate economic impact, especially given that a significant share of new entrants is associated with relatively small investment amounts.[2]

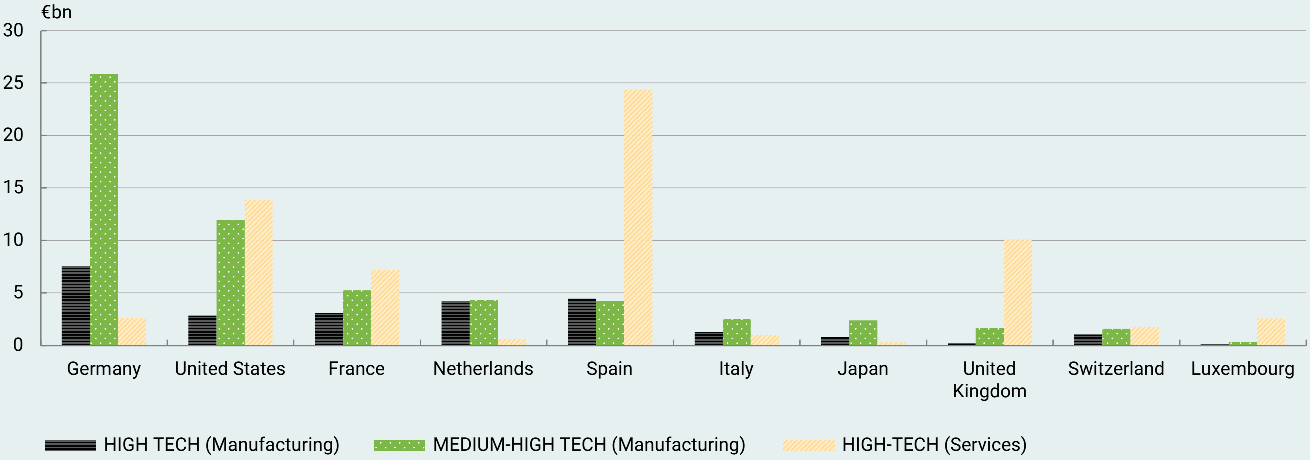
FDI data are usually presented by immediate investing economy, although dissemination by ultimate investing economy is also being considered. The latter approach helps improve the interpretation of statistics by identifying

Chart 1
FDI in Spain (2013-2025). Technology sector in Spain



SOURCE: Banco de España.

Chart 2
Economies with the strongest investment position in Spain in 2025. By ultimate origin of capital (ultimate investing economy)



SOURCE: Banco de España.

2 For more information, see Esther López Espinosa and César Martín Machuca. (2026). "Box 5 - Spanish firms' investment in Latin America: What the microdata reveal". *Report on the Latin American Economy. First half of 2026*, Banco de España. https://doi.org/10.53479/43002

Box 2

FOREIGN DIRECT INVESTMENT IN THE TECHNOLOGY SECTOR: DEVELOPMENTS AND MAIN COMPONENTS (cont'd)

the ultimate origin of capital when investment is channelled through third countries. It also allows for a more accurate analysis of international production chains and of phenomena such as round tripping, thereby adding value to external sector analysis. Round tripping occurs when domestic funds leave the country and subsequently return in the form of foreign investment, usually through intermediate entities located in other jurisdictions. In such cases, statistics record the investment as being made by an immediate counterparty abroad, even though the ultimate investor is resident in the recipient country itself.

Chart 2 shows the ten largest direct investment positions in Spain in 2025, by ultimate investing economy and technology-related activity.

The "Spain" category warrants separate analysis. Round-tripping is especially prominent in high-technology services, as evidenced by the high volume of investment channelled through third countries for which Spain itself is the ultimate origin.

Germany, meanwhile, stands out in medium-high-technology manufacturing, where it records the largest investment position among the economies analysed. The United States has a more balanced structure, combining a sizeable position in high-technology services with a significant volume of investment in medium-high-technology manufacturing. The United Kingdom specialises mainly in high-technology services, with a much more limited presence in manufacturing activities.

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ISSN 2530-7495 (online edition)