Foreign Investment Attraction Services
Investors Network
1,820 specialised queries referring to investment in Spain

Business climate
Analysis of proposals of 15 international business organisations, associations and chambers of commerce, and the inclusion in 58 global competitiveness rankings

Foreign investment attraction services

195
promotional events in 31 countries

735
meetings with international investors, opinion leaders and public and private organisations

Smart Technology Fund
50 applications received in 2018. The subsidies were distributed across 20 projects in the Canary Islands, Castile-La Mancha, Extremadura, Galicia and Murcia

Rising Startup Spain
Third edition
406
applications from 66 countries, representing an increase of 44% compared with the previous year

208
new investment projects supported, with an estimated value of 570 million euro of foreign investment and the creation of over 1,300 jobs
ICEX Spain Trade and Investment, through its Invest in Spain department, implements activities and services aimed at attracting foreign investment to Spain, along five major lines of work:

- Attraction of new direct investment projects of foreign industrial, technology and service companies.
- Support for Spanish companies in their search for an international partner to contribute investment to develop and expand its activities in Spain or in third markets from Spain.
- Positioning Spain as a global platform for business and investment, taking advantage of its competitiveness and strategic position for accessing markets in the European Union, North Africa, the Mediterranean and Latin America.
- Encouraging improvement in the business climate and regulatory environment to facilitate business activity and productive investment in Spain.
- Management of the grants programmes for foreign investment in R&D activities and the Rising Startup Spain programme to attract foreign talent and entrepreneurship.

These lines of work are developed in close cooperation with the network of Spanish Economic and Commercial Offices abroad and with the Autonomous Regions in Spain. In particular, collaboration with the Autonomous Regions is channelled through the heart of the Investment Attraction Committee (CAI) of the Interterritorial Internationalisation Board (CII), which in 2018 held its plenary sessions on 1 June in Santander and on 30 November in Barcelona.

The Brexit process has continued to be a relevant factor in 2018 for activities aimed at attracting investment from target countries, mainly among industry, technology and service companies present in the United Kingdom and, therefore, likely to consider the expansion of their operations beyond the United Kingdom and even relocation.

The In Company Plan has continued throughout 2018, whereby B2B meetings are held at the headquarters of major foreign companies not yet established in Spain, basically in China, Korea and Japan, coordinated by the Asian Desk and also in the main countries of Latin America, coordinated by the LatAm Desk.

Furthermore, the launch of the first issue of Invest in Spain’s new publication, Global LatAm, took place in 2018. This report is done in collaboration with the Ibero-American General Secretariat (SEGIB) and with the participation of renowned experts in the region. Six issues will be published, each one focused on a specific main country of the region. Mexico was the target country of this first edition.

Furthermore, we presented the seventh issue of the Sovereign Wealth Funds Report, a work commissioned by Invest in Spain to IE Business School in which we analyze the funds’ geographic and industry sector trends, with a particular focus on investments in Spain.
5.2. ATTRACTION OF NEW FOREIGN INVESTMENT PROJECTS

In 2018, the activities for attracting investment focused on a series of strategic countries and sectors:

North America
- United States and Canada

Europe
- United Kingdom, France, Germany, Netherlands, Belgium, Luxembourg, Sweden, Norway, Denmark, Italy and Russia

Latin America
- Brazil, Chile, Mexico, Colombia and Peru

Middle East
- Israel, United Arab Emirates, Bahrein, Kuwait, Oman, Qatar and Saudi Arabia

Asia
- China, Hong Kong, Japan, India, Singapore, South Korea and Australia

Sectors
- Aerospace
- Agri-food
- Automotive
- Consumer goods
- Life sciences: pharmacy and biotechnology
- Digital economy
- Industrial machinery, industry 4.0.
- Goods Real Estate
- Logistics, transport and infrastructures
- Environment and energy
- Natural resources
- Chemicals
- Business services: Nearshore; CSC, BPO...
- Information and Communications Technologies (ICT)
- Tourism, leisure and entertainment

Attending quiries regarding foreign direct investment

In 2018, ICEX-Invest in Spain addressed a total of 1,820 queries referring to activity derived from Foreign Direct Investment in Spain. In particular, worth mentioning are those concerning immigration, setting up businesses, taxation, incentives and financing. Due to their specificity, all of those queries required a customized reply using content prepared in-house and constantly updated.

The queries are a good source of potential projects. In fact, of all queries addressed up to 2018, a total of 334 have escalated to full-fledged project status.
**Attraction of projects**

In 2018, 208 new investment projects were carried out, including already-existing ones classified as potential in previous years.

**Projects 2018 by geographical areas**

- **Europe**: 47%
- **Asia**: 17%
- **Middle East**: 12%
- **Africa**: 2%
- **Latin America**: 11%
- **Oceanía**: 1%
- **United States and Canada**: 10%
- **Latin America**: 11%

**Greenfield investment**

- 50%

**Financial investment**

- 10,6%

**Development and reinvestment**

- 29,8%

**Mergers and acquisitions**

- 3,4%

**Strategic alliance**

- 6,3%

**New projects by nature of the investment**

- **Greenfield**
- **Financial**
- **Development and reinvestment**
- **Mergers and acquisitions**
- **Strategic alliance**

**Project portfolio**

On 31 December 2018, ICEX-Invest in Spain had an accumulated portfolio of 1,252 potential projects. Of this portfolio, in 2018 a total of 61 projects came to fruition, resulting in an estimated investment of 570 million euro and creating 1,300 jobs.

Portfolio management has entailed holding a total of 735 meetings with directors of foreign companies, international investors, Spanish companies, opinion leaders and public and private organisations.

Furthermore, 60 Reverse Trade Missions were carried out, requiring the organisation of a great number of meeting agendas.

**Asian Desk**

Given the increasing importance of Asia as a source of Foreign Direct Investment, ICEX-Invest in Spain has reinforced its promotion activities in China, Japan, South Korea, India and Singapore, giving a new boost to the In Company Plan. Hereby, we intend to proactively offer comprehensive information and advisory services, increasing the number of event organised. To drive and execute these activities in the region, our Asian Desk plays a key role in offering consultancy services to companies during their business set-up process or carrying out financial investments, as well as organizing Reverse Missions to Spain.

**Immigration matters**

One of the services that foreign investors demand the most is the search for immigration-related information. To speed up the provision of information to investors, ICEX-Invest has a specific department that in 2018 addressed 238 information or support-related queries. Its main goal is to speed up, to the extent possible, the procedures foreigners must complete to obtain residency and work permits for investors, executives and professionals related to undertaking an investment project in Spain.

**Proyectos 2018 por sectores**

- **ICT**: 23%
- **Agri-food industry**: 14%
- **Financial**: 13%
- **Life Sciences**: 11%
- **Energy and the environment**: 7%
- **Industrial products and capital goods**: 7%
- **Company services**: 5%
- **Automotive and aeronautical industries**: 5%
- **Real Estate and tourism**: 3%
- **Chemical industry**: 3%
- **Culture industries**: 3%
- **Logistics and transport**: 3%
- **Consumer goods**: 1%
5.3. FINANCING AND INVESTOR RELATIONS

To Highlight the most relevant areas of this activity, ICEX-Invest in Spain manages the Investor Network, the Plan for Attracting Latin American Companies, funding programmes, and also creates the Guide to Incentives, Grants and State Aid in Spain.

Investors Network

This instrument allows for connecting international investors seeking investment opportunities in Spain with Spanish companies seeking an international partner. The goal is to offer Spanish or foreign companies established in our country access to international private financing for their business development in Spain.

During 2018, 74 meetings were held with international financial investors, 32 agendas were organised to expand their knowledge of the Spanish business climate, and 53 specific Investment Business Opportunities have been shared with 40 investors. In addition, 149 meetings have been held with Spanish companies in search of financing, and 61 new Investment Business Opportunities (IBOs) have been developed.

In 2018, we continued our efforts to consolidate the connectivity offered by the Investor Network and the role of ICEX-Invest in Spain as facilitator of alliances with the goal of driving co-investment. To this end, we organized -in collaboration with ASCRI- a mission to Israel for a group of Spanish venture capital funds, in order to connect them with Israeli funds, explore co-investment possibilities, and promote collaboration with institutions in Israel.

Sovereign Wealth Funds

ICEX-Invest in Spain has continued its investment attraction activities with sovereign wealth funds by holding regular bilateral meetings to position Spain in their investment strategies and by publishing, since 2011, an annual report commissioned to an academic partner.

In 2018, the sixth edition of the Sovereign Wealth Funds Report was presented in London and Madrid, the contents of which analysed these instruments’ geographic and sector investment trends, as in previous editions. Furthermore, this issue offered an in-depth analysis of China’s and Saudi Arabia’s sovereign funds activity, as well as the investment in two industries of particular relevance: real estate and green economy.

Finally, in 2018 we drafted the contents of the report’s seventh edition, which offers an in-depth focus on the recently-launched Oman-Spain investment fund, and will address the impact of these funds’ maturity on investment strategies.

Plan for attracting Latin American Investments and Company Headquarters

In 2018, a new boost was given to activities with Latin America, strengthening the In Company Plan, in cooperation with the Spanish Economic and Commercial Offices. Our strategy focuses on identifying companies undergoing an expansion process and, therefore, potentially interested in Spain, and establishing a programme of visits to these companies’ headquarters, resulting in 77 bilateral meetings.

In addition, a new initiative of 2018 was the first Global LatAm, a report published in collaboration with SEGIB. This report analyses the flows of outbound Foreign Direct Investment from that region, particularly focusing on Mexico. Collaborating entities were Cornell University, the Mexican business organizations COMCE and IMCO, and the Mexican Association of Private Capital AMEXCAP. The report was presented at the business meeting held on the eve of the Ibero-American Summit held in Guatemala in November.
Rising Start Up Spain

This programme offers support to international technology-based startups with a high growth potential and that are considering establishing themselves in Spain with the goal of contributing to expanding the Spanish entrepreneurship ecosystem and, therefore, economic growth and job creation. The programme also targets projects developed by Spanish residents abroad who wish to establish in Spain a startup created abroad.

During 2018, we focused mainly on two areas:

• **Follow-up support to the 15 winning startups** of the 2017 Programme, through:
  - Assistance with the procedures for obtaining visas.
  - Management of the use of work spaces at Wayra, Madrid International Lab and Barcelona Activa.
  - Supervision of mentoring services by Cink Emprende.
  - Inserts in specialised publications to drive their integration within the Spanish ecosystem.

• **2018 Call.** During the second semester, we launched the third call for applications, including a promotional campaign that included 26 events in over 12 countries, activities in social networks, news items in the newsletter and the updating of the Programme’s microsite. A total of 406 applications were received from 66 countries, representing an increase of 44% compared with the previous edition. In the final quarter of 2018, we published the provisional list of the 15 winning companies, after publishing the lists of companies admitted to and excluded from the selection process.

Incentives and grants

The Guide to Incentives, Grants and State Aid in Spain, available on our website, is updated monthly and groups all the incentives and subsidies offered to companies by governmental organisations and bodies to promote investment in Spain.

Furthermore, in 2018 ICEX-Invest in Spain published three monographic publications on grants and incentives applicable to specific sectors or branches of activity:

- **Starting up in Spain. All you need to know about entrepreneurship in Spain.**
- **Incentives and grants. Biotechnology, Pharmacy and Life Sciences Sector in Spain.**
- **Incentives and grants. Industrial Sector in Spain (including Industry 4.0).**
5.4. EVENTS

ICEX-Invest in Spain has implemented 195 promotional activities in 31 countries during 2018, with the goal of positioning Spain as a global platform for business and investment, attracting new investment projects and showing international financial investors the investment opportunities available in Spain.

The main positioning-related activities ICEX-Invest in Spain were:

- Trade fairs, conferences/partnering: 34%
- General events: 23%
- Finance and investment events: 24%
- Industry-specific events: 14%
- High-level events: 5%

The impact of these activities has reached over 16,300 executives of foreign companies and international investors.
Most notable activities

Spain Investors Day (SID)
10-11 January, Madrid (Spain)

The leading financial forum in Spain at which major international investors discover first-hand the situation of the Spanish economy and the leading Spanish listed companies, with the goal of boosting investment opportunities.

The 8th edition, held in 2018, was inaugurated by the Spanish Prime Minister and brought together companies listed on the IBEX 35 and other leading Spanish companies with over 170 investors from Europe (Belgium, France, Germany, Ireland, Spain, Switzerland, and the United Kingdom), the United States, Canada and Malaysia.

<table>
<thead>
<tr>
<th>Organizers</th>
<th>Estudio de Comunicación, ICEX-Invest in Spain as institutional collaborator.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants</td>
<td>1,500 representatives from the financial community.</td>
</tr>
<tr>
<td></td>
<td>Minister of Economy, Industry and Competitiveness, Minister of Energy, Tourism and Digital Agenda, Minister of Foreign Affairs, Head of the Government’s Economic Office, Secretary of State for Trade, ICEX Chairwoman and Head of the Spanish Securities &amp; Exchange Commission (CNMV).</td>
</tr>
<tr>
<td></td>
<td>39 major Spanish listed companies.</td>
</tr>
</tbody>
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Working Breakfast with Chinese Investors
24 October, Beijing (China)

Within the framework of the visit to Beijing by the Minister of Industry, Trade and Tourism, ICEX-Invest in Spain held a Working Breakfast with Chinese investors organised as a high-profile meeting at the residence of the Ambassador of Spain.

The breakfast was an opportunity to present Spain’s strengths as an investment destination and international business platform and its most important opportunity sectors. In addition, the delegation described the ICEX-Invest in Spain services available to the investors.

<table>
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<tr>
<th>Organizers</th>
<th>ICEX-Invest in Spain in collaboration with the Spanish Economic and Commercial Office in Beijing.</th>
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</thead>
<tbody>
<tr>
<td>Participants</td>
<td>15 Chinese companies, represented by their chairmen or deputy chairmen.</td>
</tr>
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</table>
Meeting with South Korean Investors

2 November. Seoul (South Korea)

Within the framework of the Spain-Korea Joint Commission, ICEX-Invest in Spain organised a meeting restricted to Korean investors, presided over by the Secretary of State for Trade.

Organizers
ICEX-Invest in Spain in collaboration with the Spanish Economic and Commercial Office in Seoul.

Participants
Executives from 13 Korean companies.

Presentation of the 2018 "Business Guide" and "Barometer of the Business Climate in Spain"

26 November. Madrid (Spain)

Presentation of the new edition of the 2018 "Business Guide" and the results of the "Barometer of the business climate in Spain from the foreign investor’s perspective". Both documents have become benchmark publications in our country.

Organizers
ICEX-Invest in Spain, Secretary of State for Trade, Garrigues Legal Firm, Multinationals for the Spain Brand, IESE.

Breakfast with Mexican investors and South Summit Congress

4 December. Mexico City (Mexico)

Working Breakfast: meeting with Mexican investors and opinion leaders, during which ICEX presented the differential features of Spain as a destination for investment, European headquarters of Latin American companies, and international business platform. The Mexican business owners were interested in the business opportunities within the financial, mining and audio-visual sectors.

South Summit: Congress on entrepreneurship and innovation held in Mexico City, where ICEX participated in the debate on international expansion and the importance of connecting ecosystems for startups.

Organizers
Working Breakfast: organised by ICEX-Invest in Spain in collaboration with the Spanish Economic and Commercial Office in Mexico City and the communications consulting firm Llorente y Cuenca.

South Summit: Spain Startup together with IE Business School.

Participants
Working Breakfast: 12 investors.
South Summit: 750 investors and 3,200 startups.
BIOSPAIN 2018
25-27 September, Seville (Spain)

Biotechnology conference held every two years in Spain, organised by ASEBIO (Spanish Association of Bio-Companies) and in which ICEX-Invest in Spain actively participates with an information booth in the exhibition area and attending the EIB Group partnering.

Organizers
ICEX-Invest in Spain in collaboration with the Spanish Economic and Commercial Office in Tokyo.

Participants
Spanish: Eliport - Social Coin - Tunnll.

14 participating companies.

Highlight
Spain is an interesting showcase for Japan as to startups, identified as a future market niche.

Kyoto Smart City Expo 2018 (KSCE)
4 October, Kyoto (Japan)

During the Kyoto Smart City Expo 2018 (KSCE), ICEX-Invest in Spain organised the Working Breakfast “Startups and the innovative ecosystem in Spain” with the team of the Keihanna Research Complex (main Japanese research centre dedicated to state-of-the-art technologies) and KSCE sponsors, to provide information on Spain’s potential in the field of innovation and to attract the interest of Japanese companies for investing in the country.

Organizers
ICEX-Invest in Spain in collaboration with the Spanish Economic and Commercial Office in Tokyo.

Participants

14 participating companies.

Highlight
Spain is an interesting showcase for Japan as to startups, identified as a future market niche.

Asian Financial Forum (AFF)
14-15 January, Hong Kong (China)

ICEX-Invest in Spain participated in this event’s 11th edition, with over 3,000 participants and consolidated as the “Asian Davos”. Internationally renowned speakers presented the region’s economic forecast and reviewed the most recent market trends by sectors and high-potential products.

Organizadores
Hong Kong Trade Development Council.

Participants
3,000

Highlight
Presentations took place on business opportunities in the two sectors selected as strategic for the organisation: industrial technology and healthcare technology.
Presentation of the Sovereign Wealth Funds Report 2017

22 February, Madrid (Spain)

The Sovereign Wealth Funds Report 2017, written annually by Instituto de Empresa (IE) for ICEX-Invest in Spain, analyses the most recent trends in these funds’ industry, together with the impact of the sovereign funds on real estate assets, including infrastructures and investment in “green and sustainable assets”.

Furthermore, in this edition, a special focus was given to new investment vehicles promoted by Saudi Arabia and China.

Organizers
ICEX-Invest in Spain and Instituto de Empresa.

Participants
65 companies

CAPCorp 2018

6-7 November, Madrid (Spain)

The annual CAPCorp Congress analyses the behaviour of the mergers and acquisitions market.

ICEX-Invest in Spain participated in this event as institutional partner, with the goal of consolidating its image and position in the sector, identifying new clients and strengthening relationships with current clients participating in the event.

Organizers
IFAES/Capital & Corporate.

Participants
400 professionals from the private equity industry.

Highlight
ICEX-Invest in Spain participated in the panel on “Spain as a destination of foreign investment” with the participation of important representatives from international investment funds.
5.5. BUSINESS CLIMATE AND COMPETITIVENESS

Within its mission of attracting, fostering and promoting foreign direct investment in Spain, ICEX-Invest in Spain also assumes the task of promoting an improved business climate and regulatory environment to facilitate business activity in Spain. In addressing this mandate, two reports were published in 2018.

• 2018 Contribution of ICEX-Invest in Spain for the report of the Ministry of Economy and Business on the business climate and proposals for amending private sector regulations.
• 2018 Contribution of ICEX-Invest in Spain for the report of the Ministry of Economy and Business on Spain’s position in the main international competitiveness indicators.

Business climate

ICEX-Invest in Spain participates annually in drafting the preliminary report with proposals for amending regulations to improve the business climate and competitiveness of the Spanish economy, published by the Ministry of Economy and Competitiveness (currently the Ministry of Economy and Business). Since the publication of the first report in 2014, the majority of the private sector contributions and proposals are gathered by ICEX-Invest in Spain.

This document includes:

• Proposals contributed - whether occasionally or regularly - by leading business organisations, industry associations and national and foreign chambers of commerce established in Spain.
• Proposals of private sector companies and bodies (opinion leaders, consultants, legal firms and other national and foreign bodies) with which the Executive Management of ICEX-Invest in Spain has held meetings.
• Regular studies and publications on the business climate published by ICEX-Invest in Spain:
  - The “Barometer of the business climate in Spain from the foreign investor’s perspective” written with the technical support of IESE and sponsored by the Multinationals for the Spain Brand association.

International indicators of competitiveness and business climate

ICEX-Invest in Spain also participates annually in drafting a document to analyse the relative position of the Spanish economy in the main international competitiveness indices. This report includes an exhaustive analysis of the three most complete and globally consulted international competitiveness indices:

• Doing Business, by the World Bank.
• The World Competitiveness Yearbook, by the World Economic Forum in Geneva-Davos.
• The Global Competitiveness Report, by the International Institute for Management Development (IMD) in Lausanne.

Furthermore, the analysis also includes another 55 international competitiveness indicators done by other sources.

Guide to Business in Spain

The thirty-fourth edition of the Guide to Business in Spain was presented in 2018. The Guide is an annual publication written in collaboration with the Garrigues legal firm that includes systematic, easy-to-find information on Spanish regulations associated with issues inherent to the business climate.

International indicators of competitiveness and business climate

The information is structured into eight chapters and three appendices, and addresses trade-related matters, taxation, labour regulations, public grants, the financial sector, intellectual and industrial property rights, and accounting and audits, among other contents.

The Guide’s target audience is foreign investors, and it is published in Spanish and English.

Barometer of the business climate in Spain from the foreign investor’s perspective

In 2018, the eleventh edition of this Barometer of the business climate in Spain was presented. It is a study prepared jointly with Multinationals for the Spain Brand and the International Centre for Competitiveness (ICC) of IESE.

The Barometer includes the results of a survey completed by 520 executives and representatives of foreign companies established in Spain on different aspects of our country’s business climate.