

Spain's Strategic Importance for India

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Abstract

In the past one decade, India's engagements with Spain have been on an upward trajectory. This development is concomitant to India reaching out to countries with which it had minimal interaction hitherto. Spain is one of the leading economies of Europe, is a prominent defence and automobile manufacturer and is among the top countries in the area of renewable energy. Divergent vectors of their respective foreign policies meant that the India-Spain relations have remained at sub-optimal level of development in the last seven decades. However, the two countries are now interacting with each other more and engaging in various areas, prominent among them being defence cooperation. For India, Spain is important as a defence partner as well as a partner in the field of renewable energy. Further, closer ties with Spain enable India to increase its outreach to the Mediterranean Region as well as diversify its ties within Europe. This research is significant from academic, policy and applied perspectives. In India's academic discourse, Spain has received minimal attention. This research is a small step to contribute to awareness about Spain in India. In terms of policy, increased interactions between New Delhi and Madrid allow the former to diversify its engagements in the global arena. In the applied field, Spain is important as India can benefit from stronger trade relations and cooperation in defence and renewable energy. This research uses both quantitative and qualitative methods. Quantitative methods are used for analyzing trade and economic data while qualitative methods (primary and secondary sources) are employed to study the foreign policy engagements of both countries.

Keywords: India, Spain, defence cooperation, renewable energy, Europe, European Union, Mediterranean Region

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Introduction

The year 2026 marks the completion of 70 years of establishment of diplomatic ties between India and Spain. However, for a major part of these seven decades, the relations between the two have remained at sub-optimal level of development. It is only in the past about one decade that India and Spain have started increasing their engagements.

India and Spain established diplomatic relations in 1956. However, in these past seven decades, there have been minimal engagements between the two countries. The overall lack of enthusiasm in the bilateral ties between India and Spain could be attributed broadly to two factors.

The first factor is that India and Spain have followed diverse vectors in their respective foreign policies. In the case of India, its foreign policy was focused on the neighbourhood and wider Asia as well as developing ties with Russia (erstwhile Soviet Union). As regards Spain, its foreign policy was predominantly concentrated on Europe, Africa and Latin America. Further, Spain started growing closer to the United States since the early 1950s. With India's ties with the Soviet Union starting to consolidate during the same period, New Delhi and Madrid found themselves at the two ends of the spectrum in international politics.

The second factor, which stems from the first one, is very few interactions at the highest level – at the level of the Heads of State and Heads of Government of both countries. Although bilateral ties were established in 1956, the first official visit from a Head of State took place only in 1982. Spain's King Juan Carlos 1 visited New Delhi in 1982 as the chief guest at the Republic Day ceremony (Alvear, 2020). It implies that the first engagement at the highest level of both governments started 26 years after the establishment of bilateral relations. In these past seven decades, there have been only 10 such interactions at the level of either Heads of State or Heads of Government. The limited number of such bilateral engagements for a major part of the last 70 years has been one of the principal reasons for the India-Spain ties to be in a developing stage.

However, for the last one decade, there has been steady progress in bilateral engagements. Prime Minister Narendra Modi visited Spain in May 2017. It was the first visit by an Indian prime minister to Spain in 25 years. Following Modi's visit, the leaders of the two countries have regularly interacted at multilateral forums like the G20 in 2018, 2019 and 2021. Reciprocal visit by Spain's President of the Government Pedro Sánchez took place in October 2024 (Ministry of External Affairs, 2024).

Sánchez again visited India in February 2026 to attend the Artificial Intelligence Summit in New Delhi (Press Information Bureau, 2026a), his second visit in 15 months. The increased frequency of interactions at the highest level shows the momentum that the India-Spain relations are gaining. Parallel to the meetings between the Heads of the Governments of the two countries, the foreign ministers of India and Spain have also been engaging regularly. The growing proximity between the two countries indicates the importance that Spain is rapidly gaining in India's foreign policy.

While there are multiple areas for India and Spain to cooperate in, this paper focuses on four major avenues which make Spain important for India: first, defence cooperation; second, renewable energy and climate change; third, closer engagements with Europe and the European Union; and fourth, increasing outreach to the Mediterranean Region.

Defence Cooperation

Defence is becoming one of the major areas of cooperation between India and Spain. The defence sector is one of the essential elements of Spain's industrial base. The defence sector is seen as a valuable contributor to the Spanish economy (Czulda, 2023). Within the defence sector, Spain specializes in the aerospace sub-sector, which places it among the prominent defence manufacturers of Europe.

Spain is one of the largest defence exporters in the world. Spain ranked 10th in terms of global arms exports from 2021 to 2025 (George et al., 2026). Spain's share in the global arms export during this period was 2.3%.

Within defence, aerospace is the critical pillar of not only the Spanish defence industry but also the Spanish economy. The aerospace sector consists of defence, civil aviation and space technologies. The Spanish aerospace industry ranks 4th in Europe in terms of sales and employment (ICEX-Invest in Spain, n.d.). This industry accounted for 16.15 billion euros of sales in 2024, out of which 61% came from defence exports. Spain has a complete value chain in aircraft manufacturing, which few countries in the world have.

Recognizing Spain's advancements in the field of defence technology, India has been steadily building defence ties with Spain. An important milestone in the India-Spain defence relations was reached when India's Tata Advanced Systems Limited (TASL) and Spain's Airbus Defence and Space entered into an agreement in 2021 to jointly manufacture a total of 56 C295 military transport aircraft. Of these 56, 40 are to be manufactured at the facility in Vadodara, Gujarat

while 16 aircraft are to be delivered in fly-away condition from the Airbus Defence and Space manufacturing facility in Seville, Spain. The first such fly-away condition aircraft was delivered to India in 2023.

In October 2024, Prime Minister Narendra Modi and Spain's President of the Government Pedro Sánchez jointly inaugurated the final assembly line of the C295 manufacturing facility in Vadodara (Tiwari, 2024). TASL's collaboration with Airbus Defence and Space resulted in an Indian private company manufacturing defence equipment for the first time. Recently, in June 2026, the first test flight of the first made-in-India C295 aircraft was conducted at Vadodara (News on AIR, 2026).

Apart from the C295 aircraft, Spain has been increasing its presence in other areas of India's defence landscape as well. Spanish defence manufacturer Indra has partnered with TASL to manufacture 3D Air Surveillance Radar, a variant of Indra's Lanza 3D radar (Philip, 2025). Indra has also developed the air traffic control system at the Jewar/Noida International Airport (Indra Group, 2026).

For India, Spain's importance in the defence sector is two-fold. One, Spain allows India to diversify defence imports. India's defence imports are heavily concentrated in a few countries like Russia, France, Israel and the United States. By strengthening relations with Spain, India has more options to import defence equipment and does not have to depend on only a few suppliers. Two, even though India still remains a major arms importer at the global level, ranking second with 8.2% of the total global imports (India's World, 2026), the partnership with Spain is enabling India to push forward joint defence manufacturing. Under the Atmanirbhar Bharat (Self-Reliant India) initiative, India is taking steps towards reducing defence imports and strengthening domestic defence manufacturing. The joint manufacture of C295 military transport aircraft in partnership with Spain is an important step in this direction.

Renewable Energy

Spain is one of the leading countries in the world in area of renewable energy and is addressing the challenge posed by climate change. Spain's approach to renewable energy and climate change is guided by a policy document *España 2050: Fundamentos y Propuestas para Una Estrategia Nacional de Largo Plazo* (Spain 2050: Foundations and Proposals for a Long-Term National Strategy) released by the Spanish government in 2021 (Oficina Nacional de Prospectiva y Estrategia del Gobierno de España, 2021).

This document specifies the climate and renewable energy objectives that Spain has to achieve by 2050. The objectives include 100% renewable energy in the electricity mix and 97% renewable energy in the total energy mix by 2050. This policy focuses on large scale generation of renewable energy, in particular solar, wind and renewable hydrogen (International Energy Agency, 2024). Recently, in July 2026, renewable energy accounted for 54.1% of Spain's electricity generation (Djunisic, 2026).

For its part, India is also proactively engaged in energy transition and generation of renewable energy. In the short term, India has set a target of generating 500 GW of renewable energy by 2030 (Press Information Bureau, 2024).

Spain's expertise in renewable energy makes it an important partner for India in this area. Spain is one of the leading countries in the field of photovoltaic cell technology (Aguilera-Benito & Baquero-Arenal, 2026). Innovations carried out in Spain with this technology have made solar cells more efficient, which enable greater absorption of energy during the day and then storing it for use in the night.

The leaderships of both countries are exploring ways to cooperate in the area of renewable energy. During his visit to India in October 2024, Spain's President of the Government Pedro Sánchez underscored Spain's expertise in renewable energy. He also stressed that Spain could help India achieve the latter's goal of generating 500 GW of renewable energy by 2030 (IANS, 2024).

In 2025, the Hydrogen Association of India (HAI) and the Spanish Hydrogen Association (AeH2) signed a Memorandum of Understanding boosting cooperation in the area of green hydrogen (Gupta, 2025). Spanish company Zelestra is engaged in various green energy projects across different states in India. Some of these projects are: a 450 MW solar plant in Bikaner district in Rajasthan (Press Information Bureau, 2025) and a 500 MW wind-solar-battery storage hybrid power plant in Solapur in Maharashtra (Colthorpe, 2025).

Addressing the climate change challenge and the transition to renewable energy are the goals that are shared by both India and Spain. Both New Delhi and Madrid are signatories to the Paris Agreement on Climate Change and both are also a part of the International Solar Alliance. Expertise in renewable energy and shared values on climate change make Spain a major partner for India in these areas. Further, this partnership assumes importance as India is taking steps to reduce dependency on fossil fuels.

Closer Ties with Europe and the European Union

India has close ties with European countries and the European Union (EU). India's relations are very well-developed with the United Kingdom (UK), France, Germany, Italy, the Netherlands and the EU across diverse areas like trade, investment, defence and security, culture and education and work mobility.

The India-EU relations were elevated to the status of strategic partnership in 2020. On January 27, 2026, during the 16th EU-India Summit at New Delhi, both sides reinforced the objectives of the strategic partnership that include areas like prosperity and sustainability, technology and innovation, security and defence, connectivity and global issues etc. (Ministry of External Affairs, 2026b). A major milestone in the India-EU meeting was during this summit when both sides concluded a free trade agreement (Press Information Bureau, 2026b).

The EU (as a bloc) is India's third-largest trading partner. India's bilateral trade with the EU was €118 billion (about \$136 billion) in 2025 (European Commission, 2026). Trade with the EU accounts for 11.1% of India's total foreign trade.

As regards to Spain, it follows a Europe-centric approach with its foreign policy aligned with the EU. The EU has a mechanism called Common Foreign and Security Policy (CFSP) which facilitates the EU's engagements on the global stage collectively as a representative of its member states.

In a policy document released in 2025, Spain reaffirmed its stand on the EU being at the heart of Spanish foreign policy (Ministry of Foreign Affairs, European Union and Cooperation, 2025). The recently concluded free trade agreement between India and the EU is expected to provide a boost to India-Spain relations as well.

Spain is the sixth-largest trading partner of India in Europe with bilateral trade of over \$11 billion in 2024. With a cumulative foreign direct investment (FDI) of \$4.29 billion (from April 2000 to March 2025), Spain is the 16th largest investor in India (Ministry of External Affairs, 2026a).

The India-EU FTA is expected to push forward the India-Spain trade ties as well. It is projected that the bilateral trade between India and Spain will reach \$15.2 billion by 2030 and \$40 billion by 2040 (Embassy of India, Madrid, 2026). Some of the sectors (from India) that stand to benefit as a result of this FTA are textiles and apparel, chemicals and pharmaceuticals, auto

components, electronics, iron and steel, machinery, and marine products (Embassy of India, Madrid, 2026).

The India-EU FTA would facilitate increasing India's outreach within the EU, since India's close ties with the bloc are not even at present. Growing ties with Spain would help address this gap with India's engagements across the EU.

Wider Footprint Across the Mediterranean Region

The Mediterranean Region is strategically one of the most important regions in the world. Geographically, this region borders three continents – Asia, Africa and Europe. The Mediterranean Region is also a link connecting Asia with the Atlantic Ocean.

India's engagements with the Mediterranean Region follows a trajectory similar to India's ties with Europe and the EU. While enjoying cordial ties with several countries in the region, the ties are not even.

Across the Mediterranean Region, India has close ties with countries like France, Italy and Israel. With other countries like Greece, Cyprus and Morocco, India's ties are in an emerging stage. With Egypt, India has historically had very close relations. However, in recent decades, the India-Egypt relations have witnessed certain instability.

However, India is making inroads into the Mediterranean Region and defence cooperation is at the core of India's efforts to expand its footprint in the region. Two of India's largest defence suppliers are Mediterranean countries. India imports 29% of its defence equipment from France and 15% from Israel (India's World, 2026). India is also increasing its defence engagements with Greece and Cyprus. Egypt and Morocco are also collaborating with India in joint defence production.

In the backdrop of these developments, India's growing defence ties with Spain further enhance New Delhi's presence in the Mediterranean Region.

Conclusion

India's growing proximity to Spain is a welcome development in India's foreign policy. The importance of India-Spain ties goes beyond bilateral relations. India, as one of the leading economies in the world and an emerging superpower, should have a wider outreach across the world and greater engagements across various regions. External Affairs Minister Dr. S. Jaishankar highlighted this aspect when he stated that India needs to optimise relationships

across geographies while pursuing national interests. He further maintained that India's rise will drive diversification of its interests (News on AIR, 2026). Spain is one of the countries (along with several other countries) with which India had minimal interactions in the past. However, now India is taking steps to address this gap. Diversification of foreign relations matters for India, since this way, India is better able to protect its economic and strategic interests. This paper has focused on how India stands to benefit from increased interactions with Spain. Not only is New Delhi able to widen its geographic outreach by strengthening ties with Madrid, but the former is also able to better pursue its national interests by expanding strategic and economic ties. With Spain, India is engaged in joint defence manufacturing, has a better footprint in the Mediterranean Region and has stronger ties with and within the European Union.

These engagements underscore how Spain has gained importance in India's foreign policy.

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