Spain 2026: dynamism, strength and confidence

The Spanish economy continues to stand out for its dynamism. In addition, behind the strength of the main indicators, there are several factors that point to the consolidation of a solid expansion cycle, which also helps us to understand the confidence that households, businesses and investors are showing.

In Q3 2025, GDP grew by 0.6% in quarter-on-quarter terms and by 2.8% year-on-year. These figures are in line with CaixaBank Research's forecast scenario, which contemplates a growth rate of 2.9% for this year as a whole. There were no surprises. However, these figures stand out when compared with data from the major developed economies, and especially European ones. The euro area as a whole grew by just 0.2% quarter-on-quarter, weighed down by the stagnation in Germany and Italy. This further widens the gap that has opened up between the Spanish and European economies in the post-pandemic recovery. Since 2019, Spain's economy has accumulated a growth of 10.0%, compared to the 6.4% registered in the euro area.

The strength of this growth is evident when observing the breakdown at the sector level. According to the CaixaBank Research Sectoral Indicator, 73% of the sectors show a growth rate higher than their historical average, in contrast with a figure of 41% in 2023 and 36% in 2024. In addition, the dynamism is being driven by two engines that we expect will persist in the medium term. The first of these is investment. In Q3, gross fixed capital formation grew by 1.7% quarter-on-quarter and by 7.6% year-on-year. However, most notable of all is the acceleration in the growth of so-called investment in intangible fixed assets, which recorded growth of 2.4% in the quarter and now lies 40% above the levels of 2019. Under this heading we find investments made by the productive sector in new computer software equipment or databases, and the expenditure on technological innovation projects that generate patents – key elements for consolidating the incipient improvement in productivity. The cycle of interest rate cuts carried out by the ECB and the healthy financial situation of the Spanish corporate sector, combined with the execution of NGEU funds, ought to help keep investment growing vigorously in the coming years.

The second engine that is driving this growth is household consumption, which rose by 1.2% in Q3, or 3.3% in year-on-year terms. With respect to 2019, the cumulative growth is 6.4%. In this case, much of the increase is closely related to population growth. More people mean more consumption. However, consumption per person struggled to pick up after the pandemic, in real terms, and did not recover to 2019 levels until the final quarter of 2024. In Q3 2025 it was 1.7% above that level. In part, it has struggled to recover because households as a whole have maintained a relatively high savings rate in recent years, probably in response to rising uncertainty and interest rates. The evolution of household income has not helped either. Gross disposable income per capita is 5.3% above pre-pandemic levels. However, its growth is supported by an increase in social benefits, which are 9.3% above pre-pandemic levels, and in net property income, which is up 13.5%. In contrast, wage growth has been weaker, and in real terms wages remain around 5% below pre-pandemic levels, with a recovery that remains sluggish. These differences in the evolution of the different sources of income explain the feeling that the recovery is not reaching all pockets. As wages regain purchasing power, and as the savings rate normalises, there is significant scope for consumption to continue to grow. Moreover, population growth is also expected to continue to support the ongoing growth of aggregate consumption.

Finally, there is a great deal of confidence in the Spanish economy. In a context of high international uncertainty, due to geopolitical tensions, the US' tariff hikes and doubts over the ability of several developed economies to adjust their public accounts, the dynamism of household consumption and investment is all the more noteworthy and reflects the confidence among households and businesses that the impact of all these factors will be limited for the Spanish economy. In such a context, a certain slowdown in these items would not have come as any surprise. Also noteworthy is the confidence that international investors continue to show. The risk premium of Spanish debt, favoured by recent improvements in its rating, has not only not increased, but at the close of this report it stands at 51 pbs. This is the lowest level since before the financial crisis, in 2009, and widens the gap versus the risk premium of French or Italian debt.

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