



Spain

Overview

EIB INVESTMENT SURVEY

2020

EIB Group survey on investment
and investment finance 2020
Country overview

Spain

EIB Group survey on investment and investment finance 2020.

Country overview: Spain

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the European Investment Bank

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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EIBIS 2020 – Spain

KEY RESULTS

Investment Dynamics

With the COVID-19 crisis affecting the economy, investment in Q2 2020 is 26% below the pre-crisis 2019 level. The decline in investment is steeper than during the global financial crisis. COVID-19 has affected firms' investment strategies for 2020 with almost half of the firms (48%) investing less than planned and six per cent investing more than planned. This is close to the EU average (45% and 6% respectively).

Investment Focus

Almost two out of five firms with investment plans for the current financial year in Spain plan to abandon or delay at least some of their investments as a result of COVID-19 (38%), echoing a similar share of those firms in the EU (35%). Across all sectors, the most frequently cited long term impact of COVID-19 is expected to be the increased use of digital technologies (49% overall).

Investment Needs and Priorities

Eight in ten firms believe their investment over the last three years was about the right amount (82%), while thirteen per cent report investing too little. These figures are in line with EIBIS 2019 and the EU average.

More than half of the firms in Spain were operating at or above full capacity in 2019 (56%), which is close to the reported levels from EIBIS 2019 (60%) and to the EU average (61%).

Innovation Activities

Almost two in five firms (38%) developed or introduced new products, processes or services as part of their investment activities, which is close to the EU average (42%). In addition, twenty per cent of all firms claimed to have undertaken innovation that is new to the country or the world.

Nearly three in four firms (74%) have implemented, either fully or partially, the digital technologies they were asked about. This proportion of firms implementing digital technologies is higher than the EU average (63%) and similar to the US (74%).

Drivers and Constraints

In the short-term, firms are most pessimistic about the overall economic climate (-67%), which is now below the net balance for the EU (-56%). This is followed by the political and regulatory climate (-63%, down from fifty five percentage points since EIBIS 2019 and lower than the EU average -26%) and business prospects (-41% down from sixty nine percentage points and below the EU average -25%).

In the long-term, the top three barriers to investment are uncertainty about the future (97%), business regulations (85%) and labour market regulations (80%).

Investment Finance

More than half of investment activities of firms in Spain was financed by internal sources (55%). This is slightly less than the EU average (62%).

Nearly eight in ten (76%) of firms report generating a profit in the last financial year, in line with EIBIS 2019 and the EU average (79% and 80% respectively).

Access to Finance

Financing constraints in 2019 stayed stable since EIBIS 2019 and marginally above EU level. They were more elevated in the construction and infrastructure sectors.

Firms using external financing in 2019 are on balance satisfied with the amount, cost, maturity, collateral and the type of financing received. The highest proportion of dissatisfaction in Spain is with the maturity of the received financing (6%) followed by the cost and collateral requirements (both at 5%).

Energy Efficiency

About half of all firms in Spain (51%) have invested in measures to improve their energy efficiency, in line with EIBIS 2019 (46%) and the EU average (47%). The average share of investment in measures to improve energy efficiency by firms in Spain (13%) is similar to the reported share of firms in EIBIS 2019 and to the average for the EU (both at 12%).

Climate Change

More than three quarters (77%) of firms in Spain reported that their business had been affected by climate change and the related change in weather patterns. This includes around a half (48%) who report a major impact on their business. This is much higher than the EU average (58% and 23% respectively).

All firms in Spain are expecting the transition to a low-carbon future to be positive rather than negative for their reputation (31%) and for market demand (13%) over the next five years.

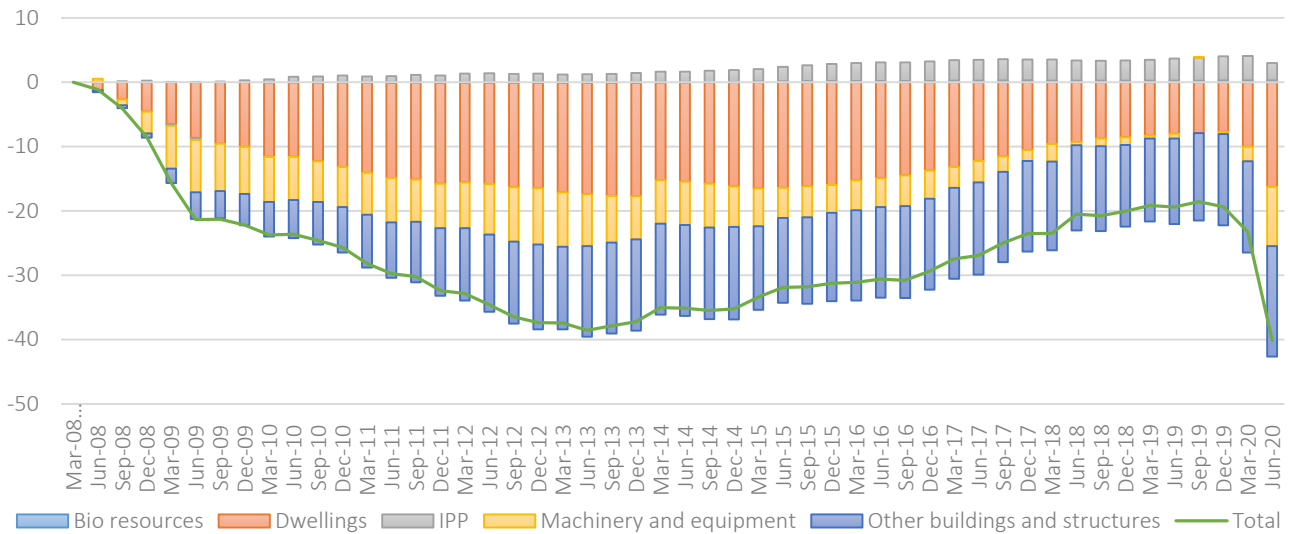
Three out of five firms in Spain (60%) have already invested or plan to invest in the next three years in measures to tackle the impact of weather events and reduction in carbon emissions. This is below the EU average (67%).

Investment Dynamics

INVESTMENT DYNAMICS BY ASSET TYPE

With the COVID-19 crisis abruptly affecting the economy, investment in Q2 2020 is 26% below the pre-crisis 2019 level.

The decline in investment is steeper than during the Global financial crisis. At that time, investment dropped by 9% from Q1 2008 to Q3 2008, followed by a protracted period of subdued investments.

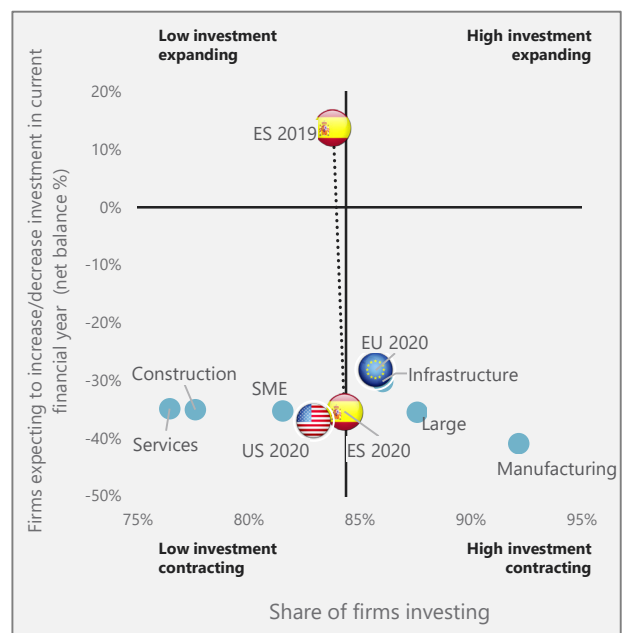


The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by asset type. The data has been indexed to equal 0 in 2008. Source: Eurostat.

INVESTMENT CYCLE

Spain is just between the 'low' and 'high' investment contracting quadrants on the investment cycle. As with the EU, the net balance of firms expecting to increase rather than decrease investment in the current financial year has declined since EIBIS 2019.

Manufacturing, infrastructure and large firms continue to have a higher share of firms investing.



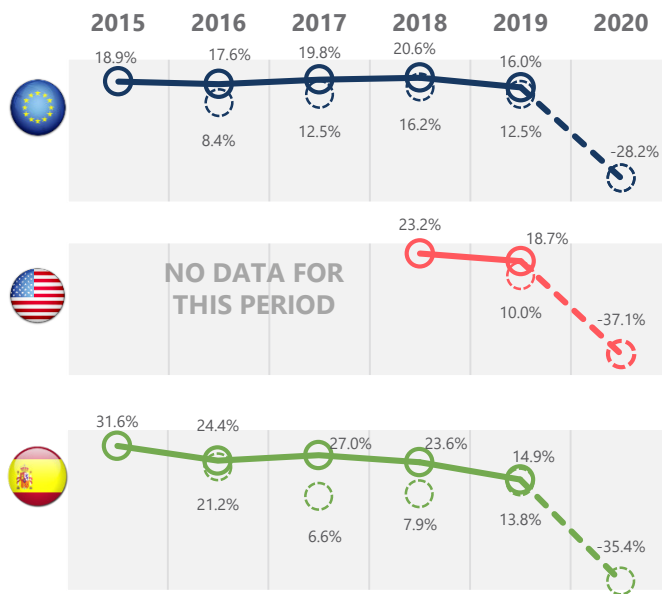
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

Base: All firms (excluding don't know/refused responses)

Investment Dynamics

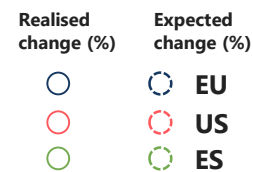
EVOLUTION OF INVESTMENT EXPECTATIONS

Realised/expected change in investment



The net balance of firms reporting and increase rather than reduction of their investment activities in the last financial year has declined (from 24% to 15%) and is close to the expectations for 2019 (14%).

For the current year, the expectations are much more negative with more firms anticipating reducing rather than increasing investments (net - 35%). The expectations in the country are more negative than those EU-wide (net -28%).



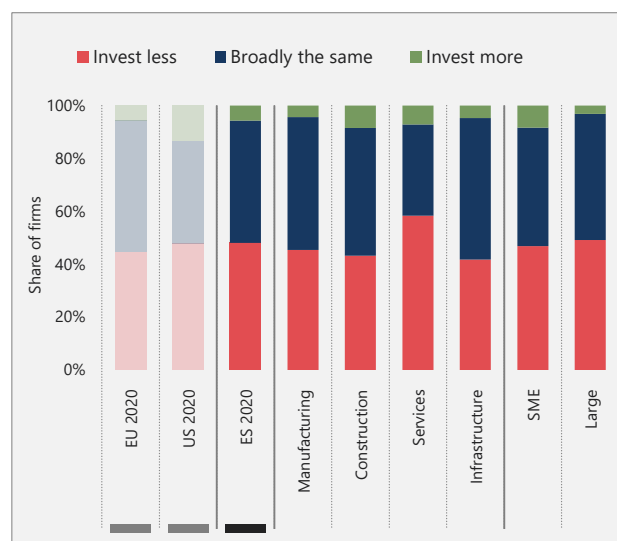
'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 has affected firms' investment strategies for 2020 with almost half of the firms (48%) planning to invest less than planned and six per cent more than planned. This is close to the EU average (45% and 6% respectively).

Overall the pattern of investment expectations are stable across sector and size of firm. Service firms are the most likely to expect to invest less as a result of COVID-19.



Q. Have your company's overall investment expectations for 2020 changed due to coronavirus?

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

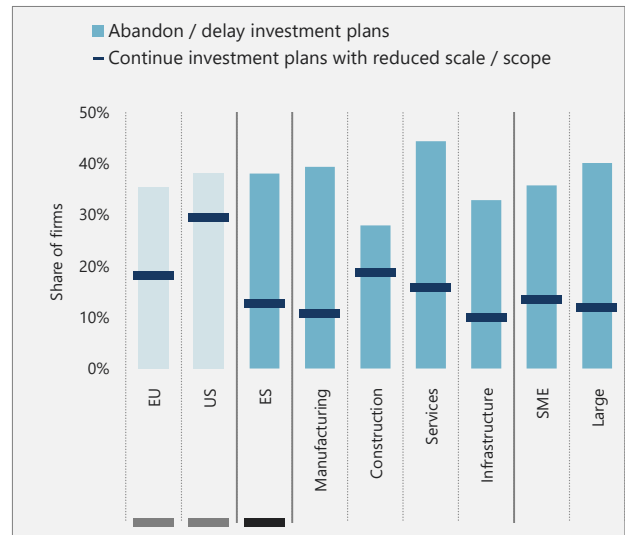
Investment Focus

ACTIONS AS A RESULT OF COVID-19

Almost two out of five firms with investment plans for the current financial year in Spain plan to abandon or delay at least some of their investments as a result of COVID-19 (38%), echoing a similar share to those firms in the EU (35%).

A smaller share of firms (13%) plan to continue at least with some of their investments with a reduced scale/scope, similar to the EU average (18%).

The share of firms reporting that they will abandon or delay at least some of their investment plans is highest among services sector (44%).

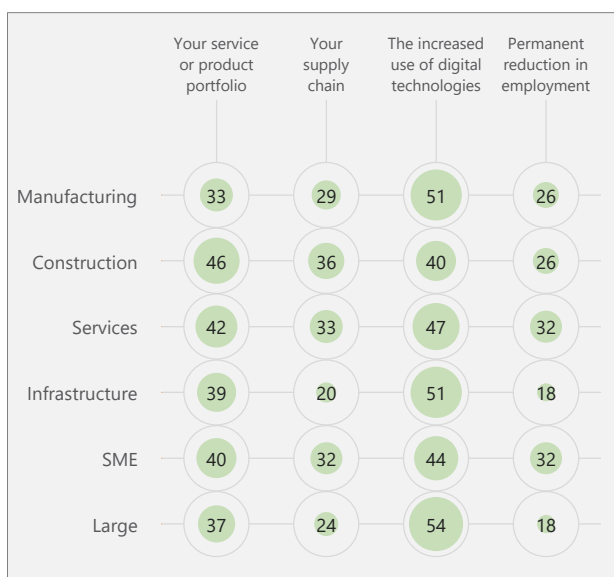


Q. You said you will invest less due to coronavirus. Can I just check which of the following actions will your company undertake?

Please note some firms may be taking multiple actions i.e. abandoning/delaying some investment plans whilst continuing with other plans at a reduced scale or scope.

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE



Across all sectors, the most frequently cited expected long term impact of COVID-19 is to be the increased use of digital technologies (49% overall).

Around two fifths (38%) of Spanish firms expect a change to their service or product portfolio.

Around a quarter of firms expect their supply chain to be impacted (28%) and to permanently reduce employment (26%).

More SMEs than large firms expect COVID-19 to have an impact on the permanent reduction in employment (32% compared with 18% respectively).

Q. Do you expect the coronavirus outbreak to have a long-term impact on any of the following?

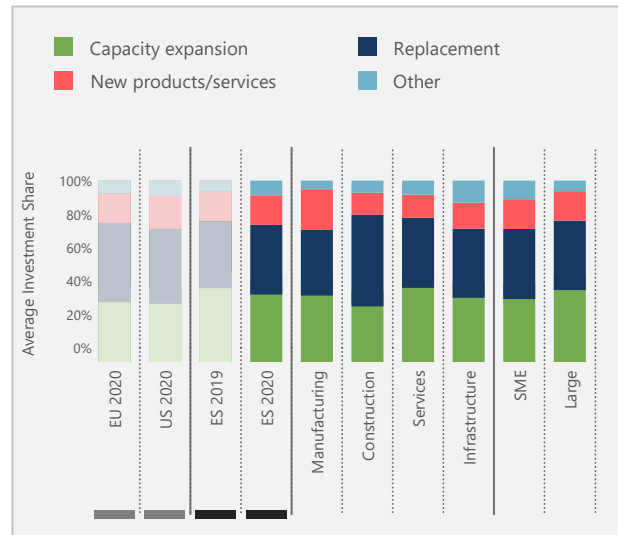
Base: All firms

Investment Focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

The largest share of investment in 2019 was driven by the need to replace existing buildings, machinery, equipment and IT (42%) followed by capacity expansion which makes almost one third (32%) of all investments in Spain.

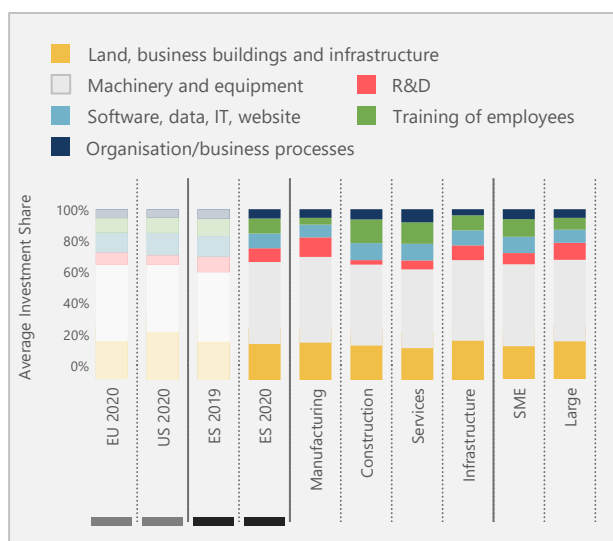
Construction firms were more likely to report a higher share of investment for replacements (55%) than firms in other sectors (ranging from 39% to 42%), while manufacturing firms were more likely to report a higher share of investment for introducing new products, processes or services (24%) than firms in other sectors (ranging from 13% to 16%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



Out of the six investment areas considered, the highest share of investment in the past financial year in Spain was in machinery and equipment (52%) distantly followed by investments in land, business buildings and infrastructure (14%). The pattern is broadly in line with the EIBIS 2019 findings and with the investments highlighted EU-wide.

Manufacturing firms tended to allocate a slightly larger share of their investment to R&D (13%) than construction firms (3%), while those in construction were more focused on training of employees (15% compared with 4% share of manufacturing firms).

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

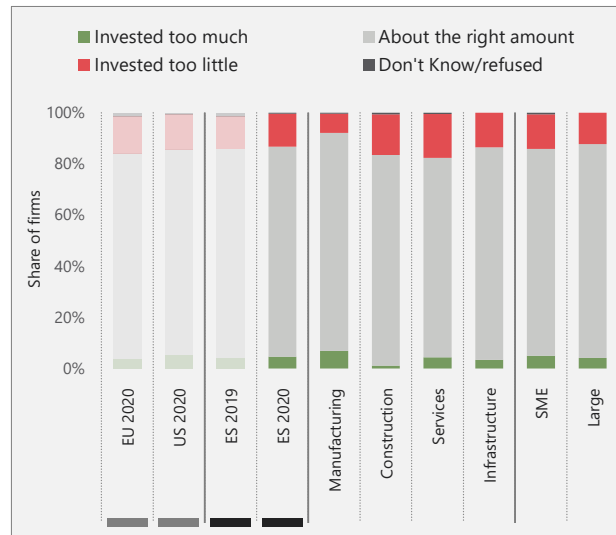
Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

Eight in ten firms believe their investment over the last three years was about the right amount (82%), while thirteen per cent report having invested too little. These figures are in line with EIBIS 2019 and the EU average.

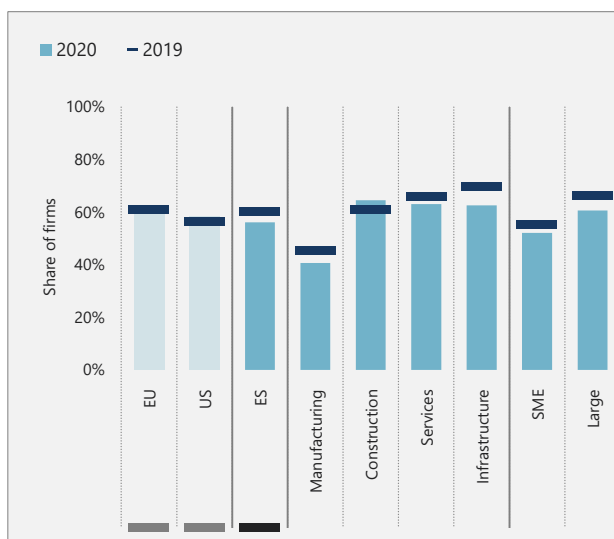
Fewer firms in manufacturing report they have invested too little (7%) compared with other sectors (ranging from 14% to 17%).



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

More than half of the firms in Spain were operating at or above full capacity in 2019 (56%), which is close to the reported levels from EIBIS 2019 (60%) and to the EU average (61%).

Firms in the manufacturing sector were least likely to be operating at or above full capacity (41%, compared with between 63% and 65% among firms in other sectors).

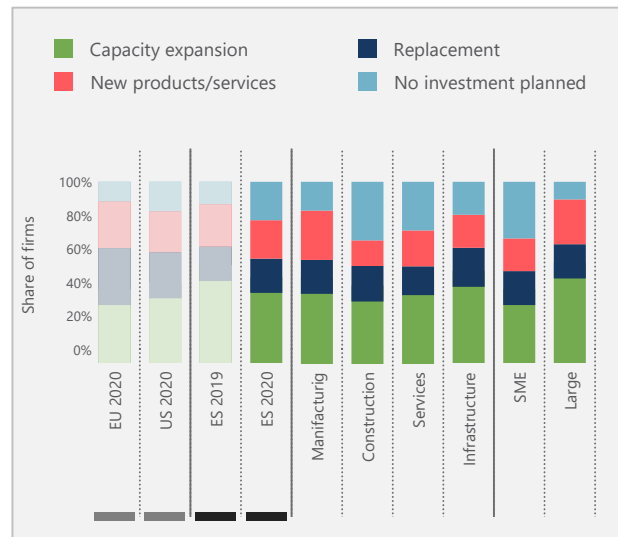
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, expanding capacity for existing products/services is the most commonly cited investment priority among firms (34%). The proportion prioritising capacity expansion is lower than the share reported in EIBIS 2019 (41%), but remains above the average for the EU (26%).

Replacing existing buildings, machinery, equipment and IT is ranked second and pointed as a less important priority among firms in Spain (20%) when compared to the classification across the EU (34%).

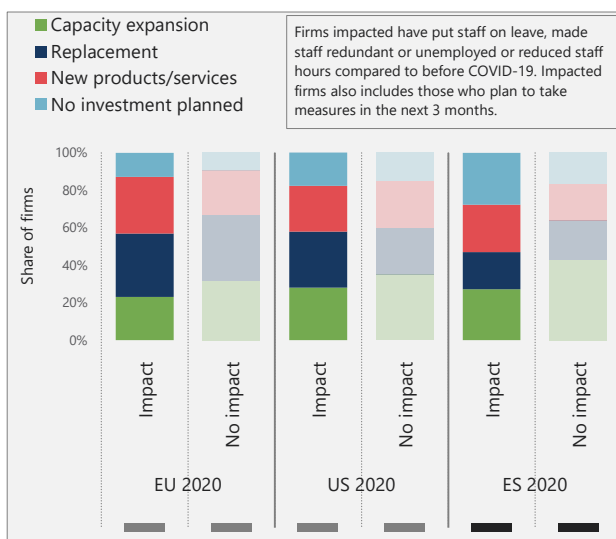
Large firms are more likely to prioritise capacity expansion (42%) than SMEs (42% compared with 26% respectively), and they are less likely to have no investment planned (11% compared with 34% respectively).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/ refused responses)

COVID-19 IMPACT ON PRIORITIES



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Q. Thinking about the impact of coronavirus, have you had to put staff temporarily on leave, make staff redundant or unemployed or reduce the number of hours they work compared to before the coronavirus pandemic?

Base: All firms (excluding don't know/ refused responses)

The pattern of priorities is different between firms impacted by COVID-19 and those who were not impacted. Firms which were impacted are less likely to prioritise capacity expansion but more likely to have no investments planned (27% and 28% respectively) compared with firms who were not impacted by COVID-19 (43% and 17% respectively).

Spanish firms impacted by COVID-19 are more likely to have no plans for investments than firms across the EU (28% and 13% respectively). In Spain, the share of firms impacted by COVID-19 claiming to replace buildings and equipment over the next three years is well below the EU average (20% and 34% respectively).

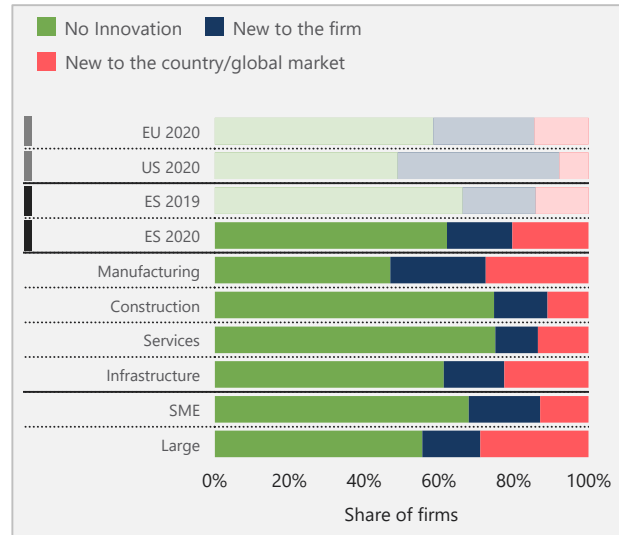
Innovation Activities

INNOVATION ACTIVITY

Almost two in five firms (38%) developed or introduced new products, processes or services as part of their investment activities, which is close to the EU average (42%). In addition, twenty per cent of all firms claimed to have undertaken innovation that is new to the country or the world.

Manufacturing firms are the most likely to have innovated (53%), while only twenty five per cent of construction and service sector firms said they had invested in developing or introducing new products, processes or services in the last financial year.

Large firms are also more likely to have invested in developing innovative products, processes or services compared with SMEs (45% and 32% respectively).

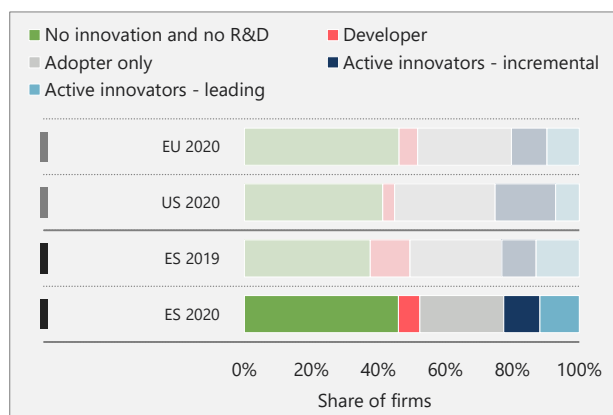


Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/ refused responses)

INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, 23% of firms in Spain are classified as 'active innovators', and a further 6% of firms are 'developers'.

This breakdown is broadly in line with the EU average (comprised of 20% of firms being 'active innovators' plus 6% of firms being 'developers').

However, the "developers" group in Spain decreased since EIBIS 2019 (from 12% to 6%), while those planning no innovation and no R&D slightly increased (from 38% to 46%).

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are 'new to the country/world'.

Innovation Activities

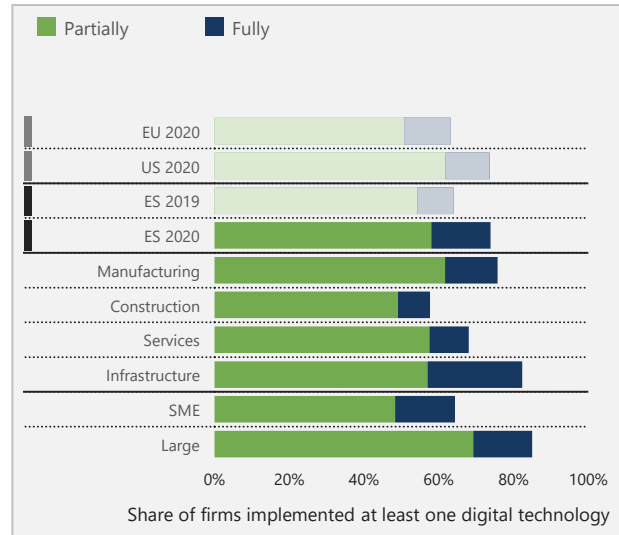
IMPLEMENTATION OF DIGITAL TECHNOLOGIES

Nearly three in four firms (74%) have implemented, either fully or partially, the digital technologies they were asked about. This proportion of firms implementing digital technologies is higher than the EU average (63%) and similar to the US (74%).

Firms in the infrastructure sector are the most likely to have implemented digital technologies, either fully or partially, within their business (82%), followed by those in manufacturing (76%).

Large firms are much more likely than SMEs to have implemented at least one digital technology (85% versus 64%).

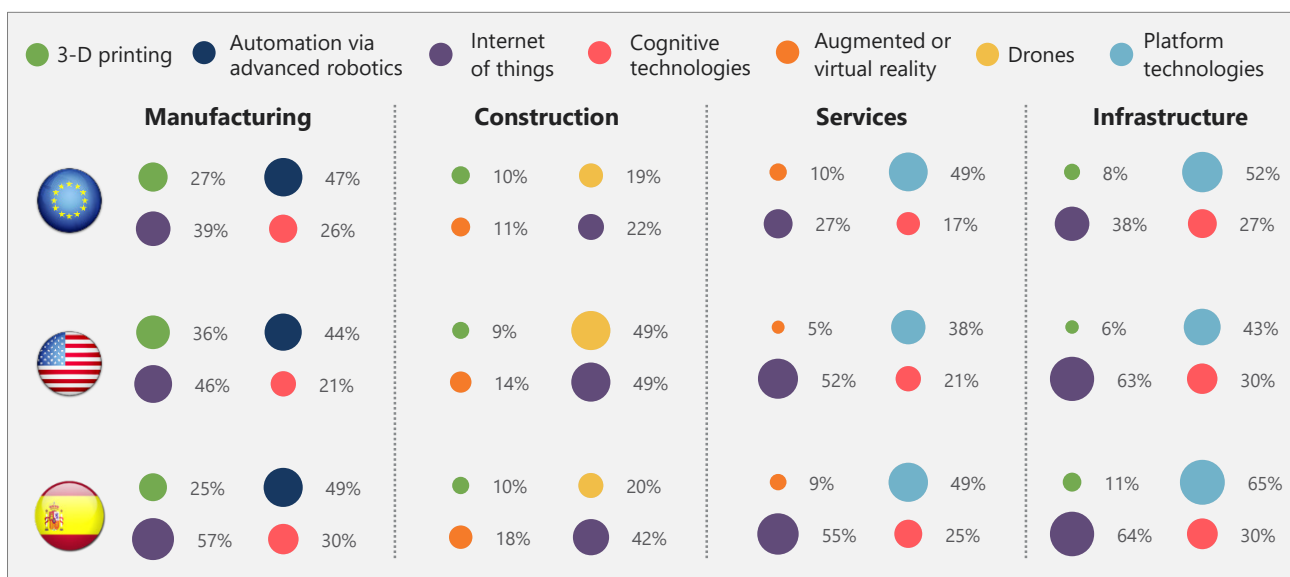
All sectors reported a higher share of implementation of the “internet of things” concept compared to the share EU-wide. Infrastructure sector firms also report a higher take-up on platform technologies (65% compared with 52% among EU infrastructure firms).



Q, Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/ refused responses)

DIGITAL TECHNOLOGIES BY SECTOR



Q, Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organized around it'

Base: All firms (excluding don't know/refused responses)

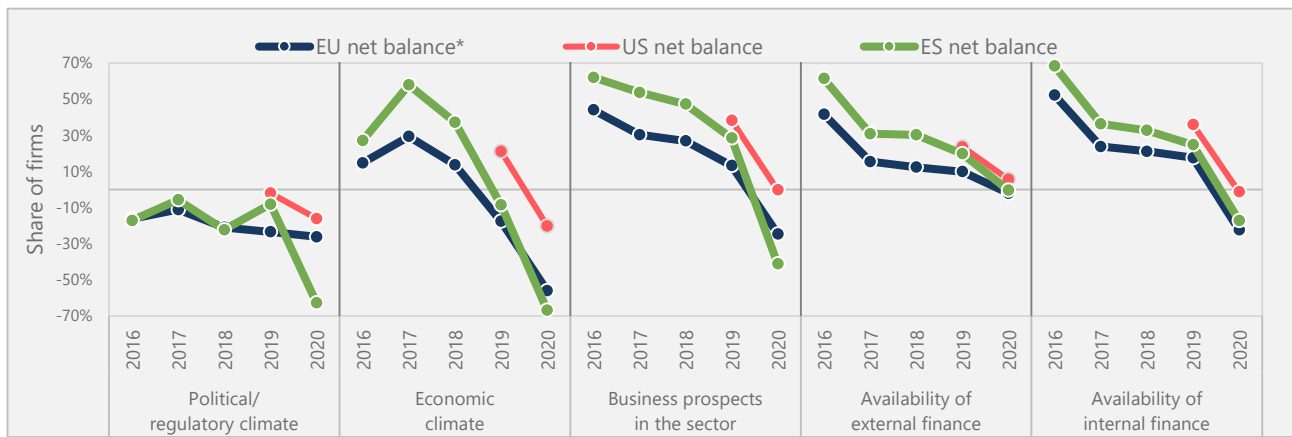
Drivers And Constraints

SHORT TERM FIRM OUTLOOK

Asked about the outlook in the next 12 months, for all the aspects, more firms expect a deterioration than an improvement, a pattern also observed at the EU level. In addition, this pessimistic outlook is clearly more prevalent than in EIBIS 2019.

Firms are most pessimistic about the overall

economic climate (-67%), which is now below the net balance for the EU (-56%). This is followed by the political and regulatory climate (-63%, down fifty five percentage points since EIBIS 2019 and lower than the EU average -26%) and business prospects (-41% down sixty nine percentage points and below the EU average -25%).



Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

SHORT TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Firms across all sectors and firm sizes are consistently more negative than positive about the political and regulatory climate, the economic climate, business prospects and internal finance.

For their external finance expectations only, and in some cases, such as construction, infrastructure sector firms and SMEs, firms are marginally more optimistic, on balance.

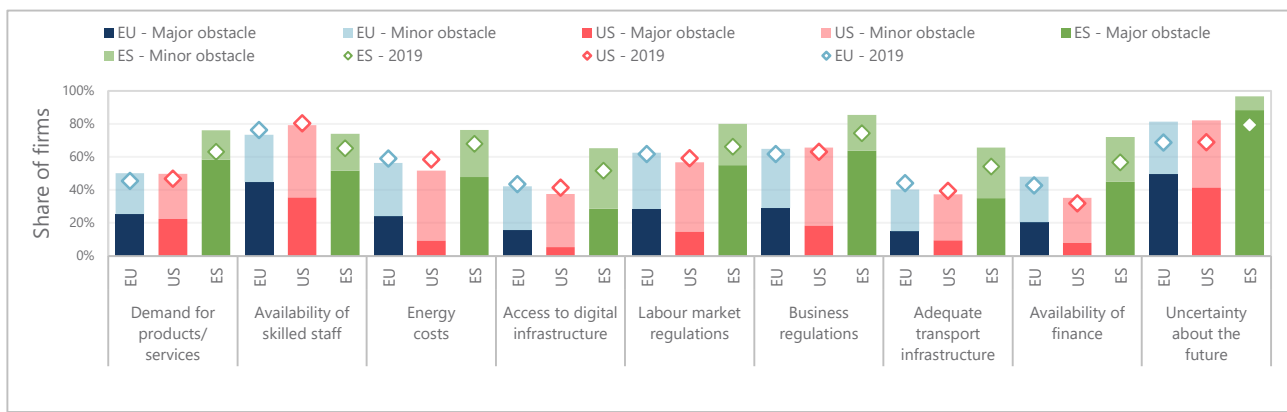
Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

Overall, there has been an increase, since EIBIS 2019, in the share of firms in Spain that consider all nine areas to be long term barriers to investment. The share of firms is higher than the EU average on all measures except the availability of staff with the right skills.

The top three long term barriers to investment in Spain are uncertainty about the future (97%), business regulations (85%) and labour market regulations (80%).

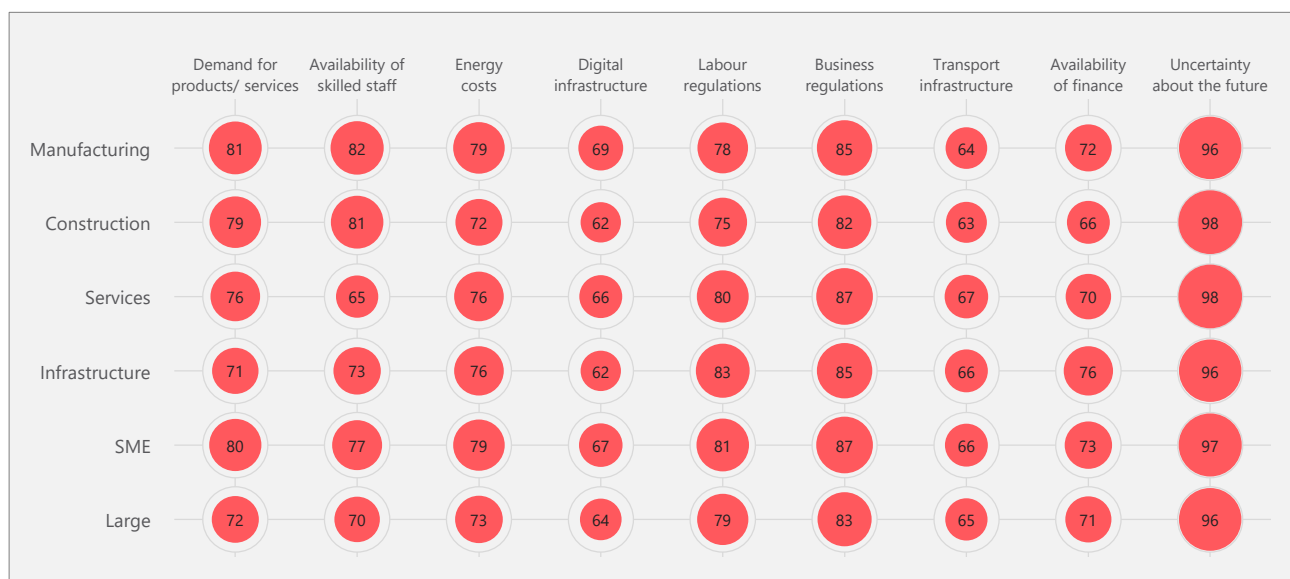
Firms in the services sector are the least likely to cite availability of skilled staff as long term barrier (65%).



Q. Thinking about your investment activities in Spain, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG TERM BARRIERS BY SECTOR AND SIZE



Q. Thinking about your investment activities in Spain, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Investment Finance

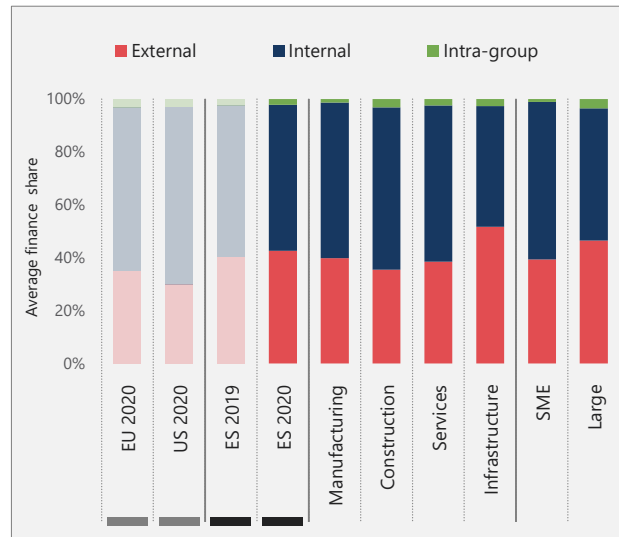
SOURCE OF INVESTMENT FINANCE

More than half of investment activities of firms in Spain was financed by internal sources (55%) in 2019, lower than the EU average (62%).

Conversely, external finance made up more than two fifths (43%) of the share of investment finance, which is above the EU average of 35%.

Firms in the infrastructure sector reported a lower share of internal finance than other sectors (46% compared with a range of 59% to 61% for other sectors).

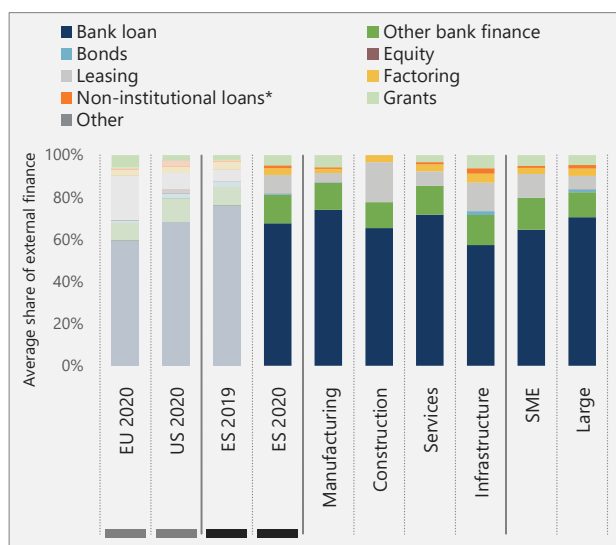
SMEs reported a higher share of internal finance than large firms (60% and 50% respectively).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Bank loans continued to make up the highest share of external finance (68%), but this share has declined since EIBIS 2019 (76%).

Firms in Spain attributed a much lower share of external finance to leasing and higher purchases than across the EU as a whole (9% versus 21% EU-wide).

Leasing and higher purchases represented a higher share of external finance among construction and infrastructure sector firms compared to other sectors (19% and 13% compared with other sectors ranging from 4% to 7%).

Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

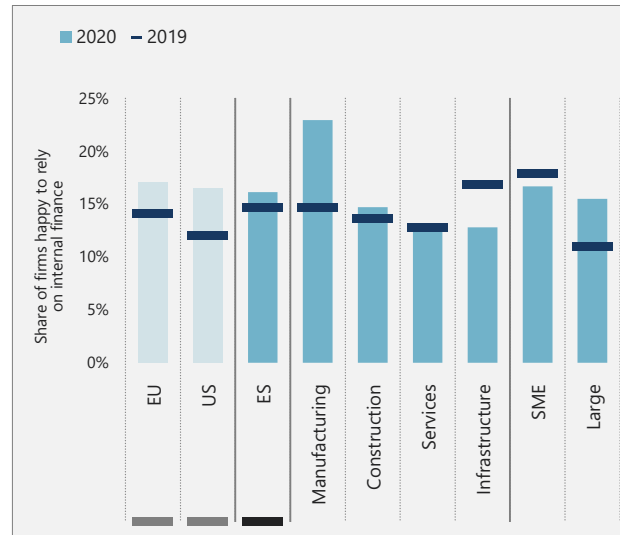
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)

Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Sixteen per cent of all firms in Spain say they did not apply for external finance in the past financial year because they are happy to use internal sources or do not need this financing. This is in line with EIBIS 2019 (15%) and the average for the EU (17%).

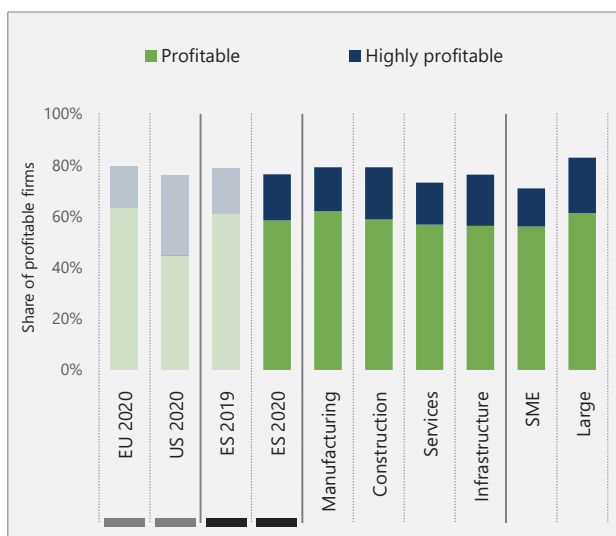
Manufacturing firms were more likely to be happy to rely exclusively on internal financing (23%) compared with other sectors (ranging from 13% to 15%).



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

SHARE OF PROFITABLE FIRMS



Nearly eight in ten (76%) of firms report generating a profit in the last financial year, in line with EIBIS 2019 and the EU average (79% and 80% respectively).

Large firms are more likely to report making a profit than SMEs (71% and 83% respectively).

The share of profitable firms is homogeneous across sectors.

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

Base: All firms (excluding don't know/refused)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

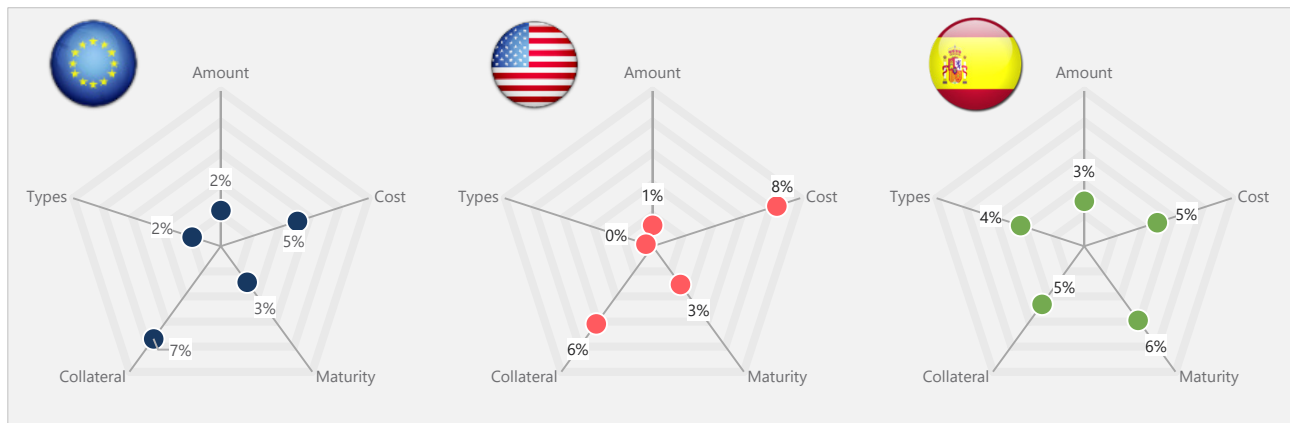
Firms using external financing in 2019 are on balance satisfied with the amount, cost, maturity, collateral and the type of financing received.

The highest proportion of dissatisfaction in Spain is with the maturity of the received financing (6%)

followed by the cost and collateral requirements (both at 5%).

Levels of dissatisfaction are close to the EU averages, and are similar with the levels reported in EIBIS 2019.

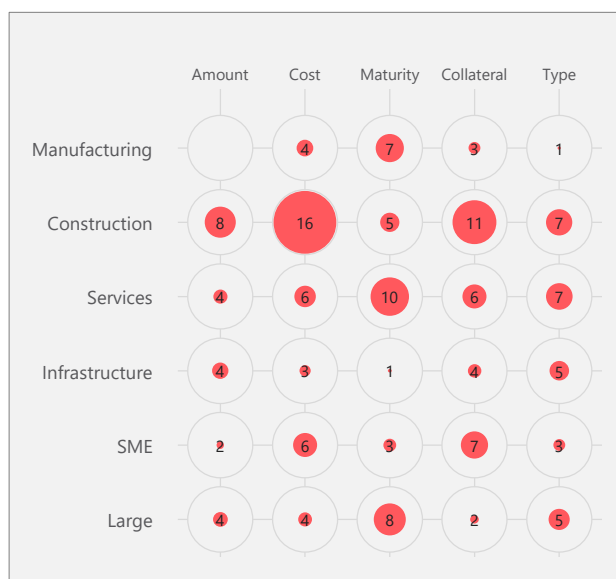
Share of dissatisfied firms



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (%)



Overall dissatisfaction levels are low. Firms in the construction sector report higher levels of dissatisfaction with the cost of external financing they received (16%) and the collateral asked (11%).

Q. How satisfied or dissatisfied are you with ...?

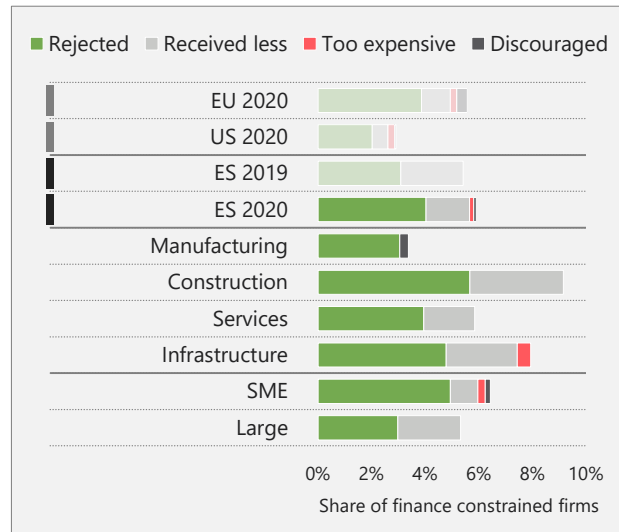
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Six per cent of all firms in Spain could be considered as financially constrained in 2019, which is marginally above the share reported in EIBIS 2019 (5%) and EU average (6%).

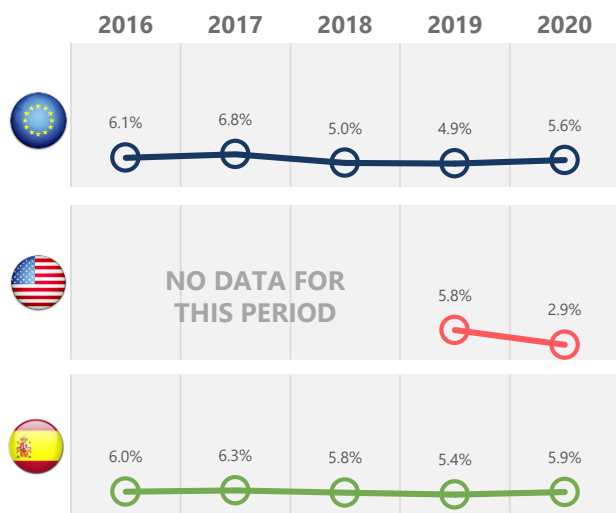
The share of financed constrained firms is highest among construction firms (9%) and lowest among the manufacturing sector firms (3%).



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms

FINANCING CONSTRAINTS OVER TIME



There has been some little variation in the proportion of financially constrained firms in Spain over the past five years, with shares evolving between 5.4 and 6.3%.

While still contained, the evolution was somewhat more pronounced at the EU level, with share of financed constrained firms evolving between 5.0% and 6.8%.

Base: All firms

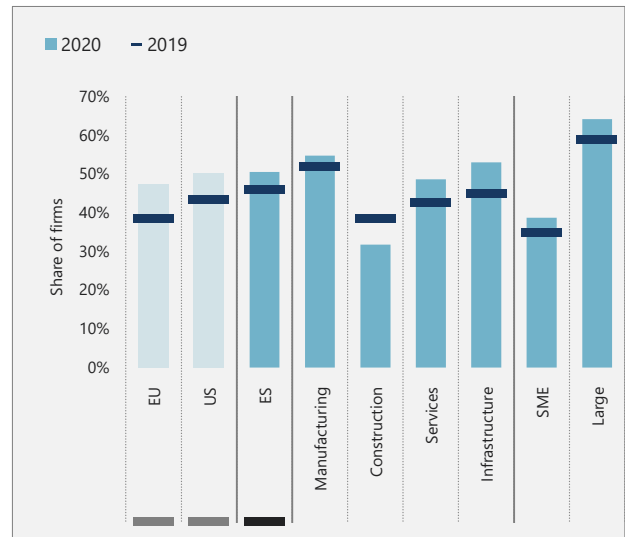
Energy Efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

About half of all firms in Spain (51%) have invested in measures to improve their energy efficiency, in line with EIBIS 2019 (46%) and the EU average (47%).

Construction firms have the lowest share of firms investing in measures to improve energy efficiency.

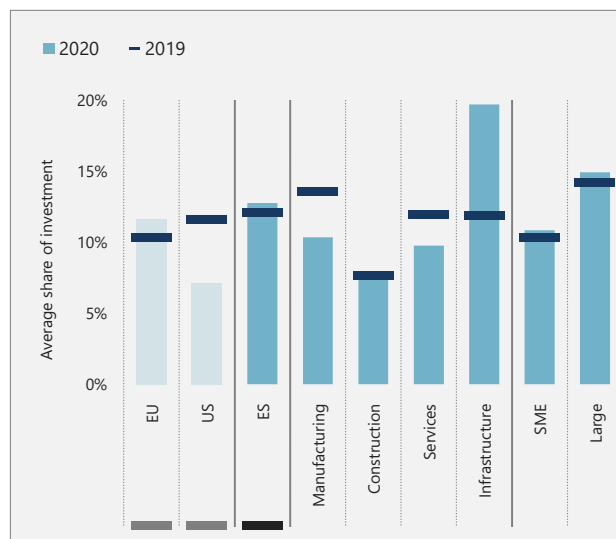
Large firms are more likely to have invested in these measures than SMEs (64% and 39% respectively).



Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



The average share of investment in measures to improve energy efficiency by firms in Spain (13%) was similar to the reported share of firms in EIBIS 2019 and to the average for the EU (both at 12%).

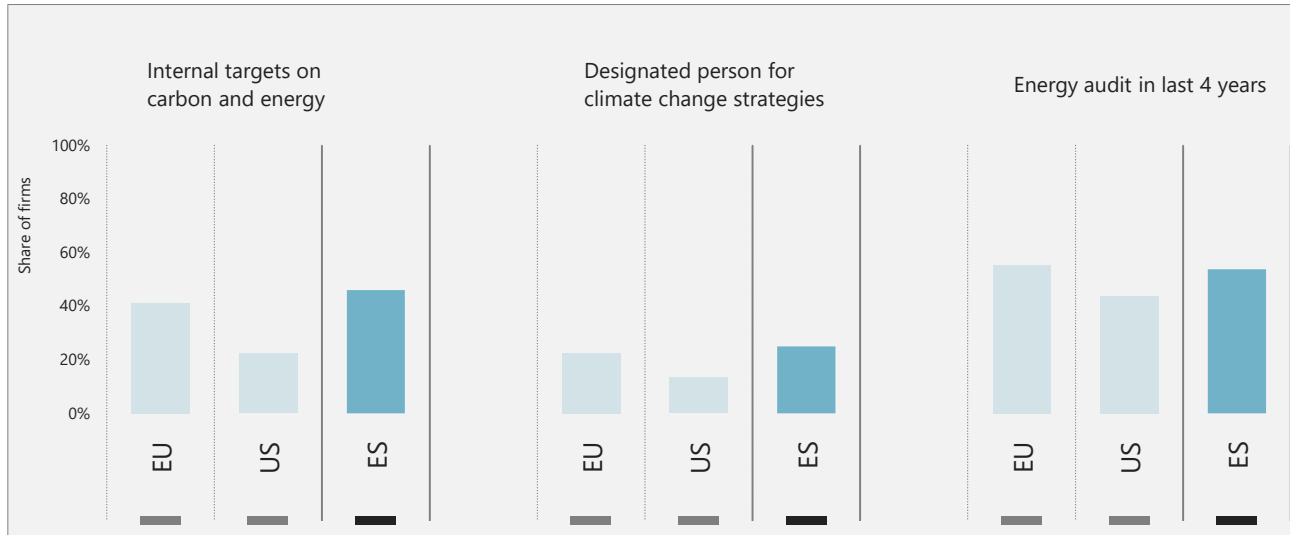
Firms operating in infrastructure reported the highest share of investment (20%) compared with firms in other sectors (ranging from 8% to 10%).

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who had invested in the last financial year (excluding don't know/refused responses)

Energy Efficiency

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT



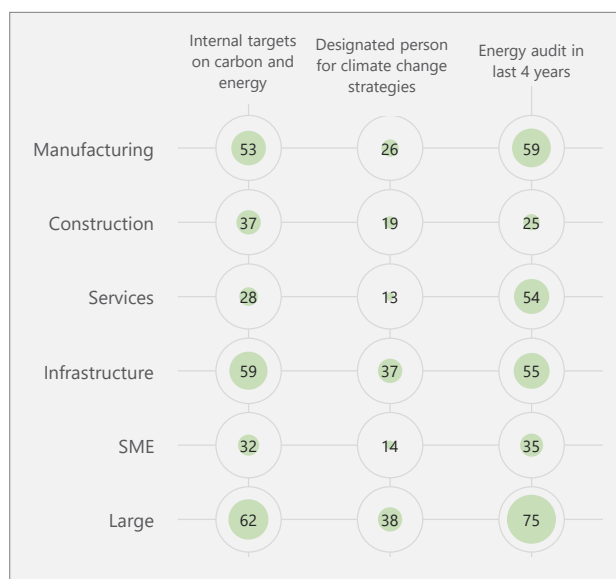
Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE



Around a half of firms in Spain have had an energy audit in the past four years (54%) or have set internal targets on carbon and energy (46%). A quarter of all firms also have a designated person to develop their climate change strategies (25%). This is in line with the EU averages.

Firms in the construction sector (25%) and SMEs (35%) are the least likely to have had an energy audit.

Manufacturing (53%), infrastructure (59%) and large firms (62%) are the most likely to have internal targets on carbon and energy.

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

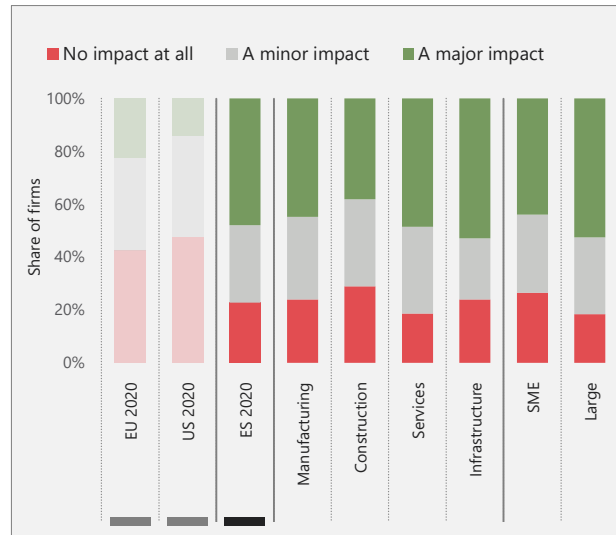
Base: All firms

Climate Change

CLIMATE CHANGE IMPACT

More than three quarters (77%) of firms in Spain reported that their business has been affected by climate change and the related change in weather patterns. This includes around a half (48%) who report a major impact on their business. This is much higher than the EU average (58% and 23% respectively).

Firms in the construction sector are less likely to have been impacted in a major way than firms in other sectors (38% compared with between 45% and 53%).



Q, Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT %)



Please note: green figures are positive, red figures are negative

Q. What impact will the transition to a reduction of carbon emissions have on the following aspects of your business over the next five years?

Base: All firms

All firms in Spain are expecting the transition to a low-carbon future to be positive rather than negative for their reputation (31%) and for market demand (13%) over the next five years, with services sector firms and SMEs being the least positive.

Service sector firms (net -9%) and SMEs (net -3%) are also expecting a negative impact on their supply chain, while other sectors and large firms believe the impact will be positive rather than negative.

*Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact

Climate Change

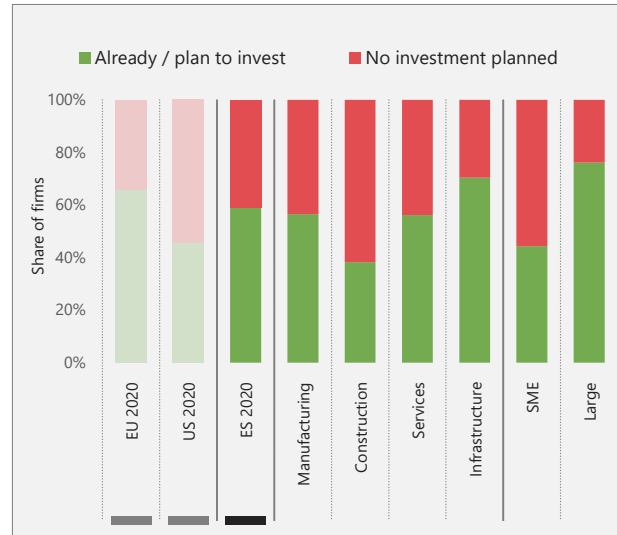
INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Three out of five firms in Spain (60%) have already invested or plan to invest in the next three years in measures to tackle the impact of weather events and reduction in carbon emissions. This is below the EU average (67%).

Firms in the construction sector are less likely to have invested or plan to invest than firms in the other sectors (39%, compared to a range of 56% to 71% for other sectors).

SMEs are more likely than large firms to have no investment planned (56% and 24% respectively).

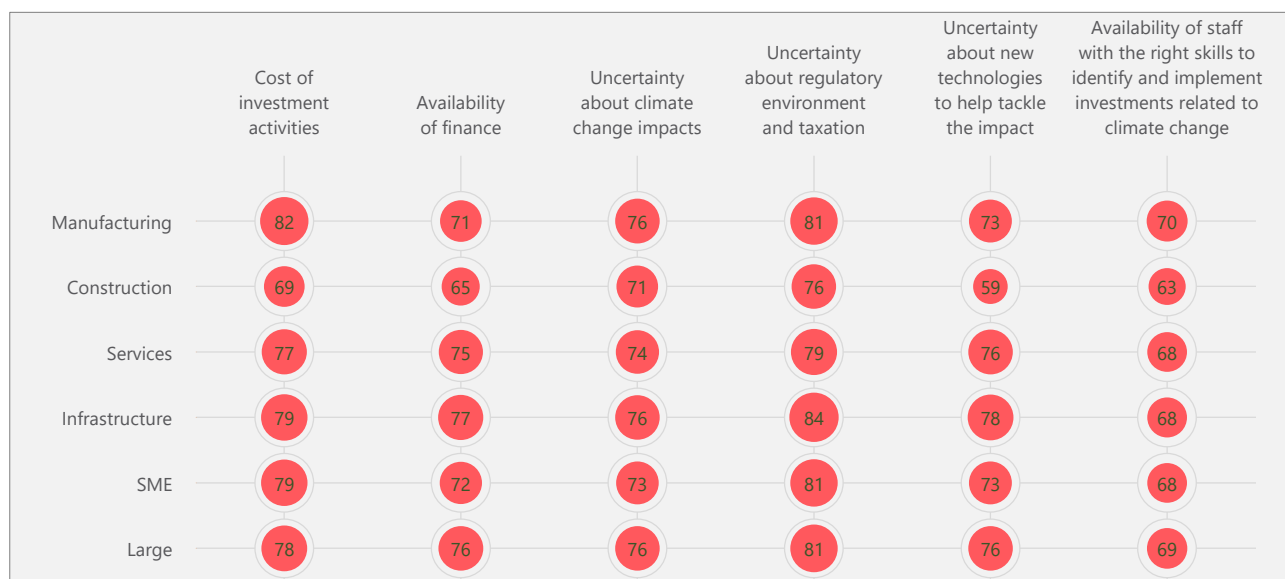
The most frequently cited barrier to investing in activities to tackle climate change is the uncertainty about regulatory environment and taxation (81%) followed by the cost (78%) and uncertainty about climate change impacts (75%).



Q. Now thinking about investments to tackle the impacts of weather events and reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE



Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

Base: All firms (data not shown for those who said not at obstacle at all / don't know / refused)

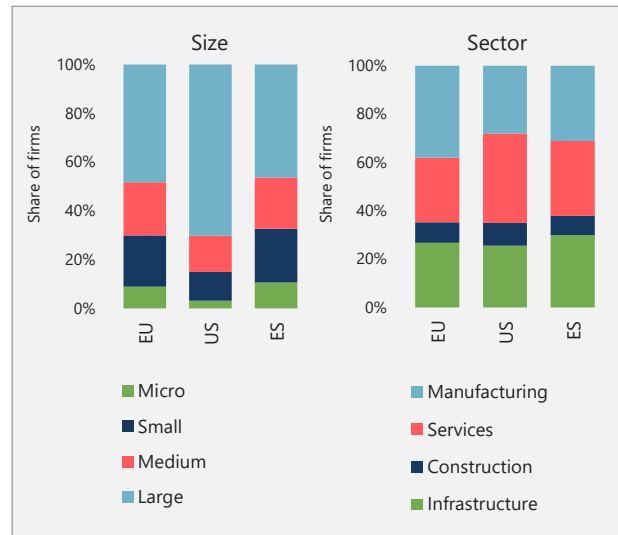
Profile of Firms

CONTRIBUTION TO VALUE ADDED

In Spain, large firms account for the greatest share of value-added (46%), slightly less than the EU average of 48%.

Conversely, micro and small enterprises account for a slightly larger share of value added, 32% in Spain, compared to 30% in the EU.

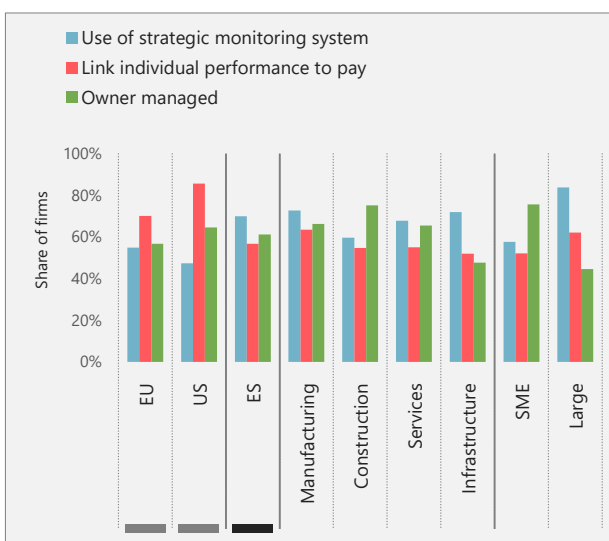
By sector, manufacturing, services and infrastructure firms make similar contributions to value added (31%, 31% and 30% respectively). The construction sector contributes 8%.



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

FIRM MANAGEMENT



In Spain, seven in ten firms use a strategic business monitoring system, higher than the EU average (70% and 55% respectively). This is more common among large firms (84%, compared with 58% of SMEs).

Just over half of all firms report linking individual performance to pay, which is below the EU average (57% and 70% respectively).

Three out of five firms claim to be owned or controlled by their CEO or a member of the CEO's family, broadly in line with the EU average (61% and 57% respectively). SMEs are more likely to be owner managed than large firms (76% and 45% respectively).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?
Q. Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

Base: All firms (excluding don't know/refused responses)

EIBIS 2020 – Country Technical Details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Spain, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	ES	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs ES	Manuf vs Constr	SME vs Large
	(11971)	(800)	(600)	(170)	(138)	(147)	(142)	(478)	(122)	(11971 vs 600)	(138 vs 170)	(478 vs 122)
10% or 90%	1.1%	3.5%	2.5%	4.4%	4.8%	4.7%	4.8%	2.4%	4.6%	2.7%	6.4%	5.2%
30% or 70%	1.7%	5.3%	3.8%	6.7%	7.3%	7.3%	7.3%	3.7%	7.0%	4.2%	9.8%	7.9%
50%	1.9%	5.8%	4.2%	7.3%	7.9%	7.9%	8.0%	4.0%	7.7%	4.5%	10.7%	8.6%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.
EIBIS 2019	The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.
EIBIS 2020	The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

Note : the EIBIS 2020 overview refers interchangeably to 'the past/last financial year' or to '2019'. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.

EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 600 firms in Spain (carried out between May and August 2020).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2020/2019	US 2020/2019	ES 2020/2019	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 6, p. 10, p.11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20	11971/12071	800/803	600/601	170	138	147	142	478	122
All firms (excluding don't know/refused responses), p. 2	11634/11417	748/711	573/562	162	131	141	136	458	115
All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3 (bottom), p. 4 (top)	9606/NA	643/NA	458/NA	134	100	108	113	347	111
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10138/9716	682/624	485/423	146	106	116	114	378	107
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	9874/9506	683/620	384/430	113	86	90	92	306	78
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11949/12042	799/802	599/600	169	138	147	142	477	122
All firms (excluding don't know/refused responses), p. 7 (top)	11727/11757	787/775	590/582	169	138	141	139	470	120
All firms (excluding don't know/refused responses), p. 7 (bottom)	11608/0	780/0	589/0	169	137	141	139	469	120
All firms (excluding don't know/refused responses), p. 8 (top)	11720/11770	769/772	598/580	169	137	147	142	476	122
All firms (excluding don't know/refused responses), p. 8 (bottom)	9039/8380	600/516	359/343	109	75	86	86	283	76
All firms (excluding don't know/refused responses), p. 9	11938/11937	799/800	600/571	170	138	147	142	478	122
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9255/9008	648/587	470/444	140	102	114	112	377	93
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4354/4369	314/252	280/283	91	47	63	77	214	66
All firms (excluding don't know/refused responses), p. 13	10711/10490	637/605	556/552	160	127	135	131	443	113
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4310/4292	314/245	287/282	91	49	64	79	218	69
All firms (excluding don't know/refused responses), p. 18	11898/NA	794/NA	594/NA	170	134	146	141	472	122
All firms (excluding don't know/refused responses), p. 19	11739/NA	772/NA	585/NA	168	132	143	139	466	119
All firms (excluding don't know/refused responses), p. 20*	11740/11627	777/762	587/569	166	135	142	139	467	119



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Spain

Overview

EIB INVESTMENT SURVEY

2020