



# Doing Business in Spain

## February 23, 2021

# AGENDA



Welcome and Opening Market Overview Remarks: Cameron Werker, Senior Commercial Officer in Madrid

Regional Snapshot: Robert Riley, Consul General, US Consulate General in Barcelona

Spanish Market Review: Javier Yraola Burgos, Director, Invest in Spain at ICEX (España Exportación e Inversiones)

U.S. Department of Commerce Resources: Blake Murray, Spain Desk Officer, Office of Western & Northern Europe, International Trade Administration, Washington DC

Eddy Mayen, Director – State Trade Expansion Program, Office of International Trade, U.S. Small Business Administration

## Spain: A Market Overview

### I. Political Environment

### II. Economic Environment.

### III. Commercial Environment

### IV. Tips



# Spain is open for your business

## Political

- The PSOE-Podemos government is likely to continue to pursue policies that favor workers, expand social services, reduce socioeconomic inequalities, facilitate a transition to a green economy, and spur innovation and entrepreneurship.

## Economic

- Spain, with a GDP of USD 1.3 trillion and a population of 47 million people, is the fourth-largest economy in the Eurozone. Spain's economy grew 1.8 percent in 2019 and 2.6 percent in 2018, exceeding the Eurozone average.

## Commercial

- Local partners
- Best Prospects
- Certifications/registrations

## Tips

- Culture
- Expectations







## Resources

[trade.gov/Spain](https://trade.gov/Spain)

<https://www.trade.gov/spain-country-commercial-guide>

SCIP (substances of concern in products) database webinar:

[https://www.assentcompliance.com/assentu/resources/webinar/webinar-svhc-data-what-u-s-companies-should-know-about-scip-210303/?utm\\_channel=cpa&utm\\_content=webinar&utm\\_source=usd-commerce&utm\\_medium=email-blast&utm\\_campaign=fab5-eu-wfd-info&PF\\_Trade\\_Classification\\_and\\_Origin\\_\\_c=true](https://www.assentcompliance.com/assentu/resources/webinar/webinar-svhc-data-what-u-s-companies-should-know-about-scip-210303/?utm_channel=cpa&utm_content=webinar&utm_source=usd-commerce&utm_medium=email-blast&utm_campaign=fab5-eu-wfd-info&PF_Trade_Classification_and_Origin__c=true)



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# Contact Us!!



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# Consul General Robert Riley

## U.S. Consulate General

### Barcelona



Doing Business in Spain  
Regional Snapshot of Catalonia



# SPAIN

DESTINATION OF CHOICE FOR INTERNATIONAL BUSINESS

The ICEX logo is displayed in red, with the 'E' stylized as two horizontal bars. It is positioned on the left side of the slide, overlaid on a faint world map background. A yellow horizontal line passes through the middle of the logo.

**ICEX**

The 'INVEST IN SPAIN' logo is located in the center of the slide. It features the words 'INVEST IN' in a smaller, gold-colored font above the word 'SPAIN' in a larger, black font. A yellow arrow points down to the 'INVEST IN' text, and a yellow horizontal line passes through the middle of the logo.

**INVEST IN  
SPAIN**

**Javier Yraola**  
ICEX-Invest in Spain

February 23<sup>rd</sup>, 2021

# STRONG CONFIDENCE BY INTERNATIONAL INVESTORS



❖ STRONG CONFIDENCE BY INTERNATIONAL II

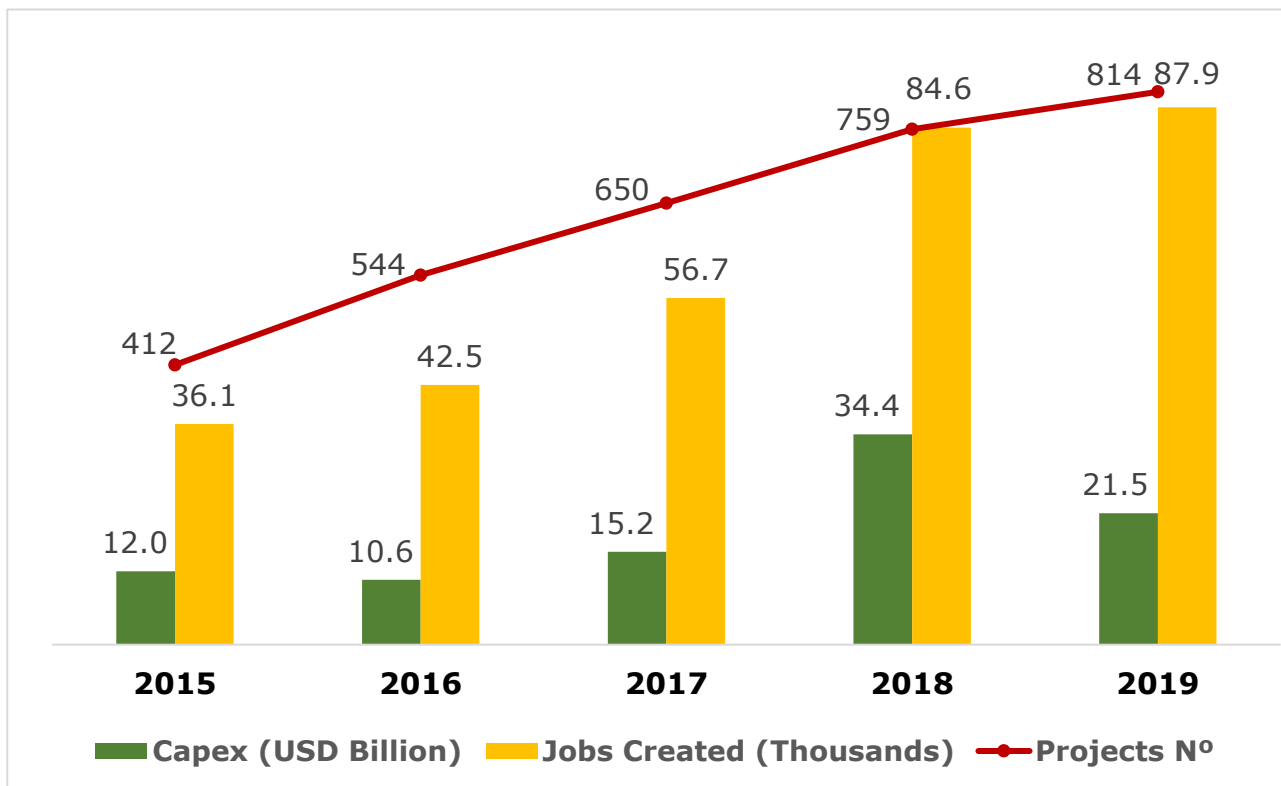
❖ REMARKABLE ECONOMIC EXPANSION

❖ SIGNIFICANT BUSINESS CLIMATE IMPROVEM





## FDI Greenfields in Spain: 5 years trends



Source: FDI Markets, 2020.

## Top 10 Greenfield Destinations in Europe 2019 FDI Markets. USD Million.

	Country	Capex	Projects	Jobs Created	Companies
1	UK	36,074.8	1,539	76,056	1,304
2	Germany	22,826.4	1,087	52,374	894
3	Spain	21,460.6	814	87,892	583
4	France	19,040.9	838	42,237	696
5	Ireland	11,296.1	229	22,841	210
6	Netherlands	11,244.4	339	22,137	326
7	Belgium	8,486.0	210	13,005	189
8	Italy	6,951.0	222	18,687	183
9	Portugal	3,467.8	166	15,178	146
10	Austria	2,472.7	95	7,524	80
	Rest	11,020.7	677.0	27,149.0	-
	<b>Total</b>	<b>154,341.4</b>	<b>6,216</b>	<b>385,080</b>	<b>4,457</b>

Source: FDI Markets, 2020.

# FDI Inwards in Spain by Sector

## Foreign Direct Investment in Spain by Sector. Stock and Recent Trends 2015 – 2019 Foreign Investments Registry. Million Euro

Sectors		Total Stock *	Investment Flows				
			2015	2016	2017	2018	2019
1	Real Estate, Building and Infrastructures	77,131.1	9,137.8	7,250.7	7,336.8	11,456.8	3,545.2
2	Energy	59,463.1	3,118.4	9,832.3	2,648.3	3,961.2	960.5
3	Retail and Wholesale	53,666.3	3,482.1	1,493.8	2,803.2	4,446.9	1,902.4
4	Financial Services	50,035.1	1,472.4	6,748.2	3,670.7	3,339.7	6,198.0
5	Metals and Manufacturing of other Materials	49,407.8	464.5	2,408.5	2,218.0	343.2	723.0
6	Food and Beverages	30,525.7	2,048.5	1,184.5	1,340.9	1,784.7	870.5
7	Pharmaceuticals, Medical, Healthcare & Biotechnology	27,421.4	701.1	284.3	1,410.2	2,797.5	405.2
8	ITC: Communications, Software & IT Services	24,069.0	630.5	774.4	2,180.0	3,392.9	1,945.8
9	Chemicals and Petrochemicals	23,399.9	719.3	456.6	566.2	736.8	1,435.4
10	Automotive OEM & Automotive Components	19,357.1	738.4	1,499.7	489.4	2,455.2	381.6
11	Transport and Logistics	16,657.2	1,163.5	1,784.8	3,054.7	14,764.2	493.0
12	Mining and Natural Resources	16,436.3	32.7	107.4	9,375.8	221.4	167.1
13	Business Services	15,563.2	642.3	690.0	1,262.5	1,210.0	2,195.4
14	Tourism	12,920.3	770.8	1,160.8	618.9	2,326.4	665.8
15	Leisure and Entertainment	8,051.8	1,098.3	827.7	127.7	2,067.1	624.0
16	Environmental industries	8,029.0	13.3	3.6	617.0	122.6	144.7
17	Industrial Machinery and Equipment	7,482.5	91.0	286.1	477.9	389.5	193.0
18	Paper, Wood and Others	5,873.1	301.5	289.1	17.3	63.9	1,716.0
19	Consumer Goods	1,070.1	153.3	24.9	238.8	295.3	215.3
20	Other	37.4	0.5	219.5	0.7	4.1	6.6
Total Investment		506,597.2	26,780.3	37,327.0	40,455.0	56,179.2	24,788.5
Total Productive Investment		465,093.6	25,153.3	27,049.7	26,842.3	49,549.4	22,376.6

Source: Foreign Investments Registry. Ministry of Industry, Trade and Tourism 2020. Million Euro. (\*) Stock 2018 data.

# Bilateral Trade and Investment Relations



## USA in Spain

### 1<sup>st</sup> Investor in Spain

**87,642 Mill. € (stock)**  
**2,145 USA companies** in Spain  
**204,341 jobs**

**Greenfield** in Spain

- USD **48,390** Mill.
- **1,419** projects
- **861** companies
- **136,456** jobs

**Exports** to Spain: 15,436 Mill. €

**Residents** in Spain: 40,712

**Tourists** in Spain: : 407,437 (2020) / 3.3 Million (2019)



## Spain in USA

### 10<sup>th</sup> Investor in USA [1<sup>st</sup> destination Spanish Investment]

**86,078 Mill.€ (stock)**  
**646 Spanish companies** in USA  
**113,321 jobs**

**Greenfield** in USA:

- USD **39,920** Mill.
- **917** projects
- **503** companies
- **83,758** jobs

**Exports** to USA: 13,716 Mill. €

**Residents** in USA: 167.426

**Tourists** in USA: 151,519 (2020) / 943,248 (2019)



## Selected Most Recent Transactions



**Google** announced in February 2021 that it will invest 650 million dollars in Spain. The investment includes the installation in Malaga of a centre of excellence for cybersecurity and the establishment in Madrid of the first Google Cloud Region in Spain, announced in collaboration with Telefónica and with which Google aims to bring its strategic infrastructures closer to the country to improve its services in the area, and for the installation of the technology giant's first private submarine cable to connect Spain with the United States and the United Kingdom.



In 2020 **Apple** has acquired Barcelona's Vilynx, which works in advanced artificial intelligence that could boost the iPhone's AI across various devices. Vilynx has developed technology that uses AI to analyze a video's visual, audio and text to understand what is portrayed in the video. It is the first purchase made by Apple in Spain.



In 2020, **Amazon** announced that it will be opening two new fulfillment centers in Dos Hermanas (Seville) and Alcalá de Henares (Madrid), as well as three delivery stations in Murcia, Rubí (Barcelona) and Leganés (Madrid). The company is also expanding its rapidly growing Madrid Tech hub where over 300 developers and computer engineers are working on software applications for Amazon Business. Amazon Web Services will open a new AWS Europe Region (Spain) with a data center located in Aragón, which will be operational by end 2022 or early 2023.



**Ford** announced in 2020 a €42 million investment in its Valencia manufacturing plant, Spain, to support the company's electrification strategy with a state-of-the-art battery assembly facility in addition to new S-MAX Hybrid and Galaxy Hybrid models. In addition, Ford has reversed its decision to suspend the manufacture of the Transit Conect, which it will maintain at the Almussafes plant.



At the end of October 2020, **Scopely** one of the leading companies in the interactive entertainment and mobile video game sector, acquired the Sevillian company Genjoy, a company that specializes in puzzle video games. Therefore, it adds an office in Andalusia to the two offices in Barcelona, as well as 150 employees, to a workforce of 400 employees,



US logistics company **UPS** announced in 2020 the opening of a new hub in Barcelona that expands capacity and will offer businesses in Barcelona more efficient connections to their customers across Europe.

# REMARKABLE ECONOMIC EXPANSION

❖ STRONG CONFIDENCE BY INTERNATIONAL IN

❖ REMARKABLE ECONOMIC EXPANSION

❖ SIGNIFICANT BUSINESS CLIMATE IMPROVEM

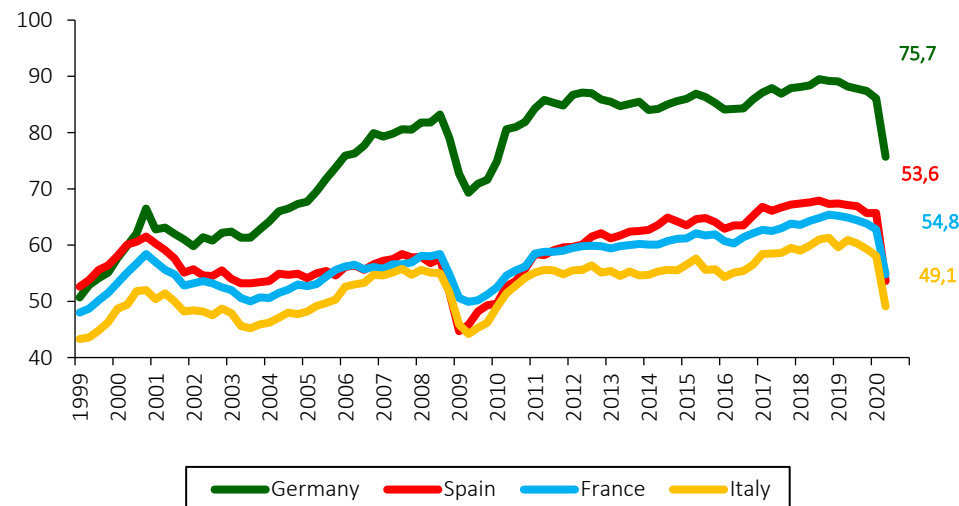


# GDP Forecasts

Macroeconomic scenario (YoY growth rates in percent)	Years					
	2016	2017	2018	2019	2020	2021
Private consumption expenditure	2.6	3.0	1.8	0.9	-12.6	8.3
General Government consumption expenditure	1.0	1.0	2.6	2.3	6.3	0.5
Gross Fixed Capital Formation	2.4	6.8	6.1	2.7	-18.3	7.2
National Demand (Contribution to GDP Growth)	2.0	3.1	3.0	1.4	-9.7	6.1
Exports of goods and services	5.4	5.5	2.3	2.3	-22.7	11.7
Imports of goods and services	2.6	6.8	4.2	0.7	-20.0	8.6
External demand (Contribution to GDP Growth)	1.0	-0.2	-0.5	0.6	-1.5	1.1
Gross Domestic Product	3.0	3.0	2.4	2.0	-11.2	7.2

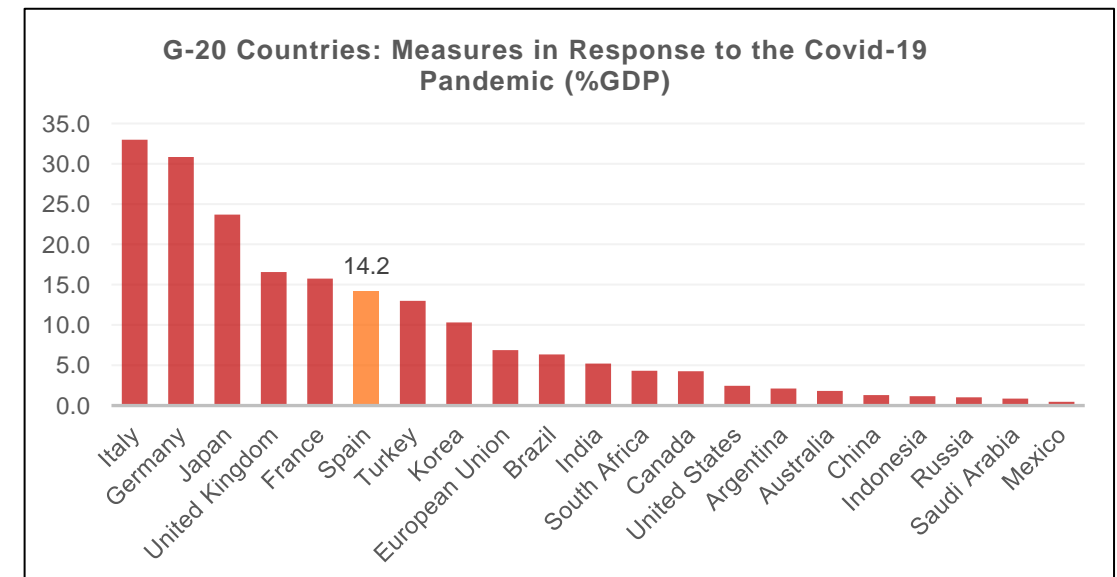
Source: Ministry for the Economy and Digital Transformation. Ministry for the Treasury 2020.

## Degree of Openness



Source: Eurostat. European Commission (2<sup>nd</sup> Quarter 2020)

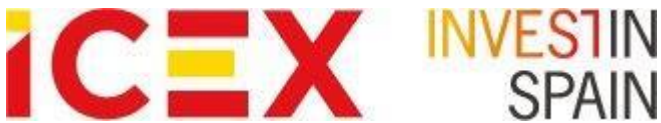
## 14% of GDP fiscal package in place to minimize long-term impact of Covid-19 pandemic



Source: IMF based on National Authorities, September 2020

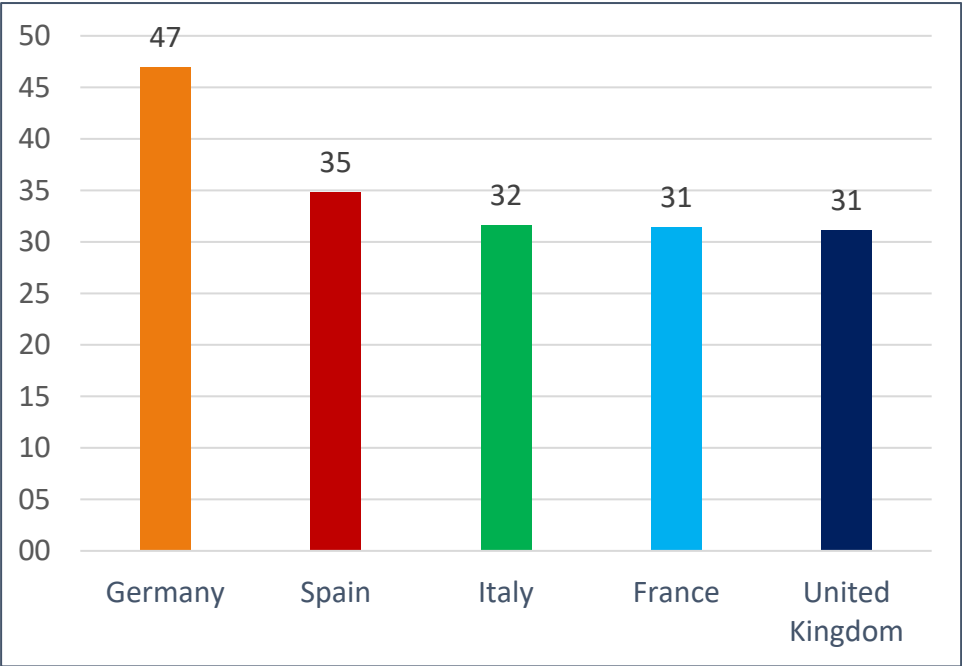


# Export diversification from Spain



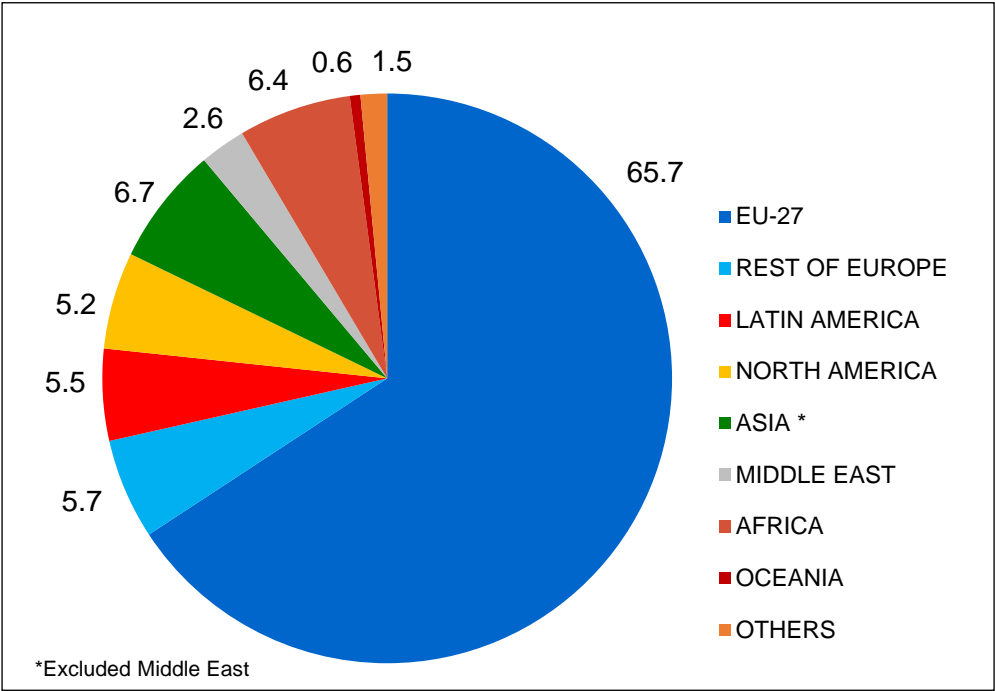
An open Economy is a more Competitive & Resilient Economy

2019: Exports of Goods & Services % GDP



Source: Eurostat

2019: Exports from Spain by Destination (%)



Source: Secretariat of State for Trade

## SIGNIFICANT BUSINESS CLIMATE IMPROVEMENT



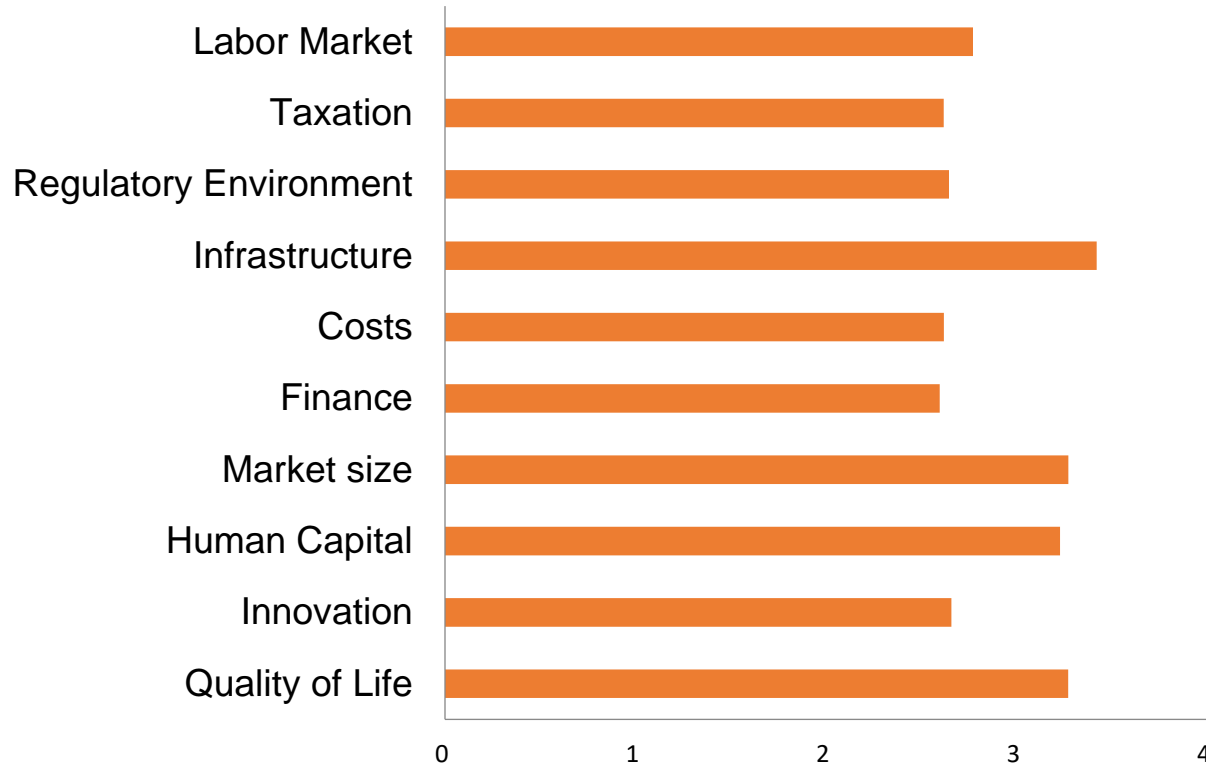
- ❖ STRONG CONFIDENCE BY INTERNATIONAL INVESTORS
- ❖ REMARKABLE ECONOMIC EXPANSION
- ❖ **SIGNIFICANT BUSINESS CLIMATE IMPROVEMENT**



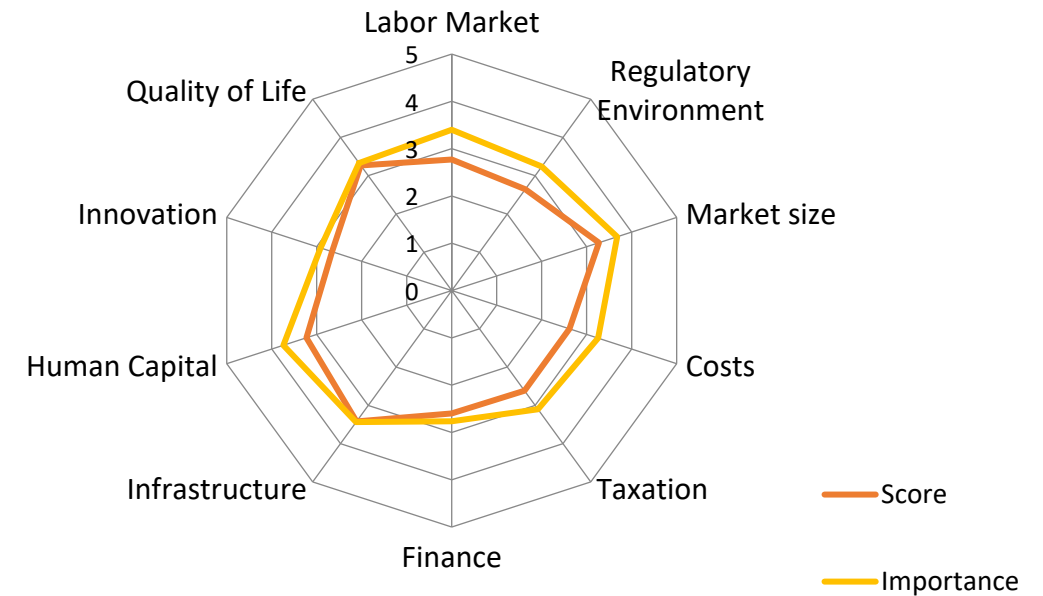
# Barometer of Business Climate in Spain

580 International Companies participating in the survey

Assessments 2019 (from 1 to 5)



Importance and assessment by areas 2019

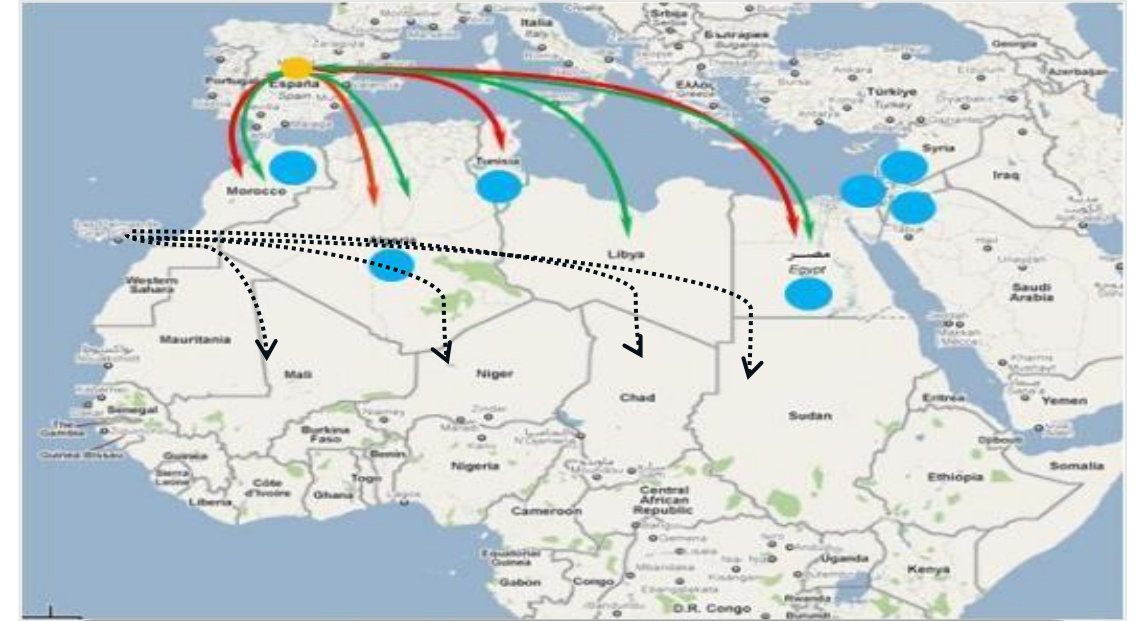


**Spain ranks 30<sup>th</sup> in the World Bank Doing Business Report, improving Business Climate for the 7<sup>th</sup> consecutive year**



- 
- Latin America**

<b>19</b> Agreements for Protection and Promotion of Reciprocal Investments	<b>17</b> Agreements to Avoid Double Taxation
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- Euro-Mediterranean Association Agreements
  - ↔ Agreements for Protection and Promotion of Reciprocal Investments
  - ↔ Agreements to Avoid Double Taxation

- 19

## Airports: Business Infrastructure & Tourist Main Entrance



**275.2 Mill.** passengers. (2019)

**European hub to Latinamerica.**

Aena manages **46 airports and 2 heliports** in Spain and manages airports in Mexico, Colombia and Jamaica.

## ICT and Telecommunication Networks



**1<sup>st</sup> in Europe in network fiber optic cable.**

**The best bandwidth penetration** (fixed and mobile) in the EU.

**Mobile World Congress** - Barcelona

## Railway: High Speed Networks



**Leading designer and developer** of high-speed trains.

**2<sup>nd</sup> largest worldwide (1<sup>st</sup> in Europe)** in High-Speed Network.

## Ports: World Logistics Platforms



**Algeciras, Barcelona & Valencia,** among the **top 10 European container ports.**

**29 Container Terminals.**  
**46 Ports.**

**37.6 Mill.** passengers. (2019)

## Highways: Logistics Hubs and Road Infrastructures



**Largest EU highway network:**  
**17,163 km.**

One of the **best indexes of quality of roads** in the world.

## Urban Transport: Smart Cities



**Highly developed transport infrastructure:** high-capacity metropolitan road network and an efficient public transport system based on **Metro, and local railways**, and a network of **bus** routes.

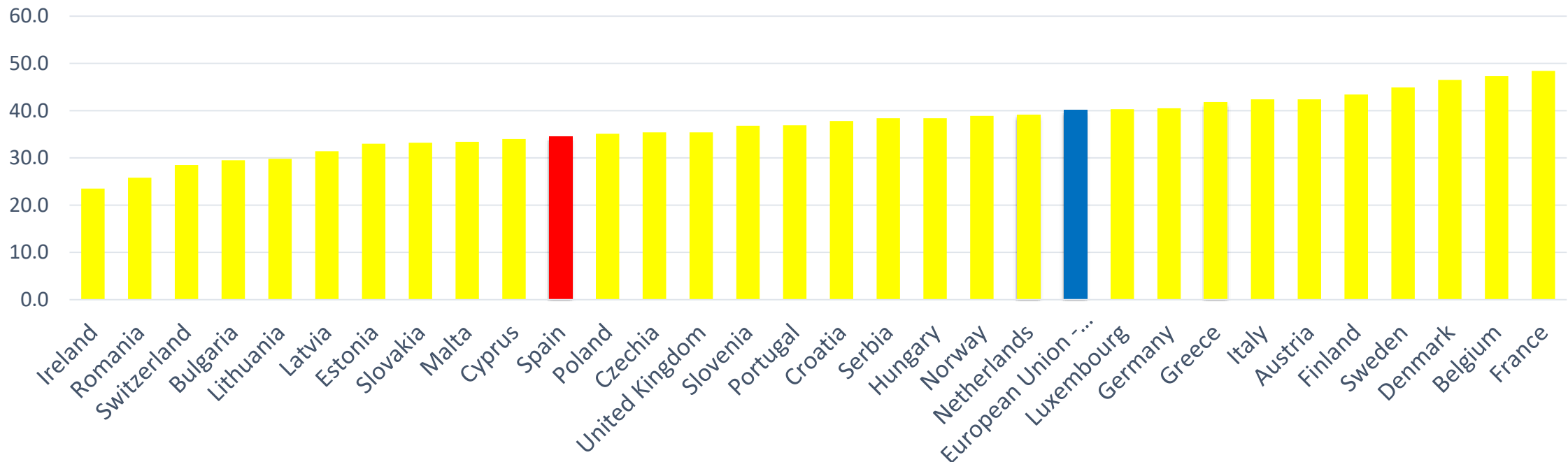
## Taxes: Moderate Tax Burden

The International analysis shows that **Spain is a country with relatively moderate ratio between Tax Revenues (Including Social Security Contributions ) and GDP (35.4% GDP).**

**Corporate Income Tax Rate: 25%**

Lower effective rate based on taxes allowances on incentives reductions fro investments, employment and R\*D activities.

### Countries UE. Tax Revenues (Including Social Security Contributions) as % of GDP



Source: Eurostat 2018. Latest Data Available 2016





- **Open and friendly society to foreign investors and tourists** 40.3% of our tourists have visited Spain ten or more times in their lifetime. 82% are repeat visitors.
- **Spain is among the world's top 10 safest Country** according United Nations Office on Drugs and Crime (**Homicide rate**).
- Outstanding and modern **Health System with very high standards. Open to expatriates. Spain ranks 13<sup>th</sup> World Country in Health infrastructure**, 5<sup>th</sup> with longer Life Expectancy and 5<sup>th</sup> in Healthy Life Expectancy (WCY2020).
- 3<sup>rd</sup> country in the world in terms of **UNESCO World Heritage Sites** (48 sites). Historical cities, Monuments and leading Museums.
- 2<sup>nd</sup> country in Europe in **Natural Areas** and Natural spaces declared UNESCO Biosphere Reserves (42, only behind USA with 47).
- 2<sup>nd</sup> country, behind USA, in receiving foreign **golf tourists**, with 431 courses. More than 120 **Spa Resorts**.
- More than 300 days of sunshine a year and more than 2,600 km of **Green Tracks**; various **Skiing facilities**; rural activities. World leader in Blue Flags **Eco-Label Record**) with 666 Beaches, Marinas and Boats awarded.
- First class **Gastronomy** recognized all around the world.

# THANK YOU



[www.investinspain.org](http://www.investinspain.org)

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## Get Help from SBA, Search for local help

- For a list of State Trade Expansion Program (STEP) with grants visit [www.sba.gov/STEP](http://www.sba.gov/STEP)
- For export finance, and help navigating SBA resources, find your nearest Export Finance Manager at [www.sba.gov/international](http://www.sba.gov/international)
- To find an SBA district office, SBDC, SCORE, VBOC or WBC, please visit [www.sba.gov/local-assistance](http://www.sba.gov/local-assistance) for counseling and training

To reach the SBA Office of International Trade (OIT), **Call** SBA toll free [\(855\) 722-4877](tel:8557224877) or **Email** [international@sba.gov](mailto:international@sba.gov) with your trade questions

**Stay Informed** with SBA's OIT's Newsletter and Webinars:  
[sba.gov/newsroom](http://sba.gov/newsroom)



U.S. Small Business  
Administration

# Grants to Help You Reach International Buyers



The **State Trade Expansion Program** or STEP provides grants to U.S. states/territories to help small businesses to go international.



- **Eligible Uses of Funds include:**

- Training workshops
- In-person and Virtual trade missions
- Services to support foreign market entry
- International Partner Search
- Website optimization for global sales
- Translate websites to attract foreign buyers
- Designing marketing media and more

Visit [sba.gov/STEP](https://sba.gov/STEP) to find out if your state/territory is participating in STEP.