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Inward FDI in Spain and its policy context

by
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Inward foreign direct investment (IFDI) into Spain boomed during most of the 2000s, with IFDI stock quadrupling from US$ 156 billion at the end of 2000 to a record high US$ 604 billion by the end of 2010. The bulk of this investment originates in Europe: it represented over three quarters of the total in 2003, reaching 85% by 2009. In recent years, Spain has started to receive increasing investment flows from Latin America and the Gulf Arab countries, in addition to investment from other emerging markets, particularly China. Leading industries attracting inward FDI have traditionally included automobile and retail businesses, while the sale of former monopolies, such as the utilities, and Spain's emerging move toward world leadership in renewable energies are providing fresh impetus for investment. Despite a slow-down in 2009 as a consequence of the global financial and economic crises, Spain has been successful in retaining its FDI stock over the decade 2000-2010, which augurs well for its future performance. Although FDI inflows fell noticeably in 2009, FDI inflows in 2010 confirm that a substantial recovery has been achieved. The Government maintains an active inward FDI policy focused on ensuring that Spain is an easy and attractive place for investment, offering incentives for investment in designated sectors regarded as important for economic growth.

Trends and developments

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In the 1970s, Spain was a relative backwater as regards inward FDI. This changed by the mid-1980s, thanks to Spain's re-emergence as a democracy, its incorporation into the European Union in 1986, as well as its continued commitment to market liberalization, spear-headed by membership in the General Agreement on Trade and Tariffs (GATT).[1]

Country-level developments

In the 1990s, moderate increases in Spain's inward FDI occurred, when the stock rose by 90%; but it was in the decade from 2000 that FDI stock soared dramatically, rising by 300% during 2000-2009, to reach US$ 628 billion by the end of 2009 (annex table 1).

As regards capital stock in Spain, it is worth emphasizing how Spain has generally been more successful than its peers in retaining capital. During 2007-2008, the United Kingdom and Germany saw their stocks fall by 21% and 9% respectively, while in France it remained almost constant. In contrast, the Spanish stock grew moderately, by 0.5%. The latest figures released on FDI inflows in 2010 show growth of nearly 42% with respect to the previous year, at US$ 33.6 billion. Of this, nearly 60% was accounted for by the expansion of previously existing foreign firms in Spain, and the rest, by acquisitions.[2] As we discuss in the conclusions, the crisis has engendered an increase in inward FDI from sovereign wealth funds particularly from China and Gulf Arab countries.

FDI inflows during this decade started at US$ 40 billion in 2000, dropped to US$ 25 billion by the middle of the decade, but then saw momentous increase in 2007 with US$ 64 billion and in 2008 with US$ 77 billion (annex table 2). The upward trend was interrupted by a steep decline in flows (to US$ 9 billion) in 2009, following the global financial and economic crises, but IFDI began to recover in 2010, when inflows rose to US$ 21 billion.

As regards the sectoral distribution of inward FDI during the 2000s, the services sector dominated overall. During 2005-2008, services accounted for between twice and thrice the inward FDI (IFDI) stock in the secondary sector (annex table 3). Much of these investments in services were concentrated in the large urban areas, particularly Catalonia, the Basque Country and Madrid.[3] Despite this domination by FDI in the services sector in the late 2000s, FDI in the primary sector, mainly agricultural, grew fastest (243%) between 2005 and 2008, followed by that in the secondary sector (168%) and then that in the services sector, dominated by financial services (113%). IFDI stock in the services sector actually fell slightly toward the end of the decade.

Within manufacturing, the highest growth of IFDI between 2005 and 2008 took place in metal and mechanical products (661%) and radio, television and communication equipment (363%), while in services, high growth occurred in transport, storage and communications (11,646%) and financial intermediation, except insurance and pension funding (4,300%).

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[1] Julio Tascón, *La inversión directa en España* (Madrid: Minerva-Universidad de Oviedo, 2008).
[2] Invest in Spain, "Note on 2010 inward FDI data: Investment Registry" (Madrid: Invest in Spain, 2011).
[3] Invest in Spain, "Informe 2010" (Madrid: Invest in Spain, 2010), p. 8.

From the 1980s to the present, the vast majority of FDI into Spain has originated in other European countries. In absolute terms, the leading sources in 2003 and 2004 were the United Kingdom, United States, and the Netherlands, with Germany in fourth place in 2003, to be replaced by Luxembourg the following year (annex table 4). The Netherlands (247%), Luxembourg (160%) and France (138%) are the countries that most increased their FDI in Spain over the period 2003-2009. By 2009, as Spain felt the consequences of the global crisis, the leading sources were the Netherlands, Luxembourg and Italy.

The key role of FDI from small European economies such as the Netherlands and Luxembourg, not only in Spain but also in other European economies as well as the United States, is perhaps related to arbitrage opportunities in the former economies and the significant tax advantages that help facilitate the free movement of capital in transit from across the European Union. One reason why inflows from Switzerland (a little over US$ 6 billion in 2009) are low is that, although that country may enjoy several advantages similar to those of the Netherlands and Luxembourg, its non-membership status in the European Union bars it from enjoying the same ease as regards capital movements.

Outside Europe, the largest source of IFDI stock in Spain was the United States in 2009, followed at some distance by Uruguay (an economy that also enjoys arbitration and tax advantages), Canada and Brazil (annex table 4). Other economies that grew their FDI stock in Spain during the 2000s are the Gulf Arab economies (1,016% increase between 2007 and 2009), Asia (mainly East Asia) (167% between 2005 and 2009) and the Mercosur economies – Argentina, Brazil, Paraguay, and Uruguay- (107% increase between 2005 and 2009).

Finally, as a consequence of the recent global financial and economic crises, the geography of inward FDI to Spain is undergoing some changes, although as yet modest. For example, data in annex table 4 show that the share of the Gulf Arab countries in Spain's IFDI stock rose from less than 0.1% in 2007 to nearly 1% in 2009 and that of Asia, from 1% in 2005 to 1.6% in 2009. In light of the crisis, the Spanish Government and firms have been looking to court new forms of international investment, particularly, from sovereign wealth funds (SWFs) based in Gulf Arab countries and China. This approach is consistent with the increased importance of outward FDI from the South, which has been well documented.[4]

More recently, as regards investment by SWFs from the Gulf Arab countries, the most important investment in Spain was the acquisition by Qatar Holdings in March 2011 of a 6.16% (US$ 2.82 billion) stake in Iberdrola. Another significant move was Abu Dhabi's Sovereign Wealth Fund IPIC's announcement that it would acquire a 48.8% stake in Cepsa (owned previously by Total) at a price of US$ 5.2 billion. This was in addition to

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[4] For instance, see Andrea Goldstein, *Multinational Companies from Emerging Economies: Composition, Conceptualization and Direction in the Global Economy* (New York: Palgrave Macmillan, 2009); Karl P. Sauvant and Geraldine A. McAllister, with Wolfgang Maschek, eds., *Foreign Direct Investment from Emerging Markets. The Challenges Ahead* (New York: Palgrave Macmillan, 2010); and Louis Brennan, ed., *The Emergence of Southern Multinationals: Their Impact on Europe* (New York: Palgrave Macmillan, 2010).

the 47% stake it previously acquired in 2009, and served to increase dramatically Abu Dhabi oil refining and distribution capacity in Europe and Latin America.[5]

Recent developments with respect to FDI from China are perhaps even more dramatic. In January 2011, Vice Premier Li Keqiang visited Spain and signed twelve business and investment agreements worth US$ 7.5 billion.[6] The Spanish Government reciprocated this visit in April 2011, when the Prime Minister visited China. According to China Investment Corporation's (CIC) Vice President, Xie Ping, CIC was studying potential investments to bolster the privatization of Spain's savings banks.[7] It is little wonder, then, that the Spanish flagship national newspaper, *El País*, refereed to China's Vice Premier, Mr. Li, as the new "Mr. Marshall".[8]

The corporate players

Since 1990, Spain successfully attracted FDI into two major parts of its economy: its export-oriented manufacturing industries[9] and services for the local market. In the latter case, multinational enterprises (MNEs) increased their market share in non-tradable services.[10] This pattern is reflected in the industrial distribution of the largest foreign affiliates in the country in 2007-2009 (annex table 5).

The most important export-oriented industry in Spain is the automobile industry, which began to attract FDI by large MNEs from the 1960s onwards. Major MNEs that have established affiliates in Spain in this industry include Ford, Renault, Peugeot, Citröen, Volkswagen, Volvo, Opel, General Motors, Nissan, and Zahave. Most investment is greenfield. Spain had been originally attractive to MNEs in the 1960s because workers' wages were relatively low in comparison to those in more advanced European economies, and this facilitated export to the whole European market from Spain. During the 1980s, inward FDI was welcomed as it helped to prevent closures of firms, as in the case of the privatization and subsequent takeover of SEAT by Volkswagen.[11]

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[5] "Spanish businesses looking to sovereign wealth funds for investment," *Iberian Lawyer*, April 26, 2011. Retrieved from http://www.iberianlawyer.com/home/news/2409-spanish-businesses-looking-to-sovereign-wealth-funds-for-investment

[6] Jiang Shixue, " China-Spain-Latin America triangulation in a Chinese perspective," January 14, 2011, retrieved from http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari4-2011

[7] These are known as "cajas" in Spanish.

[8] "Espaldarazo chino a la deuda española," *El Pais*, January 5, 2011, retrieved from http://www.elpais.com/articulo/espana/China/comprara/deuda/espanola/pondra/dinero/sanear/cajas/elpepuesp/20110412elpepunac_11/Tes

[9] Rajneesh Narula and John Dunning, "Industrial development, globalization and multinational enterprises: new realities for developing countries," *Oxford Development Studies*, vol. 28, No.2 (2000), pp. 141-67.

[10] Kewei Zhang and James Markusen: "Vertical multinationals and host country characteristics," *Journal of Development Economics, vol.* 59, No. 2 (1999), pp. 223-52.

[11] Judith Clifton, Francisco Comín and Daniel Díaz-Fuentes, "Transforming networks in Spain", in Judith Clifton, Francisco Comín and Daniel Díaz-Fuentes, eds., *Transforming Public Enterprise in Europe and North America* (New York**:** Palgrave Macmillan, 2007), pp. 90-105.

Despite growing competition from Eastern European countries from the 1990s onward, Spain emerged as Europe's largest manufacturer of industrial vehicles and the second largest European manufacturer of automobiles by number of passenger vehicles produced. By 2010, around 9% of Spain's working population was employed across automobile clusters and technological centers. The bulk of production is still destined for export. It comes as no surprise, then, that the foreign affiliates of Ford (3), Renault (4), Peugeot (6), General Motors (9), and Daimler AG (10) are all featured in the top ten affiliates of MNEs in Spain during the period 2008/2009 by volume of business (annex table 5).

The second major area of inward FDI is oriented to the local services market. Here, leading MNEs investing in Spain include Cemex (Mexico), the Spanish affiliate of which ranks as the second largest foreign affiliate in Spain (annex table 5). Cemex has thrived on the boom in the construction industry across Spain in recent years. Other important Spanish affiliates of MNEs in services include those of the French retail supermarket MNEs Carrefour (ranking at number 11) and Famille Mulliez (at number 14). Another major attraction for inward FDI has been the so-called network industries, especially utilities. From the 1980s, the socialist party Government commenced the partial privatization of many of Spain's network industries. Privatization was then intensified by the conservative party Government a decade later.

Many of these industries were also liberalized according to European Union directives, and deregulated. As a result, huge inflows of FDI entered, often in conjunction with national capital.[12] Inward FDI flowed in particular to enterprises in electricity generation and distribution (Endesa, Iberdrola, Red Eléctrica Española), the gas industry (Gas Natural), petroleum refineries (Repsol, CEPSA), air transportation (Iberia), and communications (Telefónica, Retevisión-AUNA).

Mergers and acquisitions (M&As) were also common in these industries (annex table 6 provides data for 2007-2009). For example, France Télécom acquired AUNA (Retevisión's mobile telephony division) in 2005; Italian ENEL acquired Endesa in two steps, in 2007 and 2009; and German E.On AG acquired Energi E2 Renovables Ibéricas and Enel Viesgo in 2007 and 2008, respectively. Abu Dhabi's sovereign wealth fund International Petroleum Investment Company (IPIC) acquired CESPA, in two stages, first in 2009 (47%) and then in 2011 (nearly 49%).[13] Finally, Iberia and British Airways completed a complex merger, most recently, in 2011.

Effects of the recent global crisis

In 2007, Spain's IFDI stock to GDP ratio was nearly 40%,[14] while in 2008, when inflows to European peers such as France, Italy and Germany were plummeting, volumes to Spain peaked and IFDI stock to GDP ratio reached 37%. So, in contrast with events in

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[12] Ibid. See also, Judith Clifton, Francisco Comín and Daniel Díaz-Fuentes, *Privatization in the European Union* (Dordrecht: Kluwer Academic Publishers, 2003).

[13] Chemicals Technology, "IPIC Eyes Complete Takeover of CEPSA", March, 2011, available at: http://www.chemicals-technology.com/news/news112133.html

[14] OECD, *OECD Factbook* (Paris: OECD, 2009).

other major European economies, in Spain, the negative effects of the global financial and economic crises came slightly later. In 2008, though Germany, the UK and France saw significant falls, in Spain, inward FDI flows were still actually increasing. The crisis hit Spain from 2009, when FDI inflows virtually collapsed, falling by 90%, to barely US$ 9 billion. By that time, in Germany, FDI inflows had started to recover, to US $ 38 billion, whilst the losses in the UK and France were significant, but not as sharp as those in Spain.

Nevertheless, there is room for cautious optimism about the future of FDI in Spain. Inflows during 2010 surpassed US$ 20 billion. Moreover, though FDI inflows rose and fell over the 2000s, overall stock grew continuously, except for a small decline in 2010 -- underlining Spain's success at capturing and retaining foreign capital.

The policy scene

Spain has, for many years, sought to promote inward FDI via greenfield projects and M&As. Recent policies strive to ensure that the setting up of firms in Spain is relatively easy and flexible and that Spain complies with the measures to liberalize FDI as recommended by the European Union. Spanish FDI policy aims to position Spain as the ideal hub for European and Asian-based MNEs wishing to invest and operate in Latin American and North Africa. In addition, policy also encourages Latin American MNEs that wish to extend their businesses across Europe to use Spain as their base.[15]

Fiscal pressure in Spain, measured as the percentage of tax and social security to GDP, is around six points below the average in the EU 27.[16] It is possible that, in the ongoing Eurozone crisis, fiscal pressure will increase. In addition, the central Government has offered a range of financial incentives (such as soft loans and subsidies) as well as tax incentives, to investors in particular industries that they have identified as being a national priority due to their potential for growth and their economic impact, such as biotechnology. As regards research & development (R&D), the *Spanish Plan R&D 2008-2011* targets five key sectors with incentives for investment: health, biotechnology, energy and climate change, information and communication technologies (ICTs), and nanoscience and nanotechnology.[17]

In 2009, the OECD ranked Spain second only to France in its scoreboard on tax subsidies for R&D.[18] The Government has also established additional incentives in the fields of renewable energies, tourism, audiovisual and cultural industries and other activities that

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[15] Mauro Guillén, Emilio Ontiveros, and Javier Santiso,: "España: un hub latinoamericano incompleto" *El País*, November 14, 2006, retrieved from http://www.elpais.com/articulo/opinion/Espana/hub/latinoamericano/incompleto/elpporopi/20061114elpepiopi_6/Tes

[16] Invest in Spain, "Spain: taxes", in *Invest in Spain* (2011) last accessed on 6 May 2011 at: http://www.investinspain.org/icex/cda/controller/interes/0,5464,5322992_6261576_6278938_0,00.html

[17] Invest in Spain, "R&D investment" (2011), available at: http://www.investinspain.org/icex/cda/controller/interes/0,5464,5322992_6261692_6278959_0,00.html

[18] OECD, *Science, Technology and Industry Scoreboard* (Paris: OECD, 2009).

stimulate employment and training.[19] Under the PSOE, the Ministry of Industry set up a project "Renewables Made in Spain" in order to publicize the strong presence of renewable energies. A range of subsidies and instruments were introduced to attract inward FDI into such sectors as wind power, solar thermoelectric, solar photovoltaic, and biofuels. However, all this may change, as the recently elected government will implement its austerity program, which aims to reduce spending drastically. It is expected that many of the subsidies established by the PSOE Government will be reduced, or even eliminated.[20]

By June 2010, Spain had concluded double taxation treaties (DTTs) with over 84 economies. Between 2008 and 2009, agreements were signed with countries in Eastern Europe (Bosnia and Herzegovina, Serbia, Kazakhstan); South and Central America (Uruguay, El Salvador, Jamaica, Trinidad and Tobago); and the Middle East and Africa (Kuwait, Nigeria).[21] These agreements allow for the elimination or mitigation of double taxation. Spain also has bilateral investment treaties (BITs) with some 75 economies; recent BITS concluded include treaties with China, Kuwait and Mexico in 2008 and Libyan Arab Jamahiriya in 2009.[22]

Conclusions

For over a decade, the Spanish Government designed its FDI policy to channel inward FDI into areas designated as being priority, that is, where its economy was competitive and toward high value-added sectors. Of particular importance were information and communications technology (ICT), the automobile industry and renewable energies. The Spanish ICT sector has grown in recent years at one of the fastest rates across Europe. Spain is now included in the top five most important European economies in this sector. Though this sector has been negatively affected by the global financial and economic crisis, its market value was set at US$ 151 billion in 2009, after experiencing an average growth rate of over 4% over the past seven years. This represents a contribution to GDP of around 6%; moreover, growth is set to increase, not least, because of the financial and tax incentives promised by the Government over the next few years.[23]

The automobile sector remains important for Spain, providing work for nearly 9% of the active Spanish working population and over 18% of national exports. Much of this industry is associated with high R&D investment. In 2009, Spain produced around 2.2 million vehicles and exported nearly 90% of these. Spain has become specialised in the production of medium and low ranges in models that are compatible with electric car

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[19] Invest in Spain includes a searchable database on forms of incentives available (2011) at: http://www.investinspain.org/icex/cda/controller/interes/0,5464,5322992_6286850_6278941_0,00.html

[20] "Spain's incoming government may seek outside aid", *Reuters,* November 25, 2011, available at: http://news.yahoo.com/exclusive-spains-incoming-government-may-seek-outside-aid-170946565.html

[21] UNCTAD, "Spain: number of double taxation agreements concluded" (Geneva: UNCTAD, 2011), accessed on June 1, 2011, available at: http://www.unctad.org/templates/Page.asp?intItemID=4505&lang=1

[22] UNCTAD database on bilateral investment treaties (2011), available at: http://www.unctad.org/Templates/Page.asp?intItemID=2344&lang=1

[23] Invest in Spain, "ICT technologies",(2011, available at: http://www.investinspain.org/icex/cda/controller/interes/0,5464,5322992_6261761_6279208_0,00.html

prototypes. In addition, Spain has developed projects for the manufacture of electric and hybrid cars in the country by national and multinational manufacturers Renault, Daimler, Ford, and Seat.[24]

Spain has tried to position itself as a global leader in the development of renewable energies, from both a technological and industrial perspective. Areas of specialization included solar thermoelectric, wind and photovoltaic energy.[25] Interestingly, much of the activity comes from both Spain's former utility monopolies as well as new entrants; Spain is seeking both to attract inward FDI to this sector as well as to establish the presence of its MNEs around the world. Finally, the incoming government, in the face of the ongoing Eurozone debt crisis, may reduce or eliminate subsidies and aid, though it is not expected to change the direction of national FDI policy in the medium-term.

Additional readings

Clifton, Judith and Daniel Díaz-Fuentes, "Is Europe ready for foreign direct investment from emerging markets?" in Karl P. Sauvant and Geraldine A. McAllister, with Wolfgang A. Maschek, eds., *Foreign Direct Investments from Emerging Markets: The Challenges Ahead,* (New York: Palgrave Macmillan, 2010), pp. 335-358.

Clifton, Judith and Díaz-Fuentes, Daniel, "The European Union, southern multinationals and the question of the strategic industries", in Louis Brennan, ed., *The Emergence of Southern Multinationals* (New York: Palgrave Macmillan, 2010), pp. 226-241.

Useful websites

Banco de España "Estadísticas de inversión extranjera directa en España," available at:
http://www.bde.es/webbde/es/estadis/infoest/indeco.html#chapa_45

Invest in Spain, "Most important sectors to foreign investment," available at:
http://www.investinspain.org/icex/cda/controller/interes/0,5464,5322992_6261604_6279133_0,00.html

OECD, "Foreign direct investment database," available at:
http://www.oecd.org/document/8/0,3746,en_2649_33763_40930184_1_1_1_1,00.html

UNCTAD "Foreign direct investment data base," available at:
http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx

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[24] Invest in Spain "Automobile sector" (2011), available at:
http://www.investinspain.org/icex/cda/controller/interes/0,5464,5322992_6774890_6279208_0,00.html

[25] Invest in Spain – Spanish Government "Renewable energies" (2011), available at:
http://www.investinspain.org/icex/cda/controller/interes/0,5464,5296169_6256607_6258041_0,00.html

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Statistical annex

Annex table 1. Spain: inward FDI stock at the end of the year, 2000, 2007-2010

(US$ billion)

Economy	2000	2007	2008	2009	2010
Spain	156	586	589	628	604
Memorandum: comparator economies					
World	5,323	16,370	15,365	17,431	16,792
France	260	956	953	995	965
Germany	463	1,012	920	1000	957
European Union	2,410	7,529	6,849	7,545	7,197
United Kingdom	463	1,230	975	1057	1.086

Source: OECD International direct investment database based on Eurostat and IMF, available at: www.oecd.org/investment/statistics. Data extracted on August 9, 2011.

Annex table 2. Spain: inward FDI flows, 2000-2010

(US$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Spain	40	28	39	26	25	25	31	64	77	9	21
Memorandum: comparator economies											
World	1,513	805	619	560	688	1,002	1,453	1,960	1,692	1,104	1,134
European Union	809	360	285	258	214	487	563	857	485	344	299
Germany	198	26	54	32	-10	47	56	80	4	38	46
United Kingdom	122	54	25	28	57	178	156	201	91	71	46
France	43	51	49	43	33	85	72	96	64	34	34

Source: OECD International direct investment database based on Eurostat and IMF, available at: www.oecd.org/investment/statistics. Data extracted on August 9, 2011

Annex table 3. Spain: distribution of inward FDI stock, by economic sector and industry, 2005-2008

(US$ billion)

Sector / industry	**2005**	**2006**	**2007**	**2008**
All sectors / industries	384.5	461.5	585,.9	591.4
Primary				
Total primary	**0.9**	**1.4**	**1.9**	**2.9**
Agriculture, forestry, and fishing	0.5	0.5	0.7	0.6
Mining, quarrying and petroleum	0.4	0.8	1.2	2.3
Secondary				
Total secondary	**56.3**	**118.9**	**141.3**	**151.0**
Textiles, wearing apparel, wood, publishing and printing	2.7	8.5	11.6	7.9
Food products	6.4	11.5	14.9	14.6
Chemical products	10.2	22.2	16.4	17.1
Wood, publishing and printing	1.9	7.1	9.6	7.1
Refined petroleum and other treatments	5.5	11.3	14.2	14.0
Chemical products	10.2	22.2	16.6	17.1
Office machinery and computers	n.a.	n.a.	n.a.	n.a.
Metal and mechanical products	4.5	24.7	29.9	33.9
Motor vehicles and other transport equipment	11.2	9.6	19.3	19.4
Radio, TV, communication equipments	0.5	2.5	2.3	2.2
Services				
Total services	154.7	297.7	340.7	329.4
Transport, storage and communication	0.4	40.9	47.8	47.2

Hotels and restaurants	1.6	5.0	6.2	7.0
Financial intermediation	4.8	34.3	45.9	43.0
Financial intermediation, except insurance and pension funding	0.6	18.8	25.0	25.6
Monetary intermediation	n.a.	11.2	15.1	16.4
Activities auxiliary to financial intermediation	0.5	5.7	8.4	1.8
Other financial intermediation	0.6	7.7	10.0	9.2
Insurance	3.7	9.8	12.4	15.6
Real estate, renting and business activities	125.0	161.0	173.7	169.8
Computer activities	1.0	2.6	3.0	2.2
Business and management consultancies	116.8	108.3	102.7	99.7
Other business activities	117.7	115.1	118.6	115.3
Unallocated	168.6	8.7	4.1	8.0
Private purchases and sales of real estate	n.a.	6.2	14.8	21.4

Source: Foreign Direct Investment (FDI) Statistics – OECD Data, Analysis and Forecasts, available at : www.oecd.org/investment/statistics

Annex table 4. Spain: geographical distribution of inward FDI stock, 2000, 2003-2009

(US$ billion)

Country / region	2003	2004	2005	2006	2007	2008	2009
World	339.6	395.9	384.5	461.5	585.8	591.4	631.4
Developed economies							
Europe	262.5	310.4	313.6	378.4	496.3	502.1	535.4
Austria	n.a.	n.a.	1.5	2.0	2.4	1.9	2.4
Belgium	n.a.	n.a.	16.8	18.5	24.3	24.4	22.6
Denmark	0.9	1.2	1.4	2.1	2.2	2.2	2.2
Finland	n.a.	n.a.	0.6	0.5	n.a.	n.a.	n.a.
France	27.8	27.0	36.1	52.6	64.1	65.3	66.1
Germany	30.9	31.5	26.8	29.3	29.9	39.5	35.6
Ireland	n.a.	n.a.	6.7	9.0	10.9	9.3	8.9
Italy	n.a.	n.a.	10.5	12.5	53.0	41.0	61.0
Luxembourg	26.9	41.8	54.8	66.3	82.8	67.1	70.2
Netherlands	42.4	45.3	80.4	95.7	114.3	132.9	147.1
Portugal	13.0	16.8	11.3	13.0	14.6	14.3	14.2
Sweden	2.9	4.6	5.4	6.8	7.1	8.5	6.1
Switzerland	13.4	15.5	13.7	14.1	15.6	16.6	18.5
United Kingdom	68.9	79.0	42.0	47.4	64.0	65.6	66.1
Other developed economies							
Canada	3.0	4.2	45.0	6.6	5.4	4.8	4.9
Japan	2.6	2.9	2.3	3.3	2.9	2.5	2.6
United States	61.0	67.0	53.0	58.0	66.4	62.3	60.6
Russia	n.a.	n.a.	1.0	1.0	1.5	2.1	2.7
Developing economies							

Argentina	0.3	0.3	0.6	0.6	0.7	0.6	0.7
Brazil	0.7	0.9	3.4	6.3	3.6	4.7	4.9
Chile	1.2	1.3	0.7	n.a.	n.a.	n.a.	0.6
México	1.7	1.8	1.4	1.7	2.2	1.5	2.1
Uruguay	n.a.	n.a.	0.8	1.0	3.2	5.2	5.4
Venezuela	n.a.	n.a.	0.6	0.7	0.8	1.0	1.2
Gulf Arabian countries [a]	n.a.	n.a.	n.a.	n.a.	0.5	0.5	5.5
Asia	n.a.	n.a.	3.8	5.0	5.1	4.7	10.2
Unspecified destination	77.1	85.6	-0.4	0.4	0.4	0.4	0.4

Source: www.oecd.org/investment/statistics

[a] Gulf Arab countries include: Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, and Yemen.

Annex table 5. Spain: principal foreign affiliates in country, ranked by turnover, 2009

Rank	Name of parent company	Name of affiliate in Spain	Industry	Turnover (US$ millions)	Number of employees
1	Enel	Endesa SA	Electrical	36.0	26,770
2	CEMEX S.A.B.	CEMEX España SA	Construction	16.7 [a]	44,758 [a]
3	Ford Motor	Ford España	Automotive	14.5 [a]	10,136 [a]
4	Renault	Renault España	Automotive	10.3 [a]	11,183 [a]
5	Imperial Tobacco Group PLC	Compañía de Distribución Integral Logista S.A	Tobacco	8.2	4,965
6	Peugeot SA	Peugeot Citroen Automóviles España SA	Automotive	7.9	11,713
7	Bayer AG	Bayer Hispania SL	Chemical	6.8	9,306
8	Familien Porsche/Piech	Volkswagen Audi España SA	Automotive	6.6	361
9	General Motors	General Motors España SLU	Automotive	6.0	6,893
10	Daimler AG	Mercedes-Benz España SA	Automotive	5.8 [a]	3,516 [a]
11	Carrfeour	Carrefour España SA	Retail	5.8	17,873
12	BP P.L.C.	BP Oil España SA	Oil and gas	5.6	465
13	France Telecom	France Telecom España SA	Telecommunications	5.5	3,233
14	Famille Mulliez	Alcampo SA	Retail	4.7	13,785

Source: The authors, based on Amadeus Database, available at: https://amadeus.bvdinfo.com/version-2012126/home.serv?product=amadeusneo

[a] Turnover and number of employees figures for 2008.

Annex table 6. Spain: main M&A deals, by inward investing firm, 2007-2009

Year	Acquiring company	Home economy	Target company	Target industry	Shares acquired (%)	Transaction value (US$ million)
2009	Enel SpA	Italy	Endesa SA	Electric services	92.1	13,470.0
2009	IPIC	United Arab Emirates	CEPSA	Crude petroleum and natural gas	47.0	4,371.9
2009	Investor Group	United States	BBVA-Branches (948)	Banks	100.0	1,695.1
2009	CNP Assurances SA	France	Barclays Vida y Pensiones SA	Life insurance	50.0	825.5
2009	Investor Group	Portugal	Cintra Aparcamientos SA	Automobile parking	99.9	634.0
2009	British Sugar PLC	United Kingdom	Azucarera Ebro SL	Cane sugar refining	100.0	509.3
2009	HgCapital LLP	United Kingdom	AIGP-Photovoltaic Plants (3)	Alternative energy sources	100.0	405.6
2009	RREEF Infrastructure	Germany	BBG	Natural gas transmission	25.0	318.6
2009	Undisclosed Acquirer	Unknown	Caixa Catalunya-Branches (146)	Banks	100.0	248.1
2008	Imperial Tobacco Overseas Hldg	United Kingdom	Altadis SA	Cigarettes	100.0	17,872.7
2008	E ON AG	Germany	Enel Viesgo SA	Electricity services	100.0	3,210.0
2008	Investor Group	United Kingdom	Ciudad Financiera Santander	Operators of non-residential buildings	100.0	2,804.0
2008	Undisclosed Acquiror	Unknown	Reyal Urbis SA-RE Asts	Dwelling operators	100.0	2,208.9
2008	Zurich Financial Services AG	Switzerland	BanSabadell Vida SA de Seguros	Life insurance	50.0	1,419.6
2008	Imperial Tobacco Group PLC	United Kingdom	Logista	Trucking except local	100.0	1,398.5
2008	Investor Group	Australia	Cia Logistica de Hidrocarburos	Natural gas	25.0	1,359.2
2008	Credit Agricole SA	France	Bankinter SA	Banks	19.5	1,186.5
2008	E ON AG	Germany	Endesa-Spanish Thermoelectric	Alternative energy sources	100.0	1,186.0
2008	Unibail-Rodamco SA	France	La Maquinista	Operators of non-residential buildings	100.0	687.9
2007	Investor group	Italy	Endesa SA	Electricity services	91.6	26,437.8
2007	Enel SpA	Italy	Endesa SA	Electricity services	21.6	6,301.6
2007	Enel SpA	Italy	Endesa SA	Electricity services	10.0	5,459.8

2007	Investor group	United Kingdom	Banco Santander SA-Ppty Asts	Operators of non-residential buildings	100.0	3,027.2
2007	Investor group	Belgium	Iberdrola SA	Electricity services	5.0	2,968.4
2007	Investor group	United States	Applus Servicios Technologicos	Testing laboratories	100.0	2,044.5
2007	E ON AG	Germany	Energi E2 Renovables Ibericas	Electricity services	100.0	992.6
2007	Cinven Group Ltd	United Kingdom	United Surgical Partners SL	Hospitals	100.0	920.3
2007	National Express Group PLC	United Kingdom	Continental Auto SA	Local passenger transportation	100.0	895.3
2007	Unicredito Italiano SpA	Italy	Banco de Sabadell SA	Banks	4.0	562.9

Source: The authors, based on Thompson Reuters, Thomson ONE Banker.

Annex table 7. Spain: main greenfield projects, by inward investing firm, 2007-2009

Year	Investing company	Home economy	Industry	Investment/ estimated investment (US$ million)
2009	Vodafone	United Kingdom	Communications	563.0
2009	Volkswagen	Germany	Automotive OEM	395.0
2009	Leni Gas&Oil	United Kingdom	Coal, oil and natural gas	394.8
2009	Nissan	Japan	Automotive OEM	386.7
2009	Ryanair	Ireland	Aerospace	360.0
2009	PSA Peugeot-Citröen	France	Automotive OEM	328.5
2009	Renault	France	Automotive OEM	312.7
2009	Grace Biotech	Taiwan, Province of China	Plastics	266.4
2009	E.On	Germany	Alternative/ renewable energy	225.0
2009	Ryanair	Ireland	Aerospace	195.6
2008	Peel	United Kingdom	Real estate	977.5
2008	Dubai Holding	United Arab Emirates	Hotels and tourism	862.8
2008	FPL Group	United States	Alternative/ renewable energy	857.6
2008	Hutchison Whampoa	Hong Kong, (China)	Transportation	761.3
2008	Hutchison Whampoa	Hong Kong, (China)	Warehousing and storage	716.8
2008	Hanjin Group	Korea, (Rep. of)	Transportation	501.6
2008	Enel	Italy	Coal, oil and natural gas	475.6
2008	Sonatrach	Algeria	Coal, oil and natural gas	401.6
2008	Kronospan Holding	United Kingdom	Wood products	382.0
2008	BP	United Kingdom	Coal, oil and natural gas	347.3
2007	Hutchison Whampoa	Hong Kong, (China)	Warehousing and storage	855.0
2007	Hines	United States	Real estate	672.3
2007	Carrefour	France	Food and tobacco	595.0
2007	Ford	United States	Automotive OEM	578.0
2007	Carrefour	France	Food and tobacco	486.6
2007	Arcelor Mittal	Luxembourg	Metals	423.7
2007	Energias de Portugal (EDP)	Portugal	Coal, oil and natural gas	400.0
2007	Volvo	Sweden	Automotive OEM	372.0
2007	Energias de Portugal (EDP)	Portugal	Alternative/ renewable energy	316.6
2007	Pirelli	Italy	Rubber	244.7

Source: The authors, based on Bureau Van Dijk (2011), Amadeus Database, available at:
http://bvdinfo.com/Products/Company-Information/International/AMADEUS.aspx