

WHY MADRID



Comunidad
de Madrid

**Fundación
MADRID**
POR LA COMPETITIVIDAD
TALENTO | OPORTUNIDAD



1

A BUSINESS FRIENDLY ECONOMY

2

EXCEPTIONAL HUMAN CAPITAL

3

GEOSTRATEGIC LOCATION & WORLD CLASS INFRASTRUCTURES

4

KEY ACCESS TO LATIN AMERICA

5

LEADERSHIP IN INNOVATION

6

UNIQUE QUALITY OF LIFE





WHO ARE WE

Fundación Madrid por la Competitividad | Invest in Madrid is a public agency, attached to the Ministry of Economy, Finance and Employment of the regional government of Madrid, to attract and facilitate foreign investment into the region of Madrid.

Our mission is to attract investment to Madrid by advising foreign companies both in the decision process on where to locate their investment, as well as in its materialization, consolidation and growth, accompanying and guiding them throughout the life cycle of the project. Our services are professional, confidential, free and tailor-made.

Likewise, we also **promote the image of the region and the city as an attractive investment destination**, competitive, increasingly internationalized and endowed with human and technological resources appropriate to the process of globalization of markets and economies.

In addition, we **promote an appropriate business climate** that enables investment, identifying the needs of potential investors and suggesting measures to facilitate business activity in Madrid.

RENDERED SERVICES

- ★ Identification of business opportunities in Madrid
- ★ Information on the applicable regulatory framework and administrative procedures
- ★ Advice on possible grants and incentives and support in identifying possible funding for the project
- ★ Search for offices and industrial spaces
- ★ Accompaniment to the investor with the public administration and connection with professional services companies
- ★ Support in obtaining visas, accommodation and staff selection
- ★ Facilitating contacts with local partners

1_

A business friendly economy



— ESPAÑA

- 5th european economy and 13th worldwide.
- Among the less restrictive countries in investment.

— MADRID REGION

- Madrid is the administrative and economic capital of Spain and its economic engine. In addition, Madrid is the 5th regional economy in Europe (EU-27).
- It is the most densely populated region and the 1st economy in Spain by GDP in 2020.
- Madrid offers the lowest tax burden among the Spanish regions.
- In 2020, the Madrid region remains the first destination for foreign investment in Spain.



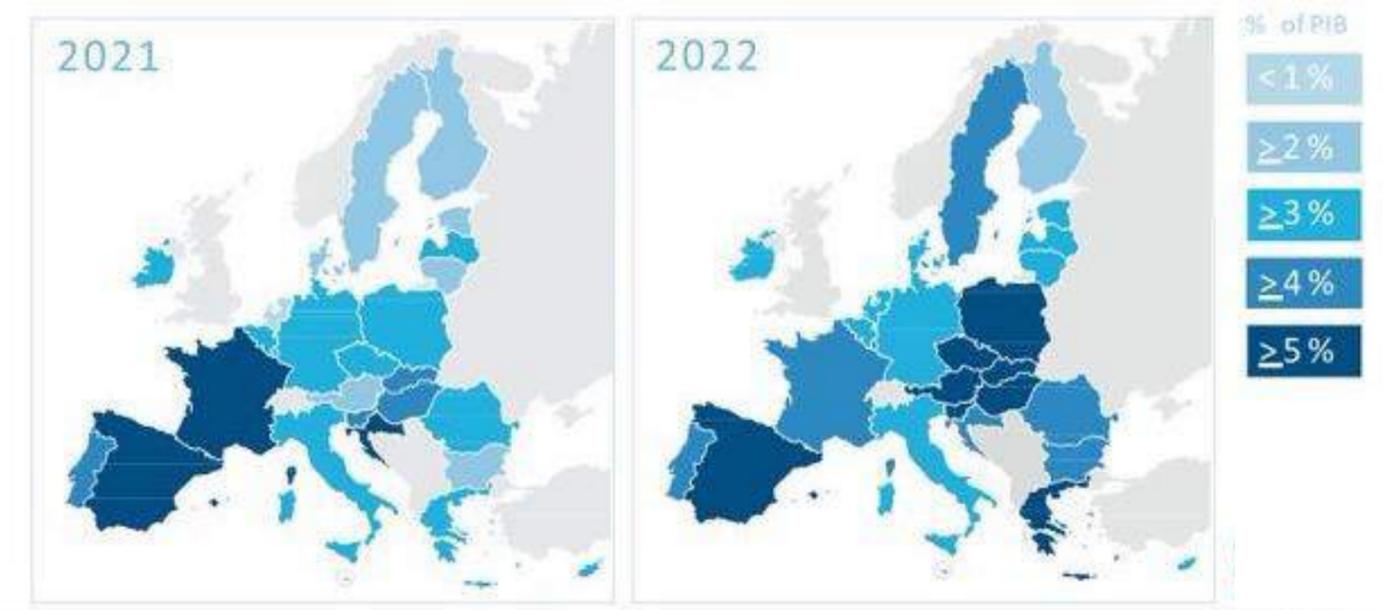
Overview - the spring 2021 forecast

	Real GDP		
	2020	2021	2022
Belgium	-6.3	4.5	3.7
Germany	-4.9	3.4	4.1
Estonia	-2.9	2.8	5.0
Ireland	3.4	4.6	5.0
Greece	-8.2	4.1	6.0
Spain	-10.8	5.9	6.8
France	-8.1	5.7	4.2
Italy	-8.9	4.2	4.4
Cyprus	-5.1	3.1	3.8
Latvia	-3.6	3.5	6.0
Lithuania	-0.9	2.9	3.9
Luxembourg	-1.3	4.5	3.3
Malta	-7.0	4.6	6.1
Netherlands	-3.7	2.3	3.6
Austria	-6.6	3.4	4.3
Portugal	-7.6	3.9	5.1
Slovenia	-5.5	4.9	5.1
Slovakia	-4.8	4.8	5.2
Finland	-2.8	2.7	2.8
Euro area	-6.6	4.3	4.4
Bulgaria	-4.2	3.5	4.7
Czechia	-5.6	3.4	4.4
Denmark	-2.7	2.9	3.5
Croatia	-8.0	5.0	6.1
Hungary	-5.0	5.0	5.5
Poland	-2.7	4.0	5.4
Romania	-3.9	5.1	4.9
Sweden	-2.8	4.4	3.3
EU	-6.1	4.2	4.4
United Kingdom	-9.8	5.0	5.3
China	2.3	7.9	5.4
Japan	-4.8	3.1	2.5
United States	-3.5	6.3	3.8
World	-3.4	5.6	4.3

According to the [Spring 2021 economic forecasts](#), both the Euro area economy and the EU as a whole will grow by 4.3% in 2021 and 4.4% in 2022.

According to these forecasts, **Spain will be the country that grows the most in 2021, with 5.9%, and in 2022, with 6.8%.**

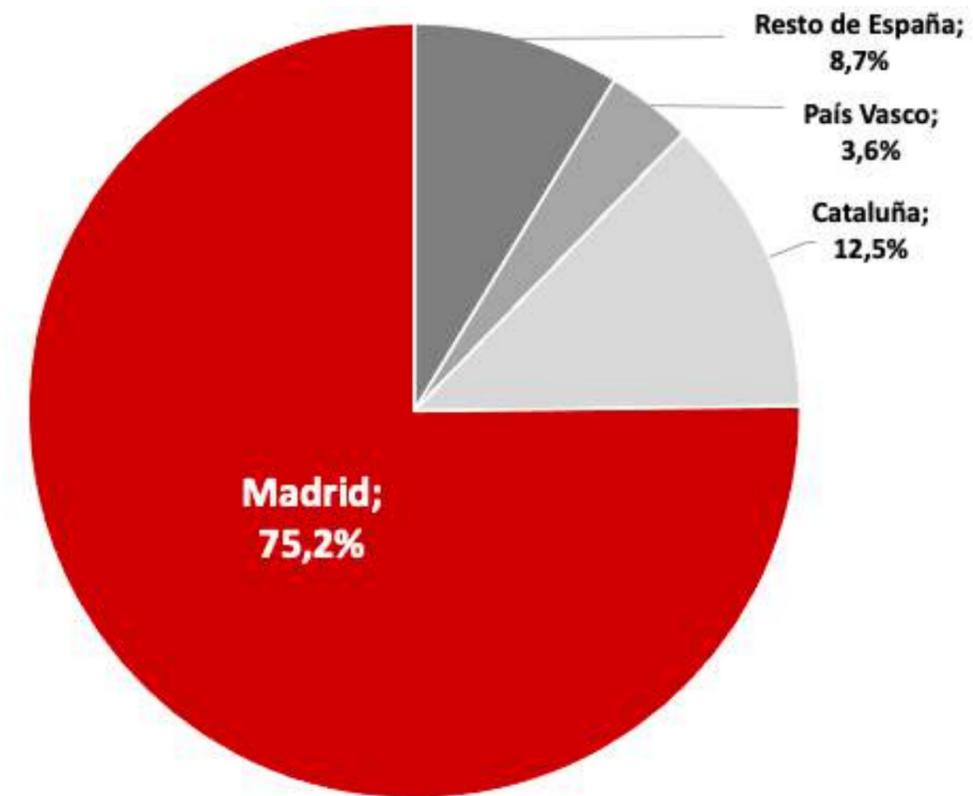
GROWTH MAP



Source: European Commission



FDI received by Spain in 2020 EUR 23,824 M



FDI received by Madrid in 2020 EUR 17,910 M

In 2020, the Madrid region remains the first destination for foreign investment in Spain, concentrating 75.2% of the total flows received by the country (€17,910 M of €23,824 M).

Source: Secretaria de Estado de Comercio. Ministerio de Industria, Comercio y Turismo.

A person wearing a red long-sleeved shirt is sitting at a desk, writing in a notebook with a pencil. The notebook is open, showing a diagram or flowchart with various boxes and arrows. There are several pens and pencils on the desk. A laptop is visible in the foreground, and another laptop is in the background. The scene is lit with a warm, reddish light. A semi-transparent dark red banner is overlaid across the middle of the image, containing the text '2_ Exceptional Human Capital'.

2_ Exceptional Human Capital



MADRID REGION

- More competitive operative costs than our 5 main competitors in Europe.
- Among the regions with most technological employment in Europe.
- Madrid hosts the HQs of the main companies, universities and R&D centres in Spain.
- 23.2% of Spanish researchers work and live in Madrid.
- 3 of the European top10 Business Schools are in Madrid.
- Almost 50% of population (between 24 and 65 years old) hold university degrees.



Madrid Region Competitive & diverse workforce



Workforce over 3.5 million people. (1)



Diversity: **14.2% of the total population is foreign-born**, representing over 180 different nationalities. (2)

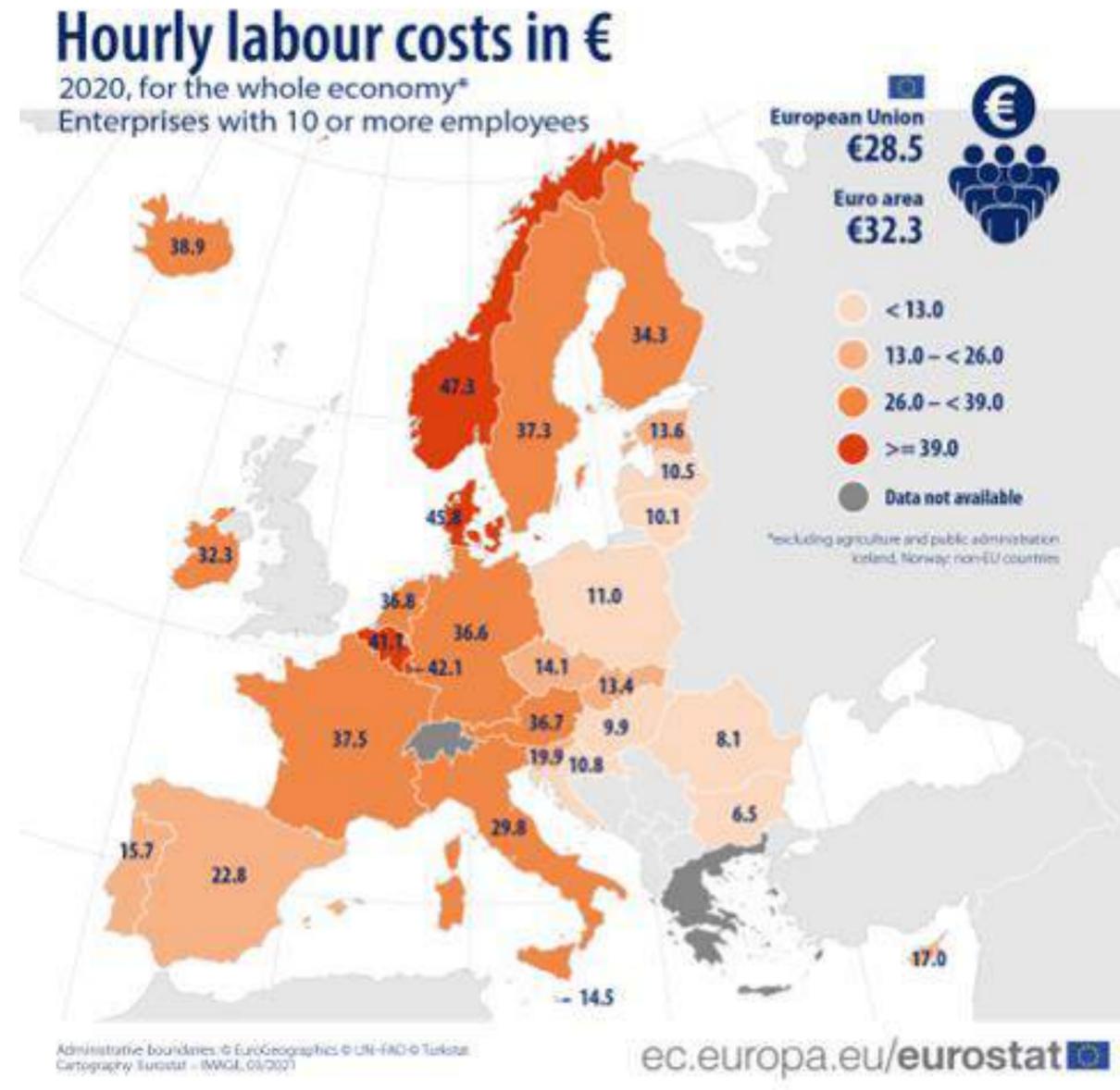


49.1% of the workforce has a university degree (33.3% in the EU-28, according to Eurostat in 2019). (3)

Sources: (1) INE; (2) Comunidad Madrid y (3) Eurostat



Madrid Region Competitive & cost-effective workforce



Wage moderation is making it possible for Spain to maintain its competitiveness, while costs continue to rise significantly in the rest of the European Union.

Source: Eurostat



Madrid Region Top notch Universities and Business Schools

UNIVERSITIES

The region of Madrid has 6 public and 8 private universities, plus some of the most prestigious private higher education centres, and it holds the headquarters of the official long distance universities (UNED and UDIMA).

The total number of registered university students in the Region of Madrid was 322,748 in 2019-2020. (1)



BUSINESS SCHOOLS

Madrid is home to some of the most internationally renowned business schools, according to the main international rankings (Financial Times, Forbes, etc.): IE, IESE, ESADE



2020 EUROPEAN MBAs FT RANKING (2)

Position	Institution	Country
1	HEC Paris	France
2	London Business School	UK
3	INSEAD	France
4	IESE Business School	Spain
5	Università Bocconi	Italy
6	Essec Business School	France
7	St. Gallen University	Switzerland
8	ESCP Europe	Several Countries
9	ESMT Berlin	Germany
10	University of Oxford: Saïd	UK
(10)	IMD Business School	Netherlands
12	IE Business School	Spain
(12)	ESADE Business School	Spain
14	Edhec Business School	France
15	Rotterdam School of Management	Netherlands

Sources: (1) Comunidad de Madrid; (2) FT MBA Rankings



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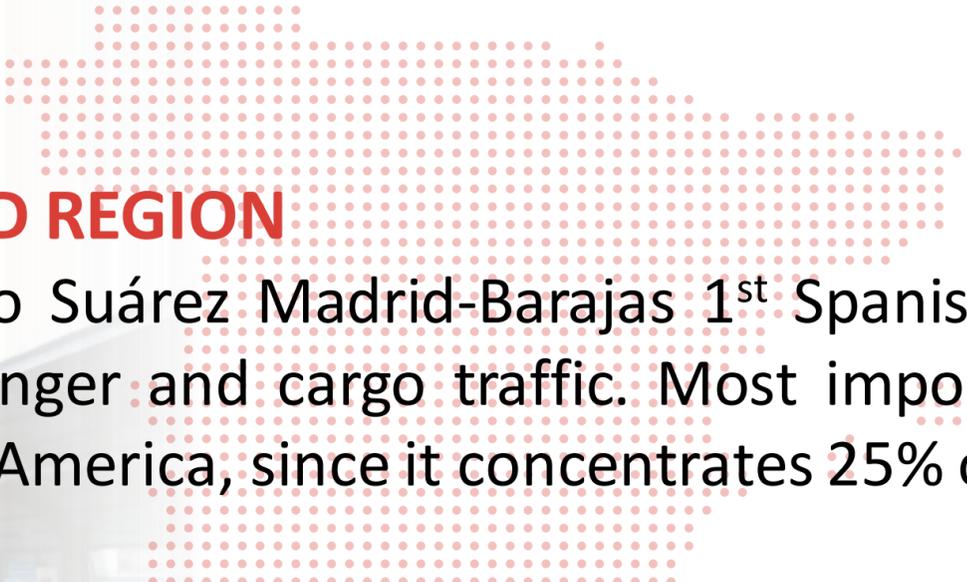
Geostrategic location and world class infrastructures



SPAIN

- 2nd most extensive high-speed rail system after China (with over 3,100 kms).

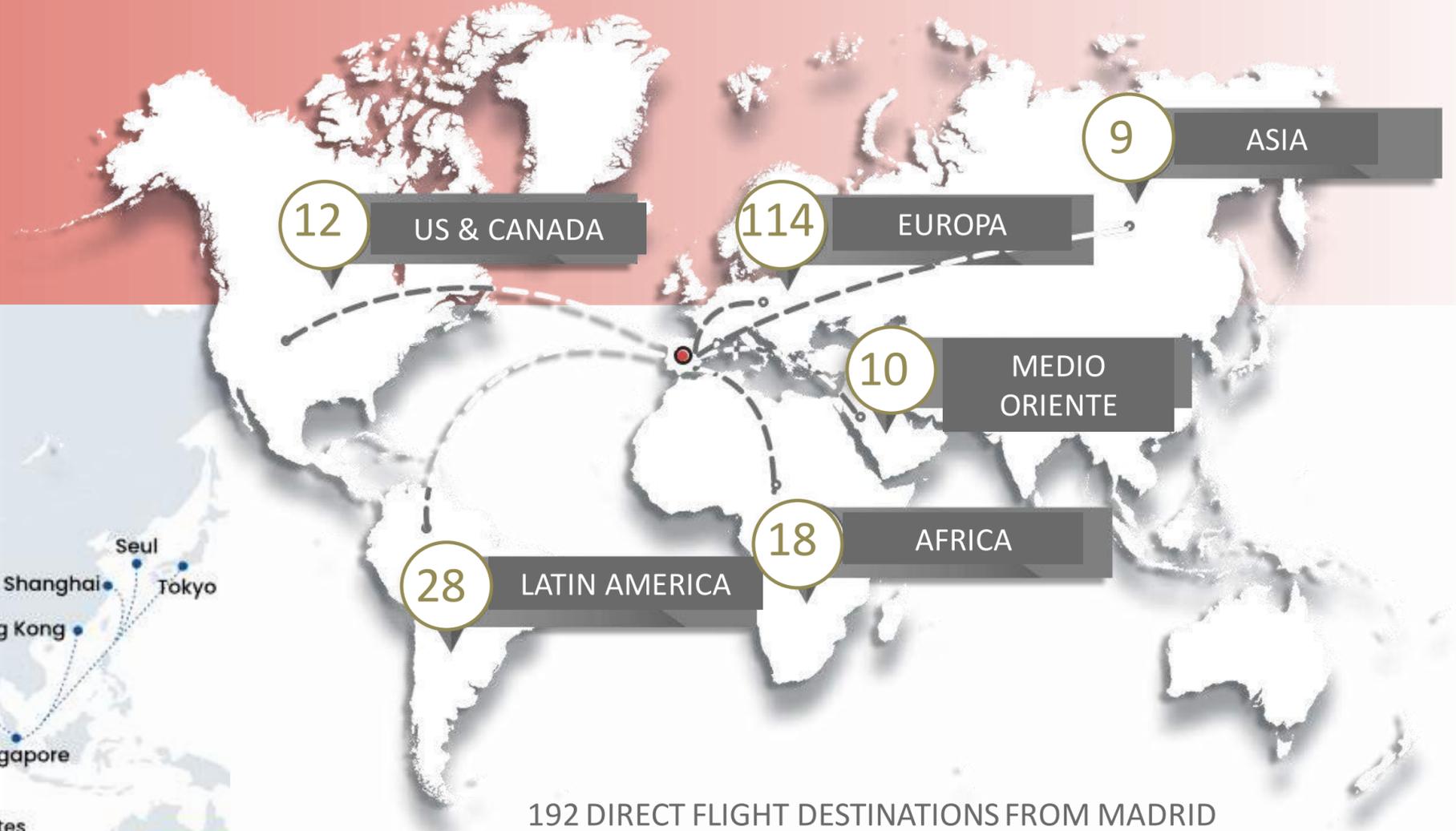
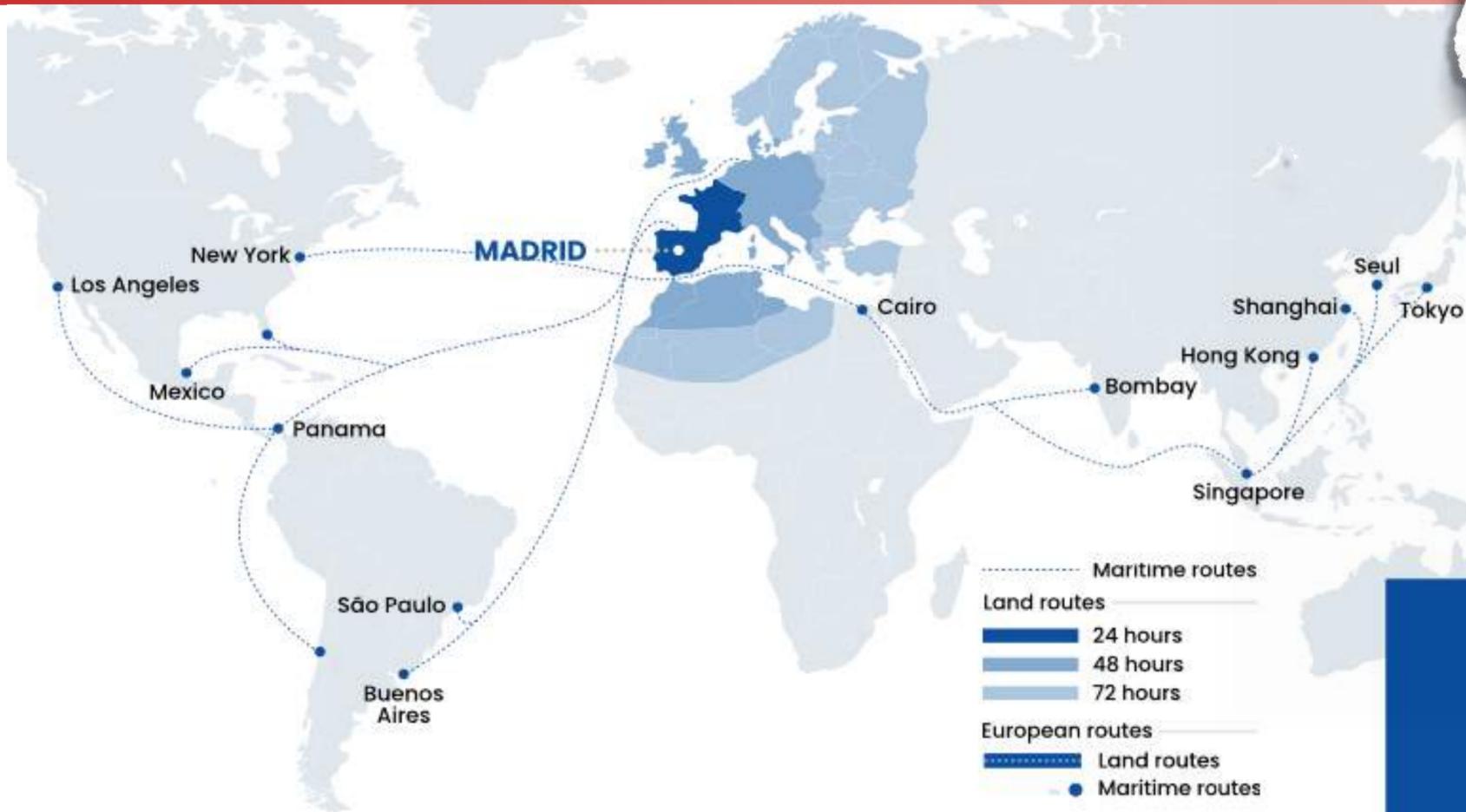
MADRID REGION

- Adolfo Suárez Madrid-Barajas 1st Spanish airport and 6th in Europe for passenger and cargo traffic. Most important hub between Europe and Latin America, since it concentrates 25% of all connections.
 - Madrid is the origin and center of the Spanish radial transport network (over 15,000 kms).
 - With over 300 stations and 300 kms tracks, the Madrid region has one of the most advanced modern underground systems in Europe. And the mobility alternatives are growing fast.
 - 75% of transport and distribution companies, both Spanish and international, have their HQs in Madrid.
- 
- 



Madrid Region Access to the main international markets

Barajas is the most important hub between Europe and Latin America, since it concentrates 25% of all connections. (1)



Sources: (1) AENA



NATIONAL RAIL NETWORK

High-Speed lines now available
New High-Speed lines



- **Madrid is the main hub of the most extensive high-speed rail system in the world** (covering 3,100 km), second only to China. Madrid is a maximum of 3 hours by high-speed train from the main cities in Spain (Barcelona, Valencia, Malaga, Seville).
- **An extensive regional network of motorways connects the towns in the Region of Madrid to the national network**, forming the backbone of the territory and ensuring access to the rest of the peninsula from anywhere in the region.
- **Madrid is the origin and center of the national transport network.** Madrid is a maximum of 6 hours by road from all other major cities and towns in Spain. Two high-capacity roads cross the border with France and there are high-speed rail connections with the rest of Europe.

Sources: (1) World Atlas, (2) Eurail and (3) InvestInSpain

INTERMODALITY

The **Mediterranean Corridor** and the **Atlantic Corridor** will fully connect Spain to the rest of Europe by 2021.



- **Madrid is connected to Europe through the Mediterranean Corridor and the Atlantic Corridor** that are part of the Trans-European Networks (RTE) whose purpose is to unite the European regions. **Madrid is also home to the PMO (Project Management Office) of the Atlantic Corridor.**
- **Madrid is a key player in the Corridors** due to its position as a **financial centre and Hub of international and national heavy goods operators.**
- The **Dry Port** provides a direct connection by train between the Spanish inland and its main freight seaports.



MADRID UNDERGROUND

The Region of Madrid has one of the most advanced modern underground systems in Europe:

- 294 km tracks
- 13 lines y 301 stations
- 677 million users in 2019



REGIONAL TRAINS AND BUSES

The Region of Madrid has a transport network comprised of suburban trains and middle distance buses to link downtown Madrid with all the municipalities and towns in the region:

- 391 km local trains
- 324 intercity lines



TAXI

The taxi system in Madrid comprises a fleet of nearly 16,000 vehicles working 24/7 for the city.



EMT INTERCITY BUSES

The Madrid 'Empresa Municipal de Transportes' runs the city bus system and BiciMAD, one of the largest networks in Europe:

- 440 million users for bus and 3,9 million users for BiciMAD in 2019
- Over 2,000 buses and over 2,000 bikes
- 212 lines (184 daytime and 27 night-time working 365 days a year)
- Express connection to the airport
- 10,515 stops in a 3,794 km network

OTHER MEANS OF TRANSPORT

Madrid, like other European regions, is a pioneer in alternative transport services: car-sharing, bike hire, electric motorbikes, car hire, etc.



Source: Madrid Region





4_ Madrid, key access to Latin America



SPAIN

- Spain, with an internal market of 47 million consumers, guarantees access to the European market: 739 million consumers in total, about 450 million in the EU-27.
- In addition, Spain has signed international agreements to avoid double taxation and reciprocal investment protection agreements with almost all Latinamerican, African and the Middle East countries.
- Spain is the 2nd investor in Latin America and the first destination in Europe for Latin American countries.

MADRID REGION

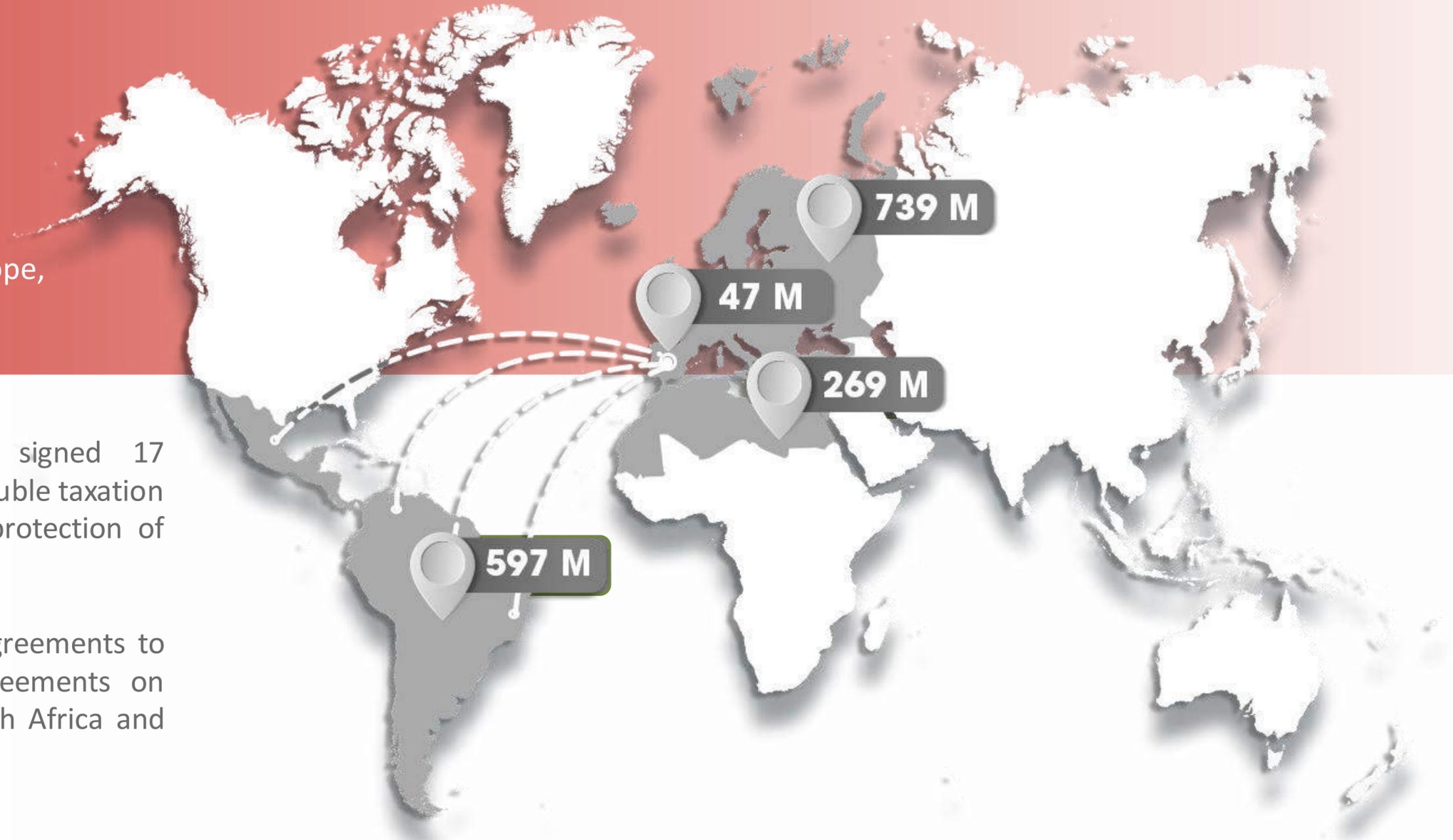
- Madrid hosts the headquarters in Europe of the most important Latin American companies, as well as the main multilatinas institutions. In addition, many Spanish and European companies manage their activity in Latin America from Madrid.



Madrid Region, a business bridge between Europe and Latin America

Access to
+1,600 M consumers in Europe,
Latin America and North Africa

- Spain and Latin America have signed 17 international agreements to avoid double taxation and 19 agreements on reciprocal protection of investments
- Spain has signed 21 international agreements to avoid double taxation and 18 agreements on reciprocal investment protection with Africa and the Middle East.





Madrid Region, gateway to Europe

Barajas is connected to all EU country members in less than 3 hours.

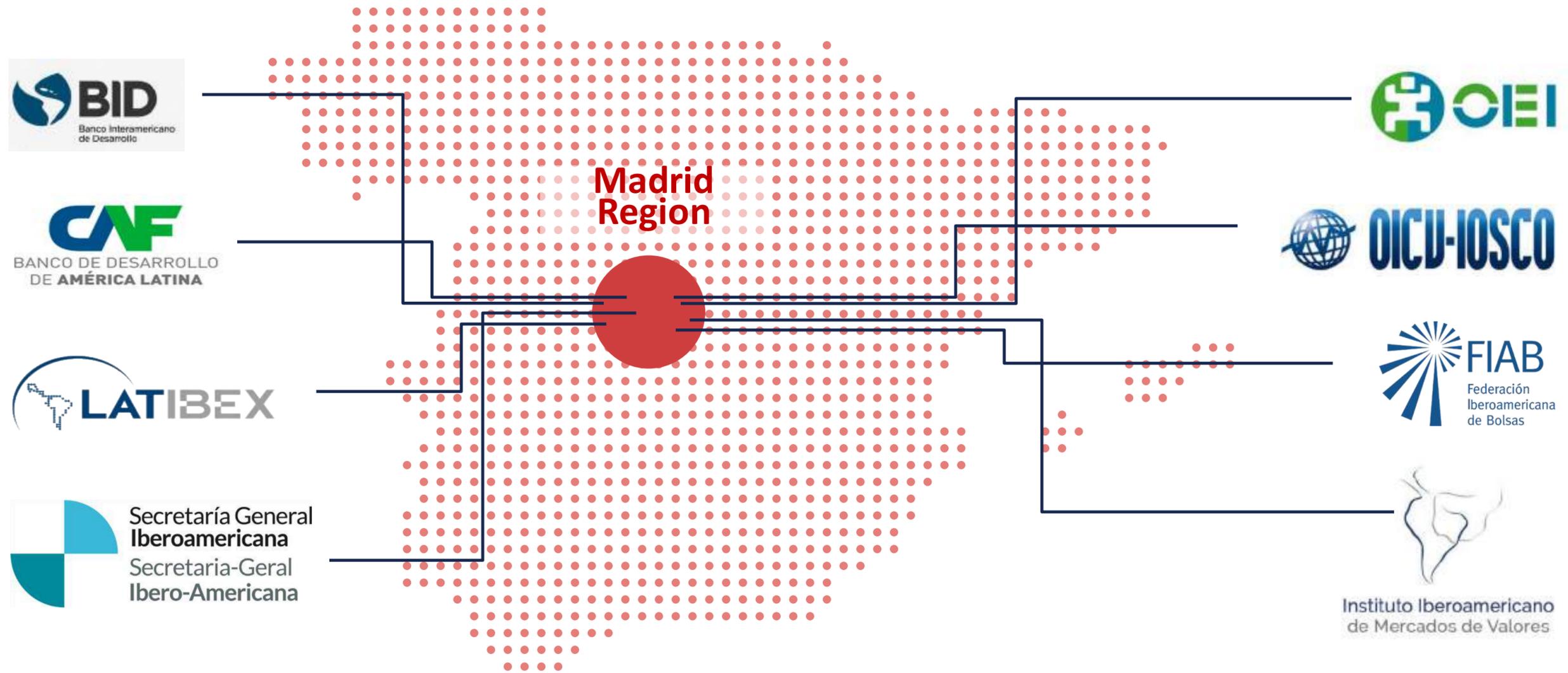
Spain, with an internal market of 47 million consumers, guarantees access to the European market: 739 million consumers in total, about 450 million in the EU-27.

Advantages of operating in the EU:

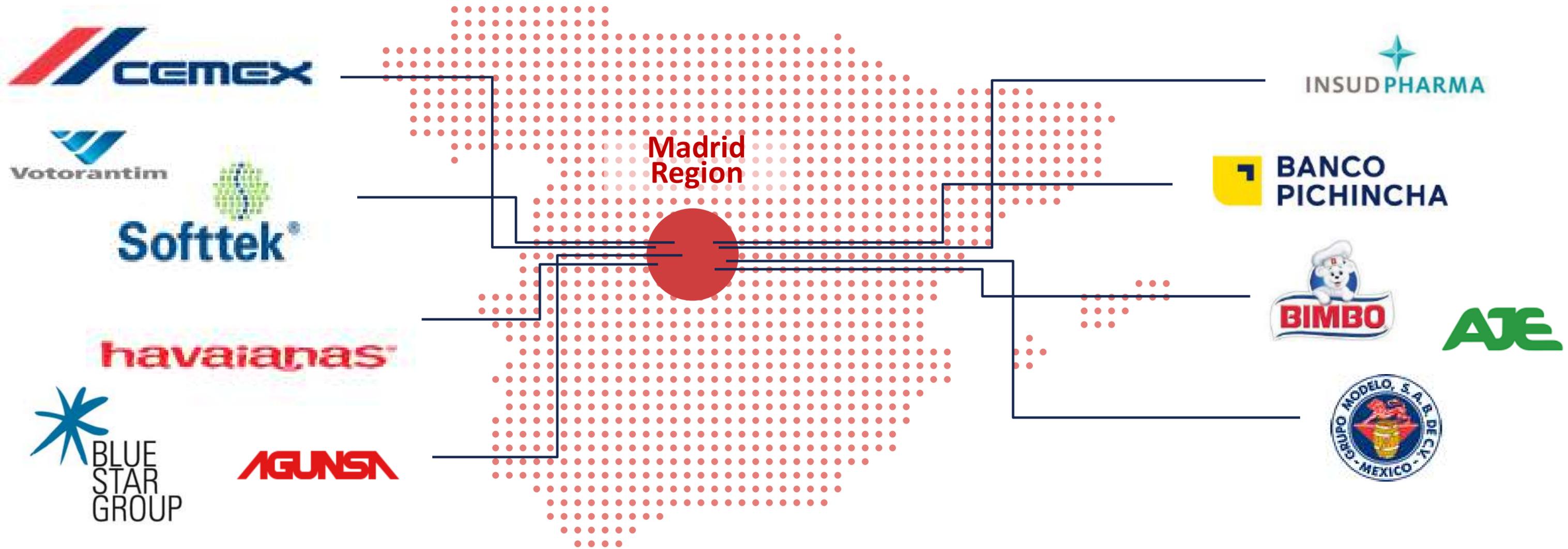
- European Common Market.
- Freedom of movement of goods and services, capital and people.
- Single Currency: Euro.



Most important multilatina institutions



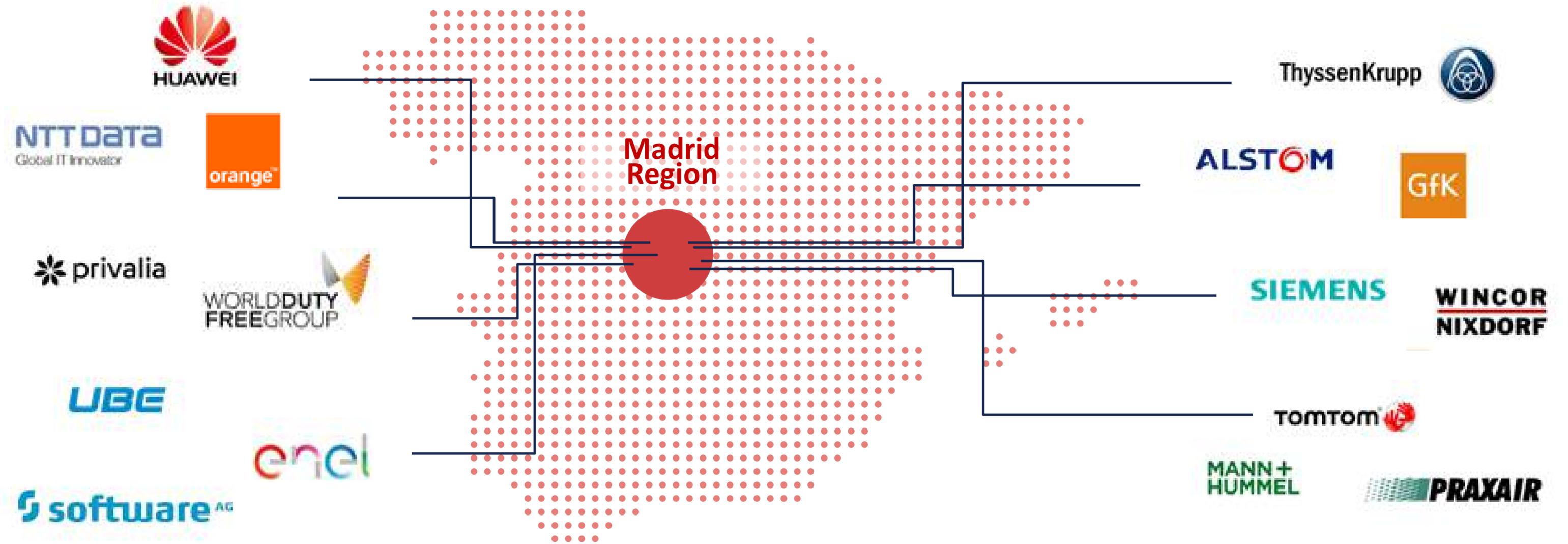
Latinamerican companies manage their activity in Europe from Madrid



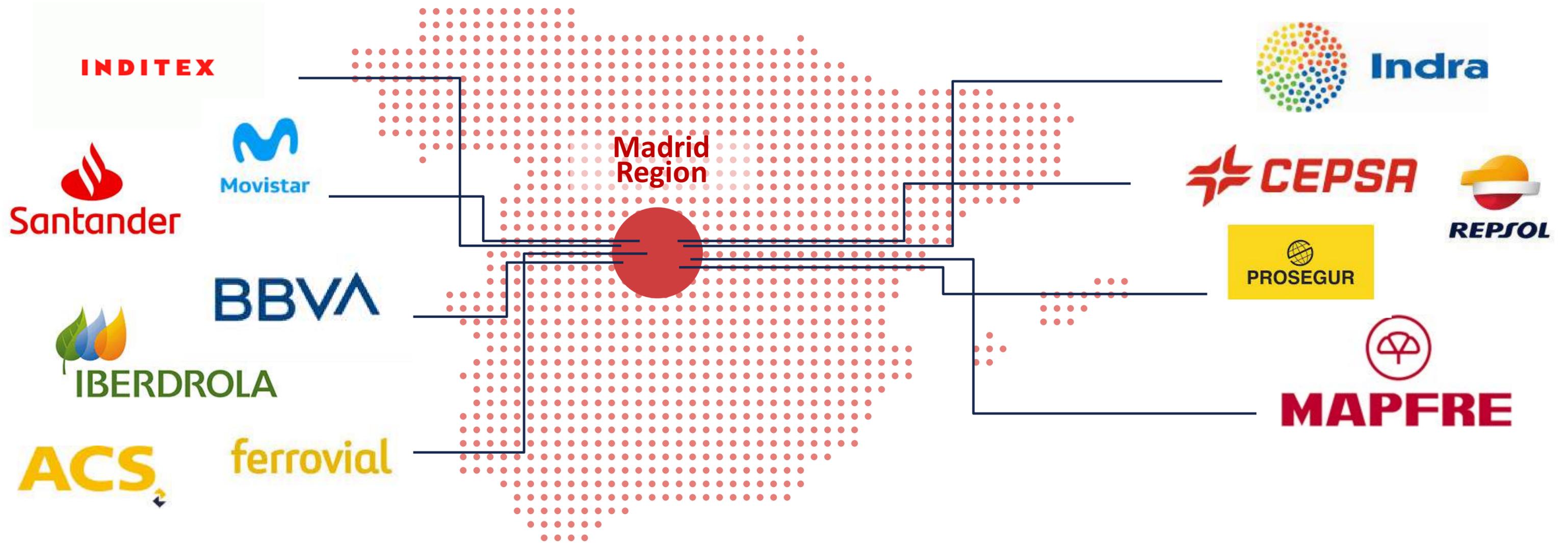
Spain, 1st destination for Latin American investments in Europe
Latin America, 4th largest foreign investor in Spain



Foreign companies manage their activity in Latin America from Madrid



Spanish companies in Latin America



Spain, 2nd international investor in Latin America





5_ Leadership in innovation



— MADRID REGION

- Madrid is at the forefront of all telecommunications and information society indicators in Spain.
- 1st Spanish region in R&D spending (26.2% of the total in Spain) and leader in R&D employment (24% of the total in Spain).
- Madrid is among the top 10 hubs for European startups and is one of the European cities with the highest number of acceleration and business incubation programs for entrepreneurs.

Madrid, key sectors

BANKING, INSURANCE & FINTECH

Madrid is the 10th financial place in Europe (28th in the world), according to the Global Financial Centres Index 2020.

1 in 3 finance and insurance professionals work in Madrid.

1st Spanish region in number of Fintech companies.

PHARMA & BIOTECH

Madrid is home to a large pharma cluster that concentrates more than 30% of the industry (companies, turnover and R&D).

It also concentrates 20% of the biotechnology sector.

And it houses the HQs of the main regulator (Spanish Drug Agency) and the main hospitals and research institutions.

ICT & COMMS

Madrid hosts the operational centers of all the large telecommunications companies in Spain and about 50% of all ICT companies (91.6% and 61.2% of turnover, respectively).

Over 35,000 ICT companies and 530,000 workers in the sector.

ENTREPRENEURIAL HUB

Madrid, top 5 European entrepreneurial hubs by number of startups and top 7 by volume of capital invested (€509 M in 2019).

Madrid, one of the European cities with the highest number of acceleration programs: Wayra, Google Campus, Airbus Lab, ESA, IAG, Microsoft, etc.

HIGHER EDUCATION

Madrid concentrates the largest number of students in Spain, with more than 320,000.

Madrid has 6 public and 9 private universities and is home to some of the most important business schools (IESE, IE,...).

AERONAUTICS & SPACE

The Spanish aerospace industry is the 5th in Europe.

Madrid is a leader in this field, concentrating 62% of the turnover of the aeronautical sector and 95% of the aerospace sector.

CONTENT & VIDEOGAMES

Madrid is home to 24% of the companies of the national industry

It represents 33% of the sector's turnover.

LOGISTICS

Madrid, the largest logistics area in Spain with 38 million sqm.

75% of logistics companies operating in Spain are based in Madrid.

DESIGN & GRAPHIC ARTS

Over 3,200 companies | 20% of the total, 2nd region in Spain by number of companies in the sector, after Catalonia (21%).

11% of employment and 7% of GVA

MOBILITY & SUTAINABILITY

In 2020, 37% of electric vehicles in Spain were registered in Madrid.

53% of public transport journeys are made in sustainable vehicles. Leading region in shared vehicles in Spain.



Madrid hosts numerous examples of multinationals that have decided to locate in the region their centers of excellence for carrying out research activities:



Spain, digital nation

Madrid, interconnection hub

Due to its geostrategic location, **Madrid is an interconnection hub and a distribution point for data traffic** both in Spain and internationally.

Madrid has important neutral points (ESPANIX, DE-CIX and Net-IX) and enjoys the submarine cables – Marea (United States), EllaLink (Brazil) and Orval (Algeria) – that connect the country with the American continent (north and south) and Africa (north and west).

In addition, **Spain's international connection capacity far exceeds that of the United Kingdom, France and Portugal combined** and broadband has shown steady growth in recent years (**100% of the Spanish population has access to internet connection and 98% of Madrid's to fiber optics in 2020**).

Internet average speed



Digital adoption Index - citizens



Global cybersecurity Index



Fiber



5G



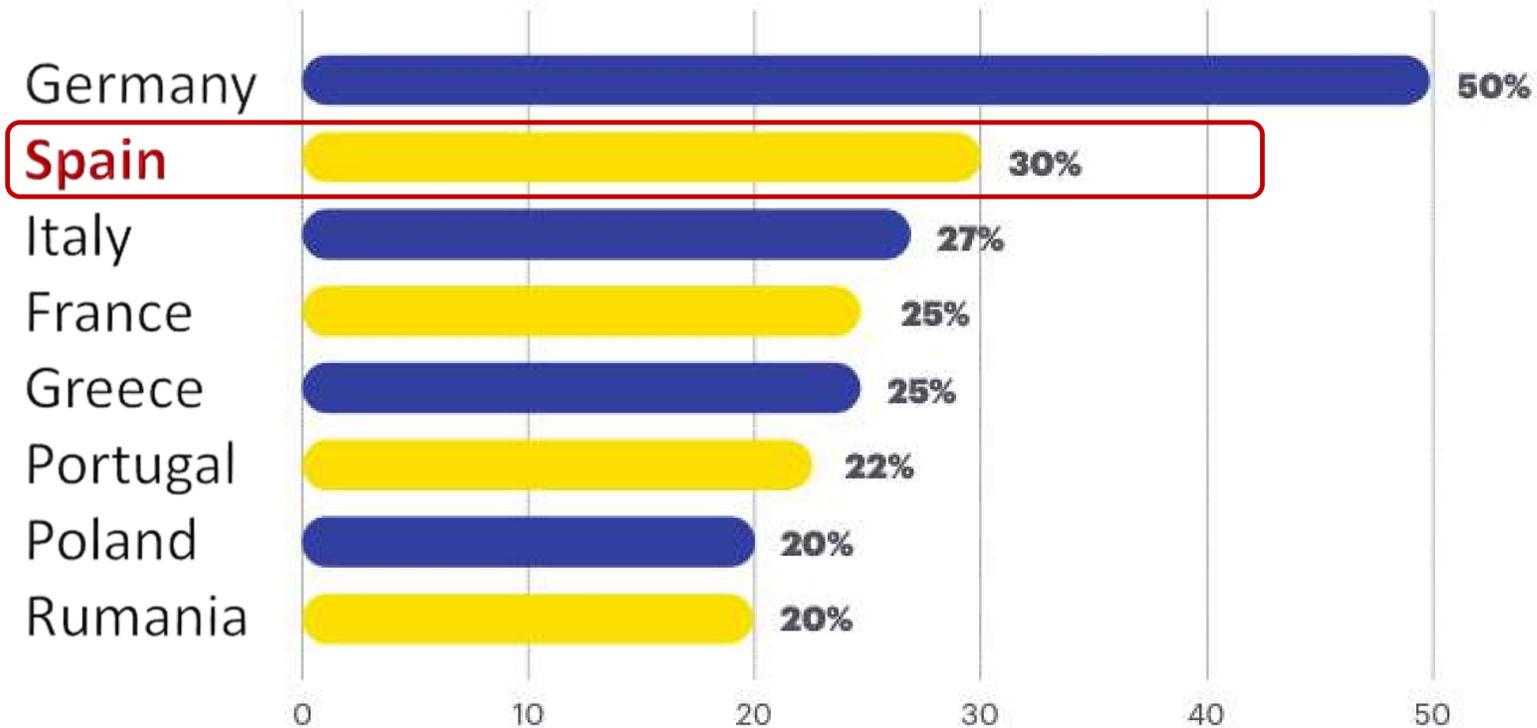
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— Mediana OECD
- - - Media líderes digitales de la UE
- - - - Media principales economías de la UE

| Fuente: Adigital-Spain, Digital Nation |

Spain, digital nation Next Generation funds

% devoted to digital transition (2021)



Next Generation funds breakdown in Europe



6_ Unique quality of life





Ranking Best countries to live in

Spain

1. Top healthcare system
2. Pleasant climate
3. World class infrastructures
4. Security & Safety
5. Beaches
6. Varied & healthy gastronomy
7. High life expectancy
8. Quality of life
9. Welcoming people
10. Preferred holiday destination

Madrid ranks high, every year, in rankings of cost and quality of life:

- Spain ranks 4th out of 40 countries in the **2019 OECD Personal-Professional Balance Index**.
- According to the World Economic Forum in its WTO, Spain is the **2nd best destination in the world for tourism**.
- In addition, according to Internations Spain is the **5th country preferred by expats in 2019**.

Madrid Region

An exceptional place to live



ONE OF THE SAFEST CAPITALS

Madrid is one of the safest cities in Europe, with a very low crime rate.



FIRST RATE PUBLIC SERVICES

Bilingual education in over 900 public schools and education centres. Wide range of private international schools.



HEALTHCARE SYSTEM IN MADRID IS UNIVERSAL & HIGHLY ADVANCED

Over 80 public and private hospitals across the region, boasting some of the highest quality standards in Europe.



WARM AND SUNNY CLIMATE AND GREAT CULTURAL, GASTRONOMIC AND SHOPPING OFFER

#ThinkMadrid



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