

# Four reasons why the Spanish tech scene is only just getting started

*Spain's tech scene has experienced a remarkable surge in growth in recent years. The growing number of unicorns, funding rounds (both the number of said rounds and the amount of capital raised), and the levels of foreign investment are all trending in the right direction.*

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According to a *recent report from Dealroom*, the combined value of Spanish startups surpassed €100B in 2023, which was a 14% increase from 2022. Spain has over 10,000 tech startups on its books and ranks fourth in Europe for early-stage investment.

This growth underscores Spain's potential as an emerging tech powerhouse for European innovation. And truth be told, it feels as though our tech space is arguably still finding its feet with plenty more to give. Here's four reasons why I believe it's only just getting started.

## Access to talent in Spain is becoming unparalleled across Europe

Spanish universities are renowned for their academic prestige, research contributions, and vibrant student communities. We now have the ability to and are more than capable of developing the density of our homegrown talent here in Spain.

Our institutions are frequently active participants in EU-funded research initiatives (e.g. Horizon Europe) and are increasingly becoming centres for advanced research in fields like AI, robotics, cybersecurity, and renewable energy. For example, the Barcelona Supercomputing Centre (BSC) linked to UPC, is a global leader in high-performance computing.

A growing number of Spanish universities are also hosting incubators and accelerators, supporting entrepreneurial ventures from the ground up. UPC's Innova Programme, for example, helps students and researchers commercialise their innovations.

What's more, academic spinouts are becoming a regular feature of the Spanish transition from academia to entrepreneurship. They are frequently being created in AI, biotech, and software, contributing to and enhancing the startup scene. The University of Barcelona, for example, has spun out a host of successful biotech companies.

## The multi-hub appeal prevents centralisation bias

Unlike long-standing European tech hubs in the UK and France, Spain's tech talent isn't exclusively concentrated in just one city.

Each of Spain's major cities has developed its own niche based on local resources, industries, and academic strengths. Barcelona excels in startups and mobile tech. Madrid dominates corporate tech and AI innovation. Valencia leads the way in sustainability tech. And Málaga is the emerging leader in cybersecurity.

Collectively, this means that innovation is spread more evenly across the country and decentralises tech opportunities. Not only do smaller cities receive resources to grow their ecosystems, but also nationally, we aren't solely reliant on a single hub driving the entirety of our tech scene.

Efforts like the *Spain Digital Agenda 2026* are also further encouraging collaboration between cities, meaning that knowledge and talent can more easily flow across regions.

## International investors are flocking here in their droves

The early-stage landscape has changed drastically. A decade ago, only a handful of companies had landed any foreign investment at all. When we launched Abacum five years ago, securing investment from an international fund was still considered a major coup. As capital availability has grown, the Spanish market has matured tremendously along with it.

Today, the picture is markedly different. Spain is now a highly sought after destination for building high-growth tech companies that can raise capital from overseas investors and compete globally. Our startup ecosystem is now valued at €93B, which represents a 3.6x increase since 2018.

In 2023, *we only trailed the UK, France, and Germany in terms of the number of funding rounds completed*, ahead of the likes of the Netherlands, Switzerland, and Sweden. Spain also ranked seventh in Europe for the number of companies who obtained unicorn status too, with 18 startups in total having now achieved this financial milestone.

## The Startup Law is hopefully only the beginning

Implemented in 2022, *The Startup Law* established a more favourable legal and financial framework for founding and scaling early-stage tech companies in Spain. It has also cultivated a more accessible environment for local entrepreneurs and addressed key challenges to aid startups and

VCs.

Reduced corporate tax rates, tax exemptions for stock options, streamlined visa processes, simplified business registration, and enhanced and targeted support for startups engaging in R&D are some of a host of new benefits it introduced to improve Spain's all round attractiveness for entrepreneurs and investors alike.

This was a landmark piece of legislation from the Spanish government that further cemented the importance of our tech scene for long-term economic growth. Personally, I think it could - and should - have been introduced a whole lot earlier, but that's by the by. What we need to see now is much more of the same.

Overall, it feels as though the Spanish tech scene is at somewhat of an inflection point. We have already transitioned from a promising underdog to a formidable player on the global stage, and it is now incumbent upon us to keep building.

By solidifying the foundations, the Spanish tech is primed for sustained growth. With ongoing collaboration between cities, investors, and entrepreneurs, the stage is set for a future in which our tech ecosystem not only competes but leads in a defining next wave of European innovation.

Julio Martínez is the cofounder and CEO of *Abacum*.



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