A decentralised Spain counting on autonomous communities

Spain is one of the most decentralised countries of Europe. From 1812 on, laws governing local politics have been as numerous as for national politics. The 1978 Constitution established 17 autonomous communities, themselves divided into 50 provinces and more than 8,100 municipalities. According to their statutes, autonomous communities enjoy a certain degree of autonomy and some of them have other official languages besides Castilian. They pass the legislation applicable to their community and can partly shape the scope of local competences. The latter commonly include public utilities, transport and equipment, security, social services, etc. The Constitution also provides for associations of municipalities and metropolitan areas as administrative bodies that may be formed to encourage inter-municipal cooperation.

Regional bodies with greater experience than national agencies

As early as 1985, the Generalitat de Catalunya (Catalan Government) set up CIDEM (Centre d’Innovació i Desenvolupament Empresarial), as the first investment promotion body ever in Spain. In 1987, COPCA (Consorci de Promoció Comercial de Catalunya) was created to promote Catalan exports. Similar organisations were progressively created in the 16 other communities throughout Spain. To coordinate their work at the national level, a “territorial internationalisation council” with annual meetings was created. This council comprises a trade promotion committee and an investment promotion committee which meet every 6 months. Collaboration within the first committee is much more natural than within the second because communities are competing to attract investments. Invest in Spain was established in 2005 to promote Spain as a whole and introduce more coordination mechanisms.

ACC1Ó - Invest in Catalonia

A strong regional development agency, with extensive power, experience and resources

Spanish: Autonomous Community of Catalonia

ACC1Ó - Invest in Catalonia

Operational territory: Autonomous Community of Catalonia

Missions

ACC1Ó

Set Catalonia amongst the leading world economies by facilitating the competitive differentiation of its businesses

Invest in Catalonia

Attract sound, high-impact investment to Catalonia which will in turn generate wealth, stable and quality employment

Resources


Catalan Government (through the Ministry of Enterprise and Labour) + fees for business services + EU funding (Invest in Med, other projects)

Around 250 employees (incl. 30 for Invest in Catalonia) and 110 abroad

Annual bonus tied to individual productivity for all employees + Extra bonus in some departments (specific goals)

Governance

Governing Board (5-year mandate)

Biannual meetings: 44 representatives of institutions, companies and well-known personalities appointed by the Catalan government after consultation of business and workers associations

Executive Board (4-year mandate)

Everyday management: President (Catalan Minister of Enterprise and Labour) + CEO

Monthly meetings: 12 selected members of the Governing Board

Learn more


Email catalonia@acc10.cat

Phone +34 93 4767287

I Invest in Catalonia - ACC1Ó

Passeig de Gràcia 129

08008 Barcelona

SPAIN

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A merger to better address the challenges of globalisation

In 2007, the newly elected Catalan government decided to merge COPCA and CIDEM into a new organisation, ACC1Ó, bringing under a single umbrella driving forces for growth that are crucial for Catalonia’s competitiveness: innovation & inward investment (CIDEM) and internationalisation of Catalan companies (COPCA). Thanks to this merger, more actions were implemented in 2009 with a lower budget than 2008 (25% decrease). Furthermore, the new initiatives, combining innovation and internationalisation, “i+i”, allow knowledge-sharing between the innovation and internationalisation teams. For Diego Guri, Director of the ACC1Ó Business Internationalisation Centre, there is no contradiction between inward investment promotion and internationalisation mandates. “If a Catalan company needs to produce in Morocco in order to stay competitive, we will help it in its project. Otherwise, we would risk losing the headquarters, the R&D, the design, etc.”

Complementary regional & national investment promotion tools

Established in 2005, Invest in Spain concentrates on international promotion and policy-advocacy activities. It organises, co-organises or sponsors events to promote the image of Spain as a business investment destination. It publishes studies and develops databases from which all regional agencies benefit. Invest in Spain does not, however, handle investment projects. When it identifies a prospect, it enters the related details into the intranet shared by all regional agencies, which can prepare a proposal according to the company’s needs. The chosen agency manages the project itself. Foreign investors can benefit from incentive schemes offered independently by Invest in Spain and Invest in Catalonia, the total amount received being limited by EU regulations.

Strong links with the other Catalan economic institutions

ACC1Ó works together with all public and private Catalan economic institutions: the Catalan Ministries, the municipalities, the chambers of commerce, the business organisations, etc. Most of them are represented in ACC1Ó’s Governing Board and play a key role in defining its strategy and bringing in leads. In Barcelona for instance, ACC1Ó has a day-to-day relationship with Barcelona Activa, the local development agency, and 22@Barcelona, the municipal company charged with turning the old industrial area of Poblenou into Barcelona’s Innovation District (see focus on p.XX). Investment projects that are better handled by municipalities, such as projects from entrepreneurs or with a low technology level, are automatically transferred to them. Conversely, the latter transfer to ACC1Ó projects that are out of their area of expertise.
A strategic process calling on all available expertise

To analyse its competitive position and develop its strategy, ACC1Ó relies on the expertise of its own staff and that of its partners. The agency’s International Foresight Centre (OME) analyzes macro and micro-economic trends, as well as the future of specific markets, sectors and technologies. This expertise is used to develop a suitable strategy for Catalonia and provide Catalan companies with a valuable business service. The Secretary of ACC1Ó also carries out benchmarking studies to help position the agency. “Invest in Catalonia’s Ambassadors”, a network of Catalan executives working for multinationals all over the world, also act as a think tank to explore investors’ needs and expectations. Finally, special meetings were organised in 2009 to invite foreign companies established in Catalonia to participate in the development of the new strategy. Other stakeholders include the recently defined 10 competitive hubs of Catalonia (see next page), which bring together the Catalan government, municipalities, universities, R&D and technology transfer centres, the industrial community, etc.

Strengths

- Strategic location: 9th busiest airport in Europe
- Tourism and quality of life: 1/4 of foreign tourists in Spain, the 3rd most visited country worldwide
- Dynamic economy: 20% of Spain’s GDP
- Balance of industry and services: extensive portfolio of suppliers ensuring production efficiency
- International and globalised: 3,400 foreign companies, 36% of Spanish exporting businesses
- Pro-business government: own self-government, pioneering region in attracting FDI in Spain

Weaknesses

- Low rate of patents and R&D spending related with GDP (1.68%) when compared with other European regions

Opportunities

- Potential to become a leading innovation region in Europe
- Opportunities offered by globalisation to Catalan companies: new business models, new markets (Hub for Latin America)
- General Secretariat of the Union for the Mediterranean recently based in Barcelona

Threats

- Delocalisation of low knowledge-intensive activities to countries offering cheaper labour costs
Strategy: become the best location in Southern Europe for value-added products and activities

A structured strategy with clear objectives, targets and means

- Period: Strategic Plan => 5 years  Promotion Plan => 1 year
- Process: Annual promotion plan developed internally, based on the 2009-2013 Strategic Plan and the Governing Board's priorities
- Objectives: Foster innovation, promote business expansion and position Catalonia as the best location in Southern Europe for value-added products & services and key activities in the value chain
- Sectors: Health and biotech, Renewables, ICT, Nanotechnology (emerging sectors) + Pharmaceuticals and chemicals, Logistics, Marketing and business services (traditional sectors) + Smart cities, Smart-packaging, Corporate universities (market niches)
- Zones: 10 Competitive Hubs (see below)
- Players: International firms (greenfield & reinvestment projects)
- Measures: Unification of all technological centres under the TECNIO network, Loans to companies investing in the 10 Hubs or developing technological projects, subsidies for high impact investments

10 Competitive Hubs

- Innovation & Creativity, Barcelona
- Mobility & Logistics, Barcelona South
- Synchrotron & Advanced Technologies, Cerdanyola
- Optics & Health, Terrassa and Sabadell
- Agro-Food Innovation, Lleida
- ICTs in Health & Wellness, Mataró
- Clean Materials & Technologies, Manresa
- Chemicals & Sustainable Energy, Tarragona
- Functional Nutrition, Reus
- Water & Food Hub, Girona

A continuous process of improvement

The Investment Promotion Area carries out constant monitoring and evaluation activities to identify necessary strategic adjustments (enter or leave a market, launch or abandon promotion activities in a specific sector, etc.). With its scoreboard, it follows a certain number of indicators on a quarterly basis and the results of the annual plan are assessed at the end of the year. The promotion strategy has, however, to be long-term and cannot be completely reshuffled each year. Invest in Catalonia also works together with the Marketing and Communication Area and the Project Management Area (in charge of advisory services & support to companies) to analyse its impact and improve its actions.
Distinct strategies for Catalan and foreign companies

Invest in Catalonia has a specific communication strategy within ACC1Ó that targets international companies. For Catalan firms, ACC1Ó aims at giving the image of “a very close and helpful agency, very Catalan”, explains Diego Guri. “As Invest in Catalonia, we are working with bigger companies. We present ourselves as an international organisation. In Japan, we talk with people in Japanese. In China, we talk in Chinese. That’s why we work with local people.” The product is also different. “In Catalonia, we sell services. Abroad, we sell a territory. Our message is that Catalonia is an innovative region, where setting up a company is natural, and has been the driving force of Spain for centuries and the tradition of entrepreneurship and trading goes back to the Middle Age.”

Growing use of online communication channels

ACC1Ó’s main communication channels are the web, events and the media. As regards the web, ACC1Ó’s Catalan website is slightly different from the international website (in English and Spanish) because the targeted audience is different. ACC1Ó also has micro-sites for its 34 offices, which are connected to the main website. For events, the agency focuses on topics that can have an educational value and increase its visibility. In terms of FDI promotion, it organised 13 presentations in international events in the period 2010-2011. Finally, ACC1Ó conducts advertising campaigns in the media, mainly in the online press (The Economist, Site Selection), which is cheaper than the printed press. These ads are sometimes coupled with articles, such as in fDi Magazine (FT Group), which distinguished Catalonia as “best region of the future in Southern Europe” for 2010.
Prospecting: a core activity for Invest in Catalonia

Prioritising sectors, countries and activities

To define the sectors, countries and activities on which its prospecting actions and resources should be focused, ACC1Ó takes into account: standard economic indicators such as growth rates, investment flows, etc. and the presence of companies of this origin in Catalonia. Indeed, “80% of FDI in a developed country comes from companies that already have a presence in the country” explains Diego Guri. “That’s why aftercare is so crucial” (Invest in Catalonia promotes companies’ new investments as well as reinvestment and business expansion). For data collection and analysis, Invest in Catalonia works with the International Foresight Centre (OME), which has developed an observatory of foreign markets. Then, a prioritisation process leads to the definition of a set of sectors, countries and activities. Finally, a specific promotion plan is defined for each targeted sector and country.

An integral part of overall promotional efforts

Prospecting actions, either at national or at international level, are often carried out simultaneously with promotion actions during visits to municipalities, companies, scientific institutions, international organisations, etc. To pursue the different objectives and targets identified in ACC1Ó’s promotion plan, Invest in Catalonia has developed different programmes: “On the Spots” (investment opportunity detection), visits to companies in Catalonia and abroad, visits to institutions in Catalonia and abroad, aftercare, participation in international fairs. For example, ACC1Ó used the Spanish pavilion at the Shanghai Expo 2010 to promote Catalonia and participated in the Catalonia Week organised there in May 2010. These actions are generally defined with regard to potential institutional, business and press contacts.

A fully internalised activity to better reach strategic targets

- Planning: Actions defined in the respective annual plans of the promotion division and the projects division
- Process: In-house planning (in Autumn), based on the Strategic Plan objectives for the next year => In-house implementation
- Sectors: Aeronautics, Food and Drink, Audiovisual, Automobile, Biopharma, Shared Services Centres, Electronics, Renewable Energies, Railway, Logistics, Chemical, ICT
- Projects: High added-value investments in accordance with regional development strategies
Affording a network of foreign offices

Before the merger in 2008, COPCA had 34 offices abroad and CIDEM only 2. These 2 offices, located in New York and Tokyo, were 100% dedicated to investment promotion. Since 2008, 18 former COPCA offices are also working on investment promotion, including one in Madrid. The proportion of time spent on this activity depends on the market but is never higher than 20%. The New York and Tokyo offices now spend 50% of their time on investment promotion and the other 50% on other activities. Thus, the merger enabled the pooling of resources and services. Indeed, “without the fees paid by Catalan companies for chargeable services, ACCIÓ would not be able to employ 125 people in 34 locations, including 18 delivering free services to foreign investors” explains Diego Guri. “The allocated public funding would only cover the operating costs of 20 to 22 offices. However, having such a network is cheaper than it looks because we are working on local costs. Half of the directors are Spanish and half of them are local. 98% of the rest of the staff is local. Altogether, around 80% of the staff is local.”

Prospecting: a structured scheme relying on ACCIÓ’s international network

Significant means for a successful campaign

- Staff: Investment Promotion Area (promotion & detection) + Project Management Area (advisory services & support) + 18 international offices working part time on investment promotion
- Tools: Presentations, videos and brochures with up-to-date information on Catalonia (general, economic, legal, etc.)
- Activities: Customised candidatures, Visits to target companies, Investor missions, Industries/countries Promotion Plan, Collaboration agreements, Seminars & events, International fairs, Image building
- Awards: FT Group/fDi Magazine (1st Southern European region, 2010), Committee of the Regions (European Entrepreneurial Region Award, 2010), SITE Selection (4th Region Western Europe, 2009)

Affording a network of foreign offices

GOOD RESULTS FOR AN EXPERIENCED AGENCY

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A municipal company promoting a cluster approach in Barcelona’s transformation districts

An urban renovation project managed by a private company

- **Context:** Major urban transformation project launched in 2000 by the City Council (as part of the Barcelona Economic Triangle)
- **Operator:** 22@Barcelona, private firm funded by the City Council, chaired by the Deputy Mayor, steered by business representatives
- **Missions:** Urban planning + Economic development & promotion
- **Sectors:** Media, ICT, Biotech, Energy, Design
- **Key players:** Yahoo, MediaPro, Endesa, Agbar, Sanofi Aventis, etc.
- **Results:** Creation of 1,502 new companies (+44.6%) and 44,600 new jobs (+72.5%) between 2000 and 2009

Turning obsolete factories into innovative clusters

The 22@ project aims at transforming 198.26 ha of privately-owned obsolete industrial land into a compact urban district, with publicly-owned improved land and many job opportunities. Out of 4 mln sqm gross floor space created, 3.2 mln are dedicated to productive activities and 0.8 mln to housing, facilities and services. To attract knowledge-intensive activities, a cluster approach targeting 5 sectors (see box opposite) has been adopted. In the media cluster for example, companies, students and researchers share an area structured around an ancient factory smokestack and composed of office space, classrooms, laboratories, work equipment, libraries, pitching rooms, incubators, etc. The idea is to use the industrial heritage as urban landmarks around which the different stakeholders will meet and develop links.

A business-friendly environment to attract innovation & talent

Besides its cluster strategies, 22@Barcelona implements cross-cutting programmes in partnership with Barcelona Activa (local development agency): entrepreneurship, business services, internationalisation, community of professionals, relation between clusters, marketing. As part of its promotion activities, it participates in international roadshows and trade fairs, organises business delegations (126 in 2009), etc. It provides advisory services and organises networking activities for the different players from the district. Companies are grouped into associations to encourage technology transfer and involved in 22@Barcelona’s steering committee to facilitate dialogue with the public sector. Given the success of the project, the economic department of 22@Barcelona has recently been merged with the city council services. Thus, experience and know-how accumulated since 2000 will benefit future projects.

June 2011 - Production & validation jeanne.lapujade@anima.coop, pierre.henry@anima.coop