

## DISTRIBUTION

The Madrid hub principally serves the central, southern, and western parts of Spain, while Barcelona serves the north and east. Some overlapping occurs in Zaragoza, Bilbao, Valencia, and the Canary Islands. Barcelona usually encompasses the Balearic Islands and the enclave cities of Ceuta and Melilla in North Africa. Regional characteristics influence buying patterns. A competent agent or distributor takes this into account when marketing his products. The Basque country, on Spain's northeast coast, and Catalonia, which includes Barcelona, have long traditions as autonomous regions with their own official languages and customs. There are 15 other autonomous communities (roughly analogous to Canadian provinces) with varying, but lesser degrees of self-identification and culture. Madrid and Barcelona contain the vast majority of agents, distributors, foreign firms' subsidiaries, or government controlled entities that make up the economic power bloc of the country. The growing importance of high volume chain stores, particularly in retail foodstuffs, has also been felt in Spain, with the headquarters in either Madrid or Barcelona. Sales success in Spain can be achieved by appointing a competent agent or distributor, or by establishing an effective subsidiary in one of the provinces.

### WHOLESALE/RETAIL CHANNELS

Wholesalers (*mayoristas*) and distributors buy fish at the dock, from middlemen or from an importer, and then sell to the retailers (*minoristas*), supermarkets and the general public. Similar to the U.S. and Canada, discount warehouses for commodities such as case-goods of processed foods and beverages, are now quite prevalent in most urban areas. On the retail side, in addition to the recent proliferation of no-frills retailers such as Pryca and Makro, there are two chains of department stores with national coverage, El Corte Ingles and Galerias Preciados. Supermarkets are rapidly replacing family-owned retail food stores throughout Spain, as working couples find less time for shopping and are beginning to seek more convenience. Franchising, a relatively new phenomenon, is now firmly entrenched in the fast food sector, with Kentucky Fried Chicken, McDonalds, Welcome, the Chicago Pizza Pie Factory, Burger King and others represented in considerable number in Spain, largely catering to the younger generation.

### AGENTS/DISTRIBUTORS

Many seafood exporters sell their products in Spain through distributors. Agents and distributors are generally exclusive, covering the entire country. Although a majority of Spanish distributors have their head offices in Madrid or Barcelona, many are located in Bilbao, Valencia, and other Spanish cities where a particular industry may be concentrated. Distributors usually have sub-offices, enabling them to cover other parts of the country. Participation in trade events often leads to contracting with an agent or distributor.

The principal-agent relationship in Spain is regulated by the Civil and Commercial Codes, complemented, in regards to commercial agents, by several decrees. On the other hand, commercial representatives are governed by a law which places individual commercial representatives under the scope of the labour laws. Commercial representatives are defined as natural persons that under a special labour relationship between the contracting parties, promote sales or purchases, on either a salary or commission basis, for one or more principals. The principal and agent are free to stipulate whatever terms they agree upon, including provisions for the cancellation of the agency, provided that it does not violate Spanish law, morals, or public policy.