

Foreign Investment in Catalonia by Sector, 1989

(\$ millions)

Mineral extraction & transformation & chemicals	741.31
Other manufacturing	637.07
Metalworking	466.24
Agriculture & food processing	437.30
Trade & tourism	349.59
Transport & communications	56.30
Construction	22.83
Energy	0.51

Source: Center for Information and Business Development (CIDEM), Ministry of Industry and Energy, Generalitat of Catalonia.

Investors

Catalonia has attracted considerable foreign investment over the past few years. Between 1988 and 1989, foreign investment in the region increased by 55%, from \$2.5 billion to \$3.7 billion. To take one example, Catalonia is currently the recipient of 70% of all Japanese investment in Spain. Among the Japanese companies that have chosen Catalonia are the following:

- Nissan plans to expand its Spanish subsidiary, Nissan Motor Iberica, of which it owns 65%. It will diversify production which is currently focused on vans and four-wheel drive vehicles to include small cars by 1993. Nissan is to invest \$1.2 billion over five-years in the construction of a new car design centre, a test track together with VW-SEAT, and the extension of its Barcelona plant.
- Sony will invest \$82 million to build a new color TV manufacturing plant in Barcelona, half of which will be exported. Sony will also invest more than \$11 million to upgrade its video production facilities.
- Toshiba inaugurated the firm's Spanish headquarters in Barcelona and announced plans to establish a plant to produce portable computers.
- Sanyo will invest \$15 million in the construction of its European research and development facility in Barcelona. It will undertake research on High Definition Television.
- Shikibo, a Japanese textile firm, is investing about \$26 million in a textile facility.
- Kao, a Japanese chemical firm, will invest \$82 million in a new, highly automated, plant to produce diskettes for the European market.

Performance

Catalonia is Spain's most dynamic region. With slightly less than 16% of the population, it generates nearly 20% of the GDP, more than any other Spanish region. It accounts for 27% of Spain's industrial output.

The current recession has been particularly severe for tourism and the large industrial employers, especially textiles and construction, each of which have about 18% of the workforce. Still, at 14.3%, the rate of unemployment in the region is a good deal below the national average.

Programs

The following contact points are useful in identifying Catalan institutions that promote partnering:

CIDEM, the Center for Information and Business Development, is a government agency that attracts foreign investment and promotes industrial zones in the region. Its newsletter, Catalonia Business, is available from the office in New York. Centre for Information and Business Development, Department of Industry and Energy, Generalitat of Catalonia, Spain, 747 Third Avenue, 20th Floor, New York, N.Y. 10021, Tel. (212) 755-8830 and Fax (212) 755-8837.

FEDER provides subsidies for industries, services and workshops to create new jobs, to develop the industrial infrastructure of developing zones, to aid SMEs, and to assist with marketing studies and promotional activities. It can provide SMEs with preferential interest rates of up to 3% on loans.

Although Catalonia has not been designated a "developing zone," the Spanish government will nevertheless provide subsidies to companies that create, modernize or expand facilities there. Subsidies extend to 20% of the investment of new fixed assets. Interest rates may also be reduced to 6%.

Foreign Investment in Catalonia by Sector, 1989

