

Research Update:

City of Barcelona Upgraded To 'A+' Following Upgrade Of Spain; Outlook Stable

September 19, 2025

Overview

- On Sept. 12, 2025, S&P Global Ratings raised its unsolicited sovereign credit rating on Spain to 'A+/A-1' from 'A/A-1'.
- The City of Barcelona is expected to maintain its strong budgetary performance, with very high operating surpluses, through our forecast period to year-end 2027, mainly supported by an increase in revenue from the city's own taxes, leading to a stand-alone credit profile (SACP) of 'aa'.
- Given that our sovereign rating on Spain caps our long-term issuer credit rating on Barcelona, we have upgraded the city to 'A+' from 'A'.
- The stable outlook reflects the outlook on our sovereign rating on Spain.

Rating Action

On Sept. 19, 2025, S&P Global Ratings raised its long-term issuer credit rating on the Spanish City of Barcelona to 'A+' from 'A'. The outlook is stable.

As a "sovereign rating" (as defined in EU CRA Regulation 1060/2009 "EU CRA Regulation"), the ratings on the City of Barcelona are subject to certain publication restrictions set out in Art. 8a of the EU CRA Regulation, including publication in accordance with a pre-established calendar (see "[Calendar Of 2025 EMEA Sovereign, Regional, And Local Government Rating Publication Dates: Midyear Update](#)", published July 2, 2025). Under the EU CRA Regulation, deviations from the announced calendar are allowed only in limited circumstances and must be accompanied by a detailed explanation of the reasons for the deviation. In this case, the reason for the deviation is that we have raised our unsolicited long-term issuer credit rating on Spain.

Outlook

The rating on Barcelona is capped by our ratings on Spain (unsolicited; A+/Stable/A-1). Therefore, the stable outlook on Barcelona reflects that on Spain.

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Downside scenario

We could lower our rating on Barcelona if we took a similar action on Spain.

Upside scenario

We would raise the rating on Barcelona if we upgraded Spain and the city continued to perform in line with our base-case expectations.

Rationale

We upgraded Barcelona following a similar action on Spain (see "[Spain Upgraded To 'A+' On Strengthening External Financial Position; Outlook Stable](#)," Sept. 12, 2025).

The rating on Barcelona reflects our 'A+' long-term sovereign credit rating on Spain. Although we assess Barcelona's SACP at 'aa', we cap our ratings on Spanish cities and normal-status regions at the sovereign rating level. In our view, these entities do not meet the criteria to be rated above the sovereign due to their strong budgetary links with the central government.

Our 'aa' SACP on Barcelona is based on the city's very strong budgetary performance. It has sustained large operating surpluses for a prolonged period, and its low debt burden and exceptionally strong liquidity position demonstrate its prudent financial management.

City of Barcelona Rating Component Scores

Key rating factors	Scores
Institutional framework	3
Economy	2
Financial management	2
Budgetary performance	1
Liquidity	1
Debt burden	1
Stand-alone credit profile	aa
Issuer credit rating	A+

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- [Sovereign Risk Indicators](#), July 7, 2025. An interactive version is available at www.spratings.com/sri.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021

- [Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S.](#), July 15, 2019
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Spain Upgraded To 'A+' On Strengthening External Financial Position; Outlook Stable](#), Sept. 12, 2025
- [Institutional Framework Assessments For Local And Regional Governments Outside Of The U.S.](#), June 26, 2025
- [Spanish City of Barcelona 'A' Rating Affirmed; Outlook Stable](#), July 25, 2025

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see "Related Criteria"). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Rating Component Scores above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see "Related Criteria").

Ratings List

Ratings List

Upgraded

	To	From
Barcelona (City of)		
Issuer Credit Rating	A+/Stable/--	A/Stable/--

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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