

Business financing

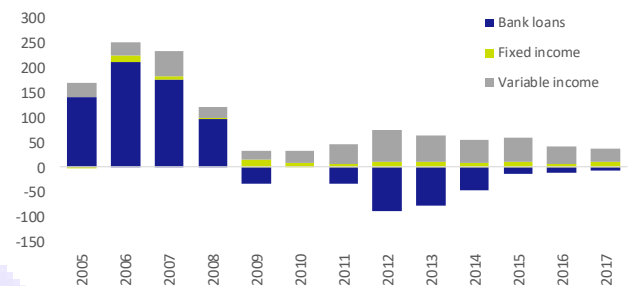
In 2017, the financing of non-financial companies in Spain originating in fixed income and variable income totalled €10.5bn and €26.8bn respectively, while the net flow of bank loans decreased by €7bn. This situation starkly contrasts with the pre-crisis period, when the flow of bank financing represented almost 21% of GDP (€211.6bn).

Currently, Spain is one of the countries with the greatest increase in the weight of financing originating in fixed income instruments since 2007, mainly explained by the development of the MARF*, changes in financial regulation and the purchase of private fixed income by the ECB.

* MARF: Alternative Fixed-Income Market

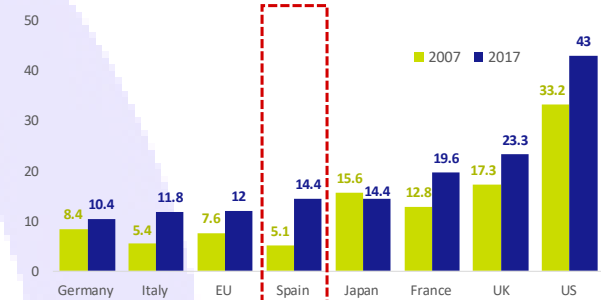
Financing of non-financial companies, Spain

Liability net flows in €bn



Fixed income weight of non-financial companies

% of debt



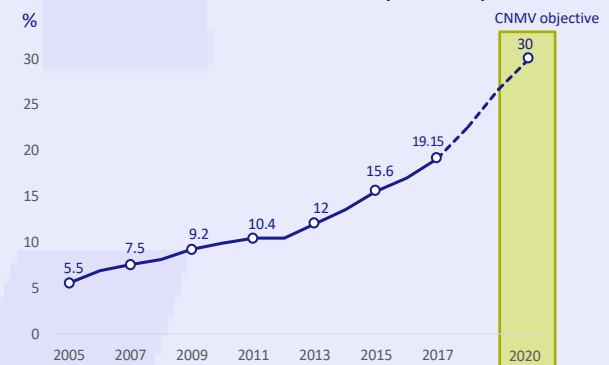
Source: Círculo de Empresarios based on Bank of Spain, 2018

Women on boards

In 2017, women (258 out of a total of 1,347) held 19.15% of the total board positions of listed companies in Spain.

Despite advancing almost 14pp since 2005, this figure is far from the EU average (25.3%) and the objective (30%) for 2020 proposed by the Spanish Securities Market Commission (CNMV).

Women on board of directors, listed companies in Spain



Source: Círculo de Empresarios based on CNMV, 2018

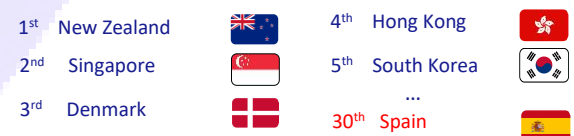
Doing Business 2019

According to the latest issue of Doing Business (World Bank), an index ranking 190 countries on the ease of doing business, Spain slips two positions to rank 30 while New Zealand, Singapore and Denmark are in the lead.

By topics of business regulation, only the following two indicator sets experienced improvement: dealing with construction permits and enforcing contracts. Lower score obtained for: getting credit, protecting minority investors, registering property, and getting electricity.

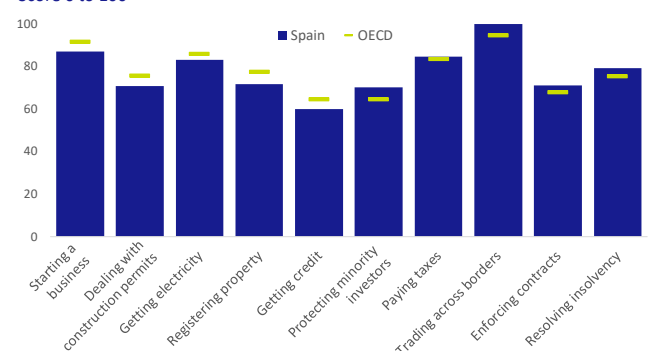
Doing Business Ranking 2019

Rank of 190 countries



Doing Business topics, Spain

Score 0 to 100



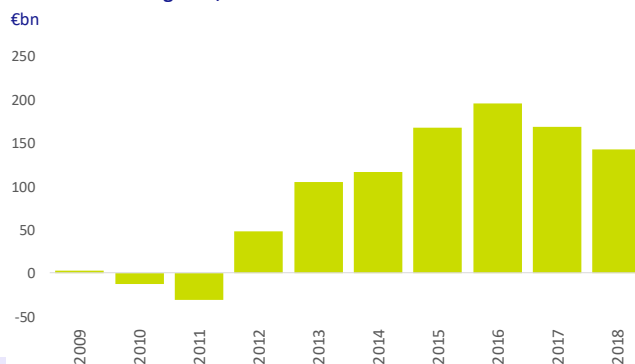
Source: Círculo de Empresarios based on World Bank, 2018

Euro area trade in goods

In September, euro area exports of goods to the rest of the world fell by 1% year-on-year, while imports grew by 6.4%, recording a 48% lower trade surplus than in September 2017.

In cumulative terms, from January to September, exports rose 3.6% year-on-year to €1.68tn, and imports by 5.8% to €1.54tn, with the trade surplus decreasing by 15.5% year-on-year (to 1.3% of the euro area GDP).

Trade balance of goods, euro area



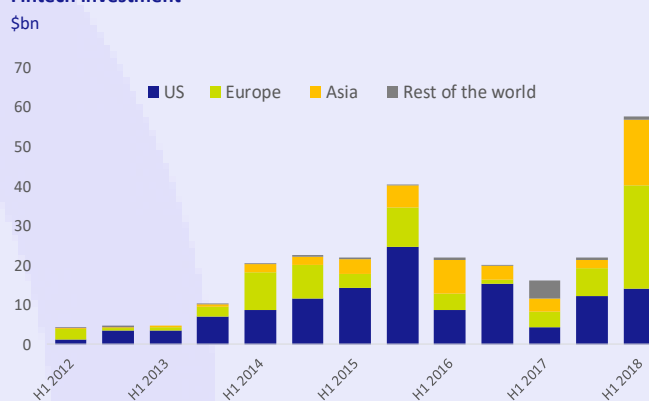
Source: Círculo de Empresarios based on Eurostat, 2018

The evolution of fintech

In the first half of 2018, global fintech investment skyrocketed by 259% year-on-year to reach \$57.9bn (0.07% of global GDP) in 875 deals.

The UK led the way in attracting fintech investment, accounting for 27.8% of total global investment and 61.9% of European investment. The US accounted for 24.5% of the world total. Moreover, Asia has experienced the highest growth of any region (409.1% year-on-year).

Fintech investment



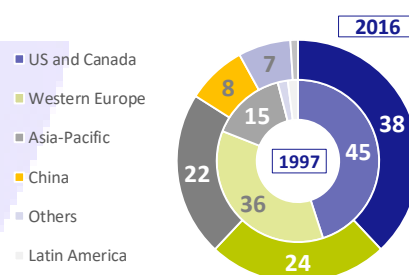
Source: Círculo de Empresarios based on KPMG & Pitchbook, 2018

“Superstar” firms

According to the McKinsey Global Institute, among the 575 companies that comprise the “superstars firms*”, China has gone from having none in 1997 to account for 8% of the total in 2016. This development coincides with that of the Asia-Pacific region for which this type of company has increased from 15% in 1997 to 22% in 2016, while it has lost weight in Western Europe, the US and Canada.

*10% of the 5,750 largest companies worldwide (public & private) with annual revenue exceeding \$1bn

Geographic distribution of “superstar firms”
% of total



Source: Círculo de Empresarios based on McKinsey Global Institute, 2018

Venezuelan crisis impact

Venezuela’s oil revenues account for 95% of export earnings. Its oil production has fallen to the record lows of the last 7 decades*. This situation exacerbates the current economic contraction scenario (real GDP: -18% and hyperinflation topping one million percent), in which the strong socio-economic deterioration has caused

*It is estimated that the refineries are operating at ¼ of their capacity

more than 1.5 million Venezuelans (5% of the population) to flee the country over the past 4 years.

Crude oil production of Venezuela
Million barrels per day



Source: Círculo de Empresarios based on IEA, 2018