
III. SELECTED ECONOMIC INDICATORS and TRENDS IN THE SPANISH AND CANADIAN ECONOMIES

This summary of the Spanish and Canadian economies is intended to provide a general background against which biotechnology activities may be evaluated.

R & D budgets are important indicators of a country's vision of the future, and of the importance attached to creative activity in science and technology. R & D commitments reflect a nation's response to social, economic and environmental imperatives to develop new and more effective products and services.

R & D budgets and allocations are discussed below, together with other relevant economic, social, and fiscal data.

A. SPAIN

The Kingdom of Spain, the second largest country in western Europe, has a population of 40 million. It is a parliamentary democracy with a political structure similar to that of Canada. It consists of 17 regions with their own self-governments. Approximately 25 % of the country's national budget is administered by these regional governments.

By the size of its Gross Domestic Product (\$ 526 billion in 1991), it ranks the ninth largest economy in the world and the fifth largest in western Europe.

Spain has been the fastest growing member of the European Economic Community since joining in 1986, due largely to its export sector, and to the increase in foreign and domestic investment (Figure 2). It receives more direct investment than any other country except the United Kingdom and the USA. Spain's economy is maintaining a level of activity higher than the average of the industrialized countries as a whole. According to the National Institute of Statistics, the growth of the GDP in 1991 was 2.4%, above the average for the European Community.¹⁴ The country has traditionally followed high-tariff policies by governments that too often have been interventionist.

Over the past 25 years, Spain has evolved from a rather isolated agricultural economy into a major industrial power¹⁵. Its trade deficit was the industrial world's third largest in 1990 (\$43,8 billion)¹⁶. This is not of immediate concern because economic growth is investment-led, and rapid growth in foreign investment assures adequate financing. Also its reserves,