



Foreign Investment in Catalonia 2018

June 2019

Report

**Catalonia &
Trade & Investment**



Generalitat de Catalunya
Government of Catalonia

Foreign Investment in Catalonia 2018

Catalonia Trade & Investment
Government of Catalonia



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1. Definition and Methodology



Introduction

- This report provides an analysis of foreign direct investment (FDI) in Catalonia in 2018. It combines an analysis of the 2018 financial year with analyses of the 2014-2018 and 2009-2013 periods through an approach that takes account of extended periods of time to offset the volatility factor intrinsically linked to foreign investment.
- Please note that a number of sources analyse foreign investment.
 - Official sources: United Nations Conference on Trade and Development (UNCTAD); Foreign Investment Register, Ministry of Industry, Trade and Tourism (MINCOTUR); and Balance of Payments, Bank of Spain.
 - Non-governmental sources: fDi Markets, Financial Times Group; Orbis Crossborder Investment, Bureau van Dijk; IBM Global Location Trends; and others.
- These sources are complementary, since all have limitations and aspects that set them apart. Thus, the report *Foreign Investment in Catalonia 2018* provides an overview that includes:
 - Global investment trends based on data from UNCTAD.
 - Official data from MINCOTUR's Foreign Investment Register.
 - Non-governmental data from fDi Markets.
 - Data on investment that has been attracted with the help of Catalonia Trade & Investment.

Note: foreign investment data are reviewed periodically and may therefore vary depending on the extraction date. This study uses data from MINCOTUR extracted on 20 March 2019 and data from fDi Markets extracted on 1 April 2019.

What is Foreign Direct Investment (FDI)?

- This term refers to all foreign direct investment operations carried out in a region, with the following criteria:
 - Investments designed to create new production capacity and/or jobs.
 - Investments in which the investor's intention is to control or affect management of a company based outside the region where it is domiciled.
- To qualify as FDI, the foreign investment must be greater than or equal to 10% of the company's share capital.
- It therefore includes the following kinds of operations:
 - Greenfield: investment in a new company not previously based in Catalonia.
 - New investment: investment in a new product of a company already based in Catalonia.
 - Reinvestment: investment in an existing product at a new location.
 - Expansion: investment in an existing product at an existing location of a company already based in Catalonia.
 - Acquisition: investment through the acquisition of a company already based in Catalonia.
 - Joint venture: investment through a cooperation agreement between companies that culminates in the creation of a joint venture.

Source: UNCTAD and Catalonia Trade & Investment.

Differences Between Data Published by MINCOTUR and fDi Markets

	MINCOTUR	fDi Markets
Greenfield, new investments, expansions and reinvestments	✓	✓
Reinvestment of profits and parent-subsidiary loans	✗	✓
Shareholdings (acquisition and joint venture)	✓	✗
Assigns the investment to the region where it is actually made and not to the region where the head office is located (thus eliminating the capital city bias)	✗	✓
Favours regional comparison on a global scale	✗	✓
Includes only investment projects associated with new production capacity and job creation	✗	✓
Date data recorded	When the investment is made	When the investment is announced

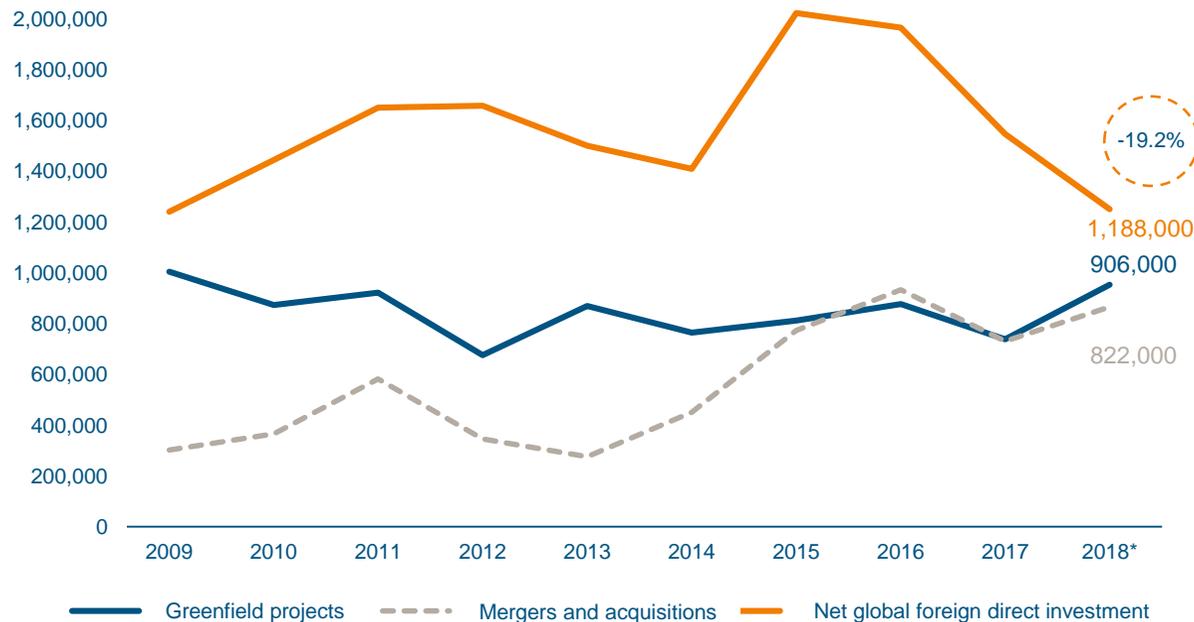
2. Global Investment Trends



Net Global Foreign Direct Investment

Net foreign direct investment fell by 19% in 2018 due to the repatriation of offshore profits by US companies.

Evolution of net global FDI flows. Value of greenfield projects and cross-border mergers and acquisitions, 2009-2018
(millions of dollars).



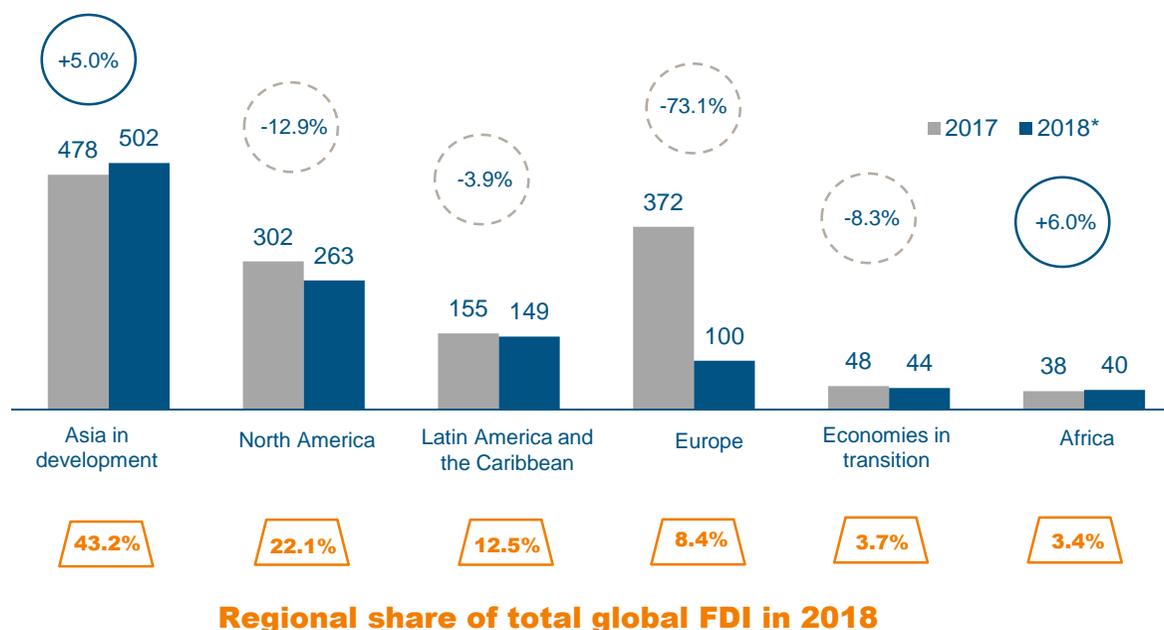
- According to provisional data, net foreign direct investment (FDI) flows totalled 1.19 trillion dollars in 2018, **19.2%** less than in the previous year.
- However, compared to 2017, foreign investment in greenfield projects grew by **29%** and cross-border mergers and acquisitions by **19%**.
- The decline in net global foreign direct investment was the result of the repatriation of offshore profits by US multinationals due to tax reform in the country.

Source: UNCTAD (provisional data).

Net Foreign Direct Investment by Region

Net foreign direct investment fell in Europe and rose in Asia and Africa.

Evolution of net foreign direct investment by region, 2017-2018 (figures given in billions of dollars and % change).



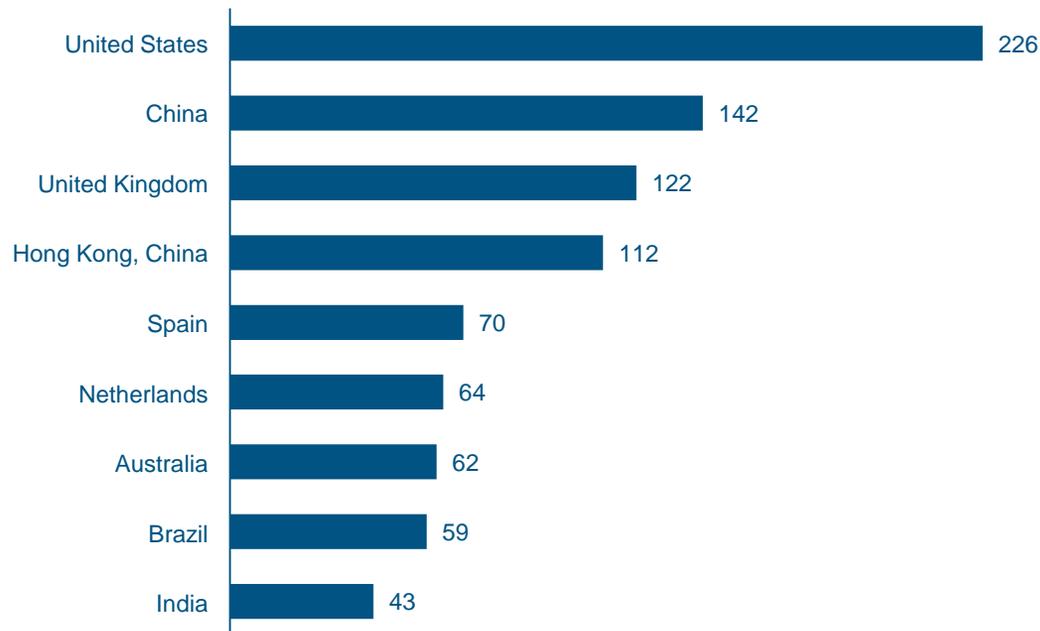
- Net foreign direct investment fell significantly in Europe (-73.1%), the region hardest hit by the repatriation of offshore profits by US companies.
- By contrast, it increased by 6.0% in Africa and 5.0% in Asia. Thus, Asia reinforced its position as global leader in terms of attracting foreign investment and accounted for 43.2% of the world total in 2018, with China as the largest recipient country.

Source: UNCTAD (*Provisional data).
NOTE: regions ranked from highest to lowest investment volume in 2018, from left to right.

Net Foreign Direct Investment by Country

The United States and China were the largest recipient countries of global FDI.

Top-10 recipients of global FDI, 2018 (in thousands of millions of dollars).



- The United States (\$266 thousand million) was the largest recipient of global FDI in 2018, followed by China (with \$142 thousand million), which, together with Hong Kong (\$112 thousand million) and India (\$43 thousand million), positioned Asia as the leading region in terms of attracting FDI.
- In Europe, the United Kingdom, Spain and the Netherlands featured prominently in the ranking due to the mega-mergers and mega-acquisitions that took place in 2018 (e.g. acquisition of the British company Sky and the Spanish company Abertis). By contrast, the repatriation of offshore profits by US companies had a negative impact on countries such as Ireland, Switzerland, Germany and France.

Source: UNCTAD.

Main Greenfield Investments

The most notable foreign investment projects in 2018 affected the materials and raw materials, chemical and plastics, and energy and resources sectors.

2018



Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

Main Greenfield Investments in Production Assets

In 2018, the foreign investment projects in production assets with the highest global volume mainly affected the chemical and plastics, electronics, and automotive industries.

2018



Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

NOTE: Investments in materials and raw materials, and construction are excluded.

Key Mergers and Acquisitions

Mergers and acquisitions played a leading role in the global foreign investment landscape in 2018. There were major operations, such as Bayer’s investment in Monsanto and Comcast’s takeover of Sky.

2018



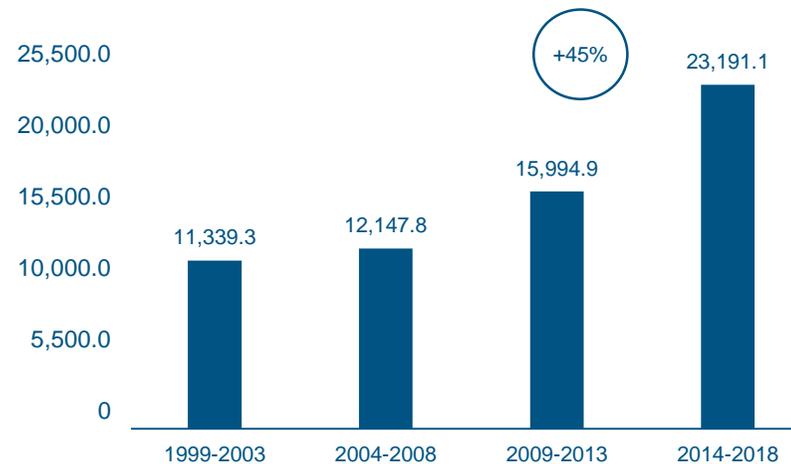
3. Foreign Direct Investment in Catalonia (official data from MINCOTUR)



Foreign Direct Investment

Catalonia attracted €23,000 million in the last five years, i.e. 45% more than in the previous five years.

Evolution of gross foreign investment in Catalonia.
Five-year figures, 1999-2018 (millions of euros).



- Gross foreign investment in production assets in the 2014-2018 period was **€4,639** million, i.e. **45%** higher than the average for the previous five-year period, 2009-2013 (**€3,199** million).
- In 2018, gross foreign investment in production assets in Catalonia was **€2,985.7** million, i.e. **11.7%** less than in 2017.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from DataInvex-MINCOTUR.

NOTE: Because direct investment flows are so volatile, it is advisable to compare data for extended periods of time (five-year periods).

Foreign Investment in Catalonia by Country

Most FDI came from the North America and the European Union.



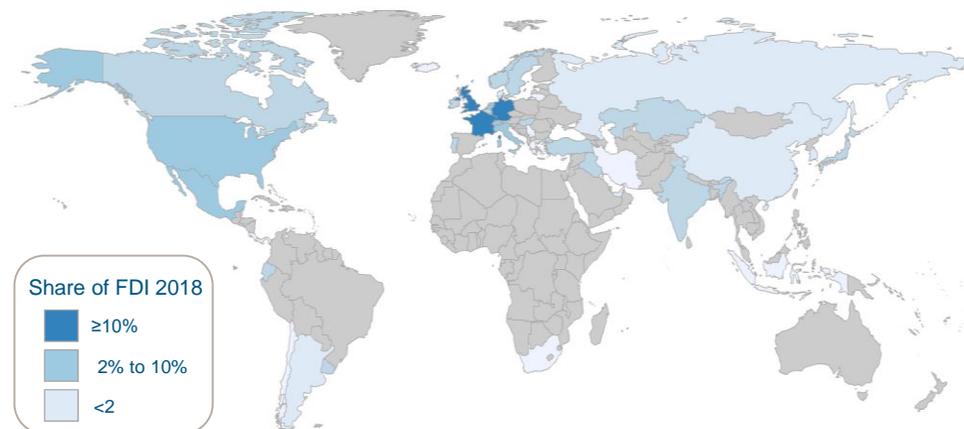
Gross foreign investment in Catalonia:
Top-50 countries,
2014-2018 (% of the total investment received).



Country	% of FDI received 2014-2018
United States	19.9%
France	14.0%
Luxembourg	10.4%
Netherlands	10.0%
Mexico	9.1%



Gross foreign investment in Catalonia:
Top-50 countries,
2018 (% of the total investment received).



Country	% of FDI received 2018
France	24.9%
Germany	17.9%
United Kingdom	13.2%
Netherlands	4.8%
Switzerland	4.6%

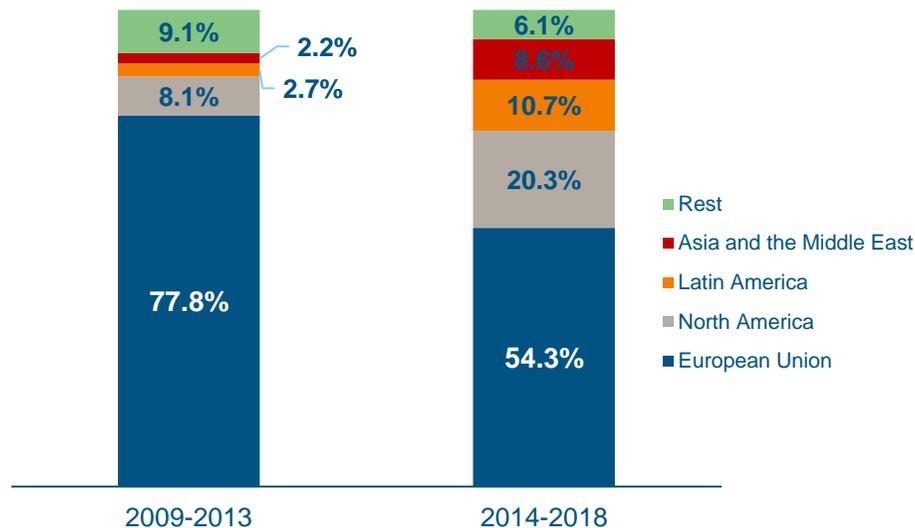
Source: EIC (DGI – Catalonia Trade & Investment) based on data from DataInVex-MINCOTUR.

NOTE: "round-trip" investments have been excluded, i.e. investments that come from abroad, but where ownership is held by a resident of Spain.

Foreign Investment in Catalonia by Region

Strong growth in investments from America and Asia.

Distribution of FDI in Catalonia by region, 2009-2018 (% of the total investment received).



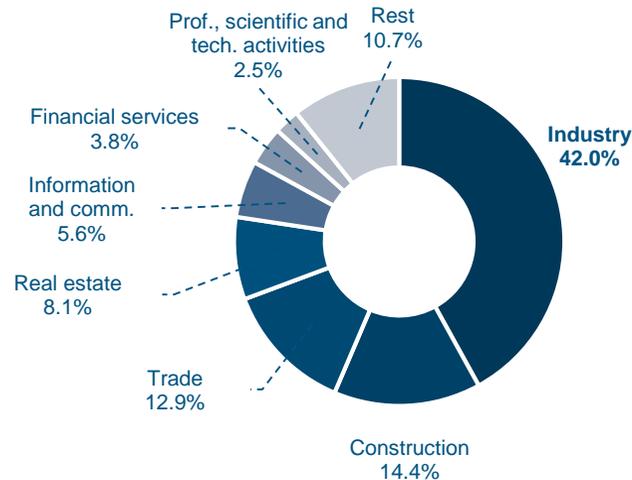
- Foreign investment from North America increased almost fourfold in the last five years with respect to the previous five-year period, and its share of the total FDI more than doubled (**20.3%** vs **8.1%**).
- Foreign investment from Latin America and Asia increased by a factor of more than five in the last five years compared to the previous five-year period, and accounted for **10.7%** and **8.6%**, respectively, of the total FDI received, i.e. four times more than their share in the previous five-year period.
- Foreign investment from the European Union rose by **1.1%** in the last five years. Although the EU continued to lead the way in terms of investment in Catalonia, its share fell from **77.8%** during the previous five-year period to **54.3%** today.

Source: EIC (DGI – Catalonia Trade & Investment) based on data from DataInxvex-MINCOTUR.

Foreign Investment in Catalonia by Sector

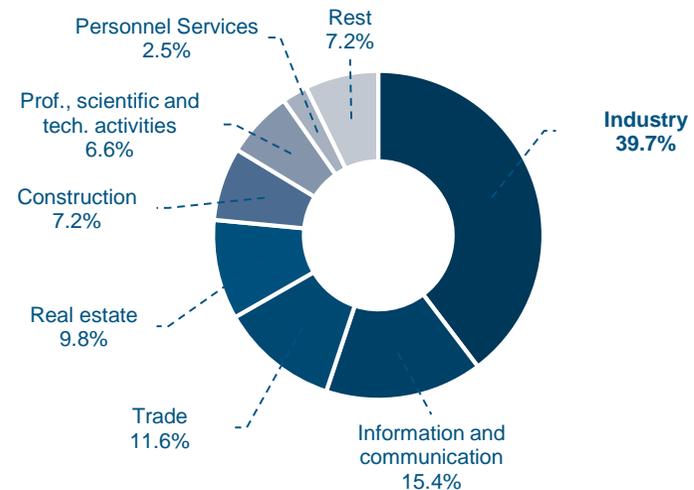
Industry was the main investment sector and represented 40% of total FDI in Catalonia.

Foreign investment in Catalonia by sector, 2014-2018 (% of the total investment received).



- During the 2014-2018 period, investments were made mainly in industry (**42.0%**), construction (**14.4%**) and trade (**12.9%**).

Foreign investment in Catalonia by sector, 2018 (% of total).



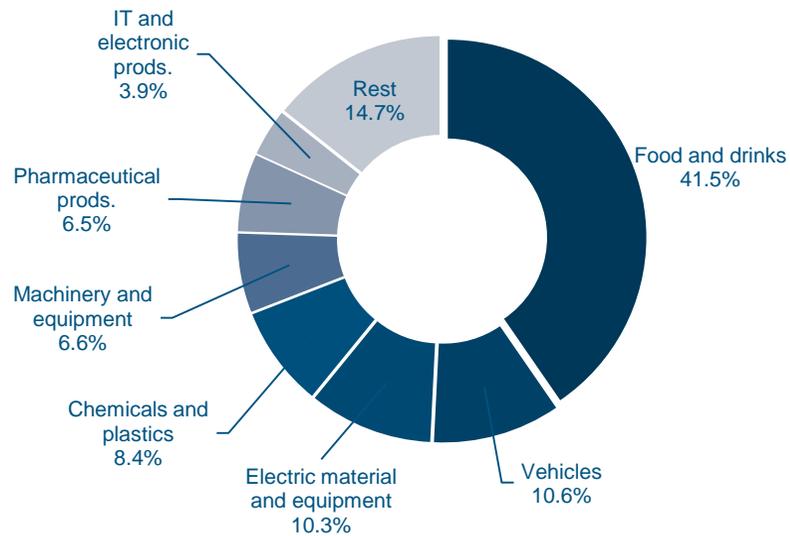
- Likewise, industry was the main investment field (**39.7%**) in 2018; virtually all of this investment was made in manufacturing, information and communication (**15.4%**), trade (**11.6%**) and property (**9.8%**).

Source: EIC (DGI – Catalonia Trade & Investment) based on data from DataInvex-MINCOTUR.

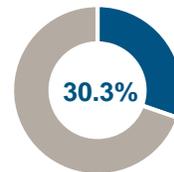
Foreign Investment: Manufacturing

Catalonia led the way in terms of foreign investment in manufacturing at national level.

Distribution of FDI in Catalonia by industrial sector, 2014-2018 (% of the total invested in manufacturing).



- Foreign investment in the manufacturing industry was **€4,765.6** million in the 2014-2018 period.
- The food and drink sector attracted the largest share of foreign investment in the manufacturing industry, with **41.5%**. Other prominent sectors were vehicles (**10.6%**), electrical material and equipment (**10.3%**), machinery (**6.6%**) and pharmaceutical products (**6.5%**).
- In 2018, foreign investment in the manufacturing industry amounted to **€1,184.5** million, i.e. **2.1%** less than in the previous year.



Catalonia led the way in terms of foreign investment in the manufacturing industry at national level, with **30.3%** of the 2018 total.

NOTE: Manufacturing industry excludes mining and quarrying and electricity, gas, steam and waste management. Source: EIC (DGI – Catalonia Trade & Investment) based on data from DataInvex-MINCOTUR.

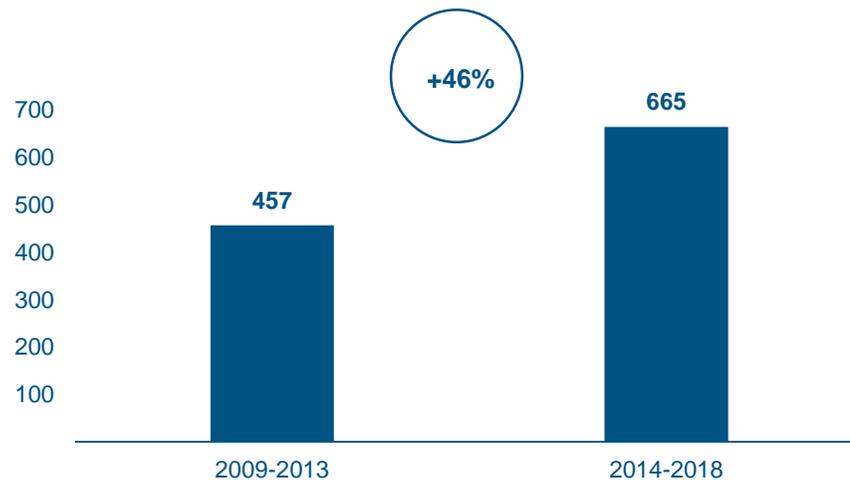
4. Foreign Direct Investment in Catalonia (data from fDi Markets)



FDI in Catalonia by Number of Projects

In 2018, Catalonia attracted 171 foreign investment projects. This represented the highest number of foreign investment projects in Catalonia ever recorded by fDi Markets.

Number of FDI projects received, by five-year period.



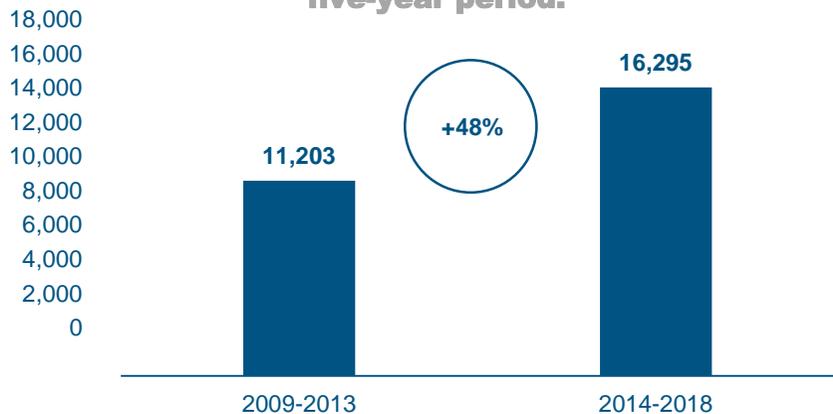
- The number of FDI projects received in Catalonia in the last five years (2014-2018) increased by 46% with respect to the previous period (2009-2013), with a total of 665 projects.
- Likewise, the results for 2018 show a year-on-year increase of 10%, from 156 FDI projects in 2017 to 171 in 2018.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

FDI in Catalonia by Volume

In the 2014-2018 period, Catalonia attracted its highest ever investment volume for a five-year period, i.e. €16,295 million.

Volume of capital investment in millions of euros, by five-year period.



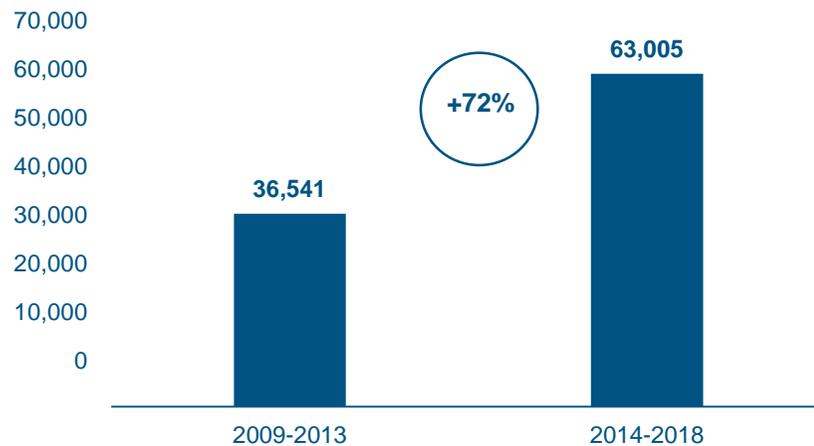
- When comparing the 2009-2013 and 2014-2018 periods, there was a 48% increase in the volume of foreign investment in Catalonia. The annual average of €2,205 million obtained in the first five years increased to €3,259 million in the second period.
- 2018 saw the third highest foreign investment volume in Catalonia on record, with a result of €3,801 million.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

FDI in Catalonia by Number of Jobs Created

In 2018, Catalonia generated a total of 25,947 jobs linked to foreign investment, a figure that represents the highest on record and an increase of 66% with respect to the previous year.

Jobs created, by five-year period.



- In the 2014-2018 period, foreign investment in Catalonia led to the creation of 63,005 jobs, i.e. 72% more than in the 2009-2013 period.
- Sixty-six percent more jobs were created in Catalonia in 2018 than in 2017. With an average of 152 jobs created per FDI project, 2018 was a very strong year in terms of investment in talent recruitment.

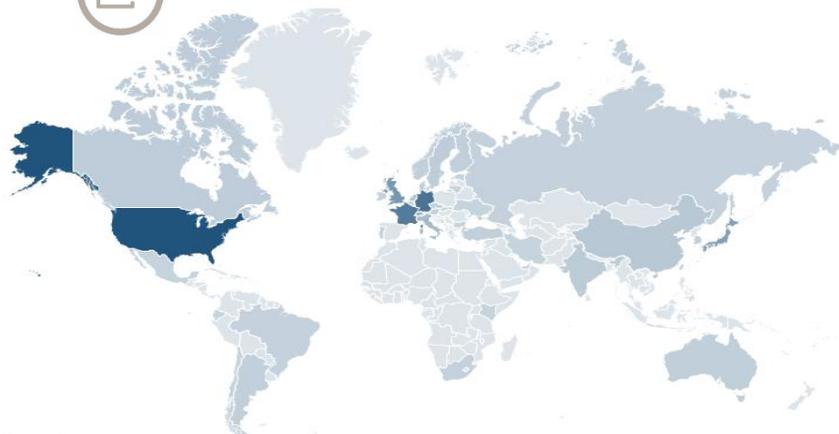
Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

FDI in Catalonia by Country of Origin

The United States, Germany, France, the United Kingdom and Japan were the leading investors in Catalonia, both now and in the past.



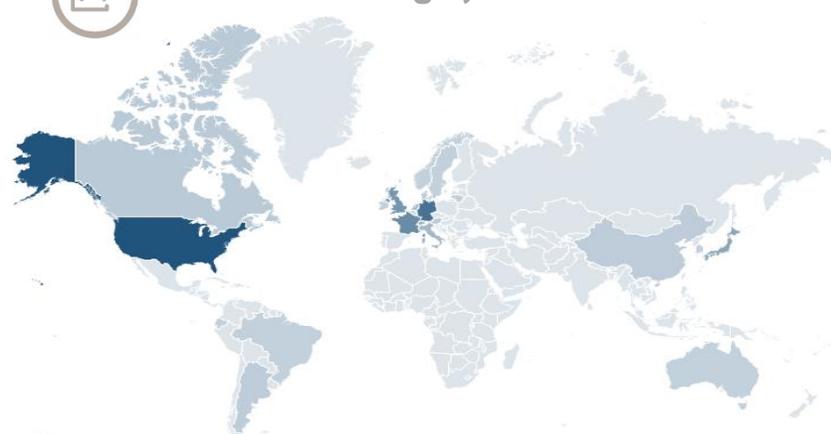
Countries of origin, 2014-2018.



Country	Number of projects	% of total
United States	129	19%
Germany	97	15%
France	89	13%
United Kingdom	61	9%
Japan	52	8%
TOTAL	665	100%



Countries of origin, 2018.

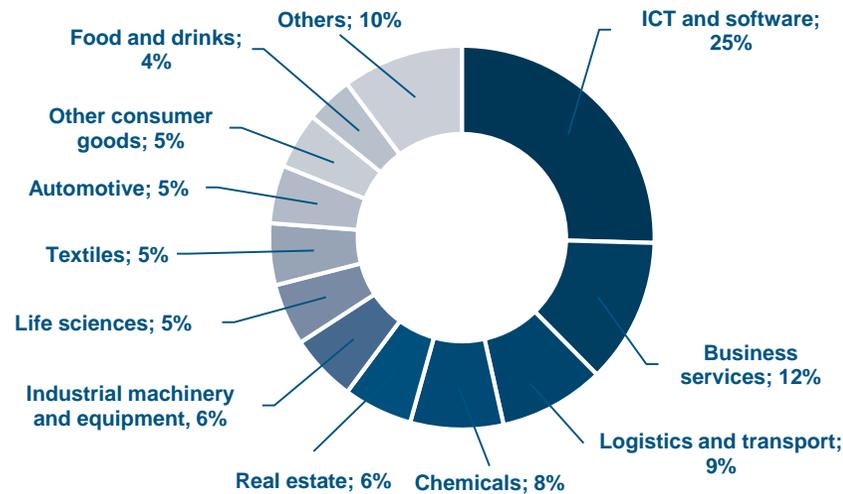


Country	Number of projects	% of total
United States	37	22%
Germany	28	16%
France	21	12%
United Kingdom	18	11%
Japan	13	8%
TOTAL	171	100%

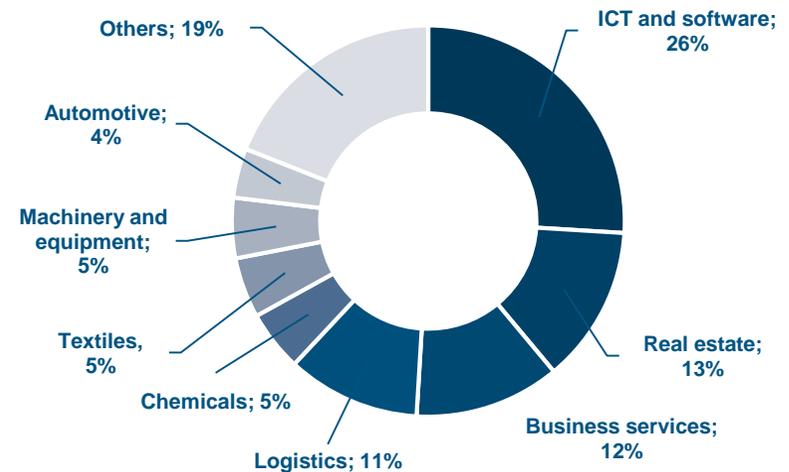
Main Sectors that Invested in Catalonia by Number of Projects

According to fDi Markets, the ICT and software industry played the most dynamic role in foreign investment in Catalonia, both in 2018 and during the previous five-year period. Also worth noting were investment projects in business services, logistics and property.

Main sectors, 2014-2018.



Main sectors, 2018.



Main Subsectors Associated with FDI Projects in Catalonia

2018

Subsector*	Projects	Investment volume (in €M)	Jobs created
Software, except video games	15	51.4	624
Other IT services	12	59.0	983
Distribution and logistics	10	254.1	902
Clothing and accessories	9	78.4	679
Rental and leasing services	7	21.8	156
Housing construction	7	772.7	7,911
Hotel construction	6	487.5	5,332
Machinery	6	59.6	363
Programming services	5	29.7	442

2014-2018

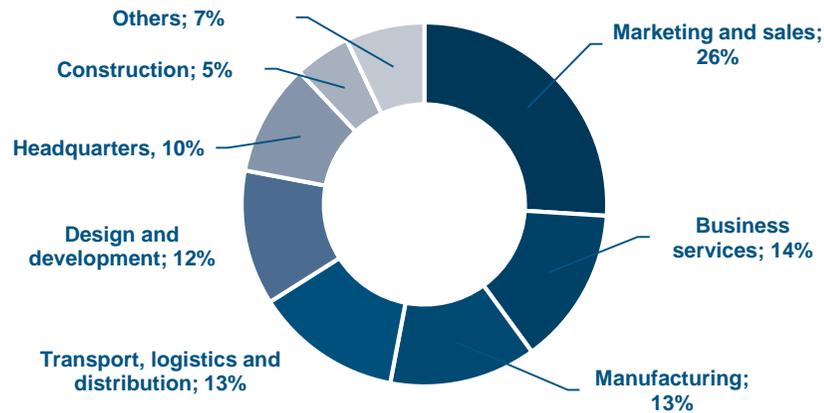
Subsector	Projects	Investment volume (in €M)	Jobs created
Software, except video games	61	150.3	1,922
Internet and websites	34	129.5	1,438
Distribution and logistics	32	781.4	2,293
Clothing and accessories	28	132.1	1,430
Other IT services	24	156.3	2,069
General purpose machinery	16	84.2	555
Advertising and marketing	14	26.6	549
Hotels and accommodation	13	2,148.8	4,007
Rental and leasing services	13	31.8	204
Basic chemicals	12	396.8	412

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

*Ranked by number of projects.

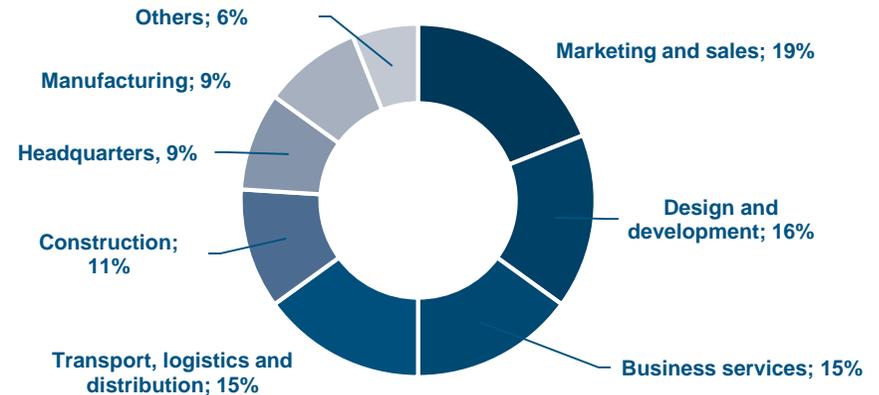
Value Chains Associated with FDI in Catalonia by Number of Projects

Main value chains by number of projects, 2014-2018.



○ In the 2014-2018 period, 26% of the investment projects in Catalonia involved the establishment of **sales and marketing offices**. The chart shows the projects involving **offices for the provision of business services (14%)**, **industrial projects (13%)** and **logistics centres (13%)**.

Main value chains by number of projects, 2018.



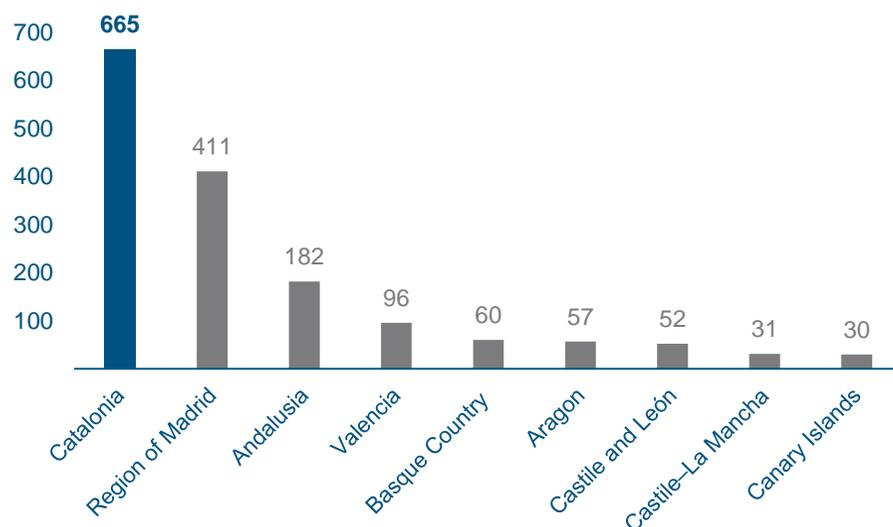
○ In 2018, investments in **sales offices**, together with those in **design activities, business services, logistics centres and construction centres**, accounted for more than 75% of the total investment projects in Catalonia.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

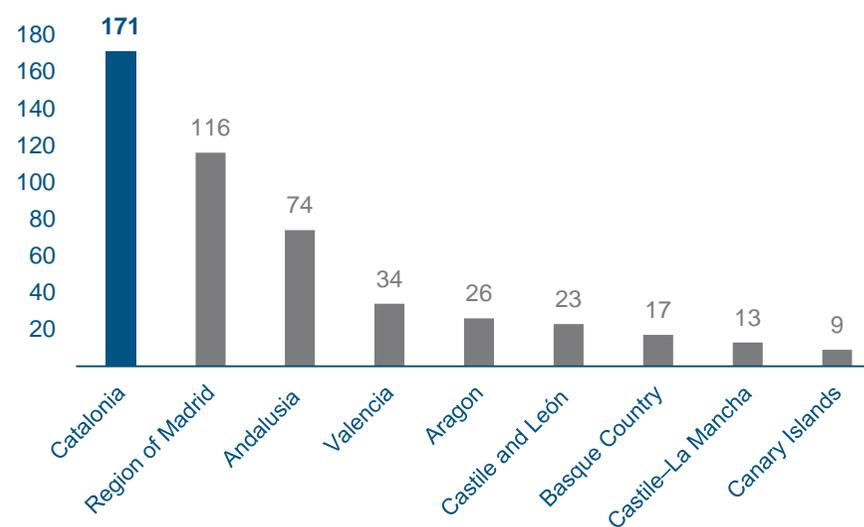
Distribution of FDI in Spain by Recipient Region (I)

Catalonia was the leading region in Spain, with 171 FDI projects received in 2018.

FDI projects - main recipient regions, 2014-2018.



FDI projects - main recipient regions, 2018.



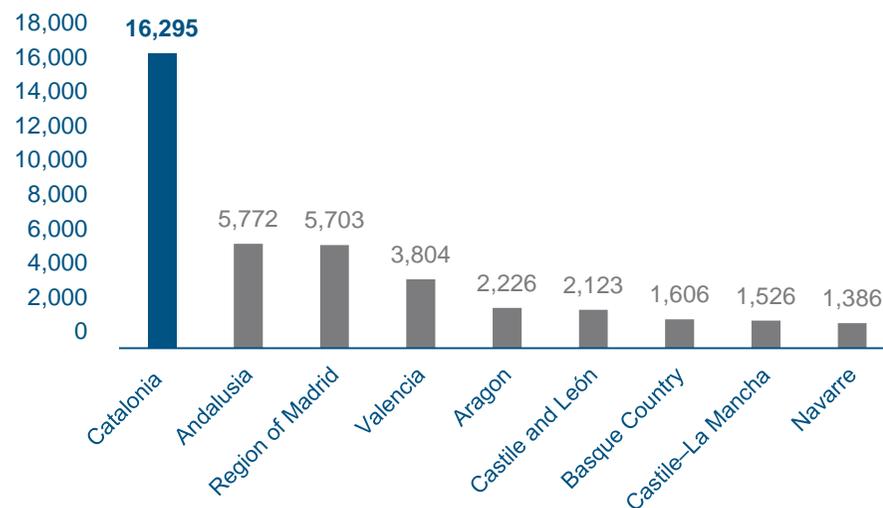
○ Catalonia reinforced its position as Spain's leading region in terms of attracting foreign investment, with **665 projects implemented in the last five years**.

○ **In 2018, Catalonia was the top Spanish region** in terms of attracting FDI, given that it accounted for 47% more projects than the second-place region (Region of Madrid).

Distribution of FDI in Spain by Recipient Region (II)

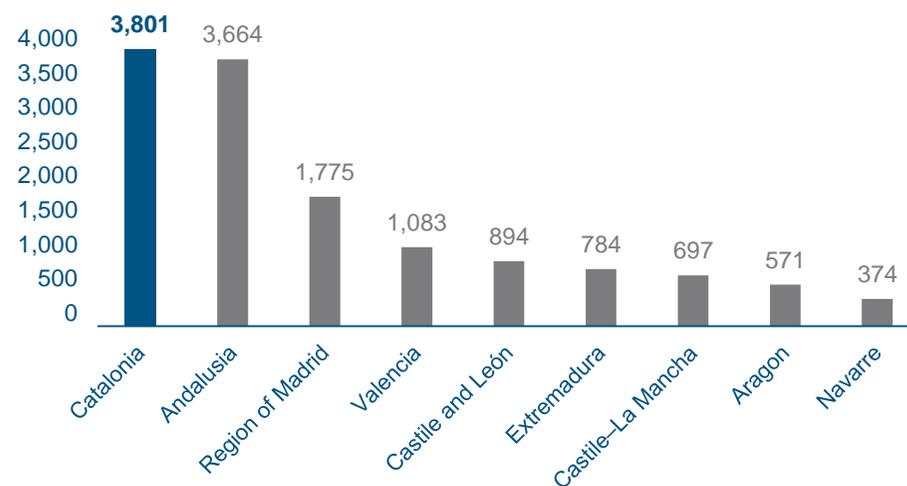
Catalonia was the leading region in Spain, in terms of FDI volume, in 2018.

Investment volume - main recipient regions, 2014-2018.



○ With a total figure of **€16,295 million in the 2014-2018 period**, Catalonia stood out as the top destination for foreign investment at national level.

Investment volume (in €M) - main recipient regions, 2018.



○ In 2018, **Catalonia accumulated €3,801 million in FDI**. Andalusia was ranked second, very close to Catalonia, due to major investments registered in Andalusia in 2018 in sectors such as raw materials, other transport and basic metals.

Foreign Investment in Western Europe by Recipient Region (I)

In 2014-2018, Catalonia was ranked third in Western Europe in terms of the number of jobs created. It stood in seventh position in terms of investment volume and eighth place in term of projects attracted.

2014-2018

	Region	Jobs created	Projects	Investment volume (in €M)
1	Southeast England	119,957	2,745	45,382
2	Ireland	77,394	963	29,408
3	Catalonia	63,005	665	16,295
4	Île-de-France	43,280	1,262	16,331
5	North-Rhine Westphalia (Germany)	37,840	818	8,831
6	West Netherlands	37,298	789	28,122
7	West Midlands (UK)	36,519	352	13,050
8	Scotland	31,484	542	20,454
9	East Midlands (UK)	29,997	217	16,402
10	Northeast England	29,855	354	11,254
	Total for Western Europe	1,176,521	20,935	465,162

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

Foreign Investment in Western Europe by Recipient Region (II)

In 2018, Catalonia was ranked second in Western Europe in terms of job creation from foreign investment, beaten only by the region of Southeast England (London).

2018

Region	Jobs created	Projects	Investment volume (in €M)
1 Southeast England	33,851	673	12,714
2 Catalonia	25,947	171	3,801
3 Ireland	21,847	217	8,997
4 Portugal	10,762	99	2,496
5 Île-de-France	10,511	245	4,675
6 Andalusia	9,654	74	3,664
7 West Netherlands	9,364	186	7,731
8 Grand Est (France)	8,798	51	2,206
9 Region of Madrid	8,343	116	1,775
10 East Midlands (UK)	8,027	56	4,560
Total for Western Europe	304,149	4,386	118,574

- That same year, **Catalonia** was ranked **fifth in terms of the number of projects** and **sixth in terms of foreign capital invested in Western Europe**.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

Foreign Investment in Western Europe by Recipient City

2014-2018

City	Jobs created	Projects	Investment volume (in €M)
1 London	89,627	2,254	31,606
2 Dublin	38,846	522	13,424
3 Barcelona	27,482	397	4,607
4 Paris	26,277	946	10,253
5 Amsterdam	19,927	479	15,347
6 Madrid	17,142	345	3,970
7 Frankfurt	14,404	412	4,568
8 Berlin	12,641	435	2,646
9 Munich	10,161	429	2,099
10 Valencia	9,902	37	1,954
Total for Western Europe	1,176,521	20,935	465,162

- Barcelona was ranked third in Western Europe in terms of the number of jobs created by foreign investment in the 2014-2018 period.

2018

City	Jobs created	Projects	Investment volume (in €M)
1 London	25,688	546	9,439
2 Dublin	11,875	120	4,611
3 Barcelona	11,243	106	1,404
4 Madrid	5,651	97	1,239
5 Valencia	5,397	16	807
6 Amsterdam	4,752	116	3,113
7 Paris	4,632	203	1,660
8 Lisbon	4,462	42	971
9 Castle Donington	3,438	3	609
10 Liège	3,357	7	104
Total for Western Europe	304,149	4,386	118,574

- Barcelona was the third-ranked city in Western Europe in terms of the number of jobs created by foreign investment in 2018, thanks to 106 projects and a foreign investment volume of €1,404 million.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

5. Main Foreign Investments in Catalonia

(2018 and the 2014-2018 period)



© Amazon

Main Foreign Investments in Catalonia

2018

According to investment volume



Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets. Projects in the construction and infrastructure sector have been excluded.

Main Foreign Investments in Catalonia

2018

According to jobs created



Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets. Projects in the construction and infrastructure sector have been excluded.

Main Foreign Investments in Technology in Catalonia (2018)

In 2018, Catalonia emerged as a strategic European location by attracting investments in technology centres and digital hubs of leading international companies.



Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets and investments announced in the business press.

Main Foreign Investments in Catalonia

2014-2018

According to volume of capital investment



Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

Main Foreign Investments in Catalonia

2014-2018

According to jobs created

Hard Rock €1,746M
3,000 jobs created

United States → Hotels and convention centre in Tarragona.
2017

carrefourproperty €180M
2,023 jobs created

France → Shopping and leisure centre in Lleida.
2017

amazon €193M
1,500 jobs created

United States → New logistics centre in El Prat del Llobregat.
2015

Cognizant €0.1M
1,000 jobs created

United States → Cognizant's first European customer centre (Hospitalet de Llobregat).
2017

Eurest €166M
1,000 jobs created

United Kingdom → Expansion of business in Sant Just Desvern.
2014

everis €80M
900 jobs created
an NTT DATA Company

Japan → Expansion of Barcelona offices through contracting.
2016

CPM €16M
800 jobs created
INSIGHT INFLUENCE SALES
airbnb

United States → Opening of international customer care centre in Barcelona.
2018

norwegian €107M
755 jobs created

Norway → Expansion of office at El Prat airport.
2016

NISSAN €243M
600 jobs created

Japan → Expansion of plant in Zona Franca.
2015

CCC €10M
500 jobs created
facebook

Austria → Opening of content and user management centre in Barcelona.
2018

ups €93M
400 jobs created

United States → Logistics operations centre in Zona Franca.
2018

King €21M
370 jobs created

United Kingdom → Expansion of software development centre in Barcelona.
2014

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

Main Foreign Mergers and Acquisitions in Catalonia

2018



Source: Zephyr (Moody's). Ranked according to volume of capital investment
 *Companies with head offices outside Catalonia

Main Foreign Mergers and Acquisitions in Catalonia

2014-2018



Source: Zephyr (Moody's). Ranked according to volume of capital investment.
*Companies with head offices outside Catalonia

6. Investments Implemented with Catalonia Trade & Investment's Support



Investment Projects Implemented in 2018

The number of projects implemented with Catalonia Trade & Investment's support reached record levels for the eighth year running, and a record number of jobs were created through these projects.



84

INVESTMENT PROJECTS
IMPLEMENTED
(▲20.0%)



€322.3M

INVESTMENT
ATTRACTED
(▲33.7%)



5,455

JOBS CREATED
(▲69.6%)



1,269

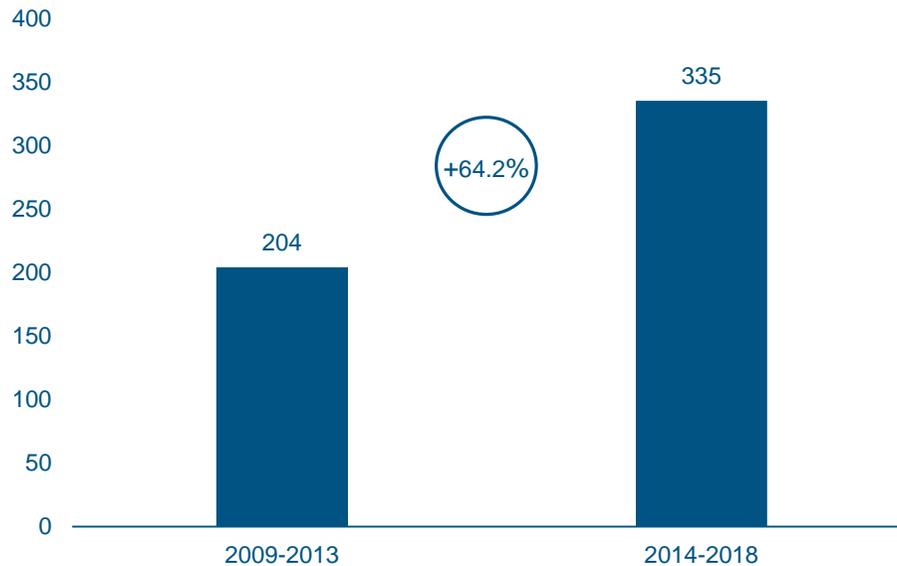
JOBS MAINTAINED
(▼8.2%)

Source: EIC (DGI - Catalonia Trade & Investment).

Investment Projects Implemented

The number of investment projects implemented with Catalonia Trade & Investment's support grew by 20% in 2018 and 64.2% in the 2014-2018 period compared to the previous five-year period.

Number of investment projects implemented with Catalonia Trade & Investment's support by five-year period. 2009-2018



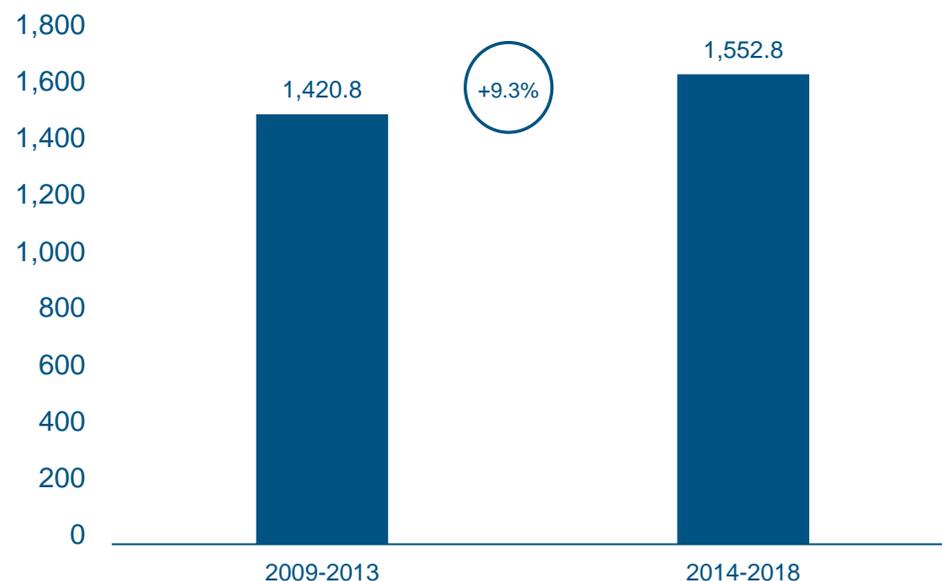
Source: EIC (DGI - Catalonia Trade & Investment).

- In cumulative terms, **335** investment projects (**67** per year on average) were implemented between 2014 and 2018, i.e. **64.2%** more than in the previous five-year period (204 projects in total, **40.8** projects per year on average).
- This reflects a decade characterized by a steady increase in projects implemented with Catalonia Trade & Investment's support, which amounted to 84 in 2018, i.e. **20%** more than in the previous year.

Investment Volume of Implemented Projects

The volume of investment attracted with Catalonia Trade & Investment's support over the last five years exceeded €1,500 million, i.e. 9.3% more than in the previous five-year period.

Volume of investment projects implemented with Catalonia Trade & Investment's support by five-year period, 2009-2018 (millions of euros).



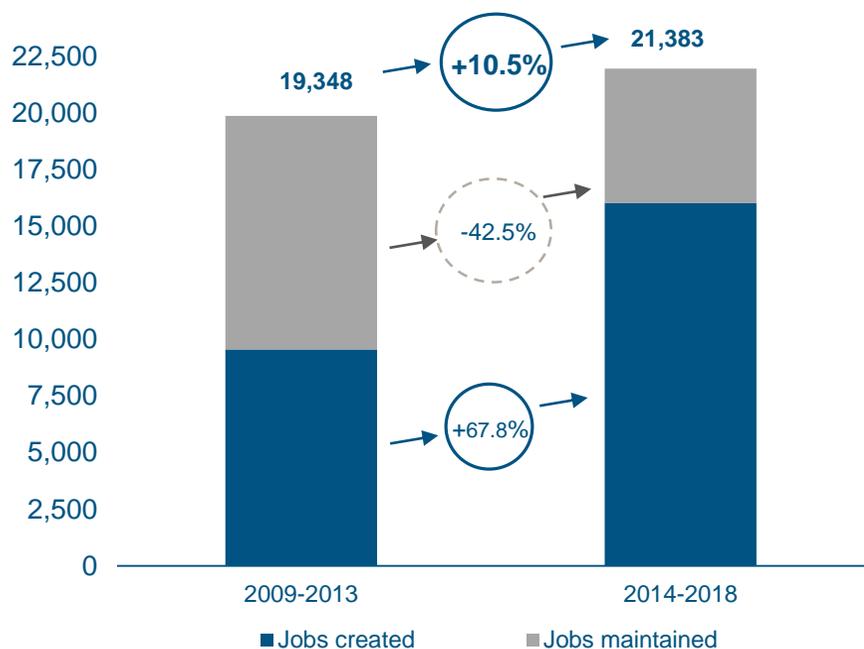
Source: EIC (DGI - Catalonia Trade & Investment).

- The projects implemented in the 2014-2018 period amounted to €1,552.8 million (€310.5 million a year on average), i.e. **9.3%** more than in the previous five-year period (€1,420.8 million, with an annual average of €284.1 million).
- In 2018, the volume investment associated with projects implemented with Catalonia Trade & Investment's support was €322.3 million, i.e. **33.7%** more than in the previous year (€241 million).

Jobs Created and Maintained

The impact on job creation was significant, with **67.8% growth in the last five years compared to the previous five-year period and more than 15,600 new jobs created between 2014 and 2018.**

Jobs created and maintained through investment projects implemented with Catalonia Trade & Investment's support, per five-year period, 2009-2018.



Source: EIC (DGI - Catalonia Trade & Investment).

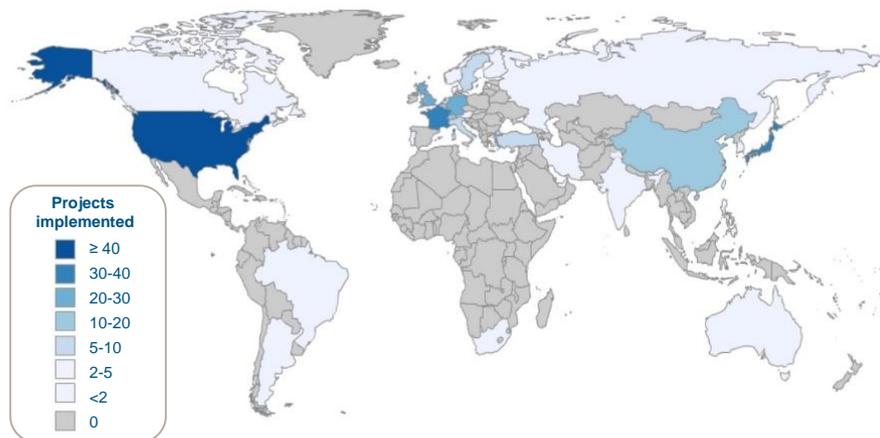
- Throughout the entire 2014-2018 period, 15,605 jobs were created through projects implemented with Catalonia Trade & Investment's support, i.e. **67.8%** more than in the previous five-year period (9,301).
- In terms of the number of jobs created and maintained, there was a **10.5%** increase (21,383 jobs created and maintained between 2014 and 2018).
- In 2018, the number of jobs created and maintained through projects implemented with Catalonia Trade & Investment's support stood at 6,274, i.e. **46.2%** more than in the previous year (4,599 jobs created and maintained).
- There was a significant impact on job creation, which stood at 5,455, i.e. **69.8%** more than in 2017.

Investment Projects According to Origin of the Capital

The United States and Japan were the most dynamic investors, although the bulk of the investment projects implemented originated in European countries.



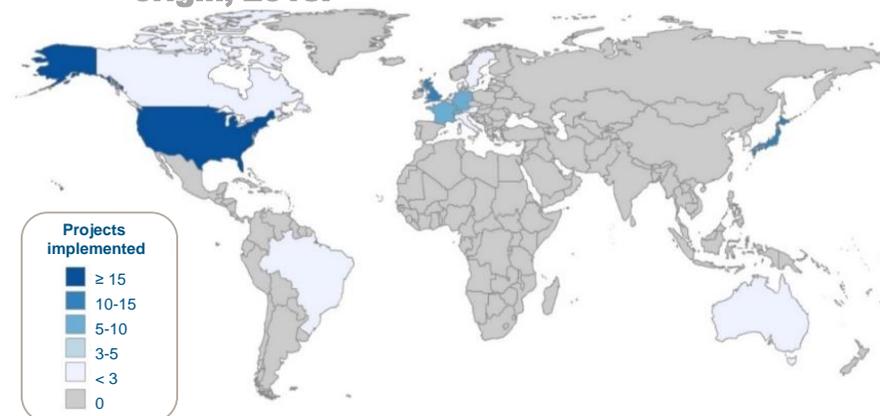
Projects implemented with Catalonia Trade & Investment's support according to country of origin, 2014-2018.



Country	No. proj.	% of total
United States	65	19.4%
Japan	37	11.0%
France	35	10.4%
Germany	28	8.4%
United Kingdom	24	7.2%



Projects implemented with Catalonia Trade & Investment's support according to country of origin, 2018.



Country	No. proj.	% of total
United States	20	23.8%
Japan	12	14.3%
United Kingdom	10	11.9%
Germany	8	9.5%
France	8	9.5%

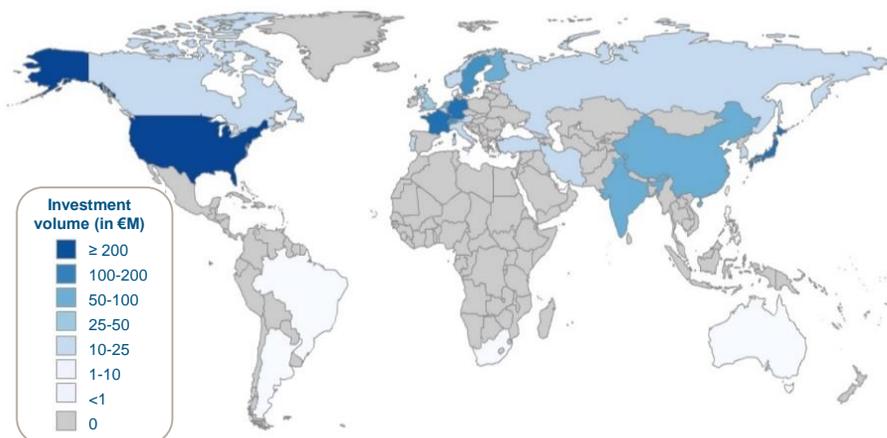
Source: EIC (DGI - Catalonia Trade & Investment).

Investment Volume According to Origin of the Capital

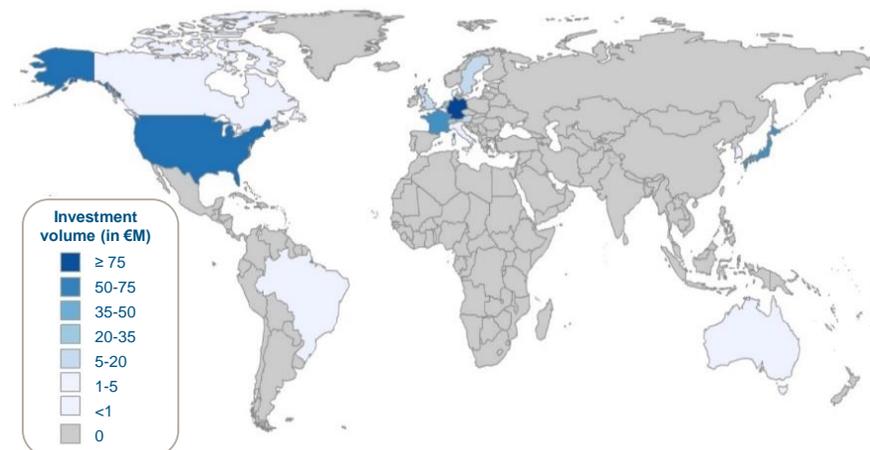
The United States, France, Germany and Japan topped the list of countries in terms of investment volume associated with projects implemented with Catalonia Trade & Investment's support.

 Investment volume of projects implemented with Catalonia Trade & Investment's support according to country of origin, 2014-2018.

 Investment volume of projects implemented with Catalonia Trade & Investment's support according to country of origin, 2018.



Country	Investment volume (in €M)	% of total
United States	556.9	35.9%
France	181.0	11.7%
Germany	170.9	11.0%
Japan	143.3	9.2%
Sweden	55.3	3.6%



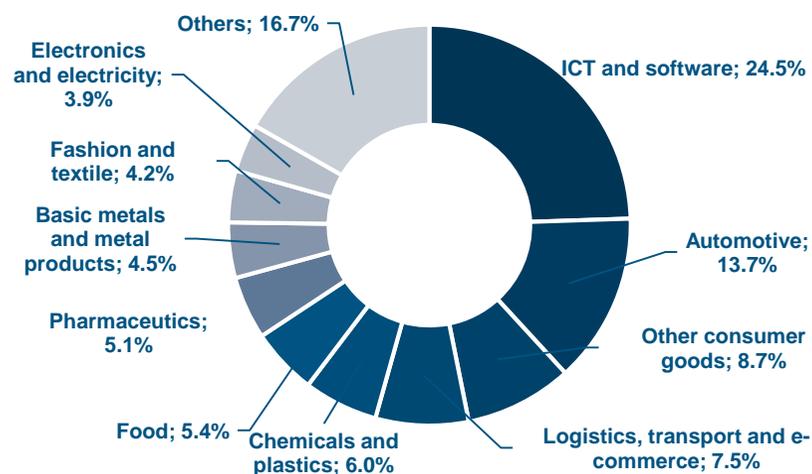
Country	Investment volume (in €M)	% of total
Germany	95.6	29.7%
United States	72.8	22.6%
France	48.9	15.2%
Japan	36.3	11.3%
Switzerland	12.6	3.9%

Source: EIC (DGI - Catalonia Trade & Investment).

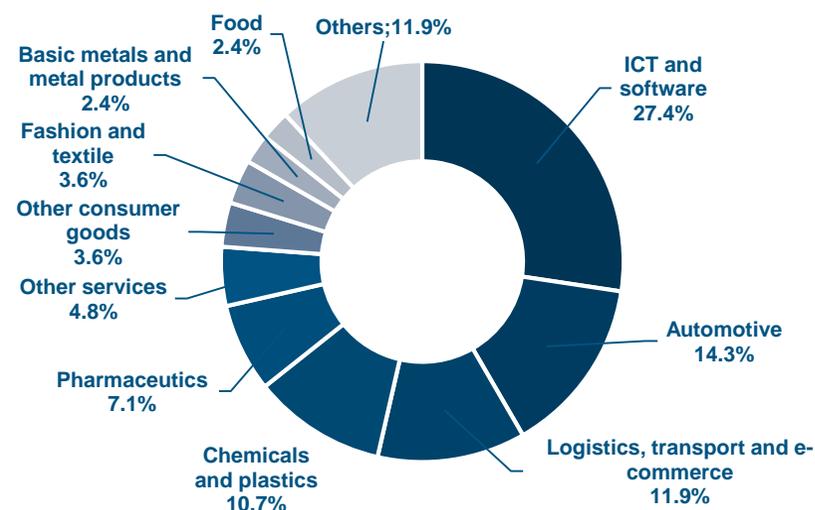
Number of Projects by Sector

In 2018, the ICT and automotive industries led the way in terms of the number of projects implemented with Catalonia Trade & Investment's support, followed by logistics and chemicals.

Projects implemented by sector, 2014-2018.



Projects implemented by sector, 2018.



- In the 2014-2018 period, the ICT sector ranked first (24.5%), followed by the automotive industry (13.7%), other consumer goods (8.7%) and logistics (7.5%).
- There was a balanced mix of industrial sectors (automotive, food, chemicals, etc.) and advanced services (ICT, logistics, etc.), both for the five-year period and for 2018.

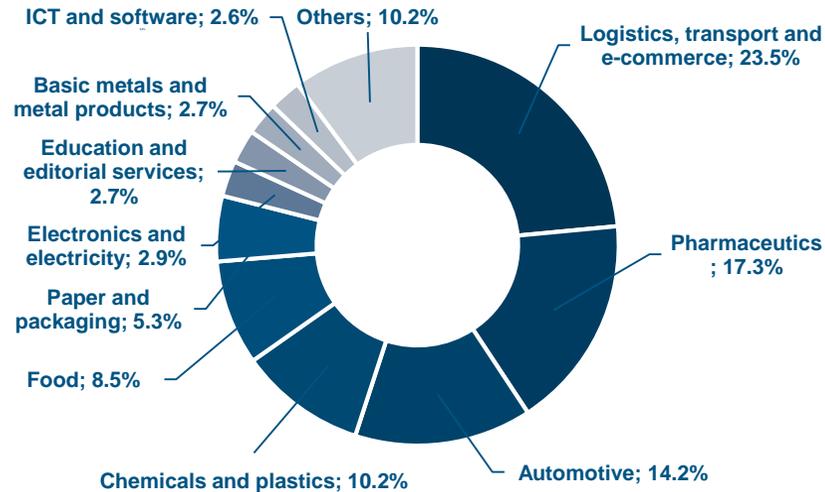
- With respect to 2018, the ICT sector again led the way (27.4%), followed by the automotive industry (14.3%), logistics (11.9%) and chemicals (10.7%). Together, they accounted for over 60% of the projects implemented with Catalonia Trade & Investment's support.

Source: EIC (DGI - Catalonia Trade & Investment).

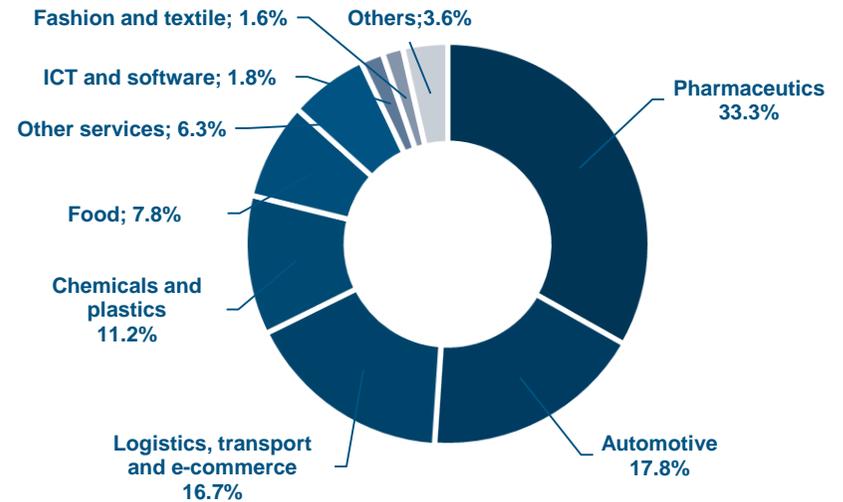
Investment Volume by Sector

The pharmaceutical, automotive and logistics industries accounted for more than half of the investments associated with projects implemented with Catalonia Trade & Investment's support.

Investment volume by sector, 2014-2018.



Investment volume by sector, 2018.



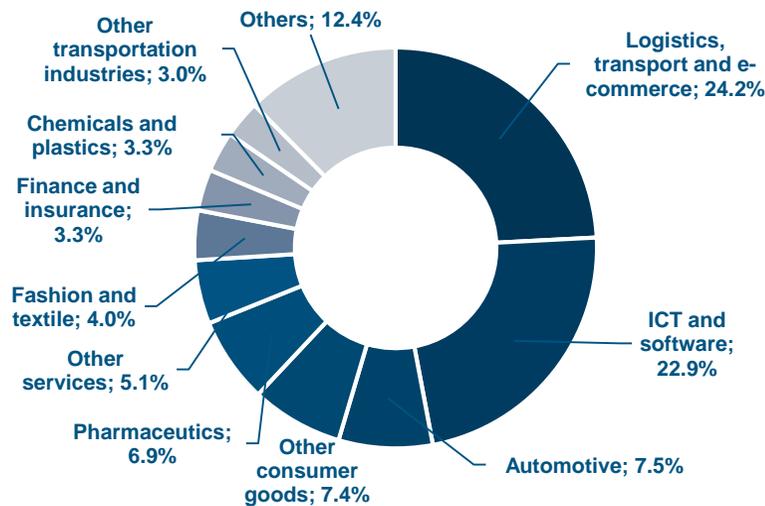
- In the 2014-2018 period, the logistics, e-commerce and distribution sector led the way in terms of investments, with **23.5%** of the total, followed by the pharmaceutical industry (**17.3%**) and the automotive industry (**14.2%**).
- The pharmaceutical industry led in terms of the investment volume generated in 2018 (**33.3%**), ahead of sectors such as the automotive industry (**17.8%**), logistics (**16.7%**) and chemicals (**11.2%**).
- A significant investment volume was observed in sectors with a strong tradition in Catalonia (pharmaceuticals, automotive and chemicals) and in emerging sectors such as logistics and e-commerce.

Source: EIC (DGI - Catalonia Trade & Investment).

Job Creation by Sector

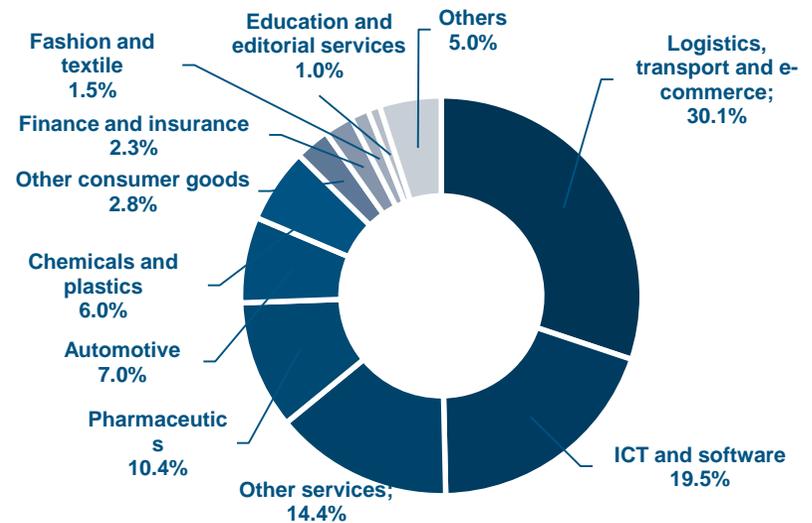
The logistics and ICT sectors generated around 50% of the jobs created through projects implemented with Catalonia Trade & Investment’s support, both in 2018 and in the 2014-2018 period.

Job creation by sector, 2014-2018.



- Throughout the entire 2014-2018 period, the logistics and e-commerce sector led in terms of job creation, with **24.2%** of the total. The ICT sector was a close second with **22.9%**. The automotive industry (**7.5%**) and other consumer goods (**7.4%**) also performed well.

Job creation by sector, 2018.



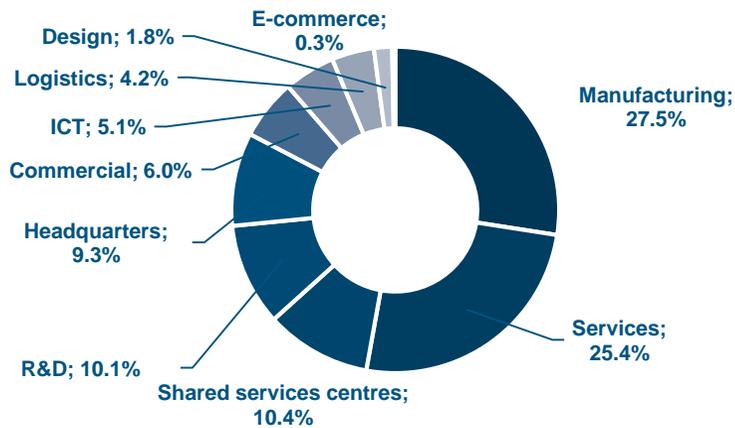
- With respect to 2018, the projects implemented in logistics and e-commerce and in the ICT sector generated the most employment, with **30.1%** and **19.5%** of the jobs created, respectively.

Source: EIC (DGI - Catalonia Trade & Investment).

Number of Projects by Value Chain

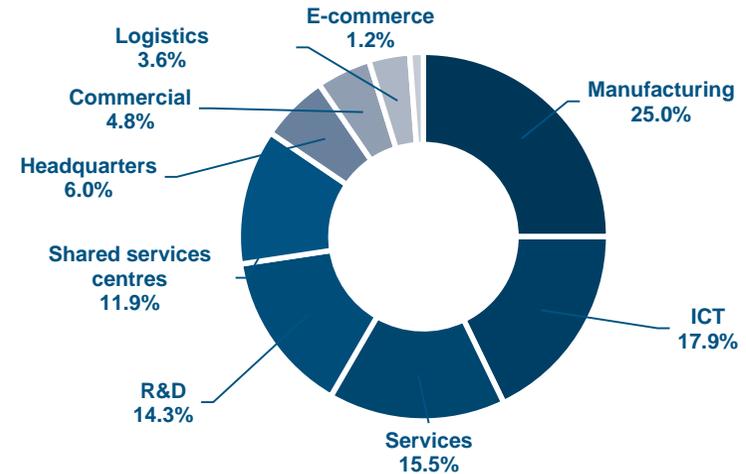
One in four projects implemented with Catalonia Trade & Investment’s support was associated with industry.

Number of projects by value chain, 2014-2018.



- In terms of the number of projects implemented during the 2014-2018 period, the manufacturing value chain (industry) was the leader (27.5%), followed by services (25.4%), shared services centres (10.4%) and R&D (10.1%).

Number of projects by value chain, 2018.



- Manufacturing (25.0%), ICT (17.9%) and services (15.5%) represented the main value chains among the projects implemented with Catalonia Trade & Investment’s support.
- When investment volume is analysed in terms of the value chain, manufacturing accounted for 50% of the total.

Source: EIC (DGI - Catalonia Trade & Investment).

Investment Projects in Technology and Industry Implemented with Catalonia Trade & Investment's Support (2018)



Chemicals

United States

Expansion of factory with nine production lines (luxury fragrances). Creation of a hub for production planning at international level.

E-commerce



United Kingdom

Creation of a software development centre for its online sales platform for supermarkets.

Lighting



Austria

Opening of a global R&D, pre-development and innovation centre for lighting.

Airlines



South Korea

Launch of a direct flight from Barcelona to Seoul in collaboration with CDRA, and establishment of a European head office.

Basic metals



Sweden

Construction of an R&D&I centre specialized in the creation and improvement of carbide-based products.

Pharmaceuticals



Diagnostics

Switzerland

Expansion of office in Sant Cugat del Vallès with the aim of creating a global excellence centre for the development of software for diagnostic equipment.

Services



France

New industrial laundry plant (the third in Catalonia) to serve all clients in the metropolitan area and cruise liners.

E-commerce

MYTHERESA

Germany

Creation of first development centre outside Germany.

Automotive



FICOSA Panasonic

Japan

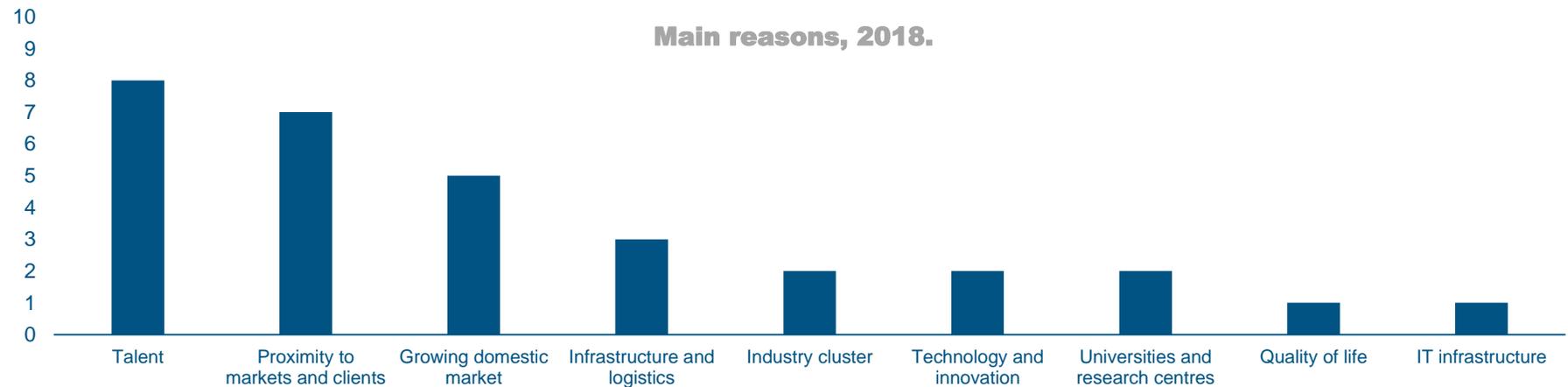
Ficosa, one of the leading tier-1 companies in the automotive sector, created an e-mobility hub: a pioneering centre in electromobility systems for electric and hybrid vehicles and a world-reference laboratory for the development and testing of related technologies.

7. Reasons to Invest in Catalonia



Factors Most Highly Valued by Companies that Invested in Catalonia

Business executives highlight the pool of talent available and the proximity to markets and clients as the main reasons for investing in Catalonia in 2018.



○ In **2018**, foreign companies invested in Catalonia due primarily to the **availability of talent, the strategic geographical location, a rapidly growing domestic market and excellent infrastructure.**

○ The findings for the **2014-2018 period** were similar. **Proximity to consumers, talent, a growing domestic market and the quality of life in the region** were all key factors in decisions to invest in the region.

Source: EIC (DGI – Catalonia Trade & Investment), based on data from fDi Markets.

Catalonia in Rankings

Investment



Catalonia is the **best** Southern European region for the future in 2018 and 2019
(FDI Int, 2018)

Barcelona is the **5th** most attractive investment location in Europe
(Ernst & Young, 2016)

Barcelona is the **9th** city in the world in number of FDI projects
(KPMG, 2018)

Technology



Barcelona is the **top** start-up hub in Southern Europe
(EU-Startups, 2017)

Barcelona is the **4th** most prepared city for the technological future
(PwC, 2017)

Barcelona is the **4th** tech city in the world
(CITIE and NESTA, 2017)

Talent



Barcelona is the **only** European city with two business schools in the continent's top 10
(Financial Times, 2017)

Barcelona is the **5th** preferred city in the world to work
(Boston Consulting Group, 2019)

Barcelona is the **6th** city in the world for attracting talent for MBAs
(MBA City Monitor, ESADE, 2017)

International Recognition



Catalonia Trade & Investment was named **Investment Promotion Agency of the Year - Highly Commended** at the third edition of the fDi Strategy Awards (Financial Times Group).

The awards **also recognized** Catalonia Trade & Investment for:

- China engagement
- Expansions
- Industry 4.0
- Second Footprint

Catalonia was **the most attractive region in Southern Europe in terms of foreign investment in 2018 and 2019**, according to the fDi's European Cities and Regions of the Future.

The publication also recognized Catalonia for having the **best strategy to attract foreign investment among regions with more than four million inhabitants**.

8. Conclusions





Impact of Foreign Direct Investment in Catalonia

- **Net foreign direct investment fell by 19% in 2018 due to the repatriation of offshore profits by US companies, which mainly affected Europe.** By contrast, net direct investment increased in Asia and Africa.
- **In Catalonia, 2018 was a record year in terms of foreign investment projects and job creation.**
 - **According to fDi Markets, the region attracted 171 investment projects,** which led to the creation of 25,947 jobs.
 - This dynamism was reflected in the investments supported by **Catalonia Trade & Investment, which helped attract 84 investment projects in 2018, a record for the eighth year running.**
 - There was a **significant impact on job creation, which reached historical levels and grew by almost 70%** compared to 2017, according to both sources.
 - This figure demonstrates that **investment projects in Catalonia are becoming increasingly intensive in terms of talent recruitment.**
 - **Catalonia is the second region in Western Europe in terms of job creation** linked to foreign investment projects (Source: fDi Markets).
 - According to fDi Markets, in 2018, **Catalonia achieved record investment figures for the third year running,** although the region was affected by the global downturn in FDI.
 - **There was considerable growth in the volume of investment attracted through projects implemented with Catalonia Trade & Investment's support (+33.7%).**
- **In the 2014-2018 period, Catalonia received more than 23,000 million euros in investment, 45% more than in the previous five-year period** (Source: MINCOTUR).



Geographical Origin of Foreign Investment

- North America and the European Union (Germany, France and the United Kingdom) led investments in Catalonia during the 2014-2018 period.
- However, Asia's share of the investments increased by a factor of five, according to MINCOTUR. Within Asia, Japan was the top investor. It was particularly active in terms of greenfield investments.



Foreign Investment: Sectors and Types

- Catalonia strengthened its position as a destination for investment in industry and technology.
 - Industry was the main investment sector and represented 40% of the total FDI in Catalonia (MINCOTUR).
 - Catalonia attracted the most foreign investment in the manufacturing industry in Spain (30.3% of the total in 2018), especially in sectors such as the automotive industry, chemicals, electrical material and equipment, and food and drinks.
 - In 2018, Catalonia positioned itself as a top destination for technology investment from prestigious multinationals.
 - Barcelona was ranked fifth in the list of most attractive European cities for foreign investment in the technology sector, after London, Berlin, Paris and Stockholm (*London & Partners and PitchBook*).

- Catalonia asserted itself as a **magnet for technology investment** due to its position as a **groundbreaking ICT centre in the international arena**.
- For several years now, this sector has been the most dynamic in terms of the number of investment projects implemented in Catalonia. Although the volume of investment was moderate, it was knowledge-intensive and generated a high number of skilled jobs.
- **Business services and logistics** continued to rank among the sectors with the greatest relative importance in foreign investment, due to Catalonia's **strategic geographical location** in Southern Europe and the Mediterranean, among other factors.



Determining Factors in Foreign Investment in Catalonia

- The Catalan business ecosystem has been consolidated as one of the most competitive in Europe in terms of attracting investment, with **results on a par with the continent's most important regions**.
- Investors pointed to the **talent pool, the strategic geographical location and a growing consumer market as key factors** in their decisions to do business in the region.
- This is reflected in **Catalonia's** position in major international **rankings, in fields as cross-sectoral as investment, talent and innovation**.
- Catalonia was named Southern Europe's **most attractive destination for foreign investment** for 2018 and 2019 by the Financial Times Group.
- Barcelona, the **fourth preferred city in the world to work**. *(Boston Consulting Group, 2018)*

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<http://catalonia.com/catalonia-barcelona/catalonia-barcelona/international-business-appeal.jsp>

