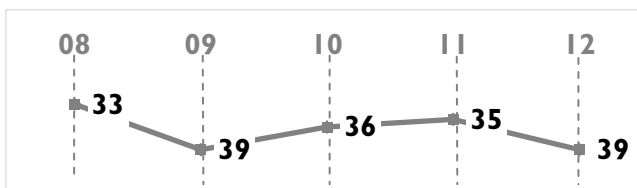


# SPAIN

## OVERALL PERFORMANCE



## CHALLENGES IN 2012

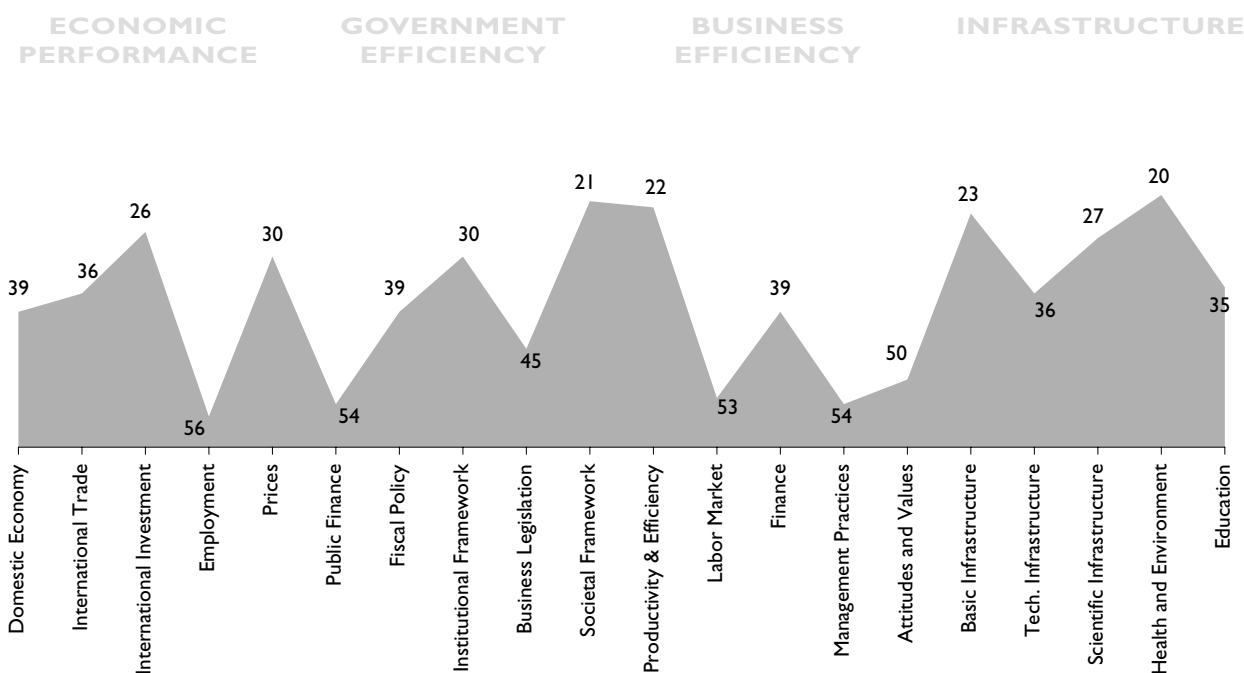
- Develop a more efficient and effective public administration.
- Complete the financial system restructuring.
- Ensure the national market unity and reduce administrative burden.
- Boost SME internationalization.
- Match education, capabilities and skills with labour market needs.

**Provided by :**  
Spanish Confederation of Employers

## BASIC FACTS

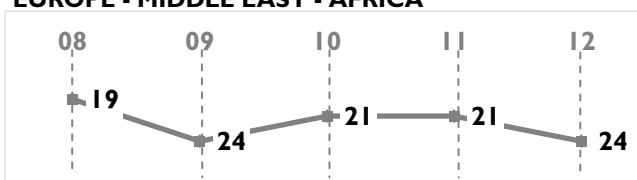
		Rank
Capital	Madrid	
Land area (km <sup>2</sup> '000)	505.4 (2010)	-
Exchange rate (per \$)	0.72 (2011)	-
Population (millions)	47.19 (2011)	18
GDP (\$ billions)	1,492.1 (2011)	13
GDP (PPP) per capita (\$)	31,689 (2011)	25
Real GDP growth (%)	0.7 (2011)	50
Consumer Price Inflation (%)	3.2 (2011)	19
Unemployment rate (%)	21.6 (2011)	58
Labor force (millions)	23.10 (2011)	17
Current Account Balance (%)	-3.7 (2011)	50
<b>Direct Investment</b>		
Stocks Inward (\$ billions)	614.5 (2010)	7
Flows Inward (% of GDP)	1.8 (2011)	38

## COMPETITIVENESS LANDSCAPE

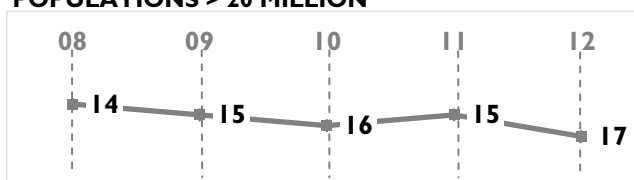


## PEER GROUP RANKINGS

### EUROPE - MIDDLE EAST - AFRICA



### POPULATIONS > 20 MILLION



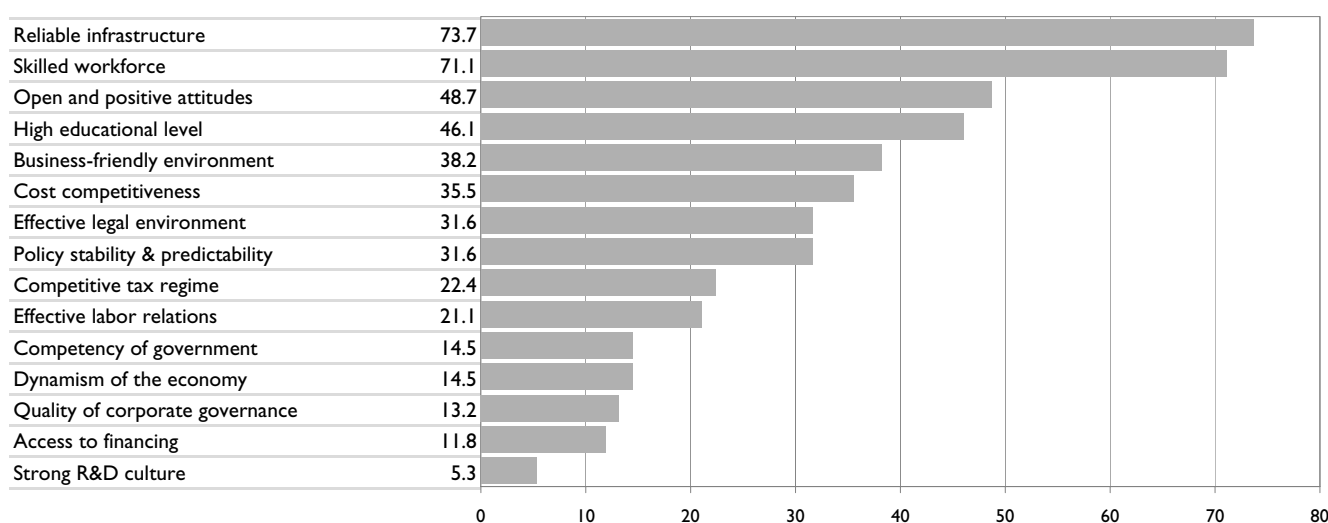
## COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one year to the next.

IMPROVEMENTS		WCY 2011	WCY 2012	DECLINES		WCY 2011	WCY 2012
1.1.14	Real GDP growth	-0.1	0.7	1.5.01	Consumer price inflation	1.8	3.2
1.1.15	Real GDP growth per capita	-0.65	0.35	2.1.09	Public finances (Survey)	4.91	2.73
1.3.01	Direct investment flows abroad (\$bn)	21.64	36.58	2.4.12	Parallel economy (Survey)	3.43	2.35
2.3.06	Foreign currency reserves (\$bn)	31.94	52.45	3.3.15	Credit (Survey)	2.77	1.92
2.3.10	Government decisions (Survey)	2.56	4.08	3.3.06	Finance and banking regulation (Survey)	5.15	3.78
1.3.02	Direct investment flows abroad (%)	1.55	2.45	3.3.05	Banking and financial services (Survey)	4.23	3.19
1.4.07	Long-term unemployment	8.53	5.11	2.3.02	Cost of capital (Survey)	4.61	3.51
2.3.11	Transparency (Survey)	3.31	4.50	3.3.08	Stock markets (Survey)	5.25	4.00
2.3.09	Adaptability of government policy (Survey)	2.67	3.45	4.4.26	Climate change (Survey)	5.59	4.44
4.5.07	Student mobility inbound	0.82	1.04	2.3.05	Central bank policy (Survey)	5.68	4.51
1.2.02	Current account balance (%)	-4.61	-3.71	3.5.05	Need for economic and social reforms (Survey)	5.14	4.13
2.2.07	Effective personal income tax rate	19.34	15.57	1.1.19	Resilience of the economy (Survey)	3.05	2.55
4.1.24	Electricity costs for industrial clients	0.125	0.103	3.3.16	Venture capital (Survey)	3.12	2.62
2.4.17	Labor regulations (Survey)	3.29	3.85	2.3.13	Bribing and corruption (Survey)	5.38	4.53
1.2.08	Exports of goods (\$bn)	254.42	297.42	4.3.19	Researchers and scientists (Survey)	3.47	2.92

## KEY ATTRACTIVENESS INDICATORS

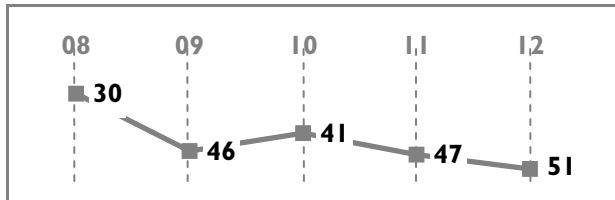
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



# SPAIN



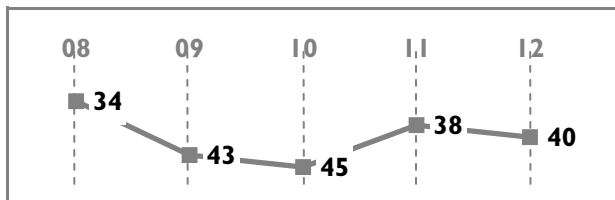
## ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2011	2012
Domestic Economy	38	39
International Trade	46	36
International Investment	16	26
Employment	57	56
Prices	26	30



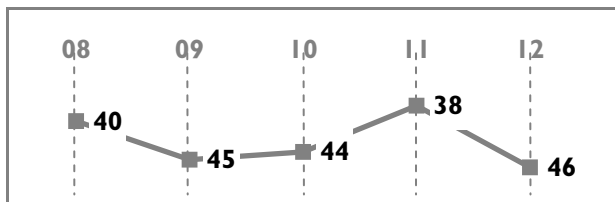
## GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2011	2012
Public Finance	47	54
Fiscal Policy	41	39
Institutional Framework	31	30
Business Legislation	43	45
Societal Framework	17	21



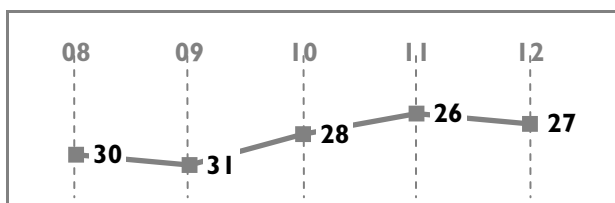
## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2011	2012
Productivity & Efficiency	18	22
Labor Market	51	53
Finance	36	39
Management Practices	43	54
Attitudes and Values	47	50



## INFRASTRUCTURE



Sub-Factor Rankings :	2011	2012
Basic Infrastructure	22	23
Technological Infrastructure	31	36
Scientific Infrastructure	26	27
Health and Environment	20	20
Education	36	35

**STRENGTHS****Economic Performance**

1.3.07 Direct investment stocks inward (\$bn)	7
1.2.12 Exports of commercial services (\$bn)	8
1.3.03 Direct investment stocks abroad (\$bn)	10
1.3.01 Direct investment flows abroad (\$bn)	13
1.3.04 Direct investment stocks abroad (%)	14
1.3.05 Direct investment flows inward (\$bn)	14
1.2.23 Tourism receipts (%)	16
1.2.08 Exports of goods (\$bn)	17
1.5.01 Consumer price inflation	19
1.3.08 Direct investment stocks inward (%)	23

**Government Efficiency**

2.3.03 Interest rate spread	3
2.3.01 Real short-term interest rate	11
2.4.01 Tariff barriers	12
2.4.02 Customs' authorities (S)	20
2.4.03 Protectionism (S)	23
2.2.07 Effective personal income tax rate	23
2.4.19 Immigration laws (S)	23
2.2.10 Employee's social security contribution rate	24
2.4.08 Government subsidies (%)	24
2.4.11 Competition legislation (S)	25

**Business Efficiency**

3.1.04 Labor productivity (PPP)	10
3.3.01 Banking sector assets (%)	10
3.2.17 Skilled labor (S)	13
3.1.01 Overall productivity (PPP)	14
3.1.09 Large corporations (S)	18
3.3.10 Stock market capitalization (%)	21
3.2.02 Unit labor costs in the manufacturing sector (%)	24
3.3.13 Stock market index (%)	27
3.2.15 Female labor force (%)	33

**Infrastructure**

4.4.19 Renewable technologies (S)	5
4.2.15 Qualified engineers (S)	6
4.5.05 Secondary school enrollment (%)	7
4.4.05 Life expectancy at birth	11
4.4.12 Energy intensity	13
4.4.01 Total health expenditure (%)	13
4.5.03 Pupil-teacher ratio (primary education)	16
4.4.04 Health infrastructure (S)	17
4.1.24 Electricity costs for industrial clients	18
4.5.04 Pupil-teacher ratio (secondary education)	21

**WEAKNESSES****Economic Performance**

1.4.06 Unemployment rate	58
1.4.08 Youth unemployment	56
1.1.19 Resilience of the economy (S)	56
1.1.14 Real GDP growth	50
1.1.15 Real GDP growth per capita	50
1.2.02 Current account balance (%)	50
1.4.02 Employment (%)	49
1.2.09 Exports of goods (%)	48
1.1.13 Diversification of the economy (S)	48
1.3.13 Relocation threats of production (S)	47

**Government Efficiency**

2.1.02 Government budget surplus/deficit (%)	55
2.4.18 Unemployment legislation (S)	55
2.3.05 Central bank policy (S)	53
2.4.16 Start-up procedures	52
2.4.12 Parallel economy (S)	51
2.4.09 Subsidies (S)	51
2.4.14 Creation of firms (S)	50
2.4.10 State ownership of enterprises (S)	50
2.1.10 Tax evasion (S)	49
2.2.11 Employer's social security contribution rate	48

**Business Efficiency**

3.3.15 Credit (S)	58
3.4.07 Entrepreneurship (S)	58
3.2.10 Employee training (S)	57
3.3.05 Banking and financial services (S)	56
3.3.06 Finance and banking regulation (S)	56
3.3.07 Financial risk factor (S)	55
3.5.04 Flexibility and adaptability (S)	54
3.4.01 Adaptability of companies (S)	54
3.2.22 International experience (S)	54
3.2.06 Working hours	53

**Infrastructure**

4.2.05 Mobile telephone costs	58
4.5.16 Language skills (S)	57
4.5.14 Management education (S)	51
4.3.19 Researchers and scientists (S)	51
4.2.22 High-tech exports (%)	48
4.2.16 Technological cooperation (S)	47
4.5.13 University education (S)	47
4.3.20 Scientific research legislation (S)	46
4.5.12 Science in schools (S)	46
4.2.07 Connectivity (S)	45