

# FOREIGN INVESTMENT IN THE BARCELONA AREA



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Ajuntament  
de Barcelona

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We in the municipal government firmly believe that Barcelona generates confidence. Above and beyond its quality of life as a factor in attracting professionals and companies from around the world, it is a city that has the right environment for innovation and creativity as well as major factors that afford it exceptional added value, such as the presence of universities, leading business schools, top level research centres and highly dynamic business clusters.

As the economic capital of the Mediterranean, it is also one of the leading metropolitan areas in Europe. Its diverse productive structure features strategic sectors with a high added value and great potential for future growth, such as information and communication technologies, biotechnology, energy, media, design and higher education, to name just a few.

Barcelona has also made a commitment to improving and developing its digital infrastructures and applying urban innovation technology and economy, to more sustainable and efficient city management, to improving people's quality of life and to making the city more competitive for its businesses. The aim is to make Barcelona a benchmark as a smart city and the ideal city in which to start up and develop a business.

This way, we will consolidate and enhance our prestigious international brand and image, which is a huge asset in attracting investment and securing new businesses. Our city has traditionally been the gateway for foreign investment, and today Barcelona is one of the world's ten leading metropolises for inward foreign investment projects and one of the top ten most attractive cities globally for locating or starting up a business, according to the recent *Global Cities Investment Monitor* by the KPMG firm of consultants.

Securing new activity from outside and retaining existing investment will help us overcome the crisis and create new opportunities. One of the key priorities for Barcelona City Council is economic recovery and job creation. To achieve this, it is essential that our city becomes an international benchmark in strategic and future areas, projecting a powerful image as a global metropolis and favouring foreign investment and the attraction of economic activity to the full.

**Xavier Trias**  
Mayor of Barcelona



Barcelona and its surrounding area have traditionally been an attractive setting for foreign investment. Since the late nineteenth century, numerous foreign-owned companies chose our region to set up their new factories. This era is outstanding for the industrial investment from French, German, British, Swiss and Belgian companies, and later on, American companies. These pioneering firms, some of which are still active and here among us today, contributed to Barcelona becoming known as the *Catalan Manchester* thanks to its industrial activity.

This trend has been changing for some decades now, at the same pace as the very productive structure of the city. These days, large-scale industrial complexes have given way to investment geared primarily towards the advanced tertiary sector and new emerging sectors with high rates of innovation and strong growth.

However, the changes in the world scenario, with the appearance of new emerging markets and the present economic and financial crisis being experienced by some developed markets, are affecting international investment flows. In light of these new challenges, we need to apply new focuses and develop policies to continue both to secure new activity from outside and to ensure the loyalty of existing activity.

And this is precisely one of the aims of this study: to offer guidelines and useful recommendations for designing the specific actions to promote, attract and retain international investment. Of the over 5,100 foreign-owned companies in Catalonia, the majority are concentrated in the Barcelona area. This is why we want this number both to be consolidated through promoting reinvestment and the creation of new business lines and to be increased through securing new companies.

The city has to enhance its ability to attract talent and the best managers and professionals, who are, in short, ultimately responsible for improving the productivity of their companies, and foreign entrepreneurs who generate wealth. We need to prioritise efforts and focus on the sectors with the greatest scope and potential.

This study is part of the Barcelona Growth initiative. Led by the City Council but based on the joint work of the leading economic and social agents in the city, the initiative aims to guarantee the conditions for economic growth by seeking practical measures in order to resume growth and the creation of employment and wealth.

Barcelona has to adopt a proactive attitude to become the true Mediterranean business capital, one that promotes investment and economic activity.

**Sònia Recasens**  
Deputy Mayor for Economy, Enterprise and Employment



I have the great pleasure of introducing the study entitled *Foreign Investment in the Barcelona Area*, which has been drafted by a team of researchers from ESADE and commissioned by the Area of Economy, Enterprise and Employment.

The starting point of the study is the realisation that we are facing a new international scenario with significant implications for companies and countries worldwide.

The fragile state of the most developed economies, the result of the global financial crisis that burst in the summer of 2007 and the subsequent crisis in the euro-zone, is in strong contrast with the rise of the emerging economies. We are witnessing a profound change in the world economy and geopolitics, the direct consequence of the economic globalisation processes started over two decades ago. The world's economic centre of gravity is steadily shifting from the developed countries towards the large emerging economies. A very significant piece of data with regard to this is that 2010 saw the first time that the developing countries attracted more than 50% of foreign direct investment (FDI) flows worldwide.

This new international scenario poses a major challenge to the developed countries, who are now forced to reconsider a number of important issues, including the policies for attracting and securing foreign investment.

In this sense, the aims of this study are to present the current state of foreign investment in the Barcelona area and Catalonia, identify the challenges and principal future opportunities as regards attracting foreign investment, and draw up a series of recommendations regarding the policies for attracting and securing foreign investment.

I would like to highlight a particularly relevant feature of this study. Its conclusions are founded not only on the analysis of the most recent statistical data, but also, and especially, on extensive field work that has enabled the authors to receive the highly valuable contributions of a far-ranging group of managers from foreign companies established in the Barcelona area and of experts directly connected with advice on, and securing of foreign investment operations in this region.

The experts and managers consulted in the study agreed in stressing the potential of the Barcelona area to continue to attract foreign investment over the coming years. My wish and that of the authors is for this study to be a useful contribution to all the public and private agents involved in turning this potential into a reality.

**Alfons Sauquet**  
Dean of ESADE Business School





# Introduction

# Objectives

Catalonia, and the Barcelona area in particular, boasts a long tradition of attracting foreign investment, which has become a major driving force both in terms of the growth of the Catalan economy and of the improvement of its competitiveness. For this reason, it is of interest to analyse the evolution of this type of investment regularly, including the main obstacles and motivators that affect these flows.

The main aim of this study is to draw some specific conclusions regarding the present state of inward investment in Catalonia, especially the Barcelona area, and about the challenges and opportunities that are faced through analysis of the latest data and the evaluations made by the experts and entrepreneurs playing a central role.

The study seeks to look into the impact of the crisis on foreign direct investment (FDI) flows and into the foreign companies established in the Barcelona area and Catalonia, and to identify future trends in terms of attracting FDI.



# Structure

The report is organised in four main sections:

By way of introduction, the [first section](#) presents the objectives and scope of the study and sets out the structure of the report.

The [second section](#) presents the results of the quantitative analysis, describing the main figures relating to foreign direct investment (FDI) and its evolution over time. The decision was taken to describe the situation of FDI in the world and in Spain, to then go on to focus on the Barcelona area.

The [third section](#) presents the results of the qualitative analysis. Grouped in eight large subject areas, it analyses the main conclusions drawn from the interaction with managers and experts linked with foreign direct investment in Barcelona.

In the [fourth section](#), the research team draws up a series of recommendations based on the analysis of the statistical data and the principal contributions gathered in the field work.

The report is accompanied by an [executive summary](#) that seeks to summarise very succinctly the main conclusions of the study conducted.

For readers who are interested in the more technical aspects, the details of the methodological aspects referring to the conducting of the study are offered in an [appendix](#).

# Definitions and scope

The usual name of foreign direct investment or FDI is used to include the following phenomena:

Investment flows whereby a foreign investor acquires at least 10% of the capital of a local company (it is considered that an ability to influence the company management is ensured if the share is less than 50% and an ability to control if the share is more than 50%).

Investment flows whereby a foreign investor incorporates new companies with a trading activity or carries out a capital enlargement of its own subsidiaries.

By contrast, this concept does not include loans between the parent company and its subsidiaries or investment in property.

It is usual to regard FDI in greenfield projects as the most reliable indicator in estimating the impact of foreign investment on GDP in a given geographical area. The reason is that mergers and acquisitions, in themselves, do not entail the automatic generation of additional economic activity whereas a new production start-up does generate new activity in the region.

For similar reasons, wherever possible, the FDI made through the so-called *Entitats de Tinença de Valors Estrangers* (holding companies) or ETVE, has been itemised as it does not necessarily generate an increase in the gross domestic product of the regions in which these companies are registered.<sup>1</sup> Despite their great importance in terms of volume of operations, their effects can be different from those of other types of investment, so we have chosen to show them disaggregated.

<sup>1</sup> Spain has a very favourable tax system for foreign holding companies (*entitats de tinença de valors estrangers* or ETVE), seen as international groups that wish to have a basis for managing their interests in a number of countries. The only requirement is to incorporate a company in Spain and bring in the securities of foreign interests (with a minimum share of 5%). This tax system enables non-resident companies and individuals not to pay tax on dividends received from non-resident interests.

With regard to its geographical scope, the study focuses on foreign direct investment in the Barcelona area and Catalonia. The analysis of quantitative data looks at the evolution of FDI in the world, in Spain and in Catalonia. As regards the qualitative study, this has been focused exclusively on the Barcelona metropolitan area, taking this to be the city of Barcelona and its catchment area, comprising seven counties (Alt Penedès, Baix Llobregat, Barcelonès, Garraf, Maresme, Vallès Occidental and Vallès Oriental).



An aerial photograph of a coastal city, likely Chicago, showing a large waterfront development project. The project includes a long pier extending into the water, a marina with many boats, and several large buildings under construction. The city skyline is visible in the background, and the water is a deep blue. The sky is clear and blue.

# Executive Summary



Catalonia, and the Barcelona area in particular, boasts a long tradition of attracting foreign investment, which has become a major driving force both in terms of the growth of the Catalan economy and of the improvement of its competitiveness. The global financial crisis that began in 2007 has both contributed to highlighting and catalysed a new international scenario, characterised by the increasingly central role of the so-called emerging countries in the world economy and geopolitics.

This new international scenario has profound implications with regard to the ability to attract foreign direct investment (FDI) into the Barcelona area and Catalonia. The aim of this study is to analyse the recent evolution and present situation of foreign investment in Catalonia, discover the challenges and opportunities perceived by foreign companies established in Catalonia and identify emerging future trends and their impact on policies for securing FDI.

In order to achieve this aim, extensive field work was conducted using qualitative techniques, such as focus groups and individual interviews with managers from foreign companies and local experts in inward FDI into the Barcelona area. This qualitative analysis was complemented by quantitative analysis of the various statistical sources and databases on FDI. The principal conclusions drawn are then summarised.



From the quantitative analysis, conducted on the basis of various statistical sources on FDI, the following aspects stand out:

### 1.

After the collapse witnessed in 2009, gross inward FDI in Catalonia revived strongly in 2010 to reach 4.52 billion euros, the highest level for four years, representing 19% of inward FDI in Spain.

- Despite this, we should remember that in recent years, in the 2007-2009 three-year period, the proportion of productive FDI aimed at Catalonia within Spain fell considerably, standing at figures of less than or slightly above 10%, far from those of the 2000-2006 period.

### 2.

Of note is the fact that since 2006, the number of foreign companies established in the Barcelona area has grown by 13%, numbering 3,381 in 2010.

- With regard to countries of immediate origin of FDI in Catalonia, the Netherlands, France and Germany, in this order, were the main countries providing FDI into Catalonia, making up half the total investments received in the 2006-2010 period.
- By sector, services accounted for 53% of inward foreign investment in Catalonia in 2010. This compares with 41% for industry and manufacturing, which have been losing ground since 2007 as inward FDI sectors.

### 3.

The evolution of inward FDI in Catalonia in the 2007-2010 period was clearly positive if compared with the evolution of inward FDI in Spain and the European Union (EU) in the same years.

- Even though inward FDI in Spain in 2010 showed a strong recovery, with 169% growth compared with the collapse it underwent in 2009, in absolute terms, it did not reach one-third of the maximum achieved in 2008.

In terms of share, Spain lost two percentage points from its maximum figure of 4% of inward FDI worldwide in 2008.

- The loss of share in world FDI flows is even more accentuated when we consider the European Union as a whole, which has lost four percentage points in the last four years.

### 4.

After three consecutive years of falls, the total inward FDI volume worldwide in 2010 rose by 5% compared with the previous year, although this is still far from the level reached in 2007, before the global financial crisis. We should stress that flows of investment aimed at the developing economies were the principal driving force, with a 10% increase.

### 5.

By type of FDI, it has been seen worldwide in the last four years that newly established investments (greenfield) or the extension of existing investments have gained in relative weight and reached 70% of total FDI flows in 2010. In turn, cross-border mergers and acquisitions underwent a sharp decrease in 2010 to a third of the value reached in 2007, which reflects the close link that these operations have with the economic cycle. Sectorial analysis of FDI in the world shows a recovery of the manufacturing sector in 2010 compared with the previous year (+23%) with an increase in its relative weight in total FDI of up to 48%.

### 6.

The consideration of the negative evolution of inward FDI in the European Union in recent years, a result not just of the less favourable economic climate but also of structural problems of competitiveness, together with the strong dynamism of FDI flows into the emerging countries, underlines the structural change of scenario being faced by the developed countries in terms of securing FDI in their economies. We are facing a change that will call for new focuses and new policies.

The qualitative part of the study included conducting in-depth interviews and focus groups with experts and managers of foreign companies established in the Barcelona area and the rest of Catalonia. A survey was also conducted among former students of the ESADE business school who work outside Spain. Although the sample is not significant, the results obtained are in line with the rest of the analysis. The principal conclusions of the qualitative part are summarised below.

### 7.

Foreign direct investment (FDI) in the Barcelona area will, in the short term, continue to come primarily from the developed European countries and the United States of America. The emerging countries will still continue to be inward FDI countries rather than outward FDI countries with regard to investment flows aimed at the developed countries.

- France, Germany, the United Kingdom and the Benelux countries will act as principal driving forces of FDI into the Barcelona area.
- From our country's point of view, the emerging countries are characterised globally by their nature as recipients of FDI rather than senders. Despite this, it is felt necessary to put in place promotion and positioning policies of the Barcelona area straight away aimed at companies in the emerging countries with strong international expansion, knowing that securing investment from these companies is a medium- and long-term objective.

### 8.

We are facing a profound change in the rules for sourcing FDI as a result of two main facts: on a macro scale, it is aimed mainly at the emerging countries, and on a micro scale the preference for locations in "hub cities" is coming to the fore.

- Besides highlighting the change in destination of foreign direct investment, which is aimed mainly at the emerging countries, also significant is the loss of the OECD countries, led by Europe, as a destination for FDI. This loss of influence and attraction is even more accentuated with regard to the southern European countries.

- The preference is also evident of large companies wanting to locate their subsidiaries in cities with a strong and dynamic economic fabric, connected to the world innovation networks and with good communications infrastructures, the so-called “hub cities” with their metropolitan areas. As will be seen later, this trend offers the Barcelona area significant opportunities that it must be able to take advantage of.

## 9.

The principal attractions of the Barcelona area can be summed up in the fact that besides fulfilling the objective parameters required for attracting FDI, it also enjoys a highly positive perception in terms of the qualitative parameters used in assessing investments.

- The objective parameters most highly valued by foreign companies already established here, in the opinion of the experts and managers consulted, were the attraction of the market and the degree of industrial development, the access to talent and the level of infrastructures.

- Although there is general satisfaction with the level of infrastructures finally attained in the Barcelona area, three especially important shortcomings are noted for the economic enhancement of the Barcelona area: the Mediterranean rail axis, the intermodal connections with the Port of Barcelona as backbone, and the still scant intercontinental connections with Barcelona airport.

However, the good image and operation achieved in macro-infrastructures has to have its counterpart on a micro scale in the respective business parks and industrial estates.

- Highlighted in the qualitative parameters are the quality of life, the characteristics of an attractive and cosmopoli-

tan city that Barcelona has and the potential afforded it by its geographical location from a geo-economic point of view.

In terms of human capital, the Barcelona area is seen as both a provider, in terms of the existence of local talent, and as a magnet, in terms of the ability to attract outside talent.

## 10.

Opinion coincides in the idea of focusing effort on promoting the services sector as a great economic asset of the future of the Barcelona area, together with certain industrial sectors of high technological content.

The experts and managers consulted identified six sectors on which they recommend concentrating efforts in securing foreign investment:

- the logistics sector
- the information and communication technologies (ICT) sector
- the biotechnology sector
- the sectors linked to creativity and culture
- the tourism sector
- the talent-intensive services for people sector

## 11.

The growing trend among large multinational corporations to create global specialist centres and shared service centres (SSC) is seen as a major opportunity for attracting foreign investment to the Barcelona area. The creation of global specialist centres is the result of the strategy of large corporations to optimise the geographical locations of the various business activities in terms of their business, prioritising the functional and/or product line specialisation.

A parallel development is the creation of corporate shared service centres (SSC) that centralise the provision of services (for example, information systems, purchasing, administration) that were previously provided locally in each subsidiary.

The entrepreneurial spirit and credibility of the local management teams for their respective headquarters are the key factors in bringing about the creation of these centres.

## 12.

The major force and the great value of the Barcelona brand and the need to reinforce it are noted. The option of positioning Barcelona as the “Mediterranean business capital” has the majority support of the experts and managers consulted.





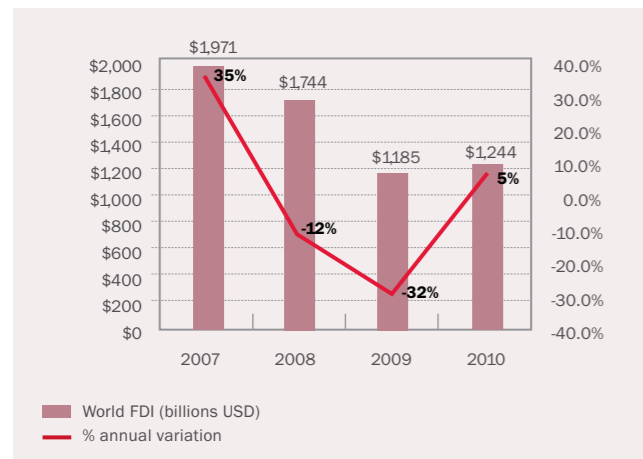
# Quantitative Analysis

# 1. FDI in the world

**Inward foreign direct investment (FDI) flows worldwide in 2010 totalled 1,244 billion dollars, an increase of 5% compared with the previous year, after three consecutive years of decrease.**

Inward foreign direct investment (FDI) flows worldwide in 2010 totalled 1,244 billion dollars according to the *World Investment Report 2011*, published by the UNCTAD (United Nations Conference on Trade and Development), an increase of 5% compared with the previous year. Although this figure represents a recovery after the successive falls experienced in 2008 and 2009, world FDI is still far from the volume of 2007, which was a historical high:

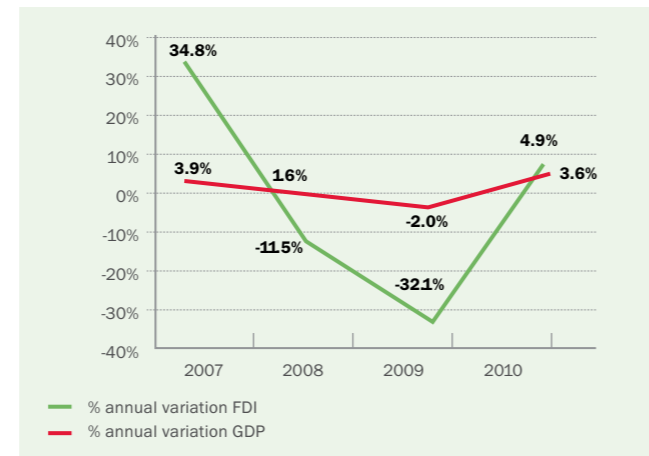
## 1 WORLD FOREIGN DIRECT INVESTMENT: ABSOLUTE FLOWS AND ANNUAL VARIATIONS, 2007-2010



Source: UNCTAD. World Investment Report 2011

**The recovery of FDI compares with world GDP, which returned in 2010 to a similar level of growth as 2007.**

## 2 PERCENTAGE EVOLUTION OF GDP OF FDI IN THE WORLD, 2007-2010



Sources: UNCTAD. World Investment Report 2011; United Nations World Economic Situation and Prospects 2011

After a year of weak and uneven recovery, global economic growth slowed down in mid-2010. According to the *United Nations World Economic Situation and Prospects 2011*, the slowdown is expected to continue in 2011 and 2012. The forecast is surrounded by a great deal of uncertainty and serious risks of worsening.

The United Nations base growth forecast for world GDP stands at 3.1% for 2011 and 3.5% for 2012, below the growth rates prior to the crisis.

According to the UNCTAD, world FDI flows in 2011 will be between 1,300 and 1,500 billion dollars, and will rise in 2012 to around 1,600-2,000 billion dollars.



**FDI flows in the developing economies have recovered to stand at over 50% of all worldwide FDI.**

FDI flows in the developed economies (Europe, North America, Japan, Israel, Bermuda, Australia and New Zealand) held steady in 2010 at practically the same level as the previous year. Elsewhere, flows in the developing economies rallied considerably and grew by 10% to reach over 50% of inward FDI world-wide for the first time since 2007.

**3 WORLD FOREIGN DIRECT INVESTMENT: ANNUAL INWARD FLOWS BY TYPE OF ECONOMY, 2007-2010**



Source: UNCTAD. World Investment Report 2011

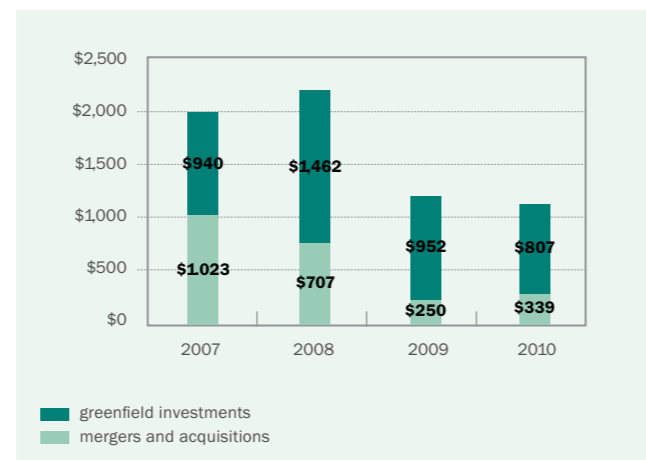
After a sharp collapse of world FDI in 2009, the developing economies have grown higher than the world average, which has offset the stagnation of FDI in the developed economies, which emerged from two consecutive years of severe decline (-26% in 2008 and -38% in 2009).

**Greenfield investments have continued to fall since 2008 to almost half. Mergers and acquisitions have dropped even more, falling to a third of the value reached in 2007.**

Greenfield investments reached their highest point in 2008, subsequently falling dramatically the following year and even more in 2010. The volume of greenfield investments fell by 655 billion dollars between 2008 and 2010, some 55%.

For their part, mergers and acquisitions underwent an even more dramatic fall in the 2007-2009 period to the point in 2009 when they stood at a quarter of the volume reached two years earlier. By contrast, a change in the trend was seen in 2010 with a significant recovery compared with the previous year (+36%), although the volume (339 billion dollars) continues to be very far from that of 2007 (1,023 billion dollars).

**4 GREENFIELD INVESTMENTS AND MERGERS AND ACQUISITIONS FROM WORLDWIDE FOREIGN DIRECT INVESTMENT (BILLIONS USD), 2007-2010**



Source: UNCTAD. World Investment Report 2011

**By sector, the manufacturing sector has experienced a +23% recovery compared with 2010 and has gained relative weight in total FDI, reaching 48%.**

With regard to the productive sectors of world FDI after 2008, the manufacturing sector stands out, having seen a +23% recovery. Apart from this, the services sector (-14%) and the primary sector (-30%) have decreased remarkably.

The sectorial distribution of FDI in 2010 is clearly based on manufacturing (48%), while the rest is divided similarly between services (29%) and the primary sector (22%).

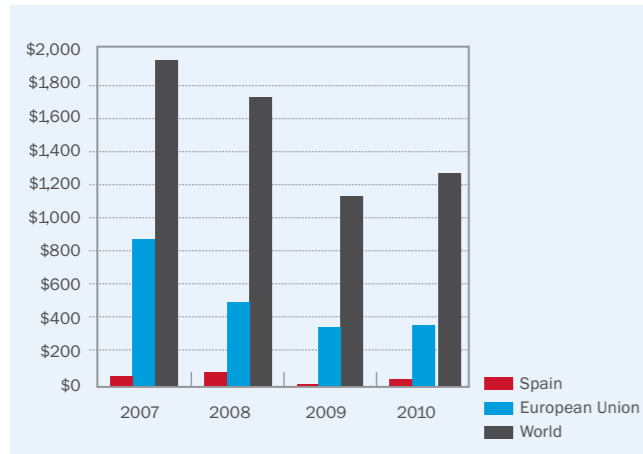


## 2. Inward FDI in Spain

**Inward FDI in Spain experienced an upturn in 2010 despite standing at one-third of the maximum reached in 2008.**

According to the UNCTAD World Investment Report 2011, gross inward FDI in Spain was 24.5 billion dollars in 2010, representing an increase of 168% compared with the previous year and a marked change in trend compared with the sharp decline it underwent in 2009.<sup>2</sup>

### 5 EVOLUTION OF FOREIGN DIRECT INVESTMENT IN THE WORLD, IN THE EUROPEAN UNION AND IN SPAIN (BILLIONS USD), 2007-2010



Font: UNCTAD. World Investment Report 2011

Spain's recovery compares with the continued fall in FDI in the European Union since 2008 (-43%), 2009 (-29%) and 2010 (-12%). On a world scale, the collapse in FDI has been less pronounced than in the EU: -12% (2008), -32% (2009) and +5% (2010).

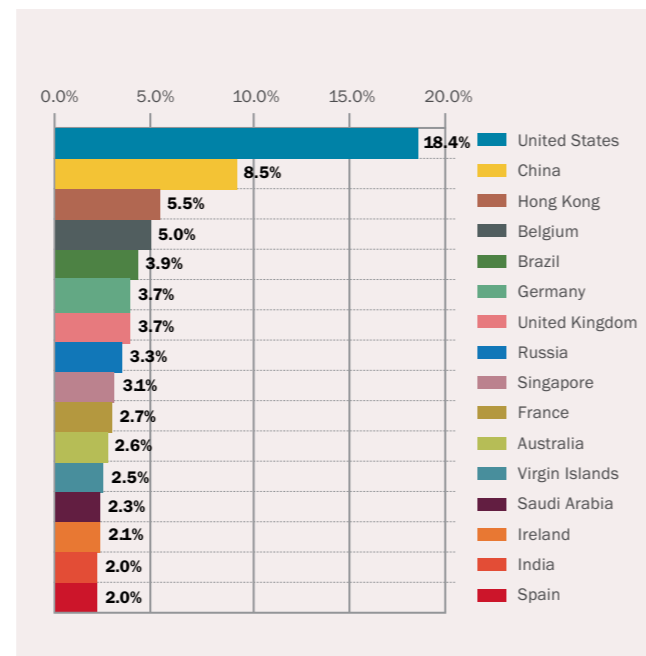
2. In order to be able to make a homogeneous comparison of trends worldwide, in the European Union and in Spain, data provided by UNCTAD have been used. However, it should be noted that there are significant disparities with the data provided by the Spanish Ministry for Industry, Energy and Tourism in the Datainve database, which are regularly updated up to two years after the end date of a specific period.

**Spain's share in worldwide inward FDI fell by two percentage points compared with 2008.**

Spain's share in inward FDI flows in the world reached 2% in 2010, leaving it in 16th place among receiving countries.

In 2010, the United States recovered the worldwide inward FDI share that it had in 2008. As regards the emerging countries, China (including Hong Kong), Brazil and Russia increased their share in worldwide FDI in recent years. Of note is the relative loss in weight of India's share, despite the FDI inflow having risen in absolute value.

### 6 WORLD RANKING OF THE PRINCIPAL FDI RECIPIENT COUNTRIES, 2010 (IN % TOTAL WORLD FDI)

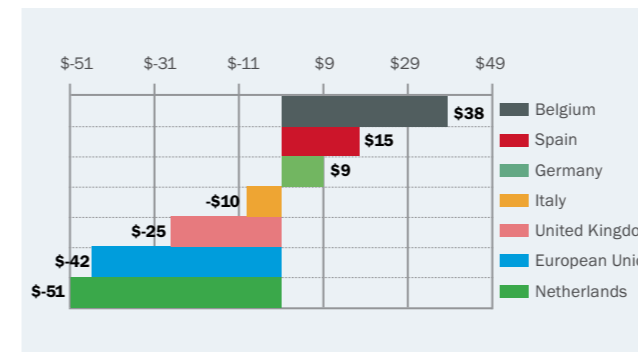


Source: UNCTAD. World Investment Report 2011

**The fall in relative weight of the European Union, which was dramatic in 2008, continued a slow decline to reach 24% of the share of inward FDI in the world in 2010.**

The EU's share as a recipient of FDI flows has fallen by between 15 and 20 percentage points since 2008. In 2010, it recorded a 12% fall in FDI, motivated especially by the economies of the Netherlands, the United Kingdom and Italy.

### 7 VARIATION IN ABSOLUTE VALUES OF INWARD FDI IN THE EUROPEAN UNION, 2009- 2010 (BILLIONS USD)

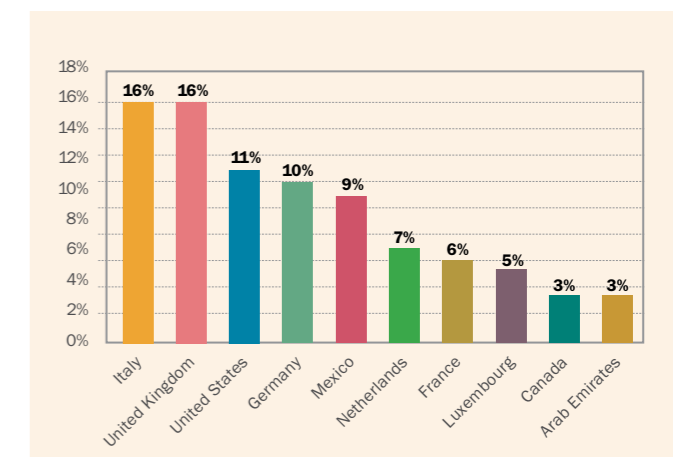


Source: Own production based on UNCTAD. World Investment Report 2011

In this context, Spain is far from the share it had in 2008, when with almost 77 billion dollars, it reached 4.4% of worldwide inward FDI. Since then, it has lost relative weight in the world share of FDI. However, the principal FDI recipients in the European Union have also lost ground in their world share, with the exception of Ireland and Germany.

With regard to the principal outward FDI countries into Spain, the following graph shows the 10 main countries whose companies made the greatest direct investment in Spain in the 2006-2010 period, arranged as a percentage by order of importance.

### 8 SHARE OF THE PRINCIPAL OUTWARD FDI COUNTRIES INTO SPAIN, 2006-2010 (IN %)



Source: Own production based on Datainve, Ministry for Industry, Energy and Tourism

It should be highlighted that Italy and the United Kingdom provided a third of the total inward FDI in Spain, and that together with the United States and Germany, they accounted for half the total.

With regard to the sectorial distribution of inward FDI in Spain, 2010 shows a clear orientation towards the manufacturing and goods-production sector, with services to a lesser extent.

Specifically, with 59% of the inward FDI in 2010, industry led services (36%) in inflows of foreign investment in Spain.

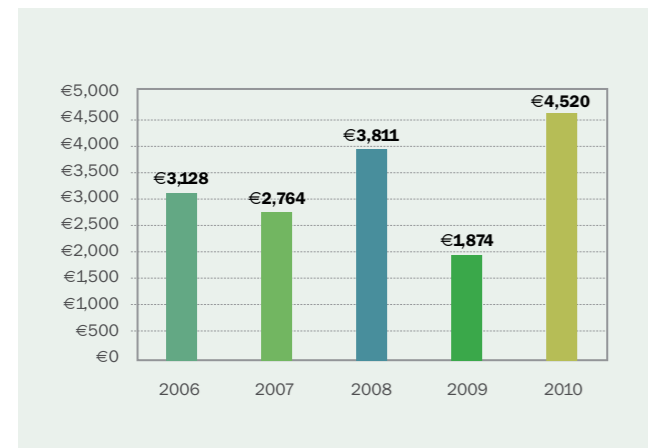
Despite this, investment in absolute terms in industry fell by half compared with 2007 levels. By contrast, services stand at the same level, despite the strong increase in 2008.

### 3. Inward FDI in Catalonia

After the collapse experienced in 2009, gross inward FDI in Catalonia saw a strong upturn. Productive investment represented 87% of total inward FDI.

Gross inward FDI in Catalonia stood at 4.52 billion euros, the highest level in the last five years, representing 19% of inward FDI in Spain.

#### 9 EVOLUTION OF GROSS INWARD FDI IN CATALUNYA, 2007-2010 (IN MILLIONS)

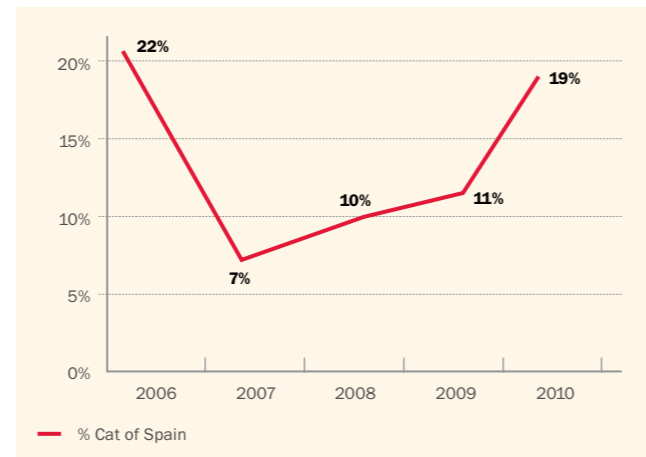


Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACCIÓ

In the first semester of 2011, total inward FDI in Catalonia stood at 1144 billion euros, 30% more than the first semester of 2010, a figure that would appear to confirm a change in trend.

Despite this, we should remember that in recent years, the proportion of productive FDI aimed at Catalonia within Spain fell considerably, standing at figures of less than or slightly above 10%, far from those of the 2000-2006 period, as can be seen in the following graph.

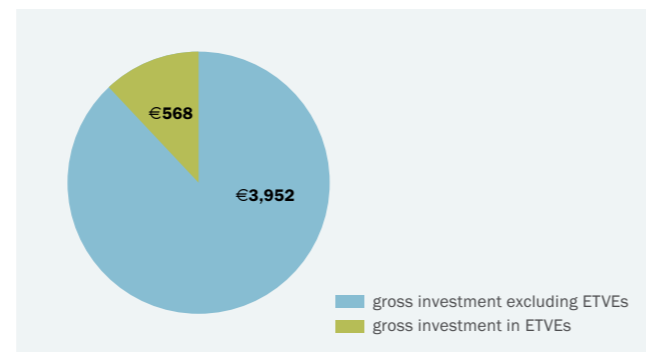
#### 10 EVOLUTION OF CATALUNYA'S SHARE IN INWARD FDI IN SPAIN, 2006-2010 (IN %)



Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACCIÓ

In 2010, total gross productive foreign investment in Catalonia (that is, discounting flows received by ETVEs) was 3,952 billion euros (87% of the total), which is the best recorded since this variable has been measured.

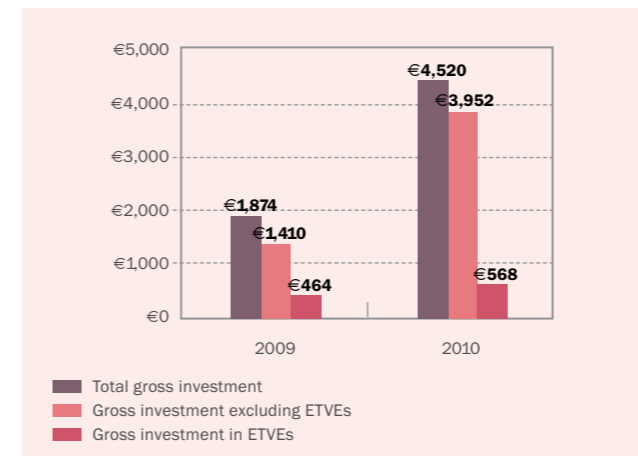
#### 11 DISTRIBUTION OF GROSS INWARD FDI IN CATALUNYA, 2010 (IN % AND ABSOLUTE VALUES IN MILLIONS)



Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACCIÓ

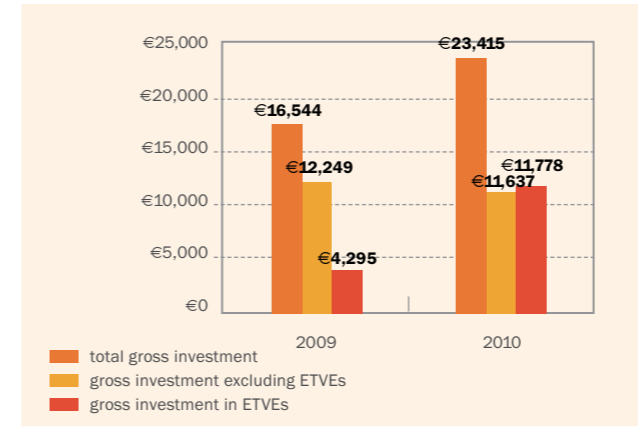
The strong increase in 2010 of gross foreign investment excluding ETVEs (holding companies) in Catalonia (180%) compares with the contraction of this indicator in Spain (-5%).

#### 12 DISTRIBUTION OF GROSS INWARD FDI IN CATALUNYA, 2009-2010 (IN MILLIONS)



Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACCIÓ

#### 13 DISTRIBUTION OF GROSS INWARD FDI IN SPAIN, 2009-2010 (IN MILLIONS)

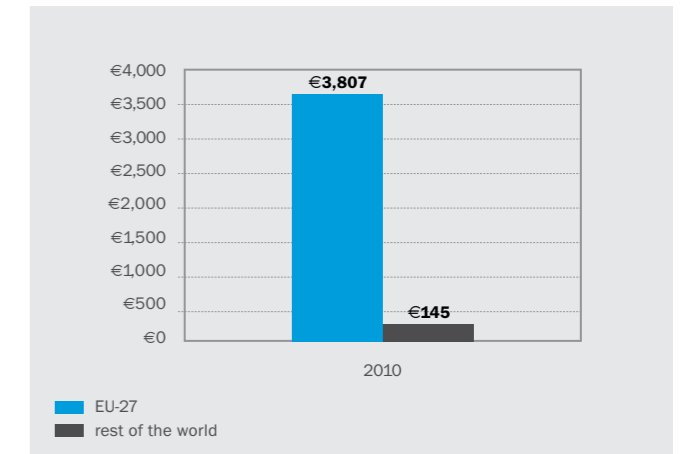


Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACCIÓ

Gross productive foreign investment in Catalonia in the first semester of 2011 stood at 937 million euros, an increase of 11% compared with the same period in 2010.

With regard to geographical areas, the OECD is the most important source (98%) of inward FDI in Catalonia. The EU-27 represented 96% of inward productive FDI in 2010.

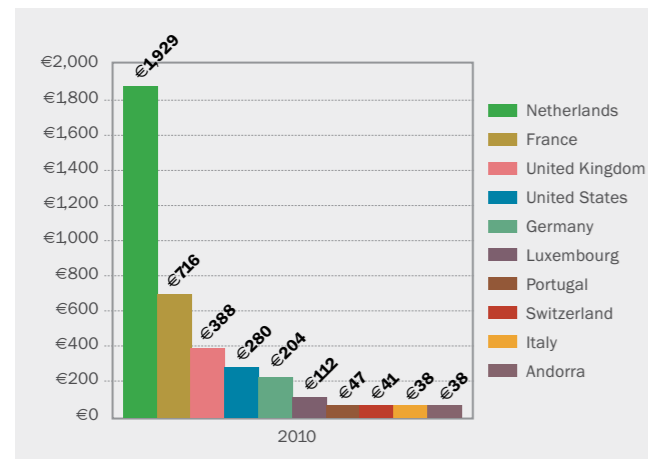
#### 14 GEOGRAPHIC ORIGIN OF GROSS INWARD PRODUCTIVE FDI IN CATALUNYA - 2010



Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACCIÓ

The Netherlands, France and the United Kingdom accounted for almost 80% of the inward productive FDI in 2010. We should stress the high weight of the Netherlands, with nearly half the total, although it should be considered that many multinational companies use the Netherlands as a springboard from which to invest in EU countries owing to the favourable fiscal treatment it offers foreign investors.

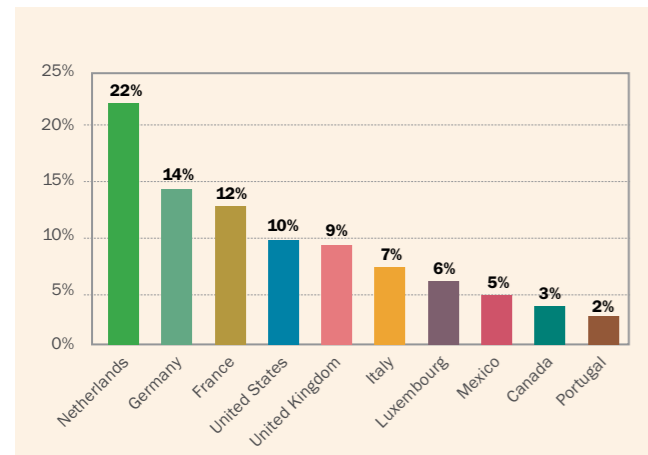
**15**  
**PRINCIPAL SOURCE COUNTRIES OF INWARD PRODUCTIVE FDI IN CATALONIA, 2010**



Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism and Invest in Catalonia - ACC10

The following shows the 10 principal source countries of direct investment in Catalonia in the 2006-2010 period:

**16**  
**SHARE OF THE PRINCIPAL SOURCE COUNTRIES OF PRODUCTIVE FDI IN CATALONIA, 2006-2010 (IN %)**

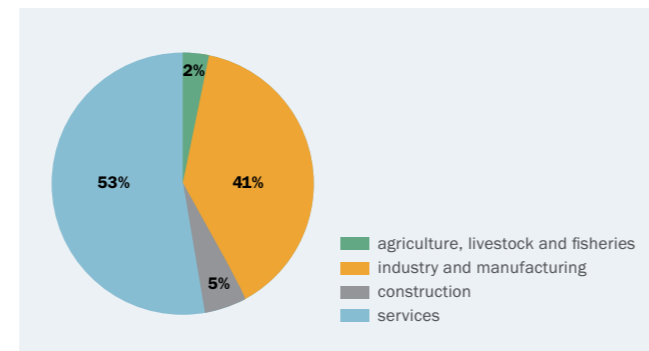


Source: Own production based on DatainveX, Ministry for Industry, Energy and Tourism

As we mentioned earlier, the Netherlands stand out as an outward FDI country with a total of 22% of inward FDI in Catalonia in the 2006-2010 period. Together with Germany and France, they account for half the total inward FDI in the same period.

As regards the sectorial type of inward FDI, services, with 53% of the total FDI, led foreign investment inflows in 2010 ahead of industry and manufacturing (41%).

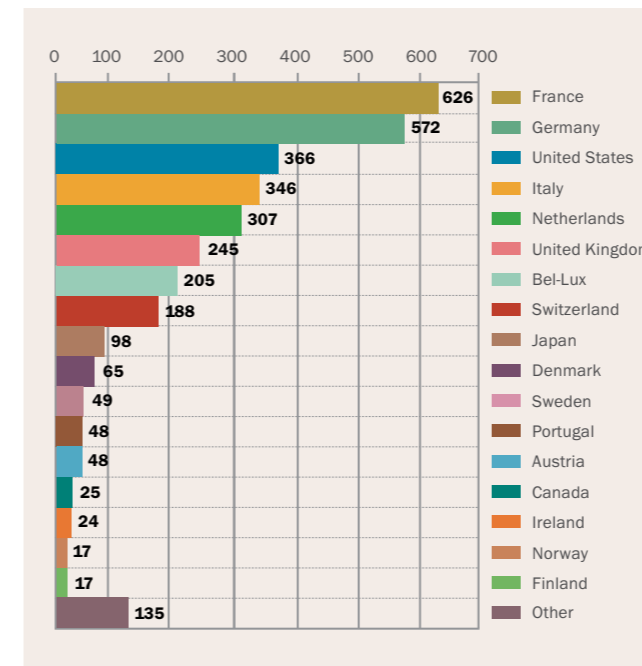
**17**  
**DISTRIBUTION BY SECTOR OF INWARD PRODUCTIVE FDI IN CATALONIA, 2010 (IN %)**



Source: Foreign Investments Register, Ministry for Industry, Energy and Tourism

Foreign companies play a very decisive role in the Catalan economy. At the end of 2010, there was a total of 3,381 foreign companies.<sup>3</sup> The following shows their origin by country:

**18**  
**DISTRIBUTION OF FOREIGN COMPANIES IN CATALONIA BY COUNTRY OF ORIGIN, 2010**



Source: Informa database - Invest in Catalonia - ACC10. Includes companies with 50% or more of foreign capital ownership

3. Just before this document was printed, on completion of the relevant research, through the Invest in Catalonia agency, ACC10 published new data on the number of foreign companies in Catalonia to which we refer. According to ACC10, the number of foreign companies in Catalonia at the end of 2011 was 5,061, appreciably higher than the figure of 3,381 companies at the end of 2010 provided by the same agency. The causes of this difference will certainly call for future studies. In any event, we feel that this new information does not change the validity of the conclusions of the study and clearly reinforces the recommendations made, especially those aimed at retaining and fostering the foreign companies already established in the Barcelona area.

One important aspect that should be mentioned is the high concentration of foreign companies established in Catalonia compared with the total number of companies established in Spain, a phenomenon that is particularly pronounced in the case of companies in which Japanese, Italian, North American and French capital have an interest, as shown in the following table.

**PERCENTAGE OF FOREIGN COMPANIES IN CATALONIA BY COUNTRY OF ORIGIN COMPARED WITH THE TOTAL OF THOSE ESTABLISHED IN SPAIN, 2011**

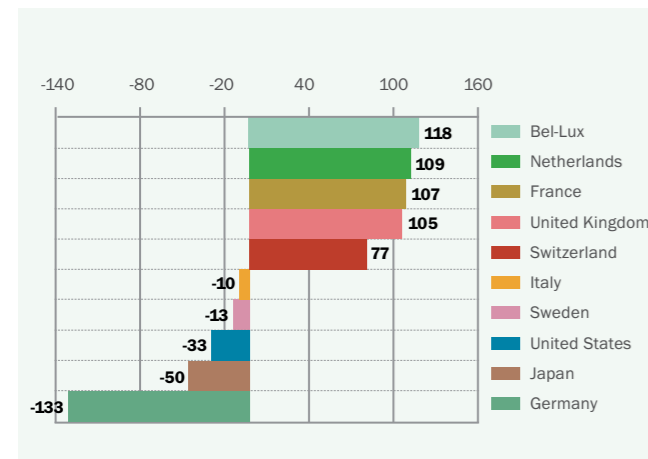
COUNTRY	% COMPANIES ESTABLISHED IN CATALONIA OUT OF THE TOTAL IN SPAIN
Japan	85.9%
Italy	67.1%
United States	63.0%
France	61.9%
Austria	56.4%
Switzerland	50.1%
Hong Kong	50.0%
Canada	46.7%
Germany	45.1%
Belgium	44.3%
Sweden	39.3%
Luxembourg	35.8%
Netherlands	34.7%
Denmark	33.2%
New Zealand	31.3%
Ireland	29.4%
United Kingdom	27.5%
Portugal	25.7%
Norway	25.4%

Source: Invest in Catalonia - ACC10. Includes companies with 10% or more of foreign capital



If we analyse the recent evolution of foreign companies established in Catalonia, we can see that in the 2006-2010 period, the number rose by 381 (a 13% increase). It is important, however, to underline that this net increase is the result of a fairly significant number of new companies arriving and other companies leaving.

#### 19 VARIATION IN THE NUMBER OF FOREIGN COMPANIES IN CATALONIA, 2006-2010



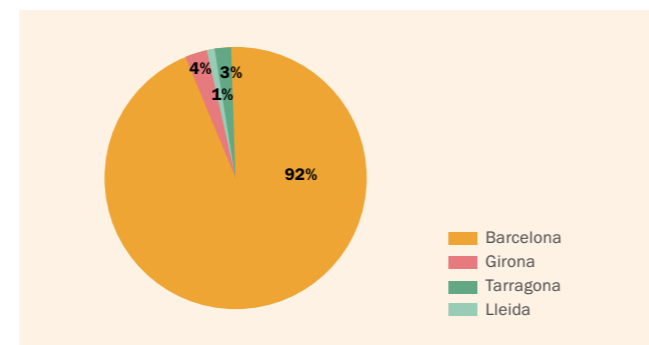
Source: Own production based on the Informa database

First of all, we should highlight the fact that in this favourable evolution of the number of foreign companies, the ones that have undergone the greatest growth are those from Belgium-Luxembourg, the Netherlands, France, the United Kingdom and, to a more moderate extent, Switzerland.

On the other hand, we should stress the significant fall in German companies (-133) during the 2006-2010 period. The number of companies from Japan, the United States, Sweden and Italy also underwent a negative evolution, although not as marked.

Finally, we should mention the remarkable geographical concentration of foreign companies in the Barcelona area, which leads the table with 92%. This is followed by Girona and Tarragona, with 3.5% each, and Lleida bringing up the rear with a symbolic 1%.

#### 20 DISTRIBUTION OF FOREIGN COMPANIES IN CATALONIA BY PROVINCE, 2009



Source: Own production based on the SABI database



Based on the information from the Iberian Balance Sheets Analysis System database (SABI), the research team drew up its own database containing basic economic information (ordinary revenue, number of employees and gross profit) for the 2006-2009 period for a total of 2,754 foreign companies registered in Catalonia.<sup>4</sup> The following conclusions can be gleaned from analysis of this information:

#### 1.

Growth was seen in 2007 and 2008 in the three variables considered, whereas in 2009 the economic crisis was strongly felt.

#### 2.

Total sales of these companies in 2009 was 14% less than in 2008 and very similar in absolute values to those in 2007.

#### 3.

We should also mention that the earnings before interest, taxes, depreciation and amortization (or EBITDA) fell in 2009 by 13% and was very similar in absolute values to 2006.

#### 4.

After three years of growth in job creation by foreign companies registered in Catalonia, 2009 recorded a 6% fall in total employment compared with the previous year.

4. The information in the SABI database comes from the deposit of companies' annual accounts in the Companies' Registry, which explains the delay of nearly two years in being able to work with reliable aggregated data.



# Qualitative Analysis



# 1. Foreign direct investment in the Barcelona area and its origin

Conducted using in-depth interviews and focus groups with participating experts and managers, the qualitative part of the study enables us to draw conclusions based on the majority opinions given with regard to a series of subject areas linked to FDI in the Barcelona area.

The subject areas put to the participants were the current state and future forecasts for FDI in the Barcelona area: where it is from; what the main attractions, weaknesses and obstacles are that have an impact on the attraction and securing process; what effects the crisis is having; what role is played by the existing infrastructures and human capital in decision-taking on FDI; what the sectors are that need promoting in terms of FDI; and how the foreign companies perceive the Barcelona brand.

The experts and managers consulted in the qualitative study felt that investment will continue to come from the developed European countries and the United States of America. Within the European countries, they quote France, Germany, the United Kingdom and Benelux as the principal driving forces.

In their opinion, the emerging countries (understood to be the developing countries that are experiencing rapid economic growth) will generally continue to be clearly inward foreign direct investment markets rather than outward markets with regard to FDI flows with the developed countries.

Consequently, they expect the to-date traditional foreign direct investment countries will continue to have the active role in the short term that they have had until now and that they will retain their relative weight in total foreign investment made in the Barcelona area.

On the basis of stating this reality with regard to the origin of foreign direct investment in the Barcelona area, the experts consulted see it as necessary to focus efforts in attracting investment on the traditional countries in the short term and on orienting and planning promotion policies towards the emerging countries in the medium and long term.

They put forward the idea of planning promotion policies with regard to companies from the emerging countries from the point of view that the large companies from the traditional investor countries are already present in Spain in general and, to a large extent, in the Barcelona area in particular.

Within these promotion policies aimed at the emerging countries, they prioritise target zones, most notably the more developed Asia, as a medium-term opportunity.



The experts consulted discern differences in terms of the aspects most highly valued by companies in emerging countries for investing in a foreign country in comparison with those valued by companies from the developed countries that are traditional sources of outward foreign investment. In this sense, access to technology and R&D support policies, together with the existence of some cultural-historical affinity with the target market, take on very great significance in the decision-taking process of companies in emerging countries.

Depending on this appreciation, the experts felt that once the emerging countries establish foreign direct investment flows into Europe in a systematic way (not purely occasionally), they may prioritise countries such as Germany and the United Kingdom as initial recipients of their FDI.

The participants in the study felt that the cultural and language affinity should favour the attraction of foreign investment from Latin American multinational companies into Spain. In this sense, though, they had the feeling that these companies had a preference for Madrid over Barcelona.

They highlighted that Madrid has played a more important role to date in attracting FDI from Latin America. However, with regard to FDI from Asian markets and the Mediterranean, they felt that Barcelona could have greater potential.

## Decision-making

There was a unanimous opinion that investment decisions in a foreign country continue to be taken mainly from the headquarters by managers located there.

However, the participants in the study stressed that the role of the local manager takes on a strong dimension in the decision-making process with regard to reinvestment and greenfield investments aimed at creating global specialist centres.

## Public grants

The experts and managers consulted said that public grants for foreign investment, seen as a pure economic subsidy, are slowly taking on a more subsidiary nature and have ceased to be a key deciding factor for companies.

There is the perception among the experts consulted that the policy of subsidies might have initial positive effects but that in the medium and long term they produce more negative effects. They define it as a system that holds us captive and they advise defining a new economic model to replace it.

By contrast, they felt that what companies are looking for and value is the existence of favourable conditions: for them to be given facilities that help them gain time and save money in the start-up and establishment stage.

In this vein, they stated that foreign investment has to come primarily due to intrinsic reasons, that is, because of the attractions and assets of the Barcelona area for FDI, and not simply for extrinsic reasons such as subsidies.



## 2. The principal attractions and weaknesses of Barcelona area in attracting FDI

### Assessment criteria used by companies in a foreign direct investment decision-making process

It was concluded from the participants' opinions that the assessment criteria has not changed with regard to the ones that had usually been considered. Consequently, and in general terms, the target aspects that are stated as most highly valued by companies, in order of importance, are as follows:

- The attraction of the market.
- The ability to access skilled human capital, from the point of view of both talent and skilled labour.
- A developed industrial fabric in its sector.
- A suitable level of infrastructures.
- The legal safety of the investment.
- The initial facilities in the start-up process and subsequent facilities in the investment management and control process.
- A competitive cost level: both start-up (land, offices, rental of commercial premises, etc.) and operational.
- A good level of knowledge of foreign languages.

### Principal attractions

In the opinion of the experts and managers, the principal attractions of the Barcelona area can be summarised in the fact that besides fulfilling the objective parameters required to attract foreign direct investment, it also enjoys a very positive perception in terms of qualitative parameters.

They felt, therefore, that the Barcelona area meets the minimum objective requirements mentioned above that companies value when investing in a country. In terms of these aspects, they all highlighted the attraction of the market, the access to talent and the level of infrastructures as the ones offering a higher rating of the Barcelona area.

Of the qualitative parameters valued regarding the Barcelona area, the participants highlighted three principal ones:

- The quality of life achieved from its location from a geographical viewpoint, stressing the importance of the climate and the proximity to the sea and the mountains.
- The nature of Barcelona as a city, which they classed as an attractive and cosmopolitan city with a high level of services and leisure and cultural facilities and of a size that makes it easy and accessible.
- Its location from a geo-economic point of view, highlighting the radial location with regard to southern Europe and the Mediterranean.



## 3. The principal obstacles to foreign investment in the Barcelona area

### Principal weaknesses

The professionals consulted all highlighted the fact that Barcelona not having the attributes of a national capital (for example, being the home of national regulatory agencies) prevents it to a large extent from having the lobbying effect that the political capitals of states have. They claimed that this removes it from the centres of power and decision-making in the political, economic and financial fields.

They also saw the fact that venture capital does not fluidly go to the Barcelona area as a weakness, which they feel hinders the option of launching good global initiatives.

In this sense, they felt that the domino effect of the trend of moving the central offices of large multinational companies to Madrid is a cause for concern.

Despite valuing the strength of its being a fashionable tourist destination, they stated the concern that this could go against the desired idea and perception of Barcelona as a business city.

They rated the cost of living in Barcelona as a weakness as they feel that it is an expensive city compared with other European cities.

They emphasised the as yet unresolved reality of an insufficient level of knowledge and implementation of English in the city and the business world.

The experts and managers consulted were unanimous in that the principal obstacle today is the economic situation, characterised by political uncertainty and the lack of credibility of the policies aimed at tackling it, aspects that they felt defined the situation in Spain in the autumn of 2011.

They said that viewed from outside, Spain is not presently seen as a growth market, which makes it clearly less attractive. They even perceive a current of opinion abroad that avers that Spain gives cause for doubt.

The participants showed concern for the bad image portrayed constantly by the media, mainly the international media, making it extremely difficult to attract foreign investment.

With regard to this, they called for communication and public relations measures by the public institutions aimed at changing the image and perception currently held of Spain abroad.

They rated the lack of any structural measures being taken due to the political cost that this might entail as a hugely significant obstacle.

They commented that the current regulation of the Spanish labour market was another obstacle that needs to be rectified. To this effect, they rated the labour relations model as being behind the times and too rigid as it does not aid flexibility.

An obstacle that they regarded as endemic is the bureaucracy and the lack of facilities by the various administrations. In this vein, they stressed that the establishment of foreign companies becomes a long and fragmented process often with unknown aspects that entail added costs.



## 4. The impact of the crisis

It was noted in the study that for investors regarded as traditional (companies from OECD countries), the difficulties of accessing local financing sources for undertaking the investment are not generally an obstacle as financing normally comes from the central offices. Despite this, it was stated that foreign companies also suffer the effects of the current credit restrictions indirectly as a consequence of the difficulties experienced by their local customers.

What they do see as an obstacle are the over-long payment terms in the private sector in Spain. This fact is decisive in some commercial operations not being approved by the central offices due to an issue of payment terms and conditions.

Also worthy of separate mention are the long payment terms of Spanish public administrations. Foreign companies see this aspect as inexplicable and unheard-of. In this sense, they rate highly the existence of commitments by some administrations to address this problem and progressively shorten payment terms.

The experts stressed the difficulties in trying to obtain permits and visas for non-EU national employees. This constitutes a clear hindrance in companies' ability to attract talent and to bringing in foreign entrepreneurs seeking to push forward internationally-oriented business projects in Barcelona (known as born global companies). This problem is heightened in the case of Asian origin.



The foreign companies established in the Barcelona area say that they are noticing the impact of the crisis, either directly or indirectly. In light of this unquestionable truth, we are interested in ascertaining what the future of foreign investment will be at a time of crisis such as the present one.

We should highlight the unanimous observation by the experts and managers consulted that the present difficulty in securing foreign investment is due to the bad market outlook. Despite this, there was also agreement with the idea that we need to continue to work with the aim of attracting new foreign investment in order not to lose ground with other cities or centres of operations ("hub cities", a concept we will be explaining later) or with other subsidiaries of the same multinational groups.

They base this opinion on the fact that multinational companies decide their investments with a medium- and long-term view. Therefore, in this sense, they believe that companies may already be planning new investments. The experts claimed that they knew of investments that had been shelved due to the global crisis scenario and which they felt could be taken up again at one time or another.

### A new focus in the sphere of foreign direct investment

The managers and experts consulted stated that we are seeing a new focus in the sphere of foreign direct investment on the basis of two main facts: the change in the destination of foreign investment and the promotion of the city as centre of operations and connections ("hub city") by large companies.

With regard to the change in the destination of foreign investment, the participants agreed that it is aimed mainly at the emerging countries. However, rather than highlight the attraction of the emerging countries, they stress what they see as a loss of ground of the OECD countries, led by Europe, as a destination for foreign direct investment. In their opinion, this loss of influence and attraction is

## 5. The importance of the infrastructures

even more accentuated with regard to the southern European countries.

With regard to the promotion of geographical hubs by the large corporations, the professionals consulted stressed that the crisis has driven forward a previously existing trend. They also perceive that when activating this trend, companies structure the hubs around the pole or catchment area of large cities.

The managers see the fact of promoting geographical hubs as both a threat and an opportunity depending on the competitive abilities of the subsidiary compared with others in the group.

In their view, the threat of this circumstance is that it gives rise to a situation of internal competition between the various subsidiaries of a multinational company. In this sense, they say that they are managing the existence of a real risk of loss of certain functional areas by a subsidiary, which could be left with just the more operational part of sales.

As an opportunity, the managers referred to the potential of creating global specialist units and shared service centres.

The managers consulted stressed that their corporate parent companies allocated the investment budget among the various subsidiaries primarily according to the forecast levels of profit and return. This means that the managers of the Catalan subsidiaries have to structure and defend constant reinvestment proposals that are competitive against other subsidiaries of the same multinational.

After a long period of demands by the Catalan administrations and civil society, the participants in the study expressed the general satisfaction that there is with regard to the level of infrastructures finally achieved in the Barcelona area.

When stating it, they did so not only as the expression of a personal opinion, but they stressed the fact that international companies and agencies value the infrastructures highly, which they class as modern and advanced.

Despite this general level of satisfaction, the professionals stressed that they feel that there are still three shortcomings of economic significance for the Barcelona area: the Mediterranean rail axis, the intermodal connections with the Port of Barcelona as backbone, and the scant intercontinental connections with Barcelona airport.

There is also the perception of some urgency to complete the high-speed train connection with France once and for all.

There is full agreement among the professionals on the problem of the lack of international connections, especially intercontinental ones, at Barcelona airport, as in their opinion it hugely hinders the creation of hubs. Here, they recalled the importance that "hub cities" acquire in the new focus of foreign direct investment.

The managers stated their dissatisfaction in terms of domestic connections, both in terms of destinations and their frequency. They commented that this gives rise to difficulties when arranging Spanish internal meetings in Barcelona. They claimed that this means that they have had to decide on several occasions to hold meetings, conventions or events in another Spanish city even though the headquarters are in Barcelona.

With a general state of satisfaction regarding infrastructures on a macro scale, companies asked for emphasis to be placed on infrastructures on a micro scale. They commented that the good image and operation achieved on a macro scale is not reflected on a micro scale on the various business parks and industrial estates where they



## 6. The human capital asset

are located. They highlighted shortcomings in telecommunications (connections and cover), services (basically transport and restaurants), infrastructures (scant lighting) and investment in maintenance.

They felt that the public transport system in the business parks and industrial estates is inadequate. They stated that frequency is limited during the standard working day, and that outside the standard times and at night, they regarded it as practically non-existent. This hinders the 24-hour shifts that are required, for example, in shared service centres (SSC).



### Technical and managerial talent

With regard to talent, the experts and managers consulted felt that the principal characteristic of Barcelona is that it is both a provider, in reference to the existence of internal talent, and a magnet, in reference to the ability to attract outside talent.

They generally expressed a very positive valuation in terms of the professional quality of the local managers. They marked highly the level of university education in the Barcelona area and highlighted engineering degrees over other courses. They also emphasised the good management skills due to the fact that Barcelona has some very good internationally acclaimed business schools.

From the point of view of the participants in the study, there are two main shortcomings in terms of local talent: the limited use of languages in the business world and the scant international experience as a result of the low tendency to work and live abroad.

### Skilled personnel

The experts and managers consulted agreed in the critical opinion regarding the level of skilled technical training, referring primarily to the level of mid-grade professionals. They felt that this is a result of what they termed severe shortcomings in vocational training. They highlighted the fact that they perceive this as a structural issue in the country.

They felt that a key factor in the development of companies in the country is having personnel with technical skills, and it is therefore an important criteria when deciding to make labour intensive industrial foreign investment.

## 7. Strategic sector proposals

### General considerations

The opinion was widespread among the participants in the study that the attraction of investing in the industrial sector is lost in Spain. In other words, they see a future scenario of large-scale foreign industrial investment in Spain in general and in the Barcelona area in particular as unlikely.

What they do see is some option of attracting industry when it is highly dependent on the logistics factor. They felt that in this case, Barcelona's favourable location with regard to the Mediterranean arc, together with the existing logistics infrastructure, afford it a competitive advantage that companies rate positively.

Despite this general vision of not expecting foreign industrial investment, they felt that efforts should be focused on the area of global services for industry (stressing engineering) and on the option of securing subcontracting of second-tier processes of SMEs as options for attracting industrial activity and investment.

The experts and managers felt it was necessary to promote the traditional sectors of the Barcelona area, which they believe are and could continue to be competitive. In these traditional sectors that require promotion, they list the pharmaceutical, chemicals, food and textile/fashion sectors.

It was the general opinion of the participants that efforts need to be focused and prioritised on future investments. In this sense, they proposed detecting what the priority sectors at a European level will be. Once listed, they felt that they should be analysed to identify the ones that are not easily delocated and, for these, assess whether the Barcelona area has the ability and resources to be competitive.

An activity that the professionals consulted unanimously stressed when setting out priorities was promoting innovation. To this effect, they felt it was necessary to develop an innovation network in the Barcelona area. They argued that Barcelona could play an important role in the field of innovation, primarily in the development of collateral applications for existing central products.

### Specification of sectors that should be promoted

Participants' opinions coincided in the need to focus effort on promoting the services sector as a great economic asset of the future of the Barcelona area, together with certain more knowledge-intensive industrial sectors. Here, they stressed the need to promote development with the idea of achieving excellence.

The experts and managers consulted cited six large sectors as the main ones on which promotional efforts should be centred to secure foreign investment:

**The logistics sector.** The strategic location of Barcelona and the potential of the Port of Barcelona headed the professionals' arguments as a great asset for promoting a logistics platform in the Barcelona area and positioning the city as the Mediterranean benchmark in the logistics sector. This also has major positive implications for the industrial fabric of Catalonia as a whole.

**The information and communication technologies (ICT) sector.** In a more particular sphere, they focused priorities on the software sector, the digital industry and the audiovisual industries. The location of the National Telecommunications Commission in Barcelona, the presence of a number of major multinational software companies, 22@ and the staging of the Mobile World Congress in Barcelona are strengths mentioned by the experts.

**The biotechnology sector.** With regard to biotechnology in general, they recommended promoting applications in the medical-pharmaceutical field and the food industry, which are sectors with a long tradition in Catalonia.

**The sectors linked to creativity and culture.** Within this definition, they cited the design, fashion and cultural industries sectors.

**The tourism sector.** The participants in the study commented on the success achieved by Barcelona as a top level tourist destination. However, based on this, they proposed promoting high-quality tourism revolving around the gastronomy-leisure-culture axis.

The development of cruise tourism was also highly rated. Despite this, the participants called for some reflection on making opening hours in Barcelona more flexible, to ensure maximisation of the tourism impact of the cruise ships. They also proposed fostering business tourism.

**The talent-intensive services for people sector.** The definition of this is channelled in two areas: promoting the idea of Barcelona university campus and making a commitment to healthcare associated with the Barcelona medical centre concept. The participants founded their proposals on the existence of highly-acclaimed and prestigious top level professionals and institutions in the Barcelona area.

### Born global companies

There is the perception among the experts that the attraction of Barcelona as a city in which to work and live is an asset that should be used to attract entrepreneurs from other countries with business projects of international scope (the so-called born global companies).

The trait that the experts consulted most stressed of born global companies is their importance in terms of scalable projects. Born global companies in a city create reputation and generate opinion, even though they might not create significant volumes of jobs in the first instance. They felt that in themselves it was difficult for them to be able to generate viable projects of a certain size. To this end, they thought it was necessary to look for the mechanisms to enable these entrepreneurs to interact with the large companies present in the region.

They also see the need to involve universities and business schools in the project to secure and develop born global companies in the Barcelona area.

They proposed active policies to secure entrepreneurial profiles, potential creators of born global companies, aimed at students and professionals who visit the Barcelona area, be they for academic purposes or to attend conferences.

### The creation of global specialist centres

The participants in the study see an opportunity in the growing trend by large multinational corporations of creating global specialist centres to attract foreign direct investment to the Barcelona area, primarily through the foreign companies already established here.

In the opinion of the managers and experts consulted, the creation of global specialist centres is the result of the strategy of large corporations of decentralising investments in their group, prioritising functional or business line specialisation.

They claimed that this decentralisation began with certain specific functions of R&D departments but that it has now been extended to all areas of business activity: marketing, finances, logistics, customer care.

According to the opinion of managers, the evolution of the concept of the creation of specialist centres is even giving rise to the development of newly-created global business lines. The managers stated that the respective subsidiaries of a multinational corporation compete one against each other for a good position. The objective is to attract possible investment from the central offices, both to create specialist business activity centres and to create new business lines based on the existence of resources and skills unique to the local subsidiaries.

In order to have a chance of receiving foreign investment structured in the form of a global specialist centre, the managers consulted stressed the need to create the necessary conditions of an open innovation system in the Barcelona area to be able to be considered a competitive option.

As part of these necessary conditions, they mentioned the development of the infrastructure required, the attraction of leading companies (which have a magnet effect) and a strong business-university-venture capital connection.

The managers commented that to achieve investment aimed at creating global specialist centres, the entrepreneurial spirit and the credibility of the local management teams in the eyes of the central offices of their companies were also key.

### The creation of shared service centres (SSC)

With regard to the specialist centres mentioned above, the managers and experts taking part in the study deemed that the creation of shared service centres (SSC) by multinational companies is a good opportunity for securing foreign direct investment in the Barcelona area.

They define SSCs as organisational units of the corporation that provide back office support to the various subsidiaries (their internal customers) and take care of carrying out certain processes and activities that were previously done in a decentralised way, thus eliminating redundant processes and systems. For example, the processes of accounts, administration, marketing, sophisticated levels of customer care, pre-sales and after-sales service and others are usually replicated in the internal divisions of the various subsidiaries of a multinational. What the SSCs do is consolidate some of these processes or activities into a single unit.

In the opinion of the professionals consulted, the SSCs are a management model that reduces costs, simplifies processes and generates value. They felt that the characteristic of generating value is one of the key elements that differentiate SSCs from other centralised services that require less skilled personnel, as is the case of call centres.

The participants were of the opinion that, generally speaking, the Barcelona area is not competitive enough – due to costs – in terms of call centres. Barcelona is only competitive for call centres that need to secure personnel from a range of origins as a requirement for attaining a large range of languages. In this case, the attraction factor of the city gives it a huge advantage. The managers consulted highlighted the importance of being able to secure some type of shared group service for their subsidiary or business unit as a way of retaining relative weight in the corporation and of maintaining a level of investment in the business unit.

The reality analysed shows us the existence of SSCs in the Barcelona area that have grown after an initial trial phase, which leads to our being able to speak of second-generation SSCs.

The personnel profiles of SSC members comprise mainly foreign graduates with a clear interest in geographical mobility and who value the attraction of the Barcelona area as a place in which to work and, especially, live. In this sense, the Barcelona area plays a dual role: as an initial attraction factor and as an element of subsequent retention-loyalty.

The experts stated that this loyalty is defined by the existence of a lower level of staff turnover in the SSCs in the Barcelona area compared with those in other cities, which results in better quality service for companies.

## 8. The Barcelona brand

### Its global positioning

There is evident unanimity among the professionals consulted in the study regarding the powerful strength and great value of the Barcelona brand.

Both the experts and the managers stated that everyone wants to come to Barcelona to work, to live, to take part in a conference or to attend a trade fair.

They therefore said that the ability to attract is a huge strength, in addition to which they stressed the perception of solvency that the city has when organising any type of international event: they felt that the organisational ability and professionalism are never in doubt. They believed that Barcelona combines attraction and solvency, which increases the chances of success.

They insisted, however, on the idea that it has to go from the perception of a tourist city to one of a business city. The majority of the participants recommended the option of positioning Barcelona as the Mediterranean business capital. With this positioning, the aim would be to establish Barcelona as the business hub for southern Europe and the Mediterranean area.

In order to achieve this aim, they felt that the willingness to strengthen the values of Barcelona as an open, cosmopolitan and modern city was key.



### The role of the Barcelona brand

The participants in the study stressed the importance of choosing a brand that positions the region.

In this vein, they showed a clear tendency to promote the Barcelona or Greater Barcelona brand rather than enhancing the Catalonia brand. In favouring the Barcelona brand over the Catalonia brand, they argued the following relevant aspects:

- Barcelona has a much higher profile.
- Barcelona has a more defined positioning, easier to make tangible, understand and perceive.
- The existence of a certain perception and tendency to make the positioning of the brand/city integrate that of the region.

The participants mentioned the existence of certain outside opinion that relates the Catalonia brand with an identity factor that is neither well perceived nor well understood abroad and that could determine investment decisions.

In this sense, the participants felt it more effective to sell always more positively the differences that could be derived from an identity factor (culture, language). They proposed taking the difference to the economy and business world, emphasising that Catalonia and the Barcelona area have better opportunities for emerging from the crisis. They felt it a good idea to carry out active communication policies in this vein.

## 9. The opinion of former ESADE students

Complementary to the qualitative research, we conducted a survey in collaboration with the ESADE Alumni Association asking, among other aspects, about the attraction of Barcelona as a destination for FDI. The survey was aimed at the group made up of former students from this business school who work outside Spain, many of them foreign and all with a good knowledge of Barcelona.

With all reservations necessary for the bias that this group might have, the results, shown below, coincided strongly with those from the field work in the study.



### PRINCIPAL RESULTS OF THE SURVEY OF FORMER ESADE STUDENTS

#### IN WHAT SECTORS DO YOU THINK THERE IS MORE POTENTIAL FOR ATTRACTING FDI TO BARCELONA? (TWO OPTIONS COULD BE CHOSEN)

Tourism	78.1%
Fashion	51.4%
Business services	34.3%
Software / ICT	21.9%
Biotechnology / Pharmaceutical sector	21.0%
Health / Medicine	17.1%
Consumer products	15.2%

#### WHAT ARE THE MAIN FACTORS ON WHICH BARCELONA'S ABILITY TO ATTRACT LIE? (TWO OPTIONS COULD BE CHOSEN)

Quality of life	72.4%
Adequate infrastructures	50.5%
Talent and quality of human capital	46.7%
Innovation	36.2%
Labour costs	18.1%
Stability of the regulatory environment	12.4%
Size of the market	8.6%

#### HOW WOULD YOU RATE THE CITY OF BARCELONA?

	Very negatively	Negatively	Neutral	Positively	Very positively
From the manager's point of view: city in which to live and work	0.0%	1.0%	5.8%	43.3%	50.0%
From the company's point of view: city in which to do business	0.0%	5.8%	39.4%	47.1%	7.7%



## 10. Summary of conclusions of the qualitative analysis

By way of a summary, the principal conclusions of the in-depth interviews and the focus groups with experts and managers from foreign companies have been structured in a SWOT analysis (strengths, weaknesses, opportunities, threats) of the Barcelona area in terms of its potential to secure foreign direct investment.



### SWOT ANALYSIS OF THE BARCELONA AREA'S POTENTIAL TO SECURE FOREIGN DIRECT INVESTMENT

#### STRENGTHS

- The strong asset provided by the **Barcelona brand**.
- Barcelona as a top level tourist and events organisation destination.
- **The high level of quality of life** in the Barcelona area.
- The combination of **capacity for attraction and perception of organisational solvency** that Barcelona enjoys.
- The unique nature of Barcelona as both a **talent** provider (internal) and talent magnet (external) city.
- The **professional quality** of the local managers and the existence of a high level of universities and business schools.
- The satisfactory level that has been achieved in terms of large infrastructures in the Barcelona area.
- The existence in the Barcelona area of a series of traditional sectors with a competitive base and development capacity to attract FDI.
- The development of the existing shared service centres, which leads us to speak of **second-generation SSCs**.
- The existence of a good basis of **renowned foreign companies** in the Barcelona area with the ability to be able to make new investments.

#### OPPORTUNITIES

- The promotion of the role of "hub city" by large companies as a pole of creation and development of business and innovation networks.
- Establish Barcelona as the administration and **business centre for southern Europe** and the Mediterranean area. The existence of a series of sectors that should be promoted for FDI in which Barcelona is especially attractive and competitive is a clear asset that strengthens this.
- The trend by multinational companies of creating **global specialist centres and shared service centres around the hub cities**.
- The existence of a willingness by foreigners to want to come and work, live, take part in a conference or attend a trade fair in Barcelona. This **capacity of attraction** that the city has may help secure entrepreneurs from other countries with born global business projects.
- The emerging countries will, in the long term, become outward FDI markets.

#### WEAKNESSES

- The fact that **Barcelona is not a capital city**, which hinders its benefiting from the lobby effect.
- Venture capital does not fluidly go to the Barcelona area.
- The present regulation of the Spanish employment market together with the perception of **a legislative and fiscal regulatory environment that is not sufficiently favourable and stable**.
- **Specific shortcomings in key infrastructures:** Mediterranean rail axis, intermodal connections at the Port of Barcelona and still scant inter-continental connections from the airport.
- Better positioning as a tourist city than as a city in which to do business.
- **Perception of expensive city** in comparison with other European cities.
- Shortcomings in the level of mid-grade skilled technical training.
- An insufficient level of knowledge and command of **languages** in the city and business world.
- **The lack of soft landing** policies for foreign companies and managers.

#### THREATS

- The global economic crisis is resulting in a significant fall in world FDI flows, primarily those aimed at developed markets. The fall is leading to **a high level of competition** between the different areas and cities in a position to receive FDI.
- FDI flows are aimed primarily at the **emerging countries**, which are appearing as the main competitor in attracting FDI. Europe has lost centrality and it is proving to be difficult for multinationals to justify new investments. This fact is intensified with regard to southern European countries.
- **Risk of the loss of certain functional areas by subsidiaries** due to: 1. the trend towards centralisation of operations, and 2. the evaluation of the investments that need to be made by the central offices according to criteria of yield and return on investment. As a consequence, this has given rise to a state of competition between the various subsidiaries to secure FDI.
- The situation of **political and economic uncertainty that Spain is undergoing**, and the fact of its not being perceived as a growth market. This threat is augmented by the bad image of the Spanish economy shown by the international media.
- The FDI cycle for the Barcelona area planned some years ago is in the final stage of maturity.



# Recommendations

Based on the results obtained throughout the study, collated in the previous sections of this report, the research team has drawn up a series of recommendations relating to the policy of securing FDI in the Barcelona area. The content of each of the recommendations has been compared with a selection of the experts taking part in the study, and there was a broad consensus. The following are the details of these recommendations.

## 1.

Implement a policy that reinforces the attraction and securing of foreign direct investment (FDI) in the Barcelona area, focusing on the long term and from a defined strategic point of view.

The defined strategic point of view should align the desired positioning of Barcelona in the eyes of potential international investors, the economic sectors where efforts to attract FDI need to be concentrated, the new added and differential values that need to be developed, and the agents who have to make it possible.

It will be key in this process to focus the objectives that are to be achieved, prioritise the sectors that need promoting and bring together a common, integrated and coordinated vision among the public and private spheres about the role of Barcelona in the world. In short, we are facing the necessary start of a new cycle of policies to secure FDI in the Barcelona area.

## 2.

The policy of securing foreign investment should be geared towards achieving a dual objective.

A. The diversification of the origin of FDI in the Barcelona area: To this effect, it would be a good idea to orient and plan promotion policies that seek to attract and secure investment with regard to the emerging countries.

This is medium- and long-term planning with regard to the majority of the emerging countries. Despite this, the differentiated role of China should be considered, which does act as an outward FDI market, even though it has not done so actively towards European countries, with some individual exceptions.

China plays an important role as outward FDI market on the African continent. We need to study the possibility of triangulation operations that involve Chinese investment regarding goods or services that are complementary to the central investment that these companies make in various African countries where it is difficult for them to obtain them. Barcelona's logistics infrastructures and geographical proximity are assets that should be promoted in this sense.

B. The proactive management to retain and foster foreign companies already located in the Barcelona area: This is of great importance as in the short and medium term, the bulk of the FDI will come from multinational companies from developed economies that are in the main already established in the Barcelona area.

Retention has to be structured through the creation of loyalty programmes with improvements to the conditions of the business environment.

In this vein, special care needs to be taken regarding multinational companies located in the Barcelona area that work in the area of regulated sectors or business services and that are greatly dependent on the national capital status.

The aim of proactive retention requires the activation of leverage policies aimed at increasing the activities of established companies with investment potential. In this vein, it is a good idea to work on dynamisation with a view to being able to detect opportunities.

The environmental conditions need to be defined, established and promoted so that subsidiaries established in the Barcelona area can be competitive in their aims to create global specialist centres or shared service centres.

In this sense, the creation of communication and institutional collaboration ties with the managers of the local subsidiaries is necessary, as their role is key in decision-taking for this type of investment by the central offices of multinational companies.

## 3.

Continue to develop the positioning and management strategy of the Barcelona brand with the aim of reinforcing its reputation and value on the basis of a clear and unique proposal to convey to foreign investors. The fostering of Barcelona's reputation is based on the existing assets and strength of the brand.

This recommendation is founded on the economic importance that the "hub city" concept is acquiring, combined with the huge asset of the Barcelona brand.

With regard to the proposed positioning and brand value that should be constructed, the proposal made by the experts and managers consulted in this study of positioning Barcelona as the Mediterranean business capital should be valued and studied.

## 4.

Create and develop the necessary conditions of an open innovation system for the Barcelona area to be regarded as an attractive and competitive option.

It would be ideal to establish actions to secure companies in innovative sectors and sectors related to information and communication technologies.

The availability of venture capital geared towards foreign direct investment operations would facilitate the arrival of these capital flows. Appropriate tools need to be provided to aid the initial entry phase – providing the sureties or guarantees that help afford access to the required financing – and the subsequent project scalability phases.

A key aspect in constructing this innovation system is to give foreign investors trust and security through the establishment of a clear legal framework and stable tax legislation in the sphere of FDI.

## 5.

Draft active policies to secure talent, placing the emphasis on the idea of attracting and securing the best talent in the strategic sectors that are to be promoted, and aid their arrival and start-up process.


There is an opportunity to secure talent and professional profiles of foreign entrepreneurs with born global business projects among the students and professionals who visit the Barcelona area, be they for academic purposes or to attend conferences.

However, assuming that talent goes where there are opportunities, the right ecosystem for this needs to be created. We stress the importance of concentrating efforts and resources on the sphere of innovation in order to attain positive dynamics that offer feedback: talent generates innovation, and this acts as a pole attracting innovative projects in both established and emerging sectors.

## 6.

The policy for attracting and securing foreign direct investment (FDI) in the Barcelona area calls for the creation and formalisation of soft landing systems that aid the process of arrival and start-up of new companies. However, the soft landing policy should not be based on the idea of public grants. A new focus geared towards establishing a business-friendly environment needs to be defined.





# Appendix: Study Methodology

## Methodologies used

Research can be divided into primary and secondary research. Primary research generates new information directly by asking the economic agents directly involved in the phenomenon under study. There are numerous primary research techniques, each of which has its advantages and drawbacks. Quantitative techniques (for example, surveys with representative samples) can give us a better estimation of the dimension of certain variables, even though they may be redundant if there is good secondary information. For their part, qualitative research techniques (for example, focus groups or in-depth interviews) allow us to go more deeply into understanding complex phenomena, understand the underlying causes and identify trends.

By contrast, secondary research uses all of the existing information, such as studies and reports published on the basis of official statistics, surveys, databases, public records, etc. It can provide us with quantitative information, which is normally key to evaluating an economic phenomenon. However, it usually refers to the past rather than to the future and it does not always include the direct opinion of the economic agents involved.

With the mission of achieving the specific research aims and to identify opportunities and generate new policies, we decided to combine quantitative analysis based on secondary information (FDI statistics) with the use of principally qualitative research techniques. In fact, since each of the methodologies displays strengths and weaknesses, we decided to use a combination that was appropriate to the study and to the present situation: focus groups with foreign company managers, with a broad representation of sectors and countries of origin, in-depth interviews with managers of relevant companies in this group, and interviews with local experts linked with inward FDI in Catalonia from chambers of commerce, consulates and consultancy firms.

The following gives a brief description of the main characteristics of the information sources consulted and the field work carried out in drafting this study.

## Secondary information analysis

The research team consulted a number of information sources regarding foreign direct investment both inside and outside Spain with a view to ensuring the comparability of data wherever possible.

The main sources of information were the UNCTAD Foreign Direct Investment database and the Datainvest database of the Ministry for Industry, Energy and Tourism. Other sources were also consulted, as well as numerous studies and reports, most notably the following:

[World Investment Report 2011](#) – UNCTAD (United Nations Conference on Trade and Development)  
[Investment Prospects Survey 2010-2012](#) – UNCTAD (United Nations Conference on Trade and Development)  
[World Economic Situation and Prospects 2011](#) - UNCTAD (United Nations Conference on Trade and Development)  
[Informa database](#) – ACC1Ó/Invest in Catalonia  
[SABI](#) (Iberian Balance Sheets Analysis System) and Amadeus databases  
[Foreign investment in Catalonia and Catalan investment abroad in 2010](#) – Barcelona City Council (Economic Promotion Department)  
[Foreign investment in Catalonia and Catalan investment abroad in the first quarter of 2011](#) – Barcelona City Council (Economic Promotion Department)  
[Note on FDI inflows in Spain in 2010](#) – Foreign Investments Register, March 2011 – Directorate of Strategy and Development. Invest in Spain. Ministry for Industry, Energy and Tourism.

Using this information, the team analysed the values of the principal variables relevant to foreign investment in Barcelona, especially the evolution of FDI in the world, in Spain and in Catalonia and Barcelona, its countries of origin and the destination business sectors, and the number of existing foreign companies.

Even though there is a lot of statistical information regarding FDI inflows, we should also stress a significant limitation when referring to their origin: the statistics only include the origin of the last outward country, which may be different from that of the original outward country. The favourable fiscal treatment that certain countries offer foreign investors, as is the case of Belgium, Ireland, Luxembourg, the Netherlands and the United Kingdom, means that these countries act as a springboard from which multinational companies invest in Europe. This has dual consequences: one is that the official statistics do not allow us to know what the countries of origin of the investment are, and the other is that the last outward countries are over-represented.

With regard to the analysis of FDI flows, the research team benefited from the accumulated experience of the ESADE-ICEX Observatory of Spanish Multinational Companies (OEME) in this type of study. It also consulted a recent study led by Professor J. F. Valls on the Barcelona brand and its projection abroad.

## Interviews with experts

In an initial phase, the researchers conducted in-depth interviews with experts related to foreign direct investment operations in Barcelona and Catalonia. With this aim, they identified and selected a numerous group of representative experts from chambers of commerce, foreign consulates, firms of lawyers and specialist consultants. The interviews with experts were held between June and September 2011.



The organisations participating in this part of the field work were the following:

[ACC1Ó](#)  
[American Chamber of Commerce in Spain](#)  
[Barcelona Metropolitan Strategic Plan Association](#)  
[British Consulate-General Barcelona](#)  
[Business China](#)  
[German Chamber of Commerce for Spain](#)  
[Italian Chamber of Commerce in Barcelona](#)  
[Barcelona Chamber of Commerce, Industry and Shipping](#)  
[Casa Àsia](#)  
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[PIMEC](#)  
[Hong Kong Trade Development Council](#)  
[Chambre de Commerce et d'Industrie Française de Barcelone](#)  
[Cushman & Wakefield](#)  
[Consulate General of Mexico in Barcelona](#)  
[Consulate General of Switzerland in Barcelona](#)  
[Honorary Consulate General of India in Barcelona](#)  
[Fira de Barcelona Exhibition Complex](#)  
[Garrigues Law Firm](#)  
[Hunivers](#)  
[Quebec Office in Barcelona](#)  
[Port of Barcelona](#)

Besides this, in Barcelona City Council, the research team interviewed managers from Barcelona Activa and 22@Barcelona.

The results of this first phase of the qualitative research enabled us to identify the main subject areas that needed to be researched: the drivers and the obstacles to foreign direct investment and emerging trends.

### Focus groups with managers

The focus groups with managers of foreign companies were highly effective in identifying the principal points of agreement between the main types of companies studied. The focus groups were held between July and September 2011. Three workshops were organised, ensuring that the composition of the companies represented offered some variety in order to gather different geographical and sectorial viewpoints:

**Developed countries**, traditionally outward FDI to the Barcelona area and Catalonia (Germany, Japan, United States, France, United Kingdom, etc.).

**Emerging countries**, potentially of interest in the future (Brazil, Mexico, Turkey, China, Russia, other Latin American countries, etc.).

**Traditional sectors**, linked to manufacturing, business services and logistics.

**Emerging sectors**, related to ICT, biotechnology and born global companies.

### In-depth interviews with managers

These personal interviews enabled us to complement the focus groups and ensure that the research team obtained viewpoints from all the most relevant sectors and geographical areas. However, they also afforded us in-depth knowledge of the successful or failed investment operations and allowed us to explore the decision-making mechanisms better with the advantage provided by the confidentiality of the information given in the interview.

In the field work with companies, managers from the following firms took part in the various focus groups or were interviewed personally: Adobe Systems Ibérica, Akzo Nobel Packaging Coatings, Amgen, Bionexo, Círculo de Lectores, Diset, DSM, Euromadem, Geberit, Gore, Haribbo, Harvard University, Henkel Ibérica, HP Española, Huawei Technologies Espanya, Lidl, Manpower, Media Planning, Pfizer, Ricoh, RWE Innogy Aersa, Schneider Electric, Sysmex Iberia, TAPSA BCN Publicitat, Timberland and University of Chicago.

### Topics explored with the experts and managers

The focus groups and the interviews with managers and experts covered a wide range of subject areas related to foreign direct investment in Barcelona. Without aiming to be exhaustive, we would like to highlight the following:

- Foreign investment decision-making process
- Approved and rejected investments
- Key factors in decision-taking
- The role of the local manager
- Attractions of the Barcelona area
- Principal weaknesses
- Cities with which it competes internationally
- The infrastructures
- Talent and skilled personnel
- The city and its international image
- The impact of the crisis
- The emerging countries and their new role in this phenomenon
- Opportunities for Barcelona
- Key sectors that should be promoted
- Possible measures for fostering FDI

An advantage of the use of qualitative research techniques has been the possibility of adapting the subject matter to each sector and company, and to the knowledge and interests of the people contacted, affording the researchers a three hundred and sixty degree vision of the subject area studied.

### Survey of former ESADE students

Finally, we should mention that thanks to the collaboration of the ESADE Alumni Association, the research team conducted a survey of former students who work outside Spain. The aim was to find out their opinion about Barcelona in relation to its attraction in terms of FDI. The former students, many of them foreign, had the opportunity to find out the economic reality of Barcelona during their stay in the city to study at the ESADE business school, and their perception might complement the contributions of the experts. It is evident that there is a clear bias in this sample, but it was felt of interest to conduct it by sending an online questionnaire. We received 105 completed surveys, which despite not being a representative sample, does give an idea of their perceptions.

### Validation of the conclusions with experts

As a summary, the research team conducted a new round of consultations with a selection of the experts contacted at the start of the field work with the aim of identifying areas of consensus and so attain greater meticulousness when establishing the conclusions to the study and offering a series of recommendations.

In this phase, as has just been mentioned, the central issues were the evaluation of the present and future attractiveness of Barcelona, the principal obstacles and drivers of FDI, the sectors and types of investment in which the greatest opportunities for the city lie and the priority measures that need to be adopted.



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In the framework of:



**Ajuntament  
de Barcelona**