Spain-Automotive Industry and Electro Mobility

Sept 2014
Automotive Industry in Spain
I. Key facts of the Automotive Sector in Spain
   - Key figures of the Sector / International Position
   - Foreign Investment
   - Market Access / External Trade
   - Automotive Parts Supply Chain - Automotive Clusters
   - Human Resources
   - Innovation and Eco - Electromobility - Electric Vehicle

II. Government Support: grants and incentives
    - Productive Investment
    - R&D&i
    - Hiring and Training
    Sources, Summary and Examples of Investment Projects

III. Who is Invest in Spain?
Spain is the 2nd largest car manufacturer in Europe and the 12th in the world.

Spain is the 1st manufacturer of Industrial Vehicles in Europe *

Most of the world's biggest car manufacturers are present in Spain with 17 automobile production plants.

Vehicle manufacturing in Spain was up 9.3% in 2013 to 2.2 Million Vehicles

Nine out of Ten vehicles Produced in Spain are exported to over 130 countries

Spain Automotive Parts Industry ranks 6th in the world in terms of turnover.

- Including light commercial vehicles
- 2.2 Million vehicles were produced in Spain in 2013.
- Automotive Industry turnover accounts for 10% of GDP.
- 1,000 Auto-parts and components manufacturers.
- 300,000 people directly employed in the Industry.
- 2,000,000 jobs linked to the Sector.
- 1.9 Million vehicles exported to 130 Countries in 2013. Export value €26bn.
- Made in Spain Vehicle exports increased by 8.7% in 2013 to 1,879,974 units.
- Motor Industry Main exporter with 18% of total Goods Exports.
- 3-4 Million vehicles transported every year through the territory.
- 34 Technology Centers working to Automotive Industry.

Sources: ANFAC (Spanish Association of Vehicle Manufacturers / SERNAUTO Automotive Parts Exporters Association ))data 2013
www.anfac.es www.sernauto.es /Data ICEX ESTACOM
**Investment OEM’s**

- **New Industrial Plans** have been approved by the 9 Multinational brands established in the country.

- 20 new models assigned to Spanish Plants in the last 5 years.

- 3,5 billion € investment in 2012-2013 and new investments announced in 2014 to expand production in Spanish Plants, including new models and electric models.

- **Plan** of the Spanish Industry to produce 1 Million extra vehicles “3 Million Plan”.

*Sources: ICEX-INVEST; Real Instituto Elcano; Ministry of Economy and Competitiveness (dataInvex)-Corporative Sources*
39 different car models were produced in Spain to be exported worldwide.

Production of full Electric e-NV-200 started in NISSAN Barcelona in 2014.

Vehicles - Production in Spanish Plants 2013 (units)

<table>
<thead>
<tr>
<th>Model</th>
<th>Units 2013</th>
<th>Units 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renault</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valladolid Captur, Twizy</td>
<td>124,000</td>
<td>83,800</td>
</tr>
<tr>
<td>Palencia Mégane</td>
<td>142,000</td>
<td>202,400</td>
</tr>
<tr>
<td><strong>Ford</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Almussafes Kuga, C-Max, Transit, Co</td>
<td>235,000</td>
<td>133,000</td>
</tr>
<tr>
<td><strong>Opel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Figueruelas Corsa, Meriva, Mokka</td>
<td>276,000</td>
<td>265,000</td>
</tr>
<tr>
<td><strong>PSA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vigo Citroën: C4 Picasso, C4 Grand Picasso, Berlingo, C-Elisée Peugeot: Partner, 301</td>
<td>406,000</td>
<td>297,000</td>
</tr>
<tr>
<td>Madrid Villaverde Peugeot 207</td>
<td>55,000</td>
<td>77,000</td>
</tr>
<tr>
<td><strong>Seat Audi</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audi: Q3 Seat: León, Ibiza, Altea Altea XL Freetrack, Exeo</td>
<td>389,598</td>
<td>377,343</td>
</tr>
<tr>
<td><strong>Volkswagen</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polo</td>
<td>290,000</td>
<td>287,000</td>
</tr>
<tr>
<td><strong>Mercedes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vito, Viano</td>
<td>76,000</td>
<td>76,500</td>
</tr>
<tr>
<td><strong>Nissan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barcelona Nissan: Pathfinder, Navara Primastar, NV 200 Renault: Traffic, Opel: Viv</td>
<td>130,000</td>
<td>127,447</td>
</tr>
<tr>
<td><strong>Avila</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atleon, Cabstar</td>
<td>8,284</td>
<td>10,420</td>
</tr>
<tr>
<td><strong>Iveco</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valladolid Daily</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madrid Stralis, Trakker</td>
<td>46,000</td>
<td>37,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,177,882</td>
<td>1,974,410</td>
</tr>
</tbody>
</table>

(*) Data January- Nov. Source ANFAC Spanish Association of Car and Trucks manufacturers
Domestic market over 47 Million consumers, with a GDP per capita in PPS 23,271 €.

Spain has a privileged access to International Markets:

Access to one of the World’s Largest Market: EU-27.

- Intra European Duty Free Market
- Single Currency.
- More than 500 Million Consumers.
- Average GDP per capita PPS €24,700.
Spain is a Natural Platform towards North-African and Mediterranean countries:

- **4 Agreements to Avoid Double Taxation**: Morocco, Algeria, Tunisia, Egypt.
- **5 Agreements for Protection And Promotion of Reciprocal Investments**: Morocco, Algeria, Tunisia, Libya, Egypt.
- **Euro-Mediterranean Association Agreements with**: Egypt, Israel, Jordan, Lebanon, Morocco, Tunisia and Algeria for the gradual liberalization of trade in the Mediterranean area.
- **Key Role of the Spanish Canary Islands Special Zone (ZEC) as a commercial and logistic hub with Africa.**
The best European platform for doing business with Latin America:

- **15 Agreements to Avoid Double Taxation**
  Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Ecuador, Mexico, Panama Peru*, Rep. Dominicana,* Trinidad & Tobago, Uruguay, Venezuela

- **20 Agreements for Protection and Promotion of Reciprocal Investments**
  Bolivia, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Rep. Dominicana, Trinidad and Tobago, Uruguay, Venezuela and Argentina.

- **Excellent communications and infrastructure**: Madrid concentrates around 35% of total air traffic between Europe & Latin America.
Top Level Logistic for the Spanish Exporting Industry as a whole

The 1st largest EU highway network with 14,262 km. Total road Network 170,000 Km

- The 3rd largest worldwide High-Speed Railway Network with almost 2,000 km in service, and a total railway network of 13,500 km.

- 47 airports, being Madrid and Barcelona the main hubs. 250 operative airlines

- Excellent maritime connections and logistics for the automotive Sector.
  - 46 ports on both the Atlantic and the Mediterranean coasts.
  - 3 ports among the Top-15 ports of containers in Europe.
  - Valencia, Algeciras and Barcelona.

- 1,281,488m2 Free Trade Zones and Free Trades Regimes with special customs for import export – activities.

Free Trade Zones and special customs Regimes Ports of: Vigo, Barcelona, Cadiz, and close to Ports in Bilbao, Valencia, Algeciras, Canary Islands-

The Infrastructure, Transport and Housing Plan (2012 - 2024) states a stable and sustained investor scenario of up to 0.94% of GDP during the period.

The Mediterranean Corridor Plan within Trans-European Transport Network connects the Mediterranean Spanish Seaports to a rail corridor which links North Africa to Central Europe through Spain.
Automotive Sector Accounts for 18.5% of Total Spanish Exports of Goods.

Motor Vehicles Main Exporter €27,3bn in 2013

Auto – Parts 2nd Chapter in value of Spain’s External Sales with €16 bn 2013.

External Trade surplus for vehicle manufacturers exceeded €16bn in 2013

Spain Exports Ranking 2013

<table>
<thead>
<tr>
<th>Thousand €</th>
<th>Value</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vehicles</td>
<td>27,305,609</td>
</tr>
<tr>
<td>2</td>
<td>Automotive Parts and Accesories</td>
<td>15,953,704</td>
</tr>
<tr>
<td>3</td>
<td>Fuels and lubricants</td>
<td>15,120,865</td>
</tr>
<tr>
<td>4</td>
<td>Steel Works</td>
<td>10,309,544</td>
</tr>
<tr>
<td>5</td>
<td>Other Industrial Products</td>
<td>9,871,319</td>
</tr>
<tr>
<td>6</td>
<td>Pharmachemicals</td>
<td>9,549,469</td>
</tr>
<tr>
<td>7</td>
<td>Plastics</td>
<td>7,475,371.00</td>
</tr>
<tr>
<td>Subtotal</td>
<td>95,585,880.72</td>
<td>40.81%</td>
</tr>
<tr>
<td>Total Spanish Goods Exports 2013</td>
<td>234,239,799.064</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source ICEX- Data ESTACOM
Spain’s Car Industry main supplier of EU Countries.

- France, Germany, United Kingdom, Italy, Belgium destination of 67% of external sales
- Increasing Exports to New Markets: Egipt, Turkey, Algeria, USA

<table>
<thead>
<tr>
<th>Spain Exports Vehicles Country Ranking 2013 (Thousand €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>1</td>
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<tr>
<td>2</td>
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<tr>
<td>3</td>
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<td>4</td>
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<td>6</td>
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<td>7</td>
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<td>8</td>
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<td>9</td>
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<tr>
<td>10</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source ESTACOM Data Base/ICEX
Spanish vehicle Production and Exports equaling 2009 figures

Projection of 2.4 Million Units Production and 2 Million Units Exports in 2014

**Vehicles: Spanish Production / Exports (units)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2,170,078</td>
<td>1,883,175</td>
</tr>
<tr>
<td>2010</td>
<td>2,387,900</td>
<td>2,079,782</td>
</tr>
<tr>
<td>2011</td>
<td>2,373,074</td>
<td>2,121,065</td>
</tr>
<tr>
<td>2012</td>
<td>1,979,179</td>
<td>1,729,172</td>
</tr>
<tr>
<td>2013</td>
<td>2,163,338</td>
<td>1,879,974</td>
</tr>
<tr>
<td>2014 - projection</td>
<td>2,400,000</td>
<td>2,050,000</td>
</tr>
</tbody>
</table>

Source ANFAC Spanish Association of Car and Trucks Manufacturers
6.4% increase in Industrial vehicles production in Spain in 2013*, up to 408,670 units

Production of light and heavy trucks in 2013 raised up to 50,000 units.

88% of Trucks (units) was exported abroad mainly to the EU.

Latin-America and North Africa emerging markets.

Increasing demand for Heavy Trucks (>16,000 Tn MAM)

* Data Including light commercial vehicles and vans Source: ANFAC RESEARCH (Spanish Association of Vehicles Manufacturers). Data 2013 www.anfac.es
Automotive Supply Chain in Spain
- Spanish Auto-Parts Industry ranks 6th in the world in terms of Turnover.
- 1,000 companies belonging to 720 groups provide customized Service.
- Turnover of 27.500 Million € in 2013, 60% exported to 150 countries
- 191,000 people directly employed in the Sector.
- Main global suppliers of the Automotive Industry are established in SPAIN

*Source: SERNAUTO (Spanish Association of Automotive Parts and Accessories Manufacturers). Year 2012 (last data available).*
70% of the Auto-parts for Spanish vehicles are sourced locally.

- **1,000 companies** providing customized and quick service to the Industry.
- **778 Original Equipment** and Original aftermarket Manufacturers.
- **19,000 Subcontracting Companies** conforming the Industrial Supply Chain.

Source: SERNAUTO (Spanish Association of Auto-Parts Exporte- Chambers of Commerce)
- **Spain** is a manufacturing location for Multinational Auto-Parts Companies.
- **Germany, USA, France, Italy** and **Japan**, main investors.
- New Investment plans announced in **2013** by Multinational Auto-Parts manufacturers.
External Trade

- **€16 bn Exports** of Auto-Parts in 2013
- **Spanish Auto-Parts Industry** fully integrated in EU Car Industry.
- Germany, France, United Kingdom and Portugal destination of **52%** of Spanish Auto-parts Exports.
- US, Mexico, Turkey, Morocco and BRIC’s among top Ranking destinations.

<table>
<thead>
<tr>
<th>Country Ranking</th>
<th>Spanish Exports</th>
<th>Auto-Parts 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Thousand €</td>
<td>% Total</td>
</tr>
<tr>
<td>1 Germany</td>
<td>3,193,345</td>
<td>20.02%</td>
</tr>
<tr>
<td>2 France</td>
<td>2,696,185</td>
<td>16.90%</td>
</tr>
<tr>
<td>3 United Kingdom</td>
<td>1,463,378</td>
<td>9.17%</td>
</tr>
<tr>
<td>4 Portugal</td>
<td>1,352,002</td>
<td>8.47%</td>
</tr>
<tr>
<td>5 United States</td>
<td>661,928</td>
<td>4.15%</td>
</tr>
<tr>
<td>6 Belgium</td>
<td>580,760</td>
<td>3.64%</td>
</tr>
<tr>
<td>7 Italy</td>
<td>506,775</td>
<td>3.18%</td>
</tr>
<tr>
<td>8 Morocco</td>
<td>477,890</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

Source ICEX- Data ESTACOM
19,000 Subcontracting Companies conform the Industrial Supply Chain.

11 Automotive Clusters in Spain providing advanced Services and Information for the Car Industry, Investors and National and European Public Administrations:

- Cantabria: [http://www.giracantabria.com](http://www.giracantabria.com)
- Cataluña: [http://www.ciac.cat/es](http://www.ciac.cat/es)
- Galicia: CEAGA: [www.ceaga.com](http://www.ceaga.com)
- La Rioja: [http://www.fer.es](http://www.fer.es)

Source (Ministry of Economy and Competitiveness- Regional Investment Agencies)
NEW FORMS OF MOBILITY

SPANISH CAPABILITIES AND LEADERSHIP
Spain contributes to Eco-Electromobility as a major component designer and manufacturer and as provider of Infrastructures and Network Intelligence.

74 Spanish Companies and Technology Centers have taken part in 60% of the European eco-electromobility Projects.

Spanish Companies are leaders of 13 of these Projects.

The Spanish Automotive and Mobility Technology Platform Move to Future www.move2future.es gathers together 150 Key innovative Companies, Research and Technology Centers.

100 Eco electro mobility projects with Spanish Participation and 80 New Products/Services compiled for Green Car Initiatives.

Spanish Companies and Research Technology Centers are Heading the 3 European Projects on New Batteries:

- **NECOBAUT** - New Concept of Metal-Air Battery for Automotive Application based on Advanced Nanomaterials. **Coordinator TECNALIA**
  
  From 2012-10-01 to 2015-09-30 Total cost: EUR 3,067,332 / EU contribution: EUR 2,121,013 Call: GC.NMP.2012-1

- **SOMABAT** - Development of novel Solid materials for high power Li polymer Batteries. Recyclability of components. **Coordinator ITE Technology Institute of Energy**
  
  From 2011-01-01 to 2013-12-31 Total cost: EUR 5,040,127 / EU contribution: EUR 3,700,896 Call: GC.NMP.2010-1

- **GREENLION** – Advanced manufacturing processes for Low Cost Greener Li-Ion batteries **Coordinator Fundación CIDETEC**
  
  From 2011-11-01 to 2015-10-31 Total cost: EUR 8,594,688 / EU Contribution: EUR 5,600,000 Call: GC.NMP.2011-1

*Sources: SERNAUTO /MOVE TO FUTURE PLATAFORM – M2F*
INDUSTRIAL INNOVATION AND ADVANCED MANUFACTURING IN THE AUTOMOTIVE SECTOR IN SPAIN

Spanish Technological Strengths:

- **Powertrain R&D&i**, specially concerning natural gas engines.
- **Battery technology**: lithium-ion and metal/air batteries production assembling and recycling.
- **Electronics and Grid Integration**: 30,000 companies employing 400,000 technicians in the Spanish ICT Sector.
- **Advanced Materials**: multifunctional materials, nano-composites, graphene.
- **Charging Infrastructures**.
- **Excellence in Engineering, testing and homologation**: APPLUS+ IDIADA was chosen by the European Commission to develop an Electric high-performance sport prototype, comparable with the conventional sport.

The prototype **Volar-e** has been presented in March in the Catalonia Circuit during the F1 day test.


Sources: Spanish Automotive and Mobility Technology Platform M2F- Corporative Sources
- RENAULT, MERCEDES-BENZ, PEUGEOT-CITROËN, NISSAN are already manufacturing full electric powered and hybrid vehicles in Spain.
- COMARTH is a 100% Spanish Manufacturer of full Electric vehicles
- AUTO-PARTS companies with plants in Spain are already providing specific components and systems for electric and hybrid vehicles.
The Spanish Strategy for the Promotion of the Electric Vehicle includes measures to promote the development of charging infrastructures and Energy demand management.

Several Autonomous Communities have financial programmes for investment in charging infrastructures.

AEDIVE - Spanish Business Association for the Boosting and Development of the Electric Vehicle Market, supports the Spanish Strategy promoting competitiveness in the Sector regarding all the EV value chain.

AEDIVE gives support for the Development of safe infrastructures to facilitate the use of electric vehicles. [http://www.aedive.es/english/](http://www.aedive.es/english/)

**AEDIVE working groups:**

- Market and Business Models
- Standardisation and regulation
- Research, Development and Innovation
- Strategy and Communication
- Internationalization
- Smart Cities
1,000 private and public charging Points in Spain operated by: Electric Companies ENDESA, ACCIONA, E.ON, Private Companies (IBIL), Parkings Hotels, Shopping Malls, Gas Stations and others

http://www.electromaps.com/puntos-de-recarga/mapa
With the current electricity generation system in Spain (energy mix), the electric car is 50% more efficient than a conventional vehicle. (source IDAE)

Super-off-peak tariff has been approved to charge electric vehicles at lower prices during the night.

Spain is actively participating in European Smart Grids Projects in collaboration with countries as France and Germany.

Human Resources / Labor Costs
- **Spain** ranks 4th in Europe in number of persons **with a scientific/technical tertiary education**, just behind Germany, United Kingdom and France.

- More than **100,000** students undertaking each year engineering specialties related to the car industry.

- **24,332 New** graduates in course 2012.

- **300,000** students undertaking **Technical Vocational Training** each year.

<table>
<thead>
<tr>
<th>Total New Spanish Engineers in specialties related to Car Industry</th>
<th>24,332</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Engineering</td>
<td>5,497</td>
</tr>
<tr>
<td>Metal.-Mechanics</td>
<td>4,303</td>
</tr>
<tr>
<td>Electricity and Energy</td>
<td>2,838</td>
</tr>
<tr>
<td>Electronic and Automation</td>
<td>6,760</td>
</tr>
<tr>
<td>Chemicals</td>
<td>2,874</td>
</tr>
<tr>
<td>Aeronautics-Motor vehicles - shipbuilding</td>
<td>1,958</td>
</tr>
<tr>
<td>Production and Manufacturing</td>
<td>102</td>
</tr>
</tbody>
</table>

*Source: Ministry of Education, Culture and Sports*
INDUSTRIAL RESEARCH/UNIVERSITIES/TRAINING

- **Automotive Sector** expenditure in R&D&i and **Professional Training** one of the highest among all industries in Spain supported by:

- Outstanding **Network of Universities Research organizations and groups** working for the **Automotive industry**.

- **34 Technology Centers** with activities related to the automotive sector.

- **Significant offer of Master/post graduate studies** in Automotive Industry in Spanish Universities around main manufacturing hubs.

- High investment in Professional Continuous Training Programmes by Car Manufacturers **Annual Average of 63 Millions** (444 Millions Investment through the period 2005-2011)

- Agreement s between **CAR Manufactures** technical schools and Universities to promote professional training. (dual training SEAT-Wolkswagen Group)

Sources: ANFAC- SERNAUTO- FEDIT- CORPORATIVE SOURCES
Decreasing Unit Labor Costs in Spain – Increasing Productivity

- Spanish Automotive Industry Labor Cost per hour is 40% below that of France and Germany (25.51 €/hour Spain, 45.66€/hour Germany, 44.73€/hour France)

- Decreasing trend of Unit Labor Costs in Spain since 2009.

![Nominal Unit Labour Costs (Rebased, Index, 2000=100)]

- Source: Eurostat, 2014
Increasing gains in **Labor Productivity** of Spanish Economy + 13.1% in 2013

Source: Tesoro Público elaboration from EuroStat Statistical Data
Public Programs for New Business
II.- GOVERNMENT SUPPORT: GRANTS AND INCENTIVES

1. Investment Incentives
   Reindustrialization and Competitiveness of Industrial Sectors.
   Productive Investment Regional Incentives

2. Operational Incentives: Labor and R&D&I Financial Aids:
   - ICEX- INVEST -Technology Fund
   - CDTI - Center for Industrial Technologies Development- Programmes.
   - Other Incentives
   - Incentives and Subsidies for Hiring and Training.

3. Incentives for the Purchase of Efficient and Electric Vehicles (PIVE, PIMA, EV Programmes)
Industrial Sectors Reindustrialization and Competitiveness Programme
Ministry of Industry, Energy and Tourism.

- **Beneficiaries** Private Companies working in Automotive Industry -
- **Eligible Activities** – New Industrial Investment and Investment in to Improve Competitiveness
  - Investment in new industrial establishments- Developing of new locations or improving or modifying existing production lines.
- **Type**: Loans
- **Conditions 2014. All Industry Except OEM’s Deadline July 3RD**
  - Minimum Investment of 75,000€.
  - Interest rate: 3.062%-4.53% - depending on financial evaluation
  - Maximum loan 75% of the investment
  - 10 years Repayment Period, 3 years grace period.
  - Guarantee (10% total Loan)
- **Announced conditions for OEM’s**
  - Interest rate 2.8% to 4.53% depending on evaluation.
  - Deadline: September 2014

**Electronic application** [http://www.minetur.gob.es/PortalAyudas/RCI](http://www.minetur.gob.es/PortalAyudas/RCI)
Non-refundable subsidies, subsidies for loan repayments granted to regions by the State, according EU limits and requirements, for **productive investments**.

**Eligible projects** are those aimed at (i) **creating new establishments** that give rise to the launching of business activity and generate **new jobs**; (ii) **expanding existing activities** with an increase in production capacity or starting up new activities in the same establishment; and (iii) **modernizing the business**.

Eligible Costs: Civil works, Equipment and Machinery.

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**Large Companies Incentives scheme**
- **35%** Canary Islands
- **25%** Extremadura
- **15%** Teruel and Soria.
- **10-15%** Other Regions.

Additional increase of **10%-15%** for SME’s
2. Invest in Spain Technological Fund.

✅ **EU Programme** to Promote Private Investment in R&D&I Activities.

✅ **INVEST in Spain** participates in this Programme to attract high innovative Foreign Investment.

✅ **Beneficiaries**: Foreign Companies who want to initiate R&D&I activities in Spain, or Companies already established that want to develop new R&D&I activities.

✅ **Type**: Non refundable grant maximum 80% of the investment and 200,000 €

✅ **Eligible Costs**

- Staff costs
- Equipment and material costs
- Buildings and land costs
- Costs pertaining to contractual research, technical knowledge and patents acquired or obtained under license


Contact: infofeder@investinspain.org
2 Other Incentives for R&D&I activities

 ✓ The **Centre for Industrial Technological Development (CDTI)** offers a wide range of grants and loans at competitive low interest rate for technological projects. [http://www.cdti.es/](http://www.cdti.es/) The funding method for the project will be a partially reimbursable grant, up to a maximum of 75% of the total approved budget [https://www.cdti.es/index.asp?idioma=2&r=1280*1024](https://www.cdti.es/index.asp?idioma=2&r=1280*1024)

 ✓ The **S.E. of Innovation** in the Ministry of Economy and Competitiveness (MINECO) support with grants and loans **technological projects** developed by companies and public organisms.

 ✓ The **National Innovation Company (ENISA)** finances SMEs up to €1.5 million with participative loans at a very competitive interest rate and where no-guarantee is required. [www.enisa.es](http://www.enisa.es)

 ✓ The Public organization **RED.ES** promotes the IT activities of technological companies and start-ups financing investments in infrastructures, equipments and other costs. [www.red.es](http://www.red.es)
# Incentives Scheme R&D&i

<table>
<thead>
<tr>
<th><strong>Type of aid</strong></th>
<th><strong>“Challenge- Collaboration” programme- Secretary of State for R&amp;D&amp;i</strong></th>
<th><strong>Research &amp; Development Projects - CDTI</strong></th>
<th><strong>Strategic Action Digital Economy- Secretary of State for Telecommunications and Information Society</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>€ 10-15 M (85%)</td>
<td>€ 7,5 M (75% of € 10)</td>
<td>€ 30M (till 100%)</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>Euribor (12 months)</td>
<td>Euribor (12 months) +0.1%</td>
<td>Euribor (12 months)</td>
</tr>
<tr>
<td><strong>Repayment Term</strong></td>
<td>Maximum 10 years with 3 years grace period</td>
<td>Maximum 10 years with 2-3 years grace period</td>
<td>Maximum 5 year with 2 years grace period</td>
</tr>
<tr>
<td><strong>Investment period</strong></td>
<td>2-4 years</td>
<td>2-3 years</td>
<td>2-3 years</td>
</tr>
<tr>
<td><strong>Guarantee</strong></td>
<td>Yes</td>
<td>No for this kind of projects</td>
<td>No for large projects (prior positive analysis of the creditworthiness of the beneficiary)</td>
</tr>
<tr>
<td><strong>Eligible costs</strong></td>
<td>Personnel, materials and equipments, subcontracting, etc</td>
<td>Personnel, materials and equipments, subcontracting, etc</td>
<td>Personnel, materials and equipments, subcontracting, etc</td>
</tr>
<tr>
<td><strong>Credit subrogation</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Regime</strong></td>
<td>Competitive basis- the successful ratio (projects financed/ applicants) is around 45-50%</td>
<td>The projects are evaluated all round the year, those ones which pass the technical threshold obtain the funds</td>
<td>Competitive basis- according to previous calls, the projects which pass the technical threshold obtain the funds</td>
</tr>
<tr>
<td><strong>Call</strong></td>
<td>On january 2015 (estimation)</td>
<td>Open all year round</td>
<td>July 2014 for large projects (estimation)</td>
</tr>
<tr>
<td><strong>Compatibility</strong></td>
<td>It is recommended to split the activities and submitting the project to other aid lines</td>
<td>It is recommended to split the activities and submitting the project to other aid lines</td>
<td>It is recommended to split the activities and submitting the project to other aid lines</td>
</tr>
</tbody>
</table>

---

**Notes**:
- Loans for approximately 90% of the R&D project budget and Grants for the remaining 10%.
- Additionally grants for R&D training expenses in a supplementary call.
Incentives for Hiring and Training. Measures to promote employment and Entrepreneurship.

- Reductions of Company Contribution to Social Security up to 100% for SME’s for hiring and training young and unemployed people. RD/law 22 Feb 2013.

- 100€ flat rate employer’s contribution to Social Security for permanent contracts signed between February 25\(^{th}\) and Dec 31\(^{st}\) 2014 RD Law 3/2014.

- Bonus for permanent recruitment of beneficiaries of the National Youth Guarantee (16-25 years not in employ or educational System) System which means a monthly bonus in its social security contribution of 300€ for up to six months RD Law 8/2014.
## 2. Incentives / Hiring and Training (II)

### Permanent Contract Incentives: Reduction in the employer’s social security contribution

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Monthly Amount (€)</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>New contract (up to 31/12/2014)</td>
<td>Flat-rate for common contingences: 100€</td>
<td>2 years</td>
</tr>
<tr>
<td>National Youth Guarantee System</td>
<td>300 €</td>
<td>6 months</td>
</tr>
</tbody>
</table>

### Training Contracts Incentives: Reduction in the employer’s social security contribution

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Annual Amount (€)</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>New contract</td>
<td></td>
<td>Throughout the term of the contract</td>
</tr>
<tr>
<td>Employee&lt;30 years</td>
<td>Less than 250 employees: 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>More than 250 employees: 75%</td>
<td></td>
</tr>
<tr>
<td>Training activities</td>
<td>All</td>
<td>Depends on the type of the training: Maximum: 4,160€</td>
</tr>
<tr>
<td>Conversion of Training, Apprenticeships Contracts into Permanent Contracts</td>
<td>All</td>
<td>1,800 € yearly for women</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,500 € yearly for men</td>
</tr>
<tr>
<td>Partial-Time contracts linked with training activities</td>
<td>Less than 250 employees: 100% for common contingences</td>
<td>1 year + 1 year plus</td>
</tr>
<tr>
<td></td>
<td>More than 250 employees: 75% for common contingences</td>
<td></td>
</tr>
</tbody>
</table>

### Hiring Incentives: Reduction in the employer’s social security contribution

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Annual Amount (€)</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research staff</td>
<td>40% for common contingences</td>
<td>Throughout the term of the contract</td>
</tr>
<tr>
<td>Employee&lt;30 years</td>
<td>All</td>
<td>700 € yearly for women</td>
</tr>
<tr>
<td>All</td>
<td>500 € yearly for men</td>
<td></td>
</tr>
<tr>
<td>“First young job” contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee&lt;30 years</td>
<td>All</td>
<td>100% for common contingences when the companies hire beneficiaries of the National Youth Guarantee System</td>
</tr>
<tr>
<td>Apprenticehip contracts for first jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee&lt;30 years</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Companies with less than 50 workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies with up to 9 workers hiring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>unemployed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee&lt;30 years</td>
<td>All</td>
<td>100% for common contingences</td>
</tr>
<tr>
<td>16&gt;Employee&lt;30 years</td>
<td>Less than 50 employees: Average of 1,200 €</td>
<td>3 years</td>
</tr>
<tr>
<td>Employee&gt;45 years</td>
<td>Average of 1,400 €</td>
<td></td>
</tr>
<tr>
<td>Companies with up to 9 workers hiring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>unemployed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee&lt;30 years</td>
<td>All</td>
<td>100% for common contingences</td>
</tr>
</tbody>
</table>
Efficient Vehicle Programme.

- The Ministry of Industry, Energy and Tourism launched in February the sixth round of the “Efficient Vehicle Incentive Programme” (PIVE 6).

- The programme aims to replace between 145,000 and 150,000 private cars and light commercial vehicles and favor the purchase of vehicles with lower fuel consumptions.

- The purchasing of vehicles is entitled to a subsidy of €2,000. The Ministry of Industry, Energy and Tourism and the manufacturer or importer contributing an equal sum.

- Large families will receive a 3,000 euro subsidy for vehicles (M1) with more than five seats.

Budget €175 Million granted by IDAE: Institute for the Diversification and Saving of Energy. Total PIVE budget


Source Ministry of Industry, Energy and Tourism
### 3. MOVELE PLAN: Incentives for Electric Vehicles

- **PLAN MOVELE –IDAE Institute for Energy Diversification and Saving**

- **Direct Aids for the purchase of Electric Vehicles- cumulative to PIVE aid.**

<table>
<thead>
<tr>
<th>Category</th>
<th>15Km - 40 Km</th>
<th>40Km - 90Km</th>
<th>90Km &lt; autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1/N1</td>
<td>3,000€</td>
<td>4,500€</td>
<td>6,500€</td>
</tr>
<tr>
<td>M2/N2</td>
<td>--</td>
<td>--</td>
<td>8,000€</td>
</tr>
<tr>
<td>M3</td>
<td>--</td>
<td>--</td>
<td>20,000€</td>
</tr>
<tr>
<td>L6e</td>
<td>1,800 €</td>
<td>all ranges</td>
<td></td>
</tr>
<tr>
<td>L7e</td>
<td>2,200 €</td>
<td>all ranges</td>
<td></td>
</tr>
</tbody>
</table>

**Autonomy ranges**

- **Aid for Large families and disabled people**

<table>
<thead>
<tr>
<th>Category</th>
<th>15Km - 40 Km</th>
<th>40Km - 90Km</th>
<th>90Km &lt; autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1/N1</td>
<td>3,500€</td>
<td>5,300€</td>
<td>7,700€</td>
</tr>
<tr>
<td>L6e</td>
<td>2,500 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L7e</td>
<td>3,000 €</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **M 1** – Car ≤9 seats
- **M 2** – Buses < 5,000 kg
- **M3** Buses > 5,000 kg
- **N1** - Vans and light commercials ≤3,500 Kg
- **N2** - Vans and light commercials >3,500kg<12,000kg
- **L6, L7** light and heavy quadricycles


Sources and Documents

- Automotive Parts and Accessories Exporters from Spain [www.sernauto.es](http://www.sernauto.es) (Sectoral Report)
- Spanish Technology Platform Move to Future [www.move2future.es](http://www.move2future.es)
- Green Car Spain [www.fp7greencars.es](http://www.fp7greencars.es)
- Centre for Industrial Technological Development [www.cdti.es](http://www.cdti.es)
- Ministry of Economy and Competitiveness [www.mineco.gob.es](http://www.mineco.gob.es)
  - Reindustrialization and Competitiveness Programme Automotive Sector
  - Efficient Vehicle Incentive Programme PIVE 6
- Spanish Statistical Office [http://www.ine.es](http://www.ine.es)
- Federal Statistical Office Germany [https://www.destatis.de](http://www.destatis.de)
- Andalucía: Jaén [http://www.aeiautomocion.es/]
- Cantabria: [http://www.giracantabria.com]
- Cataluña: [http://www.ciac.cat/es]
- Galicia: CEAGA: [www.ceaga.com]
- Castilla y León: FACyL [http://www.facyl.es/index.php/socios]
- Pays Basque: [http://www.acicae.es/]
- Navarra: http://
- La Rioja [http://www.fer.es]
Why Spain for Automotive?

- **SPAIN** is a key Player in European Car Industry.
- 2nd manufacturer in the EU.
- Productive and flexible Manufacturing plants.
- High Future Investment committed by Main Car manufacturers.
- Powerful industrial supply chain and Auto Parts Industry.
- Availability of highly qualified human resources.
- High public and private investment in Professional Training.
- Leadership in European Industrial Innovation-Mobility Sector.
- Privileged Export Platform towards EU, Latin-America, North -Africa.
- Open Country for Foreign Investment. Public Support for Business Development.
New Investment Projects (I)

New Projects

➢ **RENAULT** – [www.renault.es](http://www.renault.es)  November 2012 Renault approves the *Industrial Plan 2012-2014* for the *Manufacturing Plants of Palencia* (Megane), *Sevilla* and *Valladolid* (Captur and Twizzy models). 100 new jobs will be created in Sevilla’s Transmissions Plant.

➢ **IVECO- (Fiat Group)** [www.iveco.com/spain](http://www.iveco.com/spain)  Industrial Plan up to 2016 for the manufacturing centers of Madrid and Valladolid (Heavy Vehicles). Investment of **0,5 billion€** and creation of **1.200** jobs throughout this period.

➢ **FORD** - [www.ford.com](http://www.ford.com) - US-based automotive giant Ford will expand its manufacturing complex in Almussafes, Spain. The company *will build a new 80,000 sq m plant* at the site to produce its own automotive parts and increase a 10% the production of Ford Kuga. **1,1 billion€** investment has been committed through the period 2009-2013

➢ **MERCEDES**- will Invest in 2013 up to **200 Millions €** to adapt Vitoria Plant Facilities for the new **VITO VS20** and its **Electric Version**. The Industrial Plan secures jobs in the plant.

Sources: FDI markets-Corporative Sources-ANFAC (Spanish Association of Car & Trucks manufacturers)
New Investment Projects (II)

New Projects

- **PSA Peugeot-Citroën** - will create **1,000 new jobs** in 2013 in the Manufacturing Facilities of Vigo for Production of **Citroën C-Elysee, Electric Versions** of Peugeot Partner and Citroën Berlingo and New C4 Picasso.

- **NISSAN**: announces in 2013 **€130 Million Investment** in Barcelona’s Plant to produce a new Sedan Starting 2014, and investments of **€10 Million** in its components manufacturing plant of Cantabria.

- **GM** - Includes **Spanish Plant of Figueruelas** in its **Industrial Plan for Europe** that will drive up to **4 Billion Investment in 23 new models of OPEL in Europe** for the period 2013-2016. **€170M** were received in 2013. More than **€210M** committed for 2014 to adapt the Plant for the manufacturing of new MOKKA.

- **SEAT (VW Group)** - The group **VOLKSWAGEN** invested **€ 665 Million** in SEAT Plant of **Martorell in 2012**, including **€100 Million in R&D&I** and **€13 Million** in Professional Training. **Martorell is one** of the most productive and flexible plants of the Group, **with 377,000 units** in 2012 including the **New Audi Q3**. In 2013 The Plant will put on market the new **SEAT Leon models**.

Sources: FDI markets-Corporative SOURCES -ANFAC (Spanish Association of Car & Trucks manufacturers.)
New Projects 2013 Auto-Parts

- **FAURECIA** - The French multinational of Auto-Parts has chosen Valencia (Spain) to set up his fifth **R&D&i Center in Spain**. The Center will be located in the Technology Park of Paterna and will employ 200 Technicians.

- **MAHINDRA** – The Indian giant Mahindra, leader manufacturer of Components in Asia buys a 13.5% share of **the Spanish Company CIE Automotive** for €96,24 Million sealing an strategic alliance worldwide.

- **SAMVADARDHANA MOTHERSON PEGUFORM** - India has announced plans to invest €5M as a part of its €30M expansion Plan to expand production capacity in its manufacturing facility in Ripollet - Spain to increase production of sintered auto-parts at the site. The entire investment will create about 100 jobs.

- **MAFLOW SPAIN AUTOMOTIVE** - The Auto Parts company owned by the Polish Industrial Corporation Boryszew invested €2 Million in 2013 to expand production in its Plant of Guarnizo’s (Cantabria-Spain). MAFLOW is one of the larger manufacturers of Air Conditioning tubes worldwide. Guarnizo’s Plant is its only manufacturer Center in Spain with 100 employees.

Sources: FDI markets-Corporative Sources- SERNAUTO
New Projects 2013-2014 Auto-Parts

- **MICHELIN GROUP** - is to invest EUR 25 million in its factory in Valladolid in 2014-2015, in addition to the EUR 30 million already being invested in its Plant Aranda de Duero (Burgos),

  Will be focused on the maintenance of the facilities and their adaptation for the development of new products, including a range of tyres for high performance cars.

- **CITROËN** – The French automaker PSA Peugeot-Citroën has opted by the plant of Villaverde – Madrid, to manufacture his new model **C4- Cactus** from the month of **June of 2014**. The company has invested **€100M** to adapt the facilities and machinery of the Plant. **200 new jobs** have been created to attend the production. **85% of the vehicle parts** are locally sourced.

Sources: FDI markets-Corporative Sources- SERNAUTO
ICEX-Invest in Spain
Who is **INVEST IN SPAIN** is the Directorate in charge of attracting foreign investment in ICEX-Spain Trade & Investment. The Secretary of State for Trade is our president (Ministry of Economy and Competitiveness).

### Mission

- To promote, attract and maintain foreign investment in Spain
- To be the benchmark for foreign investors and the meeting point between companies and institutions in the State, Regional and Local levels engaged in promoting and attracting investments

### Objectives

- Attracting **new projects of foreign investment** by focusing on countries, sectors and businesses that involve greater growth potential for Spain
- Promoting a business climate and facilitating **doing business** in Spain
- Transmitting an **image of Spain** as an internationalized country associated with highly competitive human and technological resources
6. Invest in Spain: Investor Services (I)

1.- Information and Advice

- Personalized **advisory service**. Customized reports
- Information on European, National, Regional and Local **grants and subsidies** applicable to investment projects
- Information on **administrative procedures** and advice on all stages of the investment process
- Specialized **consultancy** on legal, technical and market areas through partnership institutions
- Specialist publications: sector guides, tax, immigration and legal briefs....

2.- Support and Management

Assistance the establishment of foreign companies in Spain:

- **Finding the best location** for each project throughout Spain
- **Organization and co-ordination agenda**: meetings and visits to of companies and institutions throughout Spain, as well as with the regional and local governments concerned
- **Identification of the strategic & technology partners** for each project
3- Business Development

- Working in conjunction with regional and local agencies to provide clients with the best possible service and location
- Help in seeking incentives, public and private finance for the establishment, development and expansion of companies setting up in Spain
- Introductions to other companies: to help with reinvestment projects, suppliers, specialist consultancy...
- Partnership & management of joint investments by foreign companies and Spanish investors

4.- Business climate

Defense the collective needs & interests of foreign-owned companies

- Opinion surveys: individual interviews, focus-groups, Analysis of the business climate. Foreign chambers of commerce, associations, etc
- Legislative and administrative proposals
- Periodical publications on topics of interest to investors
Services of special interest: Immigration Department

Provides advice about the most appropriate way (quickest and least bureaucratic) to obtain the permits for highly qualified employees, technical staff, scientists, families, ...

- Advice about how to open a branch, create or acquire a company ...
- Assessment regarding transactions that involve immigration issues for foreigners without residence in Spain
- Act as the institutional contact for companies vis-à-vis all Spanish bodies with powers, such as the Spanish Embassy and Consulates, Ministry of Employment, Home Office and Regional Immigration Offices
6. Invest in Spain: Investor Services (IV)

Services of special interest: The Technology Fund Program

The Technology Fund is a special budget of € 2.3 million from European Regional Development Fund (ERDF) created to promote business R&D&I in Spain for the 2007-2013 period

- Invest in Spain takes part in this European program with a € 24 million budget by promoting the capture of investments with a high degree of R&D&I from foreign-owned capital companies

- Investment in facilities, equipment, human resources and technology could be supported up to € 200,000 grant per company in competitive tender.

- From 2008 Invest in Spain has supported 79 projects for a total amount of € 9 million in high added value sectors such as Biotechnology, IT, Renewable energies and Environment
http://www.investinspain.org

Key sectors

A solid scientific base, a highly qualified workforce, state of the art and innovative infrastructures, an integrated healthcare system and strong government support, make the Spanish Biotechnology and Pharmaceutical sector one of the most dynamic and competitive emerging industries on an international level.

Events

13|06|2014 to 13|06|2014
Barometer 2014 of the business climate from the point of view of the foreign investor in Spain

Case study

The ARAG insurance group is considering using its Spanish subsidiary as a springboard into Latin America

Resources

Highlights

Guide to incentives, grants and state aid in Spain
New call for aid 01/2014 - Technological Fund

View all events

Go to sector section

View all case studies

Go to resources