



COUNTRY DOSSIER

Spain

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Country Dossier – Spain

Spain is India's eighth largest trading partner in Europe with which it has had a double taxation avoidance agreement (DTA) since 1993. In the first five months of 2022, Spanish exports to India were €731.9 million and imports from India were €2,466.7 million, which represents a coverage rate of 29.67 per cent. Spain's main exports to India are machinery and mechanical appliances, organic chemical products and fuels and mineral oils. Imports from India, include organic chemical products, foundry, iron, steel and clothing. There are over 250 Spanish in India. India is in the process of getting 16 of the 56 Airbus military aircraft ordered from Spain at a cost of Euro 2.5 billion to replace Indian Air Force's Avro aircraft. The first 16 aircraft will be produced in Seville and the other 40 will be produced by Tata with Spanish assistance. Spain is also hopeful of India considering buying five AIP submarines for its Navy, which is manufactured by Navantia.



G2G initiatives

Spain has evinced interest in participating in India's defence manufacturing sector even as the two countries expressed concern over the humanitarian crisis in Ukraine and called for an immediate cessation of hostilities. In their wide-ranging talks, External Affairs Minister S. Jaishankar and his visiting Spanish counterpart Jose Manuel Albares Bueno reiterated their commitment to closely work in areas including trade, defence, science & technology, innovation and climate change.

Sectoral Synergies

Green Energy



- Siemens Gamesa has secured its first order in India with Azure Power India Private Limited to supply wind turbines for a 346 MW project in Karnataka. Siemens Gamesa has operated in India since 2009, and the base installed by the company has surpassed the 8 GW mark. The company has blade factories at Nellore (Andhra Pradesh), a nacelle factory in Mamandur (Chennai, Tamil Nadu), and an operations and maintenance center in Red Hills (Chennai, Tamil Nadu).
- Eicher Motors Ltd will buy a nearly 10.35% stake in Spanish electric motorcycle maker Stark Future SL for euros 50 million. It will nominate a director to the board of Stark, which currently does not have a facility in India.

Consumer Goods



- Spanish perfume maker Puig, known for brands such as Paco Rabanne, Nina Ricci, and Carolina Herrera has acquired a majority stake in Kama Ayurveda Pvt. Ltd, which sells beauty and personal care products. The two firms declined to comment on the deal size, but in 2019, the perfume firm had invested Rs 1 billion in Kama Ayurveda for a minority stake.

Defence



- India signed an agreement with Spain for the acquisition of 56 Airbus aircraft at a cost of euro 2.5 billion. The first 16 aircraft will be delivered over four years after the contract implementation. All the IAF C295MW aircraft will be handed over in transport configuration and equipped with an indigenous Electronic Warfare Suite.
- India is working closely with Spain to strengthen its naval and air defence capabilities. In line with that India could consider buying five naval submarines from Spain. Spanish state-owned shipbuilding company, Navantia is in the race for the supply of these next generations under the P75(I) project for which it is offering S80 plus the only submarine in the world that has a displacement of 3000 tons.



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