

## Spain

October 2021

### Executive summary

This country fact sheet provides key trade, investment and tourism related statistics for Spain. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Spain in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Spain and South Africa. The key highlights are provided below:

### TRADE

- Spain is a net export of services but a net importer of goods. In 2020, the country has a services trade balance of US\$29.47 billion.
- Goods exports and imports declined by 12.81% and 8.08% respectively in 2020. Spain's major trading partners are mostly European countries.
- South Africa's generally purchases more goods from Spain than what it supplies to the European country. In 2020, South Africa had a negative trade balance of US\$0.56 bn with Spain.

### FDI

- Between January 2011 and June 2021, Spain recorded a capital inflow of US\$169.20 billion and an outflow of US\$270.90 billion.
- The largest amount of capital outflow from Spain was in the renewable energy industry.
- The top 10% of Spanish investing companies in South Africa have created a total of 10 projects, which represents 22% of the total projects. These investors have created a combined total of 483 jobs, which equates to one-sixth of the overall total.

### TOURISM

- A total number of 41 524 Spanish tourists arrived in South Africa in 2019, majority of whom travelled to South Africa predominantly for the purpose of holiday, business, and visiting friends and relatives.

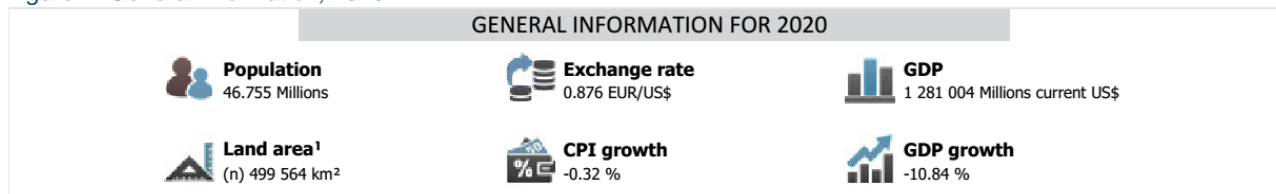
## Contents

1.	Introduction.....	3
2.	Trade.....	3
2.1	Trade in Services.....	3
2.2	Trade in goods .....	5
2.3	Trade between Spain and South Africa .....	8
2.4	Trade between Spain and the Western Cape.....	9
3.	Foreign Direct Investment .....	11
3.1	Inward FDI from the rest of the world to Spain .....	11
3.2	Outward FDI from Spain to the rest of the world .....	13
3.3	FDI flows between South Africa and Spain.....	16
3.3.1	FDI flows from Spain to South Africa .....	16
3.3.2	FDI flows from South Africa to Spain .....	17
3.4	FDI flows between the Western Cape and Spain .....	18
3.4.1	FDI from Spain to the Western Cape .....	18
3.4.2	FDI from the Western Cape to Spain .....	19
4.	Tourism.....	19
4.1	Spanish tourist arrivals to South Africa .....	19
4.2	Spanish tourist arrivals to the Western Cape.....	20

## 1. Introduction

Spain is a high-income country, ranked as the 33<sup>rd</sup> richest economy in 2020 in terms of per capita nominal Gross Domestic Product (GDP). The country is situated in South-Western Europe, adjoining the Mediterranean Sea, North Atlantic Ocean, Bay of Biscay, and Pyrenees Mountains. It shares borders with both France and Portugal on its North-East and West sides, respectively.

Figure 1: General information, 2020



Source: UNCTAD (2021)

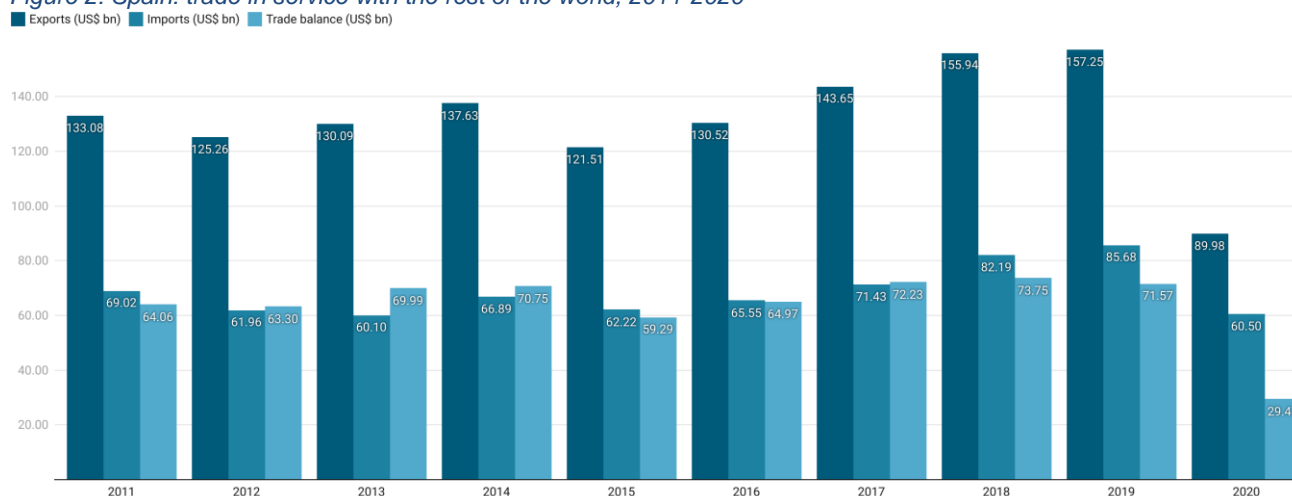
## 2. Trade

This section analyses Spain's global trade trends as well as the country's trade with South Africa and the Western Cape.

### 2.1 Trade in Services

Spain's services exports accounted for approximately 33% of its total exports in 2020. Figure 2 shows Spain's global trade in service between 2011 and 2020. The figure depicts that Spain is a net exporter of services. Services exports and imports both declined in 2020 due to the impact of the Coronavirus pandemic. Exports decreased from US\$157.25 billion in 2019 to US\$89.98 billion in 2020 while imports declined from US\$85.68 billion to US\$60.50 billion over the same period.

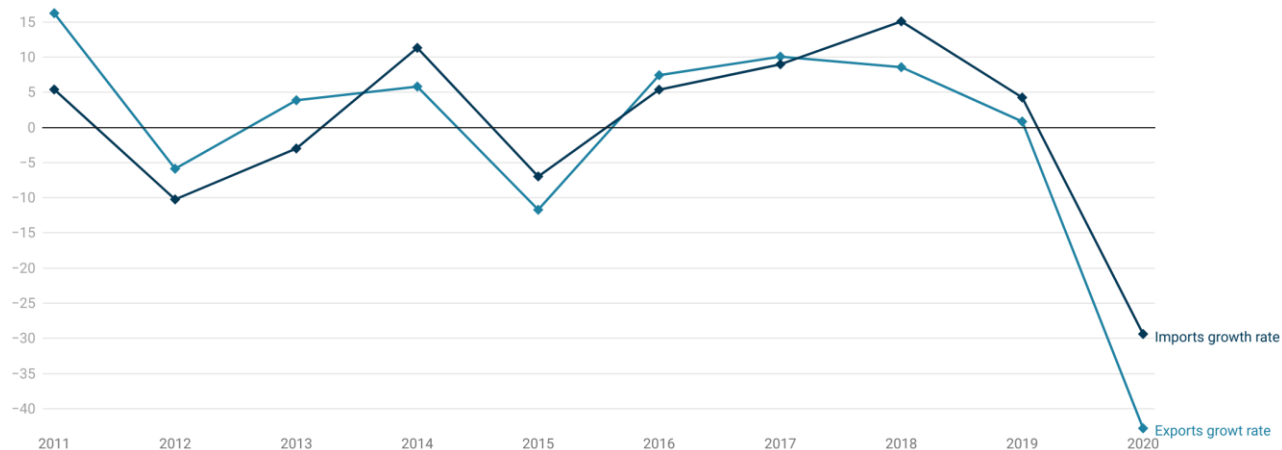
Figure 2: Spain: trade in service with the rest of the world, 2011-2020



Source: UNCTAD (2021)

The growth rates of exports and imports of services were -42.78% and -29.38% respectively in 2020 as shown in Figure 3. The huge decline can be attributed to the disruptions in the levels economic activities globally due to the impact of the Covid-19 pandemic and the measures taken to reduce its spread.

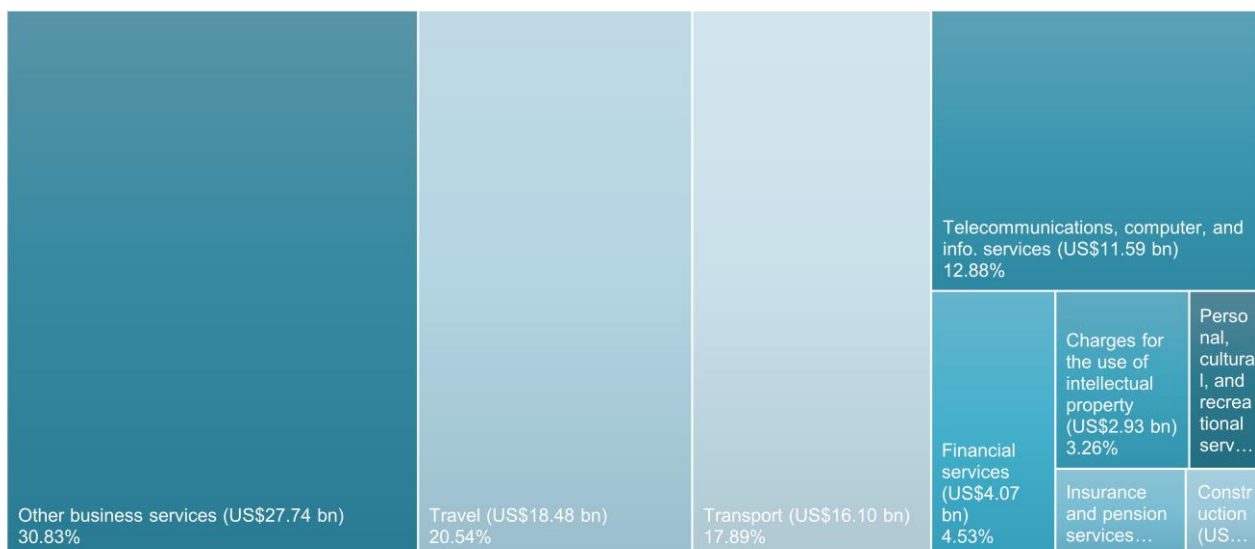
Figure 3: Spain: % changes in services exports and imports, 2011-2020



Source: UNCTAD (2021)

As shown in Figure 4, other business services, which includes research and development, were Spain's top exported services in 2020, accounting for 30.83% of total services exports. Travel services (20.54%) and transport (17.89%) were, respectively, the second and third largest components of the country's services exports.

Figure 4: Services exported by Spain, 2020



Source: UNCTAD (2021)

Just like in the case of services exports, other business services constituted the largest category of services imported by Spain in 2020 as shown in Figure 5. With a share of 16.79%, transport was the second most imported services by Spain over the same period, followed by Telecommunication, computer, and information services (14.55%).

Figure 5: Services imported by Spain, 2020

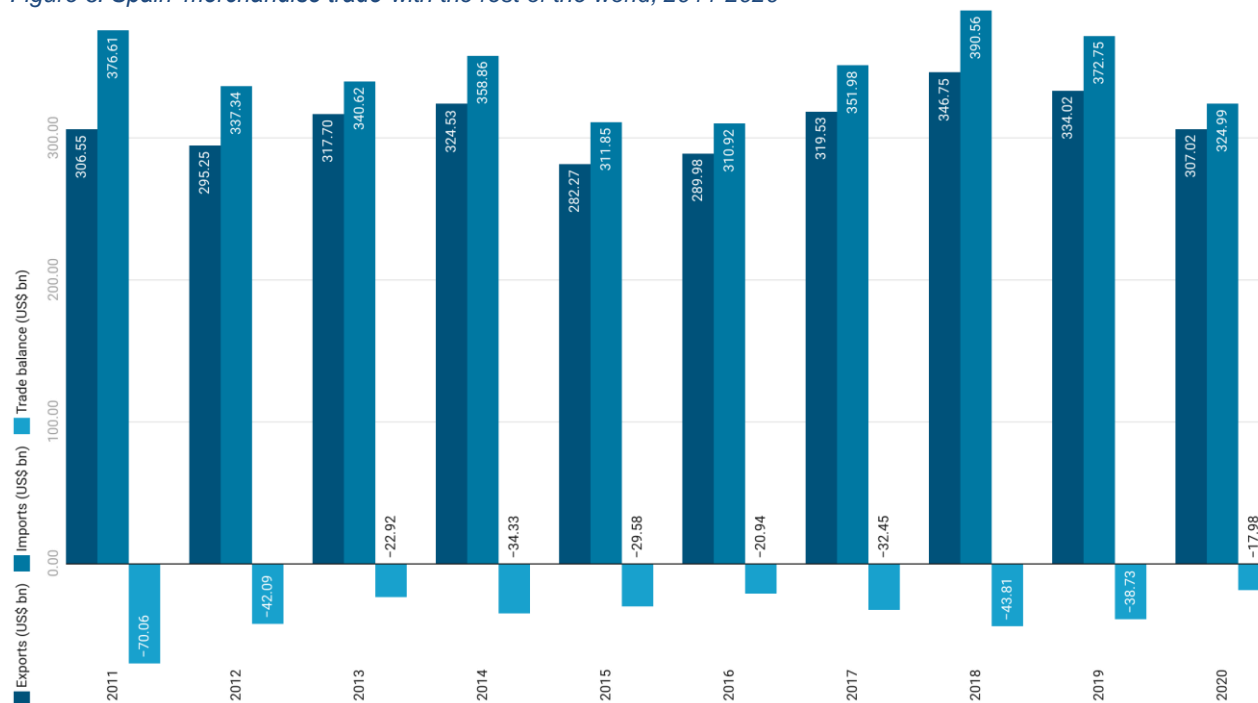


Source: UNCATD (2021)

## 2.2 Trade in goods

As evident in Figure 6, Spain consistently maintained a trade (goods only) deficit between 2011 and 2020. As the world battled with the coronavirus pandemic and the associated disruption of global supply chains, Spain's goods exports to the rest of the world declined from US\$334.02 billion in 2019 to US\$307.02 billion in 2020. Likewise, Spain's goods imports totalled US\$324.99 billion in 2020, down by US\$47.76 billion compared to the previous year.

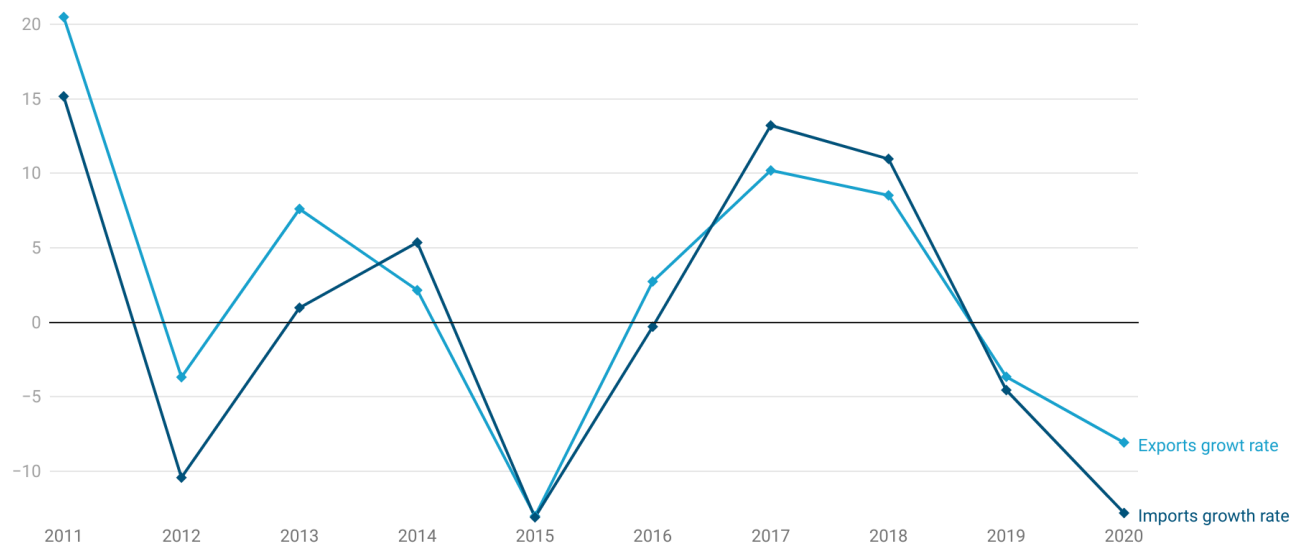
Figure 6: Spain's merchandise trade with the rest of the world, 2011-2020



Source: UNCTAD (2021)

Although the growth rates of both exports and imports of goods were on a downward trend in the previous period, 2020 saw a significant decline as it recorded growth rates of -12.81% and -8.08% for exports and imports respectively.

Figure 7: Spain: % changes in exports and imports, 2011-2020



Source: UNCTAD (2021)

In 2020, Spain's major trading partner countries for its goods exports were France, Germany and Italy as can be seen in Figure 8. Seven of top ten purchasers of goods originating from Spain were fellow European countries. Morocco was the only African country in the top ten importing markets for products exported by Spain.

Figure 8: Top 10 importing markets for products exported by Spain, 2020



Source: Trade Map (2021)

As Figure 9 confirms, Germany was the top supplier of goods imported into Spain in 2020, accounting for 11.83% of total goods imports. China (11.16%) and France (9.88%) completed the list of the top three countries exporting goods to Spain in this particular year.

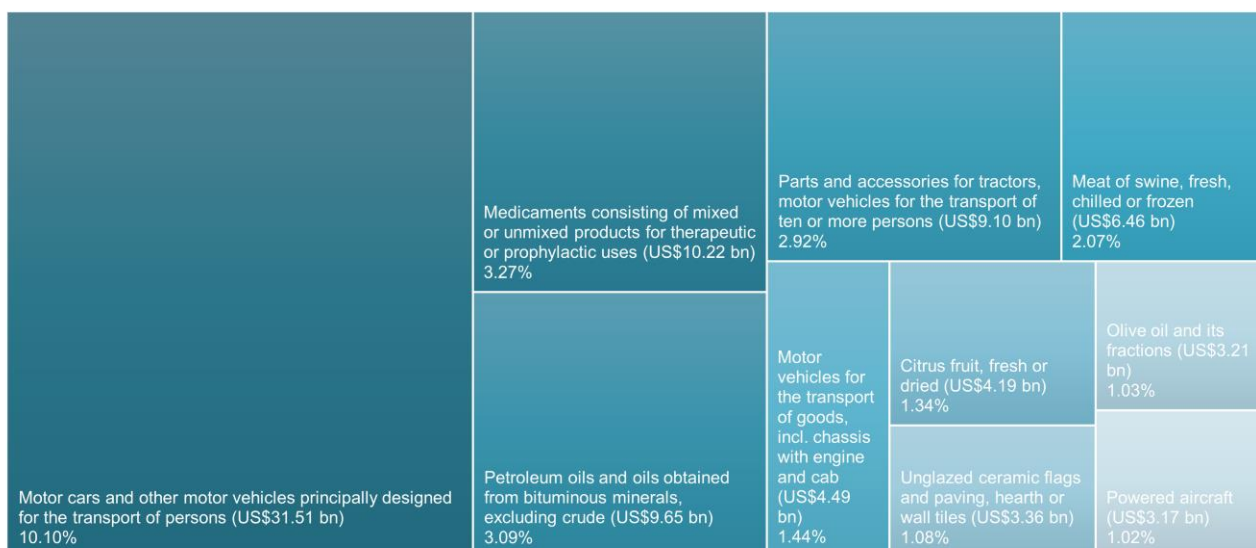
Figure 9: Top 10 supplying markets for products imported by Spain, 2020



Source: Trade Map (2021)

As showed in Figure 10, motor cars and other motor vehicles principally designed for the transport of persons (10.10%); medicaments (3.27%), and petroleum oils and oils obtained from bituminous minerals (3.09%) were Spain's top three exported products in 2020.

Figure 10: Top 10 products exported by Spain, 2020



Source: Trade Map (2021)

Likewise, petroleum oils and oils obtained from bituminous minerals (5.52%); parts and accessories of tractors (4.41%); and motor cars and other motor vehicles principally designed for the transport of persons (4.2%) were the leading products imported by Spain in 2020 as shown in Figure 11.

Figure 11: Top 10 products imported by Spain, 2020

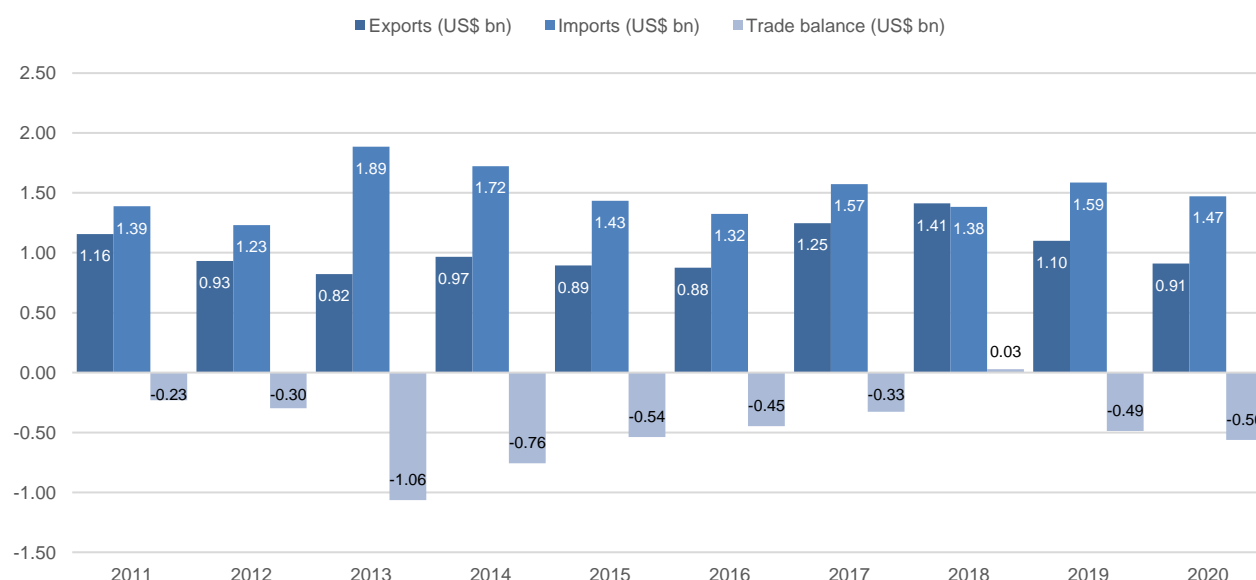


Source: Trade Map (2021)

## 2.3 Trade between Spain and South Africa

Figure 12 shows South Africa's trade with Spain between 2011 and 2020. South Africa, generally, imports more from Spain than it exports to the European country. In 2020, Spain exported US\$1.47 billion worth of goods to South Africa whereas US\$0.91 billion worth of goods moved in the opposite direction. South Africa's exports to and imports from Spain declined by 17.29% and 7.23% respectively in 2020.

Figure 12: South Africa exports and imports to and from Spain, 2011-2020



Source: Quantec (2021)

Motor vehicles for the transport of goods, which was South Africa's largest exported product to Spain in 2020, accounted for 23.12% of the country's total exports to the European nation. Motor cars and other motor vehicle principally designed for the transport of persons (17.53%) and centrifuges (9.08%) completed the list of the top three South African products which were exported to Spain.



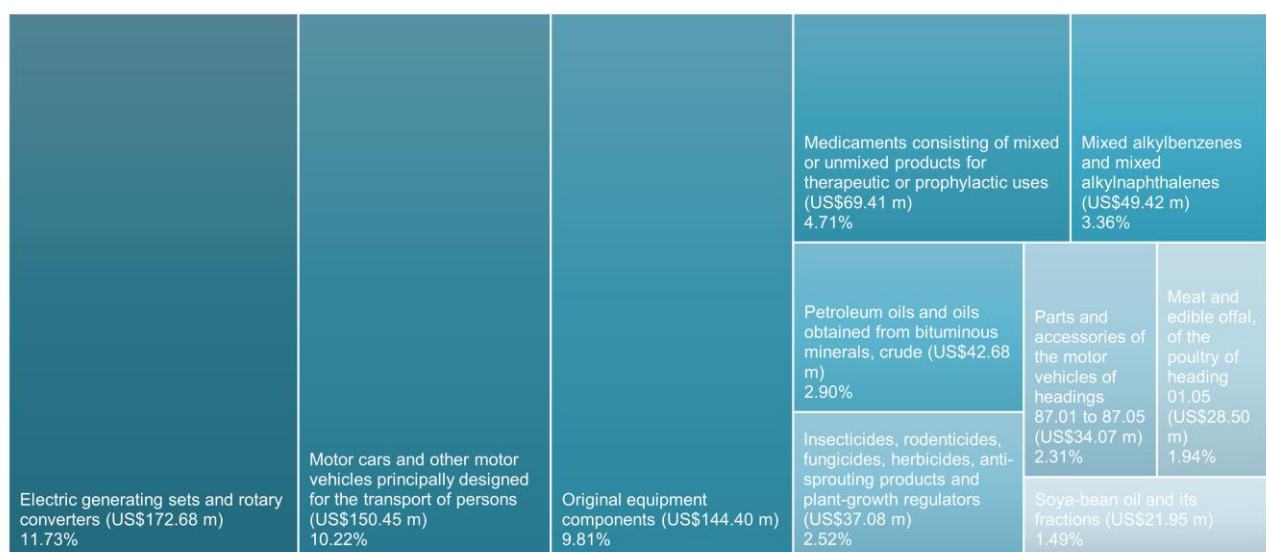
Figure 13: Top 10 products exported from South Africa to the Spain, 2020



Source: Quantec (2021)

The top three Spanish products that were imported to South Africa in 2020 were electric generating sets and rotary converters (11.73%); motor cars and other vehicles principally designed for the transport of persons (10.22%); and original equipment components (9.81%) as can be seen in Figure 14.

Figure 14: Top 10 products imported from Spain to South Africa, 2020

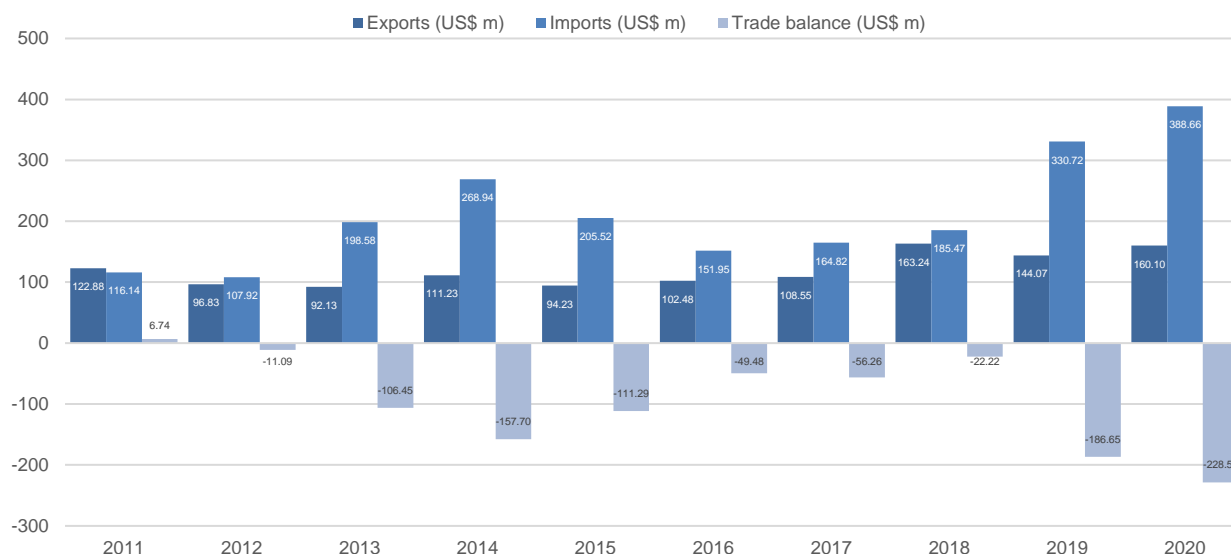


Source: Quantec (2021)

## 2.4 Trade between Spain and the Western Cape

Figure 15 highlights the Western Cape's trade with Spain between 2011 and 2020. After a 3.65% decline in 2019, the Western Cape's exports to Spain increased by 26.59% in 2020, in spite of the general slowdown in the level of economic activities globally as a result of the impact of the Covid-19 pandemic. Similarly, the Western Cape's imports from Spain increased from US\$330.72 million in 2019 to US\$388.66 million in 2020, representing a growth rate of 33.87%.

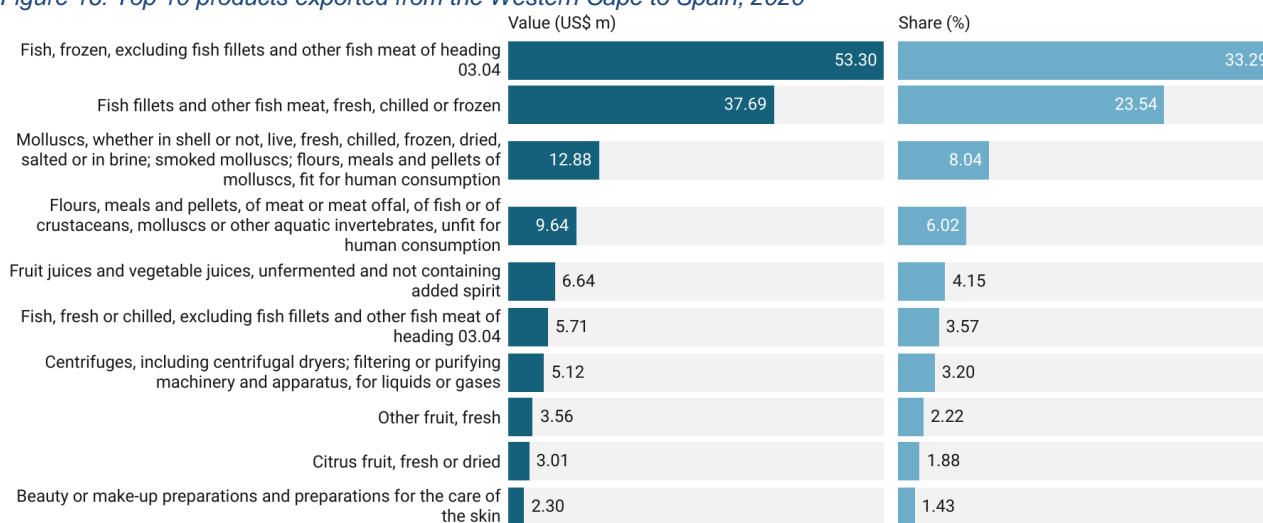
Figure 15: Trade between the Western Cape and Spain, 2011-2020



Source: Quantec (2021)

The Western Cape exported US\$160.10 million worth of goods to Spain in 2020, 33.29% of which were fish (excluding fish fillets) as shown in Figure 16. Fish fillet (23.54%) and molluscs (8.04%), respectively, constituted the second and third largest exported products from the province to Spain in 2020.

Figure 16: Top 10 products exported from the Western Cape to Spain, 2020



Source: Quantec (2021)

Over two fifth of products imported from Spain to the Western Cape in 2020 were electric generating sets and rotary converters as shown in Figure 17. The second and third most imported product from Spain by the Western Cape were soya-bean oil (3.77%) and sunflower-seed, safflower or cotton-seed oil (2.53%).

Figure 17: Top 10 products imported from Spain to the Western Cape, 2020

	Value (US\$ m)	Share (%)
Electric generating sets and rotary converters	172.73	44.44
Soya-bean oil and its fractions	14.64	3.77
Sunflower-seed, safflower or cotton-seed oil and fractions thereof	9.84	2.53
Olive oil and its fractions	9.71	2.50
Meat and edible offal, of the poultry of heading 01.05	8.69	2.24
Tomatoes prepared or preserved otherwise than by vinegar or acetic acid	7.75	1.99
Grapes, fresh or dried	7.33	1.89
Fruit juices and vegetable juices, unfermented and not containing added spirit	5.26	1.35
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	5.01	1.29
Polymers of propylene or of other olefins, in primary forms	3.65	0.94

Source: Quantec (2021)

### 3. Foreign Direct Investment

This section analyses inward and outward Foreign Direct Investment (FDI) flows to and from Spain between January 2011 and June 2021.

#### 3.1 Inward FDI from the rest of the world to Spain

FDI trends by all companies investing in Spain between January 2010 and June 2021 are examined in this sub-section. During the period under consideration, Spain recorded a total number of 6 231 projects, which generated a total capital expenditure of US\$169.20 billion and created more than half a million jobs. The country's highest number of FDI projects was realised in 2019 as Figure 18 illustrates. However, the most FDI-related jobs and the largest capex were recorded in 2018.

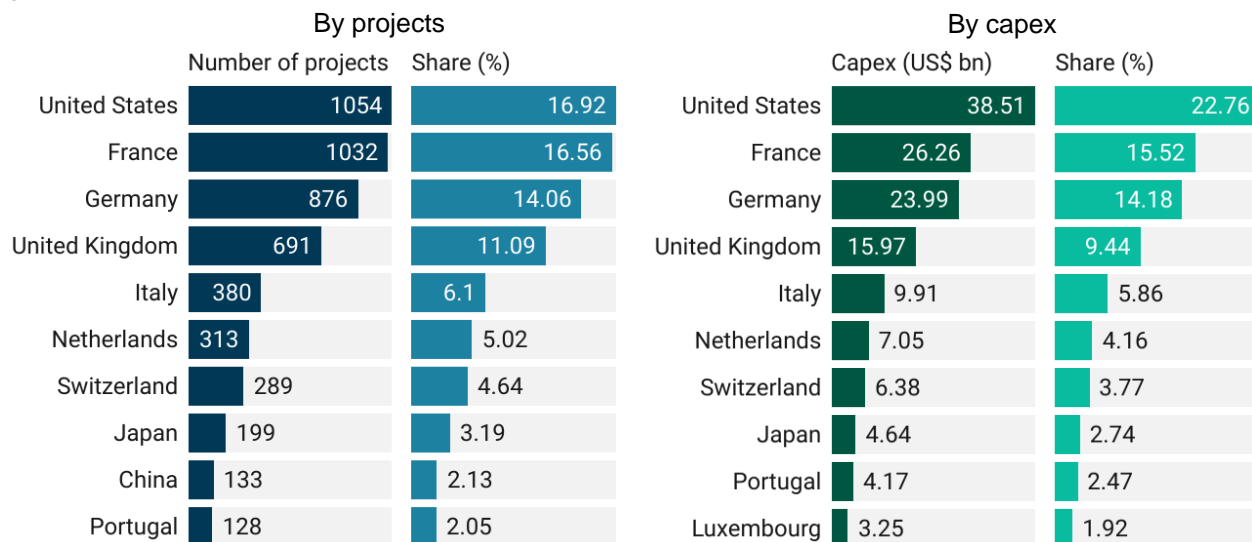
Figure 18: Inward FDI into Spain, Jan 2011- Jun 2021

	Number of projects	Capex (US\$ bn)	Jobs created
2011	378	9.3	27360
2012	426	9.01	35096
2013	410	9.33	31244
2014	412	8.01	26479
2015	412	11.9	36236
2016	546	10.59	42915
2017	656	15.05	57110
2018	817	35.1	91777
2019	841	21.06	88751
2020	544	13.21	63599
2021 (Jan-Jun)	365	13.87	42101

Source: FDI Intelligence (2021)

Figure 19 contains a list of the top ten source markets for inward FDI into Spain between January 2011 and June 2021. The United States, France and Germany were Spain's top three source markets in terms of both the number of FDI projects and the amount of capital expenditure. These three countries together accounted for approximately 48% of Spain's inward FDI projects and 53% of its capex during the period under review.

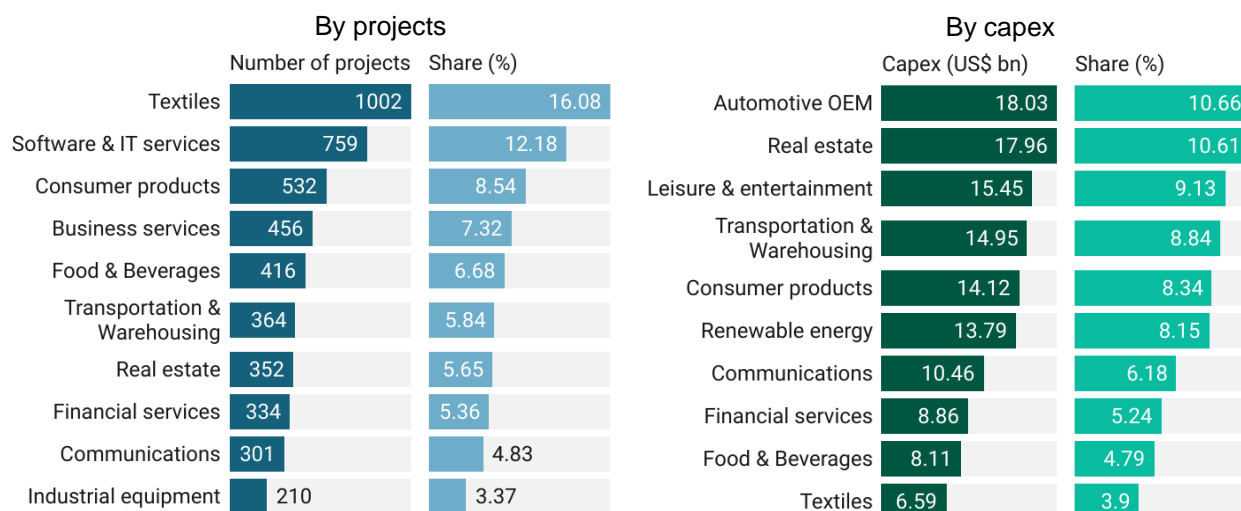
Figure 19: Top 10 source markets for inward FDI into Spain, Jan 2011-Jun 2021



Source: FDI Intelligence (2021)

As shown in Figure 20, most of the capital inflows into Spain were destined for the following industries: automotive OEM (10.66%); real estate (10.61%); and leisure and entertainment (9.13%). Similarly, the textiles, software and IT services as well as consumer products industries recorded the highest number of inward FDI projects into Spain between January 2011 and June 2021.

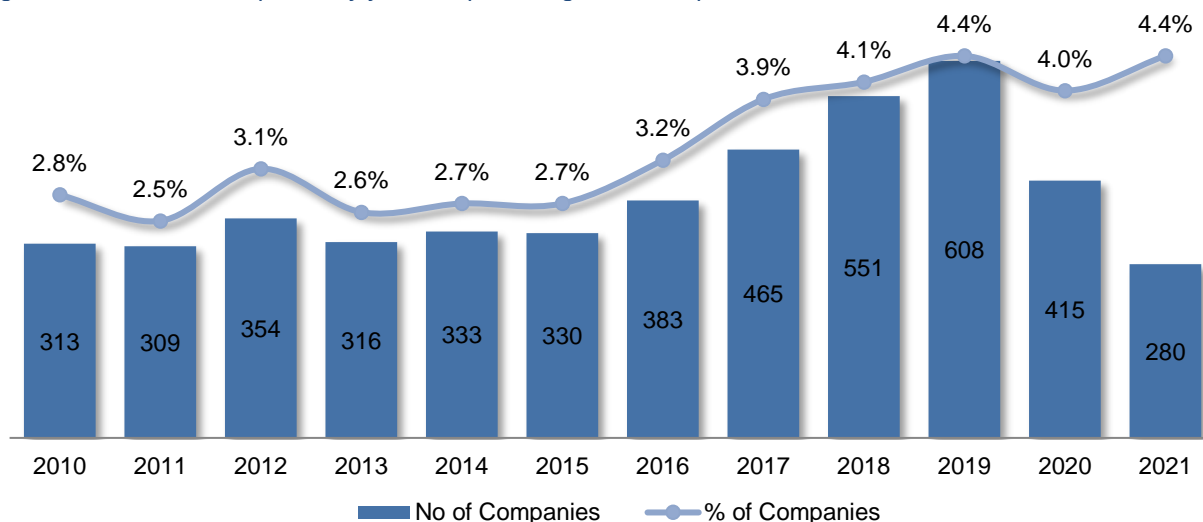
Figure 20: Spain's inward FDI, top 10 sectors (Jan 2011-Jun 2021)



Source: FDI Intelligence (2021)

A total of 3 319 companies invested in Spain between January 2010 and June 2021, out of a total of 81 904 companies investing in FDI globally. The highest number of investing companies in Spain was recorded in 2019 as Figure 21 shows.

Figure 21: Number of companies by year and percentage of all companies, Jan 2011-Jun 2021



Source: FDI Intelligence (2021)

Table 1 shows the top ten companies investing in Spain between January 2011 and June 2021. The top 10 companies accounted for 8.1% of projects. Within the past 12 months, nine of the top ten companies have announced projects, with Aldi and Amazon being the top investor for this period with 14 projects each. The top 10 companies account for 9.1% of job creation and 6.4% of capital investment.

Table 1: Top 10 companies investing in Spain: by number of projects, Jan 2011-Jun 2021

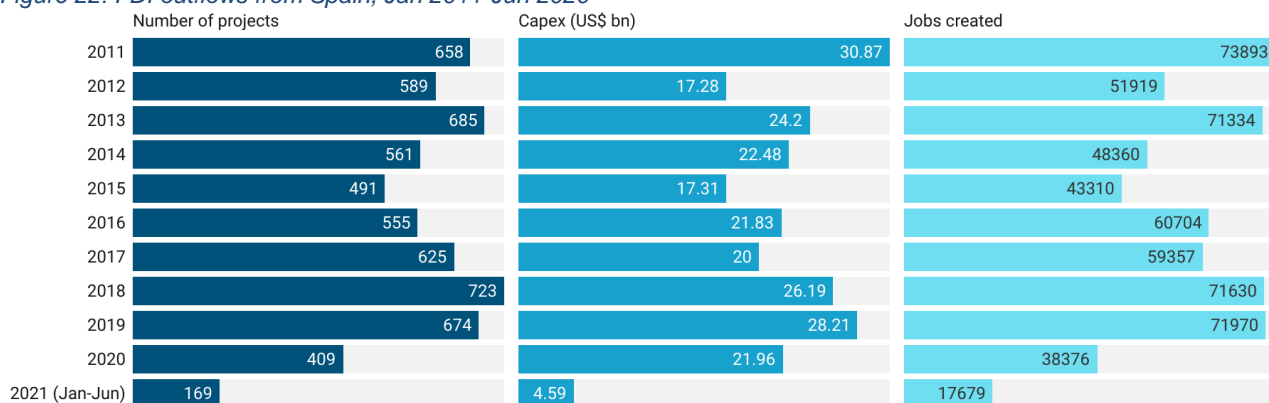
Company name	Source country	No of projects	Global projects	% of global projects	Projects in last 12 mths	Capex (US\$ m)	Jobs created
Lidl	Germany	87	717	12.1	10	1451.4	5969
Aldi	Germany	68	554	12.2	14	1055.8	4840
Amazon.com	United States	62	1348	4.5	14	2621.7	13043
Leroy Merlin	France	51	163	31.2	3	1260.7	6074
Decathlon (Oxylane)	France	50	376	13.2	2	545.6	4364
Hennes & Mauritz (H&M)	Sweden	40	819	4.8	0	432.1	3774
Primark (Penneys)	United Kingdom	40	173	23.1	2	587.5	5627
Enel Green Power Espana	Italy	38	38	100.0	5	1368.5	458
Ikea	Netherlands	37	581	6.3	8	1095.3	6493
Media Markt	Germany	30	113	26.5	4	441.2	2320

Source: FDI Intelligence (2021)

### 3.2 Outward FDI from Spain to the rest of the world

Capital outflows from Spain to the rest of the world totalled US\$270.90 billion during the period being reviewed. These investments created 693 902 jobs. The largest number of projects was announced in 2018, with 723 projects that year representing a share of 3.1% of global FDI.

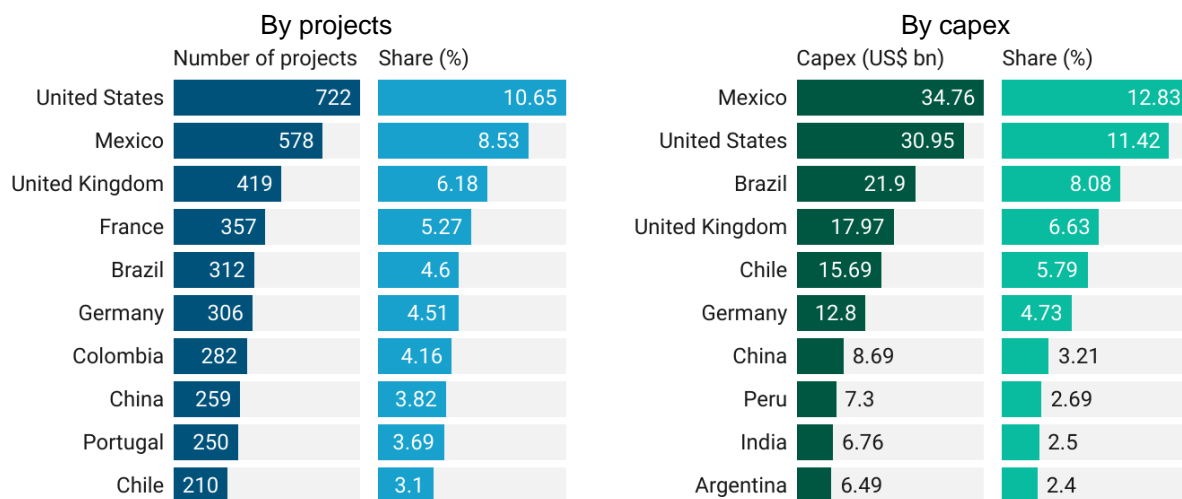
Figure 22: FDI outflows from Spain, Jan 2011-Jun 2020



Source: FDI Intelligence (2021)

Between January 2011 and June 2021, outward FDI from Spain was the largest in Mexico (12.83%), followed by the United States (11.42%) and Brazil (6.1%). The top three countries that received the highest number of FDI projects from Spain were the United States (10.65%), Mexico (8.53%) and the United Kingdom (6.18%).

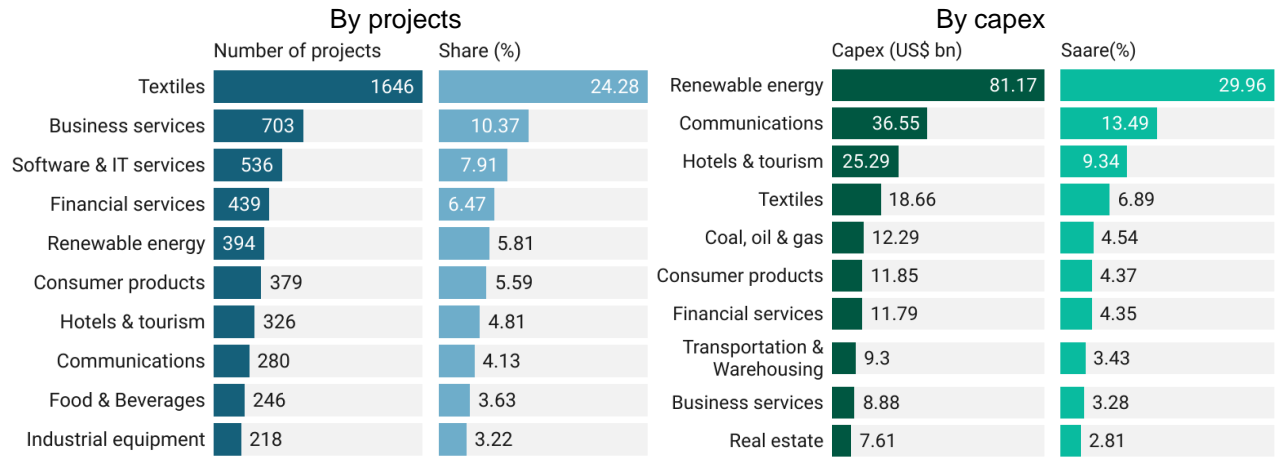
Figure 23: Top ten destination markets for outward FDI from Spain, Jan 2011-Jun 2020



Source: FDI Intelligence (2021)

Nearly one third of capex that originated from Spain to the rest of the world, during the period under review, were made in the renewable energy industry, whereas communications and hotel and tourism accounted for 14% and 9% respectively. In terms of the number of outward FDI project, textiles (24.28%) was the leading industry, followed by business services (10.37%).

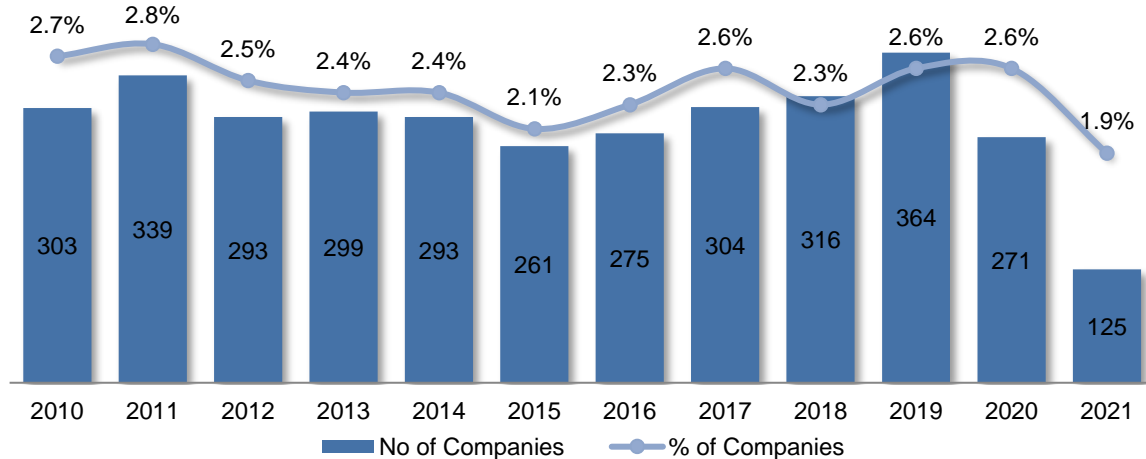
Figure 24: Spain's FDI outflows, top ten sectors (Jan 2011- Jun 2021)



Source: FDI Intelligence (2021)

A total of 2 043 companies from Spain invested in other countries between January 2010 and June 2021, out of a total of 81 904 companies investing in FDI globally. In 2020, 271 Spanish companies (representing 2.6% of all investing companies globally) invested in the rest of world as shown in Figure 25.

Figure 25: Number of companies by year and percentage of all companies, Jan 2011-Jun 2021



Source: FDI Intelligence (2021)

Table 2 contains the top ten companies from Spain with investment in other parts of the world. These companies accounted for 15.6% of projects. With 199 FDI projects, Zara tops the list of the leading ten companies Spain that invested in the rest of the world between January 2011 and June 2010. Within the past twelve months, nine of the top ten companies have announced projects, with Zara being the top investor for this period with 7 projects. The top ten companies also accounted for 11.5% of job created and 5.3% of capital investment.

Table 2: Top 10 Spanish companies investing in the rest of the world, Jan 2011-Jun 2021

Company name	No of projects	Capex (US\$ m)	Jobs created
Zara	199	3,106	14,994
Mango	187	1,876	13,056
Bershka	99	687	6,595
Stradivarius	92	686	6,223
Desigual	90	1,312	6,291
Pull & Bear	85	575	5,432
Zara Home	81	2,607	11,748
Massimo Dutti	79	881	5,215
Banco Santander (Santander Group)	77	2,009	7,008
Cosentino	67	712	3,281

Source: FDI Intelligence (2021)

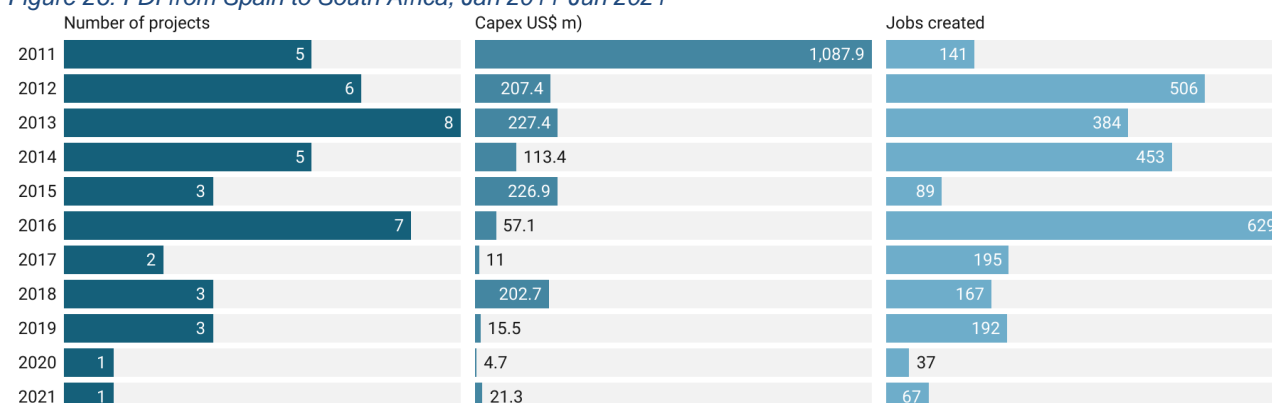
### 3.3 FDI flows between South Africa and Spain

This sub-section focuses on FDI flows between Spain and South Africa from January 2011 to June 2021.

#### 3.3.1 FDI flows from Spain to South Africa

Between January 2011 and June 2021, multinationals from Spain undertook a total of 45 FDI projects in South Africa. These projects generated an estimated capital expenditure of US\$2.19 billion and led to the creation of 2 946 jobs.

Figure 26: FDI from Spain to South Africa, Jan 2011-Jun 2021

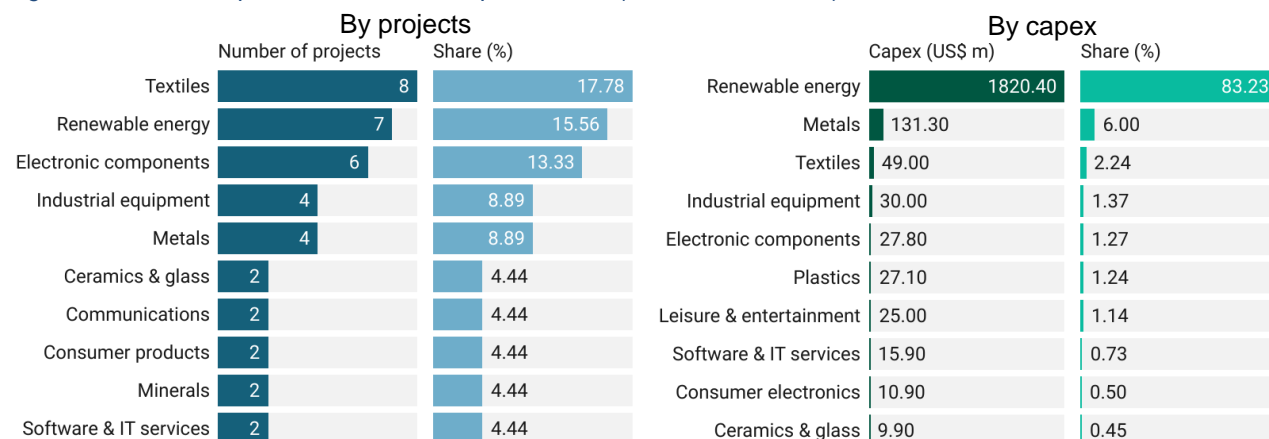


Source: FDI Intelligence (2021)

The South African industry that received the largest amount of capex from Spain was renewable energy (accounting for 83.23% of capex). Moreover, the industries that benefitted from the highest number of FDI projects from Spain were textiles (17.78%); renewable energy (15.56%); and electronic components (13.33%).



Figure 27: FDI from Spain to South Africa, top 10 sectors (Jan 2011-Jun 2021)



Source: FDI Intelligence (2021)

As shown in Table 3, Zara and Abengoa were the top two Spanish companies with the highest number of FDI projects in South Africa. The top ten companies accounted for a combined total of 23 projects (51.1% of projects). None of the top ten companies had announced projects within the past twelve months.

Table 3 Top 10 companies: number of projects, Jan 2011-Jun 2021

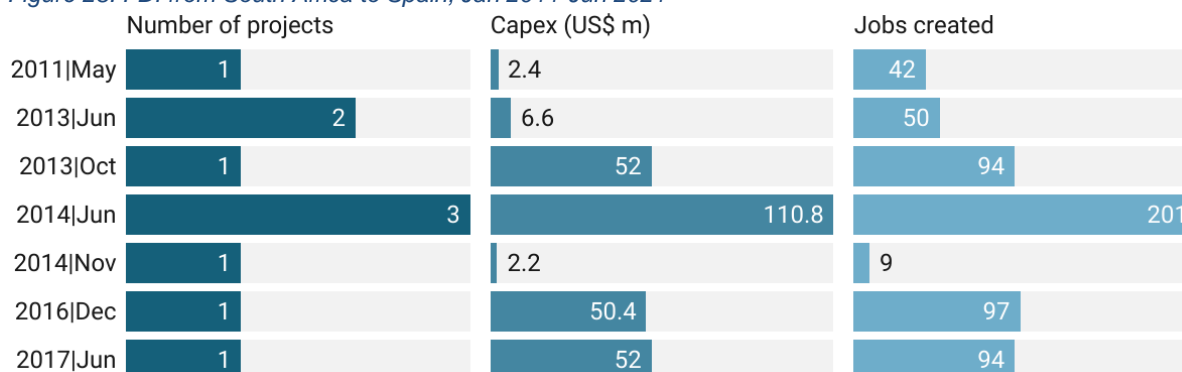
Company name	No of projects	Global projects	% of global projects	Projects in last 12 mths
Zara	5	313	2	0
Abengoa	3	30	10	0
Mango	2	318	1	0
Porcelanosa	2	56	4	0
Grupo Acek (Gestamp Group)	2	34	6	0
Acciona	2	35	6	0
Cosentino	2	87	2	0
Fluidra (Aquadria Group)	2	28	7	0
GP Tech	2	4	50	0
Octilus	1	8	13	0

Source: FDI Intelligence (2021)

### 3.3.2 FDI flows from South Africa to Spain

There was a total of 10 FDI projects by companies of South African origin in the Spanish market between January 2011 and June 2021. These projects were accompanied by a total capital expenditure of US\$276.40 million and generated 587 jobs.

Figure 28: FDI from South Africa to Spain, Jan 2011-Jun 2021



Source: FDI Intelligence (2021)

Approximately 96% of capex that originated from South Africa to Spain during the period under consideration was from the transportation and warehousing industry. Furthermore, transportation and warehousing and industrial equipment were the top two industries in terms of the number of FDI projects.

Figure 29: FDI from South Africa to Spain, by projects (Jan 2011- Jun 2021)

	Number of projects	Share (%)	Capex (US\$ m)	Share (%) <sup>1</sup>
Transportation & Warehousing	6	60	265.2	95.95
Industrial equipment	2	20	6.6	2.39
Business services	1	10	2.4	0.87
Communications	1	10	2.2	0.8

Source: FDI Intelligence (2021)

As presented in Table 4, Barloworld Logistics, Barloworld Finanzauto and Palletways were the top three South African companies with FDI projects in Spain.

Table 4: South African companies investing in Spain, (Jan 2011-Jun 2021)

Investing company	Projects	Capex (US\$ m)	Jobs created
Barloworld Logistics	4	162.8	295
Barloworld Finanzauto	2	6.6	50
Palletways	2	102.4	191
Ad Dynamo	1	2.4	42
Impro Technologies	1	2.2	9
Total	10	276.4	587

Source: FDI Intelligence (2021)

### 3.4 FDI flows between the Western Cape and Spain

Just one of South Africa's ten outward FDI to Spain originated from the Western Cape. The province also received the second highest number of FDI projects and the second largest amount of capex from Spain compared to other provinces in South Africa.

#### 3.4.1 FDI from Spain to the Western Cape

During the period under review, a total of seven FDI projects were undertaken by Spanish companies into the Western Cape, generating a capital inflow of US\$261.18 million and creating 618 jobs in the process. The largest capex was recorded in September 2015 whereas the highest number of jobs were created in May 2012.

Figure 30: FDI from Spain the Western Cape, Jan 2011-Jun 2021

	Number of projects	Capex (US\$ m)	Jobs created
2011 Jul	1	2.9	17
2012 May	1	19.2	250
2013 May	1	1.8	11
2014 Jan	1	29.8	200
2014 Apr	1	4.7	37
2015 Sep	1	192.4	41
2016 Oct	1	10.4	62

Source: FDI Intelligence (2021)

In terms of the amount of capex, FDI from Spain to the Western Cape were mostly concentrated in the renewable energy industry, which accounted for 73.66% of total capex. On the basis of the number of FDI projects, metals (28.57%) was the leading industry.

Figure 31: FDI from Spain to the Western Cape, by sectors (Jan 2011-Jun 2021)

	Projects	Share (%)	Capex (US\$ m)	Share (%) <sup>1</sup>
Metals	2	28.57	49	18.76
Communications	1	14.29	4.7	1.8
Electronic components	1	14.29	1.8	0.69
Industrial equipment	1	14.29	2.9	1.11
Renewable energy	1	14.29	192.4	73.66
Software & IT services	1	14.29	10.4	3.98

Source: FDI Intelligence (2021)

Acciona (US\$192.4); Grupo Acek (US\$29.8); and Gestamp Wind Steel (US\$19.2) were the top three Spanish companies with the largest capex in the Western Cape as shown in Table 6.

Table 5: Companies from Spain investing in the Western Cape, Jan 2011-Jun 2021

Investing company	Number of projects	Capex (US\$ m)	Jobs created
Acciona	1	192.4	41
Adglow	1	10.4	62
Fluidra (Aquaria Group)	1	2.9	17
Gestamp Wind Steel	1	19.2	250
Grupo Acek (Gestamp Group)	1	29.8	200
LleidaNetworks Serveis Telematics	1	4.7	37
PROINSO	1	1.8	11

Source: FDI Intelligence (2021)

### 3.4.2 FDI from the Western Cape to Spain

The Western Cape undertook one FDI project in Spain, with an estimated capex of US\$2.40 million. Ad Dynamo, an online and mobile advertising marketplace, launched an office in Madrid to allow the company to offer its services to Spanish advertisers and publishers.

Table 6: FDI from the Western Cape Spain, Jan 2013-Jun 2020

Date	Sector	Company	Projects	Capex (US\$ m)	Jobs created
May, 2011	Business services	Ad Dynamo	1	2.4	42

Source: FDI Intelligence (2021)

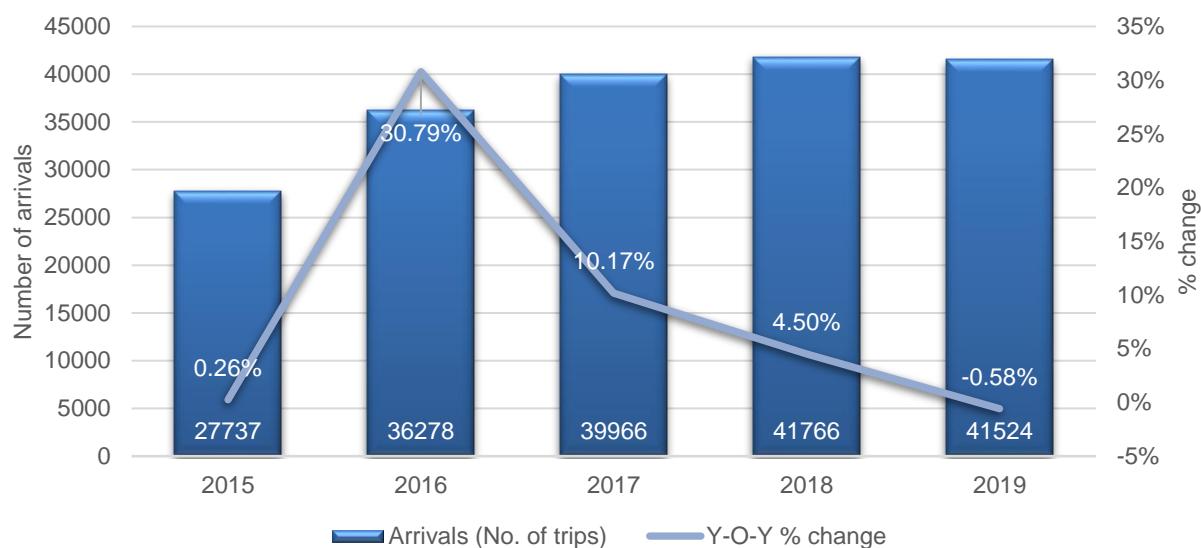
## 4. Tourism

This section analysis tourism trends between Spain and South Africa as well as the Western Cape.

### 4.1 Spanish tourist arrivals to South Africa

The number of Spanish visitors to South Africa was 41 524 in 2019, down by 0.58% compared to the previous year. Spanish visitors who travelled to South Africa were predominantly visiting for the purpose of holiday, business, and visiting friends and relatives. Figure 32 shows that the number of Spanish tourist arrivals in South Africa peaked in 2018.

Figure 32: Spanish travellers to South Africa, Jan 2015-Dec 2019

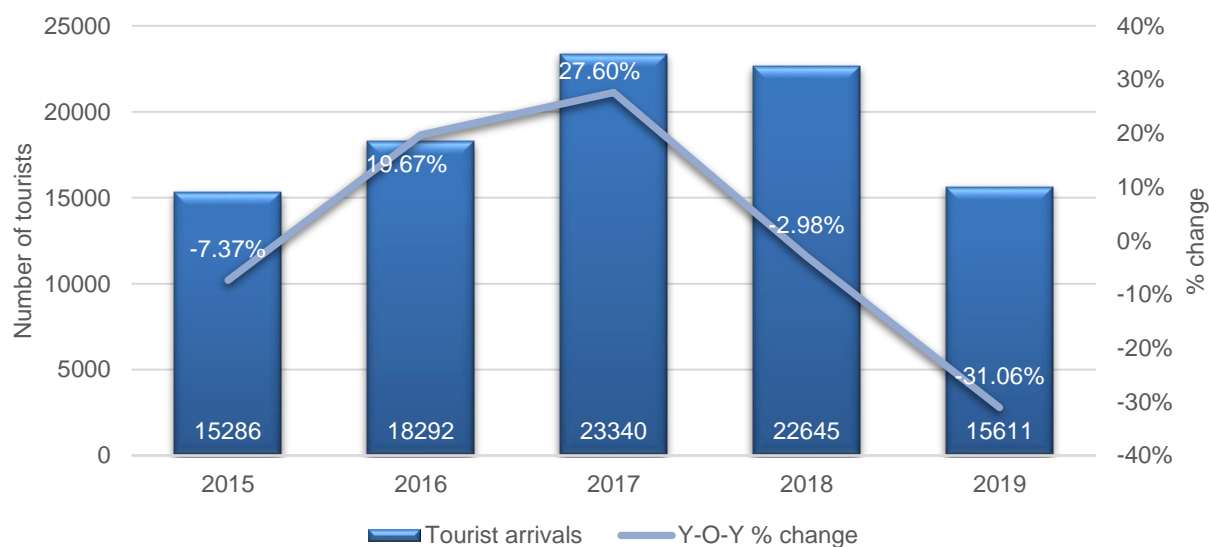


Source: SA Tourism, 2020

## 4.2 Spanish tourist arrivals to the Western Cape

The Western Cape saw a significant increase in Spanish visitors in 2016 and 2017. However, visitor numbers declined by 3% and -31% in 2018 and 2019 respectively as shown in Figure 33.

Figure 33: Spanish tourist arrivals to the western cape, 2015-2019



Source: SA Tourism, 2020

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