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## Global Trade Policy Brief: Spain Update on Tariffs

On 9 April 2025, the Spanish government passed the Royal Decree-Law 4/2025 on Urgent Commercial Measures, which introduces urgent measures to mitigate the impact of tariffs imposed by the United States on Spanish companies. The decree aims to provide liquidity and investment support to affected businesses through a comprehensive response plan.

The commercial relationship between Spain and the United States has strengthened in recent years, becoming a strategic pillar of the Spanish economy. However, the recent tariff policy announced by the U.S. administration poses challenges for certain sectors<sup>1</sup>. The economic impact is expected to be moderate overall but could be significant for specific sectors and regions<sup>2</sup> with high exposure to U.S. trade.

The decree aims to:

1. Provide immediate protection to businesses and workers affected by the tariffs.
2. Relaunch commercial activity by enhancing productive capacity and international presence.
3. Facilitate the diversification of export markets.

The key measures can be summarised as follows:

1. **Guarantee Line:** a €5 billion guarantee line is established to cover financing provided by financial institutions to companies significantly exposed to the U.S. market. This aims to alleviate liquidity tensions and support business reconversion projects.
2. **Fondo para la Internacionalización de la Empresa (FIEM)<sup>3</sup> Funding Increase:** the funding for the Internationalisation of the Company (FIEM) is increased from €500 million to €700 million to support export and investment projects.

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<sup>1</sup> capital goods (mainly engines of all kinds: propulsion, hydraulic, piston, electric, etc., and for tractors, cars, motorcycles, boats, construction, etc.) and semi-manufactured goods (especially chemical and pharmaceutical products and construction materials), as well as agri-food products (with a particular emphasis on oils and fats). Check table with each tariff at: <https://www.camara.es/aranceles-impuestos-trump-podrian-reducir-14-exportaciones-espana-estados-unidos> Last accessed on April 29th 2025.

<sup>2</sup> Catalonia will be the region most affected by the tariffs, representing 4.3% of its total exports. Andalusia will be the second most affected region by the tariffs, as its exports to the US stood at 3.138 billion euros in 2024, representing 7.8% of its total exports. It is followed by the Valencian Community with 2,850.49 million (7.7% of its total exports), Madrid with 2,149.1 million (4.4%), and the Basque Country with 1,991 million (6.4%). Accessible at: <https://www.europapress.es/economia/noticia-aranceles-trump-son-comunidades-sectores-empresas-espanolas-afectadas-20250417092947.html>. Last accessed on April 29th 2025.

<sup>3</sup> It is an instrument managed by the Secretary of State for Trade and created in 2010 with the sole objective of providing official financial support for the internationalisation of Spanish companies. Accessible at: [https://comercio.gob.es/Financiacion\\_para\\_internacionalizacion/FIEM/Paginas/fiem.aspx#:~:text=Fondo%20para%20la%20Internacionalizaci%C3%B3n%20de.Carente%20de%20Personalidad%20Jur%C3%ADdica%20\(F.C.P.J.\)](https://comercio.gob.es/Financiacion_para_internacionalizacion/FIEM/Paginas/fiem.aspx#:~:text=Fondo%20para%20la%20Internacionalizaci%C3%B3n%20de.Carente%20de%20Personalidad%20Jur%C3%ADdica%20(F.C.P.J.)). Last accessed on April 29th 2025.

<sup>c</sup>  
April 30th, 2025

3. *Compañía Española de Seguros de Crédito a la Exportación* (CESCE)<sup>4</sup> coverage: The coverage limit for the Spanish Export Credit Insurance Company (CESCE) is raised to €15 billion to support internationalisation efforts.

4. *Convenio de Ajuste Recíproco de Intereses* (CARI)<sup>5</sup> system: modifications are introduced to the Reciprocal Interest Adjustment Convention (CARI) to stabilise the system and compensate for interest rate fluctuations.

5. Suspension of Dissolution Causes: the decree suspends the cause of dissolution for losses incurred during 2020 and 2021, allowing companies more time to recover from the economic impact of COVID-19.

### Conclusion:

The decree ensures the proportional territorial distribution of financial instruments based on the percentage of exports to the U.S. from each region. The Minister of Economy, Trade, and Enterprise will report quarterly to the Parliament on the plan's progress. The measures adopted showcase a commitment to global trade with a norm based internal response targeted at the protection of Spanish investors affected by the current US tariffs

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<sup>4</sup> It is the parent company of a group of companies offering comprehensive commercial credit management solutions in parts of Europe and Latin America. It is also the Spanish Export Credit Agency (ECA) that manages export credit insurance on behalf of the Spanish government. Accesible at:

[https://comercio.gob.es/Financiacion\\_para\\_internacionalizacion/CESCE/Paginas/default.aspx#:~:text=Compa%C3%B1a%20de%20gesti%C3%B3n%20integral%20del%20de%20Europa%20y%20Latinoam%C3%A9rica](https://comercio.gob.es/Financiacion_para_internacionalizacion/CESCE/Paginas/default.aspx#:~:text=Compa%C3%B1a%20de%20gesti%C3%B3n%20integral%20del%20de%20Europa%20y%20Latinoam%C3%A9rica). Last accessed on April 29th 2025.

<sup>5</sup> Support system for Spanish exports of goods and services, which encourages financial institutions to grant long-term export credits. Accesible at: [https://comercio.gob.es/Financiacion\\_para\\_internacionalizacion/CARI/Paginas/default.aspx](https://comercio.gob.es/Financiacion_para_internacionalizacion/CARI/Paginas/default.aspx). Last accessed on April 29th 2025.