



**ENTREVISTA AL PRESIDENTE DEL GOBIERNO, PEDRO SÁNCHEZ, EN  
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**Francine Lacqua.- Thank you, Prime Minister, for joining us.**

**There's a lot of confusion on how Europe should and will handle Donald Trump. Do you feel that it's every man for himself?**

**Presidente.-** Well, I think that we have to engage in a constructive approach in our relationship with the new administration.

I do believe that Europe and the United States, we share a strong transatlantic bond rooted in common values, history, culture and, of course, common interests.

So, you know, at the end of the day, a trade war is not in the interest of the US and of course, not in the interest of the European Union. So let's focus on how do we strengthen this as an Atlantic relationship and avoid any kind of misunderstanding.

**Francine Lacqua.- Is there a risk, Prime Minister, that actually European unity falls apart because he rattles the cage too much?**

**Presidente.-** Well, I think that over the past 4 or 5 years, we have witnessed a strongest European Union, a strongest common response to common challenges such as the Covid pandemic or the war in Ukraine.

So indeed, I do believe that one of the lessons that we take from the European Union is that we have to be stronger ownership in different sectors, such as digital technology or defence.

And also we have to understand that Europe has its own way of responding to these challenges, on climate technology, how do we regulate AI and so on and so forth.

So, you know, I don't I don't think is a contradiction to have a constructive approach towards the US administration. But of course, taking into account that we have our own way of responding to these common challenges.

**Francine Lacqua.- Which ways, like retaliation?**

**Presidente.-** No, I think that, for instance, we have witnessed over the past days that the European Union reached a very important trade agreement with Mexico, before with Mercosur, some years ago with Canada. Also with Chile.

So, you know, we do believe that we need more trade, not less. We want to open ourselves to and reach trade agreements and new relationships with different regional blocs and different countries.



The world is very big, and I think that Europe has its own assets to be strongest and, of course, to have more influence in the geopolitical debate.

**Francine Lacqua.-** Prime Minister, Spain has also welcomed a number of Chinese investments.

**Presidente.-** Yes.

**Francine Lacqua.-** Does that put you in the spearhead, actually, of Donald Trump? Does that worry you?

**Presidente.-** This is what I was trying to explain. We need to diversify our economic relationship. And we're looking forward to have this constructive approach with the US administration. But of course, we need also to take into consideration the importance of China.

In this regard, of course, you know, the surplus on trade that China has, regarding the European Union, is hard to maintain. We defend a more balanced trade relationship between the European Union and China.

And this is what we are, you know, focusing ourselves as a Spanish administration.

**Francine Lacqua.-** Prime minister, so would you say you're the destination *par excellence* of Chinese investments in Europe? Is that how you would define yourself, that you're open for business for Chinese...?

**Presidente.-** We're open for business for many countries and, of course, China, because we want to have the best relationship with a very important country and a very important economy globally.

But of course, we also understand that this imbalance is different. I mean, it's very hard to maintain, and this is something that we need to rebalance and to reconsider it.

And this is what we are defending within the European Union, to have a common approach as Europe regarding China.

**Francine Lacqua.-** Prime minister, even if this angers Donald Trump, you will stay the course.

**Presidente.-** I mean, we we see opportunities worldwide. We see opportunities. Also in China, we see opportunities in India. I was also traveling to India last year. We see opportunities in, as I said before, in Latin America and Africa, in the US. We have a strong investments in the US too. As you know, Spanish companies on renewables, infrastructures and so on and so forth.

So, you know, as I said before, we need more trade, not less trade. And that means that we need to strengthen our multilateral institutions, such as the World Trade Organization



or what the European Union is doing with Mercosur, with Chile, with Mexico, with Canada and other countries.

**Francine Lacqua.- Prime Minister, focusing on domestic issues. So can you clarify your position on housing tax reform? You said that you would tax 100%.**

**Presidente.-** Yes.

**Francine Lacqua.- And then there was, you know, some question marks on whether it would be an outright ban.**

**Presidente.-** No, no, it's taxing. And this is because, you know, Spain is facing a critical a housing situation, very critical housing situation. To give you some figures, you know, prices have gotten up 48%. 48% in the last decade. So what we need to do is to preserve and to consolidate the residential use of housing. And that is why we took some measures, some decisions. And one of it is the one that you mentioned.

Because at the end of the day, what we need is more affordable housing and fewer Airbnbs.

**Francine Lacqua.- Is there a danger that actually this is seen as anti investment. So I think we understand there's about like 20,000 houses that are mainly...**

**Presidente.-** In 2023 we had 27.000 houses of people European non-resident in Spain... non-European resident in Spain that were investing in these real estate properties, but without living in Spain. And, as I said before, what is important is to keep in mind that we are facing a very critical housing situation in Spain.

And for that we need to, you know, to use all the means, all the tools that at the end of the day the state has in order to reduce and to preserve the residential use of housing.

**Francine Lacqua.- So this won't scare away investors.**

**Presidente.-** I won't say that. Because at the end of the day, what you see, the figures is that foreign investments are coming to Spain. They're confident with the economic growth of Spain in the past years, but also in the coming years.

So I think that there's a combination of different aspects. First, strong economic growth with CO2 reduction emissions.

Second, strong employment generation with salary increases and, of course, a strong investment in public services with sound fiscal policy.

So I do believe that Spain you know, we're very confident with the incoming years in terms of economic growth and employment generation.

**Francine Lacqua.- Prime Minister, can you give some kind of confidence to the markets or investors that this is the only measure you'll take that could be seen as anti-foreign investment?**



**Presidente.-** Well, at the end of the day, what we have seen in Spain is, you know... to give you an example, in the last five years... no, between 2018 and 2024, Spain was the fifth largest recipient of greenfield projects.

And this is because we have a consistent energy policy as well as other policies, because what we have witnessed over the past six years in Spain is strong structural reforms in labour market, in pension system, in our educational system, and of course, with sound fiscal policies that allow us to end 2024 with a public deficit of 3% of our GDP and with a reduction of 20 points o public debt.

**Francine Lacqua.- Many countries envy that.**

Prime Minister, let me ask you about banks. Are you still against the BBVA-Sabadell deal?

**Presidente.-** Well, this is not a question to be asked to Prime Minister of the government because it's under the review of our competition authorities.

**Francine Lacqua.- But is it something that you would welcome in terms of domestic, or would you rather a foreign bank coming in? We're trying to understand the...**

**Presidente.-** What we want is, you know, is... we have to take into consideration different aspects.

Of course, as you know quite well, in Spain, we have, you know, a large number of SMEs, 90%. And in this regard, you know, social cohesion, territorial cohesion, SMEs... So we have a strong financial system in Spain and let's wait until our competition authorities state in this operation.

**Francine Lacqua.- Prime Minister, what does your gut feeling say? What would you rather offer your citizens like a domestic consolidation or even a European bank coming in and saying, actually, this looks like a good bank, let me buy it.**

**Presidente.-** Well, what I want to say is a strong financial system in Spain, and let's wait and see what our competition authorities state in this regard.

**Francine Lacqua.- Prime Minister, what's the latest with Telefonica? The chairman left. What's next?**

**Presidente.-** What is next is that we have a new shareholder base. This was a corporate... let's say, a decision taken by these new shareholders in Telefonica. And we're very confident. Telefonica, as you know quite well, is very important for us in terms of telecom industry, digital economy and of course security and defence.

So we're very excited and confident with the new team. And of course, we are also very grateful with the former CEO of Telefonica, Jose María Pallete.



**Francine Lacqua.- Would you like it to be part of your semiconductor strategy? I know this is something that's extremely important to the government and strategically probably make sense. Will Telefonica be part of that?**

**Presidente.-** Well, Telefonica has a major role to play in different aspects of our economy. So let's wait and see, you know, the new team. But we're really confident. And, of course, regarding semiconductor industry and digital economy, of course, I think that Telefonica can play a very important role.

**Francine Lacqua.- So you would encourage them.**

**Presidente.-** Well, I won't say that because I am the Prime Minister and this is a corporation decision, but I think that... you know, we have a lot of assets and we are living a great momentum, economic momentum, in Spain with good expectations in the coming years. So we are here to take advantage of this good expectations.

**Francine Lacqua.- Prime Minister, as always, it was wonderful to interview you. Thank you so much for making time in Davos. I know you have a very busy schedule here.**

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