



Spain



Business Support on Your Doorstep

Enterprise Europe Network London Country Profile January 2010

SPAIN



Country's full name: Kingdom of Spain (Reino de España).

Capital city: Madrid (3.27 million (2009))¹

Population: 45.82 million (2009)².

Official language: Spanish (*castellano*). In some *comunidades autónomas* the regional languages are co-official such; *catalán* (*català*), *vasco* (*euskera*), *gallego*, *valenciano* and *asturiano*

Currency: The Euro (since January 2002).

Religion: Roman Catholic 94%, Muslims 1%, other 5%.

Area: 504,782 sq km (195,000 square miles).

Terrain: Large plateaus surrounded by rugged hills.

Climate: The Spanish climate is temperate with hot summers but more moderate and cloudy along the coast; and cold winters in the interior, and partly cloudy and cool along the coasts³

Administrative divisions: The country is divided into 17 *comunidades autónomas* (including the Balearic Islands and the Canary Islands) on a regional level and 50 smaller *provincias*. There are also two Spanish city enclaves in North Africa; Ceuta and Melilla

Weights and measures: Metric.

Time zone: GMT plus one hour (*except Canary Islands, GMT*). From late March to late October a daylight saving scheme is in operation which is GMT plus two hours.

International dialling code: + 34.

RECENT HISTORY⁴

After a three year civil war (1936-39), Spain was ruled by General Francisco Franco, whose dictatorship lasted until his death in 1975. The country then went through a swift democratic transition and a new constitution was established in 1978. Following such rapid political transformation, Spain embarked upon economic liberalisation and in 1986 it joined the EEC (now the EU). In addition to political and economic liberalisation, it has become one of the most socially liberal countries in the world and in 2005 Spain became the first country to legalise homosexual marriage and adoption. Nonetheless, despite sustained economic growth and increased prosperity. The country has suffered from regional unrest, led by the Basque separatist group ETA, who have campaigned for the last 30 years for Basque independence. In 2004 several metro stations in Madrid were rocked by bomb blasts by the terrorist group, Al-Qaeda.

GOVERNMENT⁵

Following Franco's death, Juan Carlos II was crowned as king in 1975. The 1978 constitution established a democratic constitutional monarchy. A bicameral legislature (*las cortes generales*) was set up, composed of a lower house (*el congreso de los diputados*) made up of 350 members and an upper house (*el senado*) which is composed of 264 senators. While legislative power is shared the *congreso* can override the *senado* and direct universal elections are held every four years. Executive power is held by the *Presidente del Gobierno* (the Spanish equivalent of Prime Minister) and his cabinet. Although he or she is officially appointed by the monarch, they will come from the party with the most seats in the *congreso*. In 2008, José Luis Rodríguez Zapatero (leader of the *Partido Socialista Obrero Español (PSOE)*) was elected for a second four year mandate. There is also an independent judiciary. The highest courts are the *Tribunal Supremo de España* and the *Tribunal Constitucional de España* with municipal, regional and territorial courts subordinate to them.

ECONOMIC OVERVIEW⁶

Since the transition to democracy in the late 1970's and early 1980's the Spanish economy has been radically liberalised and today Spain is the eighth largest economy in the world. The Spanish economy is predominantly a service-based economy with 71.88% of the working population employed in the tertiary sector, while 14.41% are employed in industry, 9.81% in construction and 3.90% in agriculture. In the last four years, the number of people working in the services sector has grown by 5%.

Following a decade of sustained economic growth which continued up until 2006, Spain entered economic recession in 2007 and the economy shrank by 4% in 2008. International trade is central to the Spanish economy and it ranks 17th in the world as an exporter of goods and 7th as an exporter of services, it ranks 12th as an importer of goods and 9th as an importer of services. The country's main exports are capital goods, automobile-related products, food and chemical products. The main goods and services imported by Spain are; capital goods, energy products, chemical products and automobile-related products. Until 2006, foreign direct investment in Spain radically increased to over €200 billion. However in the wake of the economic downturn this has been greatly reduced to the detriment of the Spanish economy.

Spain and the global economic downturn: PlanE⁷

As with many other countries, Spain was highly vulnerable to the global economic downturn that began in 2007. Nonetheless, the Spanish government launched the *Plan Español para el Estimulo de la Economía y el Empleo (PlanE)*. As Spain has the second most open economy in Europe much of the foreign investment was withdrawn and it resulted in high external debt. *PlanE*, launched in 2008 was the government's response to try and reduce the potential disastrous consequences for the crisis. A series of over 80 measures have been taken across the national economy to stimulate economic activity and continue investment. The plan is based upon four areas of action; financial and budget measures, increase employment, economic modernisation and supporting businesses and families all with the aim of developing a sustainable economy. As part of the economic modernisation aspect of *PlanE*, a *National Reform Programme* was launched which seeks to increase investment in key sectors such as the aerospace, automotive, environmental, ICT and renewable energy industries.

ECONOMIC INDICATORS	
Population (2009) ⁸	45.82 million
Unemployment rate (2008) ⁹	11.3%
GDP per capita(Euro) (2008) ¹⁰	€24,020
GDP average growth rate (2008 ¹¹ & 2009 ¹²)	0.9% and -3.7%
Inflation rate (2008) ¹³	4.1%
Total exports (Euro) (2008) ¹⁴	185.02 million
Total imports (Euro) (2008) ¹⁵	285.04 million
Internet usage rate (% of households) (2009) ¹⁶	54%

INFRASTRUCTURE/ENVIRONMENT

Roads¹⁷

Spain has a highly developed network of roads and motorways. According to the latest EU statistics, it has 12,073km of motorways, 13,731km of main roads, 140,535km of secondary roads and 501,053km of smaller roads¹⁸. Between 1990 and 2007 there was a 0.7% increase in cars using the Spanish road network¹⁹.

Railways²⁰

In recent years Spain has enhanced the capacity of its rail network and in 2007 it had 15,012km of railways (58.2% of which were electrified)²¹. It is run by the state-run *Red Nacional de Ferrocarriles Españoles (RENFE)*. Spain has been at the forefront of developing high speed rail travel. The *Alta Velocidad Española (AVE)* connects the cities of Madrid, Sevilla, Zaragoza, Barcelona and Malaga. In 2008, Madrid and Barcelona were connected for the first time by the *AVE* and it is now possible to travel between them in less than 3 hours at speeds exceeding 250km per hour. The Spanish

government has set a target of laying 10,000km of train lines for high-speed trains by 2020 and this would make it the most developed in Europe. Seven high-speed train lines are currently under construction and will be opened in 2012 connecting cities such as Murcia, Vigo, La Coruna, Granada, Bilbao and Santander, which until now have not been connected to the high-speed lines²²

Shipping²³

Given Spain's strategic geographical location and being a country with a coastline of 8,000km, shipping plays a crucial role in the transport infrastructure of the country. There are 53 ports located on both the Atlantic and Mediterranean coasts and Spain is ranked fourth in sea freight transportation (behind the United Kingdom, Italy and the Netherlands)²⁴ According to official statistics for 2007, 59% of Spain's exports and 82% of its imports passed through Spanish ports. Shipping contributes to 20% of the transport sector's GDP and 1.1% of the national GDP. The importance of shipping is also reflected in the role it plays in its foreign trade (53% of trade with other EU countries is through shipping and 96% of trade with third countries). The ports of Algeciras, Barcelona and Valencia are the main shipping terminals in Spain. Between 2000 and 2005, Spain saw the largest annual growth of short-sea shipping in the EU (an 8.3% increase compared with the EU average of 3.5%)²⁵.

Civil aviation²⁶

In 2008, 203.8 million passengers travelled through Spanish airports. This was an increase of 45% from the passenger numbers in 2000. There are 49 airports in Spain and 250 airline companies use Spanish airports²⁷. In 2008, the busiest airport was Madrid-Barajas which processed 50.85 million passengers, followed by Barcelona which accommodated 30.21 million. They are the fourth and eighth busiest airports in the EU respectively²⁸. The main Spanish airline is *Iberia* which took 24 million passengers of the total market share.

Energy²⁹

The three main sources of energy used in Spain are oil, natural gas and nuclear energy. In 2008, 48% of the country's energy came from oil and this constitutes the number one energy source. However the use of petrol as a primary source of energy has fallen and between 2007 and 2008 it fell by 3.9%. While in 2008 Spain consumed 68.1 million tonnes it only produced 127 000 tonnes and the majority of oil is imported.

Natural gas is the second main source of energy. In 2008, 450 726KWh was used, which was a 10% increase of the previous year. The increased use of natural gas as a primary source has been attributed to Spain's growing environmental awareness as well as the competitiveness of Spanish gas suppliers such as *Gas Natural* and *Endesa* which have benefited from liberalised markets.

Nuclear energy has become an increasingly used source of energy. Spain has six nuclear power stations and is the source of 18.9% of the nation's energy.

Telecommunications³⁰

In recent years liberalisation of the telecommunications market in Spain has opened up the market to other companies and has reduced the monopoly that the former state-run company *Telefonica* previously held. Telecommunications had an annual turnover in 2007 of €50.288 million (compared to €44.603 million in 2005)³¹. The mobile phone industry saw an increase of 5.9% in the number of mobile phone subscriptions between 2003 and 2008, while the number of landlines in the country increased in the same period by 2.6% (which was the third highest increase in EU and 18 EU countries saw a decrease in the number of landlines)³².

Other companies have entered into the growing mobile phone market such as *Orange* and *Vodafone*. In recent years there has also been a rapid expansion in the broadband internet network in Spain through the *Avanza Infrastructures Programme*. Due to the fact that 50% of the country is covered by mountains, broadband access is not as widespread in rural areas as it is in urban areas. The government is increasing access to high-speed broadband and investing over €55 million in the technology required³³.

Environment³⁴

In 2006, Spain had the highest greenhouse gas emissions in the whole of the EU and its target for cutting emissions is the third most generous for all member states³⁵. In the last decade Spain has benefited from €12,357 million to improve the environmental and transport infrastructure of the country³⁶. Water management has been one of the most pressing demands on the Spanish

environment. The '*Estrategía Nacional de Restauración de Ríos*' was set up to preserve and improve the quality and condition of Spanish rivers in order to better maintain the water supply. Measures have also been taken in recent years to protect the coasts and reduce soil pollution caused by pesticides, fertilisers and chemical products in agriculture³⁷.

MAJOR SECTORS OF THE ECONOMY

Agriculture & Fisheries³⁸

According to government statistics crops such as fruit, vegetables, cereals olives and vines make up over 50% of Spain's agricultural output. The agricultural sector contributes to over 3% of Spanish GDP and employed 967 680 people³⁹. Spain's agricultural output accounted for €22 571m in 2007 which made it the EU country with the third highest output. The gross added value of the agricultural and fisheries industry to the Spanish economy was 2.8%, while the EU average was only 1.8%⁴⁰. The fishing sector is also an important part of the Spanish economy and in 2008 Spain caught the most fish in the EU catching 46% more than the United Kingdom which had the second largest catch⁴¹.

The agricultural sector contributes to over 3% of Spanish GDP and 967 680 people were directly employed in the agricultural industry in 2007, which made up 4.5% of the total work force⁴². Due to its climate and geography, dry farming and small farm irrigation is common, however extensive irrigation has been introduced in western coastal regions.

Spain is the largest producer of olive oil in the world and the third largest producer of wine. Other export products are pork, citrus fruits and vegetables.

Food Processing & Beverages⁴³

Spain has the fifth largest food and drinks industry in the EU and according to the last national survey these products accounted for 16.02% of all Spanish produce⁴⁴. The total amount of food products exported in 2009 was €20.316 million (€16 450 million of this was to EU member states)⁴⁵. The main sub-sectors of this industry in Spain are the meat industry, alcoholic drinks, wines, dairy products as well as fish produce⁴⁶.

This industry is characterised by a large number of companies (31,106 businesses) and over half a million people are employed in this sector⁴⁷. In recent years Spanish companies have faced competition from foreign multinationals. Notable companies operating in this industry are Ebro-Puleva, Nestlé Espana, Campofrío Alimentación, Pescanova and Heineken Espana.

Construction

Increased investment in the national infrastructure, mass tourism and low interest rates allowed the construction industry to grow and become one of the fastest growing sectors of the Spanish economy. In 2007, over 2.88 million people were employed in the construction industry⁴⁸.

However in the wake of the global economic crisis, the construction industry in Spain has suffered badly but as part of the government's *PlanE* policy over €11,000 million has been invested with the aim of creating over 300,000 new jobs through the *Special Fund for Employment and Economic Reactivation*⁴⁹. In 2008 the construction industry represented 11% of the gross added value to the Spanish economy, which was well above the EU average of 6.4%⁵⁰

While there has been a huge increase in the construction of private developments, there has also been an increase in construction opportunities in the public sector. Between 2003 and 2009 over €39 billion has been offered in public tenders⁵¹. A few major construction companies dominate the Spanish construction market such as *Ferrovial*, *Acciona*, *ACS*, *Dragados* and *FCC*.

Automotive Industry⁵²

The automotive industry plays a key role within the Spanish economy and it is the eighth largest producer of cars in the world and the seventh largest manufacturer of industrial vehicles. In 2008, the industry contributed to 3.5% of Spain's GDP and accounted for 8.7% of the total work force⁵³. There are 11 types of manufacturers with operations in the country with 18 factories. Over 2.5 million vehicles were manufactured in Spain in 2008 and 2.18 million of these were exported (over 85%). Overall there was an industry turnover of €38.421 million⁵⁴. Companies that operate in Spain include

Seat, Ford, General Motors, Volkswagen, Renault, Daimler Chrysler, Peugeot-Citroen, Nissan, Santana and Iveco).

All companies involved in the manufacturing of vehicles in Spain must be on a national register and comply with EU standards⁵⁵. The *Ministerio de Industria, Turismo y Comercio* also offers grants to companies who are involved in the manufacturing of electric vehicles.

Tourism

Spain is the second most visited country in the world with over 50 million visitors each year. The regions of Cataluña, the Balearic Islands, Andalucía and Canary Islands are all in the top five most visited regions of the EU and between 2003 and 2007, Spain saw a 4% increase in the number of tourists visiting the country⁵⁶. In 2008, 13.8 million Britons travelled to Spain making it the primary holiday destination for British tourists⁵⁷. Tourists from the UK, France and Germany account for 64% of international visitors⁵⁸. According to the last EU tourism statistics, the annual expenditure spent on the tourism industry in Spain in 2006 was €13,625 million, while the amount made by the tourist industry for the same year was €40,710 million. In addition, there are over 18,000 hotels which can hold over 1.6 million people⁵⁹.

The global economic downturn has affected tourism in Spain for example in the period between January and June 2009, Spain saw a decrease of 10.1% in the number of foreign visitors for the same period the previous year (however the EU average was 11.2%)⁶⁰. The tourism industry has received government help as part of the *PlanE's Plan Renove Turismo*, which has seen over 1000 new funded projects and an overall injection of €800 million extra in investment with the aim of modernising and increasing the competitiveness of the industry⁶¹.

BANKING AND FINANCE

Banking

Spain has a diverse banking and financial sector with over 300 different financial institutions operating in the country⁶². In recent years the banking sector has expanded in Spain and between 2005 and 2008, 11 new institutions established operations in Spain⁶³. Spanish banks have also become strong players on the international banking landscape, notably *Grupo Santander* which now owns British institutions such as *Abbey National* and *Bradford and Bingley*. Domestically, 2008 saw the absorption of smaller banks into larger institutions such as the formation of *Grupo Popular* made up of *Banco de Crédito Balear*, *Banco de Castilla*, *Banco de Vasconia*, and *Banco de Galicia*. There are 6 powerful financial conglomerates in Spain; Santander, *Banco Bilbao Vizcaya Argentaria*, *Caixa Terrassa*, *La Caixa* and *Caixa Sabadell*⁶⁴.

The *Banco de España* is the national central bank, but as Spain is part of the Eurozone, the *Banco de España* also operates as part of the *European System of Central Banks*. It is responsible for implementing EU monetary policy in Spain and it also acts as a supervisory institution to the banking sector in Spain⁶⁵. The gross value added by the financial sector in Spain in 2008 was 23%, however this is in comparison with an EU average of 28.2%.

Banco de España (Bank of Spain)

C/ Alcalá 48, 28014 Madrid, Spain.

T: +34 91 3385 000.

Independent since 1994 and the central supervisory bank. Since Spain adopted the Euro, the Banco de España has been a member of the European System of Central Banks (ECSB).

W: www.bde.es

Bolsas y Mercados Españoles (Spanish stock exchanges and markets)

Plaza de la Lealtad 1, 28014 Madrid, Spain

T: +34 91 709 50 00. F: +34 91 589 11 25. E: jsanz@bolsasymercados.es

Created in 2002, BME is the umbrella company for the securities markets and financial systems in Spain. The parent group includes the Madrid, Barcelona, Bilbao and Valencia stock exchanges and Iberclear, Spain's clearing and settlement system. At the end of 2005, market capitalisation exceeded €850 billion.

W: www.bolsasymercados.es

Bolsa de Madrid (Madrid Stock Exchange)

Plaza de la Lealtad 1, 28014 Madrid, Spain.

T: +34 91 701 63 00 / 902 22 16 62 (free from Spain). E: info@bolsamadrid.es

Bolsa de Madrid is the fourth largest stock exchange in the Eurozone. It lists, supervises and manages the official secondary market for equities, private fixed-income, public debt, warrants and certificates. Ibex 35 is its main index.

W: www.bolsamadrid.es/esp/portada.htm

Comisión Nacional del Mercado de Valores (National Commission of Stock Markets)

Miguel Angel 11, 28046 Madrid, Spain.

T: +34 91 585 15 00. F: +34 91 319 33 73.

The CNMV is the regulatory agency in charge of the Spanish stock markets. Created in 1988, it ensures the transparency of the Spanish market and aims to protect investors.

W: www.cnmv.es

OPPORTUNITIES FOR UK EXPORTERS / INVESTORS

Overview⁶⁶

The UK is Spain's fifth largest supplier and in 2008 UK exports to Spain were valued at £9,985.6 million. In addition, the UK is the largest foreign investor in Spain; with investments of over €1.6 billion and over 700 British companies have operations in Spain from a cross-section of sectors such as the pharmaceutical, financial, energy and travel industries⁶⁷. The main UK exports to Spain include medicinal and pharmaceutical products, inorganic chemicals and various manufactured articles⁶⁸. Particular sectors which may provide opportunities for British business include; Telecommunications equipment, road vehicles, office machinery, medicinal and pharmaceutical equipment, miscellaneous manufactured articles, electrical machinery, petrol and petroleum products, iron and steel, industrial machinery, metalliferous ores and metal scrap, and textiles and clothing⁶⁹.

The Spanish Investment Agency *Invest in Spain* highlights six key sectors in which they wish to attract foreign investment; aerospace, automotive, biotechnological, environmental, ICT and renewable energy industries⁷⁰.

Each year 17 million Britons visit Spain and over a million British people live permanently in the country, which has created opportunities for British businesses to export to and invest in the country in a whole range of sectors, including; telecommunications, energy, pharmaceuticals, industrial machinery and many more⁷¹. Spain is the sixth largest export market for the United Kingdom and the two countries exchange and consume many of the same goods and services and as a result UK-Spanish commercial bilateral relations have become very strong.

Spain is also seen as a gateway to Latin America due to its historical, cultural and commercial links to the continent. Various British companies such as *British Telecom* have already established a hub for their Latin American operations in Spain⁷².

Aerospace Industry

The Spanish aerospace industry is a sector that provides an array of opportunities for investment. In 2007, this industry had a turnover of €4,422 million⁷³. Major companies such as Airbus, Boeing, Aeropolis and CTA have major operations in Spain and three out of every five flights in the world use Spanish software⁷⁴. In addition, leading companies in composite aero structures and turbine engines such as *Rolls Royce* operate in Spain and there is a major presence of companies at all stages of the supply chain (prime contractors such as *EADS*, equipment manufacturers such as *Thales*, subcontractors and over 170 auxiliary companies involved in the production of specific products used in the manufacturing of aeronautical products⁷⁵).

The public sector in Spain plays an active role in supporting research and development as well as establishing national research centres such as the *Instituto Nacional de Técnica Aeroespacial*. Furthermore, the government launched an action plan in 2009 to assist the growth of the aerospace industry with the goal of exceeding the natural growth rate by 1% each year so that by 2016 the annual turnover will treble from its current amount⁷⁶. In order to achieve this ambitious goal, the

government will increase its research and development budget and provide both loans and grants to companies working in areas that meet the needs of the aeronautical industry.

The space sector is also a growing industry in Spain. The *European Space Agency* established the *European Space Astronomy Centre* in Villanueva de la Cañada⁷⁷. In collaboration with the *European Space Agency*, the Spanish government established a Strategic Space Plan in 2007, which has seen an increase in investment in the industry from €135m per year to €215m each year⁷⁸.

Automotive Industry

The automotive industry in Spain provides an array of opportunities for British investors and exporters. Spain is the third largest manufacturer of vehicles in the world and the largest European manufacturer of industrial vehicles in Europe⁷⁹. In addition to the 11 manufacturers and 18 factories, the component industry is also a central feature of the Spanish automotive industry. Companies such as *Irizar*, *Grupo Azalin*, *FICOSA Internacional*, *Dalphi Metal* and *Grupo Madragón* are leaders in the market. Over 50% of the components made by these companies is exported⁸⁰. High levels of technology, innovation and investment have been promoted through a network of 27 research and development centres specific to the automotive industry⁸¹.

The Spanish government supports investment in the automotive industry and offers loans and grants to companies working in the renewable energy automotive sector. One such example is grants provided by the government for companies developing and manufacturing electric cars⁸². In the wake of the global economic downturn, the government has launched the *Plan Integral de Automación* as part of *PlanE*. The government invested €4,710 million to stimulate activity in the automotive industry and it also introduced measures to promote increased demand as well as financial incentives and continued training of the labour force and research and development⁸³.

Environmental Industry

Spain's environmental sector represents 1.6% of the country's GDP and commands an annual turnover of €10,820 million. In addition, the government estimates that over 2000 small and medium sized enterprises operate in the sector employing over 250,000 people⁸⁴. Along with Germany, Spain is the leader in the distribution of environmental technology. Spain has developed new technologies such as irrigation technology in order to combat problems caused by climate change⁸⁵. The government offers tax reductions for companies working in the sector that produce environmentally friendly products and technology and Spanish academic institutions (*Universidad Pontificia Comillas*, *Universidad de Zaragoza* and the *Universidad Politécnica de Madrid*) are world leaders in expertise energy and environmental management.

There are an array of opportunities for companies investing in the environmental sector in Spain, for example; in the treatment of municipal waste, the production of biogas from cow manure, developing ecological agricultural practices, soil treatment and biofuels⁸⁶.

Renewable Energies

Spain currently relies on importing 78.4% of its energy⁸⁷ however, in recent years there has been substantial investment in the renewable energy sector. Spain is at the forefront of the wind, solar and bioenergy sectors and along with Germany it is a world leader⁸⁸.

In 2008 the wind energy sector's capacity in Spain grew by 29% and production increased by 16% making it the third main source of energy in the country⁸⁹. In addition to the installation of wind energy capacity, Spanish companies such as *Gamesa* and *Acciona* are among the ten world leading manufacturers of wind energy products and they have been able to take advantage of the highly regarded *Centro Nacional de Energías Renovables* which has developed expertise in this particular sector⁹⁰. Furthermore, in 2007, the Spanish government published an extensive report to expand the off-shore wind energy capacity of the country and they have provided lucrative tender opportunities for companies to take advantage of these contracts⁹¹.

Spain has also been able to take advantage of its Mediterranean climate in the realm of solar energy. It has the fourth largest cumulated capacity for solar energy production in the world⁹². There are also opportunities to invest in the growing solar thermal sector of the industry.

Bioenergy is the third aspect of the renewable energy sector in which Spain has increased investment and development. Spain is the leading European country in bioethanol production and fourth in the

production of both biogas and biofuels used for transport⁹³. There are also opportunities to invest in the expanding geothermal, hydrogen and fuel cell and wave energy sectors.⁹⁴

In 2007, *Ernst and Young* rated Spain as the fourth most attractive country to invest in renewable energies in the world, particularly due to the range of grants and assistance provided by the public sector. There is demand in Spain for companies to invest in many diverse areas such as the production of silicon and ingots for the photovoltaic sector, or companies that manufacture wind turbines or produce biofuels⁹⁵.

Information and Communication Technology Industry

The ICT sector in Spain contributed €101.3 billion to the national economy in 2007 and 7.2% of Spain's GDP, which was a 6% increase of the 2006 figure. Six main sub-sectors make up the Spanish ICT industry; telecom services (40%), IT software and services (24%), computer hardware (10%), audiovisual services (10%), consumer electronics (9%) and telecom equipment (7%)⁹⁶. In addition, Spain ranked second among EU countries for broadband access for businesses⁹⁷.

Investment opportunities in the ICT industry are vast and reflect many of the opportunities in other EU countries. For example, the government offers ICT loans for SME's⁹⁸ and there are business opportunities in digital terrestrial television, auxiliary mobile services, Wimax and Flash-OFDM, voice over IP, digital cinema and electronic exchange of normalised electronic commercial documents for business-to-business (B2B)⁹⁹.

Biotechnology & Pharmaceutical Industries

The biotechnology industry in Spain has seen substantial rapid growth in recent years (350% growth rate between 2005 and 2009¹⁰⁰) and there are now 659 companies in Spain working in the biotechnology and pharmaceutical industries in Spain¹⁰¹. The biotechnology and pharmaceutical industries are entrenched in a broad scientific base of universities, hospitals, science parks, scientists, public research centres and consultancies¹⁰².

Many of the leading pharmaceutical and biotechnology multinationals already operate in Spain such as *Johnson & Johnson*, *Pfizer*, *Amgen*, *Abbott*, *Sanofi-Aventis*, *GlaxoSmithKline*, *Merck* and *Dupont*¹⁰³. With all these factors combined, the Spanish biotechnology and pharmaceutical industries are the fifth largest in the EU-15 and the seventh largest in the world¹⁰⁴. The Spanish market has strong clinical research capabilities, a favourable financial environment as well as a solid position in green and white biotechnology.

There are diverse opportunities for companies working in these industries in Spain for example in bio-IT, nano-medicine, ecological agriculture, molecular diagnosis, DNA and proteins, industrial enzymes, therapeutic proteins and bio-chips¹⁰⁵.

BUSINESS CULTURE

Business Hours

Shops are usually open 09.00-14.00 and 16.00-20.00 Mondays to Saturdays. Offices tend to open a bit later but often remain open until about 20.00; lunch is usually between 14.00-16.00. In the summer most offices will start earlier (typically 08.30) and close at 15.00. Many businesses close or operate with reduced staff in August.

National Holidays (Dates given are for 2010)

- New Year 1 January
- Epiphany 6 January
- San José 19 March
- Maundy Thursday 13 April
- Easter Friday 2 April
- Labour Day May
- Ascension 15 August
- Spanish National Day 12 October
- All Saints Day 1 November

- Spanish Constitution Day 6 December
- Immaculate Conception 8 December
- Christmas Day 25 December

Dress

Business suits for men and an understated dress or suit for women are appropriate business wear. Men may remove their jacket at work. High temperatures, particularly in the summer in the south of the country, allow more relaxed informal dress.

Business Etiquette

The main business language is *Castellano* but companies in regions like the Basque Country and Cataluña may use regional languages. Although most companies will have people who speak English, many people will find it hard to do business in English.

Personal contact is an essential part of business and regular visits to partners are advisable. Entertaining and eating out are also important. As for office hours, restaurant hours differ from those in the UK (lunch often starts between 14.00-15.00 and dinner between 21.30-22.30).

SETTING UP A BUSINESS IN SPAIN

New companies have to register with a number of authorities: their local chamber of commerce, the Census of Taxpayers, the Companies' Registry, the local council, the Field Office of the Social Security Treasury and the Provincial Office of the Ministry of Labour and Social Security. For some regulated activities, such as restaurants, travel agencies, toxic substance storage and security, additional administrative authorisation may be required. International companies can also open branches in Spain under a number of forms.

Foreigners must be aware of the role of the Spanish 'gestor'. The 'gestor' is not a lawyer as such but rather an agent who can carry out most of the standard bureaucratic procedures on behalf of a third party. Engaging a 'gestor' can be very useful if you lack time or if you are getting confused by bureaucratic procedures.

More information on setting up a business can be found on the following website:

W: www.investinspain.org

FURTHER SOURCES OF INFORMATION/ USEFUL ADDRESSES

Enterprise Europe Network London at London Chamber of Commerce and Industry

33 Queen Street, London, EC4R 1AP

T: +44 (0)20 74891992. F:+44 (0)20 72031812 E: europa@londonchamber.co.uk

The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. We provide practical, hands-on support and information for London's small and medium businesses seeking funding, hoping to expand their business into Europe, or wishing to develop (technology) partnerships with other European businesses.

W: www.een-london.co.uk

London Chamber of Commerce and Industry

33 Queen Street, London, EC4R 1AP.

T: 020 7248 4444. F: 020 7489 0391. E: lc@londonchamber.co.uk

London Chamber of Commerce's World Trade Team, Information Centre and Enterprise Europe Network can provide information or advice on many topics relating to international trade and overseas markets, including Spain. London Chamber of Commerce is a membership organisation but non-members can utilise certain services on a charged basis.

W: www.londonchamber.co.uk

UK Trade and Investment

Kingsgate House, 66-74 Victoria Street, London, SW1E 6SW.

T: 020 7215 4735/4723. F: 020 7215 8313.

Contact: commerce@ukinspain.com

UK Trade and Investment is the British government body responsible for helping UK companies secure overseas sales and investments. Their website has pages for each country of the world, including Spain, and gives useful information and contacts.

W: www.uktradeinvest.gov.uk

British Embassy in Spain

Torre Espacio, Paseo de la Castellana, 259D, 28046 Madrid, Spain.

T: +34 91 700 82 00. F: 0034 91 700 82 72. E: enquiries.madrid@fco.gov.uk

Trade & Investment Section: Torre Espacio, Paseo de la Castellana, 259D, 28046 Madrid, Spain.

T: +34 91 700 82 00. F: 0034 91 700 82 72. E: commerce@ukinspain.com

W: www.ukinspain.fco.gov.uk

Spanish Embassy in the UK

39 Chesham Place, London, SW1X 8SB.

T: 020 7235 5555. F: 020 7259 5392. Email: embespuk@mae.es

Commercial Section: 66 Chiltern Street, London W1M 1PR. T: 020 7467 2330, F: 020 7224 6409.

E: londres@mcx.es.

W: www.mae.es/embajadas/londres/es/home

Spanish Chamber of Commerce in London

126 Wigmore Street, London, W1U 3RZ.

T: 020 7009 9070. F: 020 7009 9088. E: info@spanishchamber.co.uk

W: www.spanishchamber.co.uk

British Chamber of Commerce in Spain

Bruc 21, 1º,4º, 08010 Barcelona, Spain.

T: 0034 93 317 32 20. F: 0034 93 302 48 96. E: britchamber@britchamber.com

W: www.britishchamberspain.com

Invest in Spain

66 Chiltern Street, Second Floor, London, W1M 1PR.

T: 020 7467 2330. F: 020 7224 6409. E: buzon.oficial@londres.ofcomes.mcx.es.

Invest in Spain is the Spanish investment agency and its mission is to promote, attract and maintain investment in Spain and serves as the reference point for foreign investors. Its website contains information on taxes, investment incentives, how to set up a business and life in Spain.

W: www.investinspain.org

Spanish Institute for Foreign Trade (ICEX)

66 Chiltern Street, London W1M 1PR.

T: 020 7467 2330, F: 020 7224 6409.

Provides information on the economy, legal requirements for companies and finding business partners, statistics and market information.

W: www.spainbusiness.com

EMBER

EMBER provides information on the Spanish political and economic environment, business environment, business practice, etc.

W: www.ember.eu.com

Portal of the Spanish Chambers of Commerce

Contains links to all local chambers of commerce in Spain.

W: www.camaras.org



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www.een-london.co.uk

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