



**SPAIN INVESTORS DAY**  
**INAUGURACIÓN**  
**11 de enero de 2012**

- Dear Blas, President of BNP Paribas Spain, members of the business community.
- First of all I would like to **thank** the promoters of this event for kindly inviting me to open the 2nd edition of the Spain Investors Day, which brings together a very dynamic and representative segment of the Spanish productive environment, with a large number of representatives from international investors.
- This kind of initiatives are more necessary now than ever to enhance the attraction of **direct investment to Spain**, an economy that is undergoing a turbulent period, complex and not without difficulties of which I am sure we will be able to come out stronger with the joint efforts of all.
- Spain is a great country in a **crossroad** that will be crucial not only for our economy, but also for the European Union as a whole. The current global economic downturn has severely impacted both Spanish GDP growth and employment creation, highlighting the major imbalances of our economy.

- It is a time for **fiscal discipline and austerity**. We have a public deficit that is close to 8 per cent of GDP. The first reaction of the Spanish Government to the fact that the deficit outcome for 2011 was about 8 per cent of GDP was to apply an adjustment programme of €15bn or about 1.5 per cent of Spanish GDP, to send a very clear message of the Government's commitment to budget consolidation.
- But it is also time for seizing the **opportunity to create a more competitive and internationalized productive sector through structural reforms** and support to core industries that will lead the future growth process of the Spanish economy.
- To do so, as you are well aware, Spanish citizens have voted for a new Government. But more than this, Spain has voted for an **economic change to increase competitiveness, reduce unemployment and create the framework to reach higher living standards**.
- **This Government is determined to deliver** such an outcome. And it will not deceive. We have begun our reform agenda from the very first day and we will relentlessly continue to pursue it to create a better business climate that in the end is the key to foster entrepreneurial skills, human capital, new or larger businesses and job creation.

- A dynamic economy must always be based on an **adequate level playing field** where both foreign and domestic investors, workers and companies can compete with openness and predictability. Hence, it is government policy to provide a stable legal environment that helps investors in their decision making process, as well as a regulatory and fiscal environment that fosters instead of hampering innovation and economic prosperity.
- Such a challenge requires a **determined and coordinated action**. A modern industrial policy requires coordinated reforms in such different fields as education, fiscal policy, labour market or unity of market. Therefore, as Minister of Industry, Energy and Tourism, I will work closely with the rest of departments in order to pursue an integrated policy.
- To a great extent, the competitiveness of an economy depends on the availability and the cost of its **resources**, such as labor, finance, energy or information technology.
- The **labor market** is in this sense one of our core priorities, so the reform that will be delivered soon is essential to induce more flexibility, productivity and stability.
- Spain's **excessively fragmented and regulated** labor market has contributed to the destruction of thousands of jobs, especially among young Spaniards and workers with temporary contracts, and even to the destruction of hundreds of SMEs.

- The aim is to safeguard economic competitiveness as well as the sustainability of jobs and market unity. However, reforming the labor market will not suffice: we shall also undertake **other structural reforms**.

## FINANCE

- The last three years have seen our large, small and medium-sized enterprises face **liquidity restrictions** that in some cases have limited their activities and their capacity for growth and developing new business opportunities. The new government is designing a **comprehensive reform**, tackling asset valuation and real state exposure, that will allow **financial** resources to flow more efficiently by introducing more transparency in the system and cleaning up our banking industry.

## ENERGY

- Another vital input for competitiveness is energy. It requires a policy that balances energy **cost** and provides **security of supply**, alongside with the **environmental incidence** of the system.
- This government will provide a **stable and reliable legal framework** that will reduce investors' uncertainty while ensuring independency of regulatory agencies. Moreover, we will promote harmonization, recognition and approval throughout the national territory of the criteria, requirements, procedures, permits, fees and charges for licensing, installation, operation, extension, modification, improvement or dismantling of facilities and energy infrastructure.

- Thus, we will **strengthen coordination between administrations** in the field of renewable energy and ensure effective integration of these energies into the electricity system, helping reduce emissions and increase energy independence.
- We will also cooperate closely with our European partners in order to further advance on the electricity and gas **interconnections with Central Europe**, as well as with our **North African neighbours**, so that Spain becomes a gateway for the North African gas to an integrated European energy market.

## IC TECHNOLOGIES

- IC Technologies are also one of the main factors that have contributed to increase productivity worldwide. It is essential, therefore, to promote their use among citizens and firms in order to support a competitive economy. This government will encourage their use by providing **enhanced internet security as well as justice and legal certainty in intellectual property issues**.
- We will reform current regulatory agencies in order to create a **combined telecommunications and audiovisual regulatory agency** that will save taxpayers' money while ensuring independency. We will also ensure an efficient radio spectrum management and foster broadband and network investments.

- Together with promoting the use of IT Technologies, we are also committed to develop innovation clusters and promote technological platforms for public-private partnerships as part of our **industrial policy**, for our aim is to **modernize our traditional sectors while developing R&D activities and the internationalization** of the Spanish economy.
- In this regard, **SMEs** will receive special attention from this government. They represent 99% of the spectrum of companies, generate 80% of our employment and are the key player that will allow the Spanish economy to emerge from the current economic crisis. It will be essential to create the right framework to allow them to compete globally.
- To do so, several fiscal incentives have already entered into force, and we will further support entrepreneurship and innovation through **fiscal, financial and regulatory measures**, such as reducing red tape and removing excess *ex ante* licensing and regulation, while enforcing better *ex post* control and sanction mechanisms instead.
- **Spanish companies** are the driving force for the Spanish economy. Over the last few decades, they have adapted brilliantly to an increasing **internationalization** of our country, and have also taken advantage of worldwide market opportunities, allowing them to grow and, in some cases, reach positions of **world leadership** in certain sectors, such as infrastructures, telecommunications, finance, insurance, tourism, foodstuffs, textiles, distribution, steel, energy and information technologies.

- This event has brought together today some of these Spanish companies, which are world leaders in their sectors. The **Spain Investors Day** is being attended by 75% of the IBEX 35 companies and most of the 27 Spanish enterprises on the Forbes 2000 Global Leading Companies ranking. This selection is the best showcase Spain can offer to international investors to prove its solidity and its potential for growth in the future.
- But when it comes to competitiveness, we must acknowledge not only the key role played by the **Spanish Multinationals** but the essential role played by **foreign investment** too. This event is not outstanding only thanks to the excellent list of Spanish companies represented here, but also to the large number of representatives from international investors.
- Foreign investment is bound to be one of the driving factors in the current recovery process. Let's take some figures as an example. Spain is the **7th country in the world with the highest stock of direct foreign investment** received.
- Spain is already one of the most attractive **investment destinations** and **Spanish firms**, many of them represented here, are a world class reference in industries such as energy, engineering, telecommunications and tourism.
- According to the latest figures released by the Foreign Investment Registry, around **11,848 foreign companies are settled in our country, 75 of which belong to the FORBES Top 100 list**. These Foreign Companies employ

almost 1,500,000 workers, which accounts for more than 7% of the national total.

- **Foreign investment has a significant effect on exports**, which are operating as our main engine for growth since 2008. Foreign companies in Spain increase significantly our export base, especially in some sectors, such as the automotive industry. One example of the export potential of foreign companies can be found in the vehicle manufacturing sector, in which almost all the manufacturers are foreign companies. In 2010, 2,387,900 vehicles were made in Spain, a figure that is up 10% on the previous year. Almost 90% of the production was exported.
- On the other hand, according to the latest figures released by the National Statistics Institute (INE), only 0.4% of the companies operating in Spain in the industrial, commercial and services sectors are foreign. However, the turnover generated by these subsidiaries accounted for 22.5% of the total figure for their sectors, reaching 28.1% in the industrial sector. In addition, this percentage was much higher in certain branches of activity: 66,3% in Transport Equipment, 40,5% in computer activities; 37,2% in the chemical and pharmaceutical industry and 37.1% in Electrical, electronic and optical material and equipment. This confirms the **leading role** assumed by **foreign investment in the most technology-intensive and highest value-added sectors**.
- In a nutshell, I truly believe that **Spain has much to offer foreign investors, just as foreign investors have much to offer Spain**.

- I am also confident that **Spain** will emerge from the crisis fully renewed and strengthened. This Government is determined to pass through the urgently needed structural reforms while maintaining fiscal sustainability and fostering competitiveness.
- So please allow me to proudly invite you to make the most of this 2nd edition of the **Spain Investors Day**, which I am convinced offers foreign investors and Spanish multinational companies a perfect match to develop common alliances and strategies.
- Thank you very much.