



KAMARAJ IAS ACADEMY
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India – Spain Bilateral Relationship

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Why in the News?

- **Spain's Prime Minister Pedro Sanchez** is reaching Vadodara, Gujarat where he and Prime Minister Narendra Modi will hold **bilateral talks and inaugurate the Final Assembly Line (FAL) plant** of the **C295 medium-lift tactical transport aircraft** for the Indian Air Force.

Historical Ties

- India and Spain established diplomatic relations in **1956**.
- Though limited historical interaction existed prior, **both nations' shared democratic values**, commitment to **global peace**, and **respect for multiculturalism** have formed a **strong foundation for bilateral ties**.
- High-level visits, including by heads of state, have **helped solidify this relationship over the years**.

Bilateral Trade

- Spain is India's **6th largest trade partner** in the European Union.
- **Total Trade (2023): US\$ 8.25 billion**, a 4.2% increase from the previous year.
- **India's Exports to Spain: US\$6.33 billion** (growth of 5.2%).
- **India's Imports from Spain: US\$1.92 billion** (growth of 1.05%).
- **Top Indian Exports:** Mineral fuels, chemical products, iron and steel, electrical machinery, apparel, nuclear reactors, marine products, and articles of iron and steel.
- **Foreign Direct Investment:**
- **Spanish FDI in India:**
- **US\$ 3.94 billion** (April 2000 - December 2023), with **Spain as India's 16th largest investor**.
- Over **280 Spanish companies** in India, focusing on **metallurgical industries, renewable energy, automotive, ceramics, and infrastructure**.
- Major destinations: **Maharashtra, Tamil Nadu, Gujarat, Andhra Pradesh, Karnataka**.
- **Indian FDI in Spain:**
- **~US\$ 900 million**; 80 Indian companies in Spain, primarily in software & IT services, pharmaceuticals, chemicals, and logistics.
- **India is among Spain's top 30 investors globally** and top 5 from Asia.
- **Trade and Economic Cooperation Framework:**
- **India-Spain Joint Commission on Economic Cooperation (JCEC): Established in 1972**; has met 12 times, with the latest meeting in April 2023 in New Delhi.
- **India-Spain CEOs Forum: Established in 2015**; first formal meeting held in May 2017 in Madrid.

Strategic Significance and Cooperation

- The strategic relationship between India and Spain is steadily expanding, encompassing areas like **defense, counter-terrorism, and cybersecurity**:
- **Defense:**
- Spain is a key partner in India's defense modernization, providing expertise in **aerospace and naval technology**.

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- Spanish companies are involved in defense projects, including submarine technology transfer and collaborations for military aircraft.
- **Counter-Terrorism:**
- India and Spain actively cooperate in counter-terrorism and intelligence sharing, recognizing mutual concerns regarding global terrorism.
- **Sustainable Development and Climate Action:**
- Both nations are committed to the **Paris Agreement** and actively collaborate on climate change and sustainable development goals.
- Spain's expertise in renewable energy aligns with India's goal of increasing clean energy sources.

Common Groupings and Multilateral Cooperation

- India and Spain engage collaboratively through several multilateral platforms, including:
- **United Nations:** Both countries work together on issues of global peace, sustainable development, and humanitarian aid.
- **G20:** As members of the G20, India and Spain share a commitment to addressing global economic challenges, trade reforms, and climate action.
- **International Solar Alliance (ISA):** Spain is a member of the **ISA**, aligning with India's initiative to promote **solar energy** and sustainable development.

Indian Diaspora in Spain

- The **Indian community in Spain** is relatively small but has been growing in recent years.
- **Population:** As of 2023, approximately **55,000 Indians** reside in Spain, contributing actively to sectors like **hospitality, retail, IT, and healthcare**.