GUARANTEEING RESILIENCE

1. PREPARE THE ECONOMY FOR RAPID RESPONSE CAPABILITIES

AS WITH THE 2008 FINANCIAL CRISIS, COVID-19 HAS DEMONSTRATED OUR EXPOSURE TO EVENTS ON A GLOBAL SCALE

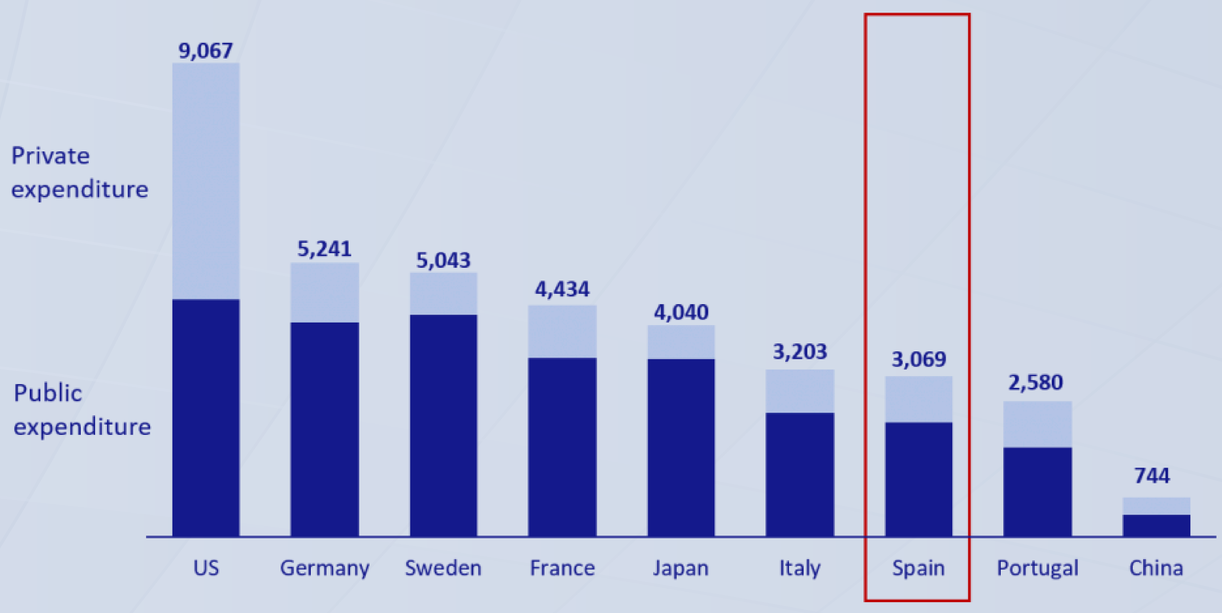
Improvement in our abilities to anticipate and respond quickly should be organized around the following five key points:

- **Invest in crisis scenario planning** (health crises, natural disasters, a shortage of resources, cyberterrorism)
- **Draw up contingency plans that allow for adequate planning and response**
- **Develop capabilities to monitor signs of weakness or indicators on future trends**
- **Institutionalize public-private collaboration in the form of response protocols**
- **Improve collaboration between territorial administrations and on a global scale** (information exchange, resource sharing...)

2. REINFORCE OUR HEALTH AND HEALTHCARE CAPABILITIES

SPAIN SHOULD BOOST INVESTMENT IN HEALTH AND HEALTHCARE TO ENSURE SYSTEM RESILIENCE AT CRITICAL MOMENTS

Per capita healthcare expenditure (PPP, € 2017)[1]



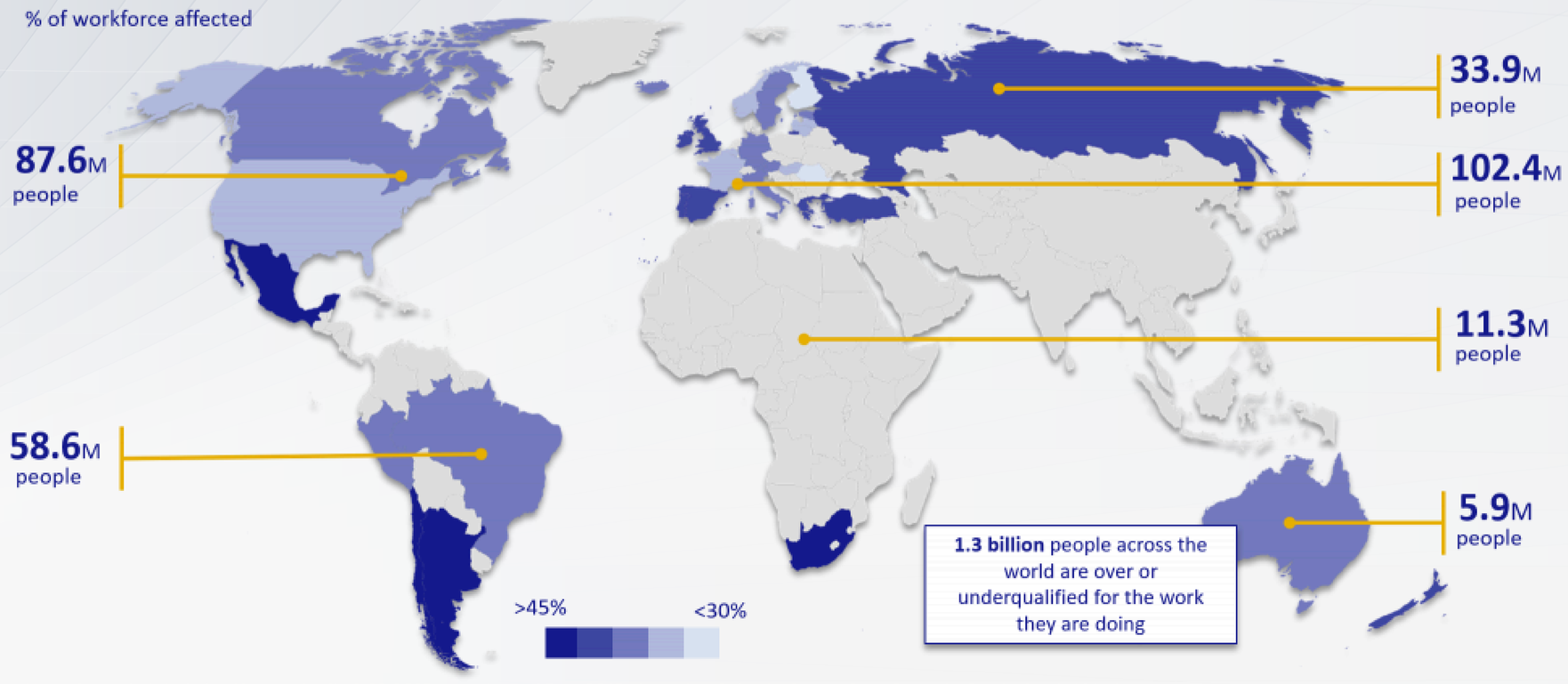
	US	Germany	Sweden	France	Japan	Italy	Spain	Portugal	China
Healthcare public spending as a proportion of total public expenditure	22.5%	19.9%	18.7%	15.5%	23.6%	13.4%	15.3%	13.0%	9.1%

[1] Purchasing Power Parity, USD data, exchange rate $/€ average in 2017 (1,1301).

3. STRENGTHEN OUR EDUCATION SYSTEM

IN OECD COUNTRIES A CAPACITY MISMATCH AFFECTS TWO OUT OF EVERY FIVE EMPLOYEES

% of workforce affected

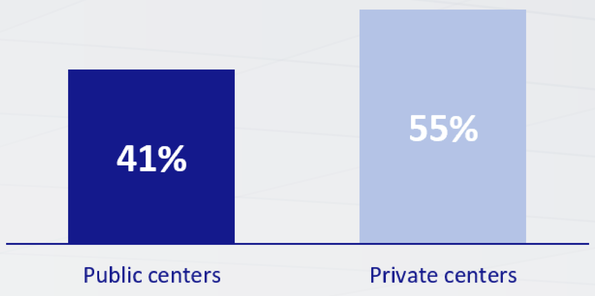


1.3 billion people across the world are over or underqualified for the work they are doing

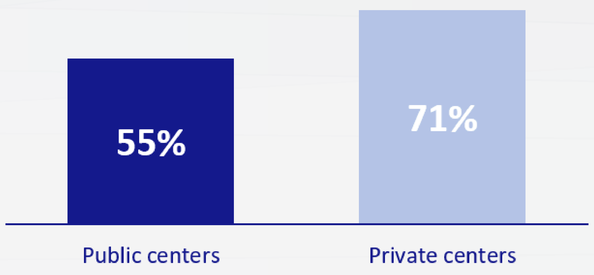
Note: the analysis includes 42 countries (incl. 35 OECD countries and 7 no-OECD: Argentina, Bulgaria, Cyprus, Peru, Romania, Russia, South Africa).

DIGITAL EDUCATIONAL SERVICES SHOULD REACH 100% MARKET PENETRATION

Availability of virtual learning environment '18 - '19



Availability of cloud services '18 - '19

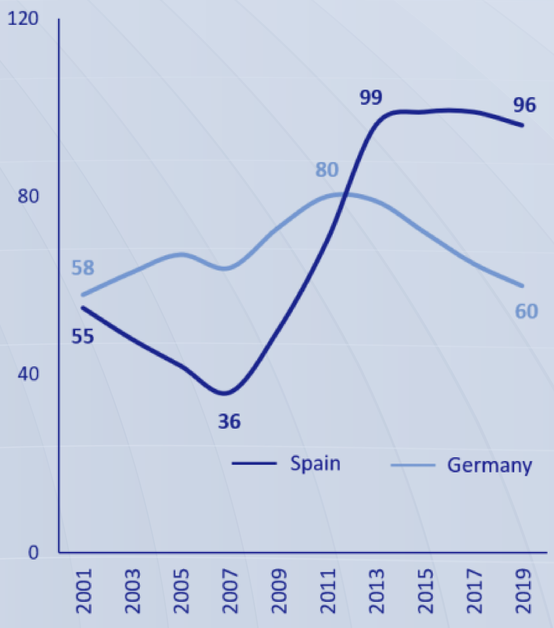


4. MAINTAIN A LEVEL OF MANAGEABLE INDEBTEDNESS AND A ROBUST CAPITAL STRUCTURE

THE SPANISH PUBLIC TAX POSITION HAS STILL NOT RECOVERED FROM THE IMPACT OF THE 2008 FINANCIAL CRISIS

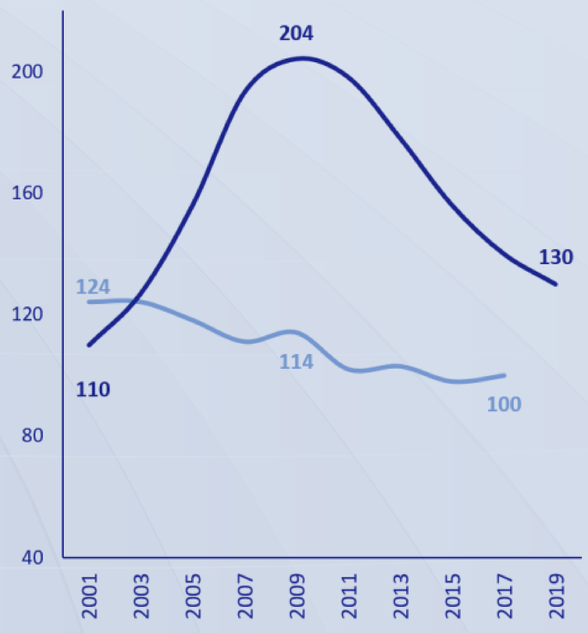
Spain has had high levels of public debt since the post 2008 financial crisis recession

Public debt
(% of GDP)



The Spanish private sector has made an effort to deleverage after the crisis

Private debt
(% of GDP)



5. STRENGTHEN OUR SUPPLY CHAINS

4 LEVERS TO ENSURE THE SUPPLY OF ESSENTIAL GOODS IN TIMES OF CRISIS

Degree of disruption +

Provider diversification
Reduce excessive dependencies with greater logistical efficiency

Flexibility for self-sufficiency
Boost **agricultural and industrial flexibility and** build a **reserve productive capability** against a possible scenario involving a lack of supplies

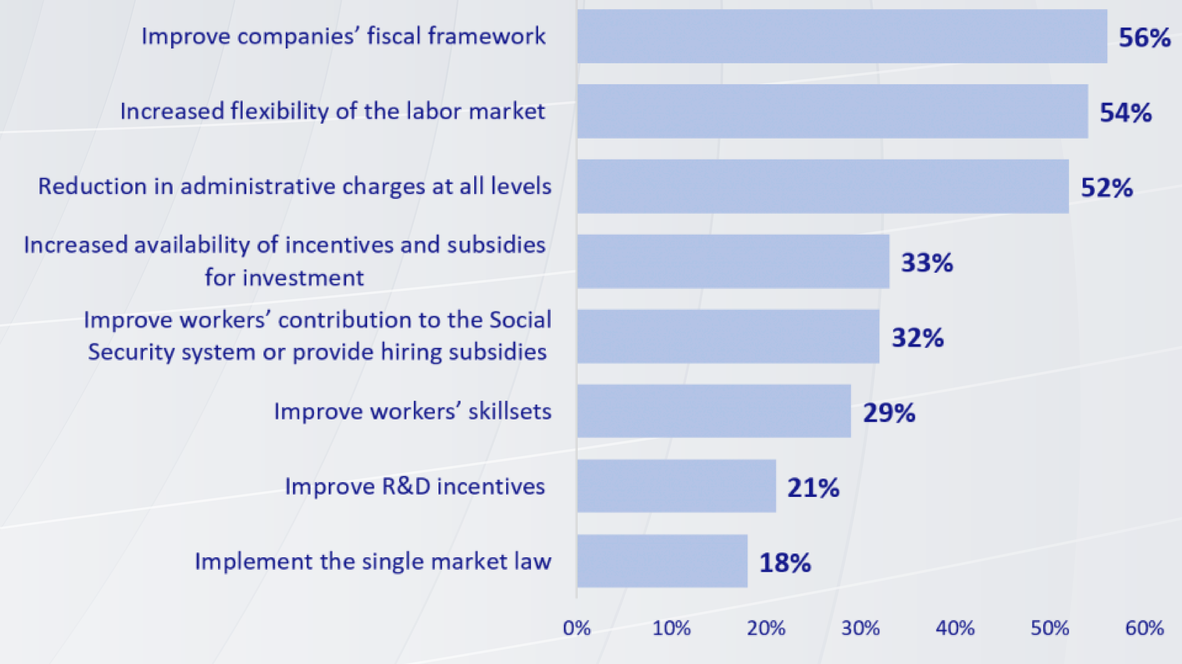
Strategic warehousing
Coordinate the warehousing of critical supplies in essential sectors (health, energy, food, etc.)

Production localization
Regionalize or localize production in essential sectors
Support existing essential industries, ensuring their competitiveness

6. CREATE A FAVORABLE AND STABLE BUSINESS ENVIRONMENT, GUARANTEEING JUDICIAL SECURITY

FOREIGN INVESTORS SEEK A REFORM OF THE TAX SYSTEM AND LABOR MARKET, AS WELL AS A REDUCTION IN ADMINISTRATIVE CHARGES

Key measures for increasing investment
(% of companies that are putting each measure into practice)



7. BOOST AND CONSOLIDATE PUBLIC-PRIVATE PARTNERSHIP MODELS

IN THE SHORT TERM, PUBLIC-PRIVATE COLLABORATION IS ESSENTIAL FOR DEALING WITH SOME OF THE BIGGEST CHALLENGES FACING THE PUBLIC SECTOR

Assistance for economic recovery and the anticipation of future crises
- → Economic plans for reconstruction
- → The harnessing of private sector analytical capabilities

Expert support to lead a digital and technological revolution
- → Digital transformation of the Autonomous Communities with the support of technological and telecommunications companies
- → Mechanisms to boost private sector investment in critical infrastructure

Collaboration with the private sector to optimize citizen service provision

Examples:

Businesses mobility as a service + Public administrations

Data sharing useful communities for urban planning and traffic management

Inflow of private capital in the financing of public infrastructure

Current public expenditure on infrastructure is at an insufficient level to cover investment needs

Source: Círculo de Empresarios & BCG, 2020.

CÍRCULO DE EMPRESARIOS *ideas for growth*

BCG BOSTON CONSULTING GROUP