

Flash Report on Catalan Business Environment 2019

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ACCIÓ

Government of Catalonia



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ACCIÓ's Strategy and Competitive Intelligence Unit

Barcelona, September 2020

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Catalonia in Europe 2019

Population: 7.6 Million

Similar to Switzerland and Austria. Higher than Denmark and Finland.

GDP: €250.6 Billion

Higher than Portugal and Finland.

Exports: €73.9 Billion

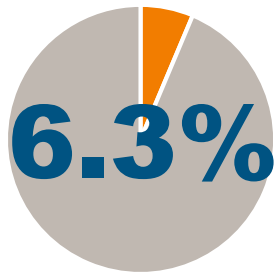
Exports-to-GDP ratio similar to Denmark and Sweden (both of which have a higher GDP). Higher than Portugal and Finland.

Source: Idescat and Eurostat

Catalonia in Spain 2019

Catalonia accounts for one fifth of Spain's economic activity

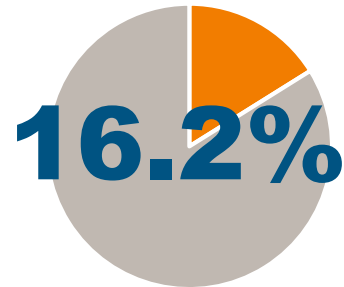
Area



- With an area of **32,108** km², it accounts for **6.3%** of the Spanish territory.

○ Ranked **sixth** in Spain.

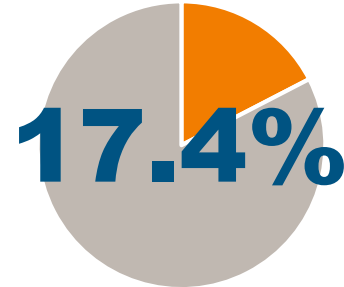
Population



- With **7.6** million inhabitants, it is home to **16.2%** of Spain's population.

○ Ranked **second** in Spain.

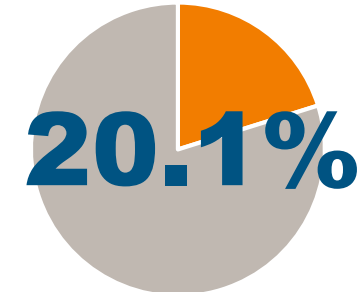
Employment



- With **3.4** million employed workers, it represents **17.4%** of Spain's total working population.

○ Ranked **first** in Spain.

GDP



- With **250.6** billion euros, it accounts for **20.1%** of Spain's GDP.

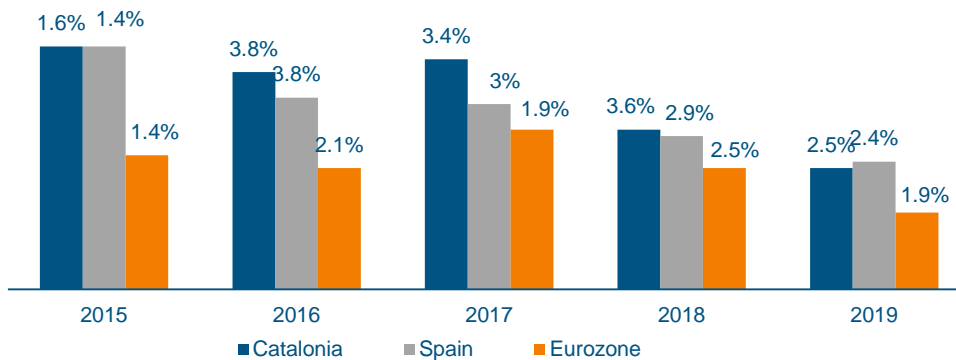
○ Ranked **first** in Spain.

Source: Idescat and INE

Catalonia GDP 2019

Catalonia's GDP grew by 1.9% in 2019

GDP annual growth rate. Seasonally adjusted data. (year-on-year variation, %)

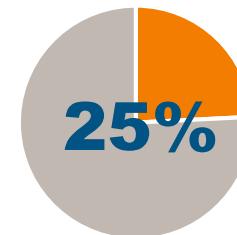


Source: Idescat.

INDUSTRY

Industry accounted for **19.3%** of Catalan gross value added, a figure that exceeded that of Spain (**15.7%**).

- Catalan gross domestic product amounted to **250.6** billion euros in 2019, a figure that represents a year-on-year growth of **1.9%**, higher than the growth in the eurozone (**1.2%**) and similar to that of Spain as a whole (**2.0%**).
- In terms of the production approach, industry showed a negative rate of change (**-0.3%**) for the first time since 2013, due to the gradual deterioration of the economic climate. Services grew by **2.7%** and construction by **2.3%**, while agriculture fell by **3.1%**.



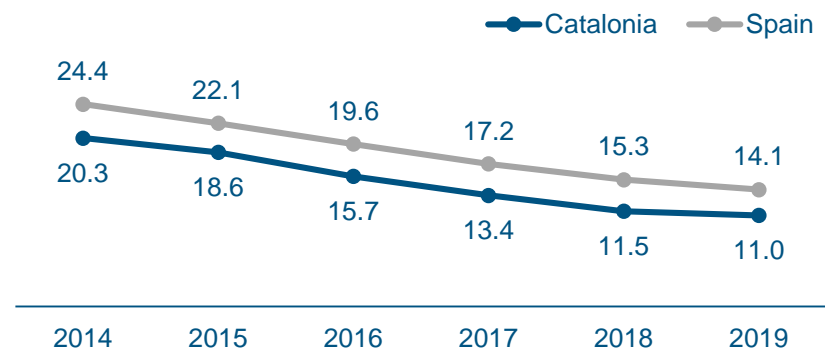
Catalonia led the way in Spain in terms of industrial GVA, with **25%** of the total.

EMPLOYMENT AND UNEMPLOYMENT

Employment and Unemployment 2019

The unemployment rate dropped for the sixth consecutive year, to 11.0%

Evolution of the unemployment rate. Catalonia and Spain 2014-2019. (%)

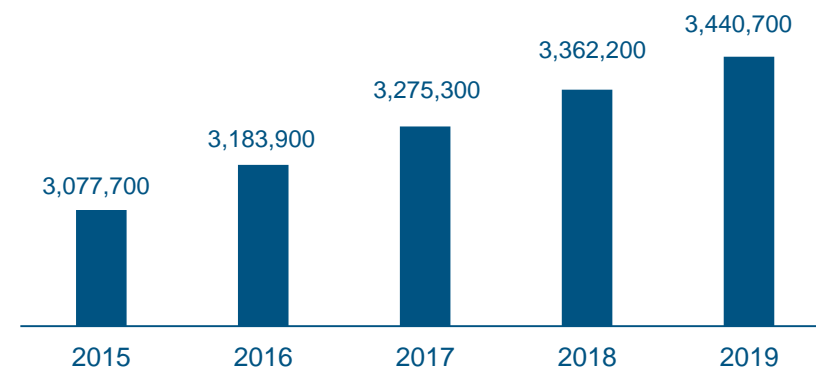


Source: Idescat, based on data from the Active Population Survey of the Spanish Statistics Institute (INE)

- The unemployment rate in Catalonia dropped for the sixth consecutive year and fell to **11.0%** in 2019, with a total of **426,400** people unemployed, i.e. **2.3% fewer** than in 2018.
- The unemployment rate was lower than for the rest of Spain (**14.1%**).

Employment increased by 2.3% in 2019

Employed persons in Catalonia. 2015-2019.



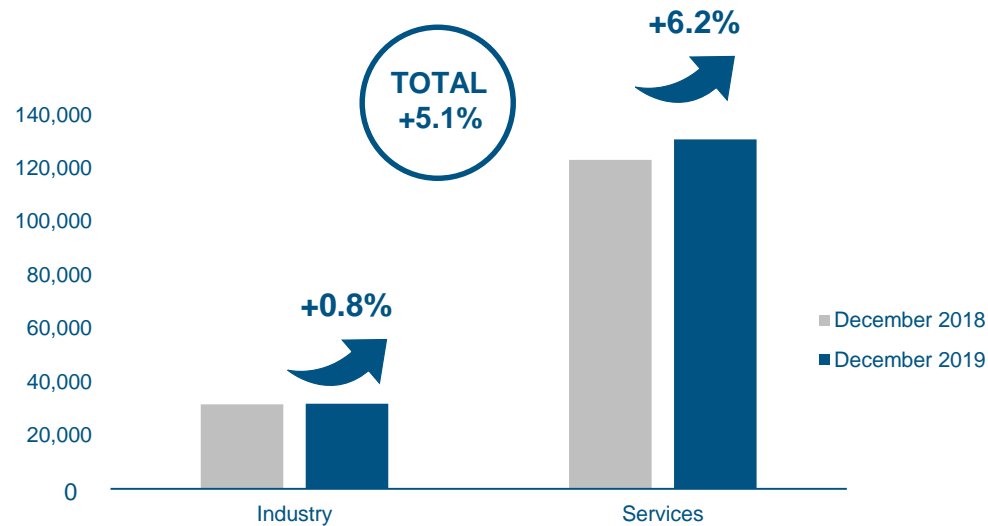
Source: Idescat, based on data from the Active Population Survey of the Spanish Statistics Institute (INE)

- In 2019, the total working population rose by **2.3%** with respect to the previous year, and stood at **3,440,700** employed people (annual average).

High-Tech Employment

Employment in high-tech sectors increased by 5.1% in 2019

High-tech employment. Industry and services.
December 2018 – December 2019. (year-on-year variation, %)



Source: EIC (DGI-ACCIÓ), based on the Observatory of Employment and Production Models - Note on employment in high-tech activities

- In 2019, employment in all high-tech sectors increased by **7,891** workers, an increase of **5.1%** compared to 2018. High-tech employment rose by **0.8%** in industry and **6.2%** in the services sector.

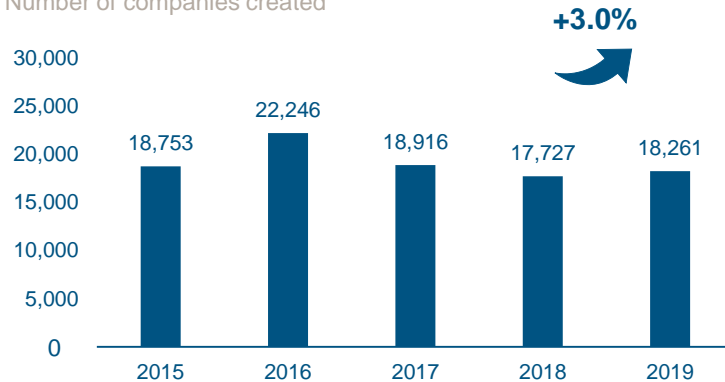
BUSINESS GROWTH

Business Growth 2019

The number of companies created grew by **3.0%** year-on-year in 2019

Creation of companies in Catalonia. 2015-2019.

Number of companies created



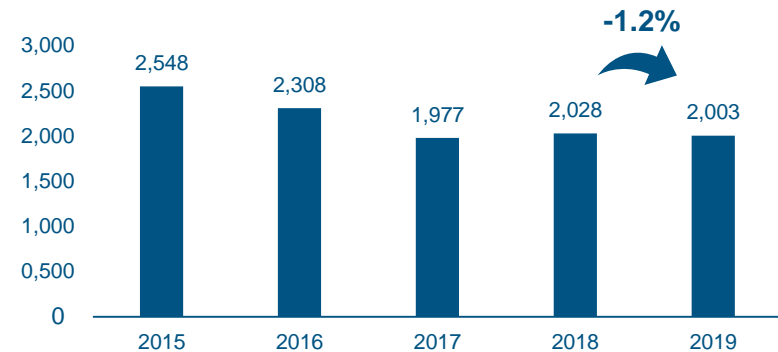
Source: Idescat.

- In 2019 as a whole, **18,261** companies were created, **3.0% more** than the previous year. This is the first year the figure has grown since 2016. In Spain, on the other hand, the number of companies created fell by **1.6%** year-on-year.
- In 2019, **1,229** industrial companies were created, **6.6% more** than in 2018.

The number of companies dissolved fell by **1.2%** in 2019

Companies dissolved in Catalonia. 2015-2019.

Number of dissolved companies



Source: Idescat.

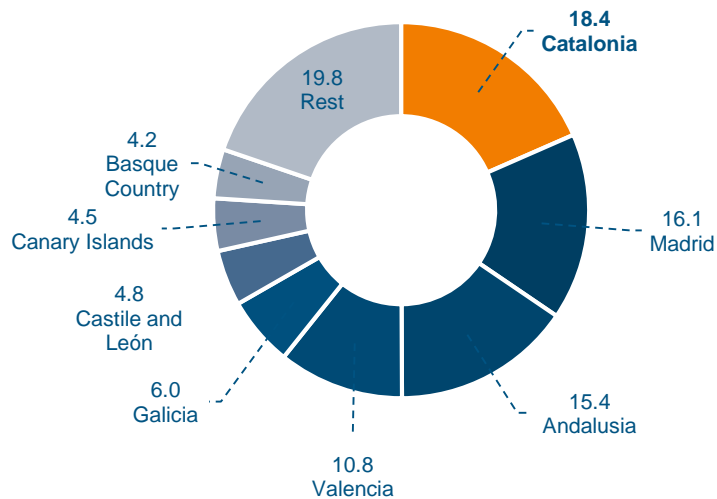
- In 2019 as a whole, **2,003** companies dissolved, **1.2% less** than in 2018. In Spain, on the other hand, the number of companies dissolved increased by **2.2%** year-on-year in 2019.

Business Growth 2019

Catalonia is the leading region in number of companies

Companies with head offices by region. 2019.

(% Share of the Spanish total)



Source: Idescat-DIRCE

- A total of **620,031** companies had their head offices in Catalonia on 1 January 2019, according to Central Business Register (DIRCE).
- Catalonia is the leading region in Spain in terms of the number of companies and accounts for **18.4%** of the Spanish total, ahead of Madrid (**16.1%**) and Andalusia (**15.4%**).

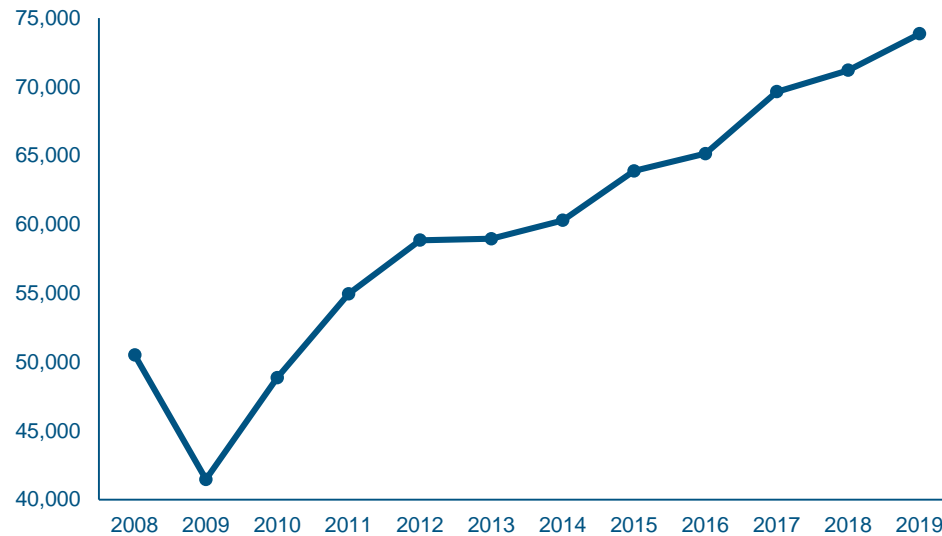
TECHNICAL NOTE: these data have been calculated based on the new statistical concept for businesses and are not comparable with those of previous years.

INTERNATIONAL TRADE AND FOREIGN DIRECT INVESTMENT

Exports

Catalan exports grew by 3.1% in 2019 and broke records for the ninth consecutive year

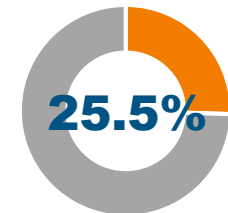
Evolution of Catalan exports. 2008-2019. (millions of euros)



€73.9 Billion

- In 2019, Catalan exports grew by **3.1%** compared to 2018, to reach **€73.9 billion**, a historic record for the ninth consecutive year. Growth was higher than in the EU-28 as a whole (**2.2%**) and the eurozone (**1.9%**).

Catalonia led the way
in Spanish exports, with
25.5% of the total in 2019.

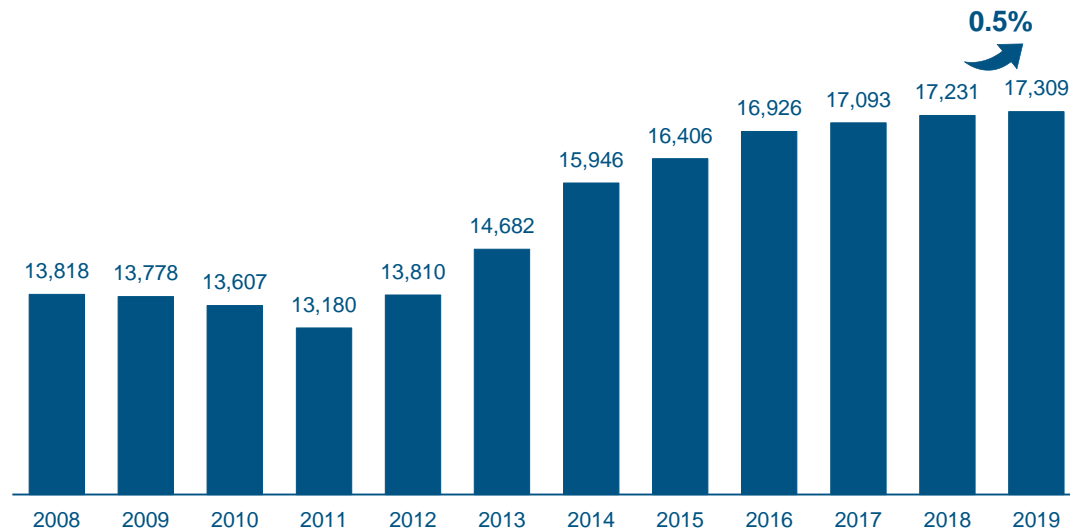


Source: ICEX-Estacom (provisional data for 2019).

Regularly Exporting Companies

Regularly exporting companies broke records for the seventh consecutive year

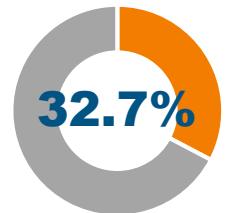
Number of Catalan regularly exporting companies. 2008-2019.



Source: ICEX - Profile of the Exporting Company.

- In 2019, the number of regular exporters (companies that have exported goods the last four years in a row), reached the figure of **17,309**, which was **0.5%** higher than in 2018, thus establishing a new record for the seventh consecutive year.

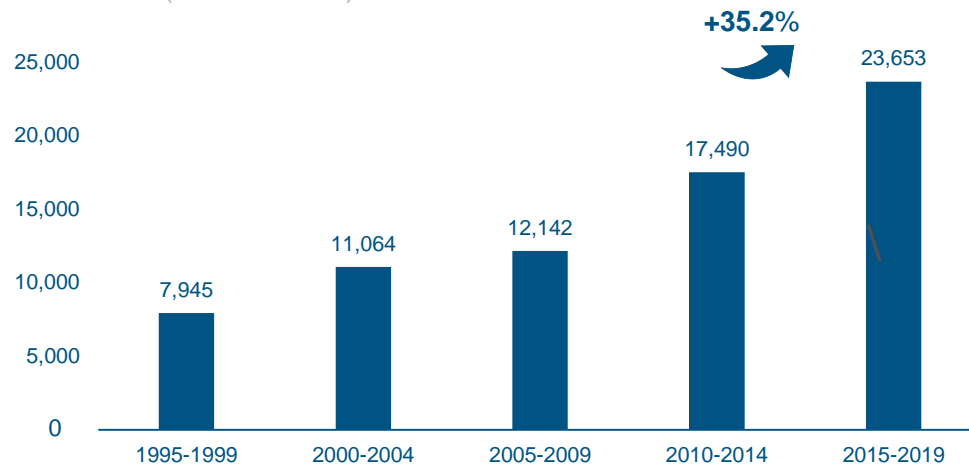
Catalonia led the way
in Spain in terms of the
number of regularly
exporting companies, with
32.7% of the total in 2019.



Foreign Direct Investment

Catalonia has attracted **€23.7 billion** in the last five years, i.e. **35.2%** more than in the previous five-year period

Evolution of foreign direct investment in Catalonia. Five-year figures, 1995-2019. (millions of euros).



- Gross foreign investment in production assets in Catalonia for the 2015-2019 period was **€23.7 billion** (**€4.7 billion** per year on average), an increase of **35.2%** over the figure of **€17.5 billion** for the previous five-year period of 2010-2014 (**€3.5 billion** per year on average).

Note: Since direct investment flows are so volatile, it is advisable to compare data using five-year averages.

Source: EIC (DGI – ACCIÓ), based on data from DataInVex-MINCOTUR.

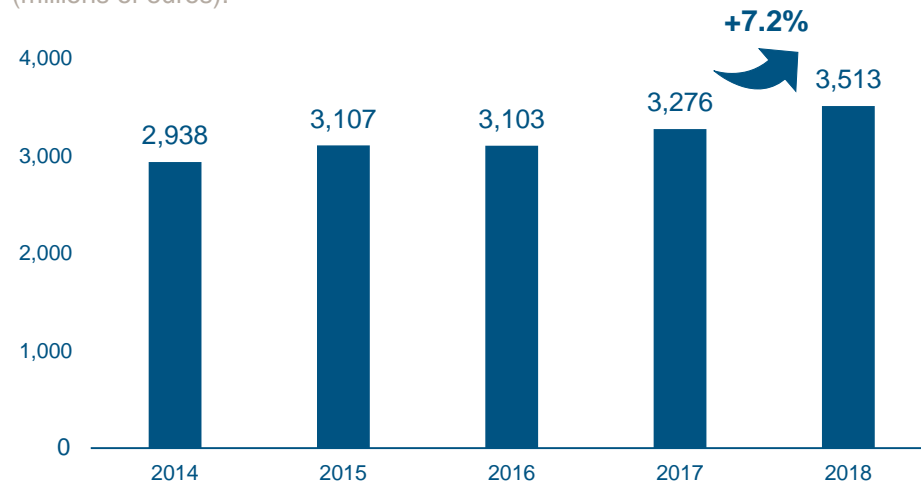
INNOVATION

R&D 2018

R&D spending in Catalonia was the highest on record

Evolution of R&D spending in Catalonia. 2014-2018.

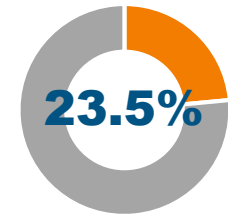
(millions of euros).



Source: EIC (DGI-ACCIÓ), based on the Survey on Company Innovation, INE.

- Catalonia's R&D spending grew by **7.2%** in 2018 compared to the previous year, to reach **€3.5 billion**, the highest figure on record. This rise was higher than that of the EU (**5.4%**) and Spain (**6.3%**).

Catalonia accounted for **23.5%** of Spanish R&D spending in 2018.

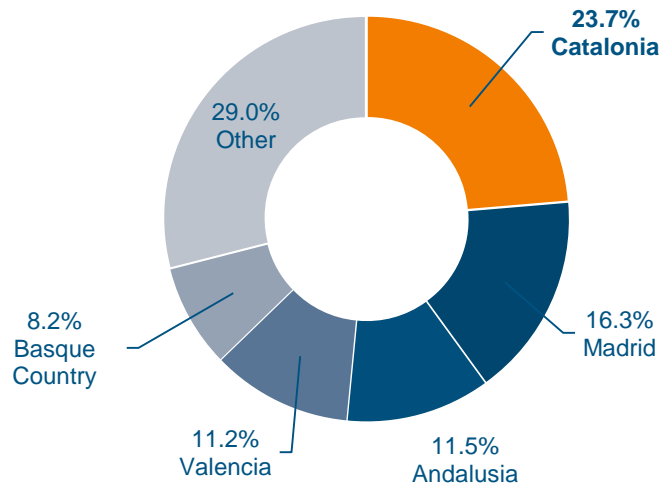


- R&D spending as a percentage of Catalonia's GDP increased from **1.47%** in 2017 to **1.52%** in 2018. This figure was higher than that of Spain as a whole, which rose from **1.21%** to **1.24%** in 2018.

Innovative Companies

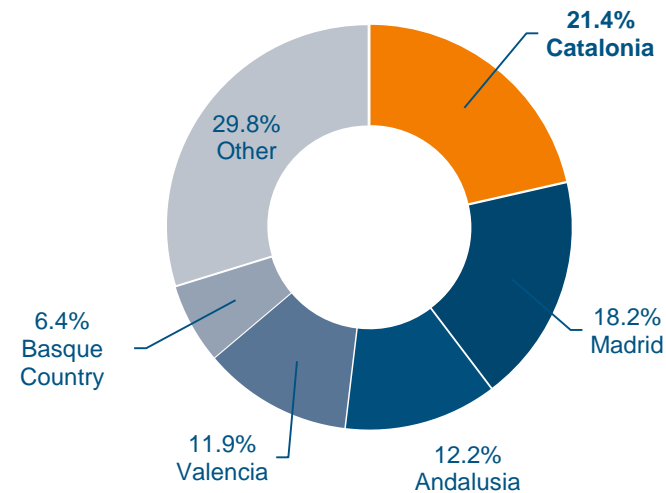
Catalonia led the way in terms of the number of innovative companies in Spain, with 21.5% of the total

Companies with product innovations by region. 2016-2018. (share of the total for Spain)



- Catalonia was the leader in terms of the number of companies with product innovations, with **23.7%** of the total for Spain.

Companies with business process innovations by region. 2016-2018. (share of the total for Spain)



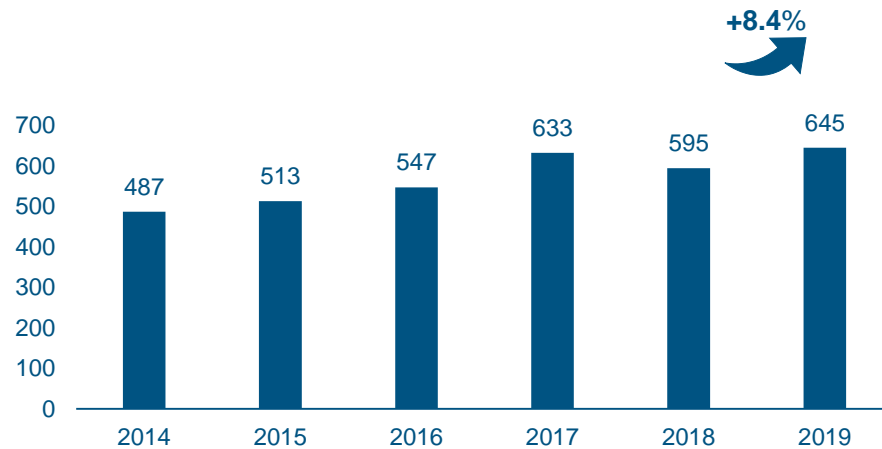
- Catalonia was the leader in terms of the number of companies with business process innovations, with **21.4%** of the total for Spain.

Source: EIC (DGI-ACCIÓ), based on the Survey on Company Innovation, INE.

European Patent Applications 2019

The number of European patent applications in Catalonia grew by 8.4% in 2019, making it Spain's leading region

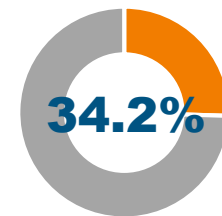
Evolution of European patent applications. 2014-2019.
(number of applications)



Source: European Patent Office (EPO).

- Applications for Catalan patents submitted to the European Patent Office (EPO) grew by **8.4%** in 2019 (the figure for Spain was **6.0%**) to **645** patents, the highest figure since 2014.
- The number of Catalan patent applications submitted to the EPO (European Patent Office) in 2019 was more than treble those submitted to OEPM (Spanish Patent Office) i. e. **202** in 2019.

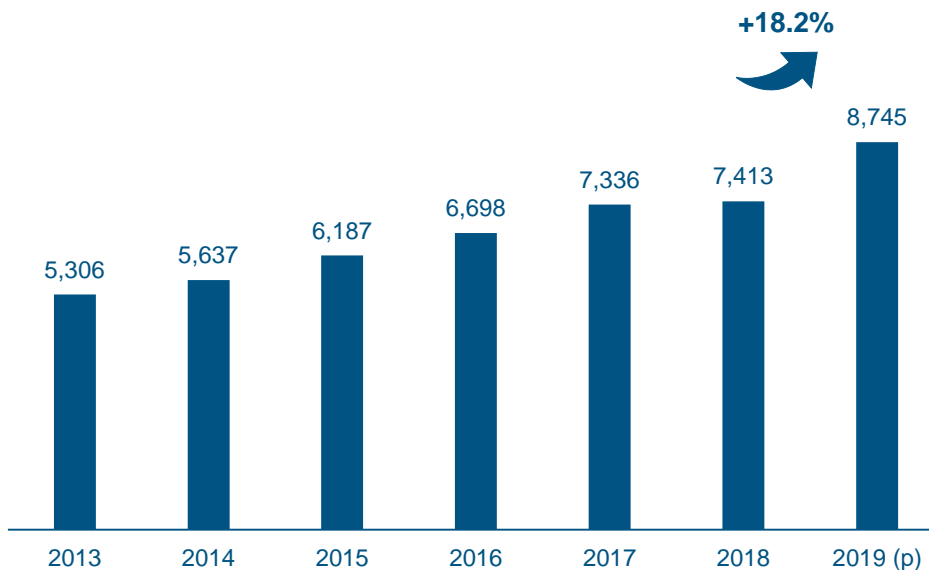
Catalonia led the way
in European patent
applications, with **34.2%**
of the Spanish total in 2019.



High-tech exports

Catalan high-tech exports broke records for the fourth consecutive year

Evolution of high-tech exports. 2015-2019. (millions of euros)



Source: Idescat.
(p) Provisional data

- Catalan exports of high-tech products increased by **18.2%** in 2019 to **€8.7 billion**, a **new record for the fourth consecutive year**.
- Catalan high-tech exports (**12.5%**), together with medium-high-tech exports (**45.7%**), totalled **58.2%** of Catalan industrial exports.

European Funding: Horizon 2020

Catalonia has received more than €1.35 billion from the the H2020 Programme, more than any other Spanish region

Entity type	Number	Grant (€M)	% of total
Research associations	47	351.9	26.1%
Companies	541	302.3	22.4%
<i>SMEs</i>	473	250.5	82.9%*
Universities	11	291.4	21.6%
Public research centres	29	216.9	16.1%
Innovation and technology centres	2	75.9	5.6%
Public administrations	50	60.7	4.5%
Other associations	76	48.4	3.6%
% of Spain		28.3%	
% of EU-28		2.86%	
% of total funds granted		2.58%	

Note: Entities arranged by funding amount (€M)

*Percentage of total companies

- Catalonia has received a total of **€1.35 billion** from the EU's Horizon 2020 Programme, i. e. **2.58%** of the total funds awarded, and **2.86%** of the funds awarded to EU-28, nearly twice as much as would correspond to it based on population (**1.5%** of the EU).
- Catalonia received more H2020 funds than any other Spanish region, with **28.3%** of the total.

SME INSTRUMENT

Catalonia received **€94.1 million** from SME Instrument, **4.1%** of the programme's total, and **was the top ranking region**

Source: EIC (DGI-ACCIÓ), based on data from CDTI and SME Instrument Data Hub

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<http://catalonia.com/catalonia-barcelona/diverse-open-dynamic/competitive-economy.jsp>

