



DOING BUSINESS - 2020

| PILLAR | GLOBAL | |
|-----------------------------------|--------|-----|
| | ES | GT |
| GLOBAL RANKING | 30 | 96 |
| Starting a business | 27 | 99 |
| Dealing with construction permits | 27 | 118 |
| Getting electricity | 25 | 46 |
| Registering property | 25 | 89 |
| Getting credit | 20 | 15 |
| Protecting minority investors | 09 | 153 |
| Paying taxes | 19 | 104 |
| Trading across borders | 1 | 82 |
| Enforcing contracts | 15 | 176 |
| Resolving insolvency | 17 | 157 |

GLOBAL COMPETITIVENESS INDEX - 2019

| PILLAR | GLOBAL | |
|-------------------------|--------|-----|
| | ES | GT |
| GLOBAL RANKING | 23 | 98 |
| Institutions | 28 | 121 |
| Infrastructure | 07 | 102 |
| ICT adoption | 19 | 110 |
| Macroeconomic stability | 43 | 81 |
| Health | 01 | 88 |
| Skills | 37 | 103 |
| Product market | 34 | 46 |
| Labor market | 61 | 122 |
| Financial system | 26 | 81 |
| Market size | 15 | 75 |
| Business dynamism | 34 | 96 |
| Innovation capability | 25 | 98 |

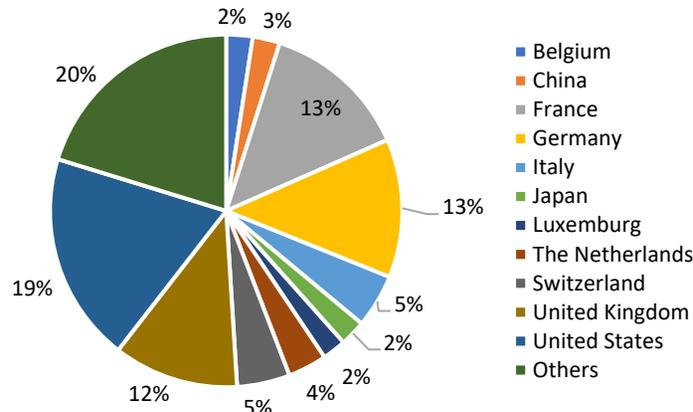
Regarding the ease of doing business, Guatemala has only one advantage: getting credit. Outstanding is Spain's advantage related to trading across borders, in which it ranks first in the world. According to Spain's competitiveness measurement, Spain has advantages over Guatemala in all competitiveness pillars. The smaller gap is in the product market; in all the other pillars, there are considerable gaps that Guatemala must overcome so that its competitiveness conditions are similar to Spain's.



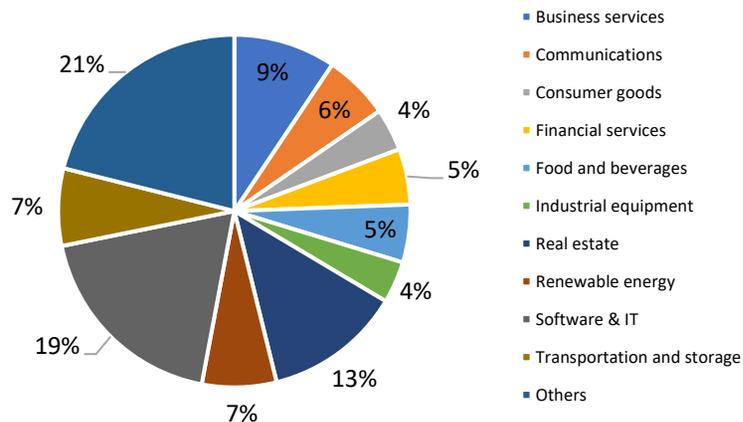
INVESTMENT PROJECTS SPAIN 2019-2021

1565 Investment Projects in Spain
From January 2019 to September 2021

Investment Sources



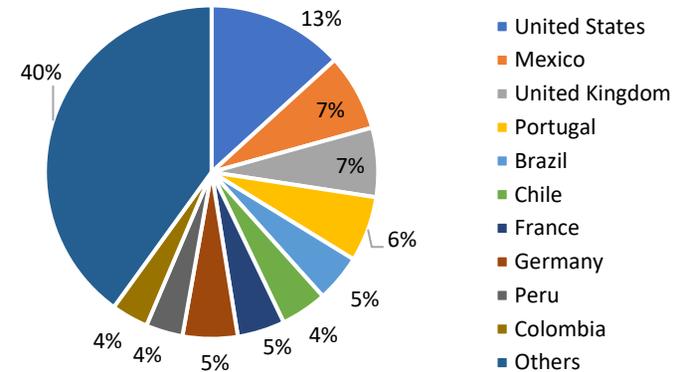
Investment Sectors



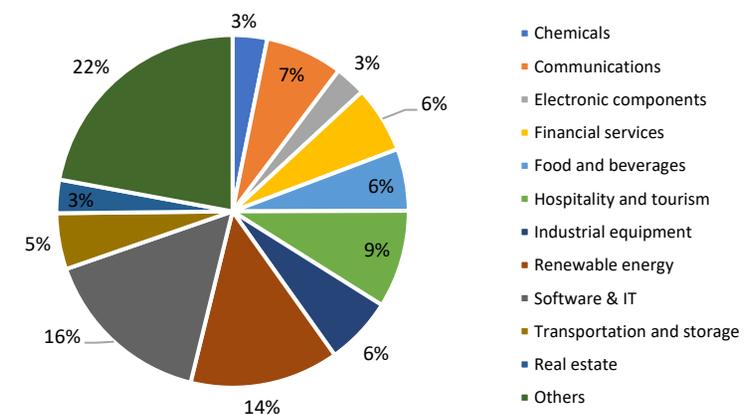
1565 investment projects have been registered in Spain (January 2019 to September 2021). The main countries where investments are sourced are: United States, 19%; Germany, 13%, and France, 13%. The main sectors for investments are: IT services and software, 19%; Real Estate, 13%, and business services, 9%.

1087 Investment Projects by Spain
From January 2019 to September 2021

Investment Destinations



Investment Sectors



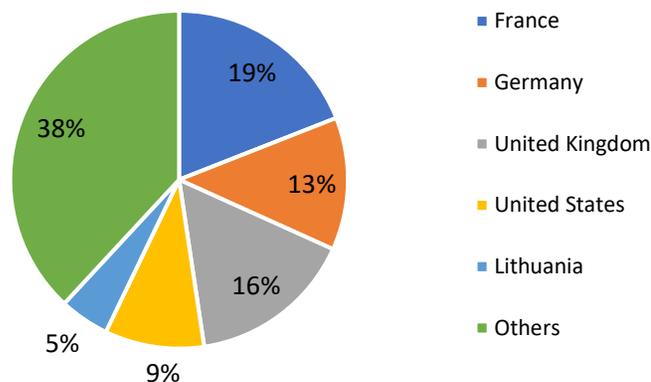
1087 investment projects by Spain have been registered (January 2019 to September 2021). The main destinations are the following countries: the United States, 13%, Mexico, 7%, and United Kingdom, 7%. The main sectors are: IT services and software, 16%; renewable energy, 14%, and hospitality and tourism, 9%.



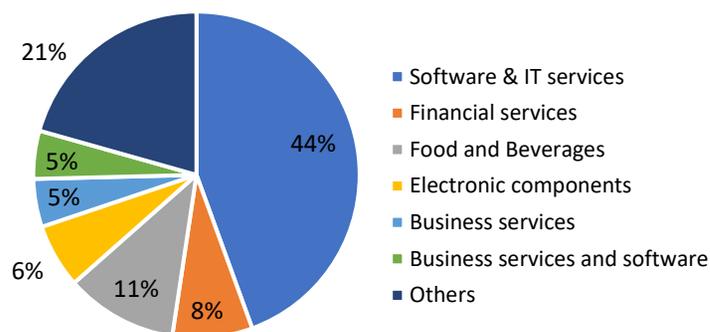
INVESTMENT SIGNS 2021

63 Signs of Investments Destined for Spain
From January 2021 to October 2021

Investment Sources



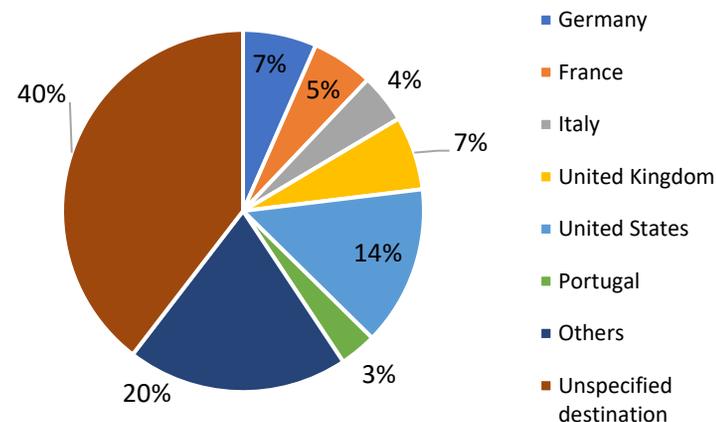
Investment Sectors



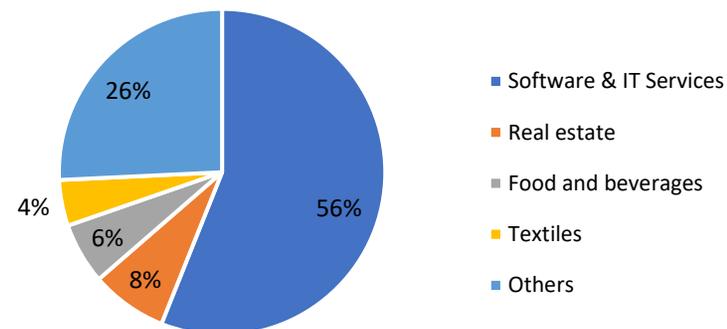
There have been 63 signs of investments in Spain (January 2021 to October 2021), the following countries are the main sources of investments: France, 19%; United Kingdom, 16%, and Germany, 13%. The main sectors for these investments are: IT services and software, 21%, food and beverages, 11%, and financial services, 8%.

66 Signs of Investments Originating in Spain
From January 2021 to October 2021

Investment Destinations



Investment Sectors



66 signs of investments by Spain that have been registered (January 2021 to October 2021). The main countries of destination are: United States, 14%; Germany, 7%, and United Kingdom, 7%. The main sectors for these investments are: IT services and software, 26%; real estate, 8%, and food and beverages, 6%.



COMPETITIVENESS ELEMENTS

Innovation as a factor of competitiveness. Spain is constantly increasing its investment in R&D, registering growth for three consecutive years, according to figures from the National Statistics Institute (INE in Spanish).

The country uses its strength in innovation as an attractive element to promote the country as a destination for investment by technology and innovation companies, as well as research and development institutes.

Some of the incentives it offers include tax deductions and subsidies for R&D&I activities, a consolidated innovation ecosystem backed by increased patent registration, a secure environment for intellectual protection, and leadership in the use of open data. These are incentives that attract multinationals to establish their R&D&I operations in Spain.

There are over 180 accelerators and incubators for startups and all the support infrastructure in universities, centers, and technology parks throughout the country. Out of the top 100 R&D&I companies in the world, 90 have subsidiaries in Spain.

The country ranks fourth among the countries of the European Union that receive more European funds for innovation projects. In addition, private funding for innovative projects has doubled. Public funding for R&D&I is provided through initiatives such as:

Center for Industrial Technological Development (CDTI in Spanish): provides grants and loans for technology projects at competitive interest rates.

Red.es: promotes programs to advance the digital economy, innovation, entrepreneurship, and support for SMEs with efficient and intensive use of ICTs.

Empresa Nacional de Innovación (National Innovation Company): finances SMEs, providing up to 1.5 million euros for participative and unsecured loans.

Both the **Ministry of Science and Innovation** and **Invest in Spain / ICEX** have programs to support research, development and scientific and technical innovation, and support to foreign companies for investments with an important R&D&I component, with competitive bidding processes.

NEWS

The Spanish Economy Grew by 2% in the Third Quarter and Fell Short of Government Forecasts

<https://elpais.com/economia/2021-10-29/la-economia-espanola-crecio-un-2-en-el-tercer-trimestre-del-ano.html>

Growth fell short during this period, when a positive rebound was expected following the lifting of pandemic restrictions and the progress of vaccination. Despite satisfactory performance of employment, tourist recovery, and service improvement, there has been low private consumption.

ICEX Launches INNOVA Invest, a Program to Help Foreign Companies Invest in R&D in Spain.

<https://www.icex.es/icex/es/navegacion-principal/que-es-icex/sala-de-prensa/sala-prensa/icex-lanza-innova-invest-programa-para-ayudar-a-empresas-extranjeras-a-invertir-en-imasd-en-espana-new2021895483.html>

As part of the Spanish Government's Recovery, Transformation and Resilience Plan, ICEX-Invest in Spain will manage this program aimed at companies with at least 50% foreign capital. This aid will be provided as grants and the program will make available five billion euros for 2022. The aid will be provided according to the size of the company and the type of project, prioritizing industrial research.

Brussels Postpones the Recovery of Pre-Crisis GDP and Unemployment Levels in Spain until 2023.

https://cincodias.elpais.com/cincodias/2021/11/11/economia/1636623408_959607.html

The European Commission cut back Spain's growth forecast and predicted that the country will not recover pre-crisis GDP and unemployment levels until 2023, making it the last European Union state to recover from the pandemic. They also warn about the increase in inflation, which is impacted by higher gas and electricity prices.



NEWS

Spain: Politics and Economics

<https://santandertrade.com/es/portal/analizar-mercados/espana/politica-y-economia>

The tertiary sector contributes 67.9% to the GDP and employs 76% of the working population. The tourism sector is fundamental to the economy, and it is Spain's main source of income. The industrial sector accounts for 20.2% of the GDP. For the overall employment, manufacturing is the most important industry, dominated by textiles and industrial processing of food, iron and steel. Agriculture contributes 2.7% to the GDP and 4% to employment. Spain is the world's largest producer of olive oil and the third largest producer of wine.

The Spanish Government Approved 95 Million Euros for 5G and 6G Networks.

<https://www.investinspain.org/en/news/2021/moncloa-5g-6g>

With the aim of attracting investments and encouraging the creation of innovative companies throughout the country, the Spanish government approved the allocation of 95 million euros for research into 5G and 6G networks. Spain is the country with the widest fiber-optical cable coverage in Europe, which represents a competitive advantage for the leap to 5G and 6G.

Spain Simplifies the Procedures for Foreign Audio-Visual Sector Professionals to Enter and Stay in the Country.

<https://www.investinspain.org/en/news/2021/spain-audiovisual-visados>

This initiative boosts the plan "Spain, Audiovisual Hub of Europe" which is part of the Recovery, Transformation, and Resilience Plan. The Government approved the rules for the procedures to enter and remain in the country for professionals from third countries who perform activities in the audiovisual sector in support of entrepreneurs and their internationalization. These new regulations streamline the administrative process of authorizations and visas, establishing three ways to access and remain in Spain.

Situation in Spain. Fourth Quarter 2021

<https://www.bbva.com/publicaciones/situacion-espana-cuarto-trimestre-2021/>

Spain's growth expectations for 2021 and 2022 have been curved by up to 5.2% and 5.5%, respectively. Negative factors such as disruptions in production chains and the increase in energy costs have been the cause of this decrease. Rising input prices and transportation costs place the recovery at risk.

Madrid Will Have an Innovation and Entrepreneurship District

<https://www.ituser.es/actualidad/2021/09/madrid-contara-con-un-distrito-de-innovacion-y-emprendimiento>

The project will be located in the space that was once reserved for the Olympic Village, which spans six million square meters, and it will have very few physical and regulatory restrictions. The project seeks to improve the quality of life of people and the city by boosting talent, innovation, and 4.0 activity with sustainable development and planned urban development. The project is based on the experiences of the Miami Innovation District and the One North Development in Singapore.

More than 60% of Companies Will Implement a Hybrid Work Model on a Permanent Basis.

<https://www.equiposytalento.com/noticias/2021/10/06/mas-de-un-60-de-empresas-implementara-un-modelo-hibrido-de-trabajo-de-forma-permanente>

A study performed by Factorial on the impact of hybrid work in Spain shows that 61.5% of companies say that hybrid-mode work will be implemented on a permanent basis. 59.2% of companies consider that offering the possibility of mixed-mode work is a determining factor in attracting and retaining talent.

The Government Asks Companies to Invest More in R&D&I

https://cincodias.elpais.com/cincodias/2021/09/01/companias/1630493188_245179.html

The Minister of Science and Innovation has asked companies to invest more in R&D&I in order to reach levels similar to those of countries such as Germany and the USA. The Government is working on introducing investment incentives through measures such as amending the Science and Innovation Law, which will encourage public-private collaboration, among other measures.