

SPAIN

CHOSEN DESTINATION FOR INTERNATIONAL INVESTORS

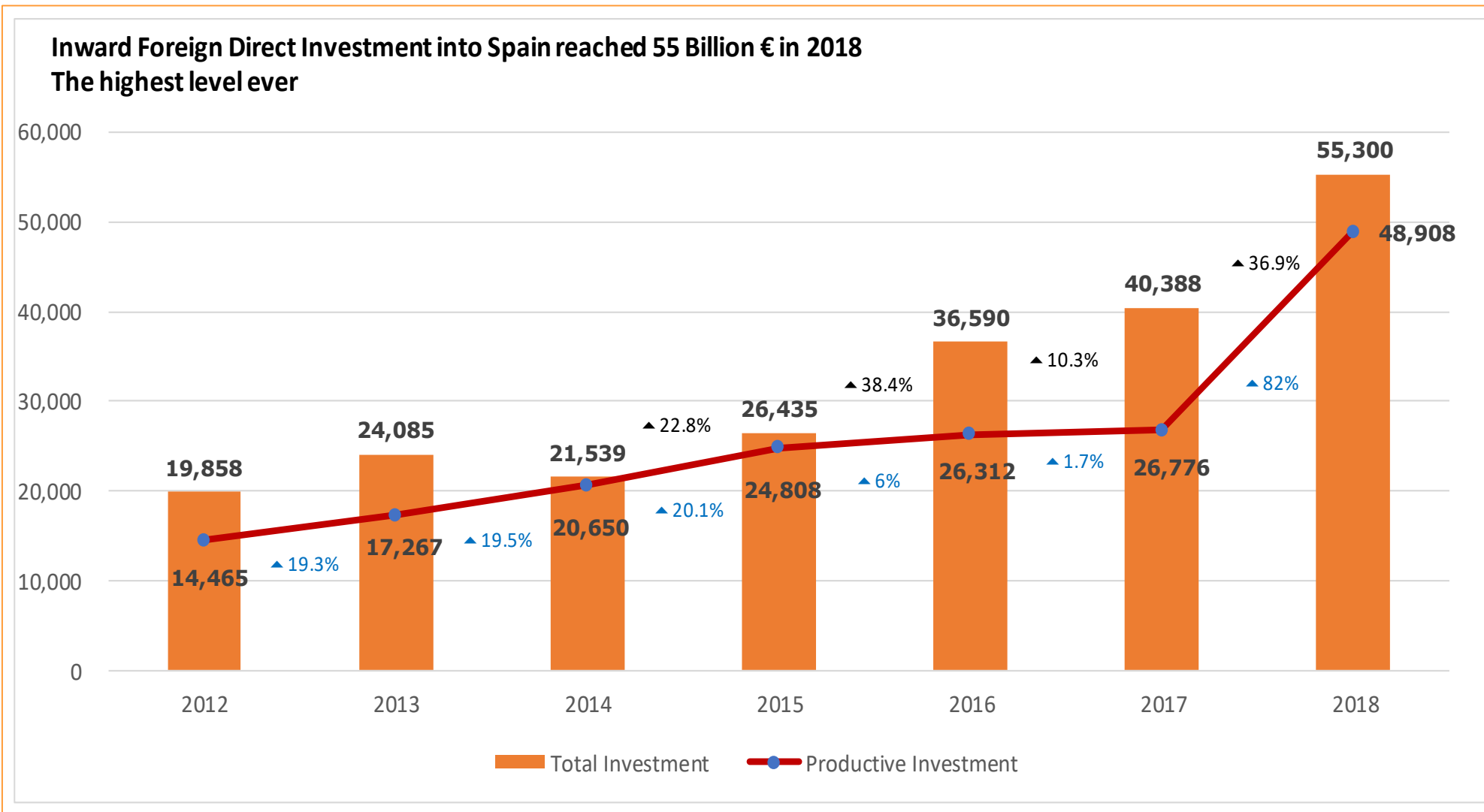


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February, 2020

- 
- **Foreign Direct Investment has been following an upward trend**
 - Breaking record numbers in 2018: €55,300 million
 - **Greenfield projects particularly strong**
 - Spain, 3 largest recipient in the world, after the US and the UK
 - **Private equity and venture capital investment at record highs.**
 - €8,400 million.
 - 77% led by international investors

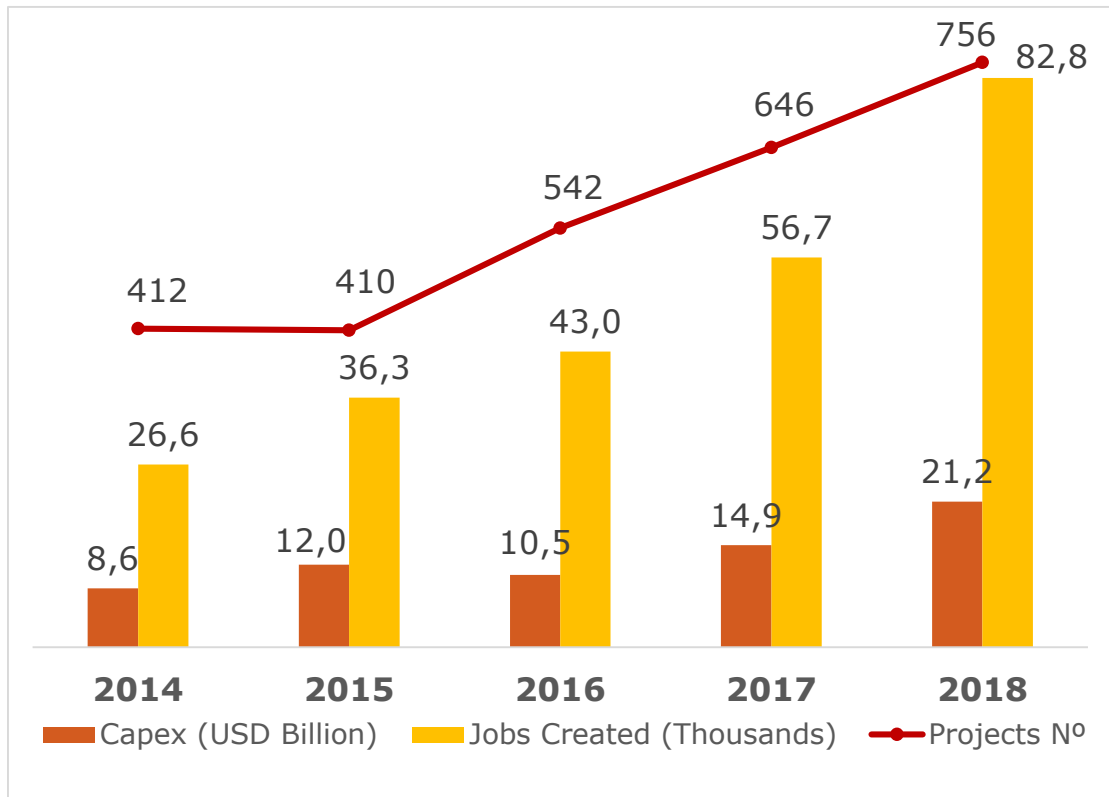
FDI Flows increase in Spain. 2012-2018. Million €



Source: Foreign Direct Investments Registry. Ministry of Industry, Trade and Tourism 2019. Million €.

Total Investment includes: Productive Investments -new greenfield & brownfield & Reinvestment - **and Investment in Holding Companies (ETVEs).**

FDI Greenfields in Spain: 5 years trends



Source: FDI Markets, 2019.

Top 10 Greenfield Destinations in Europe 2018					
		Greenfield Investment USD Million			
		Capex	Projects	Jobs Created	Companies
1	UK	40,500.6	1,540	86,288	1,297
2	Germany	21,864.6	1,090	54,261	922
3	Spain	21,161.1	756	82,847	499
4	France	19,341.2	845	43,337	697
5	Netherlands	14,134.6	307	17,361	285
6	Ireland	10,946.6	236	24,251	205
7	Italy	5,315.1	171	17,365	153
8	Austria	4,914.3	110	8,394	97
9	Belgium	3,724.4	143	10,732	129
10	Portugal	3,584.8	130	14,715	103
	Rest	12,852.6	577	23,373	520
Total		158,339.9	5,905	382,924	4,061

Source: FDI Markets, 2019.

Spain is the 3rd Greenfield Investment location in Europe according to FDI Markets Financial Times



Top 10 Greenfield Destinations in Europe 2014 – 2018. FDI Markets

Countries		Greenfield Investment USD Million			
		Capex	Projects	Jobs Created	Companies
1	UK	197,932.4	6,718	420,490	4,733
2	Germany	73,098.6	5,170	220,506	4,189
3	Spain	67,224.8	2,765	245,466	1,568
4	France	62,850.4	3,283	148,413	2,304
5	Poland	59,684.6	1,676	343,230	1,081
6	Netherlands	52,039.9	1,305	73,323	1,155
7	Ireland	36,183.1	1,092	87,542	824
8	Romania	26,151.1	961	263,638	559
9	Italy	25,676.5	850	74,876	674
10	Belgium	20,961.6	906	49,065	742
	Rest	131,115.2	5,166	527,930	4,277
	Total	752,918.0	29,892	2,454,479	22,206

Source: FDI Markets, 2019. USD Million.

Spain is the 2nd greenfield destination in Europe in 2019 (Jan.-Nov.) according to FDI Markets

Top 10 Greenfield Destinations in Europe 2019					
Country		Greenfield Investment USD Million			
		Projects	Capex	Jobs created	Companies
1	UK	1,104	30,749.3	60,484	921
2	Spain	712	19,173.2	77,873	524
3	Germany	637	17,458.5	41,680	483
4	France	513	12,098.4	31,811	414
5	Poland	388	21,931.3	116,253	258
6	Romania	238	5,380.3	63,660	166
7	Russia	238	22,711.5	48,764	190
8	Netherlands	237	10,362.6	18,772	229
9	Ireland	207	6,402.8	17,374	190
10	Italy	193	5,853.5	18,103	158
	Rest	1,751	50,940.5	193,724	1,540
Total		6,218	203,062.2	688,498	4,012

Source: FDI Markets, 2020.

According to FDI Markets, in 2019 (Jan.-Nov.) :

- Spain is the world's 3rd greenfield destination
- Spain is the world's 4th destination of foreign innovative and high-end greenfield activities

Top 10 Greenfield Destinations in the World 2019					
Country		Greenfield Investment USD Million			
		Projects	Capex	Jobs created	Companies
1	USA	1,830	89,379.0	155,180	1,379
2	UK	1,104	30,749.3	60,484	921
3	Spain	712	19,173.2	77,873	524
4	China	665	53,001.1	147,189	549
5	Germany	637	17,458.5	41,680	483
6	India	595	29,627.8	216,851	462
7	Mexico	575	22,444.6	136,731	438
8	France	513	12,098.4	31,811	414
9	Australia	390	15,069.7	31,493	331
10	Poland	388	21,931.3	116,253	258
	Rest	7,573	407,789.5	1,175,315	3,031
Total		14,982	718,722.7	2,190,860	8,790

Source: FDI Markets, 2020.

Top 10 Innovative and High-End Greenfield Activities Destinations in the World 2019					
Country		Greenfield Investment USD Million			
		Projects	Capex	Jobs created	Companies
1	USA	336	7,650.3	30,696	314
2	UK	179	2,831.1	9,179	173
3	India	145	3,770.0	33,750	125
4	Spain	110	2,167.7	9,499	98
5	China	106	5,194.1	15,609	90
6	Canada	75	4,507.3	7,132	71
7	Singapore	72	1,835.1	5,189	69
8	Germany	65	1,585.3	5,830	54
9	Ireland	58	1,921.4	5,001	54
10	Netherlands	57	3,560.4	5,914	57
	Rest	786	31,489	77,701	744
Total		1,989	66,512	205,500	1,537

Source: FDI Markets, 2020.

➤ **INVESTMENT VOLUMES AT A RECORD HIGH**

€8,515 million +42%
680 deals

➤ **81% BY INTERNATIONAL FUNDS**

€6,872 million +50%
115 deals

➤ **MEGADEALS (>100 MILLION) CONTINUES TO PUSH VOLUMES UP**

€5,824 million 68% total investment

➤ **MID MARKET KEEPS EXPANDING AND BREAKING NEW RECORDS**

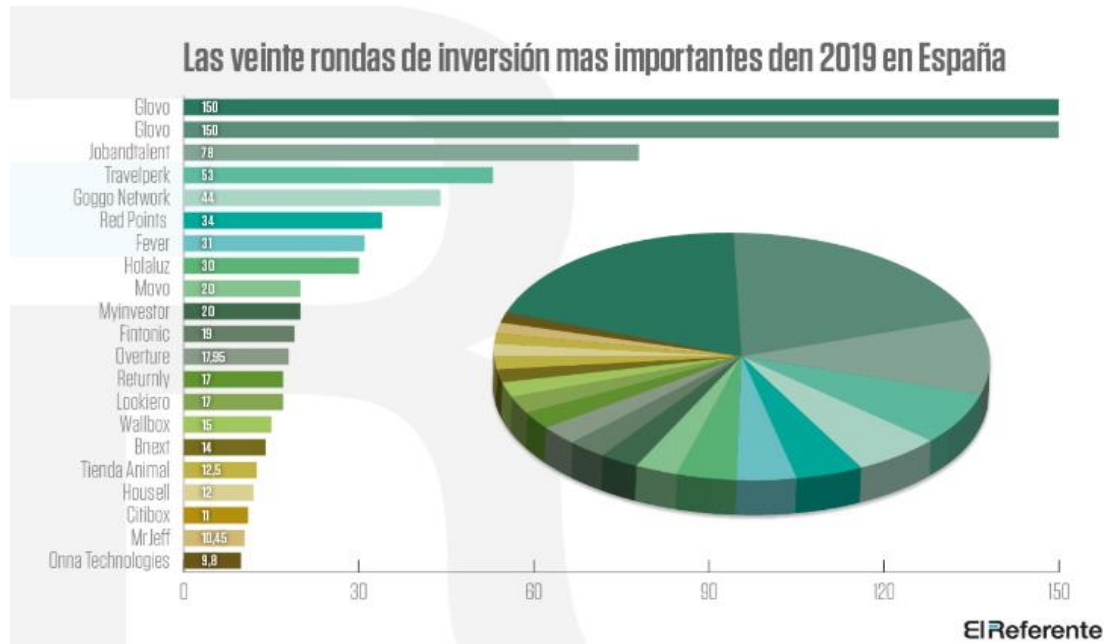
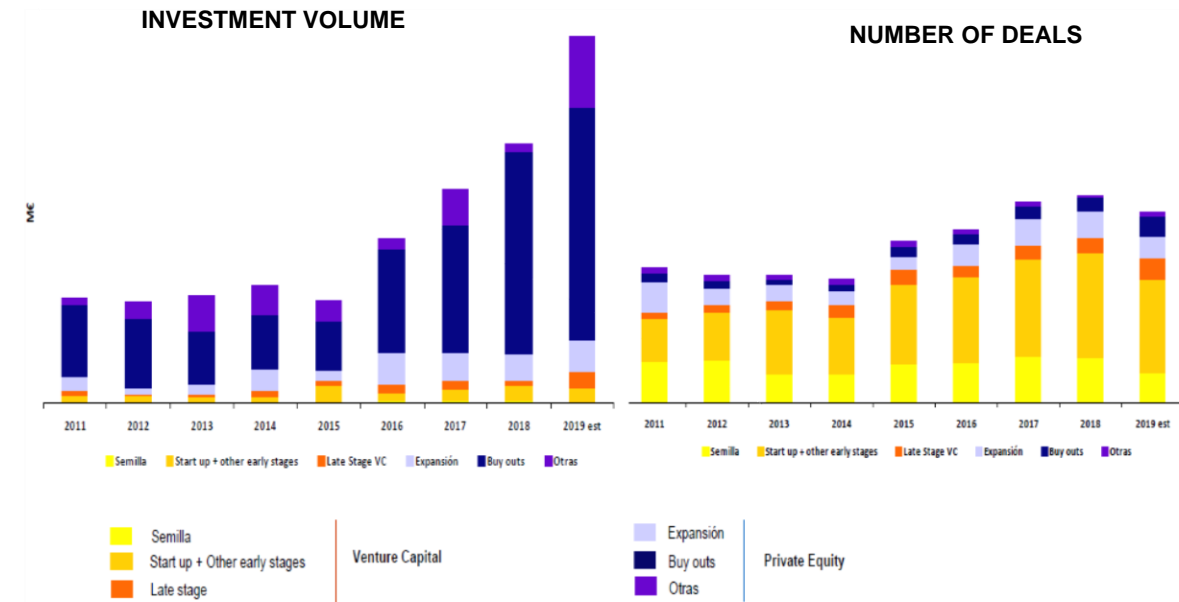
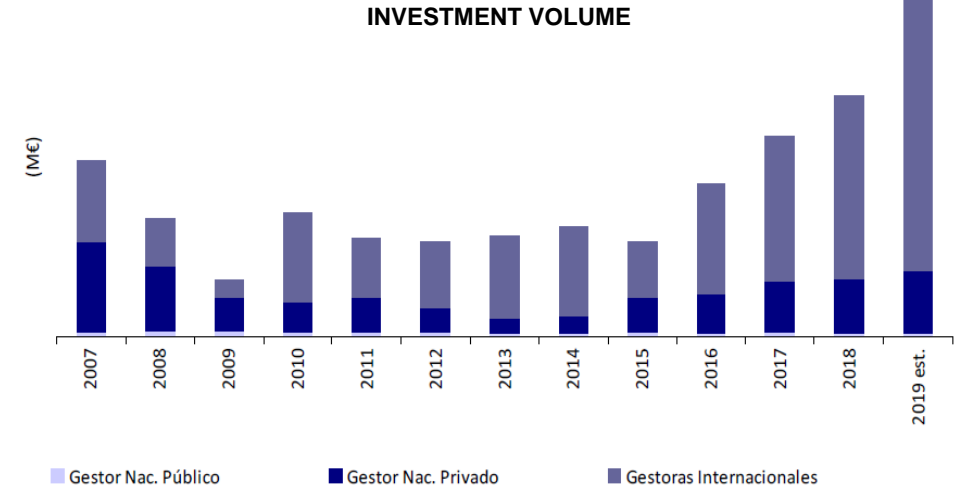
€1,989 million 23% total investment

➤ **87% OF THE DEALS WERE IN SMES AT EARLY STAGES AND EXPANSION.**

€750 million in expansion +19%

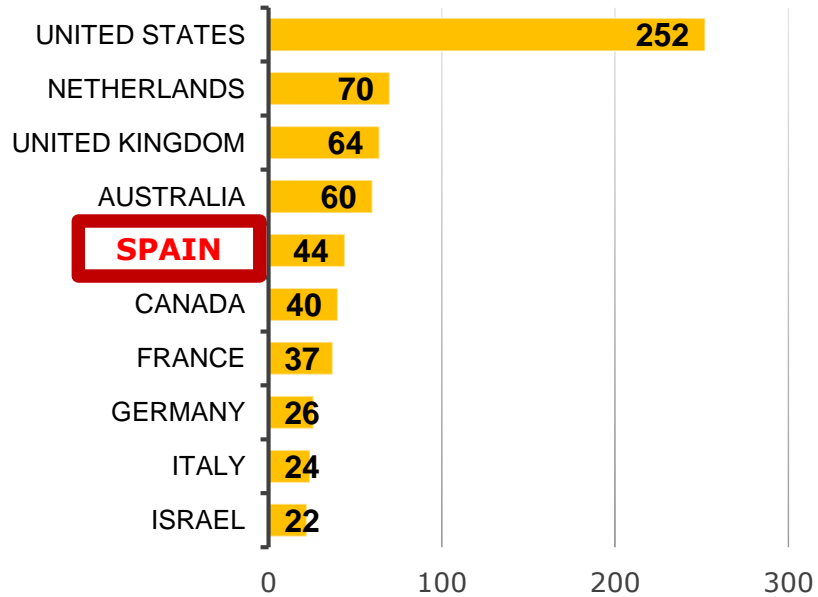
➤ **VENTURE CAPITAL IN RECORD NUMBERS**

€737 million +46%

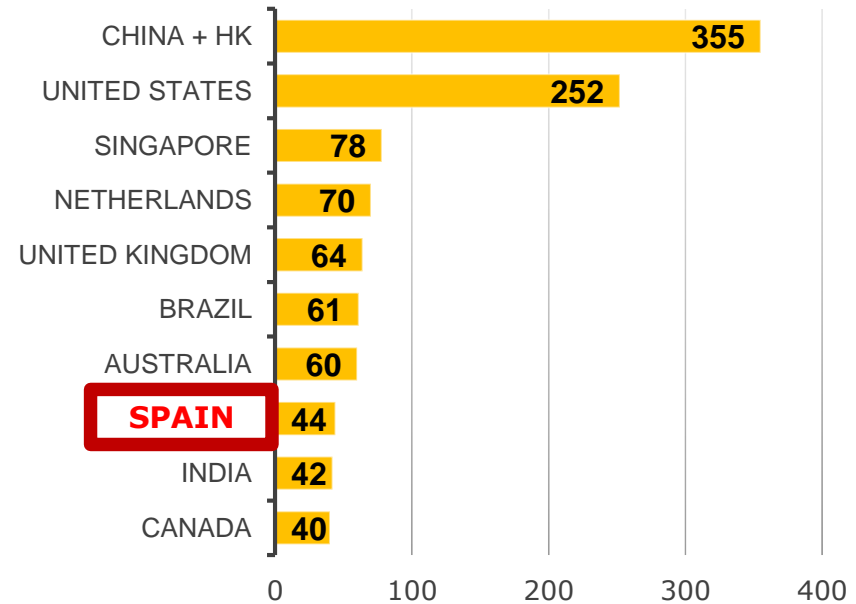


Spain has been the fifth largest recipient of FDI flows among developed economies in 2018

Top 10 host developed economies 2018
(Billions of US dollars)



Top 10 host world economies 2018
(Billions of US dollars)



Source: UNCTAD, World Investment Report 2019.

Stock and Recent Investment Trends in Spain by Country 2014 - 2018. Million €.

Foreign Investments Registry

Country	Investment flows in Spain: 2014 - 2018						Investment Stock (*)	
	2014 - 2018	2014	2015	2016	2017	2018		
1	USA	28,497.7	3,830.8	3,003.0	5,071.0	4,470.6	12,122.3	70,715.8
2	United Kingdom	17,241.4	2,037.4	1,269.2	2,269.4	8,106.1	3,559.3	57,727.9
3	Luxembourg	15,178.5	2,391.2	3,323.2	3,210.1	4,831.7	1,422.3	14,223.8
4	Netherlands	14,882.9	1,345.8	2,755.2	6,148.4	3,195.5	1,438.0	14,293.4
5	Germany	14,579.5	456.6	973.3	7,698.2	3,269.1	2,182.2	33,180.7
6	France	10,829.7	2,050.8	2,338.4	1,820.1	2,609.0	2,011.3	49,756.5
7	China + Hong Kong	8,681.2	902.3	1,704.3	1,233.5	3,102.9	1,738.2	17,500.3
8	Mexico	5,724.2	1,235.7	1,267.7	1,568.8	543.2	1,108.8	28,024.4
9	Uruguay	3,975.4	469.5	468.2	359.5	2,383.8	294.4	2,492.5
10	Canada	3,518.5	313.1	199.6	833.1	917.4	1,255.4	5,392.0
11	Italy	3,130.5	111.1	158.1	140.0	229.9	2,491.3	33,479.2
12	Switzerland	2,982.7	424.0	501.9	401.1	1,445.6	210.2	12,468.4
13	Japan	2,584.5	459.8	555.2	509.1	161.7	898.8	6,859.7
14	Australia	2,322.7	7.2	33.1	9.3	15.2	2,257.9	2,550.0
15	Portugal	1,837.8	137.3	450.1	431.3	508.1	310.9	3,263.7
16	Qatar	1,763.0	16.9	1.7	677.5	17.8	1,049.2	1,633.4
17	Ireland	1,671.4	391.7	193.2	513.1	176.4	396.9	2,859.7
18	Venezuela	1,313.1	1,131.1	28.1	45.1	41.2	67.7	4,924.5
19	Belgium	1,069.5	167.3	80.7	192.4	478.2	150.9	3,170.8
20	Brazil	1,038.1	231.6	540.2	196.6	35.7	34.0	7,161.1
21	Singapore	964.3	385.0	160.5	80.5	142.4	196.0	1,314.5
22	Panama	790.5	194.0	46.2	58.0	88.4	403.8	1,701.4
23	Argentina	772.3	59.9	41.8	17.5	540.0	113.0	4,636.6
24	United Arab Emirates	711.7	54.5	175.4	19.5	380.2	82.1	5,374.4
25	Kuwait	589.7	2.9	497.4	1.0	9.9	78.5	1,463.4
	Other	1,593.5	25.3	555.9	166.4	338.4	507.6	49,111.4
	TOTAL	177,355.1	21,533.2	26,441.4	36,461.2	40,115.7	52,803.6	435,279.5
	Total Productive Investment	145,797.8	20,647.6	24,803.0	26,173.6	27,346.1	46,827.6	395,178.1



- The USA, the UK, France, Germany Italia are the largest investors
- Increasing interest by other countries like Mexico, China, Canada
- Increasing interest by institutional investors like Sovereign Wealth Funds from Singapore, the Middle East and China

Source: Foreign Investments Registry. Ministry of Industry, Trade and Tourism, 2019. Million €. (*) Stock 2017 data.

Foreign Direct Investment in Spain by Sector €Million Stock and Recent Trends 2014 - 2018							
Sectors		Total Stock *	Investment Flows				
			2014	2015	2016	2017	2018
1	Energy	55,640.1	1,013.8	3,118.5	9,830.7	2,630.5	3,946.9
2	Metals and Manufacturing of other Materials	52,900.6	252.0	464.5	2,408.5	2,105.7	337.0
3	Real Estate, Building and Infrastructures	49,585.3	5,315.1	9,098.8	7,217.3	7,654.1	10,342.3
4	Retail and Wholesale	43,437.0	3,923.8	2,701.5	1,489.4	2,044.2	4,031.2
5	Financial Services	40,899.4	2,845.6	1,949.7	6,987.8	2,775.3	3,051.6
6	ITC: Communications, Software & IT Services	31,802.6	832.5	613.7	774.4	2,180.0	3,428.6
7	Food and Beverages	28,124.0	1,555.6	2,032.2	1,185.8	1,340.2	1,665.8
8	Chemicals and Petrochemicals	21,784.2	526.0	719.8	351.6	566.2	673.7
9	Automotive OEM & Automotive Components	19,074.3	97.1	738.9	1,499.2	489.4	2,451.2
10	Transport and Logistics	18,117.7	763.3	1,163.3	1,784.9	3,057.8	14,760.7
11	Business Services	15,047.3	548.1	678.4	690.4	2,403.0	1,469.2
12	Pharmaceuticals, Medical, Healthcare & Biotechnology	14,833.6	405.8	701.2	284.3	1,410.2	2,861.9
13	Mining and Natural Resources	14,682.1	1,097.0	32.7	107.4	9,375.8	221.4
14	Tourism	10,134.2	1,435.3	770.4	914.8	613.5	763.2
15	Industrial Machinery and Equipment	7,065.6	196.3	91.0	286.1	477.0	389.2
16	Environmental industries	5,240.7	455.8	13.3	3.6	617.0	122.6
17	Paper, Wood and Others	4,004.5	106.4	301.5	289.1	17.3	62.4
18	Leisure and Entertainment	1,935.5	145.1	1,098.3	111.4	127.6	2,060.2
19	Consumer Goods	934.8	7.5	153.3	24.9	230.2	160.4
20	Other	36.0	11.0	0.5	219.5	0.7	4.1
Total Investment		435,279.5	21,533.2	26,441.4	36,461.2	40,115.7	52,803.6
Total Productive Investment		395,178.1	20,647.5	24,802.9	26,173.6	27,346.1	46,827.6

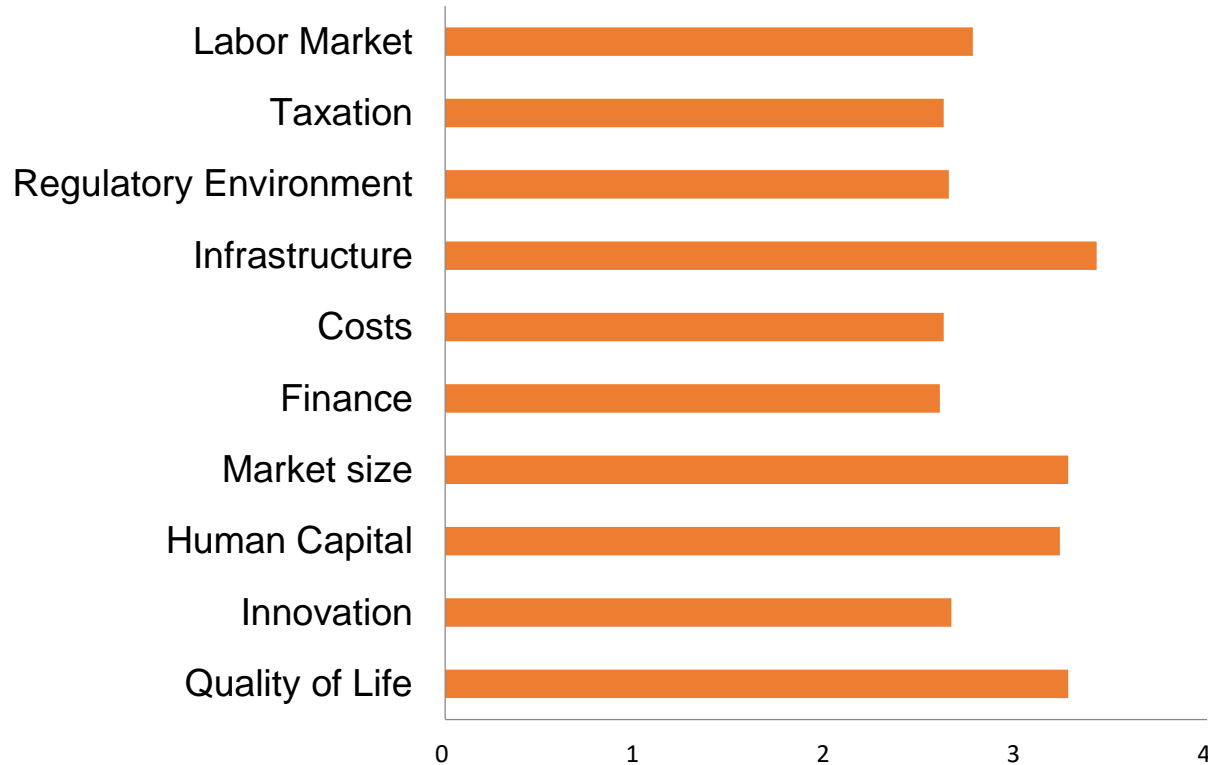
Source: Foreign Investments Registry. Ministry of Industry, Trade and Tourism 2019. Million Euro

(*) Stock 2017 data

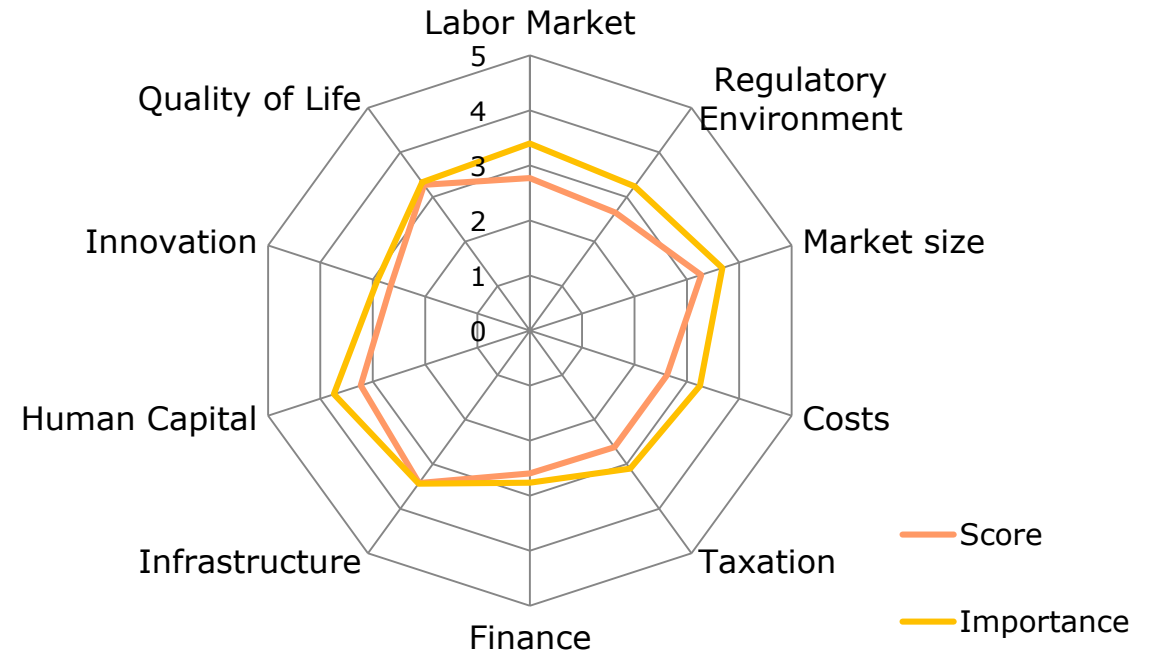


580 International Companies participating in the survey

Assessments 2019 (from 1 to 5)



Importance and assessment by areas 2019



Spain ranks 30th in the World Bank Doing Business Report, improving Business Climate for the 7th consecutive year



THANK YOU

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