



Why **invest** in Madrid?

- MADRID as a destination for Foreign Investment
- Functions and services of INVEST IN MADRID







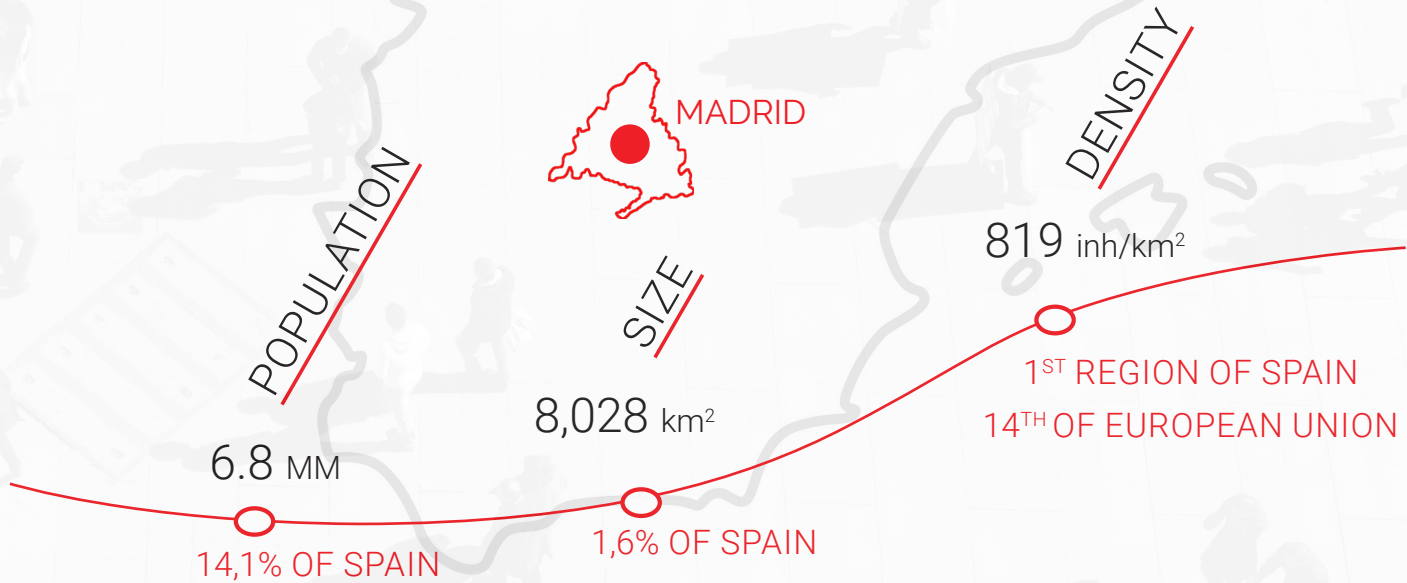
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1.

General data





NOMINAL GDP 2020:

240,130 MM. OF €

19,4% FROM SPAIN, 1ST REGION IN SPAIN
AND 5TH OF EUROPE

In 2019, the PPP GDP of the region was, in absolute terms, the third highest of the European regions and surpassed that of 15 out of the 27 member states of the European Union.

GDP PER CAPITA 2020:

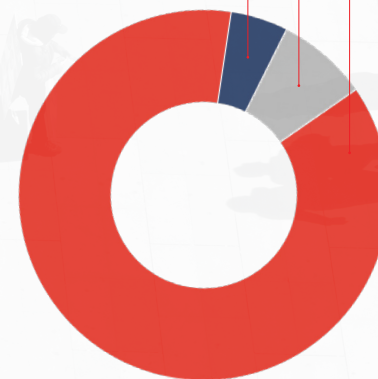
35,913 €

1ST REGION OF SPAIN

In 2019 Madrid was among the top 41 regions of the EU27 with the highest GDP PPP per capita.

GDP BY SECTOR:

SERVICES 87%
INDUSTRY 8%
CONSTRUCTION 5%





2.



Top international rankings

5th Europe's 5th most attractive city for people, capital and companies
(Global Power City Index 2021, The Mori Foundation)

9th World City (22nd in 2018).

The first time that a Spanish city ranked among the top 10.

Featured as the most liveable city in the world.

10th City in the world for living conditions for expatriates
(Expatriate City Ranking 2021, Internations)

8th Ease of setting up.

4th In Leisure and Climate, 5th in Health and Environment, 7th in Quality of Urban Life.

6th European City with regards to prospects for startups, technology and investment in innovation
(European Tech Cities of the Future 2021, fDi)

A continuously improving outlook (11th in 2020).

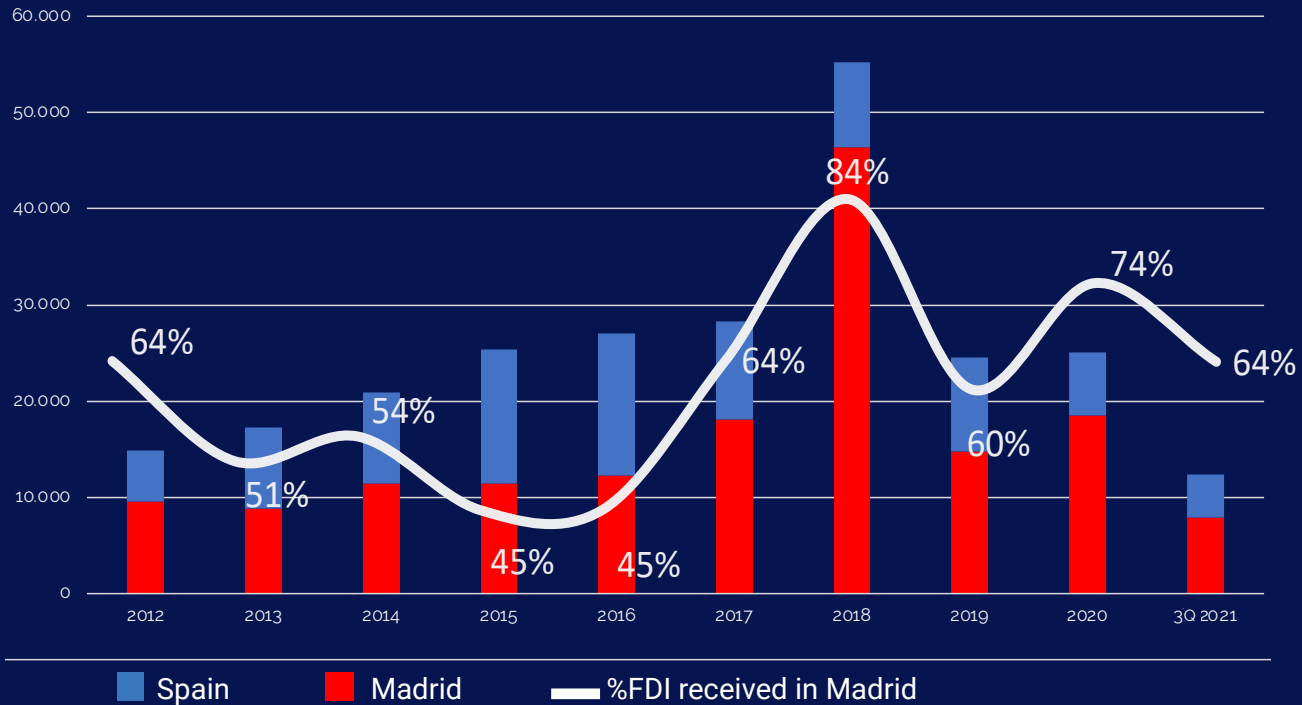
It excels in performance for foreign investment and in the start up environment.

10th Economy in the world most open to Foreign Direct Investment
(FDI Restrictiveness Index 2019, OCDE)

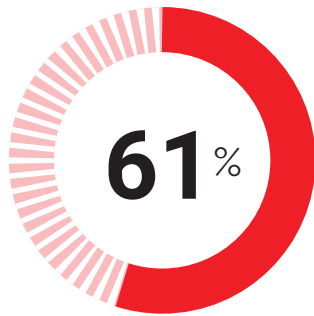
Proactive policy to foster and facilitate foreign investments.

3.

FDI received in Spain and Madrid (2012 - 3Q2021)

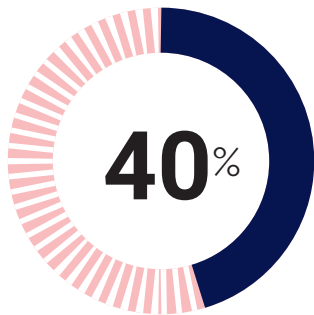


Preferred region as a destination for foreign investment in Spain



During the last decade Madrid has captured 61% of all the investment received in the country.

Main investor countries 2021: Luxembourg, USA, France, the Netherlands and the United Kingdom.



40% of the foreign companies present in Spain have chosen Madrid to be their headquarters.

Main factors that favour the choice of Madrid

- Free and open economy (#13 in the world) with the lowest tax burden in Spain.
- High legal certainty and stable fiscal framework.
- Main legislative and decision-making center.
- Leading financial hub in Spain, headquarters of the main institutions in the sector.
- Regional government that fosters and facilitates the setting up and growth of foreign companies.






4.





Highly **prized** assets

- 
- 
- 1 Free economy with low tax burden.
 - 2 Direct access to large markets and a natural bridge with Latin America.
 - 3 Expertise available at competitive prices.
 - 4 Cutting edge infrastructures.
 - 5 Technological hub of Southern Europe.
 - 6 Powerful entrepreneurial/innovation ecosystem.
 - 7 Unique quality of life with first class public services and a strong commitment to the SDGs.
- 



4.1.

Madrid is the 4th largest metropolitan area in Europe





Free economy with **low tax burden**

An economic policy that fosters more freedom, more competition, respect for property, less taxes, less regulation.

Economic driver of Spain and 5th regional economy of the EU-27

- Most productive region (19% of national GDP in 2020).
- It also leads in the creation of companies in Spain (23% of those set up in 2020).

Spain's political and economic capital

- Main financial and decision-making center.
- Operational headquarters for 70% of Ibex-35 companies and for 67% of Spanish multinationals.

Madrid offers the lowest tax burden of all the Spanish regions

- Incentivizing economic policy, with tax reduction continued for 17 years and definitive abolition of own taxes.

Flexible opening hours for all shops

- Madrid doesn't sleep, working 24/7.



4.2.

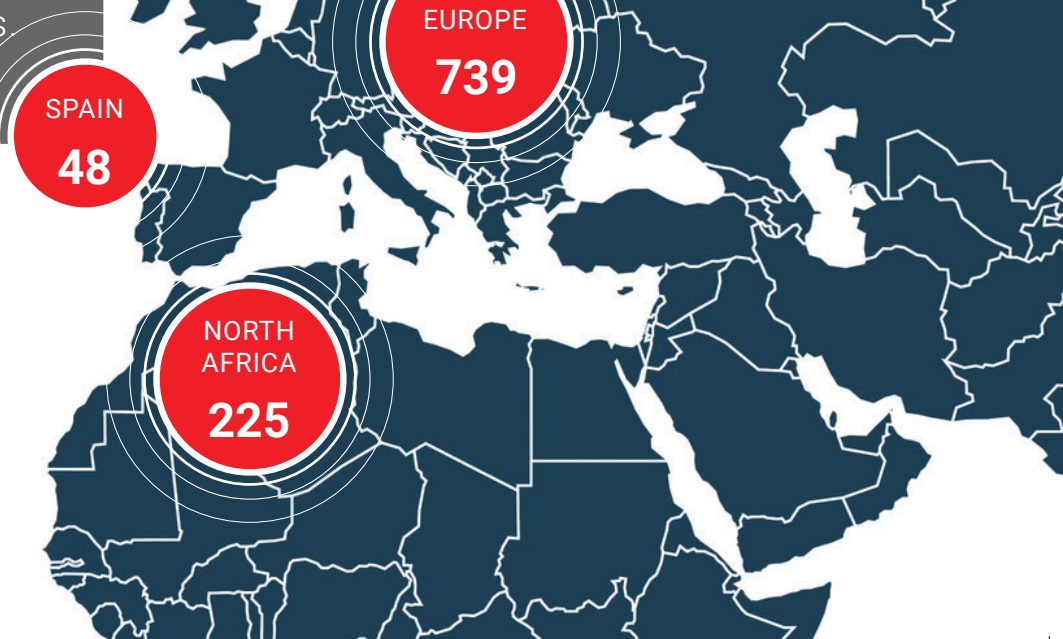
Direct access
to vast markets...

Madrid unites 6.8 Mil.
inhabitants with
the highest population
density of the Spanish
regions





Its privileged location provides direct access to the markets of Spain, Europe and North Africa, which amount to over 1 billion consumers





4.2.

... and natural bridge
to **Latin America**

Spain is the leading
destination for Latin
American investments
in Europe.





Latin America is the fourth largest foreign investor in Spain

- Spain is the 2nd foreign investor in Latin America, only surpassed by the United States.
- Cultural and historical links make Madrid the first choice for Latin American companies expanding their activities to Europe.
- The main Latin American multilateral and financial institutions in Europe have their headquarters in Madrid:
IDB, Latibex, FIAB, Segib, OEI, FIAB, CAF...
- More than 700,000 Latin Americans already live in Madrid.

Latin American companies that manage their activity in Europe from Madrid



Foreign companies that manage their activity in Latin America from Madrid



4.3.



Expertise available at competitive prices

Active population of over 3.5 million workers.

Prestigious, quality education.

- Primary and secondary education with bilingual programs and presence of the main international schools.
- Network of public (6) and private (8) universities with over 320,000 students/year.
- Headquarters of 3 of the most prestigious international business schools: IE Business School, IESE, ESADE.

50% of the Madrid population aged 24-65 hold university studies (European average: 32%).

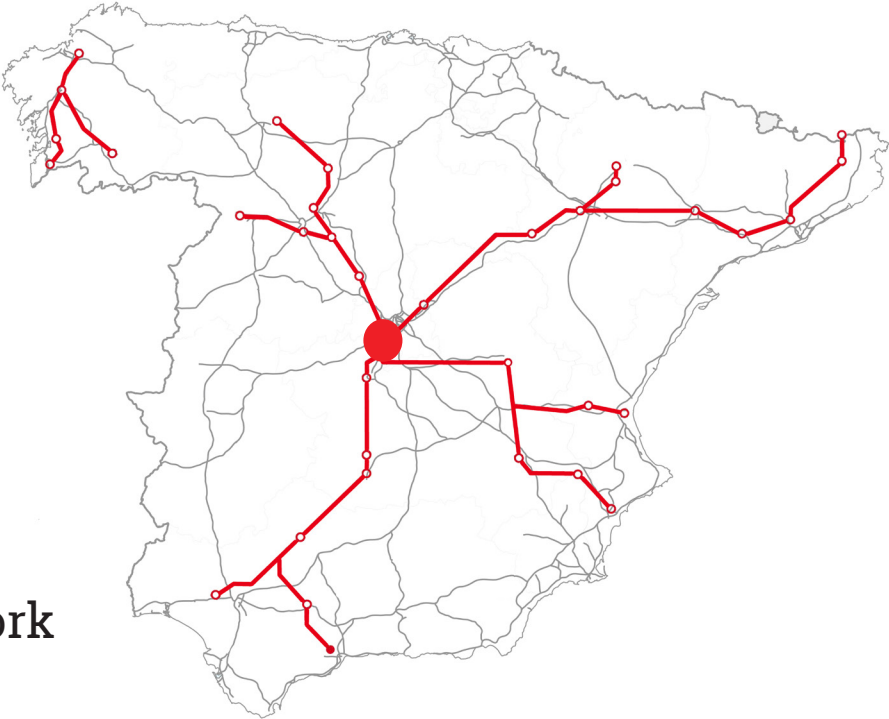
A melting pot, with a foreign population that makes up 15% of the population and comes from 180 countries.

Hourly labour cost (€22.8) is 20% lower than the EU-27 average (€28.5).



4.4.

Madrid is the hub of the national network of **AVE** and motorways



- AVE
- Main motorways





Cutting edge infrastructures

Starting point and hub of the national transport network

- Radial system of over 15,000 km of dual-carriageways and motorways that connect Madrid with all of Spain and its borders.
- Nucleus of the 2nd longest high-speed railway system in the world, with 3,100km, providing access to the largest Spanish cities and the European network in less than 3 hours.

The largest logistics hub on the Iberian Peninsula

- Region of Spain with the largest logistics area (38 million m²).
- 75% of the logistics companies that operate in Spain are concentrated here.
- The Dry Port of Coslada is 10 min. from the airport and connects in a few hours with the main ports (Algeciras, Valencia, Barcelona, Bilbao).



4.4.

Barajas Airport links Madrid to the main European cities in less than 3 hours





With a leading airport in Europe

Madrid-Barajas Airport is the 2nd in Europe for capacity, the 5th for passenger traffic (62 million in 2020) and the 6th for cargo traffic

- Located 12 km. from the center (20 minutes) with exceptional intermodal access and direct connection to the AVE Network.
- It concentrates 25% of the direct flights between the EU and Latin America, with 31 different destinations.
- It provides access to 220 destinations in 74 countries.



4.5.



Technological hub of Southern Europe

Madrid has become the focal point in infrastructures and digital businesses for Southern Europe

- An impressive amount of data centres (6th in Europe) and telecommunications networks (connected digital infrastructure) have been established.
- The international connection capacity far exceeds that of the United Kingdom, France and Portugal combined.
- It has important neutral points, physical infrastructures through which internet service providers exchange internet traffic between their networks.
- It is in close proximity to large submarine cable systems that connect it to Africa and America.
- It is one of the main data interconnection and distribution nodes in the Iberian Peninsula.
- It has enough talent and industry.
- The need arises for a digital hub in Southern Europe that complements Frankfurt, London, Amsterdam and Paris.





4.6.





Powerful **entrepreneurial/innovation** ecosystem

Madrid stands out in the rankings of cities with the best ecosystems

- 5th international position in number of startups and scaleups (after London, Berlin, Paris and Amsterdam).

Madrid is the national benchmark in terms of innovation and entrepreneurship:

- Relevant infrastructures for innovation: 30 universities and private schools; over 20 university hospitals; 7 IMDEA institutes for higher education; 6 science and technology parks; 40 CSIC research centers; and 6 innovation clusters.
- Outstanding sectors: Mobility and Logistics, Fintech, Insurtech, Health and Proptech.

- 30 open innovation programs, 50 accelerators, more than 1,000 active startups.
- With 66 venture capitals and investment vehicles (the largest concentration in Spain) during 2020 it registered more than €360 million in investments (2021 forecast: €640 million).
- Growing focal point for international investors (78% of funds).
- €300 million raised in funding over the last 3 years.

The new national Law for Startups will introduce new tax benefits for investors in 2022, while reducing red tape and facilitating the expansion of the ecosystem.



4.7.

Madrid is Spain's leading and the world's 4th best prepared city for tourism.





Unique quality of life with first class public services

- The **lowest cost of living** among the main European regions.
- Thanks to a very low crime rate, it is one of the **safest European cities**.
- The 2nd highest **life expectancy** in the world (83.8 years).
- A wide array of cultural, gastronomic and leisure events are on offer.
- It houses 5 treasures that have been declared World Heritage sites by UNESCO.
- Mild climate with 300 days of sunshine a year.
- The preferred destination for **business tourism**, it is among the top five destinations in the world for professional meetings, congresses, trade fairs, conventions and incentive travel.
- Excellent **public services**.
- Free **healthcare system**, rated as the 3rd most efficient in the world, with access to a health centre from anywhere in Madrid in less than 20 minutes.
- High-standard **public and private education**, with the presence of the main international schools from many countries.



4.7.





And a firm commitment to the Sustainable Development Goals (SDG)

- Madrid has drawn up a strategy for locating, implementing and monitoring the Sustainable Development Goals in the 5 dimensions of the 2030 Agenda (people, planet, prosperity, peace and alliances).
- It ranks 15th in Schrodgers European Sustainable Cities Index 2021, which assesses the measures adopted by cities to tackle climate change.
- The first so called green hydrogen generating plant, whose name derives from the fact that renewable energies will be used to run it. It will be a pioneering facility as it will use reclaimed water as the main resource to create hydrogen.
- In 2020, it ranked first in Spain for sustainable bond issuance and issued the first green bond of a Spanish Administration.





5.1.

Invest in Madrid
is the investment
attraction agency
for the region
of Madrid





Invest in Madrid. **About us**

MISSION:

- Confirm Madrid as one of the 5 main destinations for foreign investment in Europe and the 1st in Southern Europe.

FUNCTIONS:

- To internationally promote the image of Madrid as an attractive investment destination, highlighting both its competitive advantages and the information and advisory services available to foreign companies.
- To attract foreign investment, locating companies with international expansion projects, advising them during the decision process and smoothing the path for the constitution and expansion of their business in Madrid.
- Nurture a business climate that appeals to foreign investment, identifying the needs of investors and adopting measures to foster business activity in Madrid.



5.2.





Invest in Madrid. **Our services**

Confidential, professional and free of charge services for the investor.

Information concerning the applicable regulatory framework and administrative procedures to follow

Pinpointing of potential sources of funding

Single window for the investor dealing with public administrations

Contacts with local stakeholders

Advice on grants and incentives

Scouting for offices and industrial spaces

Connecting to professional service companies

Support in obtaining visas, accommodation and selection of personnel





Why invest
in Madrid?



O'Donnell, 12. 28009 Madrid.
T. +34 912 202 800
info@investinmadrid.com
investinmadrid.com

2203