



# INSIGHTS INTO SPAIN

DECEMBER 2017

Advanced Manufacturing

Agribusiness

Defence

Energy

ICT

Infrastructure

Water

## MARKET SNAPSHOT

Spain has a population of 46 million, approximately 9 per cent of the total population of the 28 member European Union (EU). Spain is the fourth largest economy in the Euro-zone, the fifth largest economy in the EU and the world's 14th largest economy by GDP. Over 70 million tourists visited Spain in 2016, making it the third most visited country in the world after France and the United States.

Spain has a diverse industrial base, providing both domestic and international markets with innovative new products and services across the manufacturing, agribusiness, infrastructure and renewable energy sectors. The cities of Madrid and Barcelona are the main hubs for commercial activities within Spain, while smaller cities such as Valencia, Malaga and Bilbao attract Spanish R&D.

Spain has global expertise across all five of the Australian Federal government's investment priorities (infrastructure, resources and energy, tourism infrastructure, agribusiness and food, and advanced manufacturing, technology and services) as well as education. Consequently, Spain has potential to become a key investment partner and is regarded as an important market for investment into Australia. Sectors of particular interest to Spanish investors include major infrastructure, energy, water management and advanced manufacturing.

Austrade's Madrid office has responsibility for the markets of Spain and Portugal.

Austrade is in regular contact with key Spanish companies and hidden champions, including: Acciona, ACS, Ferrovial, Repsol, Gas Natural Fenosa, CAF, Tyspa and Navantia.



Australian Government

Australian Trade and Investment Commission



## SPAIN–AUSTRALIA RELATIONSHIP

**Australian companies with investments in Spain** include: Macquarie Group (financial services and energy); Berkeley Resources (renewable energy), Highfield Resources (potash) Kimberley Diamonds (mining); and Royal Melbourne Institute of Technology - RMIT (education).

**Spanish companies with investments in Australia** include: Acciona, Ferrovial, ACS and OHL Group (major infrastructure); Gas Natural Fenosa (resources and energy); Indra (ICT/advanced manufacturing) and Navantia (defence), Freixenet (agribusiness) and the Inditex Group (retail).

## OPPORTUNITIES AND HIGHLIGHTS

**Austrade's Madrid office looks after the Iberian Peninsula.** There is a natural focus on Madrid and Barcelona, as these two cities are epicentres of opportunity for businesses and entrepreneurs.

**Madrid is the main transportation and logistics hub for Spain.** Most Spanish companies have their headquarters in Madrid. Barcelona hosts two of Europe's major trade fairs (Smart City World Expo and the Mobile World Congress). Spain has a focus on advanced and future technologies such as aerospace, life sciences, automotive, ICT and the chemical industry.

**Spain is a world leader in the construction sector,** with companies actively participating in some of the world's largest projects. Spain offers a unique combination of experience, in-house technology, technical capacity, management efficiency, environmental protection and sustainability. According to the Global Competitiveness Report of the Davos World Economic Forum for 2016, Spain ranked eighth in the world in transport infrastructures, ahead of Germany and South Korea.

**Spain is a global reference in the renewable energy sector.** Renewable energy represents around 40 per cent of the generation mix in Spain. Consequently, Spanish companies occupy leading positions in the global ranking within the different sources of renewable energy. Spanish companies are also leaders in transmission and operation of the electricity grid, Liquefied Natural Gas terminals and turnkey refinery construction.

**Spain has a highly developed advanced manufacturing industry,** especially in the areas of ship building, aerospace, rail, machine tooling and automotive components. Spanish companies are becoming more global and extending their reach beyond Europe and their more traditional markets in Latin America. This industrial sector represents 22.8 per cent of Spain's GDP.

**The agribusiness and food industry represents 9 per cent of Spain's GDP** and the Spanish government is actively encouraging companies to expand overseas through exports. Within the EU, Spain is the number one producer of fruits, farmed fish, preserved fruit and honey.

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## NUMBERS AT A GLANCE

### \$2.6 BILLION

Australia's bilateral trade relationship with Spain was \$2.6 billion in 2016, making it Australia's 27<sup>th</sup> largest bilateral trade relationship.

### 168.5% INCREASE

Between 2011 and 2015 the number of Spanish students enrolling in Australian education institutions increased significantly with an impressive 168.5 per cent increase in total student visas.

### HOME OF MORE THAN 80 UNIVERSITIES

There are over 80 universities in Spain, and *The Financial Times* European Business School Ranking 2016 lists 3 Spanish business schools (IE, ESADE and IESE) in the top ten.

### 9 FORTUNE 500 GLOBAL COMPANIES

Spain has nine companies in the Fortune Global 500 2016: Banco Santander, Telefonica, Banco Bilbao Vizcaya Agentaria, Repsol, ACS, Iberdrola, Gas Natural Fenosa, Mapfre Group and Inditex.

### MORE THAN 600,000 TONNES OF OLIVE EXPORTS

Spain is the world's top producer and exporter of olive oil. Spain is also the world's largest exporter of olives, with more than 600,000 tonnes of table olives going to more than 180 countries each year.