

News Release

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S&P Global Spain Business Outlook

Business sentiment broadly steady in October

Key findings

Activity, profits and investment all set to strengthen in year ahead...

...but companies expect intensification of cost pressures

Firms focus on improving competitive position amid uncertain global outlook

Business sentiment amongst Spanish private sector companies improved marginally in October, with firms signalling better projections for activity, profits and investment in the year ahead. Amid hopes of improving their competitive positions, many companies are expecting to release new products, increase commercial activities and expand into new markets over the coming 12 months.

That said, geopolitical uncertainty and inflation remain notable threats to the outlook. Tariffs and trade barriers, plus rising labour costs, are widely reported as factors driving up operating expenses, especially in the services economy.

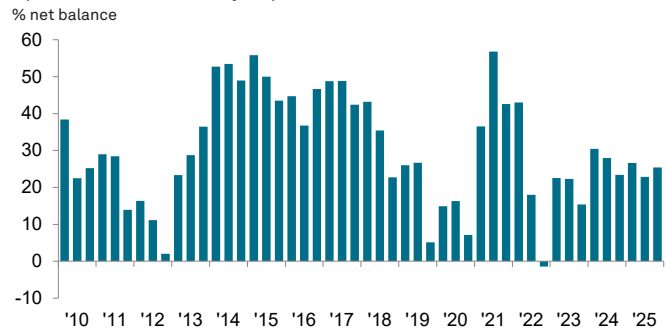
The headline net balance from the survey, which measures firms' expectations for business activity in the year ahead, recorded +25% in October. That was little changed on June's +23% and remained below its trend level albeit still comfortably above the equivalent Eurozone reading of +17%.

Service companies were a little more confident than their manufacturing counterparts in October. The net balance for services was +26%, up from +22% in June. For goods producers, the respective reading was +21%, down from +25%.

When considering the various opportunities for growth in the next year, several themes emerged from the latest anecdotal evidence. Most related to company plans to improve their relative competitive position in respective marketplaces. Examples include planned new product/service releases, raising marketing or making greater use of new digital technologies.

The broader macroeconomic environment remained

Spain Business Activity expectations



Source: S&P Global PMI.

Data were collected 9-28 October 2025.

Comment

Commenting on the Spain Business Outlook survey data, Paul Smith, Economics Director at S&P Global Market Intelligence, said:

"Whilst a little below its typical level, confidence amongst private sector companies remained positive overall in October and reaffirmed Spain's position as a likely engine of wider Eurozone growth in the year ahead. Indeed, activity, profits, employment and investment are all set to rise to greater degrees than typically seen on average across the rest of the single currency area with firms setting themselves up for a positive year ahead by planning to release new products, increase commercial activities and make greater use of digital technologies.

"However, latest data showed that service providers were typically more upbeat than goods producers, and overall, the outlook retains a notable degree of uncertainty, especially when considering ongoing global macroeconomic instability. Most notably this has been linked to trade barriers and tariffs, which are seen as further adding to inflationary pressures in the year ahead. With labour costs also forecast to increase, inflation risks therefore appear skewed to the upside and a threat to economic performance for the coming year."

hard for firms to read. On the one hand, efficiency and competitive improvements should help firms to expand into new markets and raise sales over the coming year. On the other, geopolitical uncertainty, especially in key international markets, raw material shortages and trade barriers are all seen as factors limiting growth. Cost pressures – linked to tariffs and labour expenses – were also noted as threats to the outlook.

Inflation and profits

Non-staff cost inflation is forecast to pick up in the year ahead, with the respective net balance rising to +29% in October from +22% in June. Cost pressures are likely to be more concentrated in the services economy, with the respective net balance hitting a one-year high of +32%. That contrasted to manufacturing where the net balance was little changed at +17%.

Labour costs will remain a key source of cost pressures, as highlighted by the respective net balance rising to +45%, a reading well above its historical average. Again, it is services companies where the stronger inflation is forecast with the net balance of +46% the highest since early 2024.

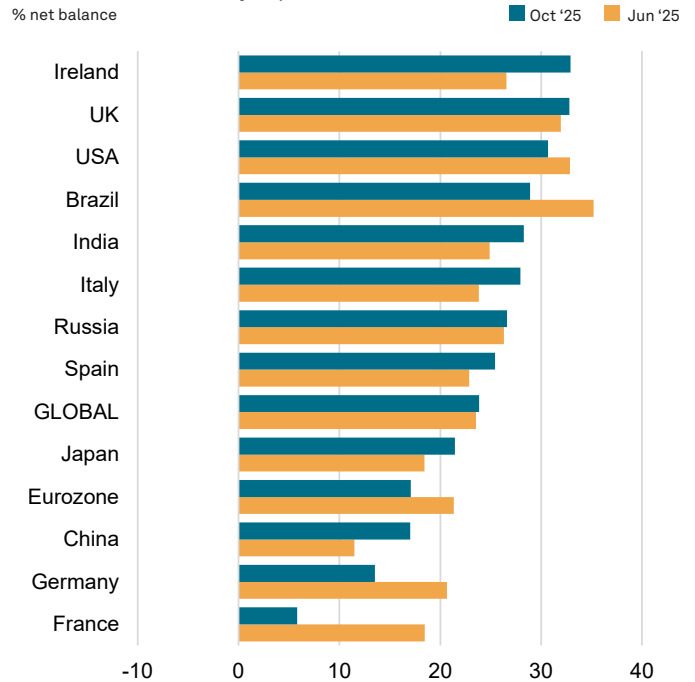
Selling prices are expected to be raised in response to increased operating expenses, with the net balance of +25% a two-year high (June: +21%). That should help to support corporate profitability in the year ahead, with firms on balance forecasting an improvement (+12%). However, growth is again set to be driven by services firms, with the net balance of +13% noticeably higher than in manufacturing (+5%).

Employment and investment

On balance, Spain’s private sector companies are anticipating a rise in employment from present levels in 12 months’ time although there were several reports that a lack of qualified personnel and labour costs in general will limit growth. Nonetheless, the net balance of +10% was positive in the context of the wider Eurozone average (+3%) and, across Europe, only Irish companies are more upbeat when considering future staffing levels. Growth is likely to be led by the services economy, where a net balance of +11% compared favourably to the +2% reading for manufacturing.

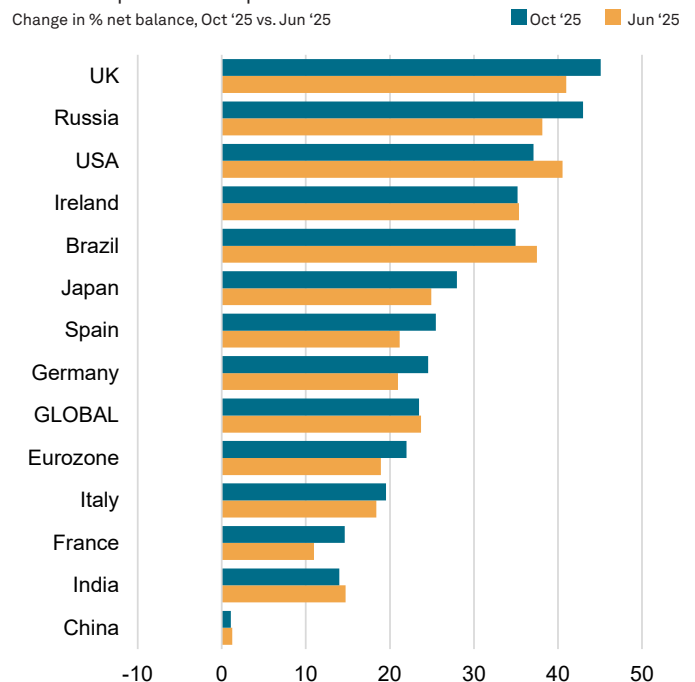
A similar dichotomy was apparent regarding investment plans, with services providers again much more confident than goods producers when considering capital expenditure and R&D spending. For capex, an overall net balance of +17% of firms are expecting to increase spending (joint-highest in the Eurozone) and +11% of companies anticipate growth in R&D (second-highest in the Eurozone). However, when assessed by broad sector, manufacturers forecast little change in either capex or R&D in contrast to much more positive outlooks amongst services companies.

Global Business Activity expectations



Source: S&P Global PMI.

Global Output Prices expectations



Source: S&P Global PMI.

Full data available on request from economics@spglobal.com.

Survey methodology

The Global Business Outlook Survey for worldwide manufacturing and services is produced by S&P Global and is based on a survey of around 12,000 manufacturers and service providers that are asked to give their thoughts on future business conditions. The reports are produced on a tri-annual basis, with data collected in February, June and October.

Interest in the use of economic surveys for predicting turning points in economic cycles is ever increasing and the Business Outlook survey uses an identical methodology across all nations covered. It gives a unique perspective on future business conditions from Global manufacturers and service providers.

The methodology of the Business Outlook survey is identical in all countries that S&P Global operates. This methodology seeks to ensure harmonization of data and is designed to allow direct comparisons of business expectations across different countries. This provides a significant advantage for economic surveillance around the globe and for monitoring the evolution of the manufacturing and services economies by governments and the wider business community.

Data collection is undertaken via the completion of questionnaires three times a year at four-month intervals. A combination of phone, website and email are used, with respondents allowed to select which mechanism they prefer to use.

The Business Outlook survey uses net balances to indicate the degree of future optimism or pessimism for each of the survey variables. These net balances vary between -100 and 100, with a value of 0 signalling a neutral outlook for the coming 12 months. Values above 0 indicate optimism amongst companies regarding the outlook for the coming 12 months while values below 0 indicate pessimism. The net balance figure is calculated by deducting the percentage number of survey respondents expecting a deterioration/decrease in a variable over the next twelve months from the percentage number of survey respondents expecting an improvement/increase.

Questionnaires are sent to a representative panel of around 12,000 manufacturing and services companies spread across the global economy*. Companies are carefully selected to ensure that the survey panel accurately reflects the true structure of each economy in terms of sectoral contribution to GDP, regional distribution and company size. This panel forms the basis for the survey. The current report is based on responses from around 7,700 firms.

** The countries with manufacturing and service sector surveys are Brazil, China, France, Germany, India, Italy, Japan, Russia, Spain, the Republic of Ireland, the UK and the USA. Manufacturing data are collected for the Netherlands, Austria, Greece, Poland and the Czech Republic.*

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