Barometer of the business climate in Spain

2007 results
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This barometer shows how foreign companies assess the business climate in Spain. It identifies the strengths it is important to maintain and reinforce, as well as the main action areas where work must be done. It is intended as a useful tool for understanding the keys to our country’s success in attracting foreign investment and identifying the forces for change on which both the public and private sectors must take action in order to maintain and improve investment in Spain.

This barometer is a joint effort by INTERES and the IESE’s International Center for Competitiveness (ICC).

INTERES Invest in Spain is a state-owned company established in October 2005 as part of the Ministry of Industry, Tourism and Trade’s Department of Trade and Tourism. The company’s mission is to promote, attract and maintain foreign investment in Spain.

The IESE (International Graduate School of Management) is an institution dedicated to business education at a graduate level. The ICC is one of its research centers, with the goal of promoting rigorous research and learning in the field of competitiveness and its implications in different spheres. Directed by Professor Eduardo Ballarín and created in cooperation with Harvard University’s Institute for Strategy and Competitiveness, led by Professor Michael Porter, the ICC focuses especially on the European Union and its role in creating a favorable business climate.

Our methodology involved a questionnaire administered to foreign companies which operate in Spain. This included the areas which have the most important effect on business climate, grouped in four large blocks: an overview of the country, costs, infrastructure and resources, and quality of life. Appendix 2 contains a detailed description of the methodology used.

The questionnaires collected information on how companies rate our country on each one of the aspects, as well as the importance they give to each factor. This made it possible to weight the results according to the companies’ real interests. Each section shows the scores received on all questions for both importance and rating, arranged in order of importance. This gives an accurate picture of the order of investors’ priorities, which should be the starting point for analyzing the data.

The barometer will be published annually. Its aim will be to provide a benchmark for evaluating the development of the business climate in Spain from the point of view of foreign investors operating in our country.

Likewise, the aim of this report is to serve as a tool for analyzing the causes which promote or discourage foreign investment in Spain.
Foreign investment in Spain

Chart 1 compares foreign direct investment in different countries over the 2001-2005 period.

The vertical axis shows the cumulative stock of foreign investment as a percentage of each country’s GDP, and the horizontal axis shows it as a percentage of gross capital formation.

Spain’s position, with foreign investment at over 30% of GDP and around 13% of domestic capital formation, can be described as favorable. However, we are still some distance from other European countries with the same level of development, such as Belgium, Ireland, Estonia and the Netherlands.

2. Summary of Results

2.1. Rating
As indicated above, the following areas were analyzed:

1. Overview of Spain
   1.1. Political, economic and social environment
   1.2. Business environment
2. Costs
   2.1. Operating costs
   2.2. Financial and fiscal costs
3. Infrastructure and resources
   3.1. Labor force
   3.2. Technological resources
   3.3. Transport, communications and utilities
4. Quality of life

Generally positive rating.
The companies surveyed generally rated Spain highly: 3.4 out of 5 (over 3 in all areas studied, out of a maximum of 5). However, this should be interpreted as an opportunity for continued improvement, particularly when almost all areas are rated lower than the level of importance attached to these items by investors.

Good results and expectations for foreign companies in Spain.
Foreign companies have had very favorable results in Spain, which translate into plans to remain and increase their presence in our country. (Over 60% of the companies surveyed will increase their investment and employment in Spain in the upcoming year.)

Uneven results depending on the area.
The results obtained in the different sections are very uneven, with there being significant differences among several of them. Political, economic and social environment and Labor force are the most important areas for investors. Transport, communications and utilities is the only area in which the rating and importance scores were equal.

Generally better results in aspects which depend on the private sector.
Of special note is the positive assessment of Spain’s transport infrastructure and financial system. In addition, several of the strengths relate to areas such as gastronomy or leisure and culture, where private enterprise is highly important. However, the government emerges as one of the main parties responsible for action areas.

The tax system and labor flexibility, most important factors for improvement.
Fiscal matters and job flexibility stand out as the most in need of improvement from the point of view of businesses in our country. Security, bureaucracy and relations with the government also give foreign companies in Spain cause for concern.
Chart 2 shows the differences between the importance and rating given to each area. The chart shows that the rating is generally positive in all aspects, although there are disparities in Political, economic and social environment and Labor force, where there is a significant gap between the importance which the companies place on these aspects and how they rate Spain in these areas.

The only section in which the rating is the same as the importance attached to it by the companies is Transport, communications and utilities. However, while this result is positive, it should be borne in mind that in the opinion of respondents it is the least important factor.

In the remaining areas, the gap between importance and rating is relatively uniform, as shown on chart 2.
2.2. Main strengths and weaknesses

To determine the main strengths and weaknesses, we have taken the score obtained for each factor's rating, and weighted according to the importance which investors attached to that factor. The importance score was given a weight of 20%, and the rating score the remaining 80%.

Spain’s main strengths are very heterogeneous, although aspects related to Quality of life (such as gastronomy, leisure and culture, and the quality of the health care system), the Economic environment and the competitiveness of different sectors are especially noteworthy, reflecting the vigor of our economy and investors’ confidence in our economic policy.

Other areas worth mentioning are those related to the Labor force, where investors rate Learning capacity, Acceptance of responsibilities and aims and Cost of qualified labor highly. This last aspect is important, as it provides a good foundation for attracting foreign investment with higher value-added.
Turning to the main weaknesses, **problems which tend to recur in competitiveness studies for Spain are significant, such as the lack of labor market flexibility and bureaucracy**, reflected in administrative procedures or formalities, and which are the direct responsibility of public institutions.

**Another aspect which is cause for concern** due to its impact on a key resource, people, is **education and training**. Three factors in this area are among the lowest scoring, **Availability of international schools, Knowledge of languages and General assessment of the educational system**. These are areas for which an immediate solution is not possible, and which therefore **affect Spain’s competitiveness in the medium and long term**. Here the responsibility falls on both the public and private sectors.

Additionally, despite efforts made by the government in recent years, the **Country’s commitment to R&D&I** is considered a weakness. It is therefore necessary to do more work in this area, and make the strategic importance which the Spanish authorities give to this matter better known, an importance which is reflected in the general budgets for recent years.

Lastly, **Access to venture capital**, despite being considered a weakness, is not included among the action areas as it is also given relatively little importance, and so the “rating-importance” gap (which justifies taking action) is minimal. In this area, it should be remembered that Spain boasts modern and competitive legislation and that Spanish financial instruments figure among the financial environment’s strengths.
2.3. Main action areas

To determine the main action areas, we have taken the gap between importance and rating for all the items analyzed in the survey and weighted it according to the importance attached to the item. The factors with the highest score are considered the main action areas.

In this first section, therefore, the importance which investors attach to the factor is concrete. The factors which emerge as main action areas are those for which there is a significant gap between the importance which investors attach to them and how they are rated (that is, those for which we do not make the cut), or those which, despite receiving acceptable ratings and being considered strengths, are especially important for investors, and so we believe it is necessary to continue to emphasize them. In the latter case, it is possible that in some sections a factor may appear under both Strengths and Action Areas, due to the special importance attached to them by respondents.

![Chart 5: Main action areas](image)

Knowledge of languages
Direct taxation
General assessment of educational system
Country’s commitment to R&D&I investment
Ease of hiring and dismissing workers
Security
Ease of hiring and dismissing managers
Ease of relations with the central government
Administrative procedures or formalities
Legal framework

It appears that several of the action areas are related to Labor force, concerning both how qualified workers are, in this case in terms of Knowledge of language and the Assessment of the educational system, and hiring procedures. Investors find little support for hiring and dismissing either workers and managers.

The rest of the action areas are more heterogeneous, but it is highly significant that in all cases they involve aspects in which the government plays an important role.
Taxation deserves special mention, having received the second worst score, with a significant difference between it and the next factor.

The other results are evidence of institutional responsibility, and represent a call to action for the government, at both the central and autonomous community levels, concerning such aspects as the ease of relations with the government. The other aspects which appear in this section involve institutional responsibility, as in the case of Security, the Regulatory framework for the sector and the Country’s commitment to R&D&I investment.

In general, these are factors which affect how easy it is for companies to set up their businesses and operate, decisive factors for businesses to function properly in our country.

The results hew closely to those obtained in important international competitiveness studies. In the Global Competitiveness Report prepared by the World Economic Forum, respondents, opinion leaders from both Spanish and foreign countries, also highlighted lack of flexibility in the labor market and the tax system as the main problems when doing business in Spain.
2.4. Results and prospects for foreign companies in Spain

Generally speaking, the companies surveyed are highly satisfied with their presence in Spain, as shown in chart 5. They give their situation in our country 4.3 out of 5, which is unquestionably an optimum result. Also positive, although less so, is how profitable the company’s resources are in Spain as compared with the rest of the group, highlighting our country’s ability to serve as a base for achieving excellent profitability, undoubtedly one of the key goals of any company.

Thus, companies indicate that they expect positive results in Spain for the upcoming year. These results, while they can be improved, are very positive and are a sign of our country’s attractiveness to foreign investors.

In keeping with these results, most of the companies surveyed have plans to increase both their investment and the number of jobs in our country. In the case of investment plans, the prospects are slightly better than for employment. 70% of the companies represented in the study will be reinvesting in Spain in the upcoming year, and only 10% will be decreasing their investment.

In the case of employment, 63% of companies expect to increase their employment figures in Spain. However, in this area it should be noted the 26% of companies intending to decrease employment.

One possible reading of this decrease in jobs, as it is not accompanied by a similar reduction in investment, is that this does not involve qualified labor, and that investment is being redirected towards higher value-added and less labor intensive activities, which would be very positive.
3. Results by area

In this section we analyze the results obtained in each area. The methodology is the same for all areas, and the data discussed will be:

**Average Rating** shows the average score received by all the factors in the area in the rating column.

**Average Importance** shows the average score received by all the factors in the area in the importance for the company column.

The **Gap** reflects the difference between average rating and average importance.

The **Weighted Rating** is obtained by taking 80% of the rating score and 20% of the importance score.

**Strengths**

Shows the ten aspects which obtained the highest weighted rating

**Weaknesses**

Shows the ten aspects which obtained the lowest weighted rating

**Action areas**

Shows the aspects where the most work must be done, due to the fact that they are very important for companies and/or there is a large gap between the rating and importance assigned to this factor (see methodology section).

**Chart 8: Importance and rating**

Shows the average score given by respondents for both Importance and Rating in each section of the area, arranged in order of importance to the investor. This gives an accurate picture of the order of investors’ priorities.
3. Results by area

1. Overview of Spain

1.1. Political, economic and social environment

This section is especially important for the companies surveyed, receiving a score of 4.1. However, the rating is significantly lower than this figure, leaving an important gap and indicating that the aspects evaluated here must receive special attention.

Strengths
• Economic environment
• Legal framework
• Political and institutional environment

Weaknesses
• Administrative procedures or formalities
• Efficacy of the judicial system
• Ease of relations with local governments

<table>
<thead>
<tr>
<th>Action areas</th>
<th>Avg. Rating</th>
<th>Avg. Importance</th>
<th>Gap</th>
<th>Weighted Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of relations with local governments</td>
<td>3.3</td>
<td>4.1</td>
<td>-0.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Administrative procedures or formalities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory framework for the sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This section is especially important for the companies surveyed, receiving a score of 4.1. However, the rating is significantly lower than this figure, leaving an important gap and indicating that the aspects evaluated here must receive special attention.

Chart 9: Political, economic and social environment
The current positive economic climate and vigor of our country are reflected in the companies’ rating for Economic environment. This is one of the main strengths, as it is rated highly and very important for investors.

Action areas include bureaucracy and relations with the government, two subjects which we are beginning to see again and again in different studies on competitiveness in Spain.
1. Overview of Spain
1.2. Business environment

The score for Business environment is slightly better. Although investors consider it important, it is not so much as Economic, political and social environment, which means that the resulting gap is smaller.

Strengths
• Competitiveness in the sector
• Availability of qualified suppliers
• Quality of qualified suppliers

Weaknesses
• Existence of clusters
• Access to export markets
• Quality of distribution/sales networks/channels

Action areas
• Existence of strong local demand
• Access to export markets
• Possibility of triangular trade with other markets

Chart 10: Business environment

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness in your sector</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Existence of strong local demand</td>
<td>3.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Possibility of triangular trade with other markets</td>
<td>3.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Availability of distribution/sales networks or channels</td>
<td>3.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Quality of qualified suppliers</td>
<td>3.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Quality of distribution/sales networks or channels</td>
<td>3.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Availability of qualified suppliers</td>
<td>3.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Access to export markets</td>
<td>3.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Existence of clusters</td>
<td>3.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Avg. Rating 3.6
Avg. Importance 3.9
Gap - 0.3
Weighted Rating 3.6
In the opinion of respondents, the Business environment appears to be operating efficiently in terms of Competitiveness and the Availability and Quality of qualified suppliers.

However, the problem appears to lie in outlets for the product, as opportunities/facilities for selling the product, foreign markets and the possibility of triangular trade are not perceived positively. In this area, what stands out is the importance of making the measures which have been implemented to support internationalization better known, as well as doing more work on these. Also noteworthy are our bilateral agreements to avoid double taxation and to protect and promote investment, especially with Latin America, which all companies established in Spain can take advantage of.
2. Costs

2.1. Operating costs

Both the average rating and the average importance are lower in the case of Operating costs, although on balance this continues to be a negative area for Spain.

**Strengths**
- Cost of qualified labor
- Cost of electricity, water, gas and fuel
- Cost of telecommunications

**Weaknesses**
- Environmental and waste treatment costs
- Cost of office space
- Cost of unqualified labor

| Avg. Rating | 3.2 |
| Avg. Importance | 3.5 |
| Gap | - 0.3 |
| Weighted Rating | 3.2 |

**Action areas**
- Cost of qualified labor
- Environmental and waste treatment costs
- Cost of telecommunications

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**Chart 11: Operating costs**

- Cost of qualified labor
- Cost of telecommunications
- Environmental and waste treatment costs
- Cost of office space
- Cost of electricity, water, gas and fuel
- Cost of transport
- Cost of raw and ancillary materials
- Cost of unqualified labor

---

0.0 1.0 2.0 3.0 4.0 5.0

**RATING**

**IMP**
It is highly significant to note how the difference between qualified and unqualified labor makes the former appear as a strength and the latter as a weakness.

The cost of qualified labor is much more important for investors, as can be seen in chart 11. For this reason, we include it as one of the main action areas. Although it is rated highly, because of the importance of this aspect for investors, we believe that there is room for improvement. The same is true of telecommunications costs.
2. Costs

2.2. Financial and fiscal costs

Although this is another of the less important areas for investors, the gap is once again negative. Of special note is the difference between the positive rating for aspects related to the private sector and the negative rating received by aspects which depend on the public sector.

Strengths
- Access to financing from commercial banks
- Indirect taxation
- Sophistication of financial instruments

Weaknesses
- Access to venture capital
- Direct taxation
- Access to incentives and subsidies

Chart 12: Financial and fiscal costs

- Direct taxation
- Indirect taxation
- Access to incentives and subsidies
- Access to financing from commercial banks
- Sophistication of financial instruments
- Access to venture capital financing
- Access to stock market financing

Avg. Rating 3.2
Avg. Importance 3.7
Gap - 0.5
Weighted Rating 3.3

Action areas
- Direct taxation
- Access to incentives and subsidies
- Indirect taxation
The **positive results for Access to financing from commercial banks and Sophistication of financial instruments** demonstrate the healthiness of Spain’s financial system and the efficacy of our regulatory and supervisory framework.

However, the three factors included in this area which depend on the public sector, and which are the most important for investors, obtained much lower scores, especially in the case of **Direct taxation, which constitutes one of the main concerns of foreign companies in Spain**.

The fact that Indirect taxation appears as one of the strengths is due less to the rating itself (which is not so high, as can be seen in chart 12) than to the extremely high importance attributed to it by investors, which in the end affects the weighted rating.

Measures must also be taken with regard to **Access to incentives and subsidies**, a weakness which can be explained by the bureaucracy connected to obtaining these, and the difficulty in obtaining effective information.

In terms of **Venture capital**, despite the fact that this is considered a weakness, it is not included among the action areas due to the fact that it was also given relatively low importance, and thus the "rating-importance" gap is minimal.
3. Infrastructure and resources

3.1. Labor force

*Labor force* is one of the two most important areas for investors, and Spain’s scores are disappointing, resulting in a significant gap.

**Strengths**
- Learning capacity
- Acceptance of responsibilities and aims
- Quality of business schools and specialized educational institutions

**Weaknesses**
- General assessment of the educational system
- Knowledge of languages
- Ease of hiring and dismissing workers

<table>
<thead>
<tr>
<th>Action areas</th>
<th>Rating</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of languages</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Ease of hiring and dismissing workers</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>General assessment of the educational system</td>
<td>3.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

**Chart 13: Labor force**
Three of the just eight factors which investors gave a rating of less than 3 are found under Labor force and Educational environment. These are: General assessment of the educational system (2.4), Knowledge of languages (2.5) and Ease of hiring and dismissing workers (2.9).

Together with the tax system, labor flexibility is one of the main concerns of foreign companies in Spain. The difficulty in hiring and dismissing workers to which we refer is found at both the worker and management levels.

Investors rate the aptitude of Spanish workers highly in aspects such as Learning capacity and the Acceptance of responsibilities and aims.

Higher education and training also score highly, but if these factors are not combined with a greater availability of qualified labor and facilities for hiring, their effectiveness is highly limited. In this area, measures for attracting talent from abroad are also important. This is closely linked with streamlining procedures for granting visas and residence permits, as well as other matters connected to living in Spain (recognizing foreign driver's licenses, availability of international schools, etc.).
3. Infrastructure and resources

3.2. Technological resources

Investors give us the lowest score of any section in Technological resources. As this is an area which is quite important for them, and technology and innovation are key aspects for the future development of our country, special attention should be paid to improving these resources.

**Strengths**
- Quality and availability of telecommunications services/infrastructure
- Access to local technology centers

**Weaknesses**
- Country's commitment to R&D&I investment
- Relations with university research centers

**Action areas**
- Country's commitment to R&D&I investment
- Quality and availability of telecommunications services/infrastructure

It is highly significant that of the four aspects evaluated in this sector, two obtained scores of less than 3, when only eight aspects received scores this low in the entire questionnaire.

In the case of Technological resources, these are the Country's commitment to R&D&I investment (2.7), and Relations with university research centers (2.9).
3. Infrastructure and resources

3.3. Transport, communications and utilities

Together with Operating costs, this is the least important area for investors. However, it is the only one in which Spain achieved a rating equal to the importance attached to the area by investors, and thus our situation is favorable.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Action areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Airport infrastructure</td>
<td>• Availability of office space</td>
</tr>
<tr>
<td>• Sea ports</td>
<td>• Airport infrastructure</td>
</tr>
<tr>
<td>• Road network</td>
<td></td>
</tr>
</tbody>
</table>

**Weaknesses**

• Availability of logistics centers and comprehensive logistics services
• Availability of land for industrial use
• Availability of office space

**Chart 15: Transport, communications and utilities**

![Chart showing ratings and importance for various transport, communications, and utilities aspects]

It is just interesting to point out that although airport infrastructure received high scores from investors, in our opinion this should be one of the main action areas due to the importance attached to it. Measures must be taken regarding the availability of office space and logistics costs.
4. Quality of life

Although there are some disparities between the aspects included in this section, in absolute terms, *Quality of life* is the area which scored most highly among foreign companies in Spain.

**Strengths**
- Gastronomy
- Leisure and culture
- Quality of the health care system

**Weaknesses**
- International schools
- Quality of housing
- Security

**Action areas**
- Security
- International schools
- Cost of living

In *Quality of life*, responsibility for the strengths, weaknesses and action areas is distributed fairly equally between the public and private sectors.

**Chart 16: Quality of life**

Generally speaking, the rating is very good for almost all the questions in the section. However, for the two most important aspects for investors, Security and the Cost of living, the rating given by investors is among the lowest. These areas, Security especially, are highly dependent on the public sector.
4. Conclusions

In general, foreign companies rate conditions in Spain positively for all of the aspects considered. There is just one area which received a rating of less than 3, demonstrating that our country is performing as expected in terms of basic macro-economic structure and business, operations and market competitiveness.

Quantifying how important each one of these factors is for the companies surveyed enables us to put the results obtained in context. This gives us a very good idea of the areas where work must really be done due to the great importance attached to them by the companies.

When we relate the rating obtained with its importance for investors, we are forced to conclude that although the ratings are positive, they are in almost every case lower than the level of importance assigned by companies. This should serve as a wake-up call for public and private authorities. This is especially significant in the areas of Economic environment and Labor force.

One recurring aspect, which raises questions of importance, is labor and education. In addition to our country's obvious lack of flexibility in terms of hiring and dismissal, in the opinion of investors, our labor force’s level of qualification is not one of our strong points. Action taken in this area must be consistent with the type of investment we want to attract. If the intent is to obtain future investment with increasingly greater value-added, it will be necessary to make efforts to provide not only unqualified labor and reasonable costs, but also to make the same effort with qualified labor.

This is in keeping with the need to improve other aspects for which we have not obtained positive scores, such as R&D investment and telecommunications.

Additionally, reducing bureaucratic obstacles and greater cooperation between government bodies with different competencies are key to making Spain a more attractive environment to foreign investment and therefore, more competitive.
Appendix 1 : Profile of companies surveyed

Generally speaking, the companies which took part in the survey are relatively heterogeneous, both in terms of number of employees and income.

The majority of the companies represented had less than 10,000 employees. There is a significant percentage of medium-sized companies, with less than 500 employees.

The companies surveyed belong to a wide variety of sectors, in both industry and services. This makes for a richer analysis and avoids any bias which could result from a high concentration of representatives from a single sector. In any event, the sensitivity analyses performed by sector, size and income did not show significant differences.

In terms of income, the vast majority are found in the group with over 100 million euros in annual income.
Appendix 2 : Methodology

The Barometer has been created using questionnaires completed by managers from foreign companies which operate in Spain. The surveys contained a total of 64 questions grouped into the sections discussed in the report. These are:

- **Overview of Spain**
  - Political, economic and social environment
  - Business environment

- **Costs**
  - Operating costs
  - Financial and fiscal costs

- **Infrastructure and resources**
  - Labor force
  - Technological resources
  - Transport, communications and utilities

- **Quality of life**

For each question, the respondent was asked to indicate two things:

1. How important the aspect is for their company.
2. How they rate Spain in that aspect.

In both cases, possible responses ranged from a minimum of 1 to a maximum of 5.

The arithmetic mean of all the responses received for each question was used to analyze the results. For each section, the arithmetic mean of all the questions included in that sector was used.

To define the main strengths and weaknesses we have used a weighted rating, which assigns a weight of 80% to the rating score and 20% to importance. This then reflects the situation in Spain for each aspect, although slightly weighted according to importance.

Having a score for both importance and rating gives us a gap, or the difference between the two. Although this gap is significant in itself, it is even more so the greater the importance assigned to that question.

For this reason, in order to identify the main action areas, we have weighted the gap according to the score obtained for importance. We believe that action areas must be those aspects which either have a very large gap (and therefore do not meet investors’ expectations) or are especially important for investors, and so work must continue on these despite the fact that they are rated highly.
For example, for the indicator “Environmental and waste treatment costs”, the scores obtained were:

- Importance: 3.4
- Rating: 2.8

The resulting gap is therefore: -0.6.

The indicator “Economic environment” had the same gap, but with higher scores for importance and rating:

- Importance: 4.7
- Rating: 4.1

Although in both cases, the conclusion is that we are below the level required by investors, in the second example the effect is more serious as this is an aspect to which investors attach a great deal of importance. To reflect this fact, in all cases we have weighted the gap according to the score for importance.

For the example above, the results would be:

“Environmental and waste treatment costs”: (2.8 – 3.4) * 3.4 = -2.2
“Economic environment”: (4.1 – 4.7) * 4.7 = -2.6

Therefore, for “Economic environment” we obtain a result which gives it greater importance as an aspect where more work must be done than on “Environmental and waste treatment costs”.
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