

ICEX España
Exportación
e Inversiones

ANNUAL REPORT
2020



5

FOREIGN INVESTMENT PROMOTION SERVICES



5

FOREIGN INVESTMENT PROMOTION SERVICES

○ **200**
new investment projects have been generated, and another 40 have been won.

○ **1,029**
specialised queries have been handled on investment in Spain and requiring specialised advice.

○ **539**
meetings have been held with international (business and financial) investors, Spanish companies, opinion leaders and public and private bodies.

○ **113**
promotional activities have been carried out for the purpose of capturing new projects and investment.

Management with Autonomous Regions

○ **60**
foreign investment projects have been transferred through the Interctua collaborative platform.

Investors Network

○ **282 connections** have been established between international investors and Spanish companies.

Work has begun with

○ **144 new Spanish companies.**

○ **3**
M&A operations have been supported.

Programme of investments by foreign companies in R&D

○ **250**
projects have benefited since 2008.

○ **2,500 workers** (direct and indirect jobs).

Investment of over

○ **91 million euros.**

Rising UP in Spain

○ **250**
companies.

5.1 Activity in 2020

A. Lines of work

ICEX Spain Trade and Investment, through the Invest in Spain executive function, carries out activities and services aimed at attracting foreign investment to Spain, on five major fronts:

- Capturing and maintaining direct investment projects from foreign companies, mainly greenfield projects in industrial, technology and service industries.
- Aid for the international funding of Spanish companies, particularly SMEs.
- Positioning Spain as a global platform for investment.
- Enhancement of the business climate in Spain and support for competitiveness.
- Management of two funding schemes aimed at attracting talent and R&D.

ICEX-Invest in Spain has continued to work on these strategic lines in 2020, although it has had to adapt to the new challenges caused by Covid-19. It has as a result intensified its investment retention strategy and has strengthened its aftercare policy for foreign companies already established in Spain.

Similarly, there has been constant communication with investors in an attempt to reduce uncertainty, especially with potential investors by providing them with information in their decision-making process, so that they do not withdraw from their implementation projects despite the difficult circumstances. 2020 saw the launch of the new ICEX-Invest in Spain website, a more modern and functional tool that adds value to the services and programmes offered by ICEX and intensifies contact with investors.

Lastly, closer ties have been forged with national and international investment promotion agencies to share an analysis of the economic impact caused by the health crisis and to discuss possible strategies for dealing with the existing uncertainty.

In summary, there have been three main lines of action to mitigate the impact of Covid-19:

- Closer ties with investors.
- Digitalisation.
- Exchange of good practices.

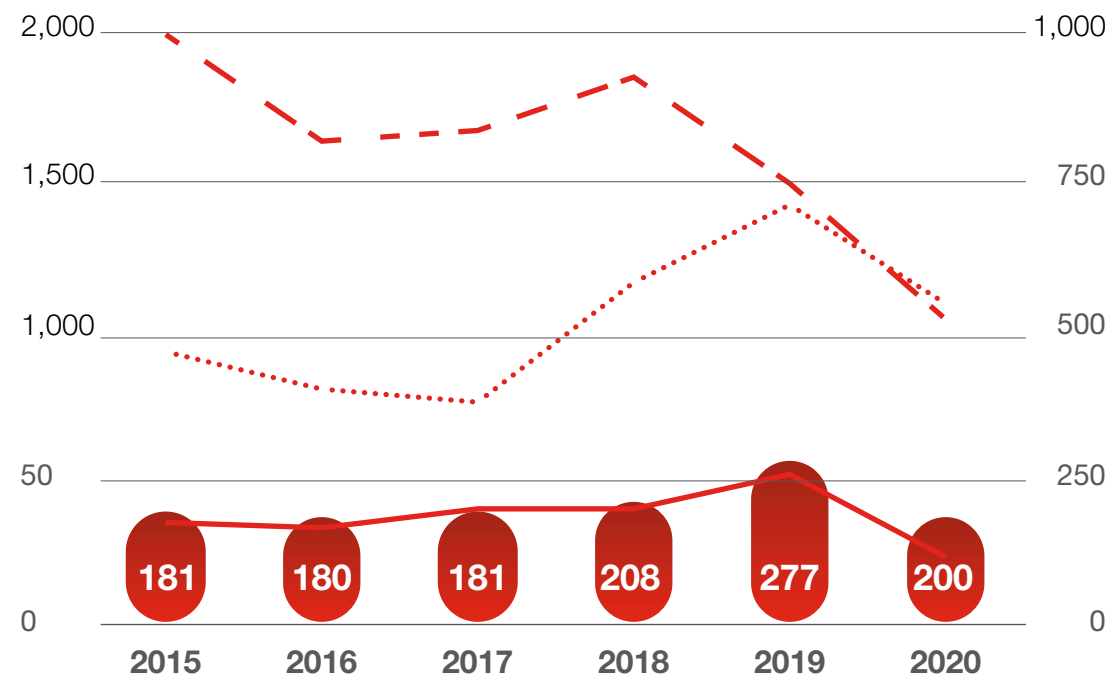
B. Main figures for activities and progress in recent years

<i>Data</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Total annual projects	181	180	181	208	277	200
Meetings with companies	452	394	373	568	705	539
Promotional activities	170	166	189	195	247	113
Enquiries	1967	1620	1650	1834	1476	1029

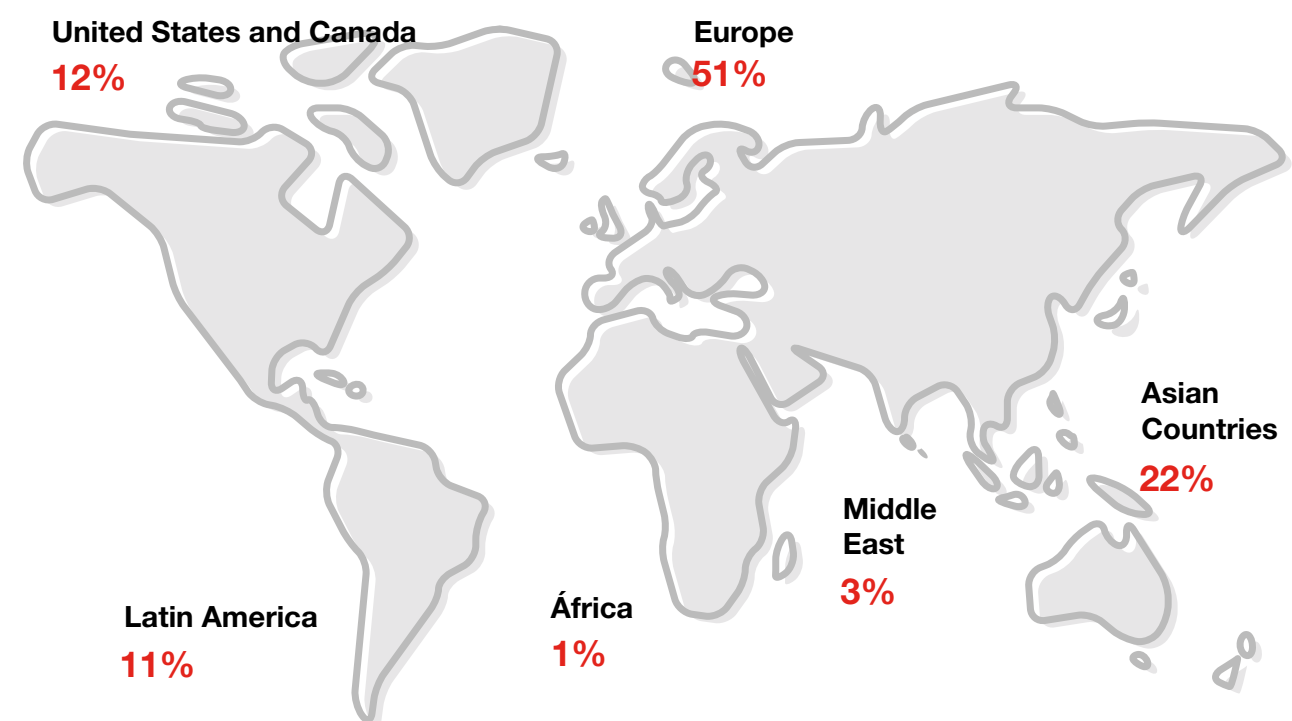
5.2 New foreign investment projects secured and won

In 2020, **200** new projects were secured and **40** were won. Projects secured during the year include both new projects and pre-existing potential projects from previous years that have been successfully upgraded to the project category.

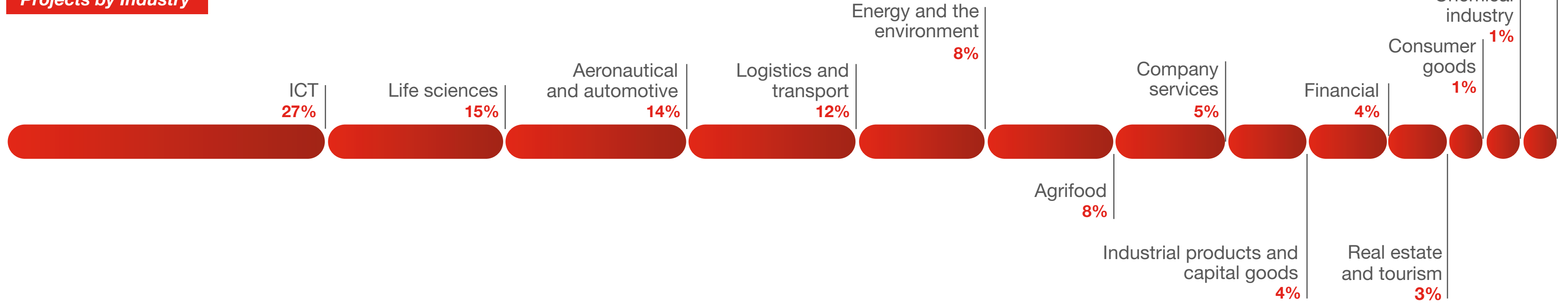
Invest in Spain activity (2015-2020)



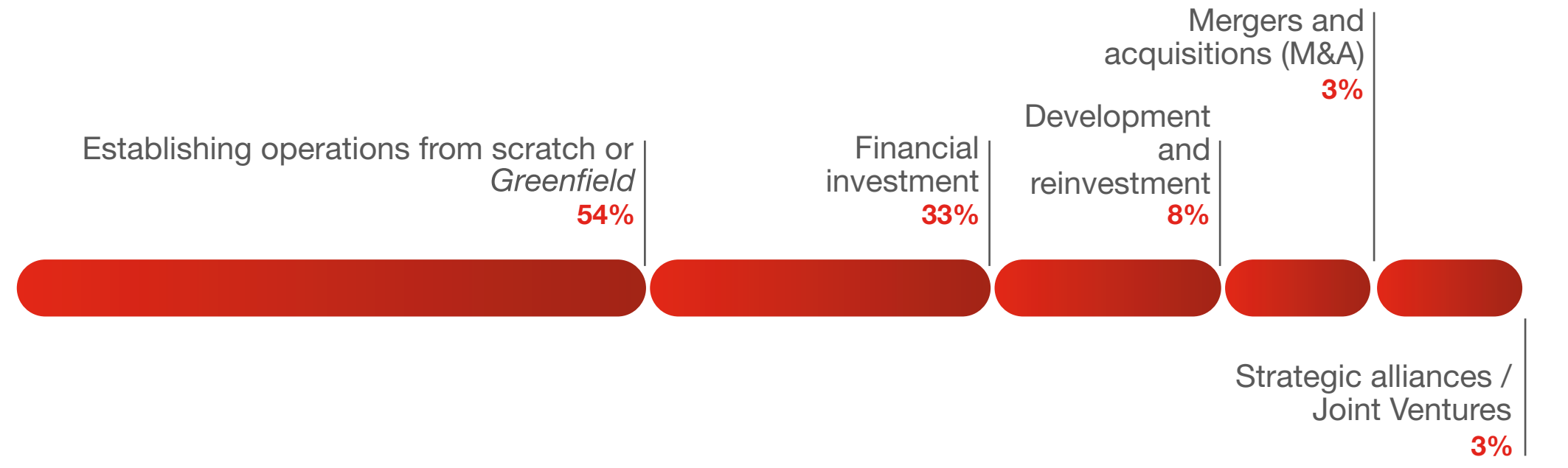
Projects by geographical areas



Projects by Industry



Projects by type of investment



A. Management with Autonomous Communities

The activities carried out working alongside the investment promotion agencies of the Autonomous Communities are focused on:

- Joint management of foreign investment projects.
- Coordination of activities to promote foreign investment abroad.
- The sharing of good practices and the strategic analysis of investment opportunities and trends in the automotive industry.

Sixty foreign investment projects were transferred to the Autonomous Communities through the Inter@ctua collaborative platform in 2020. This means that a total of **706** projects have been jointly managed since the tool was launched in 2006.

Only one working group had to be cancelled in 2020, despite the lockdown. In early May, ICEX organised a virtual meeting for the heads of agencies and organisations responsible for Foreign Direct Investment (FDI) in order to conduct an initial analysis of the impact of Covid-19, both in terms of the number of projects and the ways of working and defining actions to meet the challenge faced by organisations.

Finally, the Investment Promotion Committee (IPC) of the Interterritorial Council for Internationalisation held an online meeting (chaired by Navarre) on 22 September to discuss the new regulatory framework for foreign investment. The impact of Covid-19 on Foreign Direct Investment was also analysed, both in global figures and in the specific case of Spain. The meeting also provided an opportunity to share the work and the different mechanisms put in place to respond to the crisis situation and stressed that it was more important than ever to work jointly for the benefit of foreign investment companies.



5.3 Helping Spanish companies to find international finance

A. Investors Network

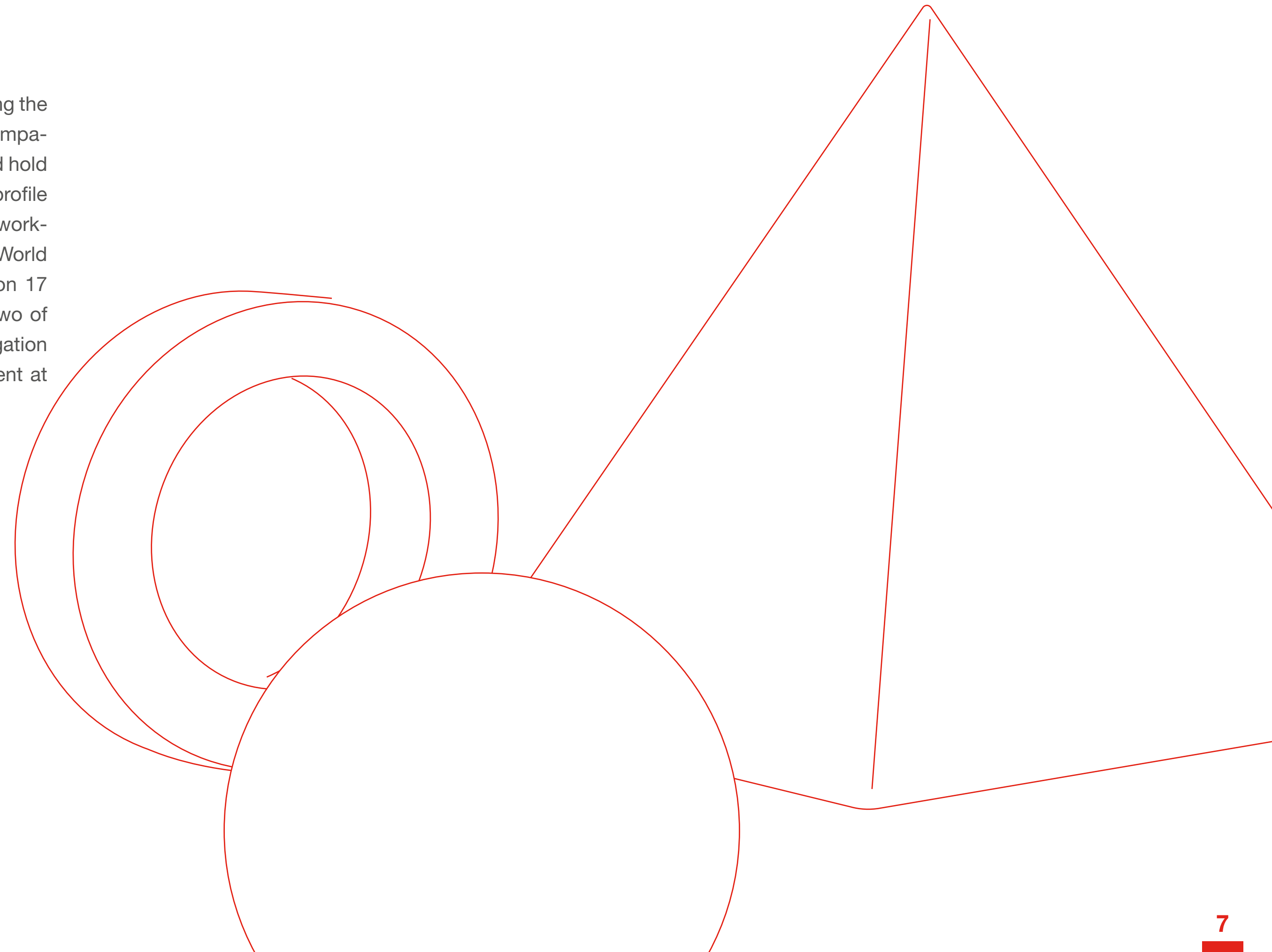
This instrument enables international investors seeking investment opportunities in Spain to be aligned with Spanish companies seeking a strategic international partner. This facilitates access to international private finance for Spanish companies or foreign companies with projects in Spain, through investment funds, institutional investors, investment banks, corporate finance, private equity, venture capital, business angels etc.

In 2020:

- **282 connections** have been made between international investors and Spanish companies.
- Work has begun with **144 new Spanish companies** seeking funding to expand their businesses.
- **Three M&A operations** by foreign investors have been supported, in the aluminium-automotive, ICT-consultancy and semiconductor industries.

B. Meet Investors programme

In 2020, an international event took place coordinating the participation of eight Spanish startups, and where companies had the opportunity to present their projects and hold meetings with international investors, publish their profile in the event brochure and on the website, and attend workshops and sessions. The meeting took place at the World Business Angels Investment Forum (WBAF), held on 17 and 18 February 2020 in Istanbul (Turkey), where two of the companies from the ICEX-Invest in Spain delegation were selected among the 10 best companies present at the congress. A total of 100 startups participated.



5.4 Other promotion instruments

A. Grants programmes

Investment Program for Foreign Companies in R&D

The R&D ICEX-Invest in Spain foreign investment programme has been managing ERDF funds since 2008 in order to attract investment from foreign companies with a high technology and R&D content to Spain. Over **250 projects** have benefited since the start of the programme, involving more than **2,500 workers** (direct and related jobs) and mobilising an investment of over **91 million euros**.

In the 2020 call for proposals:

- **48 applications** have been received for projects in the regions of Extremadura (17), Canary Islands (14), Galicia (10), Castilla-La Mancha (4) and Murcia (3), with an investment of more than 12 million euros and related employment amounting to more than 600 highly skilled jobs.
- The sectors with the highest number of applications were: biotechnology and health sciences (23%), agri-food (17%), information technologies (15%), industry (15%), energy and environment (13%) and the automotive industry (13%).
- Projects from Germany (13%), France (10%), Portugal (10%) and the UK (10%) accounted for the most projects in terms of source of capital.
- After the application assessment process, grants were awarded to **18 projects**: Canary Islands (6), Galicia (5), Extremadura (4), Castilla-La Mancha (2) and Murcia (1).

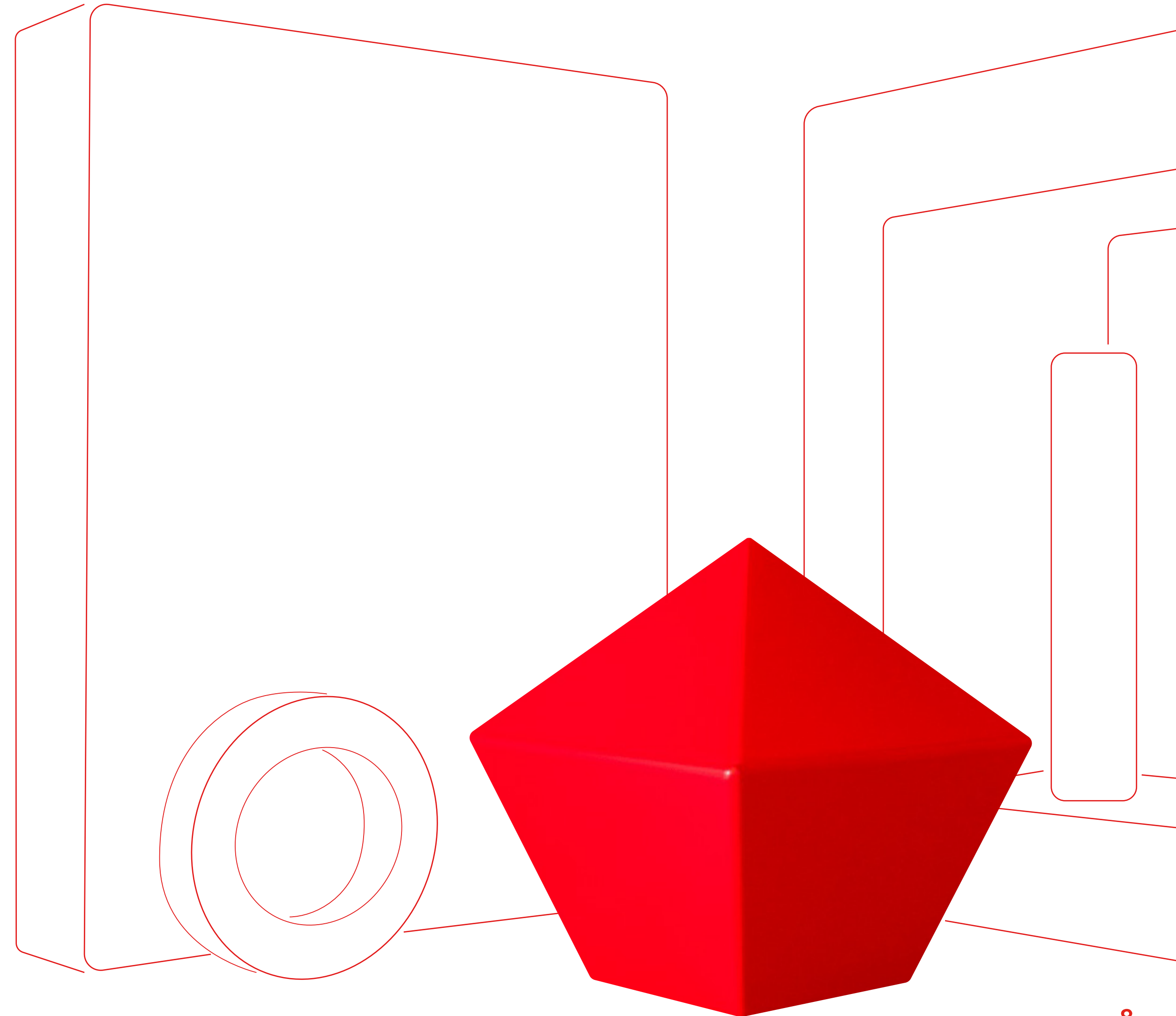
Rising UP in Spain

Rising UP is a talent attraction and entrepreneurship programme that offers acceleration and soft-landing services to foreign startups that want to set up business in Spain. In the four calls for proposals that took place up until 19 January 2020, a total of **1,050** applications were received from **84 countries**.

In the 2019 call for proposals, which closed in January 2020, **15 winners** were selected from the **205 companies** that applied.

The expert panel tasked with selecting the 15 winning companies met in March 2020, soon after the state of alert due to the Covid-19 crisis had been declared. The programme's implementation has been affected by the pandemic and the restrictions associated with it. Many of the soft-landing and acceleration services have been carried out remotely, although most of the companies have had to postpone their landing in Spain until 2021.

On 30 November 2020, the new call for applications for Rising UP in Spain 2020 was published and it was decided to extend the deadline for applications from 60 to 90 days.

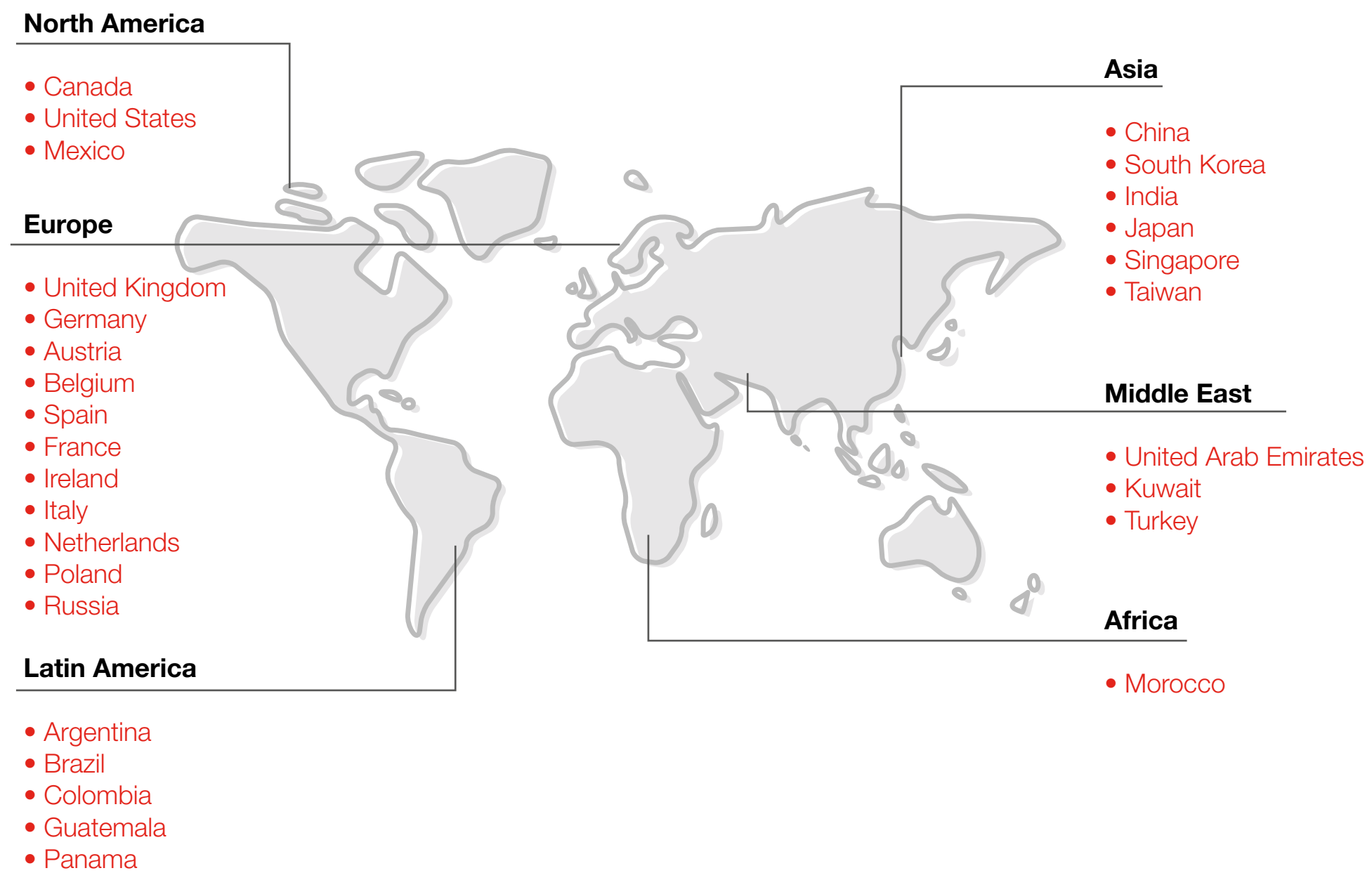


5.5 Positioning Spain as a global platform for investment

A. Positioning in countries, industries and activity type

In 2020, **115 promotional** activities were carried out.

Projects by geographical areas



By industries

- Electromobility and ecological transition
- Audiovisual communication and digital content services

- △ Connected industry 4.0 / Enabling technologies

- ◎ Leisure and sport/ related services

- ☆ Biofoods

- ⬡ Centres of excellence in RD&I

By type of activity

High level	5
Generic seminars	29
Trade fairs, conferences and partnering	29
Industry technical workshops	8
Investment and funding forums	44

B. Generic promotional activities



Spain Investors Day

14-15 January | Madrid (Spain)

Leading financial forum in Spain, this year being its 10th edition. This essential meeting point serves as an opportunity for international investors to learn more about the situation of the Spanish economy and its most important companies, with a view to encouraging investment opportunities.

Participants

Minister of Industry, Trade and Tourism, Minister of Economy, Minister of Foreign Affairs, Minister of Ecological Transition and the Secretary of State for Trade and Chairwoman of ICEX.

Mission

ICEX-Invest in Spain has been the institutional sponsor of this forum since its first edition, after which it was assigned an informative stand and a room reserved for holding meetings with investors. The CEO and the executive director, plus the other directors of ICEX-Invest in Spain, played an active role in all the public events that took place within this forum.



Presentation of the Global LATAM report

30 January | Madrid (Spain)

The Global LATAM report is a publication prepared by ICEX-Invest in Spain that examines Latin American investment in the world and identifies the main trends and actors involved.

Participants

ICEX-Invest in Spain and the Ibero-American General Secretariat (SEGIB).

Mission

The CEO of ICEX gave the opening speech in the presentation of the report. After the presentation, the ensuing debate focused on the challenges facing the region's economy in 2020 and there was a round table discussion with success stories of Latin American companies established in Spain, moderated by the executive director of ICEX-Invest in Spain.



Presentation of “Investing in Spain” with German Entrepreneurs and Investment Promotion Day with entrepreneurs in Berlin

12-13 February | Berlin (Germany)

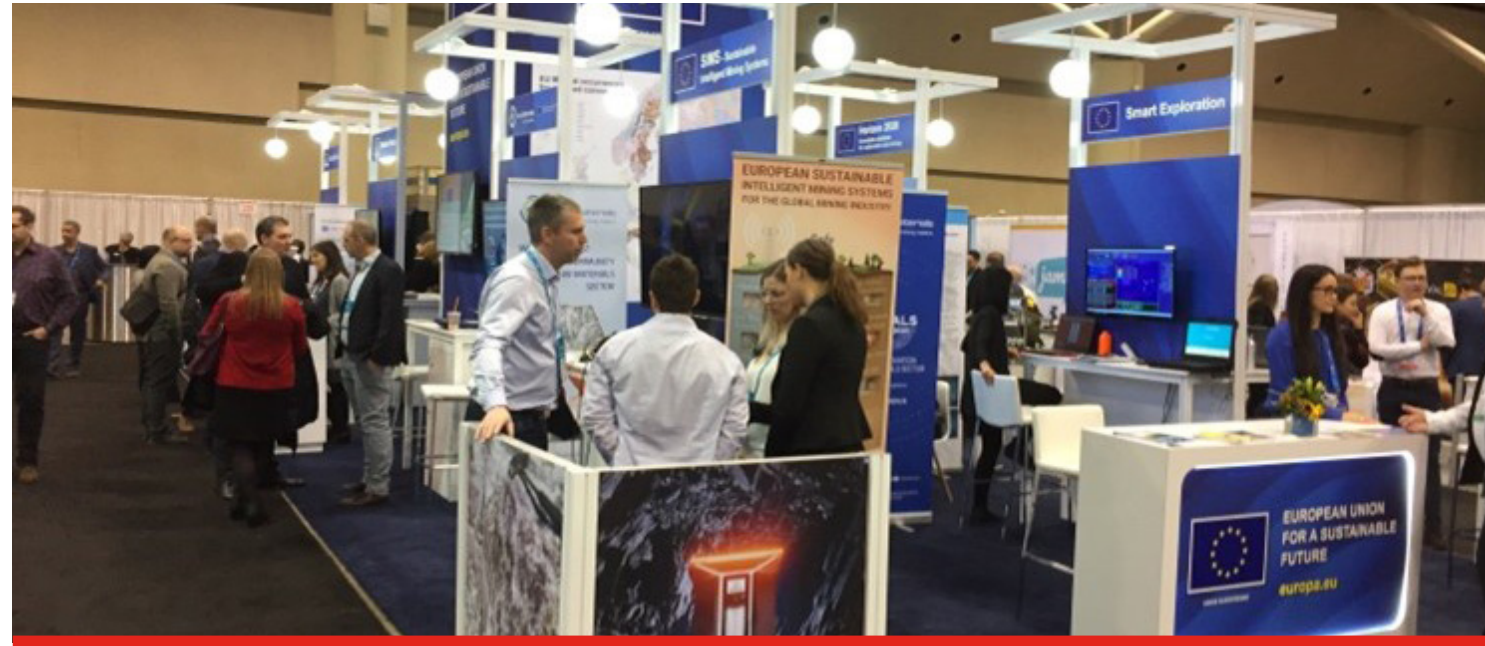
The executive director of ICEX-Invest in Spain travelled to Berlin where she took part in two foreign investment promotion events. In the first of these, she was a speaker at a conference organised by the Berlinet Association for its members, mainly entrepreneurs. In the second, she took part in a meeting organized by the federal association of medium-sized enterprises (BVMW), part of the German employers’ federation (Unternehmerverband Deutschlands E.V.), with various German entrepreneurs.

Participants

Executive Director of ICEX-Invest in Spain, the Economic and Commercial Office of Spain in Berlin, Berlinet Association and BVMW (Federal Association of Medium-sized Enterprises).

Mission

The executive director of ICEX-Invest in Spain made a presentation to the members of the Berlinet association, mainly Spanish entrepreneurs based in Germany with interests in Spain. In her speech she spoke mainly about the existing entrepreneurship ecosystem in our country, opportunities for entrepreneurs and the “Rising Up in Spain” programme by ICEX-Invest in Spain. The following day she had a meeting with the BVMW and related German companies, where she outlined the economic situation in Spain, the business climate and the existing investment opportunities for foreign investors.



PDAC trade fair (Prospectors and Developers Association of Canada)

1-4 March | Toronto (Canada)

Participation in the PDAC 2020 convention (mining industry trade fair held at the Metro Toronto Convention Centre), at the European Union stand.

Participants

Economic and Commercial Office of Spain in Ottawa and the Geological and Mining Institute of Spain.

Mission

The Spanish Economic and Commercial Office in Ottawa held meetings with foreign companies interested in Spain. It also sponsored the Spanish Geological and Mining Institute’s presentation on the mining industry in Spain, entitled “Spanish Mining Potential” at the networking breakfast organised by the European Union, “Opportunities in the EU’s Exploration and Mining Sector”.

Various events took place during the trade fair, including conferences, seminars and networking events, all of which were of great interest to the attendees. Many informal meetings were also held with mining companies, institutions, associations and companies supplying goods and services during the breakfast organised by the EU and the visit to the stands.



Presentation of the Sovereign Wealth Funds report

6 March | Madrid (Spain)

Eighth edition of the “Sovereign Wealth Funds Report”, which analyses the main trends and transactions in sovereign funds, including the most important transactions of 2019. It also takes an in-depth look at the investments in industries such as technology, life sciences, real estate, services and infrastructure.

Participants

ICEX-Invest in Spain and the Instituto de Empresa (IE).

Mission

The presentation took place in Madrid and was attended by the CEO of ICEX and the Executive Director of ICEX-Invest in Spain, as well as representatives from the IE Business School, Seaya Ventures, MCH Private Equity and Arcano.



Launch of the OPEN INNOVATION FOR EFKO GROUP event

1 June | Madrid (Spain) – Moscow (Russia) online

Open innovation activity organized for the Russian food giant EFKO Group, in collaboration with the Spanish Economic and Commercial Office in Moscow. This activity was initially scheduled for April in a face-to-face “demoday” format in Madrid, but due to Covid-19 it had to be rescheduled using a digital version.

Participants

ICEX-Invest in Spain, Economic and Commercial Office of Spain in Moscow and EFKO Group.

Mission

The initial objective of the activity was to identify Spanish startups equipped with technology solutions which could help solve a series of challenges posed by EFKO, the idea being to channel the investment from the corporate venture capital fund into one of the participating startups.

The kick-off session was addressed to the 12 companies and three technology centres shortlisted by EFKO from among the more than 30 proposals received and was followed up by 15 individual meetings between EFKO and the Spanish companies.



CIFIT Fair (China International Fair for Investment and Trade) and round table on “Investment Matching for Outbound Chinese Enterprises”.

8-11 September | Xiamen (China)

Participation in the CIFIT fair (China International Fair for Investment and Trade), one of the most important in the country in this field, as well as in the B2B event, “Investment Matching for Outbound Chinese Enterprises”, organised as part of the fair.

Participants

Spanish Economic and Commercial Offices in Guangzhou.

Mission

The Spanish Economic and Commercial Office in Guangzhou participated with an information stand highlighting the investment opportunities available in the country for foreign investors. Companies with interests in Spain were also attended to and queries were resolved.



Automotive and Mobility Day in the EU Investment Forum

22 September | Taipei (Taiwan)

Presence at the European Union Investment Forum, sponsored by the EU Office in Taipei, related to automotive and mobility solutions.

Participants

Spanish Chamber of Commerce in Taiwan.

Mission

The Spanish Chamber of Commerce in Taiwan, on behalf of ICEX-Invest in Spain, was present with an information stand on investment opportunities in Spain. The stand was also a meeting point for receiving visits from companies and investors interested in Spain and resolving queries. It also made a presentation on “Spain’s Automotive Industry and Smart Mobility” at the automotive seminar organised as part of the event.



Fintech webinar: Digital transformation of the banking industry in Japan and Spain

12 November | Madrid (Spain) – Tokyo (Japan) online

Online meeting to present the digital transformation of the banking industry in Spain and existing opportunities, and where the selected startups had the opportunity to showcase their projects to participating Japanese investors.

Participants

ICEX-Invest in Spain, Economic and Commercial Office of Spain in Tokyo, Nomura Research Institute (NRI) and BBVA.

Mission

The main purpose of the webinar was to present BBVA's innovative strategy in the Spanish financial industry, while also presenting the projects of six startups in the fintech industry to potential Japanese investors invited by NRI. Once the event was completed, private meetings were held between the startups and interested investors.



Breakfast meeting by the Secretary of State for Commerce with Brazilian investors

30 November | Sao Paulo (Brazil)

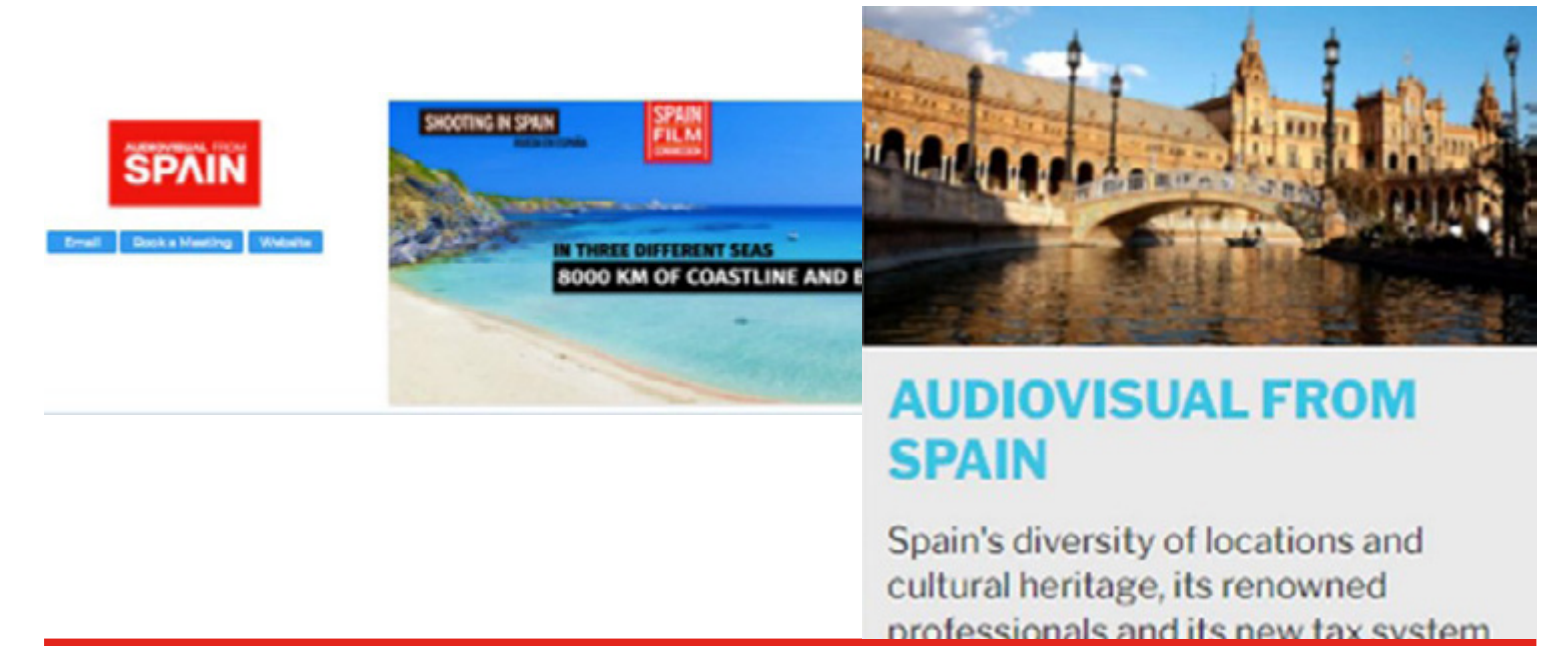
Restricted meeting to attract investment to Spain between Brazilian businessmen with presence and/or interests in Spain and the Secretary of State for Trade. It was in a hybrid format, as some companies were present via videoconference, due to the pandemic restrictions in Brazil.

Participants

The State Secretariat of Commerce, the Economic and Commercial Office of Spain in Sao Paulo, the Consulate General of Spain in Sao Paulo, the Federation of Industries of the State of Sao Paulo (FIESP) and the Federation of Commerce (FECOMERCIO).

Mission

The event was part of the institutional trip made by the Secretary of State for Trade to Brazil, during which she outlined the economic situation in Spain, highlighting the effect of the support measures and the European Union's resources to help rebuild the country. She finished up by pointing to some of Spain's advantages as a target for foreign investment.



LocationExpo (American Film Market)

9-13 November | Los Angeles (United States) virtual

Participation in LocationExpo, the main trade fair for the audiovisual industry in the United States, which also included parallel activities such as networking, conferences and online film screenings.

Participants

Spanish Economic and Commercial Office in Los Angeles.

Task

The Economic and Commercial Office of Spain in Los Angeles was an exhibitor at the virtual fair under the "Audiovisual from Spain" brand. Promotional material about Spain and the film industry, especially photos and videos provided by ICEX and Shooting in Spain (Spain Film Commission), were distributed from the information stand. Meetings were also held with companies interested in filming in Spain, and questions were answered about opportunities in the industry and tax incentives.

Spanish Film Commissions interested in participating in the event, such as the Andalucía Film Commission or the City of Madrid Film Office had their own stands, while also featuring as part of "Shooting in Spain".

Invest in Spain website for foreign investors:

www.investinspain.org

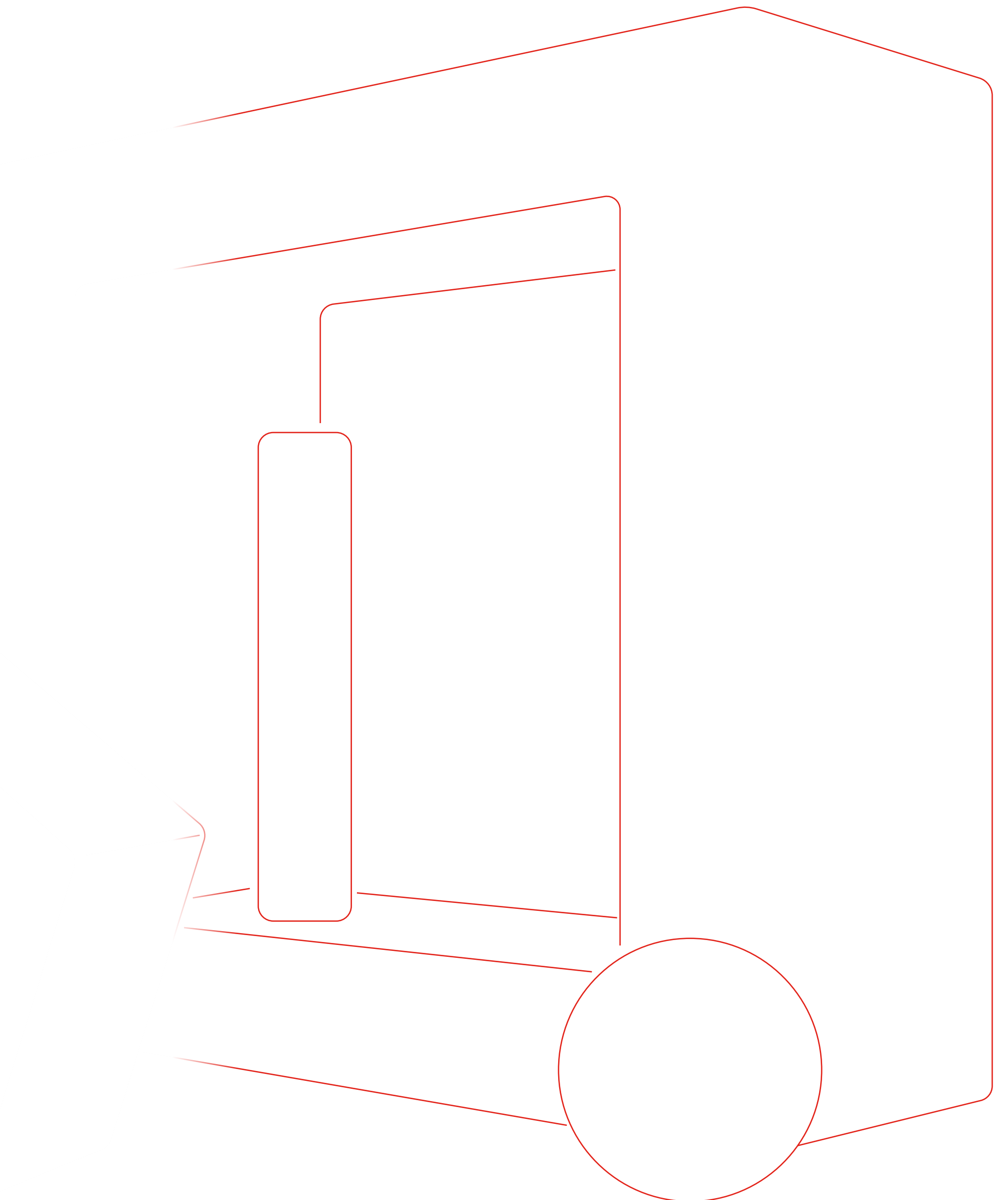
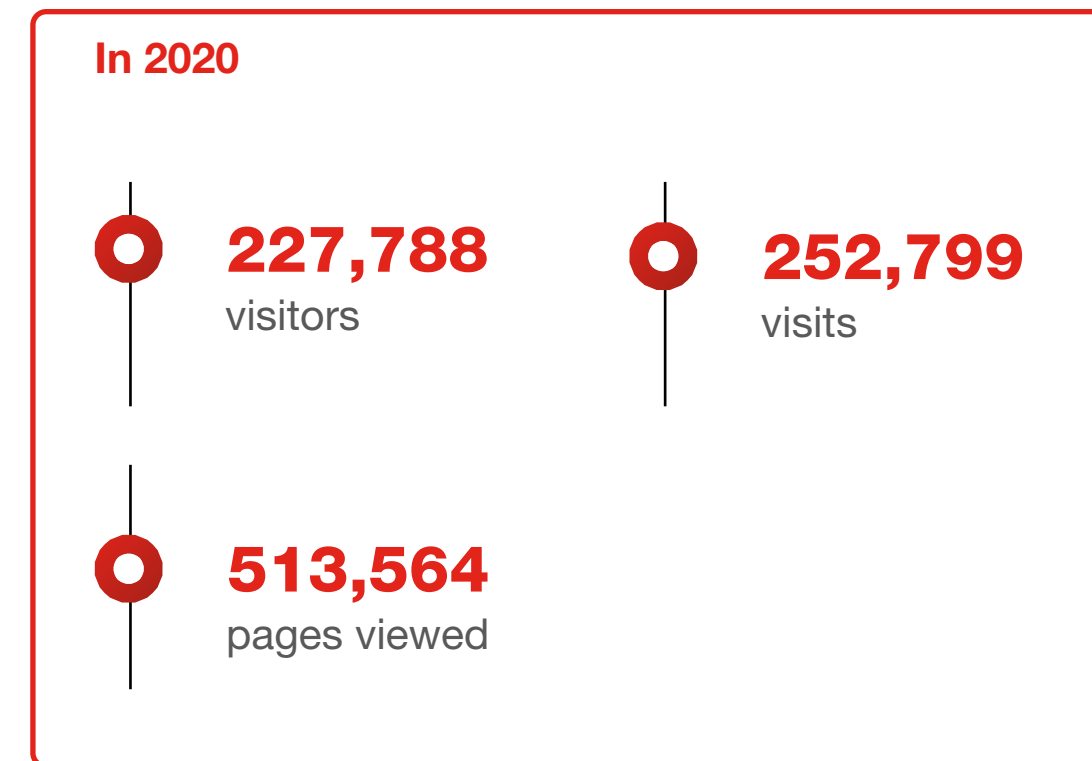
The project for the **new ICEX-Invest in Spain website** was completed in 2020. The idea was to improve the design, architecture and navigation of the previous website and, above all, to make it a key tool for positioning Spain as a target for foreign direct investment. The new website also highlights the services and programmes that Invest in Spain offers international investors to help them establish themselves in Spain.

The website includes four basic areas of information:

- Why Spain.
- Industries.
- Establishment.
- We help you.

Other cross-cutting areas such as entrepreneurship, innovation and sustainability, which aim to attract projects in these areas where ICEX-Invest in Spain has specific support programmes, are also included.

There are sections for investors in specific geographic areas, such as China Desk, aimed at Chinese investors and in their language, and Latam Desk, for investors in the Latin American area. The regions section uses data from the different regional development offices, information on the network of offices abroad and a varied selection of current news.



Publications for foreign investors

Bellwether of the Business Climate in Spain from a Foreign Investor's Perspective

A total of 830 managers from subsidiaries of foreign companies established in Spain took part in the thirteenth edition of this publication in 2020. These managers assess the possible development prospects of the Spanish business climate in terms of turnover, investment, staff numbers and exports.

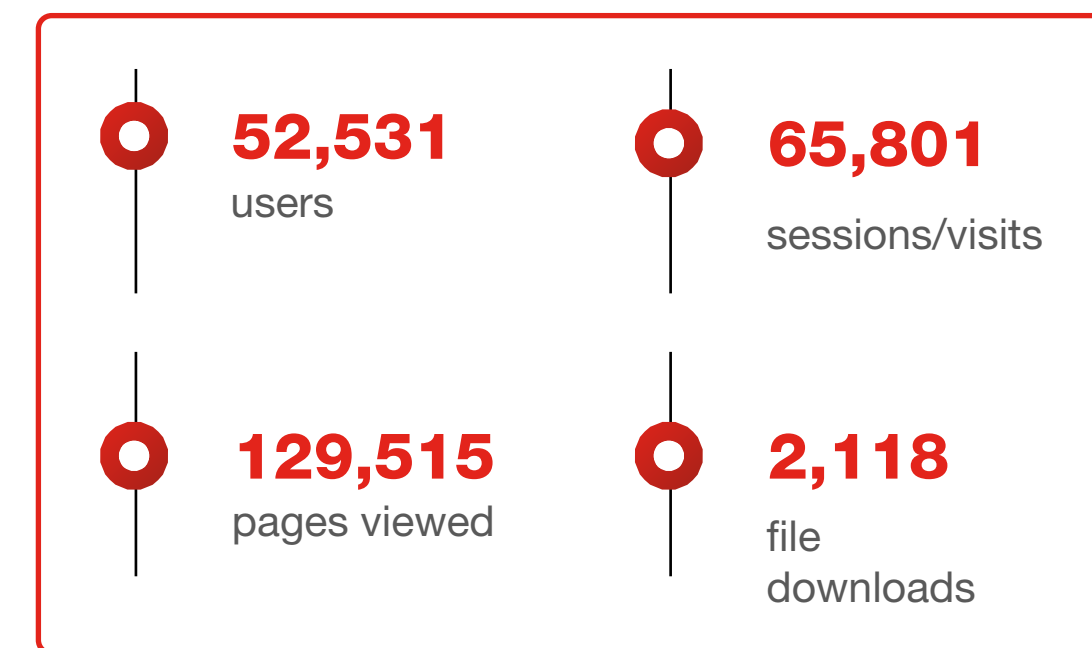
The study was carried out jointly with Multinationals for the Spain Brand and the International Center for Competitiveness (ICC) at the IESE Business School.

2020 Business in Spain guide:

The 36th edition of this guide, which is produced in collaboration with the law firm Garrigues, was presented in November. It contains:

- Information on business, tax, employment, public funding, intellectual and industrial property and e-commerce. It also includes special sections on companies, the financial system and accounting and auditing issues.
- The guide covers the main regulatory reforms and modifications that have recently come into force, especially those arising from the situation created by Covid-19.

In 2020, the online edition of the Business Guide had:



State incentives and subsidies guide:

This guide provides an easy way to find the different incentives and state funding offered to stimulate investment, mainly in industry and RD&I activities.

It is the only guide of its kind that is translated into English. It is hosted on the ICEX-Invest in Spain website and includes links to the different agencies that offer funding and incentives.

In April 2020, ICEX-Invest in Spain developed a new database and user interface to improve the "Search for funding and incentives" section.

Global LATAM:

Global LATAM, an ICEX initiative, in conjunction with the Ibero-American General Secretariat (SEGIB), has drawn up a report analysing Foreign Direct Investment abroad by Latin American companies and funds.

In January 2020, the Global LATAM 2019-Foreign Investment Series report was presented, first in São Paulo (Brazil) and then at the ICEX headquarters in Madrid. The report was presented remotely at a conference organized by the Inter-American Development Bank (IDB) in May.

The third edition of the report was produced throughout 2020 and presented in April 2021.

Sovereign Wealth Funds:

The Sovereign Wealth Funds Report is an ICEX and IE University initiative that analyses the main investment trends of these instruments in the world, with a particular focus on Spain.

In March 2020, its ninth edition was presented in Madrid and later in an online session organised by the IE in New York for non-Spanish audiences.

In 2020, the tenth edition of the report was produced and launched both in person and virtually in March 2021.

Case studies on subsidies and incentives published in 2020:

In November and December, the new versions of the Grants and Incentives Guides were published in English and Spanish.

In 2020, an updated Spanish version of the Starting Up in Spain guide was published.

The following documents have also been published on the Invest in Spain portal, in Spanish and English:

- How to incorporate a company remotely.
- Investment Trends and Records.
- Spain: your partner in Europe. Business Opportunities.
- Starting up in Spain. All you need to know about entrepreneurship in Spain.
- Spanish Frames.
- Brochures focusing on the audiovisual, automotive, aeronautics, agrifood, information and communication technologies, renewable energies, life sciences, transport and logistics, chemicals and tourism industries.
- Technology Fund Brochure.

ICEX-Invest in Spain, in response to Law 14/2013 on support for entrepreneurs, has contributed to the annual reports prepared by the Ministry of Economy on proposals for regulatory reform to improve the business climate and on the relative position of the Spanish economy in the main international competitiveness indicators.