



# Economic Diplomacy and Marca España (Brand Spain)

October 2013

# Agenda

- **Spain: facing the crisis**
- Importance of Internationalization: Current situation and future challenges
- What is Economic Diplomacy? Why is it necessary?
- The importance of a Strong Country Brand
- Spain and Spanish companies leadership key factors
- Conclusions

# Origins, factors and consequences

## Outlook of the Spanish Economy

### Economic Crisis

- ▼ After decades of growth and economic expansion, as a consequence of the international crisis and worsened by our historical imbalances:
  - High **private debt**
  - Strong growth of **public debt**
  - **Real estate bubble** with a negative impact on the financial system
  - Loss of **competitiveness** due to the rigid labour market (sharp increase in unit labour costs)

### Consequences

- ▼ **Drop in GDP** higher than that of its European peers
- ▼ **Increase in the unemployment rate** higher than the EU average (8.3% in 2007 vs. 21.6% in 2011)
- ▼ **High current account deficit** (from 5.9% in 2004 to 10% in 2007)
- ▼ **High foreign debt** (net debt ratio at 100% as a percentage of GDP, whereas the gross debt ratio was 165% in 2011, the 2nd largest in the EU)
- ▼ **Crunch of the financial system** due to high exposure to real state
- ▼ **Dramatic worsening of public accounts as a result of the intense fiscal expansion** (from a 1.9% budgetary surplus in 2007 to a 9.4% deficit in 2011. Public debt grew from 36% of GDP in 2007 to 68.5 in 2011)
- ▼ **Loss of confidence of international markets:** financing difficulties, high risk premium and tarnished image

### External factors

- ▼ Loss of confidence in the **future of the European Union and the Euro**

# Measures to tackle the crisis. First Results

## ■ Fiscal Consolidation:

- Constitutional Reform - Golden Rule
- Budgetary Stability Law
- Measures of adjustment both on the revenue and expenditure side
- **FFPP and FLA:** 2 new Funds to ensure the adequate funding of the Regional & Local Governments (i.e. Suppliers' payments)

## ■ Financial system reform:

- Goals: winning the markets' trust back; facilitating access to finance; smooth flow of credit to the private sector
- Measures: strong provisions committed to harmed assets; increase of capital requirements; set up of a public asset management company (SAREB)

## ■ Structural Reforms:

- Labour Market Reform
- Retail trade reform
- Liberalization of the rental housing market
- Healthcare and Education reforms
- In-depth reform of the central, regional and local governments

## ■ The 2013 sector-based reforms are focused in gaining competitiveness back:

- Improvement of the business activity regulatory framework
- Grant enhanced competition in the Energy, IT and Transportation Markets



## ☑ Productivity increase and competitiveness improvement:

- More than 2% since 2008. Top productivity/ 2012's cost-of-the-EU ratio
- More than 8.5 points in 2008-2012 – All of the competitiveness lost since 1999

## ☑ Improvement of the External Sector

- Contribution to the Spanish growth: 2.6% in 2012 and 2.3% in 2013
- Increase of the weight of exports in GDP (from 23,9% in 2009t to 33,9% by mid 2013)
- Reduction of 70% in trade deficit between 2007-2012 (from € 100 billion to € 30.8 billion)
- 35% increase of the foreign trade coverage ratio in 2007-2012 period, from 65% to 88% (a figure record). Jan-June 2013: 95,3%
- Increase of the export base and product and geographical diversification

## ☑ Adjustment of the current account deficit

- From -10% GDP in 2007 to -1,1% in 2012
- Surplus between 3Q12 and 4Q12
- 2013: It will reach a surplus of 1,5% GDP
- Spain will become net lender to the rest of the world in 2013

## ☑ Public deficit correction (2 points of the GDP 2012/2011), from 8,96% GDP to 6,84% GDP

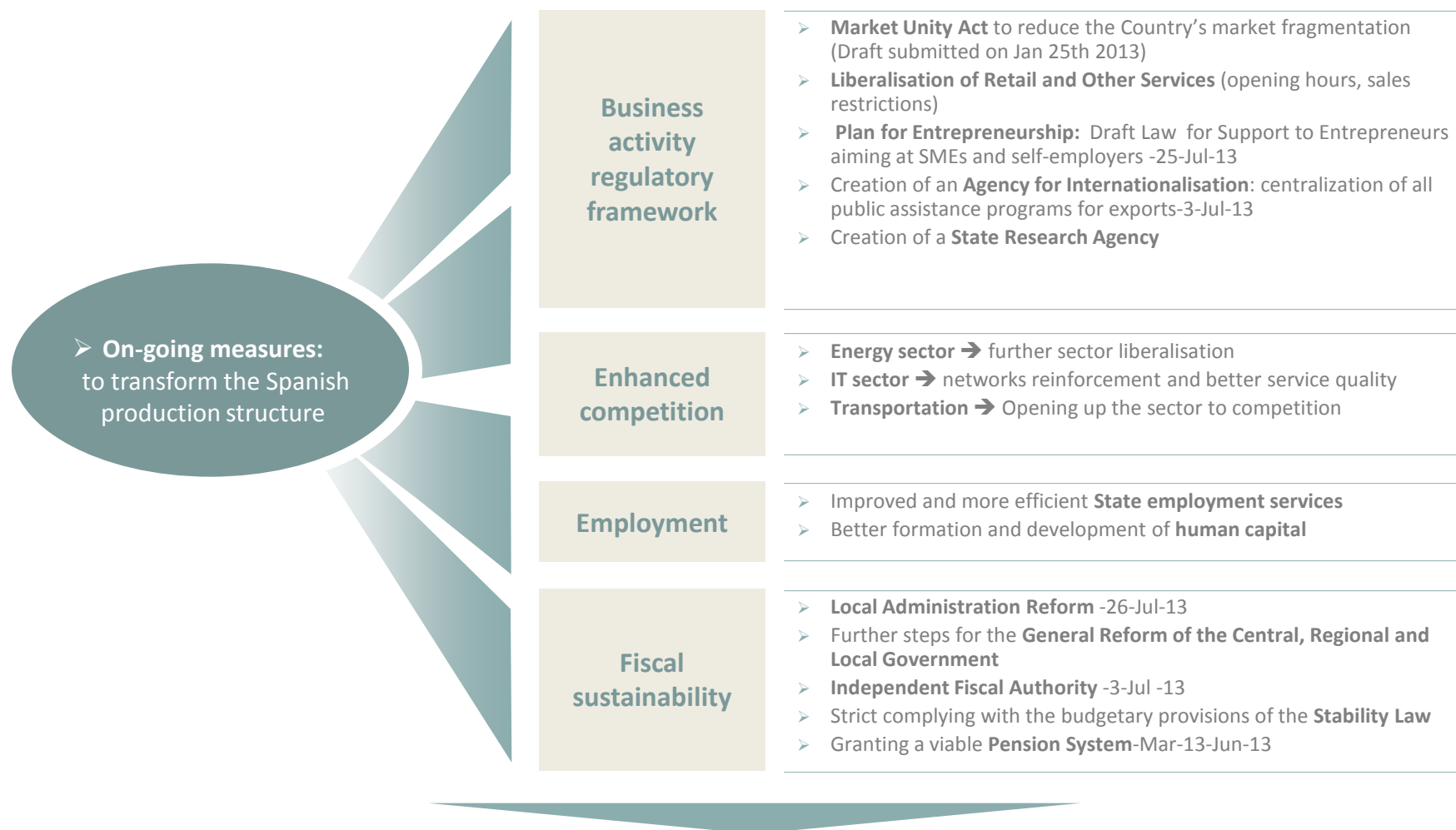
## ☑ Financial system restored: €72 billion committed in capital provisions (7% GDP)

## ☑ Reduction of the households debt

## ☑ Fall of the risk premium: recover of the markets' trust ,from a peak of 638 in Jun 2012 to 250 from September 2013

The Administration has implemented effective measures in less than a year

## Determination to push the Reform Agenda forward



The National Reform Programme envisages a thorough calendar of new reforms  
Spain is expected to grow again in the 3rd quarter of 2013

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# In the current situation, the internationalization of companies is a key factor for the Spanish economy

## Importance of companies' internationalization

- Exporter entities are 8 times the size of non-exporters<sup>1</sup>
- Bigger companies feature higher working productivity...
- ...and a superior level of physical, human and technology capital
- In addition, internationalization involves lower financing cost for organizations

## Why now more than ever?

- The decline in domestic demand had in 2012 a -3,9% impact in GDP
- External demand contributed positively to GDP with a 2,5% effect
- External sector weight strengthening moderated GDP fall to 1,6%

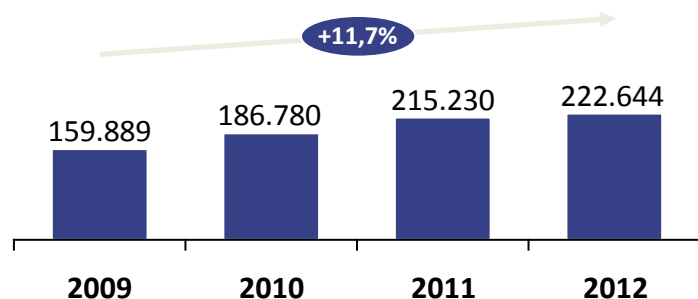
- 2013 forecasts further weakening of internal demand ...
- ... consequently, the external sector becomes more relevant

**Spain needs to further export and internationalize**

## In the past decades, the Spanish economy has advanced in this field, developing a higher internationalization degree

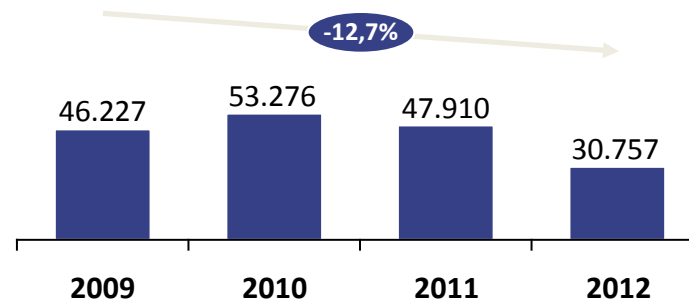
### Exports evolution

(Balance of trade: Mio. Euros)



- Exports raise in 2012 to record figure **222.644 M€**
  - Export basis increase up to nearly 137.000 companies (+30% since 2007)
  - Country / destination diversity
  - 2<sup>nd</sup> EU country in terms of exports raise between 2000 and 2012 (after Netherlands)
  - Moreover, over 62% of BEX35 entities invoicing is generated abroad, sometimes reaching 100% ...
  - ... having national companies with presence in 50, 60 and 70 countries

### Trade deficit evolution (Mio. Euros)



- Even more positive trend in 2013, reaching in the period Jan-July **135.583M€** (increase by 7,4%)
  - 69% reduction of trade deficit as compared with the same period in 2012
  - Geographical diversification with an increasing weight of faster-growing economies
  - Coverage rate : 95,3% (85,5% Jan-June 2012)
  - World's third-largest increase (7,3%) behind the UK(15,9%) and China (10,3%) according to WTO
- Current Account adjustment since 2007 until 2013Q2: 10,7% of GDP
- 2013 will deliver a current account surplus above 1,3% of GDP
- By July 2013 net lending of the Spanish Economy to the ROW reaches 1,4% GDP

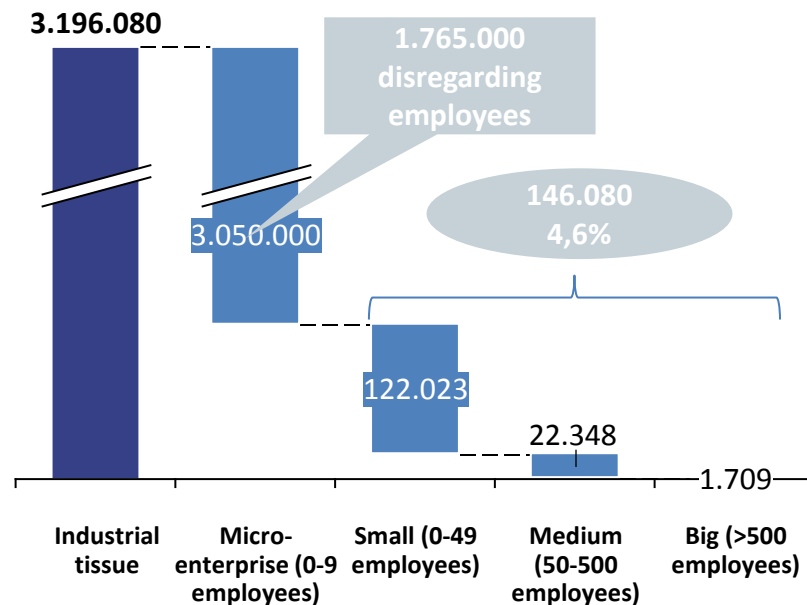


## Our export basis is still modest (but growing), conditioned by the size of our companies

### Exporter basis main features

- In 2012 Spain reached 137.000 exporting companies
- This figure entails 26% increase vs. 2011 (+28.000 exporter companies); however...
- ... only 28% of exporters, do so on a regular basis
- ... among regular exporters, only 54% (~20.600) export over 50.000€.
- But this trend is also changing and there are now more regular exporters as wage moderation has resulted in a competitiveness-based expansion of exports .

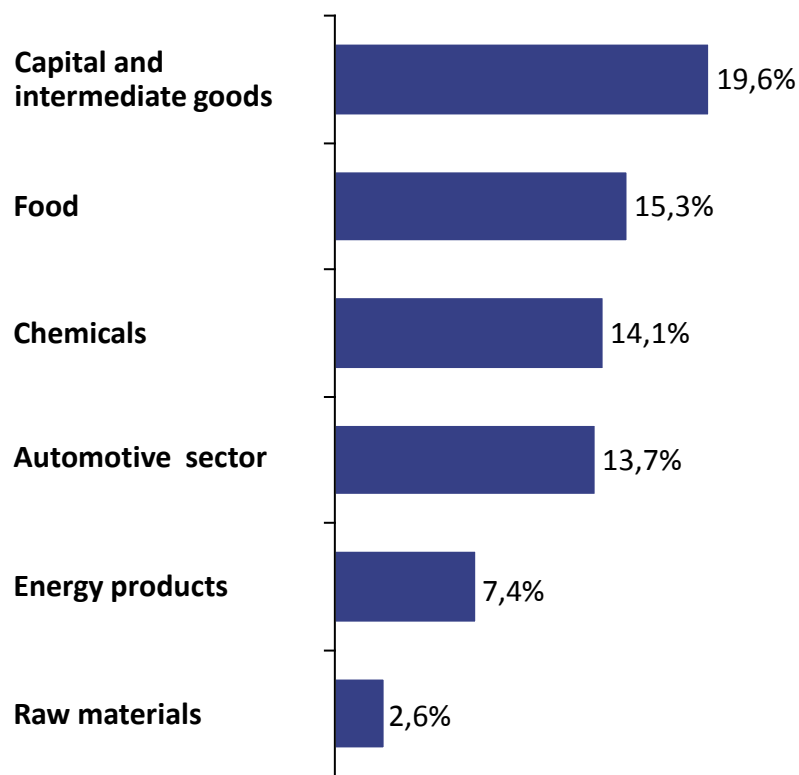
### Spanish companies size



- Evidence shows clear positive association between export trend and companies size
  - Only ~28% of companies with less than 20 employees, export
  - ... in comparison to ~92% of companies with >500 workforce

## From a sectorial point of view, our exports present a sustainable breakdown

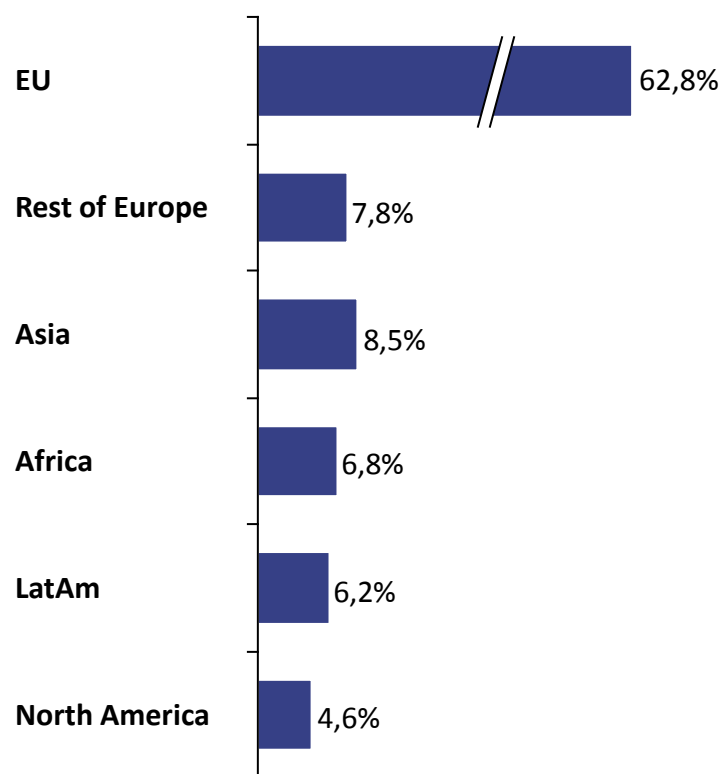
### Sectorial breakdown of Spanish exports



- Capital and intermediate goods exports represent 21% of GDP (vs. 9% in 1980)
- Goods and services exports represent 33,9% of GDP
- In terms of the degree of trade openness, Spain has overcome France (29,6%) and Italy (30,2%) in goods and services exports...
  - ... although it still lies far from Netherlands (~80%) and Germany (~52%)
- Nevertheless, we are the only country in the UE achieving to maintain its exports market share (1,7% in goods and 3,4% in services)

... despite strong concentration in the EU from a geographical point of view, there is a changing trend towards increased product and geographical diversification

## Breakdown by destination of our exports



- Since 2007 exports to the EU members have decreased by 7%,
- ... on the the other hand, exports to other regions have increased notably:
  - Exports to LatAm increased by 15% in 2012...
  - ... by 13,5% to North America...
  - ... by 12,6% to Asia ...
  - ... being Africa the region with the most remarkable increase (+30%)
- Moreover January-July 2013 keeps this trend: Exports to LatAm increased by 12,2% ,Asia 18,4%,..., Africa 15,3%, America 6,5%

## To sum up...

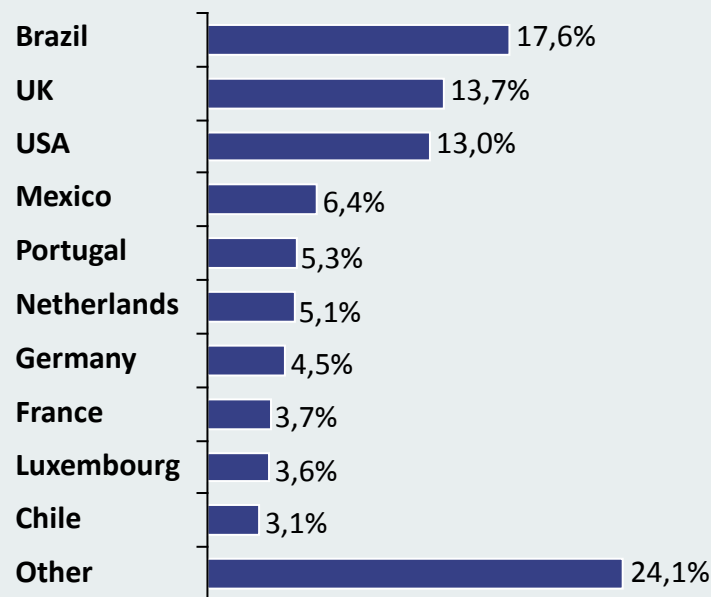
- Exports have experienced a strong increase in the past decades, contributing to the reduction of trade deficit and current account deficit
- Exporters basis has increased (+26% YoY), despite still representing only 4,3% of the Spanish industrial tissue
- This percentage / representation (4,3%) is consequence of the reduced average size of Spanish companies
- Although the EU is still the main destination of Spanish exports, exports towards faster-growing economies has increased from 15,2% to 23,4% specially since 2009
- Imports reflect the high energy dependence of the Spanish economy
- The performance of exports has become structural

# Internationalization also involves abroad interaction and Spain is the 11<sup>th</sup> worldwide investor, with a relevant role in international tenders

## Direct investment abroad

- Spanish direct investment stock abroad amounts to 498.000 MEur, positioning us as:
  - 11<sup>th</sup> worldwide investor
  - 2<sup>nd</sup> investor in LatAm, only after USA, with ~150.000 MEur

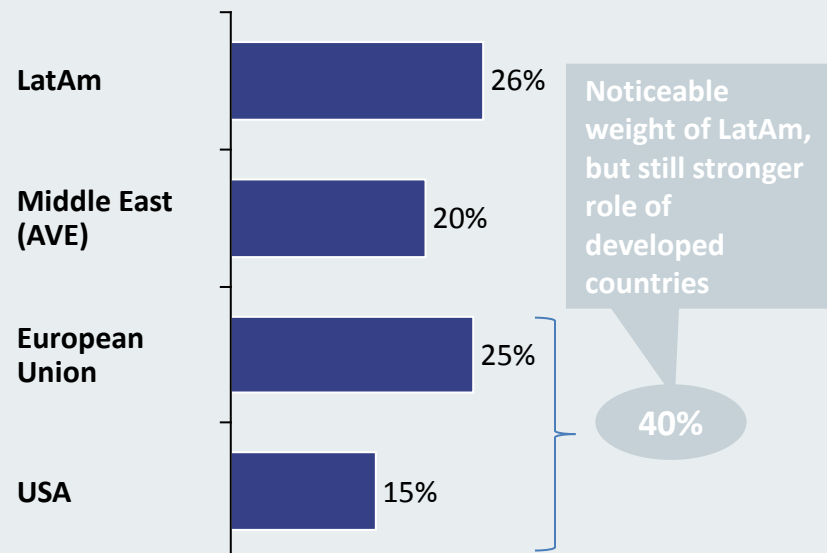
### Geographical breakdown of Spanish Direct Investment stock abroad ( entities not holding foreign securities / non ETVE)



## Achieved international tenders

- In 2012 our tenders increased by 55% (from 32.700 MEur to 50.700 MEur)
- Led by the Transport & Infrastructure Sector, with a 54% share
- Other relevant sectors are energy, engineering and environment care

### Geographical breakdown of achieved international tenders (2012; %)



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# What is Economic Diplomacy? Why is it Necessary?

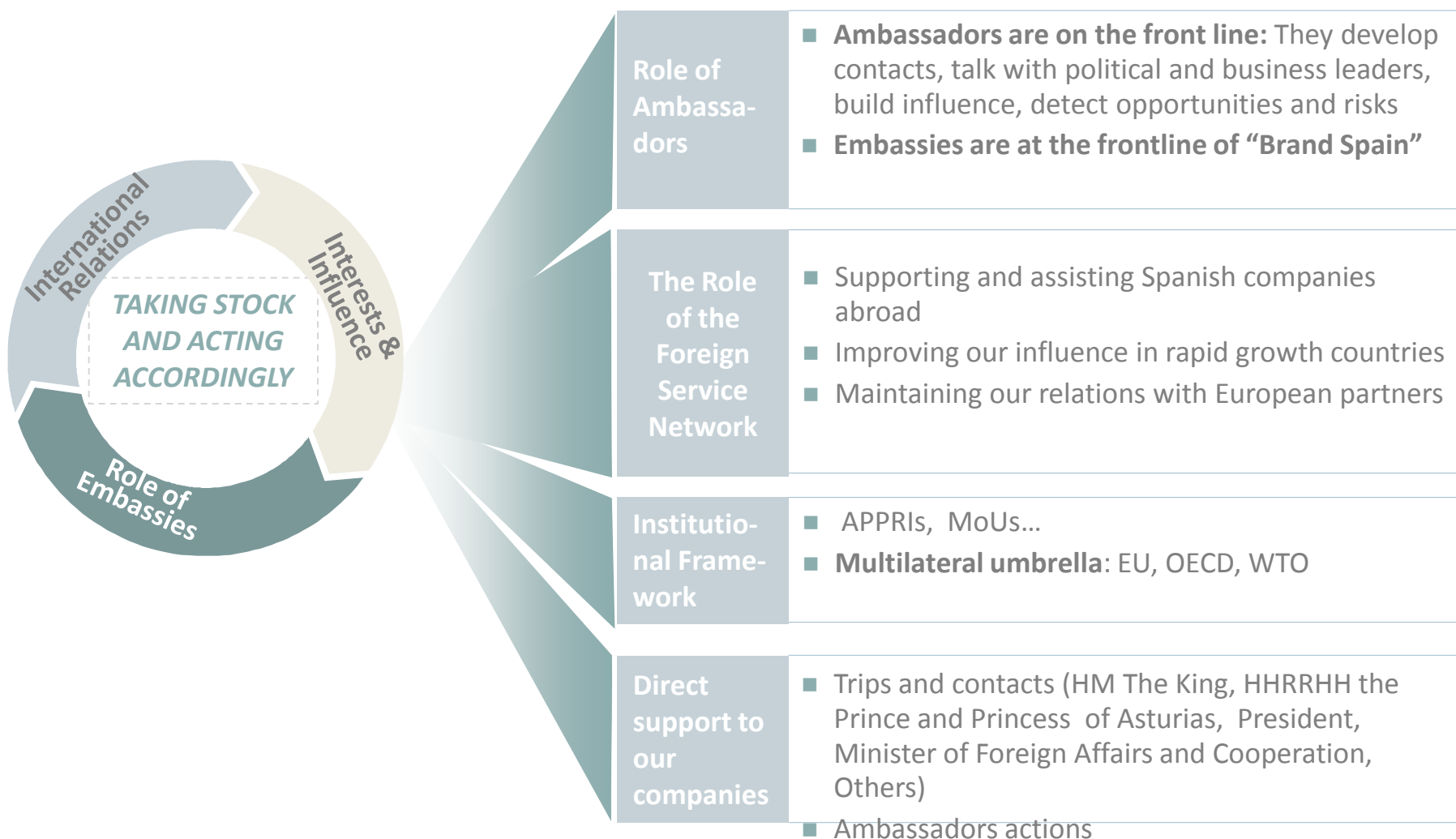


- Changes in the global situation make the *economy* take *centre stage*: **Spanish interests in the world have increasingly an economic content**
- Our areas of economic interest are shifting and we need to adapt and take advantage of new opportunities
- Economic diplomacy is the opportunity to **highlight international political relations** to **promote economic growth**, enable **corporate internationalisation**, and **attract investment**
- It places the *Foreign Service network* at the service of *Spanish companies*. Economic diplomacy is being consolidated as one of the pillars of any country's foreign policy. Spain cannot lag behind
- *Support for the internationalisation of Spanish companies and foreign investment attraction* becomes one of the key aspects of economic diplomacy:
  - To increase exports
  - To increase participation in international tenders
  - To support the establishment of Spanish companies abroad
  - To attract foreign investments
- The Administration and the Ministry of Foreign Affairs and Cooperation must act consequently

International interests = economic interests ➡ economic diplomacy

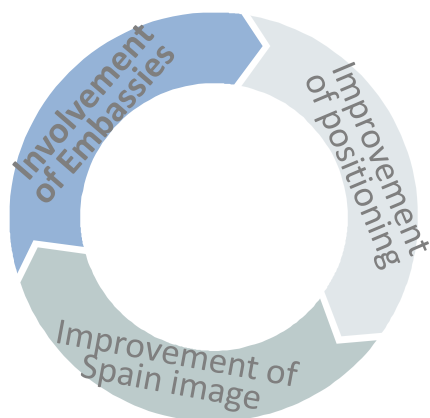
## Main functions

*Always in collaboration with the Economic and Trade Offices, the State Secretariat for Trade, ICEX and other Ministries*





# Economic Diplomacy Actions: Stronger involvement of our Embassies



- **Meetings between recently appointed Spanish Ambassadors and Spanish companies** with interests in the countries where they are to be posted
  - Objective: make them familiar with the business network, so they can better support companies
- **Strengthening collaboration with companies in diplomatic actions** by incorporating business delegations into the Minister's trips, giving them a strong economic content
- Proposal of including a major **business contingent and high level of economic content in the trips of HM the King and of HH.RR.HH. the Prince and Princess of Asturias**, incorporating other Ministries too
- **On-going dialogue with Spanish corporations** having a presence abroad, and with multinational companies working in Spain
  - Objective: identify opportunities for improvement and enable their activities

Promoting and assisting internationalization

# Economic Diplomacy Actions: Improvement of Spain positioning



- **Strengthening the foreign network to support internationalisation:** Training course on trade and investment for those Embassies and Consulates where there is no Economic and Trade Office, in collaboration with the State Secretariat for Trade
  - **Objective:** Support the internationalisation of Spanish companies, focusing especially on SMEs
  - **Result:** Increase in the number of support instruments for Spanish corporations abroad
- **Re-launching the Spanish Foreign Service network** in collaboration with the State Secretariat for Trade
  - **Objective:** Adapting the network of Embassies and Consulates to changes in economic relations and new strategic interests
  - **Actions:** Study the re-launching with the State Secretariat for Trade; integration into EU Embassies
  - Offer to integrate the Spanish Regions' Representative Offices into Spain's Foreign Service Network
- **Strengthening Spain's position in multilateral forums and agencies** (EU, IDB, IMF, EIB, EBRD, etc.)
  - Multiplying effect of Spain's image
  - Defence factor against economic attacks of our interests abroad

**Adapting the Foreign Service Network to Spain's needs**

# Economic Diplomacy Actions: Improvement of Spain image



- Drafting a **document on the strengths of the Spanish economy** and its corporations
  - **Objective:** to improve Spain's perception abroad, with objective information based on recognised sources, and re-establishing a sense of self-esteem and self-assurance. Maximising corporate excellence and spreading their achievements
    - ➔ Presentation of the document in May 2013 with Public-Private Partnership
    - ➔ A new edition (in process), with further information
    - ➔ Sector-wide documents
- Comprehensive information for Ambassadors and Consuls on **the Government's Economic Policies**
  - **Objective:** Raising awareness of our country abroad, and broadcasting our commitment to implementing reforms. Advances diffusion to officers in target countries, the media, lobbies, think tanks and the business community, in order to restore trust in Spain
- Up-to-date information on the most important projects / mandates awarded to Spanish corporations
  - **Objective:** For our Ambassadors to be aware of the achievements of Spanish corporations and their potential, and to convey this message

**Strengthening the Country Brand**

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## Why it is important to have a Strong Country Brand?

- **A country's image abroad and its associated perceptions** are a key **competitiveness factor** for any country
- This image can have a positive or negative impact:
  - *On the sale of goods and services*
  - *On attracting foreign investment and tourists*
  - *On access to financing*
  - *On the country's ability to influence international events*
  - *On its diplomatic relations*
  - *On its reputation*
  - *On its Security issues*
- A strong, positive image is a source of wealth for a country and its companies
  - It contributes to the country's economic recovery
- **A tarnished image** is a handicap for national companies, as it implies launching from a disadvantaged position regarding better country brand competitors

**Branding is power and influence**

# Current positioning and the “Marca España” project

## Current positioning

- **Spain’s image still corresponds to that of a medium technology country**
- The features of the Spanish economy do not match the perception about Spain, neither home nor abroad
- This discrepancy between the facts and the perception limits our growth potential and our ability to attract foreign investment

## The “Marca España” project

- Objective:
  - Highlighting the positive aspects of our reality to boost growth, supporting companies in their internationalisation process and attracting investment
  - Involve all levels of Government, companies and the civil society
- Creation of the **Government’s High Commissioner for Marca España**
  - **Goals:**
    - Contribution to boost growth and create jobs
    - Re-establish a sense of self-esteem and self-assurance
    - Spain in 2020: an economic and political power (a top-12 country); a both-traditional-and-modern, resilient, reliable, charitable, flexible and opened-to-change country
  - **Actions under way:**
    - Diagnosis of Spain’s image, and establishment of the objectives and priority lines of action
    - Launching a Marca España website ([www.marcaespana.es](http://www.marcaespana.es)) in Spanish and English
    - 2013| 2014 Action Plan

Spain has relevant assets for a strong Country Brand

## “Marca España” project

- **The High Commissioner of the Government for Marca España** was created in June 2012. He is responsible for planning, promoting and coordinating those activities of the government, public bodies and private organizations concerning the promotion of Spain's image abroad in the economic, cultural, social, scientific and technological fields
- **Marca España project is conceived as a state policy**, in its broadest sense, including all levels of government, private sector and civil society. It is inclusive by nature and encompasses all actors, public and private, institutional or otherwise, projecting the image of our country, both within and outside our borders. Marca España should be the sum of all and rely primarily on a good coordination between them
- **Marca España is a policy that will show results in the medium and long term.** The **Target Brand Spain 2020** is to strengthen an image of Spain as an economic and political power, a country of tradition but modern and innovative at the same time (combining culture, technology and creativity); reliable and robust, supportive, diverse, flexible and open to change. We start with this limited number of values to reach a synthesis, played on three key attributes: **innovation, diversity / plurality, reliability / trust**
  - **The website Marca España ([www.marcaespana.es](http://www.marcaespana.es))** in Spanish and English, is in operation since January 2013. Marca España has an institutional account on Twitter.
  - **The Spanish abroad and foreign friends** of Spain and Marca España.
  - **Volunteers and civil society**

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# The starting point

- **4th largest economy in the Eurozone**, 5th within the EU and 13th in the world, in GDP volume
- **Diversified economy** and larger GDP growth in the last few decades
- **World's 11th investor** → USD 600 billion of FDI stock; 2nd investor in Latin America, 2nd only to the United States
- **9th recipient country of FDI** (USD 635 billion, 3.1% of the World's investment)
- **6th most opened country to foreign investment** → favourable regulatory framework
- **The EU's 2nd largest exporting country** in terms of exports increase (second only to the Netherlands)
- The only country - along with Germany - that has kept its quota in world trade
- **Global Leadership of Spanish multinational companies** in strategic areas.
- **Relevant geo-strategic location which grants access to 1.3 billion consumers**
  - Member of the EU
  - Bridge between Africa and Europe
  - Key role in the relations with Latin America
  - Spain is one of the largest markets in Europe - 47 million consumers - and is visited by 58 million tourists on a yearly basis
- **Infrastructures**
  - Deep infrastructures network and one of the 10 top countries by quality of infrastructures (GCI)
  - The World's 2nd country in high speed trains, being its train fleet Europe's most modern and technologically advanced one
  - 3rd country by passenger air traffic in Europe
  - Europe's Largest road network
  - It has one of the best road and port infrastructure quality grades (GCI, WEF)
- **2nd country by international tourism receipts** and **first European tourist destination**
- Spanish is the world's 2nd most spoken mother-tongue, the 2nd international language, the 2nd language in internet, and is used by 500 million people, a figure in constant growth
- **2nd country** with most **World Heritage Sites** (UNESCO)

# Leadership key factors of Spanish firms

- Spanish companies are **world leaders** in key sectors with a **high technological component**<sup>1</sup>
  - The world's leading company in renewable energies is Spanish
  - Europe's leading company for engineering and turnkey refinery construction, the third in the Middle East and the sixth in the world, is Spanish
  - The world's top three companies in Transport Infrastructure management are Spanish and six of the world's top ten companies in this sector are Spanish
  - Nearly 40% of the world's largest transport concessions are managed by Spanish firms
  - 100% of German air space as well as 60% of Chinese skies are managed by a Spanish company
  - Spanish construction companies participate in the world most important projects like: Panama Canal, la Mecca-Medina high speed railway, new Heathrow airport terminal...
  - The best Bank in the world is Spanish (stated by Euromoney)
  - Within the TIC sector, the largest European company in revenues and sixth in asset capitalization is Spanish
  - One of the world's leading companies in the production of biological plasma-derived drugs is Spanish
  - Spain is the world leader in all stages of management of the comprehensive water cycle
  - The world's largest industrial cooperative is Spanish
  - The world's largest fashion distribution group is Spanish

1. See the Spain's Positioning: Leadership Key Factors document

# Leading Spanish Corporations (1/2)



# Leading Spanish Corporations (2/2)



# INFRASTRUCTURE MANAGEMENT AND ENGINEERING (1/4)



**SPAIN** LEADER AROUND THE WORLD IN LAND INFRASTRUCTURES

**2<sup>nd</sup>** MOST HIGH-SPEED RAIL LINES IN THE WORLD AFTER CHINA

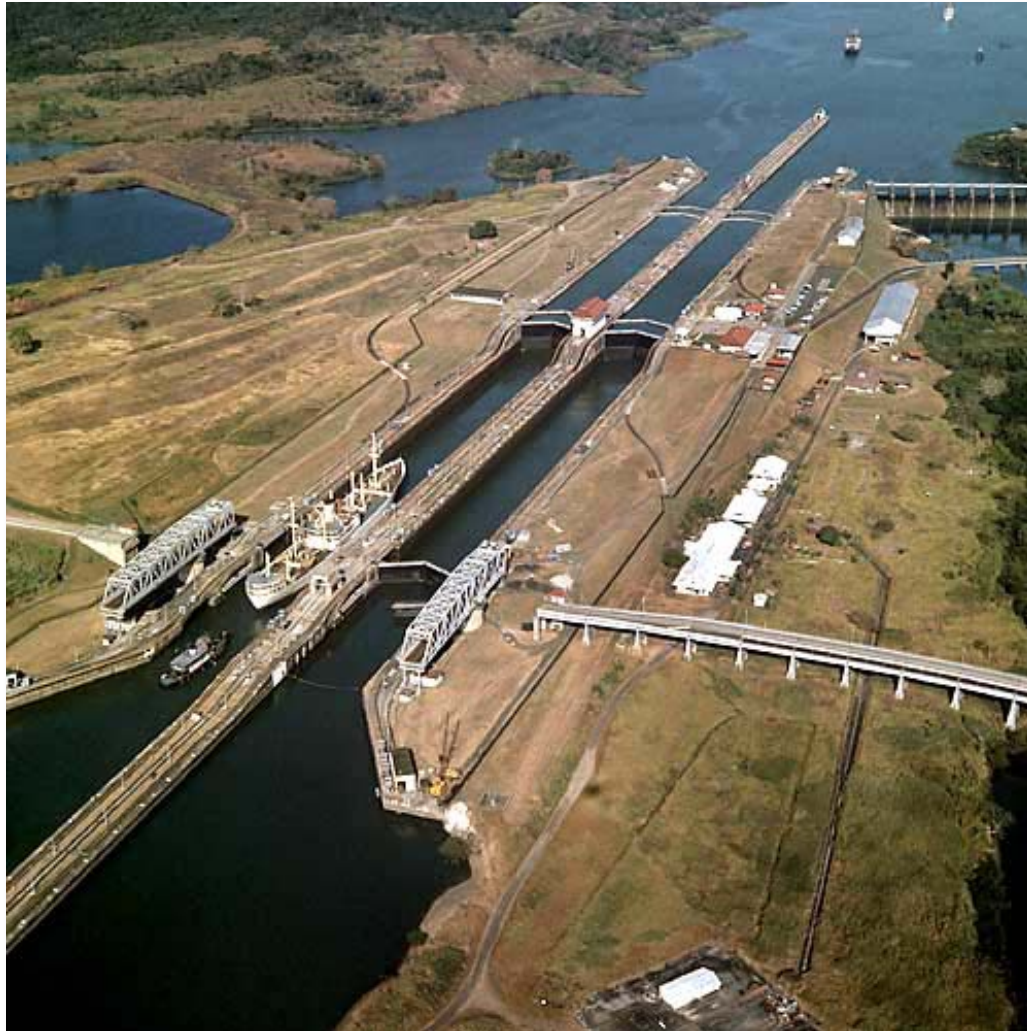
**40%** OF THE TRANSPORT CONCESSIONARIES IN THE WORLD ARE BUILT OR OPERATED BY 7 SPANISH COMPANIES: ABERTIS, ACCIONA, ACS, FCC, FERROVIAL, OHL, AND SACYR

THE PANAMA CANAL EXPANSION PROJECT IS BEING CARRIED OUT BY THE SPANISH COMPANY **SACYR**

**ABERTIS,** WORLD LEADER IN MOTORWAY MANAGEMENT WITH MORE THAN 7000KM AROUND THE WORLD

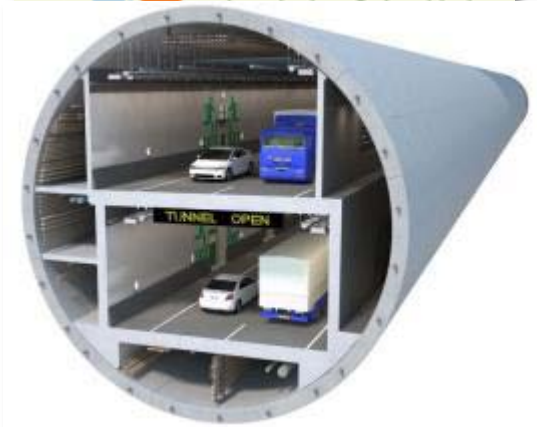
## INFRASTRUCTURE MANAGEMENT AND ENGINEERING (2/4)

# The Panama Canal Expansion



## INFRASTRUCTURE MANAGEMENT AND ENGINEERING (3/4)

# Bertha and the Alaskan Way Viaduct



## INFRASTRUCTURE MANAGEMENT AND ENGINEERING (4/4)

# From London to Canada





## TEXTILE INDUSTRY (1/2)

Inditex: a model scrutinized in the business schools



## TEXTILE INDUSTRY (2/2)

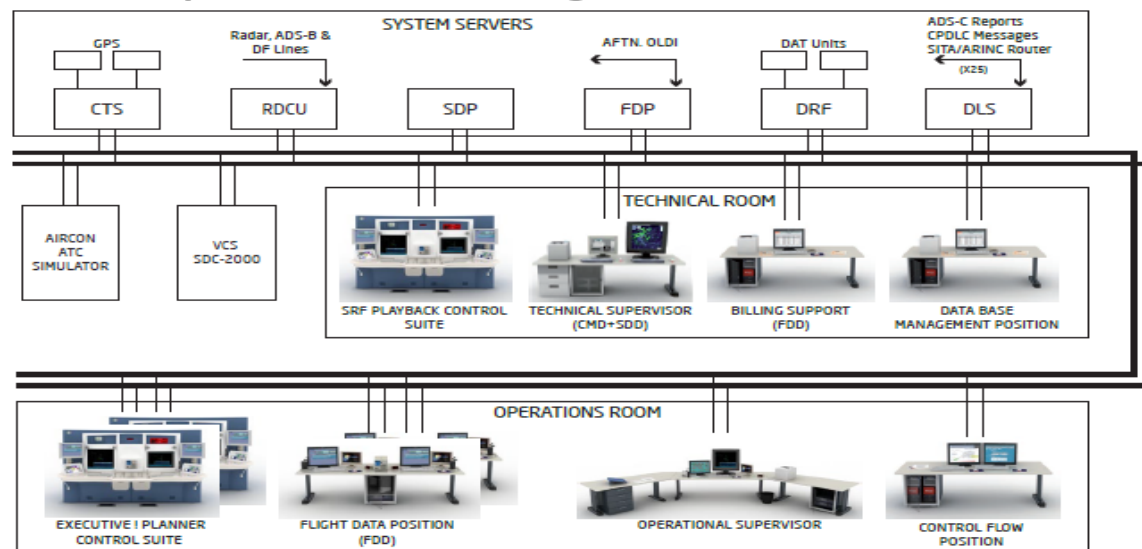
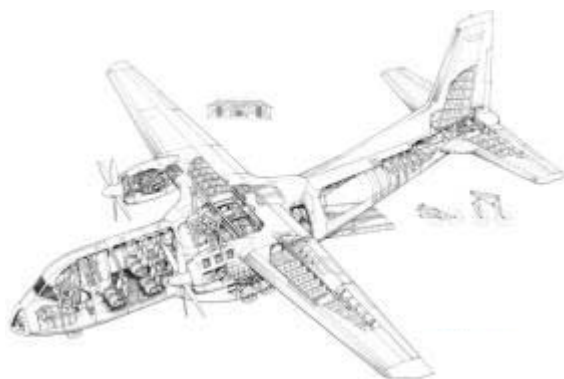
**MANGO HAS MORE  
THAN 2500 POINT OF SALES  
IN 169 COUNTRIES**

**GRUPO  
PUIG** HAS A PRESENCE IN 130 COUNTRIES  
**CONTROLS 10%**  
OF THE WORLD MARKET IN HIGH-END PERFUMES

**CORTEFIEL IS PRESENT  
IN 65 COUNTRIES WITH  
DIRECT OPERATED STORES**

# AIR AND SPACE SYSTEMS (1/2)

## Leader in airspace management



Vista General del Sistema de Automatización



## AIR AND SPACE SYSTEMS (2/2)

# Relevant in space telecommunications



Steerable antenna developed by ASTRION ESPAÑA

The meteorological station or REMS (Rover Environmental Monitoring Station), built by ASTRION ESPAÑA and the Spanish Astrobiology Centre (CSIC-INTA)



Hispasat-1C



Hispatat-1D



Amazonas

## HEALTH TECHNOLOGIES (1/4)

# The Spanish Model for Transplant Management®



WORLD LEADER  
IN TRANSPLANTS  
AND ORGAN DONATIONS



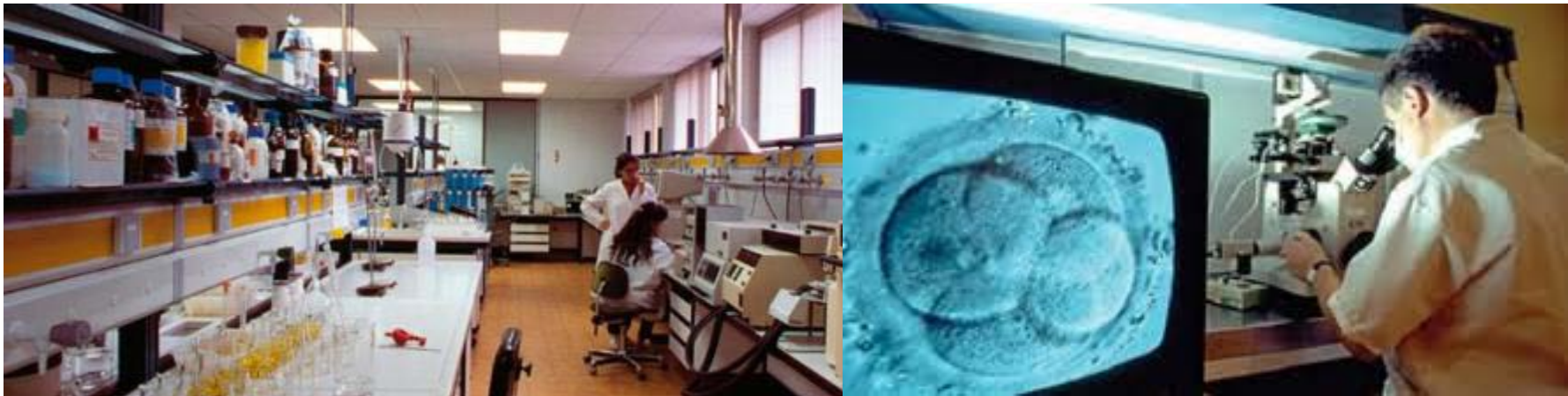
## HEALTH TECHNOLOGIES (2/4)

# From hemoderivatives to Sea-based R&D&I

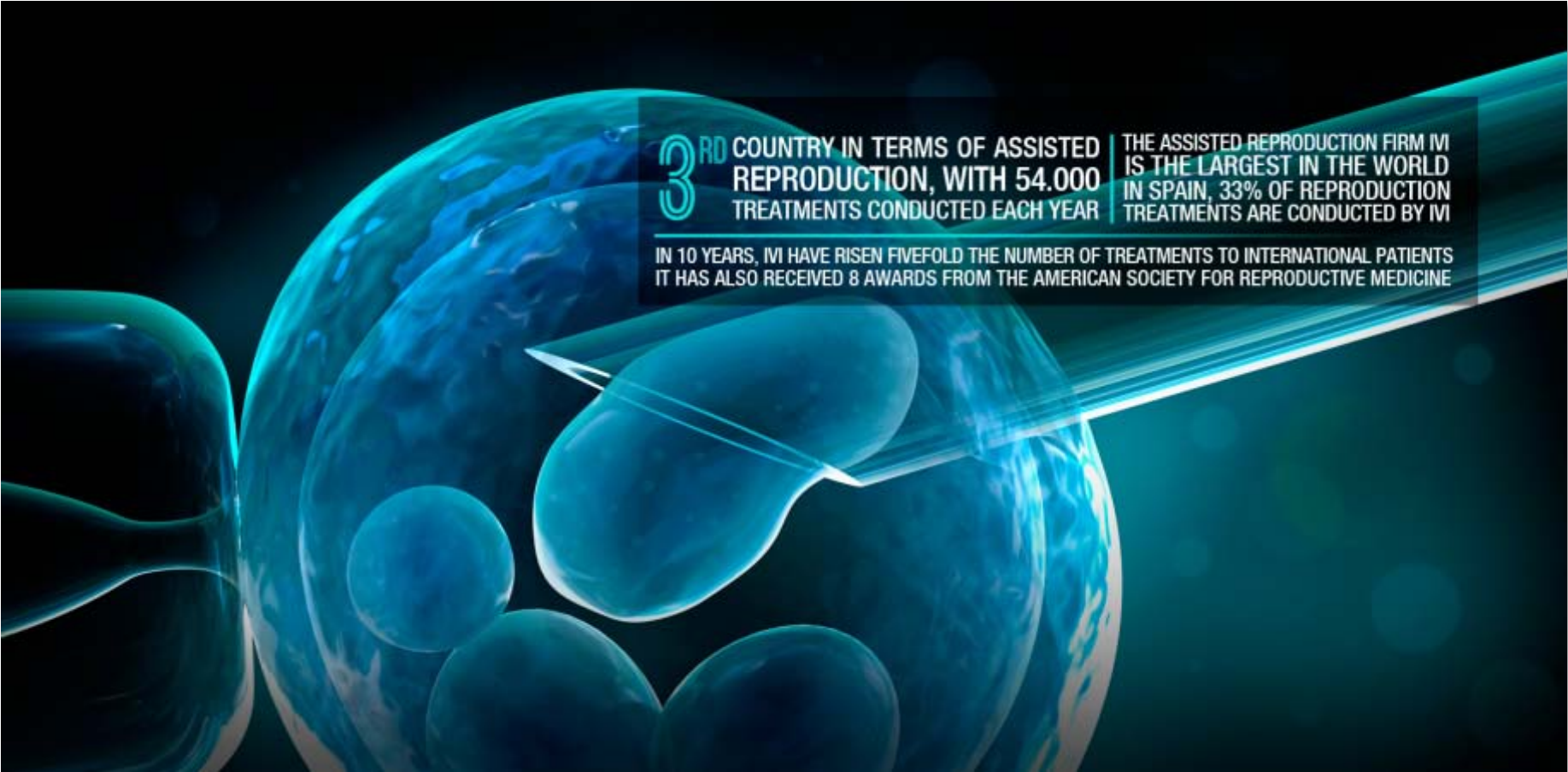


## HEALTH TECHNOLOGIES (3/4)

Research in Spanish, results published in English



## HEALTH TECHNOLOGIES (4/4)



**3<sup>RD</sup>** COUNTRY IN TERMS OF ASSISTED REPRODUCTION, WITH 54.000 TREATMENTS CONDUCTED EACH YEAR

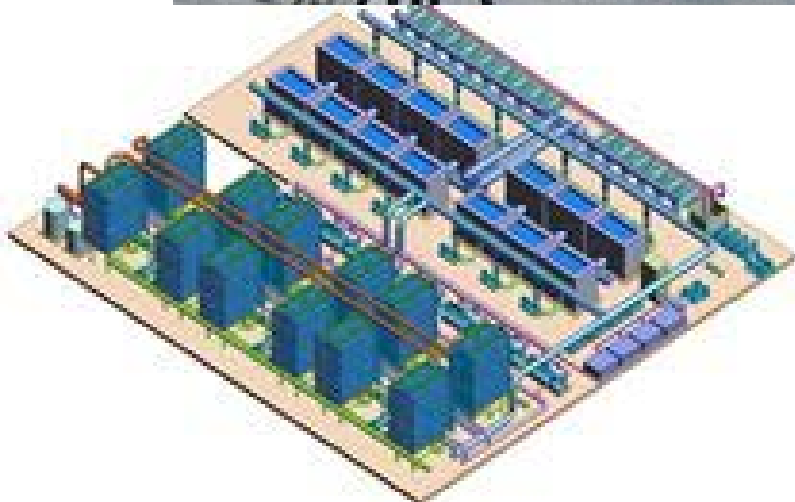
THE ASSISTED REPRODUCTION FIRM IVI IS THE LARGEST IN THE WORLD IN SPAIN, 33% OF REPRODUCTION TREATMENTS ARE CONDUCTED BY IVI

IN 10 YEARS, IVI HAVE RISEN FIVEFOLD THE NUMBER OF TREATMENTS TO INTERNATIONAL PATIENTS IT HAS ALSO RECEIVED 8 AWARDS FROM THE AMERICAN SOCIETY FOR REPRODUCTIVE MEDICINE



## ENVIRONMENTAL TECHNOLOGY (1/2)

# Beckton Desalination Plant



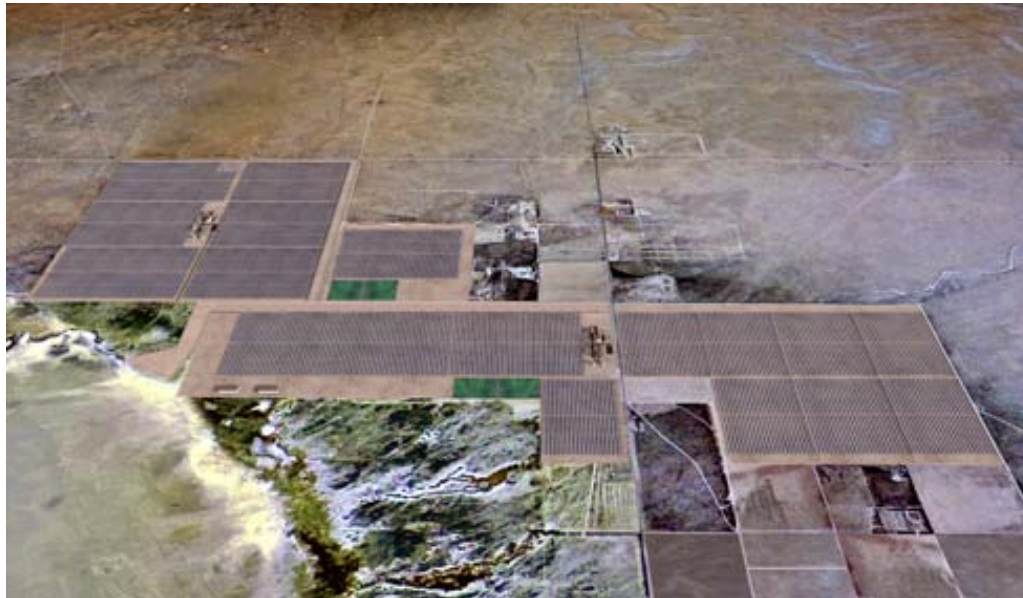
## ENVIRONMENTAL TECHNOLOGY (2/2)

# El Realito. Water for the DF



## RENEWABLE ENERGY

# From Solucar to Mojave and Arizona



## RAILWAY INFRASTRUCTURES

# Mecca-Medina High-Speed Train

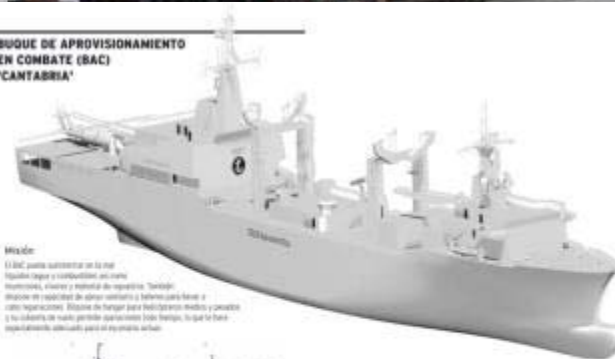


# NAVAL DEFENCE TECHNOLOGY

## 1 of the 5 main vessel builders



BUQUE DE PROVISIONAMIENTO EN COMBATE (BAC) 'CANTABRIA'



**Misión:**  
El BAC puede suministrar en la mar alimentos, víveres y material de repuesto. También dispone de capacidad de almacenamiento e información de datos de reparaciones. Además de transportar para helicópteros médicos y personal a los submarinos de ataque, permite aprovisionar los buques, buques de guerra, departamentos, etcétera, para el sistema naval.



**Características Generales**

Estrecho	113,5 m.
Manga	23 m.
Cálado	8 m.
Desplazamiento	19.600 t.
Velocidad máxima	20 nudos
Velocidad económica	13 nudos
Autonomía a 13 nudos	6.000 millas
Triplacado	123-140 personas
Coste	217 millones de euros
Fecha de puesta a Bala	27 de Julio de 2008
Fecha de entrega	Diciembre de 2008

# AUTOMOTIVE SECTOR



## Europe's 2nd and the world's 12th car Manufacturer



Europe's 1st manufacturer in industrial vehicles



Components, assemblies and systems for the automotive industry



Europe's 3rd manufacturer in components and 6th in the world



## AGRO-FOOD INDUSTRY (1/2)

# Top producer and exporter of Olive oil



## AGRO-FOOD INDUSTRY (2/2)

# Second-ranking worldwide wine exporter



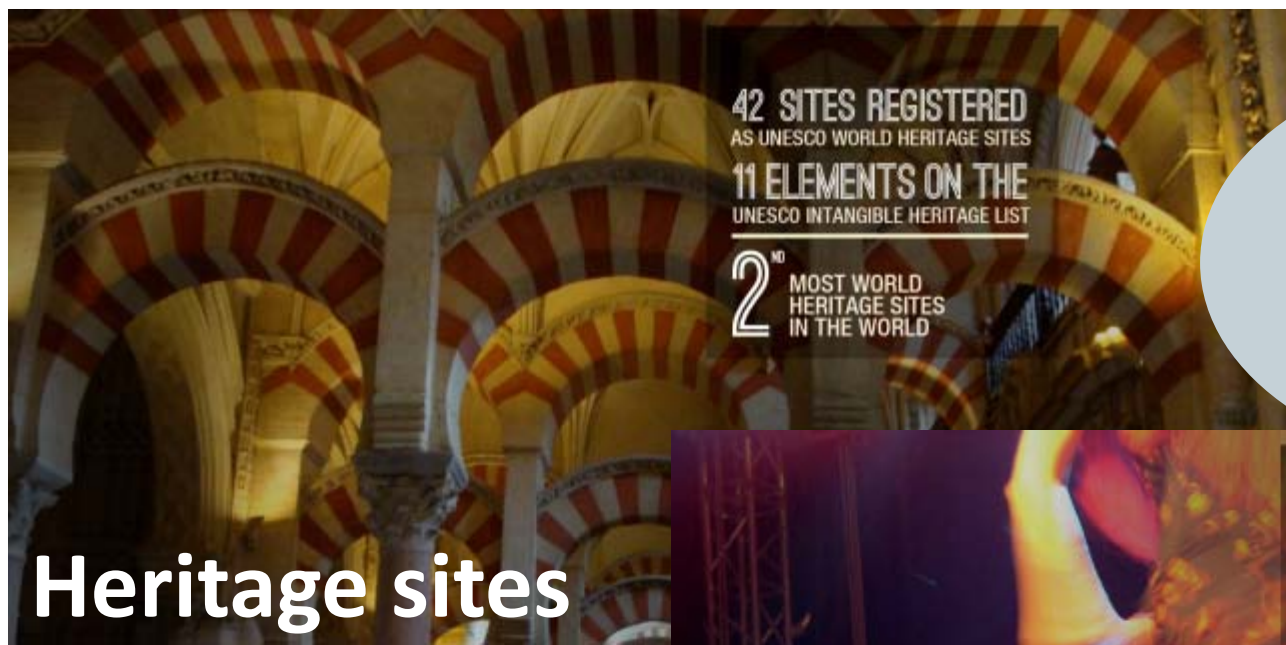


## TOURISM

# Second-ranking country in terms of tourism revenue



# HERITAGE

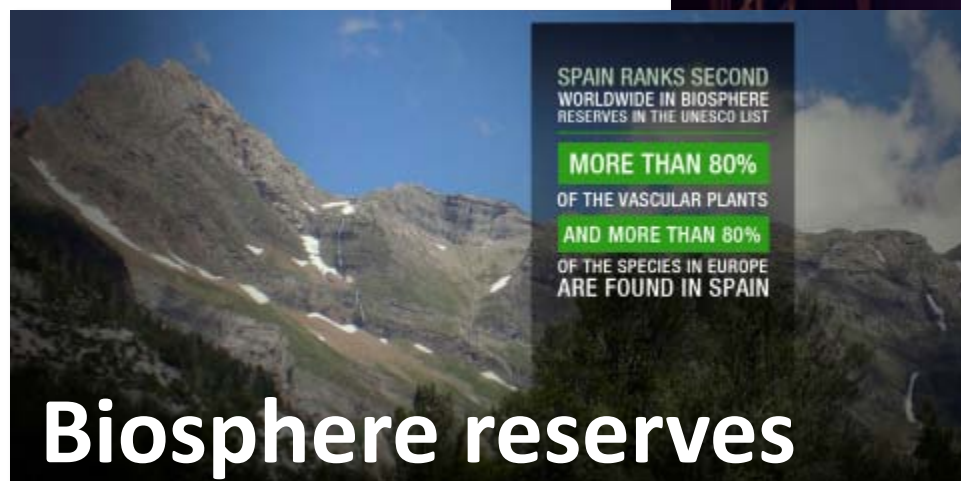


## Heritage sites

42 UNESCO world heritage sites  
11 UNESCO intangible heritage elements  
42 UNESCO biosphere reserves



## Intangible heritage



## Biosphere reserves

## GASTRONOMY

One of the few countries with a culinary university with a R&D&I centre



**FERRÁN ADRIÀ** CHEF OF THE DECADE

**ELENA ARZAK**  
WORLD'S BEST FEMALE CHEF

**145** MICHELIN STARS  
IN 2012

THE RESTAURANT EL CELLER DE CAN ROCA HAS BEEN NAMED BEST RESTAURANT IN THE WORLD IN 2013

SPAIN HAS 3 OF THE TOP 10 RESTAURANTS IN THE WORLD (EL CELLER, MUGARITZ AND ARZAK)

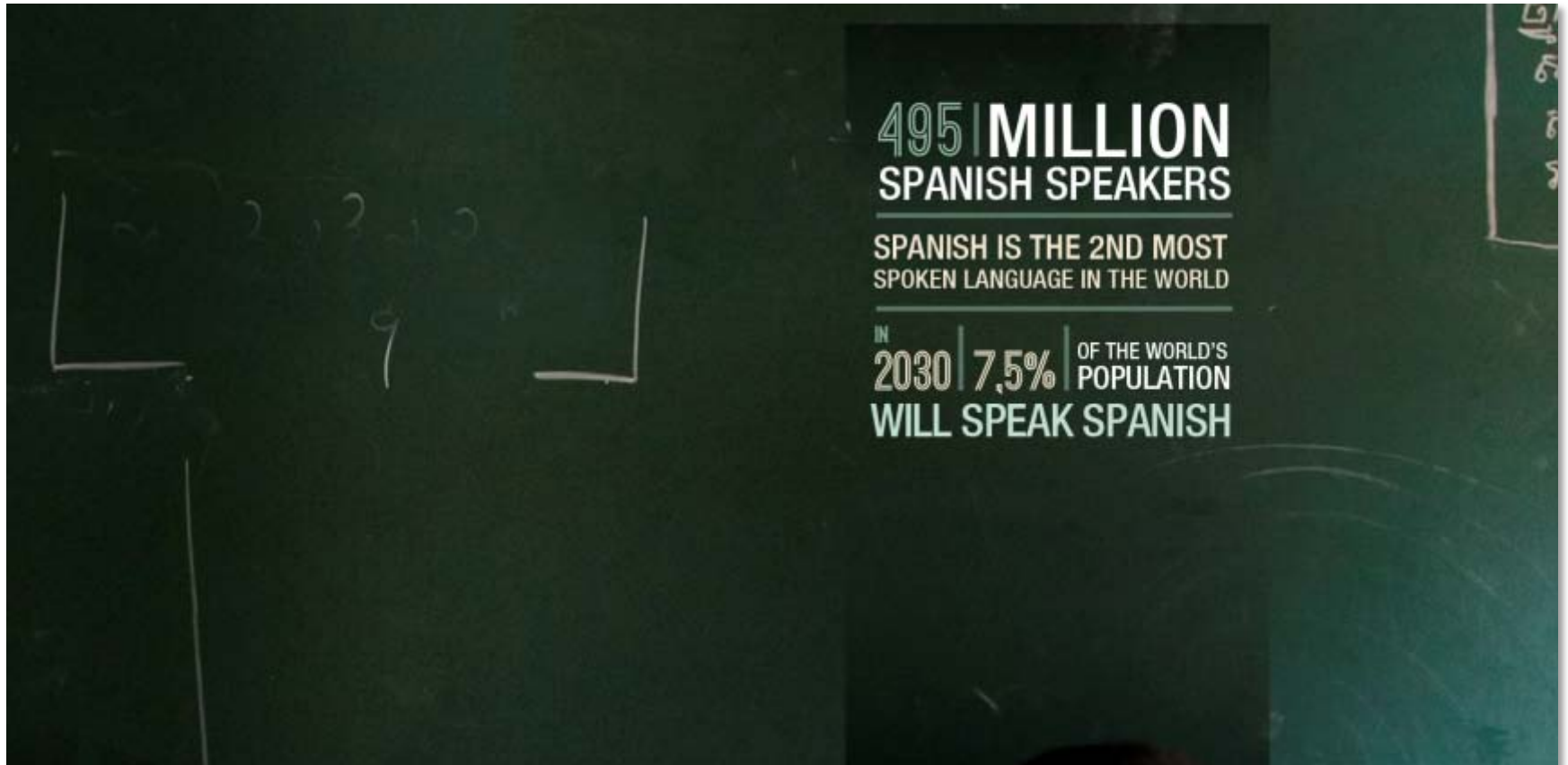
# INTERNATIONAL SOLIDARITY

- ***Spain's commitment to the United Nations' efforts to maintain peace and international security is reflected in our participation in the UN's peacekeeping missions:*** UN missions in Haiti (MINUSTAH), East Timor (UNMIT) and Lebanon (UNIFIL), NATO led ISAF and three led by the EU (Atalanta, EUTM-Somalia and EUFOR ALTHEA). Spain also provides observers and monitors to other United Nations and European Union missions
- **The Spanish Agency for International Development Cooperation (AECID) embodies the commitment of the Spanish society to fight poverty and set the foundations for sustainable development**



# LANGUAGE

2<sup>nd</sup> most spoken language in the world



## BUSINESS SCHOOLS

# 2 of the 10 best Business Schools are Spanish



# SPORTS

## Great achievements in sports



# Agenda

- Spain: facing the crisis
- Importance of Internationalization: Current situation and future challenges
- What is Economic Diplomacy? Why is it necessary?
- The importance of a Strong Country Brand
- Spain and Spanish companies leadership key factors
- **Conclusions**



## What Remains to Be Done?

### STEP BY STEP

- We are aware that *much remains to be done*. However, the **foundations to achieve resilient, stable growth are being laid**, and there is a strong commitment to keep working in the conviction that what we are doing will benefit Spanish companies, and therefore the entire country
- Strong commitment on the part of the Central Government to push the Agenda of Reforms forward but focus also in **growing and creating jobs again**

### HOPE & MARKETING

- The **Government's economic policies** are already seeing **positive results**, recognised by banks and national and international investment funds, multilateral organizations and the European Commission
  - For the first time in the last 15 years, Spain does not need outside financing (in the last two quarters of 2012), and it will become a *net lender in 2013*
  - *Foreign multinationals* –such as those in the automotive sector- are already investing in Spain
  - *Fall of the premium risk*

### OPPORTUNITY KNOCKS TODAY

- Spain needs to have faith and hope, and to be able to convey this **optimism**. There are grounds to do so
- Promoting a culture of **positive identification with Marca España** in civil society, institutions, companies and mass media
- Lack of positioning means that other countries will take advantage of it

### REASSERTING OURSELVES

- We must continue to **maximise the strengths of our companies and our industry**
- Spain's **strengths**: 4<sup>th</sup> largest economy in the Euro zone; diversified economy with leading companies in key industries; strong infrastructure network; key geostrategic location; ranks 2<sup>nd</sup> in world tourism destinations; Spanish is the 2<sup>nd</sup> most-spoken language in the world; Spain ranks 2<sup>nd</sup> worldwide in UNESCO World Heritage sites
- The **internationalisation** process is a tale of success

### COMBINING EFFORTS

- To continue adapting our Foreign Service to the demands of today's world, intensifying the **involvement of our entire Foreign Service and Public-Private Partnerships**
- Coordination with territorial and supranational agencies
- The **leading Spanish multinationals** can act as **launch-pads** for smaller companies seeking to internationalise



*The world is changing, and Spain cannot be left behind. We have to involve our entire society, so our values and interests can achieve a privileged rank within the international community. Our history, culture, language, and historical heritage; our corporations and our citizens—all of these place us in an unbeatable starting position. Now, we have to reach our goal. And it is our duty to fight for it. We cannot let this opportunity pass us by.*

*"Ask not what your country can do for you; ask what you can do for your country."*

*John F. Kennedy*

**Thank you very much!**