

Spain

Business Opportunities in ICT



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GOBIERNO
DE ESPAÑA

MINISTERIO
DE INDUSTRIA, TURISMO
Y COMERCIO

INVESTIN
SPAIN

1. DYNAMIC, ATTRACTIVE AND MODERN ECONOMY

- Spain is the world's **12th largest economy** and the **5th largest economy** in the European Union
- **10th largest investor** in the world and **2nd in Latin America**
- **7th largest FDI recipient** worldwide and **3rd** in the EU
- More than **10,300 foreign companies** already located in the country, including **75 of the Forbes Top100**
- The **7th largest exporter** and **9th importer** of commercial services worldwide
- The world's **3rd tourist destination**, and **5th destination** in meetings, conferences and exhibitions
- **Low inflation, low interest rates**
- **Double taxation treaties** and Reciprocal Protection Agreements with more than 60 countries
- Low corruption rating

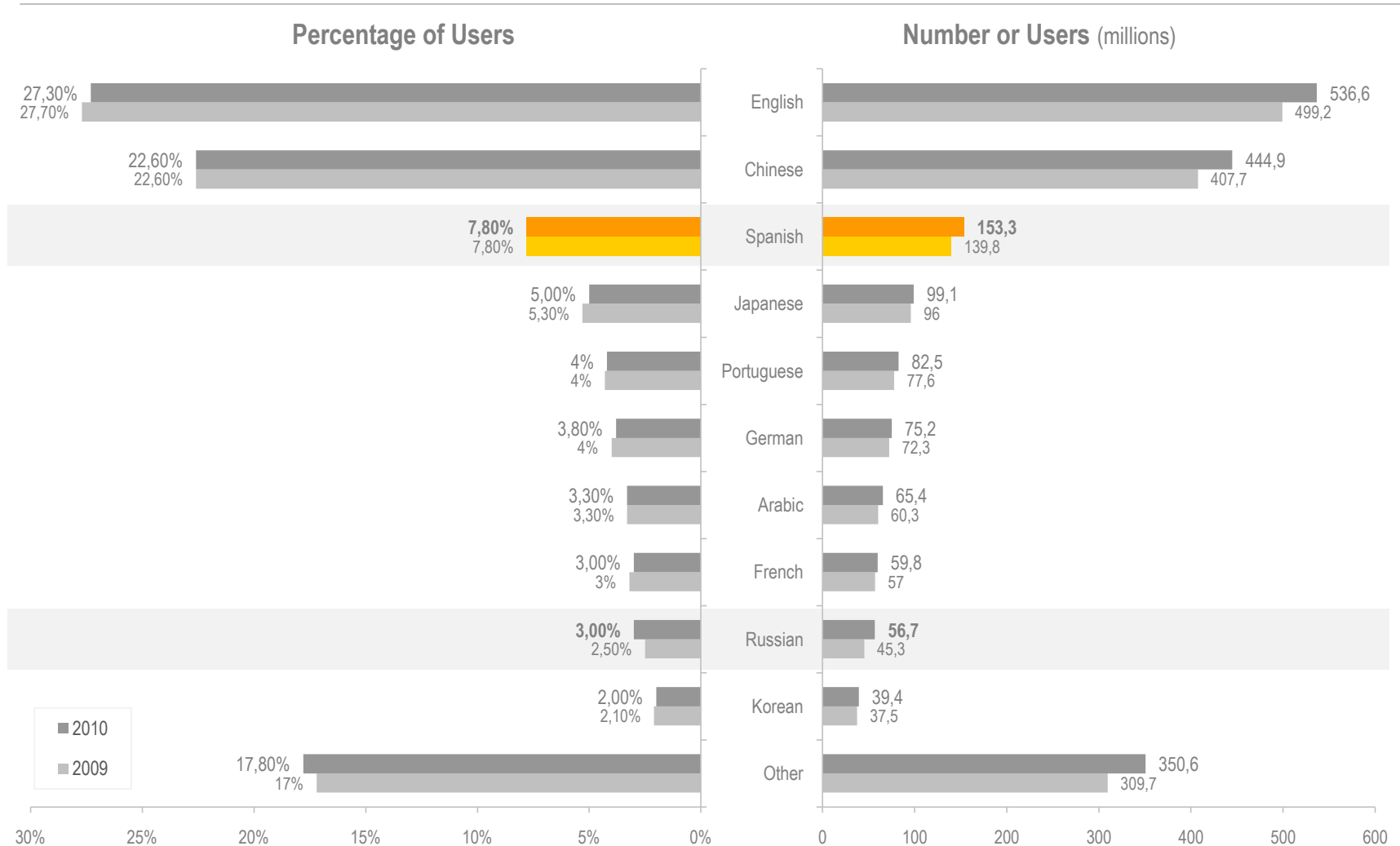
2. GEOSTRATEGIC LOCATION

Spain offers a **privileged position for accessing southern Europe's key markets, Latin America and North Africa:**



2. GEOSTRATEGIC LOCATION

Internet Users by language

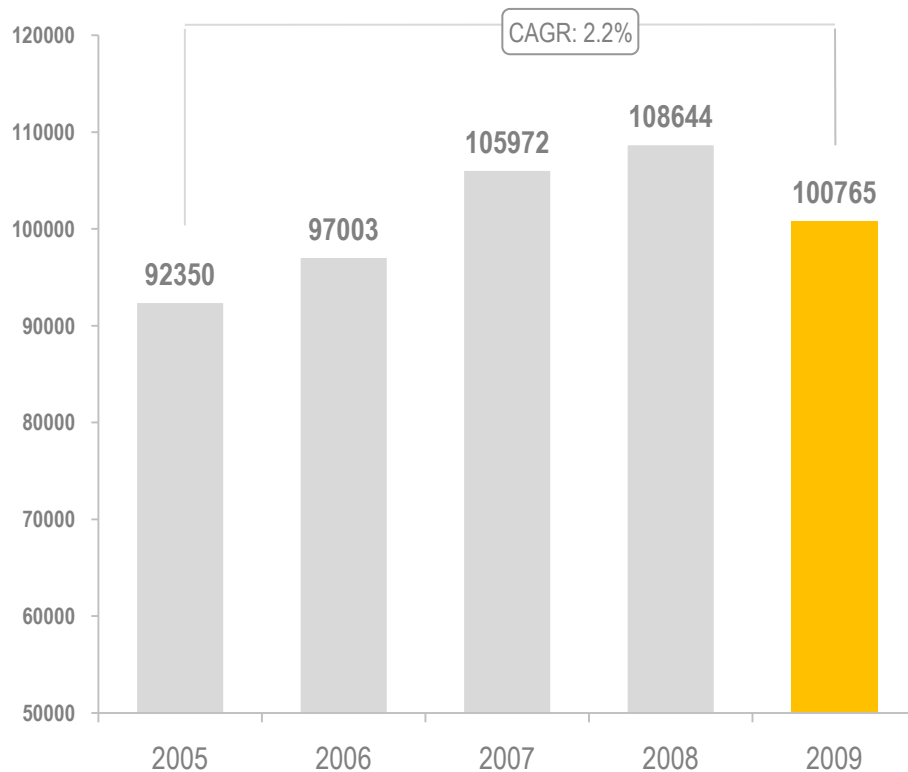


Source: Internet World Stats 2010

3. MATURE ICT MARKET, WITH A HIGH GROWTH EXPECTANCY

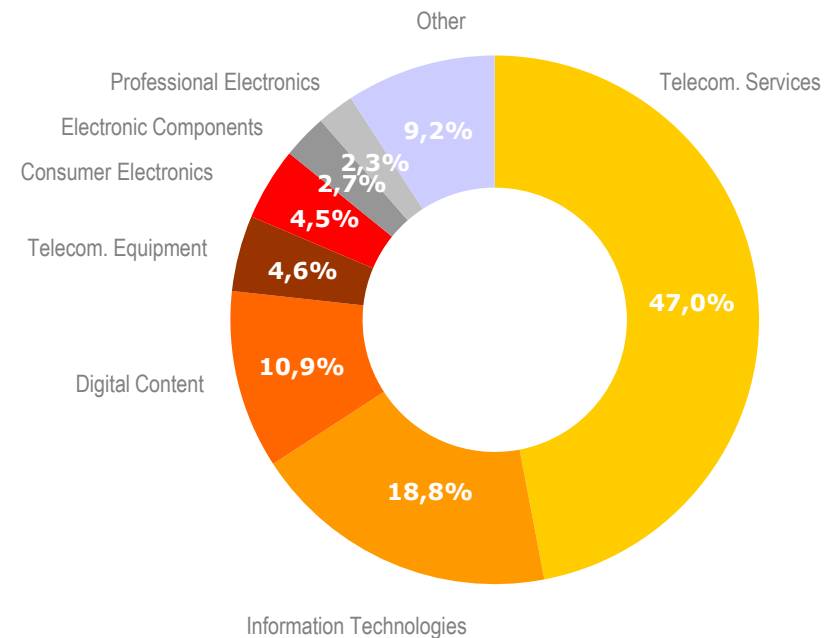
- According to the EITO, Spain is **the fifth ICT market by volume** in Europe. The **ICT market** in Spain has grown over the last 7 years by **31.9%**.
- **Innovation investment** (R&D&I)* in the ICT sector has almost doubled (x1.9) over the period 2003-2009. It accounts 40% of the total amount invested by the private sector.

ICT Sector Turnover (€ million)



Source: ONTSI, Observatorio Nacional de Tecnologías de la Información y SI

ICT Sector Turnover 2010 (€ million)

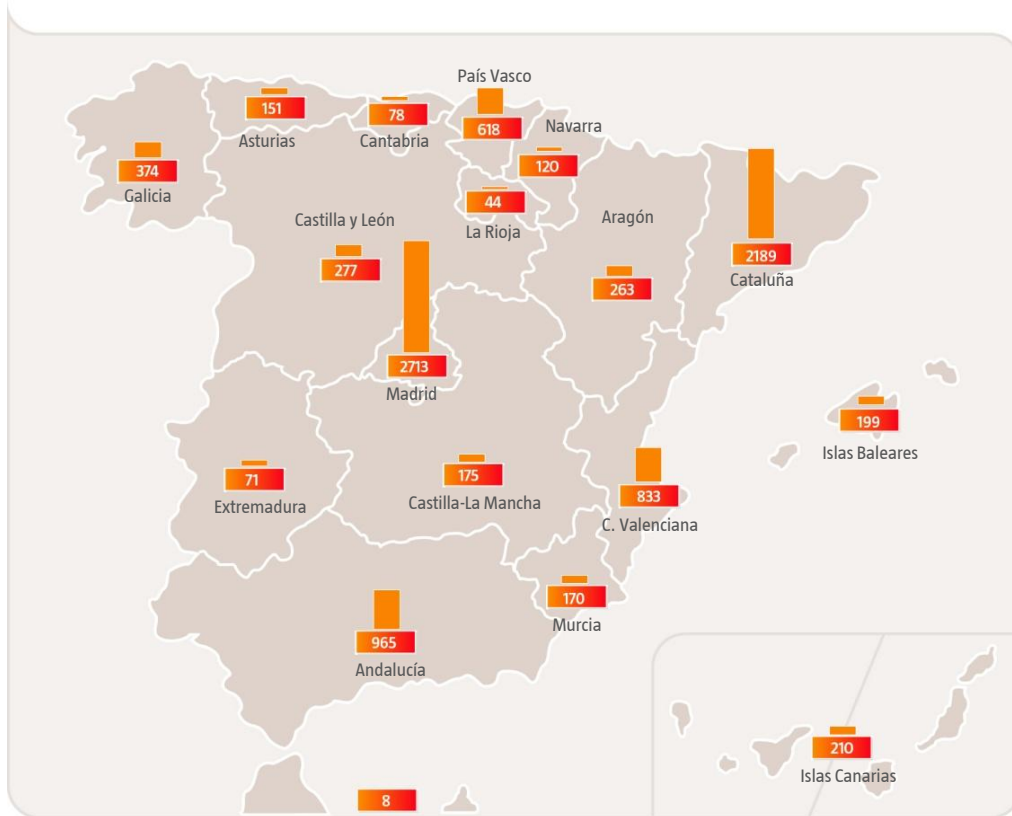


Source: AETIC, 2011

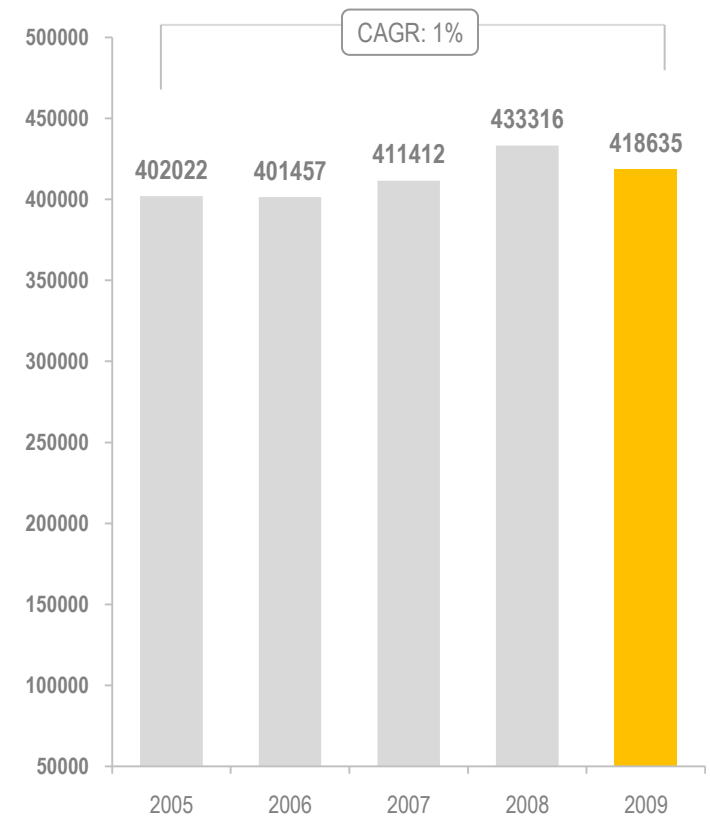
3. MATURE ICT MARKET, WITH A HIGH GROWTH EXPECTANCY

There are more than **20,600 ICT** companies already operating in Spain, employing over **418,600 workers**.

ICT companies with more than 3 employees



Direct employment in the ICT Sector in Spain



Source: INE – Spanish National Statistics Institute and AETIC (2010)

3. MATURE ICT MARKET, WITH A HIGH GROWTH EXPECTANCY

Leading **ICT multinationals** are already successfully located in Spain, taking advantage of Spain's benefits:

Software Vendors



Hardware Vendors



Telecom equipment vendors



Service Providers



ICT Services and Consulting Companies

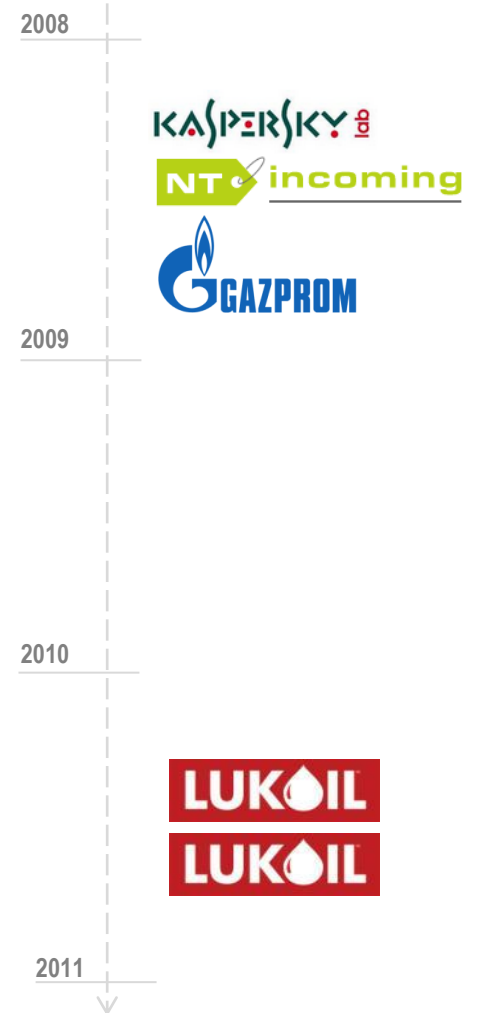


3. MATURE ICT MARKET, WITH A HIGH GROWTH EXPECTANCY

Russian companies already operating in Spain



Relevant Greenfields Russia – Spain



Transport

- Naviera Marot
- Gas Maroil
- Compañía Marítima de Explotación y Control Operativo
- Rotrans TIR

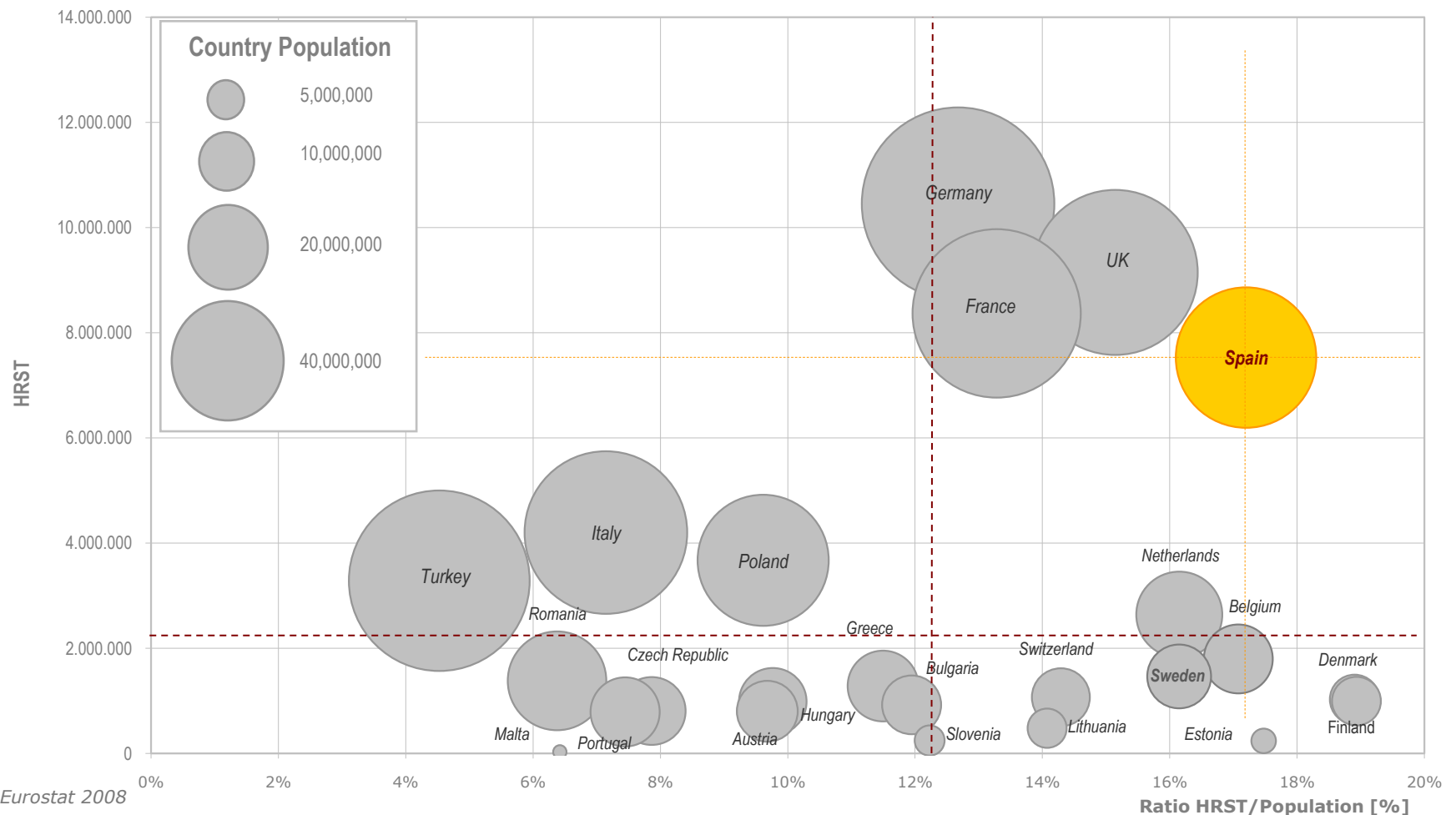
Hotels and Construction

- Asesco Grupo Sistema
- Hotel Rural el Cortijo
- El Encinar de Pinoz
- The Redwood Group
- Mar Building
- Hotel Restaurante Costa del Sol

4. AVAILABILITY OF QUALIFIED HUMAN RESOURCES

- Highly educated, Spain holds the **12th position among OECD countries** in percentage of university graduates in the 25-34 years range, and ranks **fourth in Europe** in terms of number of persons with a **scientific or technical tertiary education**

Human Resources in Science and Technology aged 25-64 with tertiary education

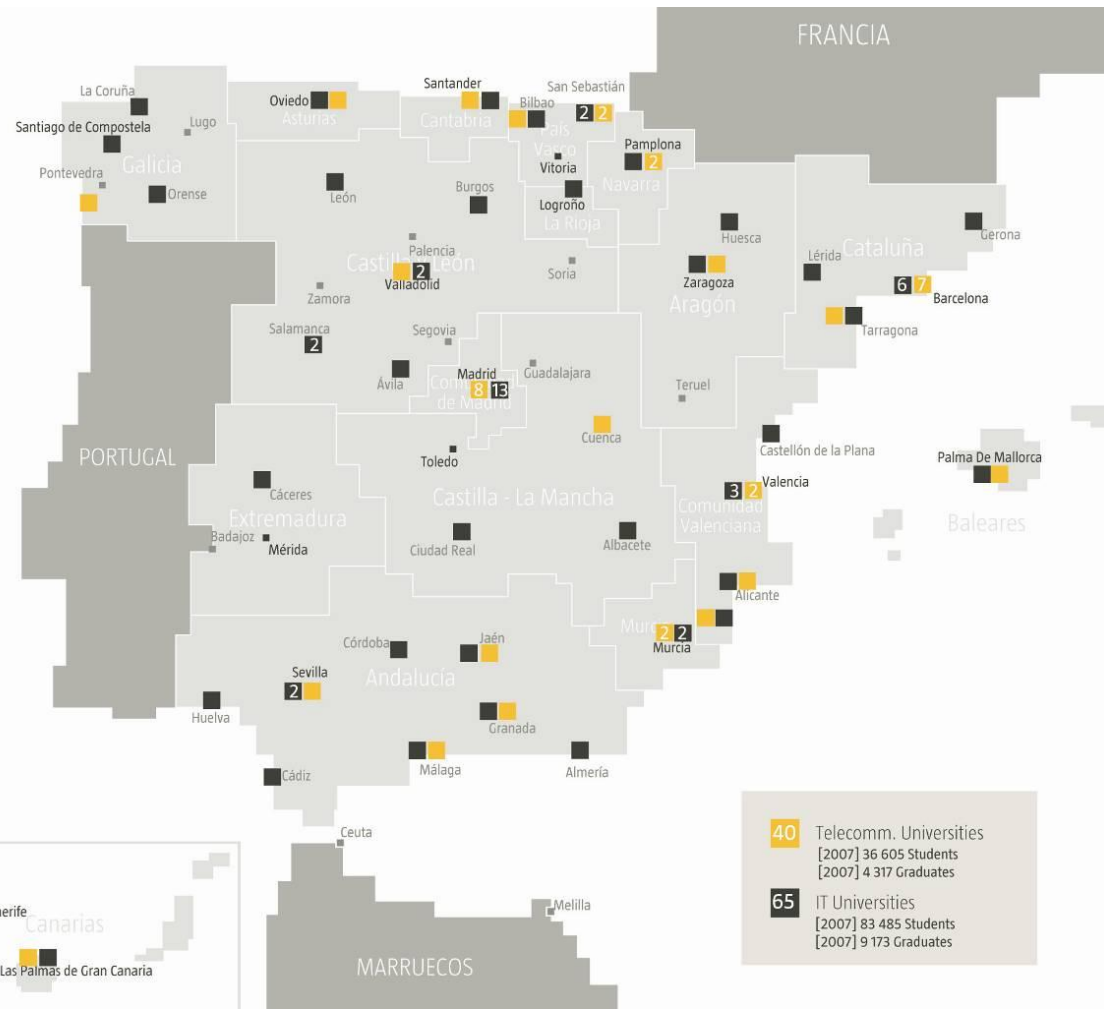


Source: Eurostat 2008

4. AVAILABILITY OF QUALIFIED HUMAN RESOURCES

- Spain has a network of **74 Universities**, most of them offering IT and Telecom engineering studies
- More than **33 900 engineers graduate** in Spain every year.

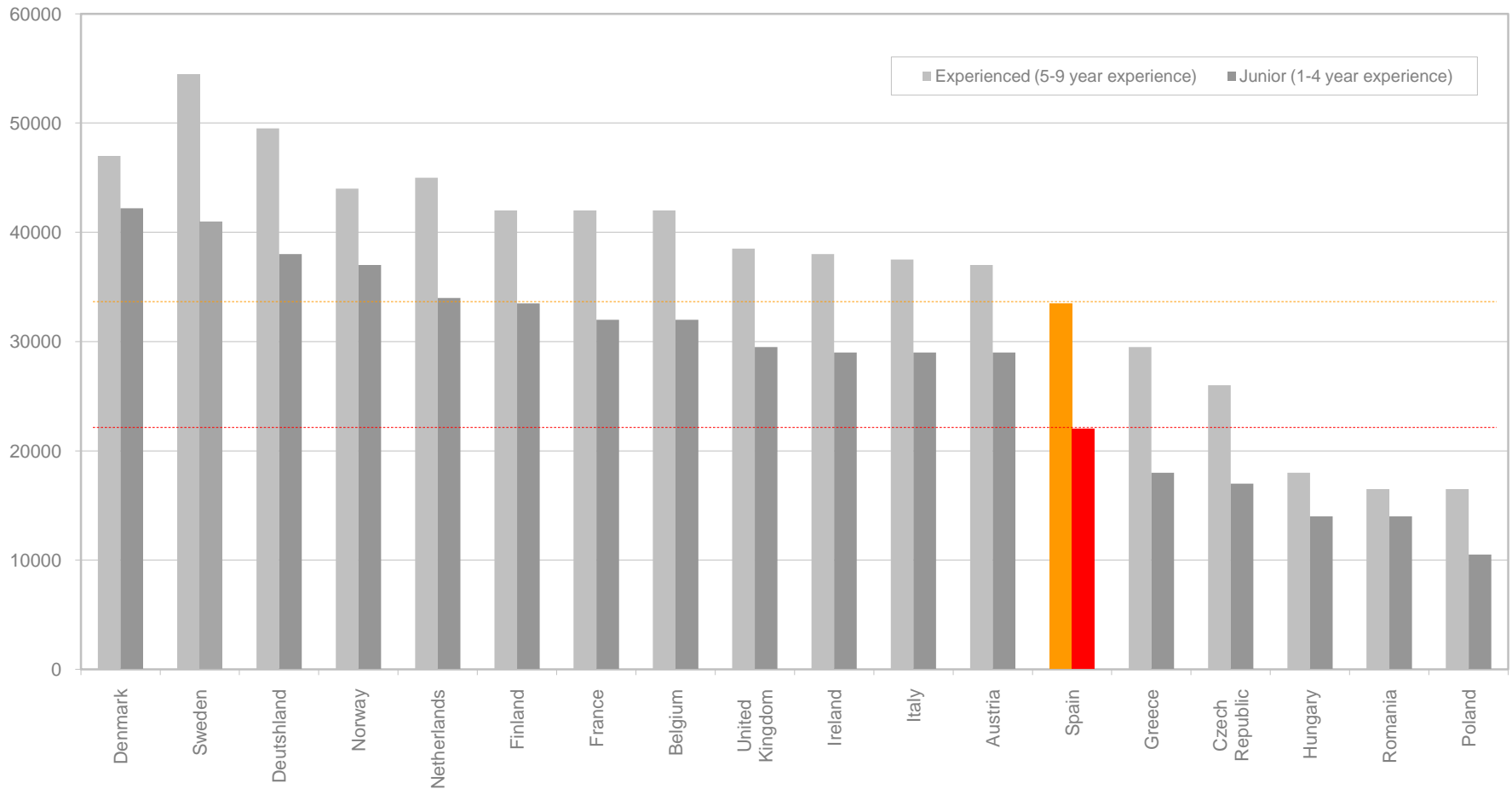
Students undertaking engineering studies 2008-2009	
Degree	Students
IT Engineering	22 224
Telecom. Engineering	15 247
Industrial Engineering	32 263
Other Engineering studies	40 288
Engineering Students (5 yrs)	110 022
IT Technical Engineering	46 992
Telecom. Technical Engineering	15 387
Industrial Technical Engineering	58 348
Other Technical Engineering St.	43 072
Tech. Eng. Students (3 yrs)	163 799
Total Engineers	285 532



5. COMPETITIVE & PREDICTIBLE LABOR COSTS

Labor costs in the ICT sector are **far below the average for EU Countries** and still competitive with those of the new players:

IT Salary Comparison (€)

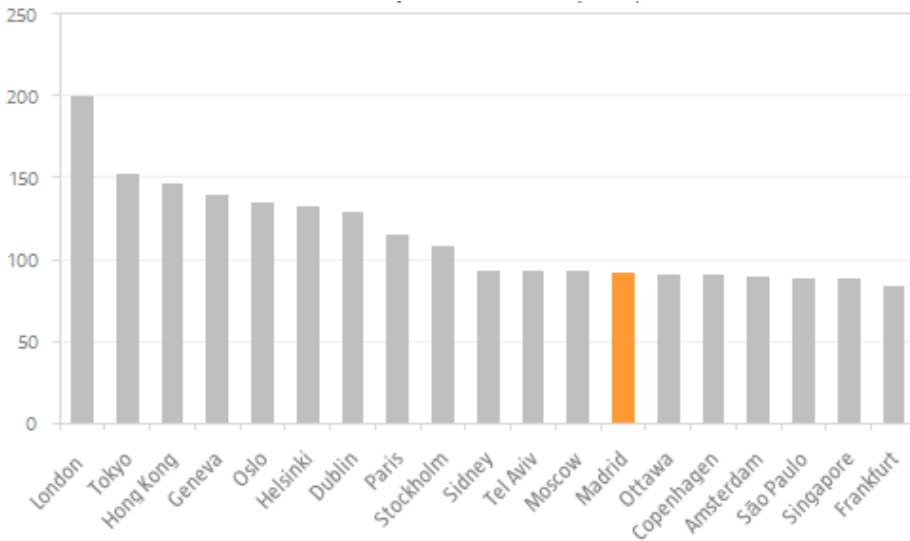


Source: IDC based on payscale 2008

6. GOOD BALANCE BETWEEN OPERATIONAL COSTS AND DEGREE OF DEVELOPMENT

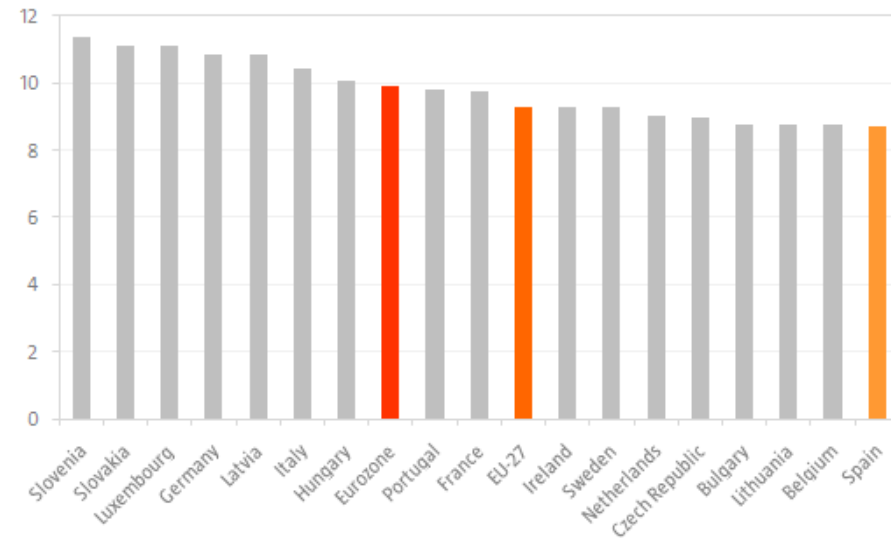
Operational costs in Spain follow the same pattern as labour costs, offering important savings against other Western European countries:

Cost of Industrial Land (euro/m2/year), 2010



Source: Cushman & Wakefield,

Price of Gas for Industrial Use (€/2Gj), 2009



Source: Eurostat,


7. MODERN INFRASTRUCTURE AND INNOVATION NETWORKS

- **250 airlines** have scheduled flights, operating out of the country’s **47 airports**
- **Largest high-speed rail network** in Europe, reaching 2,600 kilometers in late 2010
- Largest EU **highway network**
- **46 Atlantic and Mediterranean ports**, making Spain 3rd in maritime transport of goods

Airports



 International Airports

 Navigation Control Center

 National Airports

Railway Network



 High Speed in Service (1)

 Fast Line (2)

 High Speed Under Construction

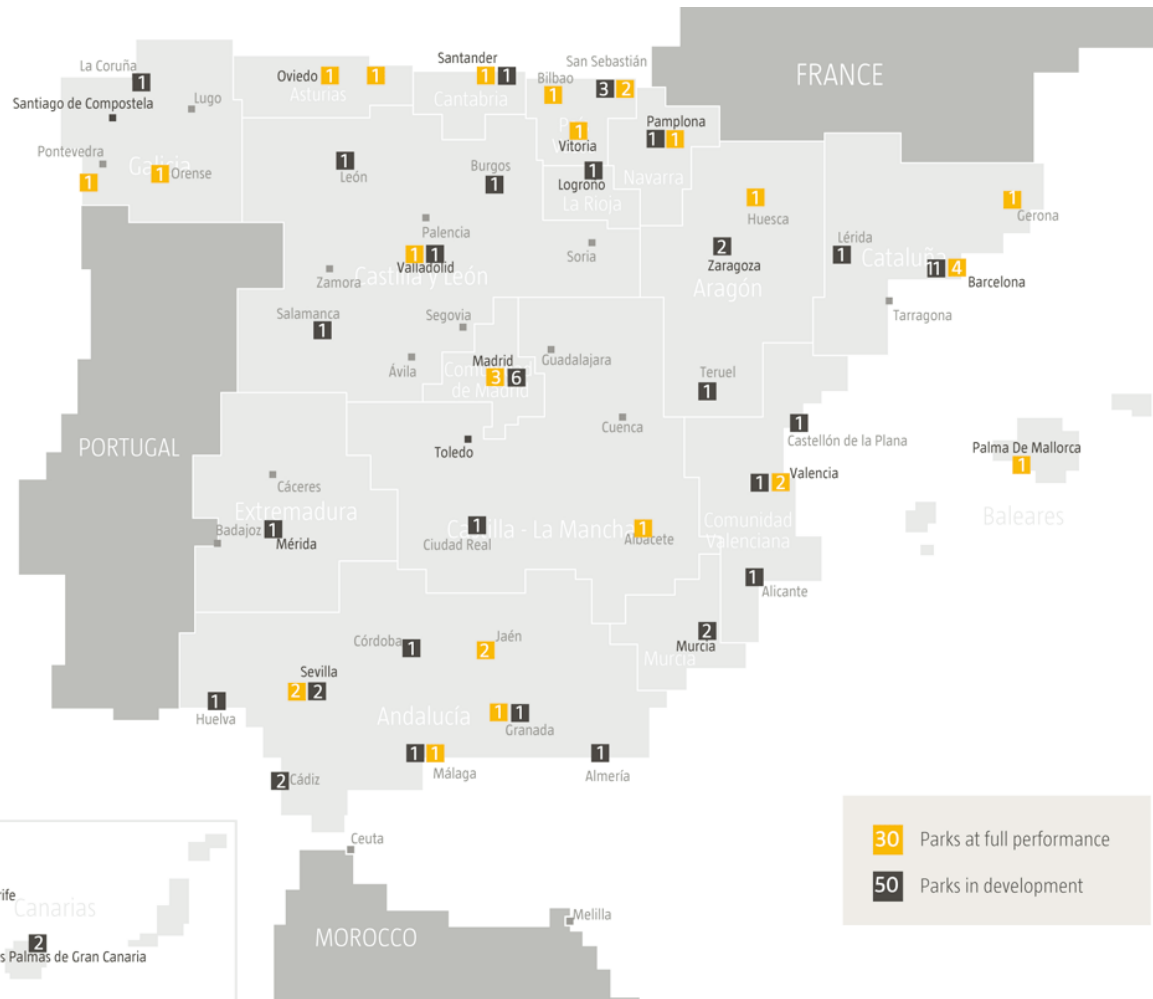
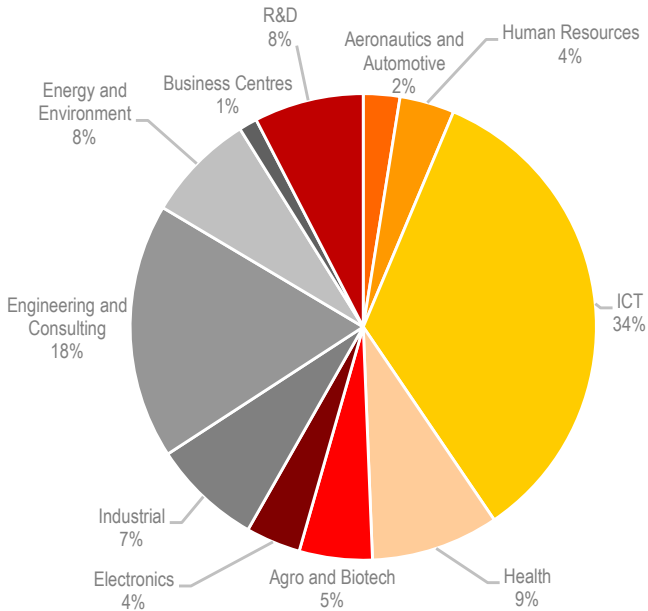
 Long Distance Line

 High Speed Planned

1: more than 250 Km/hour
2: more than 200 Km/hour

7. MODERN INFRASTRUCTURE AND INNOVATION NETWORKS

80 Technology Parks, hosting over 5,115 companies:

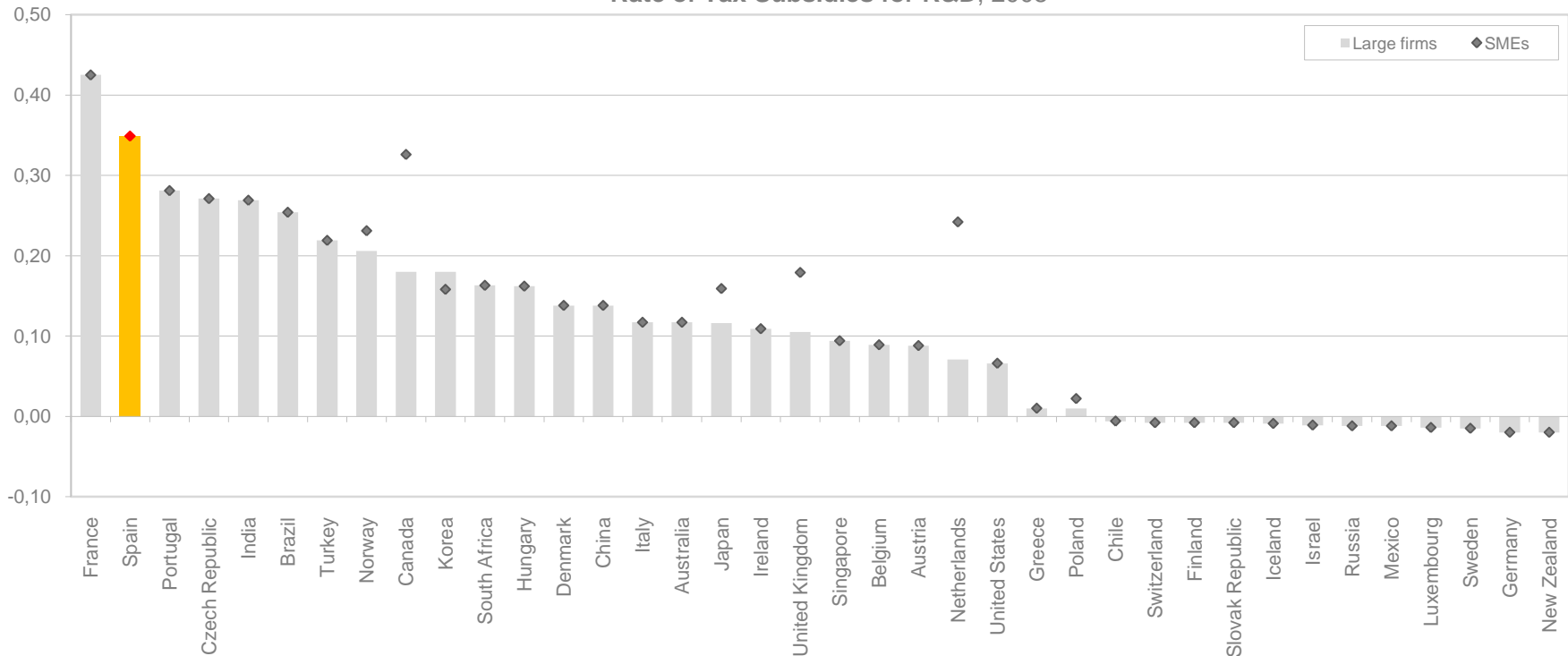


30 Parks at full performance
50 Parks in development

8. GENEROUS GRANTS & INCENTIVES SCHEME

- Investors can benefit from a wide range of aid instruments & incentives at **European, national and regional levels**: incentives for hiring & training of workers, R&D&I, financial and tax incentives to encourage innovation and technological improvement, etc.
- Spain offers one of the most **favorable fiscal frameworks for R&D** among OECD countries for large companies and SMEs
- Invest in Spain** manages a European Technology Fund aimed at promoting R&D investments from foreign capital companies

Rate of Tax Subsidies for R&D, 2008



Note: Tax subsidies are calculated as 1 minus the B index. For example, in Spain, 1 unit of R&D expenditure by large firms results in 0.349 unit of tax relief. Source: OCDE, Sep. 2009

9. EXCEPTIONAL QUALITY OF LIFE

- The Economist ranks the quality of life in Spain **third in the world** in terms of a set of social, political, cultural and economic parameters
- Largest number of **International Schools** in Europe
- Outstanding & modern **health system** with very high standards
- Favorable fiscal regime for *expatriates* (*flat rate of 24% on the personal income tax for the first 6 years in the country*)
- High **employee retention**
- **Law enforcement:** Assurance & stability in business and social life
- Excellent **climate**, first-class **gastronomy**, wide range of **cultural and leisure** activities
- Spain was chosen in 2007 as **the best place to live and to work in** by European CEOs

10. BUSINESS OPPORTUNITIES

Spain offers **interesting opportunities** in

- ✓ Auxiliary services to **mobile phones**
- ✓ **e-Government**, Services for the Electronic ID
- ✓ **Open Source Software**
- ✓ **Nearshore**
- ✓ **e-Health**
- ✓ **e-Security**
- ✓ **Digital Content** and **Videogames**
- ✓ **Intelligent Transport Systems**
- ✓ **M2M** Communications and **Traceability Technologies**
- ✓ **eCommerce** and **Internet**

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