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COUNTRY DOSSIER

Spain

January 2024

Country Dossier – Spain

Spain is India's 16th largest foreign investor, with over 260 Spanish companies having subsidiaries, joint ventures, branches, or representative offices in India. Close to 82 Indian companies have a presence in Spain. Prime Minister Narendra Modi has sought more investments from Spain in India's infrastructure projects and defence manufacturing as he met his Spanish counterpart Pedro Sanchez on the sidelines of the G20 summit. The two leaders welcomed the growing bilateral trade and investment linkages, including the big ticket project involving 56 C295 aircraft from Airbus Spain, most of which will be 'Made in India' in collaboration with Tata Advanced Systems. Other sectors of interest between the two countries include green hydrogen and renewable energy.

Sectoral Synergies

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Green Energy

- Spain's Acciona Energia reached a three-year deal with India's Waaree Energies to supply an additional 1.5 gigawatts (GW) of solar PV modules for projects in the U.S. Waaree will provide its N-type TOPCON modules for projects being developed by Acciona in the U.S. from 2024 to 2026. Spain is keen to expand its presence in renewables, especially offshore wind and solar energy.

Auto Components

- Spanish bearings maker Fersa Group has entered India through a majority stake purchase in the Mumbai-based Delux Bearings, a manufacturer of bearings and electromechanical components for all machinery and light and heavy commercial vehicles. The Spanish group, headquartered in Zaragoza, specialises in smart mobility solutions and powertrain components for the automotive, wind energy, and industrial sectors. The latest inorganic acquisition is its third over the past seven years to strengthen its global strategy and consolidate its growth. It acquired an Austrian company NKE, in 2016, and PFI, an American company, in February 2022.

Pharma

- Spain plans to invest in bulk drug parks in India to help diversify their active pharmaceutical ingredients (API) supply chains. These drugs are used for manufacturing critical drugs, but 85% of India's supplies come from other countries, especially China. Spain has expressed interest in investments in the Bulk Drug Parks since it is also considering diversifying its API supply chain. India exported over USD 173.26 million of pharmaceutical goods to Spain in FY21, which rose to USD 197.14 million in FY22.

Defence

- Under a USD 2.6 billion contract, the first of the 56 Airbus / EADS CASA C-295 medium, a tactical transport aircraft, were inducted into the Indian Air Force recently. Designed and initially manufactured by the Spanish aerospace company CASA, the project was part of the modernisation plan of the Airforce's transport fleet. Overall, the European plane maker will deliver 16 aircraft in flyaway condition. At the same time, the rest will be assembled in India at a Tata facility in Gujarat's Vadodara by 2025-26 and the remaining 39 by August 2031. The C-295 contract covers performance-based logistics support for five years and the supply of spares across ten operating bases for ten years, including ground support and test equipment and training.

- Spain's state-owned defence giant Navantia plans to bid for an Indian Navy contract to build four amphibious transport vessels, adding to its other bid to develop six submarines. The company will bid for four landing platform dock (LPD) amphibious vessels along with Larsen and Toubro to strengthen its presence in the Indian defence market. Navantia will also seek Indian partners to build wind turbine and renewable energy projects in foreign markets.

Fashion/ Retail

- Spanish multinational retail clothing chain Tempe Grupo Inditex (Zara) is expanding its manufacturing operations to Bengal in partnership with private entities.

Trilegal's historical experience with Spanish companies

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- **Trilegal advised Inabensa** on issues related to the bid and the agreements. Advising on the bids invited by Power Grid for the Western Region Strengthening System (WRSS) Projects "B" and "C".
- **Trilegal advised Grupo Guascor** on investments in its subsidiary in India and on general power sector issues.
- **Trilegal advised Caixa D' Estalvis I Pension De Barcelona (La Caixa)** on civil and criminal proceedings.
- **Trilegal advised Aldesa Construcciones** on bid process, its joint venture agreement and other arrangements with Tata Projects Limited (TPL) for implementing the project, and various other Indian law and tax issues in relation to structuring Aldesa's participation in the project.
- **Trilegal advised T-Solar** on investment in Astonfield's solar power project in Rajasthan.

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