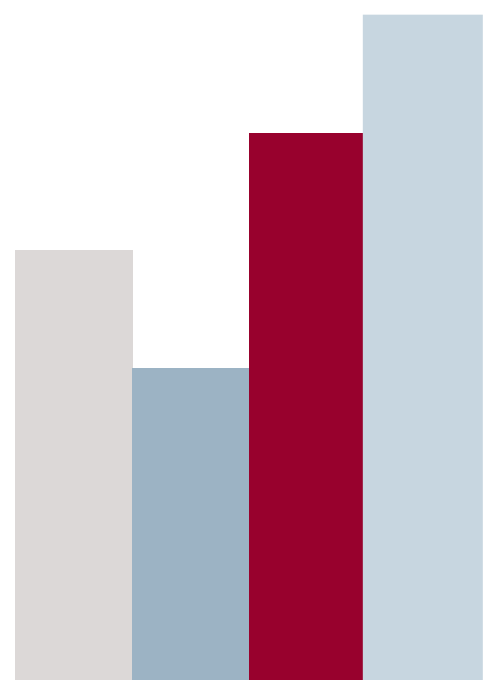


R E P O R T

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 OBSERVATORI BARCELONA



As mayor, it is a pleasure to present this report which once again confirms Barcelona is amongst the world's benchmark cities in terms of its dynamism, having achieved international brand recognition, and also in the economic and social fields.

Barcelona is the capital of the Mediterranean and one of the economic capitals of Southern Europe. A loved and admired city around the world, this is an unbeatable place to visit, live and work. It is not a coincidence that we appear in top positions in all the international rankings. Barcelona and its surrounding area is now ranked the 19<sup>th</sup> most competitive metropolis in the world, 10<sup>th</sup> in the world in terms of foreign direct investment, 6<sup>th</sup> in terms of having the strongest city brand, and 4<sup>th</sup> in terms of congresses, and 1<sup>st</sup> regarding smart cities.

Barcelona's strong financial solvency and international projection have allowed us to promote economic growth, which we want to leverage to improve the well-being and quality of life of people in this city.

In the coming years, Barcelona has to continue its work along very clear priorities, which are the three pillars of our government action programme: economic recovery and job creation; citizen care, especially for the most vulnerable; and getting Barcelona to function well, with quality services.

The economy is showing positive signs, after many years; the main indicators such as exports, foreign direct investment and job creation confirm this. Barcelona Growth Centre in 22@ and its Business Support Office are becoming the new symbols of the city's investment appeal and economic growth. Barcelona is the Mobile World Capital, the European Capital of Innovation and an international benchmark in the Smart City movement. Barcelona wants to lead a revolution in urban innovation with a Smart City Campus and the City Protocol Society, where cities, companies and universities share best practice in intelligent urban planning.

The future of Barcelona and Catalonia can also be found in their universities, training, and in the research and innovation they generate. Barcelona has gone from being a city of universities to becoming a university city, and we are 11<sup>th</sup> best city in terms of scientific output in the world. We have world-beating research centres in biomedicine, energy, the agri-business, photonics and new technologies; competitive universities and business schools that are amongst the best in the world, like IESE and ESADE.

All this is the result of continuous and collective work, a collaborative spirit and a very good understanding between the public and private sector, which we want to maintain. So, with the help and expertise of key economic and social stakeholders in the city, we will continue strengthening this international appeal. Welfare and quality of life, the climate, access to knowledge and research, infrastructure and good connections, give us a strong position in the new global economic context.

Presenting this thirteenth annual report of the Barcelona Observatory, I would like to congratulate the team behind this publication at the Chamber of Commerce and the City Council, and to thank all the institutions and organizations that have helped make it possible. This is a good example of the public-private partnerships that should help us to continue making Barcelona a city made for and by people.

**Xavier Trias**

Mayor of Barcelona

2014 was a good year for Barcelona, with the city economy outperforming previous years, and these results were better than those of Catalonia and Spain. This is shown in the results of the *Business climate survey* carried out on more than 1,157 companies in the metropolitan area, which is included as a special report at the end of this publication. 2014 recorded the best survey results since the data series started in 2009.

Employers in the metropolitan area indicate that business performance improved significantly in 2014, with investment growing across all sectors except in construction, and sales prices have moderated considerably. Furthermore, economic improvement is widespread across all sectors analyzed, although the hospitality sector registered the best results. The outlook for the first quarter of 2015 is even more positive, confirming higher forecasts for GDP growth for the whole year.

Alongside these good qualitative results, we see a whole series of quantitative data also showing a gradual recovery of the economy during 2014. Examples include net job creation in the province of Barcelona for the first time since the beginning of the recession, a record number of tourists visiting the city, an increase in the number of houses sold, an increase in retail sales and lively export numbers, which again recorded a new high in the province of Barcelona. All in all, a collection of good stories that makes us feel optimistic about the future.

This favourable economic outlook gives a further boost to the city's business appeal, an attractiveness that is quite clear when we analyse foreign investment figures and compare them to other European cities' results. Today, international investors compare the opportunities offered by different cities and, in this sense, brand Barcelona currently has significant development potential and a capacity to attract investment that is superior to many other cities in the world.

The main differentiating factors in Barcelona's appeal as an investment destination are its intangible assets related to quality of life which, in turn, include several variables such as quality education, transportation, security, the climate, architecture and the entertainment and leisure offer, among others. But not everything is positive: costs associated with administrative procedures, the fiscal and legal situation are still perceived as barriers to foreign investment, according to a recent study prepared by IESE.

Barcelona must take advantage of its new opportunities as a city for head-quarters. The Mobile World Capital should be an opportunity, and another would be Barcelona's attractiveness as one of the best cities to live in. Strengthening Barcelona's brand and providing a quality transport and communication network are key elements to boost the city's international positioning and the strength of its commerce, retail and tourism.

To take advantage of these opportunities, the City Council launched the Business Support Office (OAE) in October 2014, a project that the Chamber of Commerce was also involved with. Here, one can get personalized information and advisory services, carry out business and administrative municipal procedures or participate in the business growth programmes or training activities and organized networking activities. In addition, the Chamber of Commerce has been working for many decades to boost the city's economy, with concrete actions to promote business competitiveness, internationalization and training, as well as many others.

Finally, I want to thank the technical team for their work and continued improvements to this *Barcelona Observatory* project, and to all those organizations that have collaborated once again providing information and enriching the content of the report.

**Miquel Valls i Maseda**

President of the Chamber of Commerce of Barcelona

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Deputy Mayor for Economy, Business and Employment

**Jordi Joly i Lena**

General Manager of the Area of Economy, Business and Employment

**Àngels Santigosa i Copete**

Director of the Department of Studies  
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The summary is interactive. Click on the section you want to check for access directly.

To return to the list, click directly on the gray circle  in the upper right side of the page.

<b>7</b>	<b>Introduction</b>		
<b>11</b>	<b>Barcelona facts and figures</b>		
<b>15</b>	<b>Barcelona Observatory</b>		
<b>19</b>	<b>Results</b>		
<b>20</b>	<b>A city for business</b>		
21	Introduction		
22	Overall competitiveness of cities in the world in 2014		
23	European cities and regions with the best prospects for the future 2014/15		
24	Entrepreneurial activity in countries across the world in 2013		
25	Business outlook in the European Union in 2015		
27	Main urban areas in the world receiving foreign investment projects in 2013		
28	Appeal of European cities for international retail in 2015		
30	Main cities in the world in terms of international congresses and delegates in 2013		
<b>32</b>	<b>Knowledge society</b>		
33	Introduction		
34	Population employed in technology manufacturing and technology services in European regions in 2013		
36	Population employed in science and technology in 2013 and expenditure on research and development in European regions in 2011		
38	Main cities in the world for scientific output in 2014		
40	Patent applications in the principal OECD provinces in 2011		
<b>42</b>	<b>Tourism</b>		
43	Introduction		
44	Top European airports in terms of passenger traffic in 2014		
45	International tourists in the world's main cities in 2013		
46	Cruise ships at the world's main ports in 2013		
<b>48</b>	<b>Sustainability and quality of life</b>		
49	Introduction		
50	Smart and sustainable cities in 2013		
51	Global city brands in the world in 2014		
53	World's top cities with the best reputations in 2014		
54	City safety index in 2015		
55	Best cities in the world in terms of urban mobility in 2013		
<b>56</b>	<b>Prices and costs</b>		
57	Introduction		
59	Cost of living in cities around the world in 2014		
60	Corporation tax and VAT in countries around the world in 2014		
61	Office rental prices in cities in Europe, the Middle East and Africa in 2014		
62	Retail rental prices in cities around the world in 2014		
64	Industrial land rental prices in cities in Europe, the Middle East and Africa in 2014		
65	Wage levels in cities around the world in 2012		
<b>66</b>	<b>Labour market and training</b>		
67	Introduction		
69	Employment rate in European regions in 2013		
71	Unemployment rate in European regions in 2013		
72	Workers with a university degree in European regions in 2013		
73	Appealing cities across the world for work in 2014		
74	Best European business schools in 2015		
<b>77</b>	<b>Summary</b>		
<b>85</b>	<b>Special report</b>		
<b>86</b>	<b>Business Climate in the Metropolitan Area of Barcelona</b>		
	<i>Situation in 2014 and outlook for 2015.</i> Barcelona Chamber of Commerce's Economic and Infrastructure Studies Department		





# Introduction



In 2014 the world economy saw annual GDP growth stand at +3.3%, a positive global trend similar to 2013, but this is the result of very different trends across different geographic areas. Indeed, while the US economy is experiencing a strong recovery with unemployment rates at a six year low, the euro area is growing at a more modest pace, and in Japan trends weakened throughout the year. The major emerging economies saw moderation in terms of their growth dynamics amid rising financial tension.

The sustained recovery of the Catalan and Spanish economies throughout 2014 meant these economies closed the year with their best growth rates since 2007, in a context characterized by stronger domestic demand, an improved financial situation and stronger business confidence indicators. These macroeconomic trends have had a positive impact on the labour market, with net job creation and reductions to the unemployment rate in Catalonia and Spain as a whole. Experts forecast the recovery will strengthen over the coming quarters –benefiting from the fall in oil prices and monetary expansion policies established by the BCE-, meaning that in 2015 growth in the Catalan economy could stand at above 2.5%.

In this context of economic improvement, the internationalization of the economy and the strength of brand Barcelona are still key assets to achieve competitiveness. In 2014 the main indicators connected with opening up to outside markets showed positive trends, with new record highs in terms of tourists to the city and exports from the Barcelona area; the city has maintained its strong international position in various areas relevant to economic activity and business. Barcelona was in seventh place in the classification of European cities with the best prospects for the future 2014/2015, according to the prestigious *Financial Times* group's *FDI* magazine, up fifteen positions compared to the previous year. Ernst and Young places Barcelona in sixth position in the ranking for foreign investment projects received by major urban areas in Europe. Other prestigious sources confirm this favourable evaluation, like the Reputation Institute, which ranks Barcelona 9<sup>th</sup> best city in the world in terms of its reputation in 2014, after jumping 14 positions compared to the previous year, or the International Congress and Convention Association (ICCA), which ranks Barcelona the best city in the world in terms of number of delegates and fourth in terms of number of international conferences organized in 2013. In addition, in 2014 Barcelona achieved significant recognition of its potential as a knowledge hub when it was awarded the top prize in the European Capital of Innovation or iCapital awards for its innovative ecosystem focused on improving quality of life.

The Strategic Framework 2012-2015 embodies the City Council's vision and objectives, setting out a roadmap for Barcelona during a four year period, with two main priorities: reviving the economy and quality of life, and developing the well-being of citizens. Regarding economic progress, the following objectives were defined by the city:

- Make Metropolitan Barcelona the logistics capital of southern Europe.
- Promote emerging sectors with high added value and strengthen consolidated economic sectors, establishing Barcelona as a benchmark in quality.
- Generate conditions to attract investment capital to the city.
- Boost international contributions to Barcelona's economy.
- Support SMEs and sole traders, and promote entrepreneurship.
- Make Barcelona an easy place to do business ('Business Friendly').
- Make Barcelona a city of culture, knowledge, creativity and science, creating a favourable environment to attract and retain talent.

Three years after the launch of the Barcelona Growth initiative –which was designed as a shared space to develop the relationship and mutual commitment between the City Council of Barcelona and private stakeholders to set out a roadmap for economic growth in the city-, and with many of the 30 measures set out already at an advanced stage in the implementation phase, the city wants to prioritize and promote those actions that can make Barcelona an ideal environment in the world for economic and business development.

The implementation of some of these strategic measures has already been seen in the Barcelona Growth Centre, located in the 22@ district, which is the symbol of a Barcelona that is oriented to providing services for companies, to economic growth and job creation. In this building we find resources, services and new initiatives aimed at boosting the city's economy and positioning Barcelona as a business city that is creative, innovative and entrepreneurial at an international level.

Given the context of the city's strategic objectives, Barcelona City Council developed a Business Support Office (OAE), which was launched in September 2014, to make Barcelona a business-friendly place where the administration can add value in terms of competitiveness and whose actions are aimed at facilitating economic activity.

OAE was designed as a new benchmark in the city and metropolitan area to support and advise businesses; its team of professionals accompanies companies holistically by offering a portfolio of services specialized in the following business areas:

- Information and advice about municipal procedures
- Telematics services to incorporate a company
- Business finance

- Advisory services in the area of recruitment
- Internationalization and foreign trade procedures
- Business transmission
- Business growth
- Promoting innovation
- Business localization and landing services

These services now mean the Business Support Office can offer a full suite of municipal services via Barcelona Activa -the organization responsible for implementing the City Council's policies regarding economic promotion, and which has a lot of experience offering services to early-stage entrepreneurs and supporting start-up processes during incubation.

OAE also has an innovative area called *Espai Barcelona* specifically designed to explain what Barcelona is about from an economic point of view, in order to highlight the city's main assets and show why it is a favourable environment for business, investment and attracting talent. This space offers a series of audiovisual resources and companies have access to financial data and information relating to the city's strategic sectors, and here firms can organize presentations and hold local, national and international corporate meetings.

The Business Support Office and Barcelona Growth Centre bring together and align other stakeholders and activities that help position Barcelona as the best environment for economic growth. One of the most important is hosting the Mobile World Capital Foundation (FMWC), whose job it is to help harness the economic potential of being the mobile capital across different sectors and consolidating the industrial legacy of being the mobile capital in the Barcelona area. Here, we also find another programme to support the creation and growth of businesses related to mobile technologies, called *mstartupbarcelona*, with the participation of FMWC. In addition, the Big Data Centre of Excellence was launched in 2015, which is being promoted by B-Digital and Oracle with support from the City Council. This highly innovative space will help make the value of data tangible for companies in the city, identifying the significance of using data strategies for businesses and showing the practical benefits that can be gained by implementing innovative projects. This should encourage the acceleration and development of Big Data technology-based solutions, confirming the permanent value that these technologies can have to improve business processes.

Thanks to Barcelona Growth Centre, the city wants to create an environment of trust that encourages economic growth and job creation and business as the best guarantee to providing quality social policies. One of Barcelona's key assets that can help achieve this is the healthy situation of its municipal finance, thanks to rigorous economic and budgetary ma-

agement by the City Council, which ensures budgetary stability and liquidity. One example of this is the trade credit payment period set at a maximum of 30 days to suppliers. This has been recognized by the major international ratings agencies Fitch and Standard & Poor's, who have maintained the city's positive ratings, highlighting the efficient management and healthy state of municipal debt.

Also, the city actively promotes public-private partnerships to develop those sectors considered strategic for the economy of the city, such as ICTs, logistics and agribusinesses, as well as strong sectors like trade and commerce and tourism, as well as new sectors such as biomedicine and electric vehicles in the field of sustainable energy and mobility.

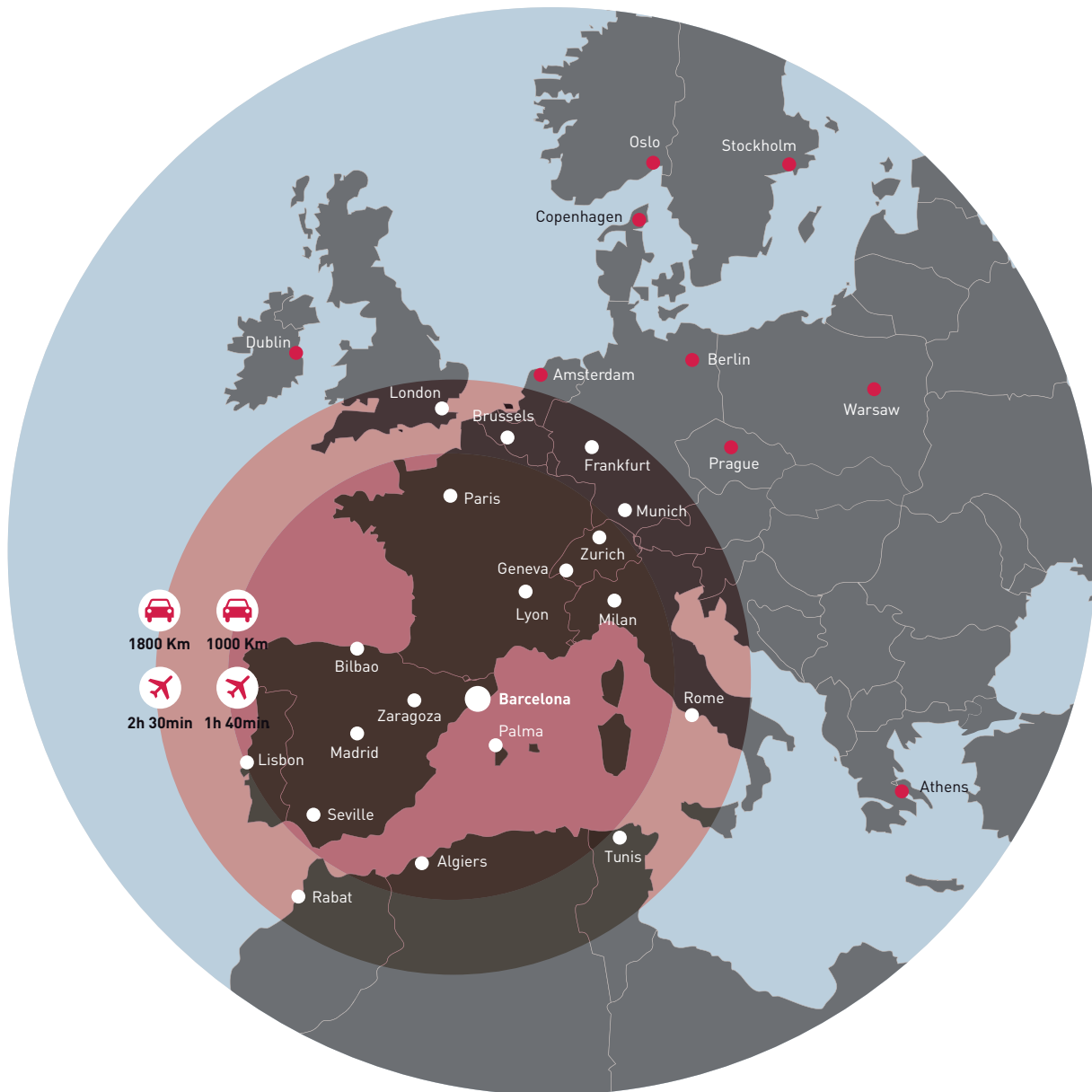
Given the context of economic recovery, Barcelona continues to face competitive challenges resulting from the economic and social consequences of the recession and the impact of global trends on urban areas in southern Europe. Thanks to the city's highly valued and competitive assets, its diversified economy, the dynamism of its export base, its attractiveness for tourism, the municipality's financial solvency and Barcelona's strong brand positioning as a benchmark for quality, the city can face the future with a renewed strategic roadmap and new formulas based on public-private partnerships in order to position itself as a leading international platform for economic growth and business progress in order to move towards a production model based on knowledge, creativity, innovation and sustainability.





# Facts and figures

## BARCELONA FACTS AND FIGURES 2014



**GEOGRAPHICAL ENVIRONMENT**

Surface area [km <sup>2</sup> ]	102.3
Population	1,602,386
Foreign population (% of total)	16.7
Density (inhabitants / km <sup>2</sup> )	15,802.6
Climate (Can Bruixa Observatory)*	
Average monthly temperature	17.7°C
Yearly rainfall (mm)	589
Hours of sun	2,776.4

**ECONOMIC ENVIRONMENT****MACRO ECONOMIC DATA**

GDP (var/ yr %) - Catalonia	1,2
Social Security membership	993,512
Unemployment rate 16-64 years old (%)	16.4
Employment rate 16-64 years old (%)	67.6
Activity rate 16-64 years old (%)	80.9
CPI (average var. %) - BCN province	0.3
Exports (million €) - Barcelona province	47,057.3
Imports (million €) - Barcelona province	57,311.2
Outbound foreign investment (million €) -Catalonia	1,845.3
Inbound foreign investment (milions €) -Catalonia	3,994.3
Companies - Barcelona province	434,914
Foreign companies in Catalonia*	7,000

**COMMERCE AND TOURISM**

Retail premises -Barcelona province	68,745
Open-air shopping areas	22
Municipal markets (number and surface area (m <sup>2</sup> ))	43;209,500
Hotels	
Number*	365
Beds*	67,567
Tourists	7,874,941

**INFRASTRUCTURE****Airport**

Runways (number and length (m))*	3/3.352;2.660;2.528
Passengers	37,559,044
International passengers (%)	72.6

**Port**

Land surface area (ha)*	1,081.0
Docks and moorings (km)*	22.0
Total traffic (thousands of tonnes)	45,313.9

**Trade fair and congress activity**

Trade fairs	62
Visits to Fira de Barcelona	≈2,000,000
Hall surface area taken up by fairs (m <sup>2</sup> )*	421,976
International meetings*	2,039

**TRAINING AND CITY OF KNOWLEDGE**

Universities in Catalonia	12
University students in Catalonia (course 2011/2012)	239,675
Foreign schools (Barcelona province)	38
Innovative companies in Catalonia*	3,551

**QUALITY OF LIFE**

Beaches (number and metres)*	9,4,395
Bike lanes (km and <i>bicing</i> members)*	186.7;98,786
Public libraries (number and users)*	39,6,343,803
Museums, collections and exhibition spaces (number and users)*	57;25,317,392
Public sports facilities (number and users) *	1.883;177,111
Theatre, music and cinema spectators*	9,388,059

Note: Data from 2014, except \*2013

Source: AENA, Barcelona City Council, *Anuari Comarcal de Caixa Catalunya*, Barcelona Trade Fair, Autonomous Regional Government of Catalonia, Idescat, INE, National Institute of Meteorology, Spanish Ports Authority, Secretary of State for Trade, Barcelona Tourism Board, Barcelona Institute of Culture, Spain's Ministry of Education.





# The Observatory





This is the *Barcelona Observatory 2015 Report*.

This is a Barcelona City Council and Barcelona Chamber of Commerce initiative that gets the support of many organizations in the city, that provide information and make key contributions on their areas of expertise year after year.

This thirteenth edition of the annual *Barcelona Observatory Report* aims to provide information that can be useful for taking decisions by business stakeholders interested in doing business or setting up their firms in Barcelona, or for attracting talent to the city, or for supporting their presentations to win event candidatures, or for opening office headquarters in Barcelona. To do this, every year the report presents Barcelona's position compared to other major cities in the world, according to a set of economic and social benchmark indicators.

The 2015 report presents the following characteristics in a clear and direct way, with a series of characteristics as summarized below:

- A selection of significant indicators that offer the reader an efficient synthesis of those issues most relevant to understanding Barcelona's positioning, its characteristics and challenges. Specifically, this report presents 30 indicators, of which three are new: cities with the best reputation, and safe cities -which are included in the chapter called *Sustainability and quality of life*-, and the world's most appealing cities for working in, as part of the chapter called Labour market and training.
- The inclusion of figures for each indicator, with graphs or maps, helps the reader understand the results and analyse trends.
- A summary table bringing together indicators to show Barcelona's position.
- The incorporation of a special report carried out by Barcelona's Chamber of Commerce that analyses the business climate in Barcelona's Metropolitan Area in 2014 and looks at the outlook for 2015, with a specific analysis of the main economic sectors.

This special report brings understanding to Barcelona and Catalonia's situation and future scenarios based on the opinions of business leaders.

The report includes the following sections:

- A general introduction to the city's current situation and priority economic policies.
- A section with the results of 30 indicators presented in six separate areas: business, knowledge economy, tourism, sustainability and quality of life, prices and costs, and labour market and training.
- A special report prepared by Barcelona's Chamber of Commerce, that analyses the business climate in 2014 and the economic outlook for the first quarter of 2015 in the Metropolitan Area of Barcelona.
- A review section where you can see Barcelona's position compared to the main benchmark cities in a visual and summarised way.

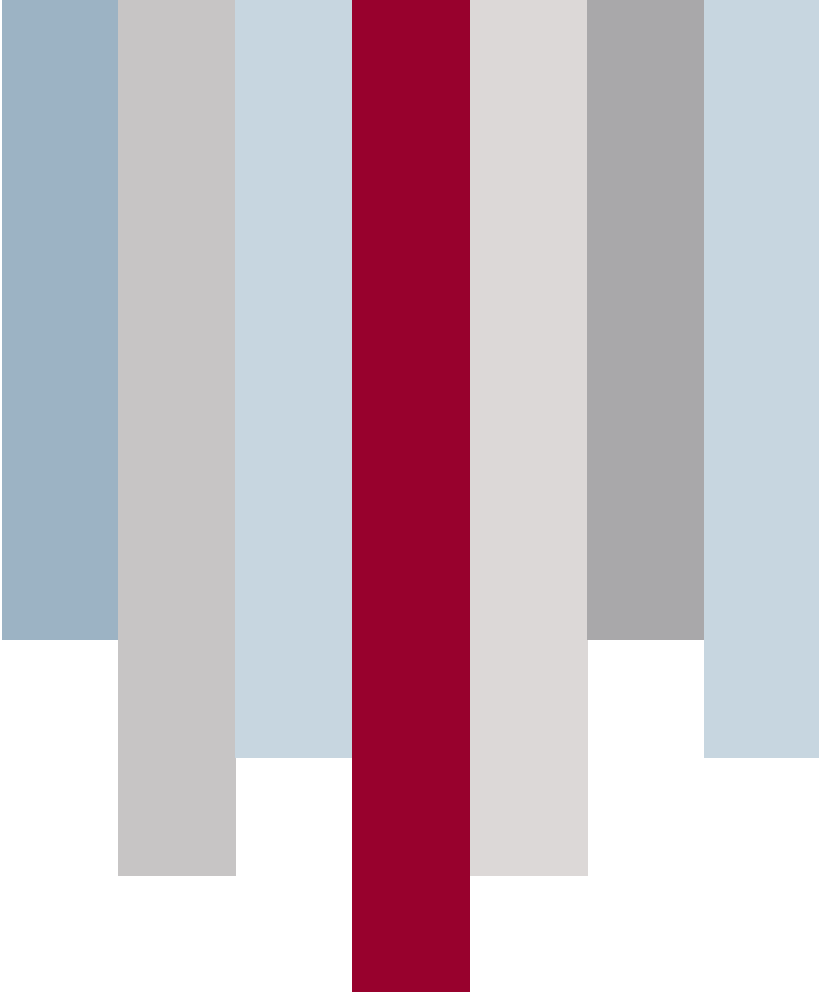
*Barcelona Observatory* is characterized by the following features:

- It is built on a battery of indicators defined preferably at the city level, but which sometimes represent wider areas.
- The data is obtained from a sample that in some cases is as big as sixty cities worldwide. It should be noted that for seven of the indicators the sample was chosen to represent the main urban areas.
- Where possible indicators include a graph so that trends can be seen for each specific area.
- Information sources are from prestigious and recognized international organizations and institutions.
- The data and information is the latest available.

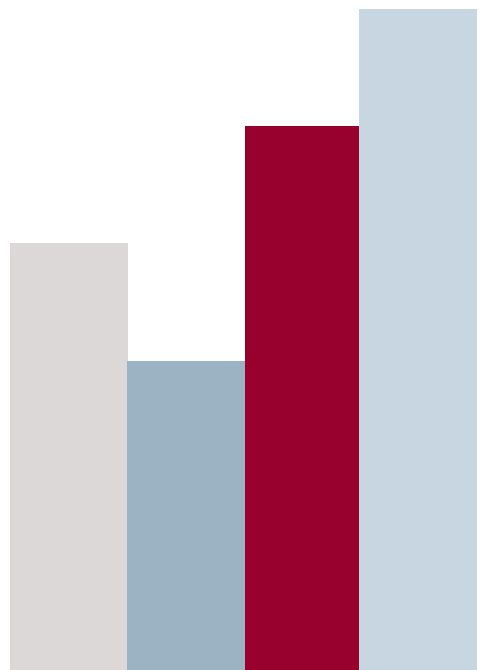


# Results





City for business



## Introduction

In 2014 the city of Barcelona's economy experienced a gradual and sustained improvement, as did the rest of Catalonia and Spain. An increase in confidence has revitalized consumption and investment, while exports continued to grow, which led to net job creation.

For 2015, forecasts suggest Barcelona's economy will grow even faster. Contributing factors include the euro's depreciation, which will attract more tourists and make exports, which ended 2014 setting a new record, even cheaper, and reductions in oil prices will also help. Rounding off this positive situation is a recovery of the housing sector and a fall in consumer prices, still far off from deflation, which will help to increase household incomes and boost consumption. Two other external factors underpinning growth in 2015 are the ECB's one-off expansionary monetary policy measures taken at the start of this year and greater flexibility in fiscal policy.

Given this context of overall improvement, Barcelona has strengthened its strong position in the ranking of European cities with the best prospects for the future. According to the prestigious *Financial Times* Group's *fDi Magazine*, Barcelona is seventh in the ranking of cities with the best prospects for 2014/2015, ahead of cities like Berlin, Amsterdam, Edinburgh and Paris. Also, the results of the survey on business prospects for 2015 by Eurochambres back up this positive trend in economic activity in Catalonia, supported by the recovery of domestic demand above all, while the positive trend of the export sector also continues. In comparison to other European countries, Catalonia would be in the medium-to-high band in terms of countries with the best prospects for growth in both domestic and export sales. In parallel to these results, Catalan business leaders' forecasts for investment and employment in 2015 are positive and more favourable than in recent years.

Barcelona's strong economic prospects add to the confidence the city generates in the area of international investment, occupying sixth position in Ernst and Young's ranking of the main urban areas receiving foreign investment in 2013; KPMG also ranked the city tenth in the world for the same concept. In addition, *fDI Intelligence* has published a new ranking placing Barcelona in sixth place in the category 'best international strategy to attract investment', ahead of benchmark cities like London, Berlin and Montreal.

Barcelona is well placed in the world in terms of its competitiveness, according to the prestigious *Mori Global Power City Index*, notably in the categories 'habitability', 'cultural interaction' and 'accessibility'. It also continues to be in the Top 10 in Europe in terms of international and luxury retail, according to an index developed by Jones Lang LaSalle. It is also the top city in the world in terms of attracting most congress delegates and fourth in terms of international conferences organized in 2013, according to the International Congress and Convention Association (ICCA).

Regarding entrepreneurship, in 2013 the rate of entrepreneurial activity (TEA) in the province of Barcelona stood at 6.7%, which was still above the rates in Germany (5%), France (4.6%) and Finland (5.3%), after experiencing a slight increase on the previous year's results. Barcelona's Chamber of Commerce and the City Council are working on this area to promote entrepreneurship and help develop business in the city.

The city's flagship Barcelona Growth Centre -at the heart of the 22@ innovation district-is the new symbol of Barcelona's service orientation to local and foreign companies, economic growth and job creation. This space showcases the key facilities that make the city great for business, creative, innovative and entrepreneurial at an international level. Here we find the measures that were defined in the Barcelona Growth Commission, created in 2011 by the City Council's Area of Economy, Business and Employment as a meeting point for dialogue between government and the private sector to revive the city's economy. Amongst these measures we find the Business Support Office (OAE) -inaugurated in October 2014- which offers a set of value-added services and resources under one roof that can meet the needs of local businesses and international firms. OAE offers personalized information and advisory services, as well as a channel to complete business and council procedures, participate in business growth, training programmes and networking activities.

## Global competitiveness of cities in the world in 2014

### Barcelona features amongst top 30 cities for overall global competitiveness

The 2014 *Mori Global Power City Index* report, which compares 40 major cities in the world, puts Barcelona in 27<sup>th</sup> place worldwide and 14<sup>th</sup> place in Europe in terms of its overall competitiveness. The classification is headed by London, New York, Paris and Tokyo, while Barcelona had a similar overall score to Milan, Geneva and Osaka, but above Boston, Chicago or San Francisco.

Thanks to the participation of renowned universities and prestigious think tanks, Japan's Mori Memorial Foundation has produced a synthetic index called *Global Power City Index* since 2008 based on the results of 70 indicators that are sorted into six categories related to urban competitiveness. In 2014, Barcelona was among the top five cities in the world in the category 'habitability', it was fourteenth and sixteenth respectively in the categories 'cultural interaction' and 'accessibility', while it is achieved poorer results in terms of 'environment' (31<sup>st</sup>) and 'R&D' (33<sup>rd</sup>) and 'economy' (38<sup>th</sup>).

A ranking of stakeholders, which surveyed the opinions of visitors and artists, put Barcelona in 8<sup>th</sup> and 9<sup>th</sup> position, respectively. However, residents, researchers and managers ranked it 24<sup>th</sup>, 36<sup>th</sup> and 30<sup>th</sup>, respectively.

#### Categories of urban competitiveness (positioning of Barcelona)



Source: *Mori Global Power City Index 2014*. Institute of Urban Strategies. The Mori Memorial Foundation.

#### Global competitiveness of cities 2014

City	Position
London	1
New York	2
Paris	3
Tokyo	4
Singapore	5
Seoul	6
Amsterdam	7
Berlin	8
Hong Kong	9
Vienna	10
Frankfurt	11
Zurich	12
Sydney	13
Beijing	14
Shanghai	15
Stockholm	16
Toronto	17
Copenhagen	18
Madrid	19
Los Angeles	20
Istanbul	21
Vancouver	22
Brussels	23
Washington DC.	24
Milan	25
Osaka	26
<b>Barcelona</b>	<b>27</b>
Geneva	28
Bangkok	29
Boston	30
Chicago	31
San Francisco	32
Taipei	33
Kuala Lumpur	34
Moscow	35
Fukuoka	36
Mexico City	37
Sao Paulo	38
Mumbai	39
Cairo	40

Source: *Mori Global Power City Index*. Institute of Urban Strategies. The Mori Memorial Foundation.

# European cities and regions with best prospects for the future 2014/2015

## Barcelona, 7<sup>th</sup> top European city with the best prospects for the future

The Financial Times Group’s *Cities and Regions of the Future 2014/2015* report, published by *fDi Magazine*, ranked Barcelona seventh best city in Europe in terms of its future prospects. The city jumped fifteen positions on the previous year’s ranking and is ahead of Berlin, Amsterdam, Edinburgh and Paris. And for the first time Barcelona features in the *TOP 10 Major European Cities-Overall* category, only behind London, Helsinki and Dublin.

Its strong position in this ranking is backed up by its overall top position and first place in the category ‘Foreign investment promotion by cities in Southern Europe’, recognized with an award by *fDi Magazine*. In addition, the ranking of cities by category saw Barcelona in 4<sup>th</sup> place in terms of ‘foreign investment promotion’ and in 5<sup>th</sup> place for ‘infrastructure’, 5 positions up on the 2012/2013 ranking, and it is now ahead of Brussels, Madrid and Vienna.

Moreover, according to the report, Catalonia is the third most attractive region in southern Europe, behind Lombardy and Tuscany, and it is the ninth best region in terms of ‘business friendliness’ in the overall ranking of regions.

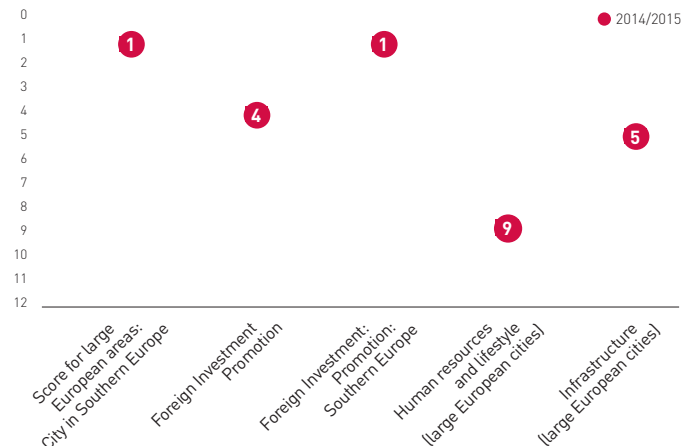
On the other hand, Barcelona was placed 6<sup>th</sup> in the ranking in terms of international investment strategy in the *Global Cities of the Future 2014/2015* report, published by *fDi Intelligence*, ahead of cities like London, Montreal and Berlin.

### Global ranking

2012/2013	City	2014/2015
1	London	1
	Helsinki	2
	Eindhoven	3
7	Cambridge	4
8	Dublin	5
6	Munich	6
<b>22</b>	<b>Barcelona</b>	<b>7</b>
9	Berlin	8
15	Amsterdam	9
5	Reading	10
11	Edinburgh	11
3	Vienna	12
14	Glasgow	13
	Rotterdam	14
	Lyon	15
2	Paris	16
	Grenoble	17
	Utrecht	18
	Birmingham	19
	Ghent	20
24	Liverpool	21
	Lisbon	22
	Derby	23
	Cork	24
	Galway	25

\* To create this ranking fDi collects data from 468 cities and regions in five categories: economic potential, human capital and lifestyle, cost efficiency, infrastructure and business friendliness. Source: *fDi Magazine. European Cities and Regions of the future 2014/2015*

### Barcelona's position



Source: *fDi Magazine. European Cities and Regions of the future 2014/2015*



## Entrepreneurial activity in 2013 in countries across the world

### Barcelona's rate improves more than the main European players' rates

According to data from the *Global Entrepreneurship Monitor* (GEM), in 2013 the rate of entrepreneurial activity (TEA) of the resident population in the province of Barcelona stood at 6.7%, an increase of 0.2% on the previous year, which is the second time the rate for this indicator has increased since 2007. Though this is a moderate change, this TEA performance compares favourably with those of the main countries in Western Europe. In general, (with the exception of Nordic countries) there has been a decrease in the rate of entrepreneurial activity, in some cases with significant variations like in the UK (-2.1%), the Netherlands (-1.5%) and France (-0.6%). However, Barcelona's TEA remains below the average for the European Union, where the rate of entrepreneurial activity has increased almost 0.4% to stand at 8%, thanks in large to countries in Eastern Europe.

In 2013, Barcelona's and Catalonia's TEA remained above countries like Finland (5.3%), Germany (5.0%), Belgium (4.9%), France (4.6%) and Italy (3.4%). Catalonia has the third highest rate of entrepreneurial activity (6.6%) of all Spain's Autonomous Regions, and it is well above the Spanish average (5.2%).

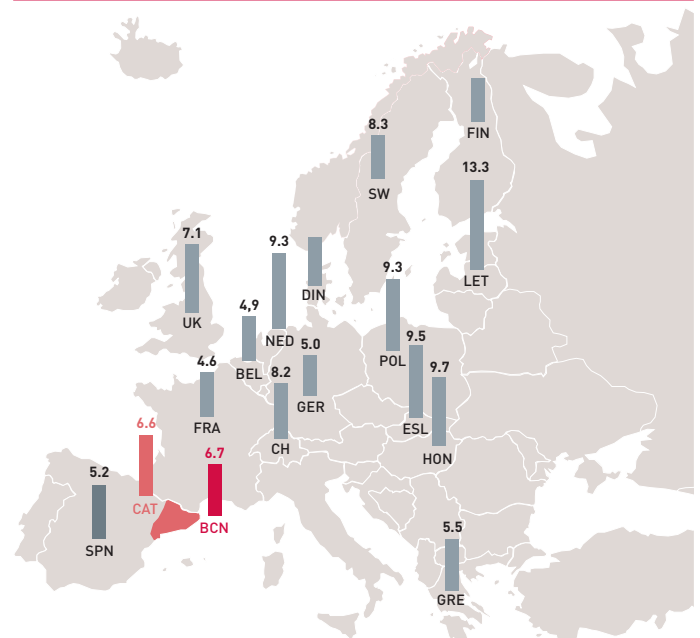
The main reason for becoming an entrepreneur in the Barcelona area is to take advantage of a business opportunity, although the percentage taking up entrepreneurial activities out of necessity (30.2%) is the highest in Europe. Regarding other indicators showing the entrepreneurship process, the rate of consolidated entrepreneurs stands at 8.9%, and the rate of new entrepreneurs remains at 2.2%, and the rate of emerging entrepreneurs is 4.5%, while the rate of business wind-ups is 1.7%.

Year 2012	Country	Entrepreneurship Activity 2013 [% over the population 18-64 years old]
17.1	Brazil	17.3
18.9	Argentina	15.9
12.8	China	14.0
14.3	Latvia	13.3
12.9	United States	12.7
9.2	Hungary	9.7
10.3	Slovakia	9.5
9.5	Poland	9.3
10.8	Netherlands	9.3
6.4	Sweden	8.2
5.9	Switzerland	8.2
7.6	EU average	8.0
9.2	UK	7.1
<b>6.5</b>	<b>Barcelona</b>	<b>6.7</b>
<b>7.9</b>	<b>Catalonia</b>	<b>6.6</b>
4.3	Russia	5.8
6.5	Greece	5.5
6.0	Finland	5.3
<b>5.7</b>	<b>Spain</b>	<b>5.2</b>
5.3	Germany	5.0
5.2	Belgium	4.9
5.2	France	4.6
4.0	Japan	3.7

**Note:** Entrepreneurial activity includes new companies (less than 3 months of activity) and start-ups (3 to 42 months of activity). The data base comes from 63 countries, although the table shows a selection from a sample of benchmark countries.

**Source:** Global Entrepreneurship Monitor (GEM), 2013 Global Report and Catalonia Executive Report 2013

### Entrepreneurship Activity in Europe (% of population 18-64 years old)



## Business outlook for the European Union in 2015

### The outlook for turnover in 2015 is very optimistic

The forecasts of business leaders in Catalonia regarding turnover (domestic sales and exports), employment and investment have improved significantly and are positive for 2015, according to the results of a survey by Eurochambres. These results confirm an economic recovery in line with the latest estimates published by Barcelona's Chamber of Commerce, which expects growth in the Catalan economy to rise to 2.5% in 2015.

The most notable improvements are related to variables connected with sales. Indeed, Catalan business leaders expect 2015 to see a boost in sales in the domestic market, with 36% of business executives expecting an increase in 2015, compared to 11% expecting a fall. As for exports, the prospects for 2015 are still very good. This puts Catalonia in the medium-to-high band in the ranking on both variables, which is above the average for the EU, and countries like Belgium or Austria.

At the same time, Catalonian business leaders' forecasts for investment and employment in 2015 are positive, and the most favourable in recent years. In terms of investment, forecasts show that growth will recover next year, although Catalonia is located in the lower part of the European ranking.

Regarding employment, Catalan companies believe that there will be net job creation for a second consecutive year in 2015 and that the rate will be higher, which are its best results since the beginning of the recession, putting Catalonia close to the average in the European ranking

Business prospects in Catalonia (balance as a %)



[p] forecasts

Source: Barcelona Chamber of Commerce from Eurochambres' data

Country	Domestic sales (balance, p.p.)	Country	Exports (balance p.p.)	Country	Employment (balance p.p.)	Country	Investment (balance p.p.)
Portugal	68	Portugal	66	Montenegro	42	Montenegro	53
Latvia	61	<b>Spain</b>	<b>59</b>	Turkey	40	Portugal	45
Serbia	58	Latvia	55	Portugal	35	Latvia	36
Turkey	47	Serbia	52	Latvia	33	Slovenia	35
Finland	46	Slovenia	49	Estonia	30	Malta	33
Romania	40	Italy	41	<b>Spain</b>	<b>22</b>	Romania	29
<b>Spain</b>	<b>37</b>	Bulgaria	39	Bulgaria	18	Lithuania	28
Lithuania	35	Estonia	38	Malta	18	Slovakia	28
Montenegro	35	Greece	37	Romania	17	Estonia	27
Croatia	24	<b>Catalonia (BCN)</b>	<b>35</b>	Belgium	12	Turkey	26
Estonia	23	Turkey	34	Serbia	11	Bulgaria	25
<b>Catalonia (BCN)</b>	<b>23</b>	Lithuania	32	Croatia	9	Croatia	24
Belgium	21	Slovakia	31	Slovenia	8	Belgium	13
Slovenia	15	<b>EU *</b>	<b>27</b>	Lithuania	8	<b>Spain</b>	<b>10</b>
<b>EU *</b>	<b>14</b>	Belgium	25	<b>Catalonia (BCN)</b>	<b>8</b>	Serbia	9
Malta	14	Malta	19	Luxembourg	6	Germany	8
Luxembourg	13	Netherlands	18	Czech Rep.	4	<b>EU *</b>	<b>8</b>
Bulgaria	10	Romania	18	Slovakia	3	Luxembourg	8
Slovakia	10	Cyprus	17	<b>EU *</b>	<b>3</b>	Italy	8
Czech Rep.	5	Croatia	15	Germany	2	Rep. Czech	6
Cyprus	0	Germany	15	Netherlands	2	Netherlands	6
Italy	-3	Luxembourg	12	Cyprus	0	<b>Catalonia (BCN)</b>	<b>5</b>
Hungary	-17	Czech Rep.	-1	Greece	-2	Greece	0
Austria	-19	Montenegro	-4	Finland	-5	Cyprus	-4
Greece	-30	Austria	-7	Italy	-10	Hungary	-14
		Hungary	-17	Hungary	-11	Austria	-24
		Finland	-54	Austria	-28	Finland	-55

**Note:** The amounts are calculated as the difference between the percentage of responses indicating 'increase' and the percentage indicating 'decrease'. This year there is no regional level information because regional participation has been very heterogeneous at the country level.

\* Weighted average of the sample

**Source:** Eurochambres, *The Business Climate in Europe's Regions* in 2015

## Main urban areas in Europe receiving international investment projects in 2013

### Barcelona, sixth urban area receiving most foreign investment projects in Europe

The *European Attractiveness Survey 2014* by Ernst and Young ranks Catalonia and the Barcelona area sixth top on the continent in terms of international investment projects in Europe, only behind Greater London, Île-de-France, Düsseldorf, Darmstadt and the region of Helsinki, after receiving 85 projects in 2013. Despite a fall in the number of projects and a drop of 3 positions in the ranking compared to 2012, Catalonia is in first place in terms of the number jobs created by these investments, with more than 5,150 workers, which accounts for 38% of all projects carried out in Spain. Barcelona has been in a leading position in the rankings since 2005.

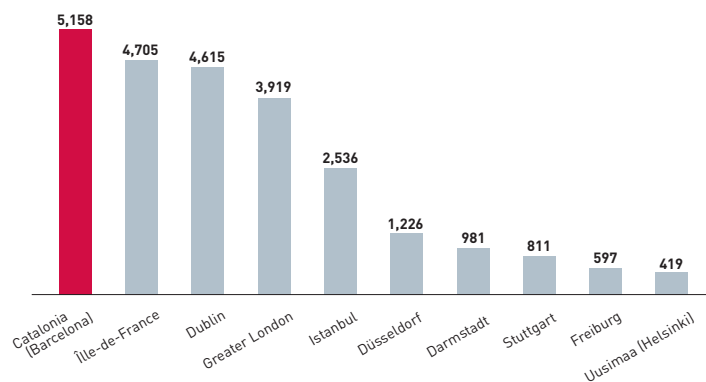
The same report ranks Barcelona as the sixth most attractive European city for foreign investment, ahead of Amsterdam, Madrid, and Hamburg, according to an analysis of a survey of 808 experts and potential investors.

Another source, the *Global Cities Investment Monitor* by KPMG for 2013 ranks Barcelona tenth among the major urban areas in the world receiving foreign greenfield investment projects –projects without local partners or new locations. Moreover, according to the study *Foreign Direct Investment in Barcelona* by IESE business school, the ICT sector accounts for a fifth (21%) of the 836 foreign investment projects carried out in Catalonia between 2003 and 2013, followed by the logistics sector which represents 8% of the total, and mobility, biotech and life sciences, that each account for 7% of all projects received. Regarding the 87,526 jobs created by these projects, 18% belong to the mobility sector, while ICTs and logistics represent 15%.

2013	City	Projects 2013	Weight /country
1	Greater London	380	48%
2	Île-de-France	173	34%
3	Düsseldorf	105	15%
4	Darmstadt	94	13%
5	Uusimaa (Helsinki)	90	83%
6	<b>Catalonia (Barcelona)</b>	<b>85</b>	<b>38%</b>
7	Stuttgart	80	11%
8	Freiburg	79	11%
9	Dublin	69	62%
10	Istanbul	62	63%

Source: Ernst&Young's *Attractiveness survey. Europe 2014*

### Jobs created by foreign direct investment in 2013



Font: Ernst&Young's *Attractiveness survey. Europe 2014*

## Attractiveness of European cities for international retail in 2015

### Barcelona is the tenth most appealing city for international retail

Barcelona is ranked tenth top European city with most international retail, according to an index prepared by Jones Lang LaSalle for 2015, the same position it held in the previous edition of the report in 2012. This index analyzes the presence in Europe of 250 leading world retailers. London and Paris are still the cities with most international retail, followed by Moscow and Milan. Barcelona is ranked between Berlin and Amsterdam. In the past three years, the most significant changes at the luxury end of the market have affected Istanbul and Berlin, both improving their relative position, while St. Petersburg and Prague have dropped positions. Catalan company MANGO has the third largest presence in the study, present in 95% of cities, just behind H&M and ZARA, which are present in 100% of the cities. Another Catalan brand Desigual occupies the 17th position in the ranking on international presence.

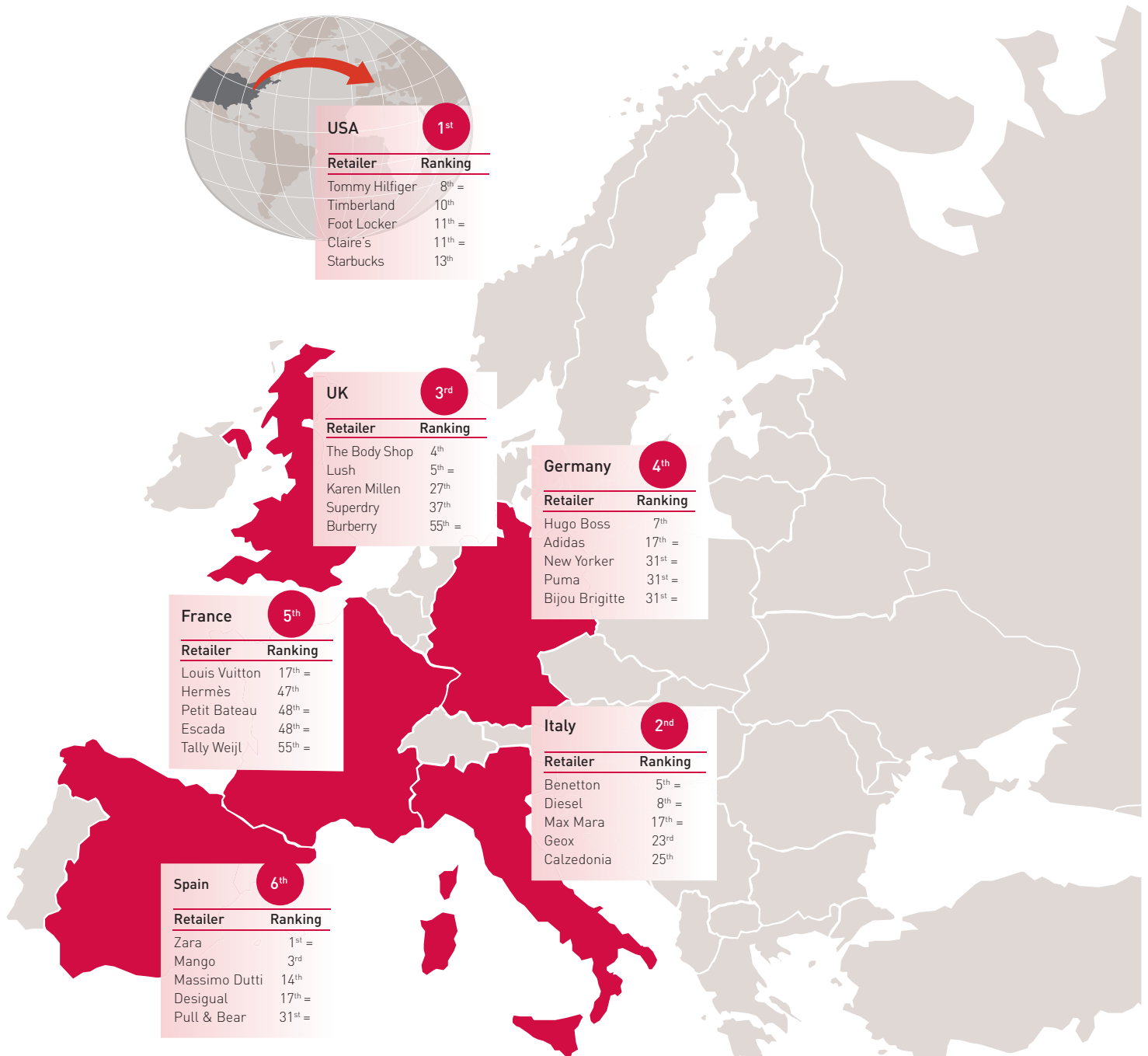
If you only consider luxury retail, Barcelona maintained its ninth place in the European ranking in 2015, the same place it occupied three years ago, above cities like Zurich, Kiev and St. Petersburg. London, Paris and Moscow were again the top three destinations for luxury retail. It's worth noting that Barcelona belongs to a group of cities including Madrid, Istanbul and Munich that are relatively well located in the luxury retail segment and where shop rentals in exclusive areas are very competitive.

Moreover, the *European Retail Rankings 2013* report by the International Council of Shopping Centers (ICSC) and Harper Dennis Hobbs places Barcelona in 11th position among European cities in terms of retail sales volumes in the city centre. At the top of the rankings were London-West End and Paris with sales of around 10,000 € million in 2013. These were followed by the cities of Madrid, Rome and Munich, with sales exceeding 5,200 € million, while in the city centre of Barcelona sales are estimated at 5,037 € million, a figure between those of Amsterdam and Istanbul.

Ranking 2012	City	Ranking 2015
1	London	1
2	Paris	2
3	Moscow	3
4	Milan	4
5	Madrid	5
6	Rome	6
11	Istanbul	7
7	Munich	8
12	Berlin	9
<b>10</b>	<b>Barcelona</b>	<b>10</b>
14=	Amsterdam	11
13	Hamburg	12=
8	St. Petersburg	12=
9	Prague	14
19=	Warsaw	15=
23=	Kiev	15=
14=	Vienna	17
22	Brussels	18=
19=	Düsseldorf	18=
16	Frankfurt	20
18	Antwerp	21
23=	Zurich	22
19=	Lisbon	23
26=	Dublin	24
25	Stockholm	25=
16	Athens	25=
26=	Cologne	27
29	Budapest	28
32=	Lyon	29
30	Bucharest	30
28	Valencia	31
32=	Copenhagen	32=
-	Torino	32=

**Note:** the sign "=" means that some cities share a position because their score is the same.  
**Source:** Jones Lang LaSalle *Cross Border Retailer Index, Destination Europe 2012 and 2015*

## Most important retail companies by country of origin



**Note:** The position of each company is based on its presence in the cities analyzed in the report.

**Source:** *Destination Europe 2015*, Jones Lang LaSalle.

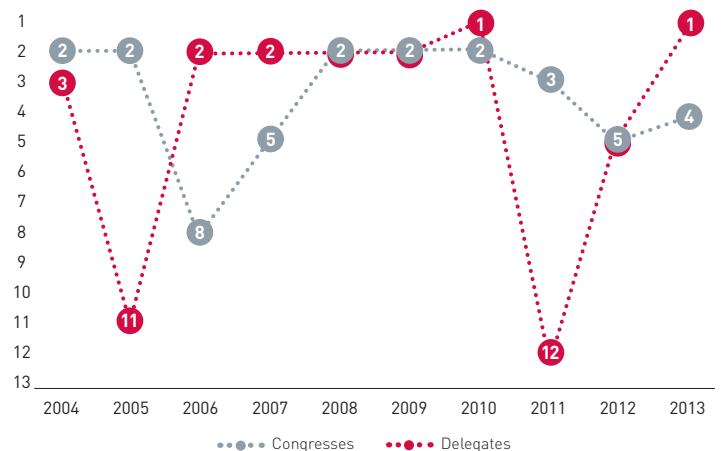
## World's top cities in terms of delegate numbers and international congresses held in 2013

### Barcelona leads the world ranking of number of participants at international conferences

In 2013, Barcelona led the ranking of world cities in terms of number of delegates at international conferences, with 122,877 participants, ahead of Amsterdam, Vienna and Istanbul, which also attracted more than 100,000 delegates, according to a report by the International Congress and Convention Association (ICCA) covering the period 1963-2013. In terms of number of conferences, Barcelona was in fourth place in the world ranking of cities with 179 international conferences, only behind Paris, Madrid and Vienna. The number of delegates increased in 2013 by 41.4% compared to 2012 and the number of international conferences held in Barcelona rose by 16.2%, which confirms the upward trend seen in recent years, and which keeps the city in the overall Top 5 for the seventh consecutive year. It's worth noting that the ICCA ranking is made up of conferences with at least 50 delegates and it only includes conferences that have a minimum rotation between three countries, so it does not include very important events like the Mobile World Congress, which does not rotate and draws more than 80,000 participants. According to Barcelona Convention Bureau, the real number of delegates attending congresses in Barcelona is much higher, standing at around 290,000.

Considering a broader analysis period, Barcelona is also the world's top city in terms of the cumulative number of delegates between 2004 and 2013, with 926,111 participants, whilst coming third in the ranking of international conferences, with 1,497 events held during these 10 years, ahead of Madrid and behind only Paris and Vienna.

#### Barcelona's Position

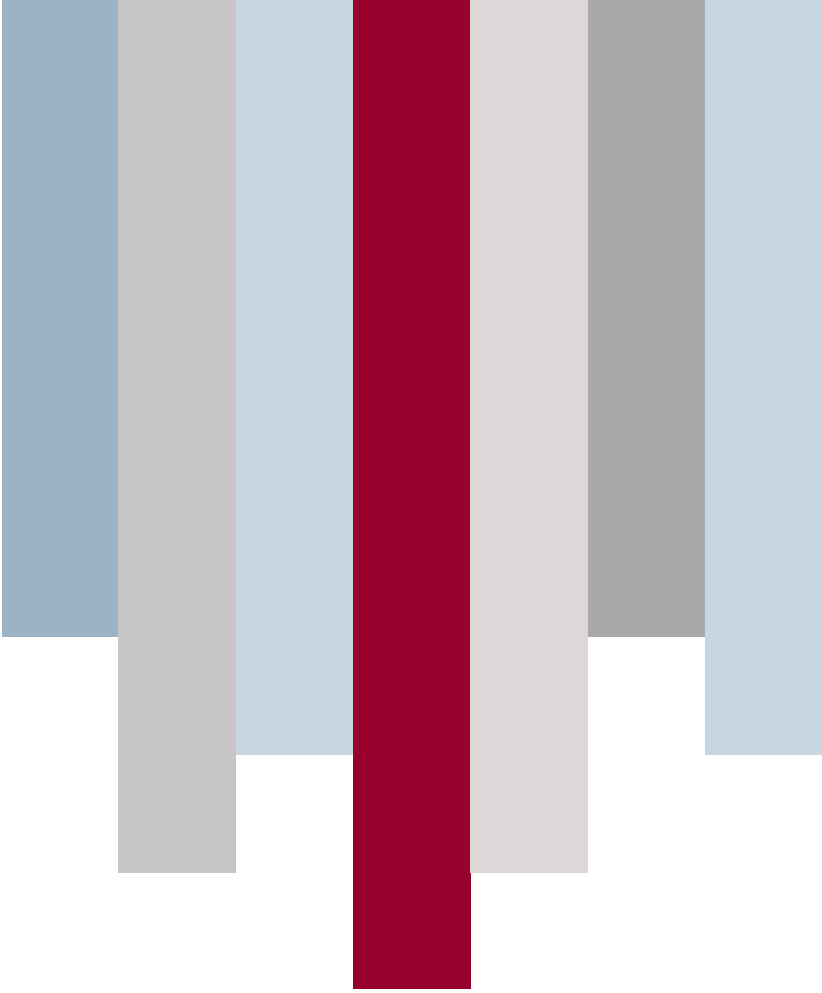


Source: International Congress and Convention Association (ICCA)

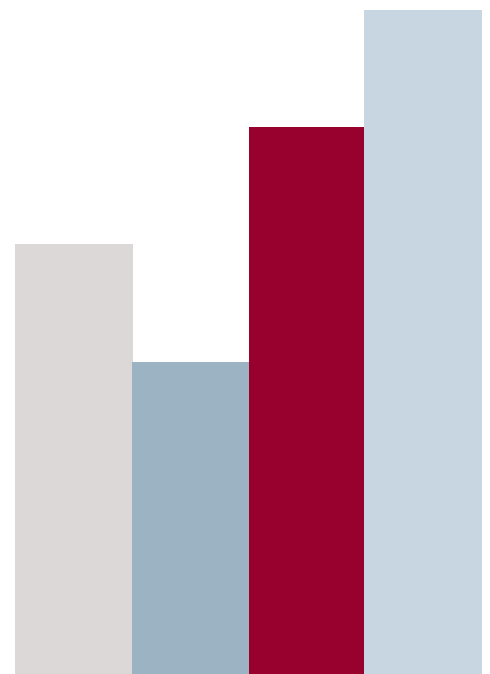
City	Variation 2013 / 2012 (%)	Congresses 2013	City	Variation 2013 / 2012 (%)	Delegates 2013
Paris	13	204	<b>Barcelona</b>	<b>41</b>	<b>122,877</b>
Madrid	13	186	Amsterdam	39	114,166
Vienna	-7	182	Istanbul	50	112,175
<b>Barcelona</b>	<b>16</b>	<b>179</b>	Vienna	-24	101,714
Berlin	3	178	Singapore	42	96,620
Singapore	17	175	London	10	83,358
London	11	166	Paris	-14	82,447
Istanbul	14	146	Berlin	-29	72,570
Lisbon	18	125	Seoul	28	67,768
Seoul	25	125	Lisbon	30	63,131
Prague	8	121	Milan	26	62,712
Amsterdam	-2	120	Madrid	19	56,750
Dublin	18	114	Kuala Lumpur	19	55,876
Buenos Aires	14	113	Buenos Aires	27	55,399
Brussels	4	111	Prague	-9	51,827
Copenhagen	-20	109	Bangkok	-41	51,707
Budapest	8	106	Boston, MA	115	48,743
Beijing	-4	105	Hong Kong	-6	48,621
Rome	1	99	Copenhagen	-33	48,232
Bangkok	-11	93	Dublin	-36	47,439
Stockholm	-15	93	Sydney, NSW	21	45,770
Sydney, NSW	8	93	Rio de Janeiro	10	42,837
Hong Kong	-7	89	Beijing	-11	42,206
Helsinki	-15	85	Melbourne, VIC	39	41,601
Munich	5	82	Hamburg	349	40,946
Rio de Janeiro	-5	79	Washington DC	-24	38,876
Tokyo	14	79	Rome	-18	37,980
Taipei	-3	78	Montreal, QC	29	37,776
Shanghai	13	72	Shanghai	76	37,225
Montreal, QC	6	71	Lima	90	36,956

Source: International Congress and Convention Association (ICCA)





Knowledge society



## Introduction

The City of Barcelona's 2012-2015 Strategic Framework is a policy measure aimed at making Barcelona a city of culture, knowledge, creativity and science, which creates the sort of favourable environment that attracts and retains talent. This represents a commitment to an economic model based on public-private co-operation, allowing the city to develop a critical mass in human capital and a remarkable level of research at an international level, and this is especially important in terms of its impact on the economy in any attempt to recover from the recession.

Barcelona won the first prize in the 2014 *European Capital of Innovation* awards, also known as *iCapital*, because of its integrated approach to technology used in citizen services, and because of its international reputation and strategy in the Smart City network, which uses technology for intelligent city management, and also because it is the Mobile World Capital. It has also developed a strong position in the Open Government movement and data management sector, thanks to its Big Data Centre of Excellence set up by Oracle in the Barcelona Growth Centre. Regarding the Smart City movement, Barcelona was ranked Europe's 4<sup>th</sup> top Smart City in 2013, according to the magazine *Co.Exist*, while its Open Government project was endorsed by Transparency International, an independent international organization that evaluates the transparency indicators of governments. Barcelona jumped from 34<sup>th</sup> position in the ranking to first place, shared with 18 other cities, and met all the required criteria for the first time.

Barcelona's appeal in terms of technology has meant that between 1993 and 2003 the ICT sector attracted most foreign investment projects in Catalonia, with 21% of the 836 projects received. As well, it attracted 14% of capital and 15% of jobs associated with FDI in Catalonia, according to a study on Barcelona's foreign direct investment by IESE Business School. More recently, between 2011 and October 2014, 96 foreign ICT investment projects have set up in the Barcelona area, and according to company figures, this has led to more than 6,500 jobs.

In terms of the knowledge economy, it is worth noting that Catalonia's labour markets have reached a critical mass in sectors with high added value: Catalonia was the ninth top European region in terms of number of people employed in high and medium-to-high intensity technology manufacturing and in terms of jobs in the area of science and technology in 2013; it was fifteenth in terms of employment in knowledge and cutting edge technology services. In 2014, more than half of all employees (54.1%) in Barcelona worked in knowledge intense activities, while the creative sectors accounted for more than 108,500 jobs, with these sectors performing better during the recession than the city's average.

Moreover, Barcelona's strategy focusing on research has meant the city continues to develop in this field and it was fourth in Europe and eleventh worldwide in terms of scientific output in 2014, according to an annual report by the Polytechnic University of Catalonia. As well, of the 300 Advanced Grants awarded by the European Research Council in 2013, six went to researchers working in Catalonia, which represents 46% of the grants that were awarded to Spain. In addition, the positioning of the three public universities in the Barcelona area is worth

noting: Pompeu Fabra University was ranked 165, and the University of Barcelona and the Autonomous University of Barcelona were both among the top 250 universities in the world, according to the *Times Higher Education 2014-2015 Ranking*.

In terms of innovation, results for 2011 show a significant increase in technology patents (+35.8%) and stabilization in the total number of PCT patents (-0.8%) applied for in the Barcelona area. In 2013, Catalonia maintained its position as the region with most companies carrying out business innovation in Spain, with 3,551 firms, which represents over a fifth (22%) of all Spanish innovative companies, and which was valued at 3,095.2 € million, or 23.4% of the total business innovation expenditure in Spain. By contrast, spending on R&D relative to GDP in Catalonia, which had increased during the period 2001-2009, in fact fell from 2010 to 2013 to stand at 1.5% in 2013, still higher than the Spanish average (1.24%), but lower than the EU average (2.02%).

Currently, the city is trying to leverage its position as world mobile capital to drive business in other sectors by getting firms to harness the power of this technology in their own business activities, and the authorities are developing initiatives like the m-startupbarcelona support programme that helps create and grow businesses related to mobile technologies with the participation of the Mobile World Capital Foundation, and it is also trying to take advantage of its technology resources like fibre optics, the municipal Wi-Fi service and 22@ innovation district.

According to a comparative analysis on innovation across regions in Europe by Eurostat –called the *Regional Innovation Scoreboard 2013*, Catalonia is classified as one of the region's 'innovation moderators'. According to this report, Catalonia's results were above the European average on the indicator showing the percentage of population with graduate studies, and it was also slightly higher than the average in terms of employment in technology manufacturing and technology services, spending by the public sector on R&D, and sales of new products for the consumer market or for companies.

For the period 2014-2020, the European Commission is requiring member states and regions to develop research and innovation (RIS3) strategies that promote economic specialization and knowledge to fit their innovation potential, based on a region's resources and capabilities, which are the criteria that will guide the EU's allocation of funds. The Autonomous Regional Government of Catalonia has set out its policy in a document called *The research and innovation strategy for Catalonia's smart specialization (RIS3CAT)*. This will act as the policy framework for the Government to develop its R&D+I activities and programmes, and support initiatives for the generation and development of innovation projects. Barcelona has aligned its strategy based on RISBCN, which defines the main sectors and emerging clusters, the technology offer and innovation system, as well as policy areas for each cluster.

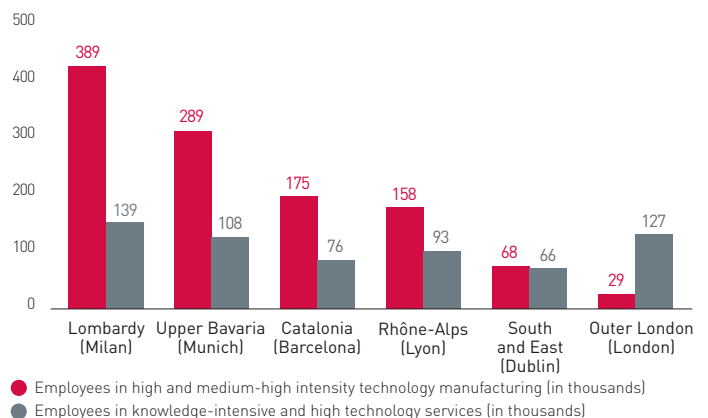
## Population employed in technology manufacturing and services in European regions in 2013

### Catalonia, ninth and fifteenth top European region with most jobs in technology manufacturing and technology services

According to Eurostat, Catalonia had Europe's ninth largest number of people employed in high and medium-high intensity technology manufacturing in 2013, with a total of 175,000 workers. In a year with employment evolution across the main regions showing very different trends, Catalonia stabilized its situation to again lead regions like Darmstadt and Emilia-Romagna, which had overtaken Catalonia the year previous- in a ranking topped by Stuttgart, Lombardy and Upper Bavaria. Moreover, Catalonia had a relative employment weight in high and medium-high intensity technology manufacturing of 6.2% which places it in the mid-to-high band of Europe's 285 regions.

Catalonia was in fifteenth place amongst European regions in terms of employment in knowledge-intensive and high technology services with 76,000 workers in these activities. After the increase seen in 2012, employment in technology services in 2013 fell and Catalonia dropped seven positions compared to the previous year, but remained ahead of regions like Dublin, Copenhagen, Amsterdam and Stuttgart in a classification headed by the regions of Île de France, Madrid and Lombardy. The relative weight of these activities with respect to the total population employed stood at 2.7%, comparable to 2009 and 2011. It's worth noting that in Barcelona, employees working in knowledge-intensive and high technology services represented 5.6% of the total in 2014, showing a year-on growth of 9.8%.

#### Population employed in knowledge-intensive services and high technology services and employees in high and medium-to-high technology manufacturing, 2013



Source: Eurostat

% Employees in knowledge-intensive and high technology services over all employees	Employees in knowledge-intensive and high technology services (thousands)	City (REGION)	% Employees in high and medium-high intensity technology manufacturing over all employees	Employees in high and medium-high intensity technology manufacturing (thousands)
2.0	41	Stuttgart (Stuttgart)	19.1	397
3.2	139	Lombardy (Milan)	9.1	389
4.5	108	Upper Bavaria (Munich)	12.0	289
3.5	50	Karlsruhe (KARLSRUHE)	14.5	207
2.2	100	Istanbul (ISTANBUL)	4.4	205
2.7	49	Piedmont (Turin)	10.5	189
2.3	56	Düsseldorf (Düsseldorf)	7.8	188
5.8	304	Île de France (Paris)	3.4	180
<b>2.7</b>	<b>76</b>	<b>Catalonia (BARCELONA)</b>	<b>6.2</b>	<b>175</b>
1.8	34	Emilia-Romagna (Bologna)	9.1	175
3.6	70	Darmstadt (FRANKFURT)	8.3	161
4.0	82	Cologne (COLOGNE)	7.8	160
3.5	93	Rhône-Alpes (LYON)	5.9	158
8.2	216	Madrid (Community of) (MADRID)	3.8	99
2.4	48	Provence-Alps-Côte d'Azur (Marseille)	4.1	81
4.5	108	Mazowsze (Warsaw)	3.2	77
5.8	74	Central Hungary (BUDAPEST)	5.9	76
2.2	29	Schleswig-Holstein (KIEL)	5.6	76
5.3	90	Berlin (Berlin)	4.3	72
3.8	48	Midi-Pyrénées (TOULOUSE)	5.6	70
4.7	66	South East (DUBLIN)	4.9	68
5.0	111	Rome (Lazio)	2.9	63
8.6	105	Berkshire, Buckinghamshire, Oxfordshire (OXFORD)	4.8	58
5.0	59	Gloucestershire, Wiltshire and North Somerset	4.9	58
1.7	25	Loire (NANTES)	3.9	57
4.5	42	Hamburg (Hamburg)	5.1	48
3.5	41	East Anglia (English EST)	3.8	44
4.5	40	Bedfordshire and Hertfordshire (LUTON)	4.8	43
5.3	71	Surrey, East Sussex and West Sussex (BRIGHTON)	3.1	42
6.7	59	Capital Region (COPENHAGEN)	4.5	40
7.0	56	Helsinki - Uusimaa (Helsinki)	4.4	36
3.5	60	South Holland (The Hague)	2.0	34
4.0	46	Lisbon (Lisbon)	2.6	30
5.4	127	Outer London (LONDON)	1.2	29
5.6	54	Southwest (BG) (SOFIA)	2.9	28
7.3	83	Stockholm (Stockholm)	2.1	24
6.4	66	Bucharest - Ilfov (BUCHAREST)	2.2	23
3.7	50	Attica (Athens)	1.7	23
3.7	52	Northern Netherlands (AMSTERDAM)	1.6	22
8.1	52	Prague (Prague)	3.4	22
6.8	109	Inner London (LONDON)	0.8	13
6.2	40	Oslo og Akershus (OSLO)	1.0	7

Source: Eurostat

## People employed in science and technology in 2013 and spending on research and development in European regions in 2011

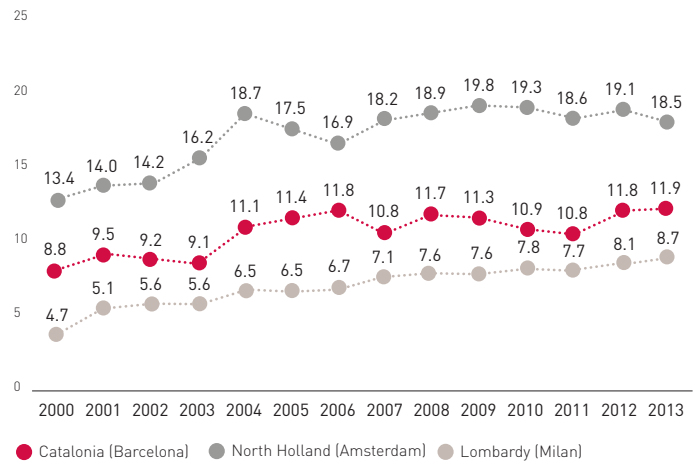
### Catalonia, ninth top European region in terms of employment in science and technology

Catalonia had 636,000 employees with graduate degrees working in science and technology in 2013, putting it ninth in the ranking of European regions behind places like Paris, London, Milan and Lyon, but in front of Berlin, Stuttgart or Amsterdam.

After the fall seen in this area of the economy between 2009-2011 and a significant increase in 2012, employment in the field of science and technology in Catalonia levelled off in 2013 (-0.6%), while there were increases in other European regions competing in this field. Catalonia remains one of Europe's regions with the largest amount of talent in this area and the relative weight of workers dedicated to science and technology in relation to all employment in Catalonia stands at around 12%, almost 3 percentage points above 2000's levels.

In 2011 the amount of research and development (R&D) in Catalonia stood at 1.6% of GDP, a higher value than regions like Lombardy or London, but far from the leading areas like Copenhagen, Stuttgart or Stockholm. This indicator saw clear progress in the period 2001-2009 in Catalonia, but after this it fell back slightly to 1.50% of GDP recorded in 2013, a higher value than the Spanish average (1.24%), but lower than in the EU (2.02%) and the objective set for the 2020 strategy (3%). The same year Catalonia generated about a quarter of all domestic expenditure on R&D by Spanish companies (23.4%) and it accounts for 22% of innovative companies in Spain.

People employed in science and technology (as a percentage of the total population\*)



\* Population between 15 and 74 years old  
Source: Eurostat

Total domestic expenditure on R&D (% GDP) in 2011	Domestic expenditure spent by business on R&D (% GDP) in 2011	Region (City)	Employees in science and technology (in thousands) 2013	Employees in science and technology (*% Population) 2013
3.02	2.02	Île de France (Paris)	1,594	18.4
1.00	0.33	London (London)	1,359	23.4
2.00	1.10	Madrid Community (MADRID)	932	19.5
2.87	1.92	Rhône-Alps (LYON)	685	15.0
1.37	0.35	Mazowsze (Warsaw)	681	17.0
-	-	Istanbul (Turkey)	665	6.8
1.32	0.91	Lombardy (Milan)	658	8.7
4.50	3.43	Upper Bavaria (Munich)	644	18.6
<b>1.60</b>	<b>0.89</b>	<b>Catalonia (BARCELONA)</b>	<b>636</b>	<b>11.9</b>
1.16	0.42	Andalusia (Seville)	522	8.3
3.53	1.38	Berlin (Berlin)	512	18.2
6.55	6.06	Stuttgart (Stuttgart)	489	15.8
3.12	1.41	Cologne (COLOGNE)	477	14.0
1.84	1.43	Düsseldorf (Düsseldorf)	470	11.8
3.46	2.79	Darmstadt (FRANKFURT)	466	15.6
2.03	1.10	Provence-Alps-Côte d'Azur (Marseille)	459	12.7
2.12	1.01	South Holland (Rotterdam)	446	16.9
0.77	0.36	Attica (Athens)	403	13.2
0.52	0.20	Silesia (KATOWICE)	403	11.0
1.67	0.52	Lazio (ROME)	389	8.8
3.77	2.72	Stockholm (Stockholm)	385	23.9
1.64	1.11	Southeast Ireland (DUBLIN)	384	15.6
2.09	1.11	Northern Netherlands (AMSTERDAM)	381	18.5
3.57	2.05	Berkshire, Buckinghamshire and Oxfordshire (OXFORD)	381	22.2
1.62	1.08	Central Hungary (BUDAPEST)	374	16.1
5.05	3.41	Midi-Pyrénées (TOULOUSE)	359	17.4
1.85	1.42	Surrey, East Sussex and West Sussex (BRIGHTON)	358	18.0
1.05	0.42	Valencia (VALENCIA)	349	9.2
0.91	0.24	Lithuania (VILNIUS)	347	15.3
0.84	0.42	Nord-Pas-de-Calais (Lille)	331	11.5
4.36	2.67	Karlsruhe (KARLSRUHE)	330	15.5
5.08	3.58	Capital Region (COPENHAGEN)	316	23.9
2.81	1.86	Gloucestershire, Wiltshire and North Somerset	308	17.3
1.96	1.25	Brittany (RENNES)	303	13.3
1.53	0.97	Aquitaine (Bordeaux)	302	12.6
2.84	2.01	Southern Finland (Helsinki)	292	24.2
0.96	0.41	Greater Manchester (MANCHESTER)	292	14.5
1.48	0.89	Arnsberg (Arnsberg)	290	10.4
1.08	0.35	Bucharest - Ilfov (BUCHAREST)	287	16.0
1.06	0.27	Malopolska (Krakow)	285	11.8
1.17	0.79	Loire (NANTES)	284	11.1
1.44	0.94	Emilia-Romagna (Bologna)	281	8.4
5.00	3.25	East of England (NORFOLK and SUFFOLK)	281	15.7
1.67	0.54	Brandenburg (Potsdam)	277	14.4
2.01	1.58	North Brabant (Hertogenbosch)	272	14.4
1.23	0.49	Campania (Naples)	270	6.1
2.09	1.08	Lisbon (Lisbon)	267	12.6
1.03	0.69	Veneto (Venice)	259	6.9
4.02	3.05	East Sweden (GÖTEBORG)	259	18.2
2.15	1.64	Basque Country (Basque Country)	255	16.1
1.88	1.47	Piedmont (Turin)	255	7.6

\*Population aged 15 to 74

Note: Employees who have graduate-level scientific training and are employed as professionals or technicians.

Domestic expenditure includes capital, current and labour expenditure -both researchers and administrative staff-related research activities as a proportion of GDP.

Source: Eurostat

## Top cities in the world for scientific output in 2014

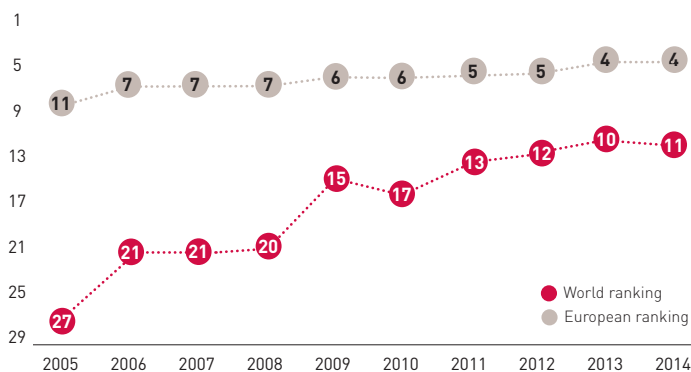
### **Barcelona is eleventh among the world's top cities and fourth in Europe**

Last year Barcelona generated 15,636 scientific publications, putting it fourth in Europe and eleventh in the world in terms of scientific output, according to the *Knowledge Cities Ranking 2014* prepared by the UPC's Centre for Land Valuation Policy (CPSV). Barcelona fell one position in the world ranking and remained at the same level in the European ranking, although, like most cities, it saw a fall in the number of publications in relation to 2013. The capital of Catalonia recorded an output in scientific papers similar to Toronto, Baltimore, Chicago and Cambridge-Massachusetts, but clearly above places like Berlin, Munich, Milan and San Francisco.

According to the Network of Science and Technology Parks of Catalonia, the academic areas with the majority of international scientific publications in the Barcelona area were clinical medicine, biological sciences, chemical sciences, basic medicine and basic physics, in agreement with the site *Web of Science Core Collection*.

At the same time, of the 300 European Research Council *Advanced Grants 2013* given to researchers, six work in Catalonia, representing 46% of the grants awarded in Spain, which shows once again the quality of research carried out in this region. At the European level, Catalonia is located in 12<sup>th</sup> position in terms of number of scholarships awarded, behind Italy.

## Positioning of Barcelona in the world and European rankings



Source: Elaboration of the CPVS from UPC data from SCI (Science Citation Index)

World ranking 2013	City	World ranking 2014	European ranking 2014	Publications 2014*
1	Beijing	1		62,987
2	London	2	1	36,400
7	Shanghai	3		30,935
5	Seoul	4		30,262
3	Tokyo	5		29,952
6	New York	6		28,698
4	Boston	7		28,522
8	Paris	8	2	27,160
9	Madrid	9	3	17,489
12	Toronto	10		15,662
<b>10</b>	<b>Barcelona</b>	<b>11</b>	<b>4</b>	<b>15,636</b>
11	Baltimore	12		15,571
17	Cambridge (MA)	13		15,450
15	Chicago	14		15,357
13	Los Angeles	15		15,285
14	Moscow	16	5	15,191
16	Philadelphia	17		15,038
18	Sao Paulo	18		14,903
19	Houston	19		14,357
20	Rome	20	6	14,189
22	Melbourne	21		13,730
21	Berlin	22	7	13,261
23	Milan	23	8	11,397
24	Singapore	24		12,850
26	Hong Kong	25		12,343
25	Montreal	26		11,976
28	Cambridge	27	9	11,476
29	Munich	28	10	11,435
29	Amsterdam	29	11	11,124
31	Oxford	30	12	10,749
30	Osaka	31		10,512
34	Zurich	32	13	10,362
32	San Francisco	33		10,330
33	Pittsburgh	34		10,130
35	Stockholm	35	14	10,123
36	Stanford	36		9,793
37	Copenhagen	37	15	9,332
39	Prague	38	16	7,575
40	Warsaw	39	17	7,140
38	Lyon	40	18	7,020
41	Manchester	41	19	6,882
42	Athens	42	20	6,553
49	New Delhi	43		6,530
48	Edinburgh	44	21	6,191
43	Dublin	45	22	6,154
45	Hamburg	46	23	6,079
44	Mexico City	47		6,060
48	Brussels	48	24	5,571
49	Naples	49	25	5,946
46	Buenos Aires	50		5,916
51	Rio de Janeiro	51		5,911
52	Valencia	52	27	5,700
54	Geneva	53	26	5,535
53	Toulouse	54	28	5,498
55	Lisbon	55	29	5,461
56	Marseille	56	30	5,236
59	Torino	57	31	5,171
56	Glasgow	58	32	5,136
55	Montpellier	59	33	5,050
62	St. Petersburg	60	34	4,969

\* Provisional data

Source: Polytechnic University of Catalonia (UPC) Centre of Land Policy and Valuations



## Patent applications in the main OECD provinces in 2011

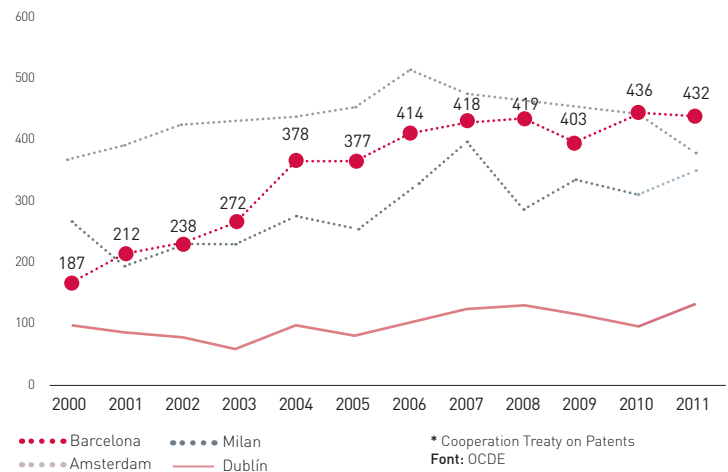
### Barcelona saw a significant increase in technology patents

In 2011 the Barcelona area registered 432 international PCT patent applications, according to the residence of the inventor. This represents a slight fall on 2010 (436) although there was also a widespread fall in patent applications elsewhere. However, Barcelona is still located above Lyon, Madrid, Milan, Amsterdam, Montreal, Toronto and Copenhagen; the number of PCT patents per million inhabitants rose from 77 in 2010 to 80.4 in 2011.

Barcelona recorded a significant increase in patent applications with 111 in 2011, 29 more than in 2010 (+37.8%), and as such better than other important provinces like Dusseldorf and Marseille in 2010, and it remains ahead of Milan, Lyon and Copenhagen.

Data from the Spanish Patent and Trademark Office (OEPM) for 2014 show a general downward trend in Barcelona, Catalonia and Spain, with Barcelona second top place in Spain with 396 patents.

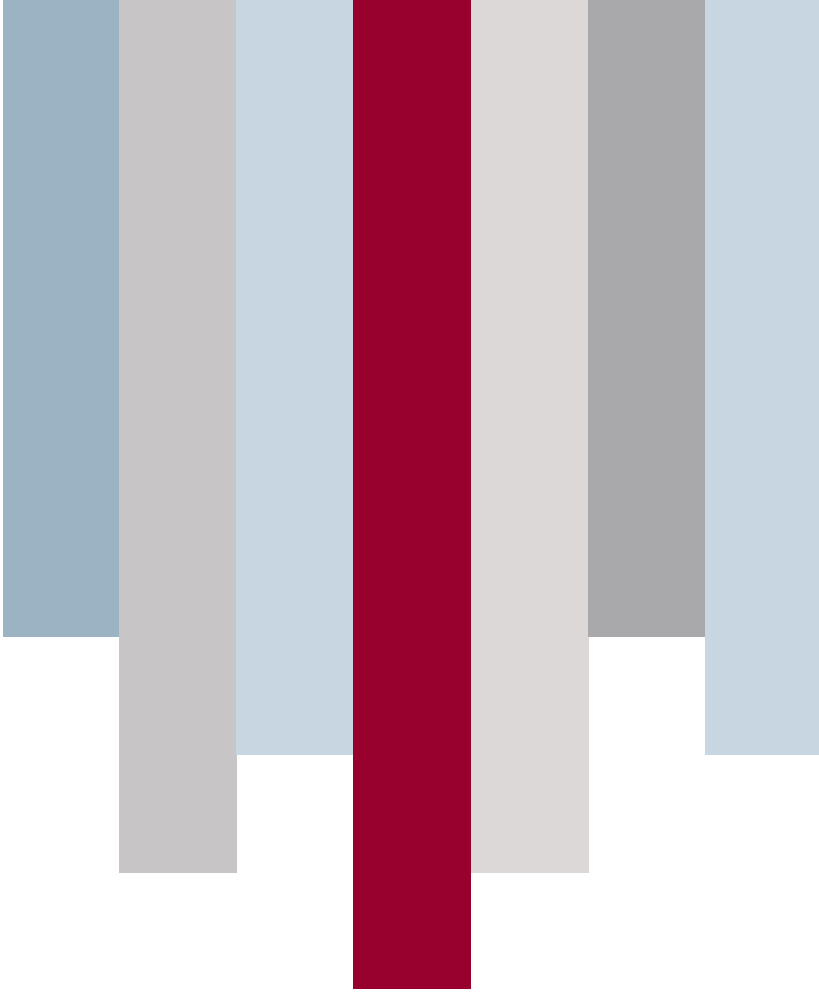
PCT patents\* (number of applications)



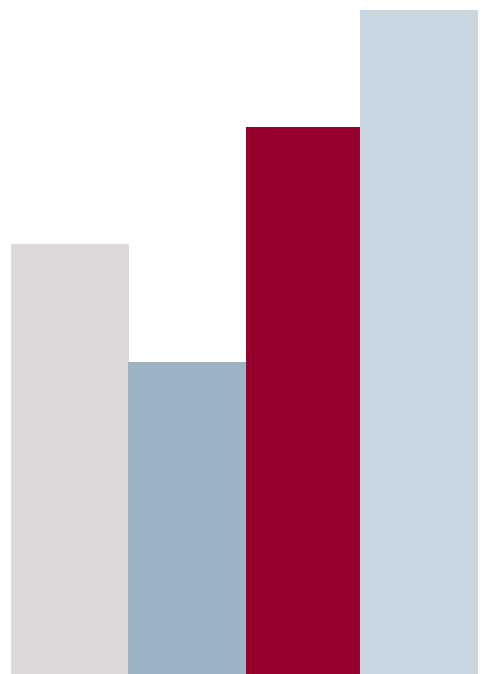
PCT technology patent applications	PCT technology patent applications per million inhabitants	Province (CITY)	Total PCT patent applications per million inhabitants	Total PCT patent applications
4,832	366.2	Tokyo (Tokyo)	790.5	10,431
3,451	347.9	Silicon Valley (SAN JOSE)	559.5	5,550
1,751	174.7	Seoul (SEOUL)	322.9	3,237
1,174	50.3	New York (NEW YORK)	135.4	3,159
1,031	123.5	Boston (BOSTON)	357.6	2,985
868	98.0	Osaka (OSAKA)	306.3	1,714
744	37.1	Los Angeles (LOS ANGELES)	109.1	2,188
391	55.5	Houston (HOUSTON)	253.1	1,783
475	45.5	Chicago (CHICAGO)	161.6	1,688
956	199.3	Seattle (SEATTLE)	297.9	1,429
344	128.4	Stuttgart (Stuttgart)	531.9	1,425
504	187.7	Munich (Munich)	458.0	1,230
430	209.5	Stockholm (Stockholm)	478.1	982
301	196.4	Uusimaa (Helsinki)	467.4	716
237	30.0	London (London)	79.8	629
64	21.8	Düsseldorf (Düsseldorf)	207.4	610
194	55.9	Berlin (Berlin)	160.2	554
179	79.2	Paris (PARIS)	242.8	548
<b>111</b>	<b>20.7</b>	<b>Barcelona (BARCELONA)</b>	<b>80.4</b>	<b>432</b>
54	31.0	Rhone (LYON)	232.9	405
161	25.3	Madrid (MADRID)	61.6	393
65	20.5	Milan (Milan)	118.2	373
79	29.3	Amsterdam (AMSTERDAM)	127.6	343
117	59.5	Montreal (MONTREAL)	145.0	286
138	50.0	Toronto (TORONTO)	92.0	253
50	11.9	Roma (ROMA)	45.8	192
75	37.8	Bouches du Rhône (Marseille)	91.1	180
56	32.5	Vienna (Vienna)	103.8	178
29	42.4	Copenhagen (Copenhagen)	256.5	178
15	1.1	Istanbul (ISTANBUL)	13.0	173
67	53.0	Dublin (Dublin)	102.8	130
44	16.8	Manchester (MANCHESTER)	48.8	129
31	17.7	Budapest (BUDAPEST)	66.4	115
39	65.1	Oslo (OSLO)	186.0	111
23	9.2	Valencia (Valencia)	43.7	110
25	22.2	Brussels (Brussels)	94.5	107
29	27.5	Hérault (Montpellier)	87.6	92
36	73.6	Edinburgh (EDINBURGH)	132.2	65
15	3.6	Attica (Athens)	11.9	49
16	7.9	Lisbon (Lisbon)	22.3	46
12	6.8	Warsaw (Warsaw)	22.4	38
7	5.7	Vizcaya (Bilbao)	32.6	37
5	4.2	Prague (Prague)	29.8	37
8	7.6	Birmingham (BIRMINGHAM)	34.1	36

**Note:** Geographic criterion in terms of patent location is taken as the residence of the inventor. The database contains 2,185 individual provinces, but the table shows only a selected sample of benchmark provinces.

**Source:** OCDE



Tourism



## Introduction

In 2014, the tourism sector was the key to the city's economic recovery and it continued to consolidate its role as one of the drivers of economic activity in Barcelona as it has done since 2009. Thus, according to the tourist board, Turisme de Barcelona, the city registered a record number of tourists and overnight stays in 2014 (7,874,941 and 17,091,852, respectively) which was a considerable increase of 4% and 3.7% respectively, compared to 2013. This strong performance by the tourism sector in Barcelona came mainly from foreign tourism and business tourism, also boosted by a recovery in Spanish tourism.

This shows the city's strong position as an international tourism destination. Barcelona is still amongst the top 25 preferred cities in the world for international tourism and 8<sup>th</sup> in Europe, according to the Top Cities Destination Ranking 2013 by Euromonitor International. Meanwhile, according to the *European Cities Marketing Benchmarking Report 2014*, the capital of Catalonia was the fifth top city in Europe with most overnight stays by foreign tourists in 2013, only behind London, Paris, Berlin and Rome. Regarding other relevant rankings, according to the *MasterCard Index of Global Destination Cities 2014*, Barcelona ranks eleventh top city in the world and fourth best in Europe in terms of international visitor numbers (behind London, Paris and Istanbul), and it is 7<sup>th</sup> in the world and third in Europe in terms of international tourism spending. TripAdvisor ranks Barcelona as the 15<sup>th</sup> most popular city for tourists.

The port and airport, the main access routes into the city, also recorded strong results and these boosted the city's tourism. On the one hand, Barcelona established itself as Europe's main port for cruises for the thirteenth consecutive year. In 2013, it handled a record 2.599 million cruise passengers, 8% more than the previous year, according to data from *Cruise Insight*. One of the highlights last year saw *Oasis of the Seas*, a Royal Caribbean ship, and the world's largest cruise boat, dock in the port of Barcelona in September 2014; it has a capacity for 8,000 passengers and is 360 meters long. This year Royal Caribbean plans to make Barcelona the turnaround port for *Oasis of the Seas'* twin ship, *Allure of the Seas*, meaning Barcelona will be the start and end point for seven-night cruises visiting the main ports in the south of France and Italy. It is the first time a vessel of this type has operated continuously in Europe, and it will represent a huge economic impact for the city because passengers from around the world will travel to Barcelona to start their cruises and many will probably lengthen their stays, thus contributing to the city's economy.

Barcelona's airport continued to be ranked amongst the top ten airports in Europe in terms of passenger volume in 2014. Barcelona registered a new record figure of 37,559,044 passengers in 2014, a rise of 2.3 million travellers (+6.7%) more than in 2013, according to the *Airport Traffic Report* by ACI Europe. Notably, Barcelona's airport registered the third largest passenger increase in Europe's top 10 passenger airports, only beaten by Istanbul (IST) and London (Gatwick). Importantly, Barcelona - El Prat Airport was named *Best Airport in Europe 2014* in the 'major airports on the Continent' category. One of the keys to success has been Barcelona's Air Routes Development Committee (CDRA), which was created in early 2005 by Spanish Airports Authority Aena, the Government of Catalonia, Barcelona City Council and Barcelona's Chamber of Commerce with the aim of developing new intercontinental routes from Barcelona Airport.

A number of trade fairs contributed to the growth in business visitors in 2014, including the Mobile World Congress, Alimentària, Hostelco, Expoquímia, the Saló Nàutic boat show and Smart City Expo.

The City Council has developed a sustainable tourism model based on criteria set out under the Biosphere Certification process, an environmental quality standard awarded to the city in 2011 and which includes the promotion of 'green' products, energy efficiency improvements, and waste management policies at tourist accommodation, as well as promoting the city as a sustainable destination. It also tries to promote the decentralization of tourism with the aim of generating opportunities and wealth connected to tourism across all the city's neighbourhoods.

# Main airports in Europe by passenger traffic in 2014

## Barcelona amongst the Top 10 major airports in Europe

According to data from ACI Europe's *Airport Traffic Report*, in 2014 Barcelona-El Prat Airport achieved a new record in passenger traffic with 37.6 million travellers, representing an increase of 2.3 million passengers (+6.7%) compared to the previous year. This increase is the third largest amongst Europe's top 10 airports, just behind Istanbul and London-Gatwick (with 11% and 7.4%, respectively). Barcelona's airport has consolidated its tenth position in the European ranking, after going from 9<sup>th</sup> to 10<sup>th</sup> in 2013 when London-Gatwick overtook it, but it is above airports like Domodedovo (Moscow), Orly (Paris) or Zurich. There is only one change in positions in the top 10: Istanbul's airport jumps above Amsterdam, now positioned in fourth and fifth place in Europe, respectively.

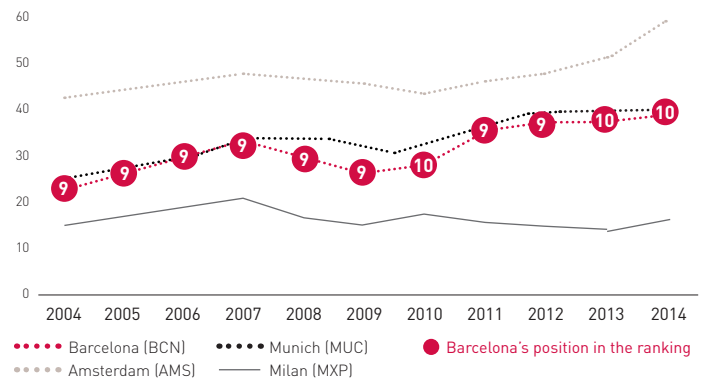
The annual trend in passenger traffic was positive for the top 25 airports in Europe, but varied in terms of magnitude (ranging from 2.1% in the case of Paris-Orly to 26.1% for Sabiha Airport in Istanbul). Istanbul's Sabiha Airport, Berlin's Tegel Airport and Istanbul Airport showed the strongest growth in passenger traffic in 2014 compared to 2013. Barcelona Airport's passenger traffic growth of 6.7% was in the mid-to-high band in terms of passenger rate increases at European airports.

In terms of the regional origin of passengers, Europeans represented 64% of all passenger traffic at Barcelona's airport, and this segment really drives traffic and contributed most to the increases in passenger numbers in 2014. Spanish passengers, which represented just over one quarter of total passenger traffic, grew by 1%, breaking the downward trend seen in previous years. Lastly, intercontinental passengers are the fastest-growing segment (11% up on the previous year) and it now makes up 8% of all passenger traffic at Barcelona airport.

City (Airport)	Variation 2014/2013 [%]	Passengers 2014
London Heathrow (LHR)	1.4	73,371,195
Paris Rosy (CDG)	2.8	63,813,756
Frankfurt (FRA)	2.6	59,566,132
Istanbul (IST)	11.0	56,954,790
Amsterdam (AMS)	4.6	54,978,023
Madrid (MAD)	5.3	41,833,374
Munich (MUC)	2.7	39,716,877
Rome-Fiumicino (FCO)	6.5	38,506,467
London Gatwick (LGW)	7.4	38,094,845
<b>Barcelona (BCN)</b>	<b>6.7</b>	<b>37,559,044</b>
Moscow Domodedovo (DME)	7.4	33,039,531
Moscow (SVO)	7.9	31,567,974
Paris Orly (ORY)	2.1	28,862,586
Antalya (AYT)	5.0	28,341,063
Copenhagen (CPH)	6.5	25,627,093
Zurich (ZHR)	2.5	25,477,622
Oslo (OSL)	4.8	24,269,235
Istanbul (SAW)	26.1	23,508,141
Palma de Mallorca (PMI)	1.5	23,115,499
Vienna (VIE)	2.2	22,483,158
Stockholm-Arlanda (ARN)	8.4	22,417,351
Manchester (MAN)	6.1	21,951,758
Berlin (TXL)	14.6	21,933,190
Düsseldorf (DUS)	2.9	21,850,489
Dublin (DUB)	7.7	21,712,173

Source: Airports Council International, *Airport Traffic Report 2014*  
Barcelona Committee for the Development of Air Routes (CDRA)

## Passengers (millions)



\* In 2010 Barcelona Airport dropped one position due to the entry of Istanbul in the ACI's statistics. If it had not been for that, it would have remained ninth.

Source: Airport Council International, ACI Europe *Airport Traffic Reports* and Committee for the Development of Air Routes (CDRA)

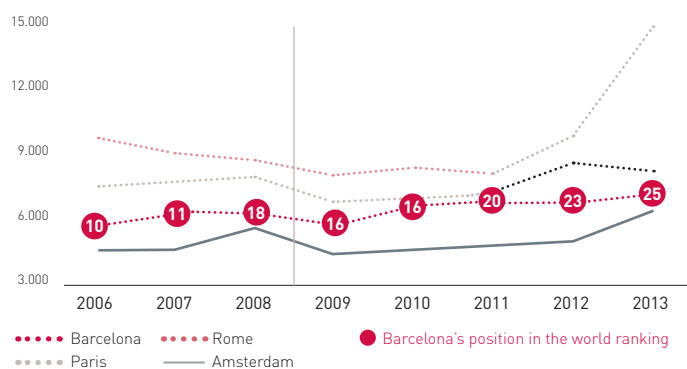
## International tourists in world's top cities in 2013

### Barcelona was the eighth top destination for international tourists in Europe

According to the report *Top Destination Cities Ranking 2013* by Euromonitor International, Barcelona ranks 25<sup>th</sup> out of 100 cities in the world in terms of international tourist arrivals and 8<sup>th</sup> in Europe, which are slightly lower positions than those registered by Barcelona in 2012 (23<sup>rd</sup> and 7<sup>th</sup>, respectively) having been overtaken by Milan and Seoul. However, the number of international tourists that chose Barcelona as a tourist destination rose to 5.5 million in 2013, 1.2% more than the previous year, which put Barcelona ahead of Moscow, Beijing and Los Angeles worldwide, and Budapest, Venice and Vienna at the European level. In Europe, Barcelona came behind London, Paris, Antalya, Istanbul, Rome, Prague and Milan.

Meanwhile, according to the *European Cities Marketing Benchmarking Report 2014*, Barcelona remained the fifth top European city with most overnight stays by international tourists in 2013, behind London, Paris, Berlin and Rome, but above Madrid, Prague, Istanbul, Vienna and Munich. Also, according to the *MasterCard Index of Global Destination Cities 2014*, Barcelona ranks eleventh city in the world and fourth in Europe regarding international visitor numbers (only behind London, Paris and Istanbul) and the 7<sup>th</sup> in the world and 3<sup>rd</sup> in Europe in terms of international tourism spending.

#### International tourists (in thousands)



Note: from 2008 there is a break in the series because the number of cities analysed is reduced from 150 to 100.  
Source: Euromonitor International. *Top Cities Destination Ranking*.

City	Variation 2013/2012 (%)	International tourists 2013 (thousands)
Hong Kong	7.6	25,587.3
Singapore	5.4	22,455.4
Bangkok	10.4	17,467.8
London	8.6	16,784.1
Paris	4.6	15,200.0
Macau	5.1	14,268.5
New York	2.0	11,850.4
Shenzhen	-3.0	11,702.5
Kuala Lumpur	5.0	11,182.4
Antalya	8.0	11,120.7
Istanbul	11.8	10,486.3
Dubai	6.9	10,458.3
Seoul	3.1	8,619.0
Rome	2.2	8,608.3
Phuket	11.3	8,035.0
Guangzhou	-3.0	7,630.1
Mecca	9.6	7,512.1
Pattaya	6.4	6,986.2
Taipei	2.0	6,692.4
Miami	4.1	6,275.1
Prague	1.8	6,208.5
Shanghai	-6.5	6,089.7
Las Vegas	-0.8	6,046.9
Milan	1.8	5,873.9
<b>Barcelona</b>	<b>1.2</b>	<b>5,524.6</b>
Moscow	8.0	5,438.9
Amsterdam	1.2	5,204.1
Vienna	4.5	5,187.6
Venice	2.7	5,159.6
Los Angeles	1.1	5,073.7
Lima	27.1	4,900.8
Tokyo	22.5	4,594.5
Johannesburg	3.3	4,512.2
Beijing	-10.1	4,502.5
Sofia	7.8	4,448.5
Orlando	3.0	4,379.2
Berlin	4.9	4,312.5
Budapest	7.5	4,222.0
Ho Chi Minh City	7.0	4,197.7
Florence	2.0	4,186.1
Madrid	-2.6	4,006.4
Warsaw	8.9	3,987.0
Doha	21.2	3,773.0
Nairobi	9.3	3,755.7
Delhi	27.3	3,672.2
Mumbai	22.4	3,643.9
Chennai	1.3	3,581.2
Mexico City	10.1	3,441.6
Dublin	9.7	3,398.3
San Francisco	2.0	3,252.7

Note: Arrivals include both international visitors arriving in the city and visitors who come to the city through another entry point. A visitor is a person visiting the city at least 24 hours and less than 12 months, who is sleeping in private or collective accommodation. Excluded are day trippers and domestic tourists.

Source: Euromonitor International. *Top Cities Destination Ranking 2013*.

# The world's major cruise ports in 2013

## The port of Barcelona remains the epicentre of European cruise tourism

In 2013 the Port of Barcelona was named Europe's and the Mediterranean's top turnaround port for the thirteenth consecutive year, according to the magazine *Cruise Insight* (autumn 2013). The number of cruise passengers passing through the Port of Barcelona in 2013 stood at almost 2.6 million, which represents an increase of 8% compared to the previous year, which means the port recovered from the drop it experienced in 2012, and has now almost equalled its 2011 record. The Port of Barcelona is again the fourth top turnaround port in the world, above Venice, Southampton and New York, and only behind the three major ports of Florida (Miami, Port Canaveral and Port Everglades).

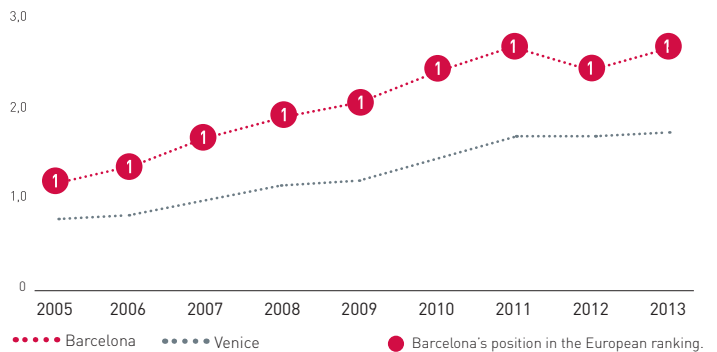
Barcelona has been extraordinarily successful at making itself a turnaround port for the leading cruise companies in recent years and this is seen in the increases in cruise passengers numbers, which quadrupled between 2001 and 2013. Importantly, more than half of the cruises in Barcelona are turnaround cruises, meaning they begin or end in the city. Precisely this type of tourist is the most profitable for the city because they usually spend a few days in town before or after their cruise.

All this has led to extensive refurbishments and expansion at the Port of Barcelona's cruise facilities, and now it boasts seven international passenger terminals. At the moment, terminal D is being expanded (Palacruceros), which belongs to the Carnival Group. Furthermore, Carnival has also announced it will build a new terminal at the Port of Barcelona's Terminal E, making it the port's largest cruise facility.

City Port	Passengers 2012 (thousands)	Variation 2013/2012 (%)	Passengers 2013 (thousands)
Miami	3,774	7	4,030
*Port Canaveral	3,761	0	3,771
Port Everglades	3,690	-5	3,506
<b>Barcelona</b>	<b>2,409</b>	<b>8</b>	<b>2,599</b>
Venice	1,775	2	1,816
Southampton	1,529	10	1,683
New York	1,172	4	1,220
Galveston	1,208	0	1,209
Genoa	797	44	1,150
Singapore	913	13	1,030
New Orleans	976	1	988
Savona	810	16	939
Seattle	934	-7	871
Tampa	974	-12	854
Vancouver	667	22	813
Copenhagen	840	-4	805
Santos	805	-5	763
Long Beach	914	-35	597
Shanghai	450	29	580
Hamburg	430	28	552
<b>TOTAL</b>	<b>28,828</b>	<b>3</b>	<b>29,776</b>

\* Excludes casino boats  
 Source: Cruise Insight, Autumn 2014

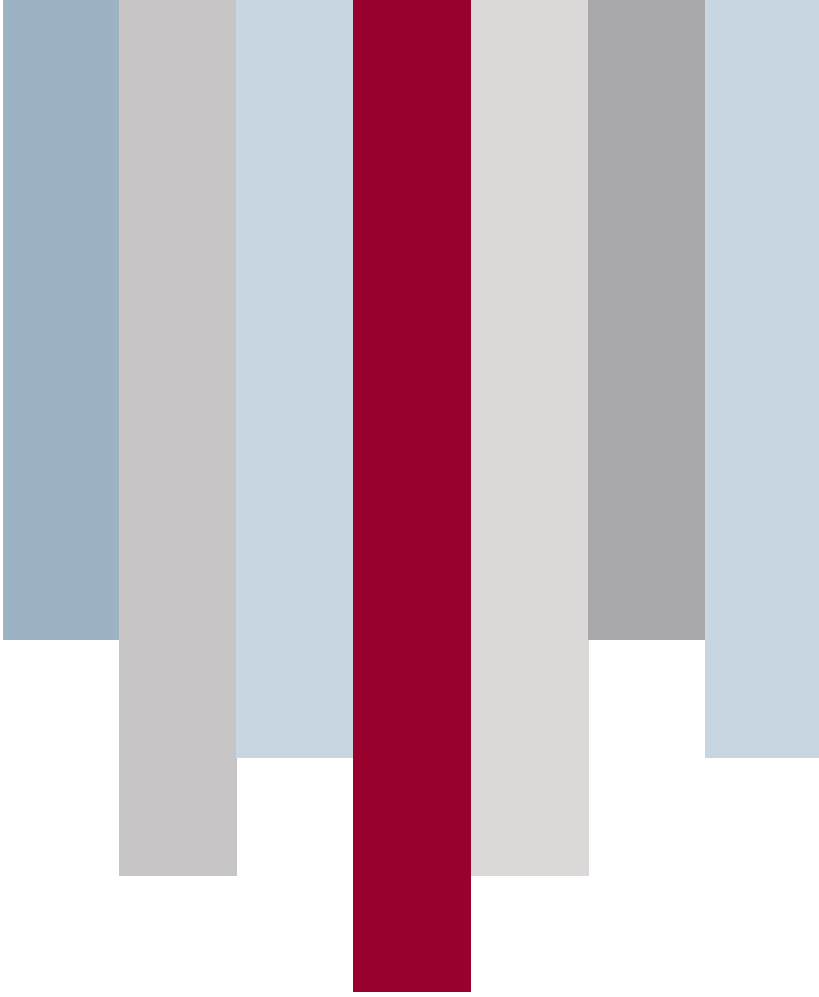
Cruise passengers (in millions)



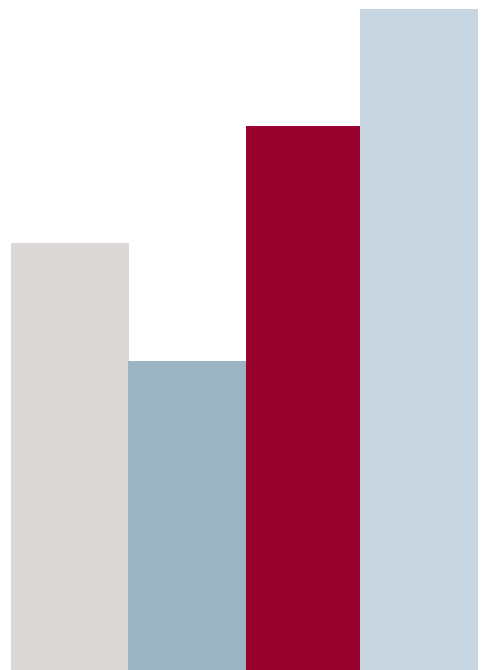
Source: Cruise Insight, Autumn 2014







Sustainability and quality of life



## Introduction

Barcelona City Council's main strategies for the period 2012-2015 include the objective of making the city a healthy place that fully integrates environmental concerns, urban planning, infrastructure and ICTs in order to move towards a self-sufficient energy model, with productive, human-speed neighbourhoods within a hyper-connected, zero-emissions city. In short, many slow, pacific cities within a smart city that is there to serve people.

Barcelona's commitment as a smart city means it fully integrates ecology, urbanism and technologies to improve sustainability and quality of life for people. The development of local programmes like the Smart City Campus and Barcelona Urban Lab is related to several activities connected to energy efficiency and sustainability. The city's initiatives, together with promotional activities and international co-operation programmes –Smart City Expo, Mobile Word Congress, the City Protocol or hosting the World Bank's forum on smart cities –have earned Barcelona recognition from magazine *Fast Co.Exist* as fourth best smart city in Europe. The EU's *Grow Smarter* programme, which is focused on the application of smart and replicable solutions to meet the challenges cities face regarding reductions in energy consumption and transportation emissions to 60% by 2020, has chosen Barcelona, Stockholm and Cologne as 'lighthouse cities' to implement a dozen solutions to move forwards in these areas and share their results with follower cities.

Barcelona's international position in the area of mobility is strong because of its use of sustainable transport, which represents 81% of inner city journeys, and low commute times to work because of the city's compact urban structure. However, analyzing the metropolitan area and factors such as emissions, energy consumption and the efficiency of the overall system, as does the International Union of Public Transport's study on the future of urban mobility, Barcelona's results are not so impressive: it ranks 20<sup>th</sup> amongst 84 agglomerations worldwide and 16<sup>th</sup> in Europe. Importantly, it ranked 7<sup>th</sup> in the world in terms of electric mobility, according to the International Energy Agency.

Other international comparisons include the *City Rep Track Report* by the Reputation Institute which ranks Barcelona 9<sup>th</sup> best city in the world in terms of having the best reputation in 2014, after jumping 14 positions compared to the previous year, and they also rank the city as the fifth most recommended to visit, behind Florence, Paris, Venice and Vienna, while according to the *Guardian Cities Global Brand Barometer* developed by Saffron, Barcelona's overall brand is ranked sixth strongest in the world among 57 major world cities.

Meanwhile, Barcelona is the 15<sup>th</sup> safest city in the world, according to *The Safe Cities Index 2015* report compiled by British magazine *The Economist*, which assesses urban security in the digital age. Importantly, Barcelona ranked 7<sup>th</sup> in terms of health safety. Also noteworthy was its 5<sup>th</sup> place in the fashion capitals listing by *Global Fashion Capital Ranking*, and 1<sup>st</sup> place in a ranking of beaches (National Geographic) and 38<sup>th</sup> position in the ranking of quality of life by Mercer, ahead of cities like London, Milan or New York.

With reference to companies' commitment to the environment, in December 2014 the province of Barcelona had 191 certification registers and the city accounted for 79 of these, meaning Barcelona stabilized its results while the province has seen falls in registers, compared to September 2013. Certifications recorded in the province and the city of Barcelona represented 67% and 27.7% of all those registered in Catalonia. Finally, according to the *ISO Survey 2013*, Spanish companies have received a total of 16,000 ISO 14001 accreditations, which makes Spain the fifth top country in the world in accreditations, behind China, Japan, Italy and the UK.

Barcelona is currently the world headquarters of UN-Habitat's urban resilience programme, and at the end of 2014 it became part of the network of 100 resilient cities promoted by the Rockefeller Foundation, which valued Barcelona's innovative approach to preparing for a crisis affecting services and infrastructure. Likewise, this year the UN has chosen Barcelona to locate its centre specializing in Public-Private Partnerships in Smart and Sustainable Cities (PPP for Cities), confirming the city's potential for establishing itself as a platform for research and development of new opportunities in the field of Smart cities.

## Smart and sustainable cities in 2013

### Barcelona is Europe's 4<sup>th</sup> top Smart City

According to magazine *Fast Company*, Barcelona is the fourth top smart city in Europe, behind Copenhagen, Amsterdam and Vienna, and up four positions on the 2012 ranking to stand ahead of Stockholm, Paris, Hamburg and London.

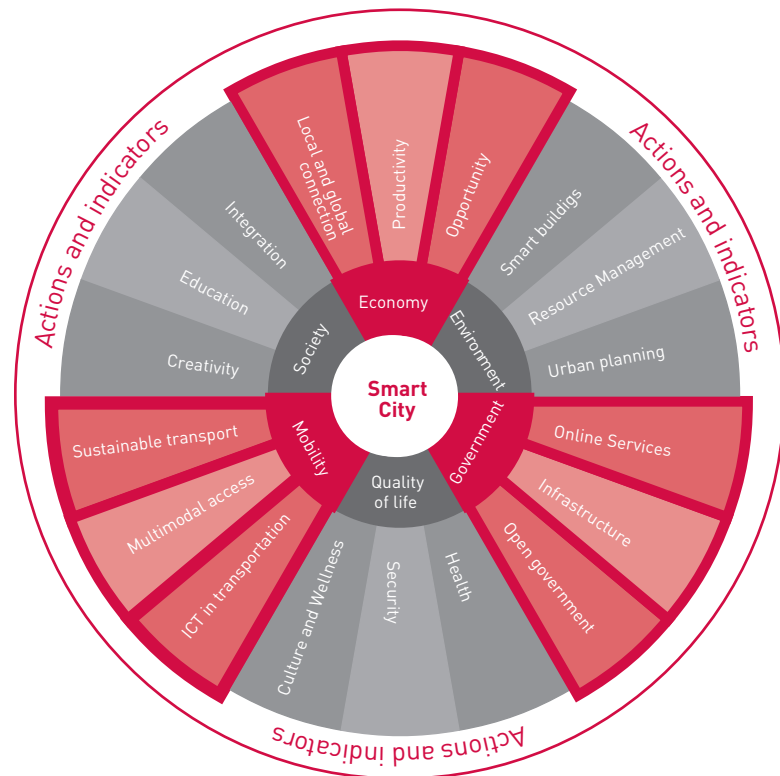
Barcelona is today an international benchmark in terms of its leadership in promoting smart cities internationally and for the city's many technology development initiatives aimed at smart city management. Internationally, the capital of Catalonia organizes the annual international congress on smart cities and it is also the promoter of the City Protocol, a global standard for measuring progress on creating more sustainable and smarter cities.

Barcelona has taken on a number of initiatives in its role as a testing ground for smart technologies developed by prestigious technology companies like Cisco Systems, GDF Suez, Schneider Electric, HP, Microsoft, Telefónica and Abertis Telecom, with notable pilot tests in the area of intelligent traffic lights, traffic control, optical fibre, sensors in selective waste collection bins and noise sensors, the smart metres for household water and gas and street lighting using LEDs. Other energy efficiency measures worth highlighting include support for electric vehicle use, a policy that puts Barcelona in seventh place in the world in terms of electric mobility, according to the International Energy Agency (EV City Casebook 2012). Apart from this, there are a lot of projects being developed as part of the world mobile capital 2013-18 and Open Data competitions that complement the city's commitment to technology to enhance citizen services.

Moreover, this year the United Nations has chosen Barcelona to locate its Specialized Centre in Public-Private Partnerships for Smart and Sustainable Cities (PPP for Cities), a research and innovation centre with advisory services for public administrations, which consolidates the city's position as a platform for research and development and new market opportunities in the field of smart cities.

2012	Top 10 smart cities in Europe	2013
1	Copenhagen	1
2	Amsterdam	2
3	Vienna	3
<b>8</b>	<b>Barcelona</b>	<b>4</b>
4	Paris	5
5	Stockholm	6
6	London	7
7	Hamburg	8
9	Berlin	9
10	Helsinki	10

Source: *Fast Company*, The Smartest Cities in Europe.



## Global city brands in 2014

### Barcelona, 6<sup>th</sup> top city in terms of brand

According to the *Guardian Cities Barometer* compiled by consultants Saffron, Barcelona is the sixth best city in the world in terms of its global brand power, ahead of Rio de Janeiro, San Francisco, Istanbul, Milan and Berlin, in a ranking which evaluates 57 major cities around the world and which is led by Los Angeles, New York, London, Paris and Seoul.

According to Saffron, a city brand is represented by the average perception and associations of ideas that people have about it, in other words, the image it transmits. The study takes into account two fundamental aspects for determining a city brand: its physical assets, which includes climate, tourist sites and attractions, infrastructure, the level of security and economic prosperity, and its media presence, including social network posts and mentions in the media. Barcelona got nine out of ten for its media coverage, only beaten by Los Angeles, New York, London and Paris, who all got 10 points, and 6.8 in terms of its assets.

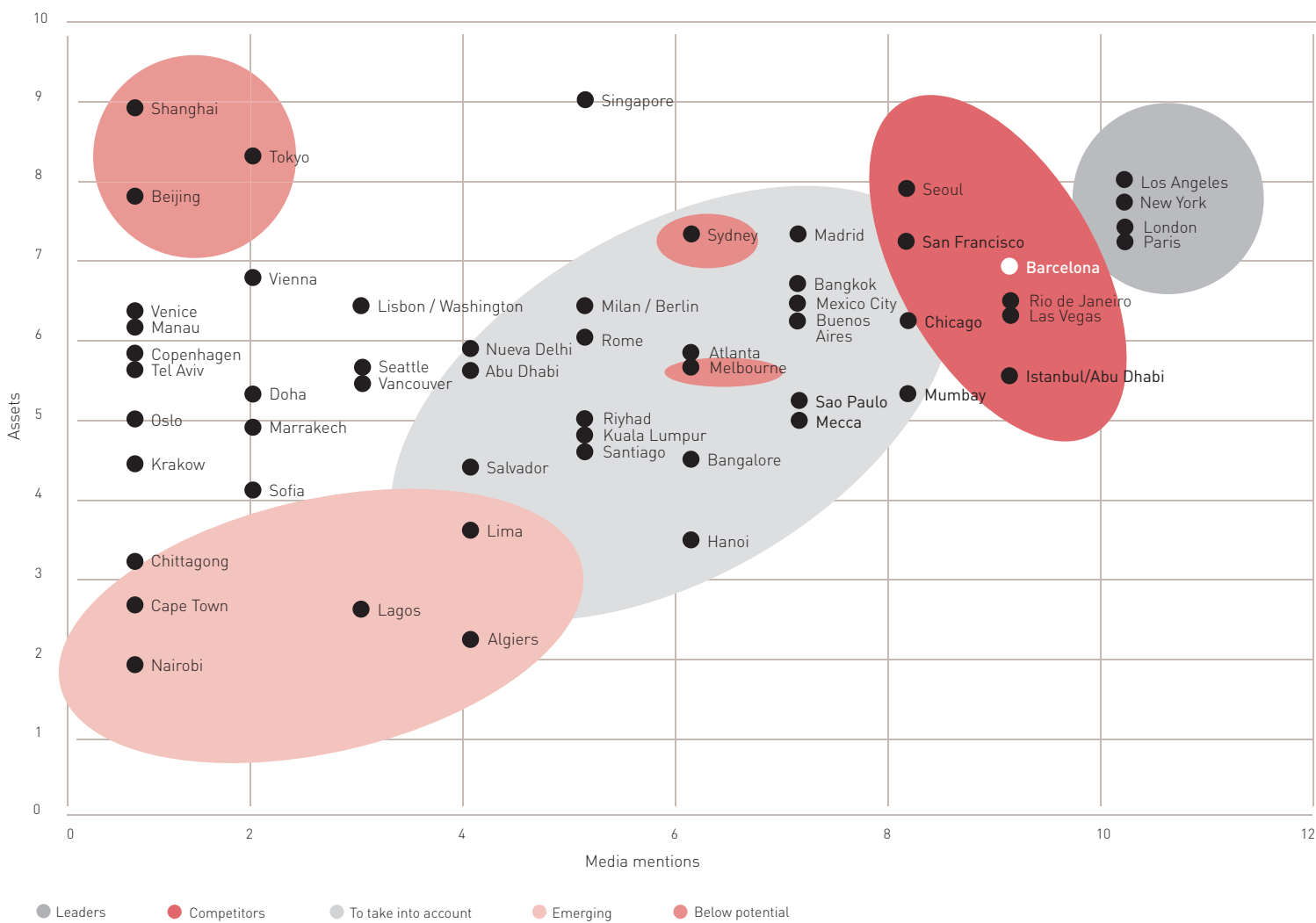
The results of this study placed Barcelona in a group of cities including Seoul, San Francisco, Rio de Janeiro, Las Vegas, Istanbul and Dubai, which are located just below the top 4. This shows Barcelona is taking full advantage of its strengths, promoting information sharing via social networks, appearing in the media and managing the organization of international events very well.

Position	City	Points
1	Los Angeles	18
2	New York	17.7
2	London	17.3
4	Paris	17.2
5	Seoul	15.9
<b>6</b>	<b>Barcelona</b>	<b>15.8</b>
7	Rio de Janeiro	15.3
8	San Francisco	15.2
9	Las Vegas	15.2
10	Dubai	14.6
11	Istanbul	14.6
12	Madrid	14.4
13	Chicago	14.3
14	Singapore	14
15	Bangkok	13.6
16	Sydney	13.4
17	Mexico City	13.4
18	Buenos Aires	13
19	Mumbai	13.3
20	Sao Paulo	12.2
21	Mecca	12
22	Atlanta	11.8
23	Melbourne	11.7
24	Milan	11.4
25	Berlin	11.4

**Note:** Overall score between 1 and 20. Resulting from the sum of points obtained over a maximum of 10 categories for assets and media coverage.

**Source:** *Guardian Cities Global Brand Barometer*, 2014. Saffron Brand Consultants

City classification



Source: Guardian Cities Global Brand Barometer, 2014. Saffron Brand Consultants

## Cities with the best reputation in the world in 2014

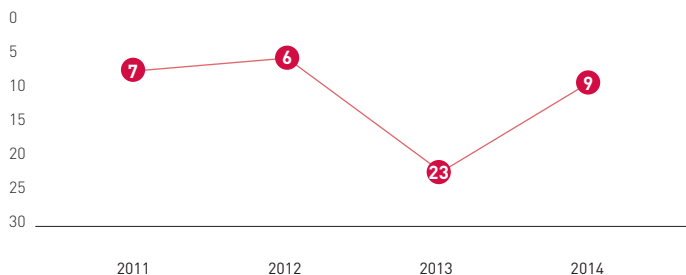
### Barcelona amongst the top ten cities in the world in terms of reputation

The results of the *City Rep Track Report* by the Reputation Institute ranked Barcelona 9<sup>th</sup> top city in the world with the best reputation in 2014, in a list of 100 cities with the largest populations, GDP and tourism, and based on an online survey of 19,000 people in the world's most influential countries (G-8\*).

Barcelona has improved its ranking significantly, jumping fourteen positions up since 2013's ranking to stand behind Vienna, Munich, Vancouver and London, and above Montreal, Amsterdam, Paris and New York. The city is the fifth most recommended place to visit, behind only Florence, Paris, Venice and Vienna.

Respondents evaluated the key factors in the attractiveness of a city, like effective government and advanced economies, which are the basis of a good reputation, a characteristic that reflects admiration, respect, trust and positive associations, and that generates tourism attraction, foreign investment, knowledge and talent, as well as increased exports and helps to improve foreign relations.

#### Positioning of Barcelona in the *City Rep Track* (2011-2014)



Source: 2014 *City Rep Track*. Reputation Institute

Position	City	Index
1	Vienna	76.4
2	Munich	76.2
2	Sydney	75.5
4	Florence	75.3
5	Venice	75.2
6	Oslo	74.9
7	Vancouver	74.8
8	London	74.6
<b>9</b>	<b>Barcelona</b>	<b>73.7</b>
10	Montreal	73.1
11	Copenhagen	72.8
12	Helsinki	72.7
13	Brussels	72.6
14	Amsterdam	72.4
15	Paris	72.2
15	Perth	72.2
17	Brisbane	72.0
17	Geneva	72.0
19	Edinburgh	71.9
19	Zurich	71.9
21	Melbourne	71.8
21	Stockholm	71.8
23	Rome	71.5
24	Frankfurt	71.4
25	New York	71.2
26	Toronto	70.9
27	Dublin	70.6
28	Seattle	70.2
28	Berlin	70.2
30	Osaka	70.0
30	San Francisco	70.0

Note: The index takes a value between 0 and 100  
Source: 2014 *City Rep Track*. Reputation Institute.

## The 2015 Safe cities index

### Barcelona, amongst the safest cities in the world

Barcelona is amongst the safest cities in the world, according to *The Safe Cities Index 2015* report compiled by British magazine *The Economist*, which assesses urban security in the digital age. Barcelona is ranked fifteenth in an overall ranking of fifty cities from all the continents that is led by Tokyo, Singapore and Osaka; it comes fourth amongst European cities, just behind Stockholm, Amsterdam and Zurich and ahead of London, Madrid or Paris. Furthermore, the capital of Catalonia occupies eleventh place among the upper-middle income cities in the report.

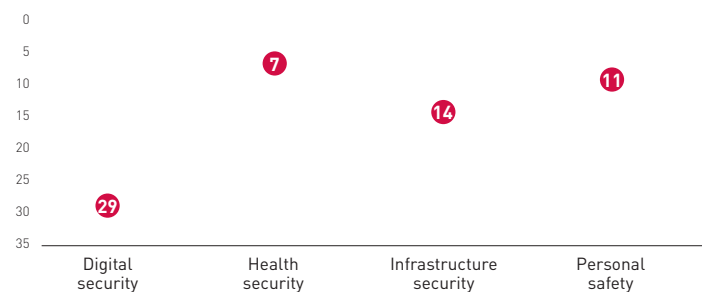
The report's findings are based on forty indicators that evaluate security from citizens' perspectives, concerning health, facilities and digital/technology situation. In the category regarding personal or public safety, which takes into account crime and police indicators, Barcelona came in eleventh position in the world and third among European cities with least crime and best enforcement indicators, only behind Stockholm and Amsterdam. The report highlights the strategy of increasing police presence on the streets and the city metro system over the last three years, generating 32% less crime in the suburbs.

The most outstanding result for Barcelona in this report is its seventh position in terms of healthcare quality. The study took into account aspects like public access to the health system, the ratio of beds and doctors per thousand inhabitants, air and water quality and life expectancy. Regarding infrastructural security, the city was placed 14<sup>th</sup>, while it was in 29<sup>th</sup> place in terms of digital security.

Position	City	Index 0/100
1	Tokyo	85.6
2	Singapore	84.6
3	Osaka	82.4
4	Stockholm	80.0
5	Amsterdam	79.2
6	Sydney	78.9
7	Zurich	78.8
8	Toronto	78.8
9	Melbourne	78.7
10	New York	78.1
11	Hong Kong	77.2
12	San Francisco	76.6
13	Taipei	76.5
14	Montreal	75.6
<b>15</b>	<b>Barcelona</b>	<b>75.2</b>
16	Chicago	74.9
17	Los Angeles	74.2
18	London	73.8
19	Washington DC	73.4
20	Frankfurt	73.1
21	Madrid	72.4
22	Brussels	71.7
23	Paris	71.2
24	Seoul	70.9
25	Abu Dhabi	69.8
26	Milan	69.6
27	Rome	67.1
28	Santiago	67.0
29	Doha	66.4
30	Shanghai	65.9
31	Buenos Aires	65.9
32	Shenzhen	65.8
33	Lima	65.0
34	Tientsin	63.6
35	Rio de Janeiro	63.5
36	Kuwait (City)	63.5
37	Beijing	63.3
38	Canton	62.8
39	Bangkok	62.7
40	Sao Paulo	62.3
41	Istanbul	62.3
42	Delhi	61.9
43	Moscow	61.6
44	Bombay	60.7
45	Mexico City	59.5
46	Riyadh	57.1
47	Johannesburg	56.3
48	Ho Chi Minh City	54.9
49	Teheran	53.8
50	Jakarta	53.7

Source: The Safe Cities Index 2015, The Economist Intelligence Unit

### Categories of urban security. Positioning of Barcelona



Source: The Safe Cities Index, 2015. The Economist Intelligence Unit

## Best cities in the world for urban mobility in 2013

### The Barcelona area is the 20<sup>th</sup> best metropolis in the world

The *Future of Urban Mobility 2.0* report by the International Union of Transport Public (UITP) ranks Barcelona's metropolis as 20<sup>th</sup> in the world and 15<sup>th</sup> in Europe from a total of 84 world urban agglomerations and 26 in Europe. Hong Kong, Stockholm, Amsterdam, Copenhagen and Vienna topped the ranking. The capital of Catalonia achieved a score similar or the same as those of Shanghai, Seoul, Tokyo and Frankfurt, but ahead of Prague, Istanbul and Beijing. Compared to the same ranking in 2011, Barcelona dropped six places mainly due to the incorporation of central and northern European conurbations in the study with very efficient transport systems.

An analysis of the indicators shows the Catalanian metropolis was rated high because of its public sector strategy and actions, its share of zero-emission transport modes in the distribution of mobility types, the city's performance regarding its shared bicycle scheme, the density of road space, improvements to traffic-related deaths and travel commute times to work. On the other hand, it needs to improve its performance in pollution reduction, the high price of public transportation, carpooling and its share of public transport use in the distribution of mobility, among others.

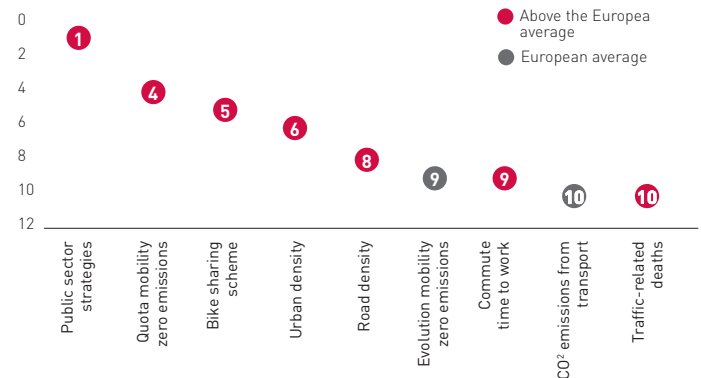
Moreover, according to the *Scorecard on Prosperity 2014* by the Toronto Board of Trade, Barcelona is the sixth top urban area with lowest average commute times amongst 24 cities analyzed in Europe, Canada and the United States, with an average of 56 minutes. In addition, it is in 8<sup>th</sup> position regarding the use of sustainable transport means to get to work. These positive results are related to the city's compact urban model and public policies to boost sustainable mobility developed by the City Council in recent years.

Ranking	City	Index
1	Hong Kong	58.2
2	Stockholm	57.4
2	Amsterdam	57.2
4	Copenhagen	56.4
5	Vienna	56
6	Singapore	55.6
7	Paris	55.4
8	Zurich	54.7
9	London	53.2
10	Helsinki	53.2
11	Munich	53
12	Stuttgart	51.9
13	Berlin	51.7
14	Wuhan	51.1
15	Madrid	50.3
16	Hannover	50.1
17	Brussels	49.7
17	Seoul	49.3
17	Tokyo	49.2
<b>20</b>	<b>Barcelona</b>	<b>49.1</b>
21	Shanghai	49.1
21	Frankfurt	48.8
23	Prague	47.8
24	Warsaw	47.8
24	Nantes	47.7
26	Shenzhen	47.7
26	Istanbul	47.2
28	Beijing	47.2
29	Canton	47.2
30	Santiago de Chile	47.1

\* The index takes values between 0 and 100

Source: *Future of Urban Mobility 2.0*. Report

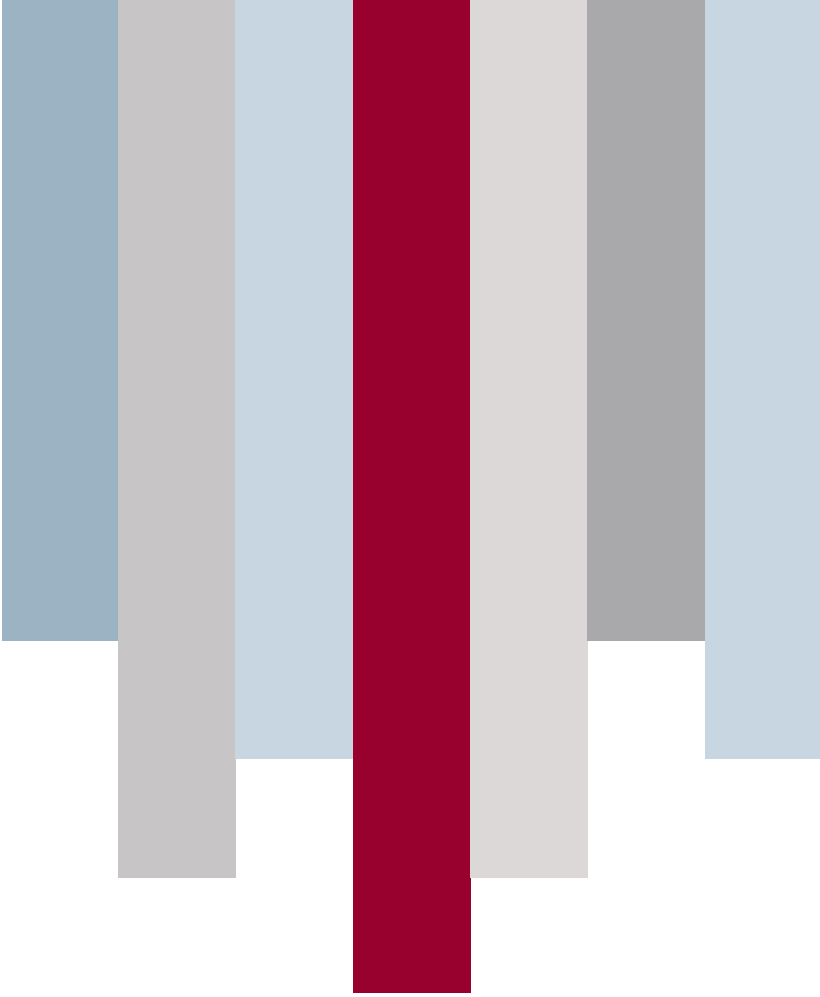
### Positioning of Barcelona in the European ranking for mobility indicators \*



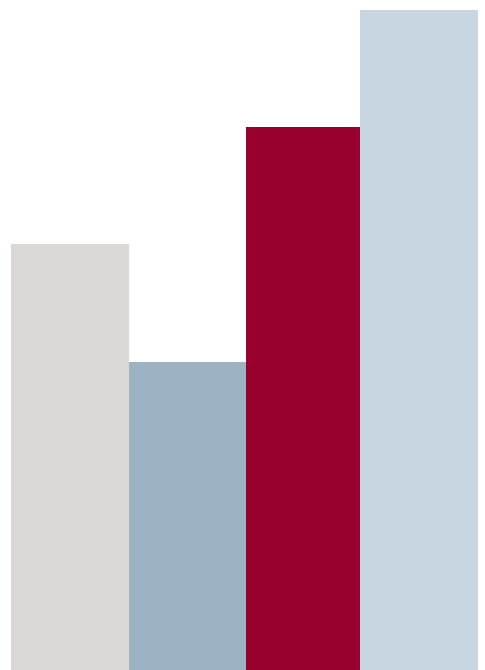
\* Selection of indicators in which Barcelona exceeds or equals the European average.

Source: *Future of Urban Mobility 2.0* Report, UITP and Arthur D. Little.





Prices and costs



## Introduction

Inflation entered into a historical stage characterised by moderation from the end of 2013, which saw downward pressure during 2014 and even dropping 0.4% last December in the province of Barcelona. The main causes of the decline in inflation were very strong falls in oil prices during the last few months of the year, as well as moderation in labour costs and weak domestic demand. The combined phenomenon of weak growth and stagnation in prices is not unique to our country, because the majority of member countries of the euro area experienced very low or negative inflation and weak growth in 2014. This situation has pushed the ECB to implement various unconventional monetary policy measures to boost domestic demand.

Despite the fall in prices and moderation in labour costs, the *Cost of living index* produced by Mercer Human Resource Consulting increased in the city of Barcelona in 2014 for the second consecutive year. This increase is mainly due to the appreciation of the Euro, because the comparison of prices is made with respect to New York. However, Barcelona can be considered a city with moderate costs of living compared to other cities in Europe and the world. As for salaries, Barcelona is in the mid-band of gross salaries in Europe and the world, above cities such as Rome, Seoul, Dubai, Lisbon and Tel Aviv.

At the same time, VAT and Corporation tax rates remained stable in 2014, after the VAT increases seen at the beginning of 2012. However, Spain is still in the mid-to-high band compared to the average rates across the EU, especially with regard to taxes on corporate profits, although this tax rate will fall in 2015 and 2016 after tax reforms were passed by the Spanish government.

Finally, it is worth noting that Barcelona has a strong position in terms of the competitiveness of its rental prices for industrial land, offices and commercial premises, which means Barcelona is attractive for doing business, both in terms of new business set-ups and for keeping those that already have facilities here. The trends in rental prices of offices and industrial warehouses remained stable in the city of Barcelona in 2014, while shops and commercial premises' rentals rose in the city centre, whilst remaining stable over the city as a whole, which has generally meant an improved competitive position compared to other benchmark cities in the area including Europe, the Middle East and Africa.



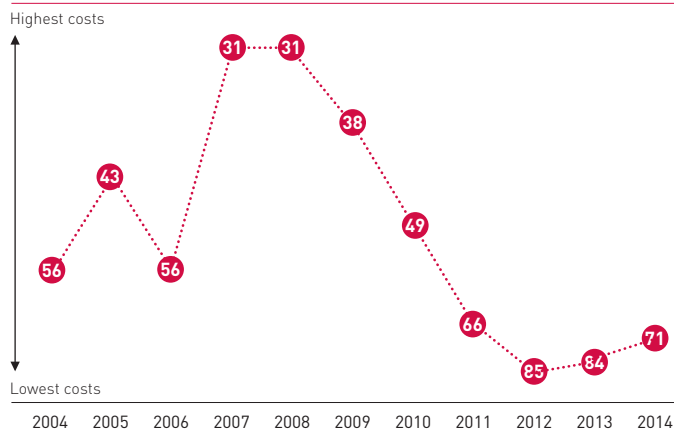
## Cost of living in cities around the world in 2014

### The cost of living got more expensive in Barcelona in 2014 due to a stronger Euro

Barcelona rose in the ranking of costs of living in the world in 2014 for the second consecutive year. According to an annual study by Mercer Human Resource Consulting, developed from an analysis of more than 200 products and basic services in 211 cities in the world, Barcelona was in 71<sup>st</sup> position in the world in 2014, up 13 positions on the previous year. It's worth remembering that during the crisis Barcelona dropped 54 positions in this cost of living ranking, from 31<sup>st</sup> position in 2008 to 85<sup>th</sup> in 2012. As such, the increases seen in 2013 and 2014 -although a relative rise in costs of living- still means the city is in a more competitive position than before the recession.

This situation is not unique to Barcelona, as most large European cities have also risen up the ranking. This is the case for cities like Paris, Rome, Milan and London, which climbed between 10 and 13 positions each last year. The fact that the Euro got stronger in relation to the Dollar between the middle of 2012 and 2014 explains why the majority of European cities saw increases in their costs of living in the last two years, because this comparative study is made against New York. In the case of Barcelona, the rising cost of living is basically due to the effect of the exchange rate, because prices and wage costs levelled off in 2014. Suffice to say that the average annual provincial rate of inflation in Barcelona was +0.3%. However, overall, Barcelona remains in a competitive position compared to major cities in Europe and the world.

#### Barcelona's position



Source: Mercer Human Resource Consulting, *Worldwide Cost of Living Survey. City rankings 2014*

Ranking 2013	City	Ranking 2014
1	Luanda	1
4	N'Djamena	2
6	Hong Kong	3
5	Singapore	4
8	Zurich	5
7	Geneva	6
3	Tokyo	7
9	Bern	8
2	Moscow	9
14	Shanghai	9
15	Beijing	11
25	London	12
22	Victoria	13
13	Seoul	14
17	Copenhagen	15
24	New York	16
29	Shenzhen	17
32	Tel-Aviv	18
21	Libreville	19
33	Kinshasa	20
11	Oslo	21
45	Noumea	22
12	Osaka	23
35	Guangzhou	24
36	Lagos	25
9	Sydney	26
37	Paris	27
40	Brazzaville	28
39	Bamako	29
41	Milan	29
44	Rome	31
48	Vienna	32
16	Melbourne	33
46	Conakry	34
23	St. Petersburg	35
49	Abuja	36
18	Perth	37
42	Stockholm	38
52	Amsterdam	39
51	Dakar	40
26	Nagoya	41
55	Helsinki	42
38	Abidjan	42
46	Douala	44
55	Yaounde	45
57	Baku	46
69	Nanjing	46
65	Qingdao	48
19	Sao Paulo	49
67	Tianjin	50
84	Barcelona	71

Source: Mercer Human Resource Consulting, *Worldwide Cost of Living Survey. City Rankings 2014*

# Corporation tax and VAT in countries across the world in 2014

## Corporate tax and VAT rates are still above the European average

The VAT rate remained stable at 21% in Spain in 2014, following an increase on the 1st of January 2012, and it is still in the upper-to-middle range bracket in Europe; above Germany (19%) and France (20%), but below Italy (22%) and Portugal (23%). Unlike last year, this year there have been few changes to the VAT rate in general; only Japan increased its rates from 5% to 8% and India from 13% to 14%, according to KPMG's Corporate Tax Rate Survey report.

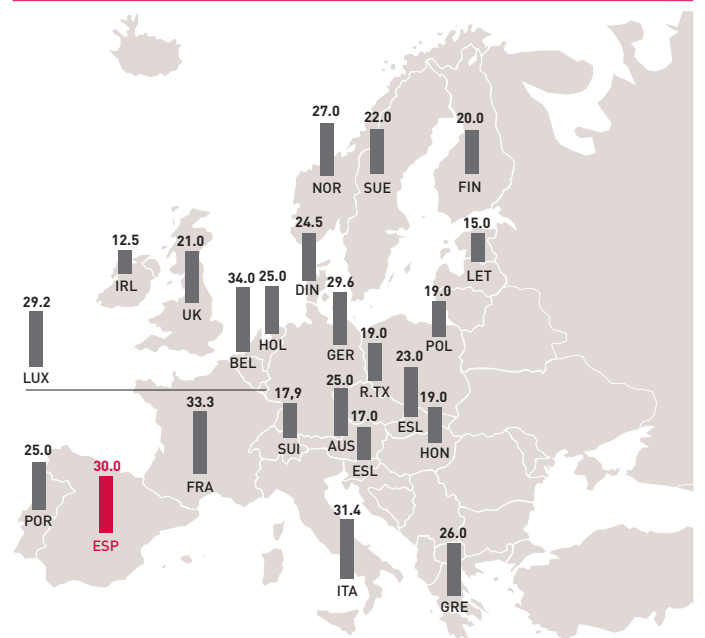
Regarding corporate tax, Spain also kept its rates stable at 30% in 2014, putting it alongside countries with rates above the European Union average (21.34%). However, the corporate tax rate will drop to 28% in Spain in 2015 and 25% in 2016. The corporate tax rate was stable in virtually all the countries included in the survey in 2014, except for one or two countries, like Japan, where it dropped to 35.6% but it remained the country with the second highest rates after the United States, and also Tunisia, Norway, Portugal, Finland, the UK and Slovakia.

According to a study by PwC and the World Bank called *Paying Taxes 2014*, Spain's firms paid a total tax rate of 58.6% in 2012, higher than the average for other European countries. This positive differential means Spain's competitive positioning against other countries is unfavourable in terms of company taxation, but this differential will decrease as from 2015. It is worth noting that 36.2% of companies' tax bills are for corporate tax, while 62.8% is related to the costs of labour and national insurance, while the remaining 1.1% is due to other taxes.

Country	Tax Base VAT (%)	Country	Corporate Tax Base (%)
Hungary	27	United States	40.0
Norway	25	Japan	35.6
Denmark	25	Argentina	35.0
Sweden	25	Belgium	34.0
Finland	24	India	34.0
Greece	23	France	33.3
Portugal	23	Italy	31.4
Poland	23	Australia	30.0
Ireland	23	<b>Spain</b>	<b>30.0</b>
Italy	22	Germany	29.6
Slovenia	22	Luxembourg	29.2
Argentina	21	South Africa	28.0
Belgium	21	Norway	27.0
<b>Spain</b>	<b>21</b>	Canada	26.5
Netherlands	21	Israel	26.5
Czech Republic	21	Greece	26.0
Latvia	21	Tunisia	25.0
France	20	Austria	25.0
Austria	20	Netherlands	25.0
Slovakia	20	China	25.0
United Kingdom	20	Denmark	24.5
Germany	19	South Korea	24.2
Cyprus	19	Portugal	23.0
Israel	18	Slovakia	22.0
Tunisia	18	Sweden	22.0
China	17	United Kingdom	21.0
Luxembourg	15	Finland	20.0
India	14	Hungary	19.0
South Africa	14	Poland	19.0
Australia	10	Czech Republic	19.0
South Korea	10	Switzerland	17.9
Japan	8	Slovenia	17.0
Switzerland	8	Hong Kong	16.5
Canada	5	Latvia	15.0
United States	---	Ireland	12.5
Hong Kong	---	Cyprus	12.5

**Note:** The original data base contained 130 countries, although the table shows a sample of benchmark countries.  
**Source:** KPMG, KPMG's Corporate and Indirect Tax Rate Survey 2014

### Corporation Tax 2014 (%)



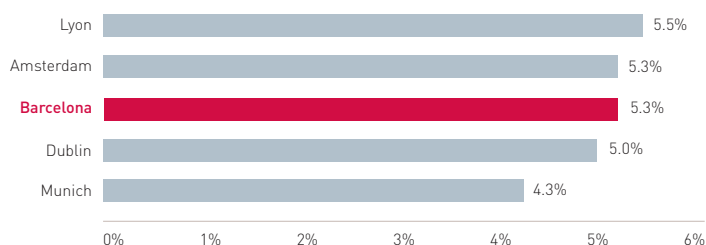
## Office rental rates for cities in Europe, the Middle East and Africa in 2014

### Prices stabilized in Barcelona after four years of decline

The price per square metre of office rentals in Barcelona stood at 213 Euros a year in 2014, according to the report *EMEA Rents and Yields* by Richard Ellis. The price remained stable compared to the previous year, breaking a downward spiral that had lasted four years. This price trend means Barcelona stays in 45<sup>th</sup> position out of a total of 58 selected cities in Europe, the Middle East and Africa, and, therefore, it is in the lower band of European capitals with the lowest office rental prices. Cities with the highest office rental prices (above 800 Euros per square metre) are London and Paris. Madrid is in an intermediate position in the ranking with a rental price of 303 Euros per m<sup>2</sup> for offices.

The development of prices compared to the previous year shows three clear segments. In 18 cities, office rental prices increased in 2014, 26 remained stable, among them Barcelona, and 14 saw falls in prices. The biggest increases were recorded in Dublin, Belfast and London, while the most notable falls were in St. Petersburg, Moscow and Kiev. Importantly, the yields obtained from office rentals in Barcelona, according to CB Richard Ellis, is 5.3%, very similar to cities like Lyon and Amsterdam, among others.

### Office yields in European cities (IV QUARTER 2014)



**Note:** The yield refers to the return on investment in the offices sector in each city.

**Source:** CB Richard Ellis, *EMEA Rents and Yields Q4 2014* (EMEA: Europe, Middle East & Africa)

Ranking	City	Office rentals (€/m <sup>2</sup> )	Inter-annual var (%)
1	London West End	1,560	12.5
2	London city	867	8.7
3	Paris	800	0.0
4	Geneva	749	-5.3
5	Moscow	744	-25.0
6	Zurich	686	-2.9
7	Dubai	678	0.0
8	Stockholm	496	6.8
9	Milan	490	2.1
10	Dublin	484	28.4
11	Oslo	469	9.0
12	Frankfurt	468	2.6
13	Istanbul	446	0.0
14	St. Petersburg	438	-33.8
15	Manchester	430	3.3
16	Abu Dhabi	416	2.8
17	Birmingham	416	5.3
18	Edinburgh	409	3.5
19	Helsinki	408	3.0
20	Munich	396	1.5
21	Glasgow	395	5.6
22	Bristol	388	1.8
23	Rome	380	-5.0
24	Amsterdam	345	1.5
25	Düsseldorf	312	-5.5
26	Vienna	309	2.0
<b>27</b>	<b>Madrid</b>	<b>303</b>	<b>3.1</b>
28	Warsaw	300	-3.9
28	Marseille	300	11.1
30	Gothenburg	295	3.7
31	Hamburg	294	2.1
32	Brussels	285	0.0
33	Berlin	270	0.0
34	Tel Aviv	268	-2.8
35	Athens	264	0.0
36	Lyon	260	-3.7
37	Kiev	248	-24.2
38	Budapest	240	0.0
39	Prague	234	-2.5
40	Rotterdam	225	0.0
41	Lisbon	222	0.0
42	Copenhagen	222	-1.5
43	Lille	220	0.0
44	Bucharest	216	0.0
<b>45</b>	<b>Barcelona</b>	<b>213</b>	<b>0.0</b>
46	The Hague	210	0.0
47	Belfast	208	20.0
48	Utrecht	205	0.0
49	Bratislava	192	0.0
50	Belgrade	186	3.3
51	Vilnius	180	7.1
52	Tallinn	180	9.1
53	Aarhus	171	-1.9
54	Zagreb	171	-5.0
55	Johannesburg	159	5.7
56	Riga	156	0.0
57	Oporto	144	0.0
58	Thessaloniki	126	0.0

**Source:** CB Richard Ellis, *EMEA Rents and Yields Q4 2014* (EMEA: Europe, Middle East & Africa)

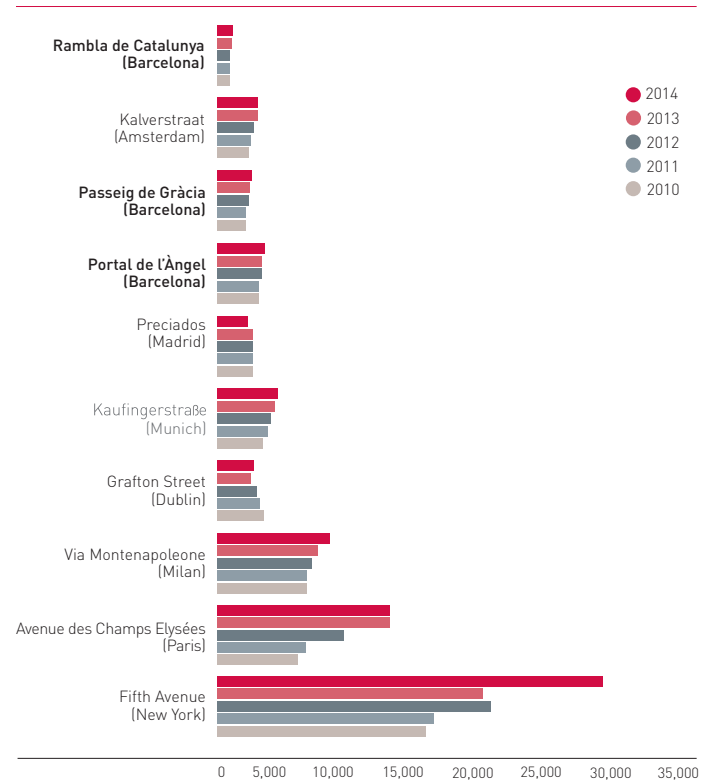
## Rental rates for retail and commercial premises around the world in 2014

### Prices rise in the centre, but remain stable in the city as a whole

According to the study *Main Streets Across the World* by Cushman & Wakefield 2014-2015, Barcelona's main high street Portal de l'Àngel is again the most expensive street in the city and Spain as a whole, and it is positioned 14<sup>th</sup> in the world ranking of most expensive retail space, up one place compared to the previous year. Specifically, shop rentals in Portal de l'Àngel are € 3,240 /m<sup>2</sup>/ year, while the most expensive cities for shop rentals are Champs Elysees in Paris and New Bond Street in London, where retail prices are 4 and 3 times more expensive, respectively. Rental prices have increased in the most attractive areas: Portal de l'Àngel's prices rose by 1.9%, and 4.7% in Passeig de Gràcia, and 5.9% in Rambla Catalunya. In Spain, the second most expensive street was calle Preciados in Madrid which costs € 2,940/m<sup>2</sup>/year, while the third most expensive was again Barcelona's Passeig de Gràcia, whose average price was 2,700 €/m<sup>2</sup>/year. Barcelona's lofty position amongst the best luxury shopping reflects the high rentals being paid in the city centre, which is due to a lack of available premises and the strong sales performances in this area, especially those by foreign tourists.

According to a Richard Ellis report called *EMEA Rents and Yields*, the fourth quarter of 2014 saw retail rental prices in Barcelona standing at 2,196 Euros per square metre per year. Prices remained stable compared to the previous year, showing Barcelona is very competitive when compared to the main shopping cities in Europe, like Paris or London, where the price per square metre exceeds 11,000 Euros/m<sup>2</sup>/year. Even when compared with other similar cities like Zurich, Milan and Berlin, prices in Barcelona are much lower.

Price of retail rental premises (€/m<sup>2</sup>/ year)



Source: Cushman & Wakefield, *Main Streets Across the World 2014-2015*

2013	2014	Country	City	Street	Rentals retail premises (€/m <sup>2</sup> /year)
-	1	United States	New York	Upper 5th Avenue	29,822
1	2	Hong Kong (China)	Hong Kong	Causeway Bay	23,307
3	3	France	Paris	Avenue des Champs-Élysées	13,255
4	4	United Kingdom	London	New Bond Street	10,361
8	5	Australia	Sydney	Pitt Street Mall	8,658
6	6	Italy	Milan	Via Montenapoleone	8,500
5	7	Japan	Tokyo	Ginza	8,120
9	8	South Korea	Seoul	Myeongdong	7,942
7	9	Switzerland	Zurich	Bahnhofstrasse	7,456
12	10	Russia	Moscow	Stoleshnikov	4,749
10	11	Austria	Vienna	Kohlmarkt	4,440
11	12	Germany	Munich	Kaufingerstraße	4,380
13	13	China	Beijing	Wangfujing	4,100
<b>15</b>	<b>14</b>	<b>Spain</b>	<b>Barcelona</b>	<b>Portal de l'Àngel</b>	<b>3,240</b>
21	15	Colombia	Bogota	Shopping Centre	3,135
16	16	Singapore	Singapore	Orchard Road	3,087
18	17	Norway	Oslo	Karl Johans Gate	3,081
17	18	Netherlands	Amsterdam	Kalverstraat	2,900
14	19	Brazil	Sao Paulo	Iguatemi Shopping	2,714
29	20	Turkey	Istanbul	Bagdat Caddesi and Istiklal Street	2,660
19	21	Malaysia	Kuala Lumpur	Pavilion KL	2,649
23	22	Ireland	Dublin	Grafton Street	2,529
22	23	Canada	Toronto	Bloor Street	2,478
27	24	New Zealand	Auckland	CBD	2,443
25	25	Denmark	Copenhagen	Strøget	2,384
30	26	Taiwan	Taipei	ZhongXiao E. Road	2,361
26	27	Czech Republic	Prague	Na Prikope/Wenceslas Square	2,220
36	28	United Arab Emirates	Dubai	Shopping Centre	2,204
31	29	Greece	Athens	Ermou	2,160
20	30	Israel	Tel Aviv	Ramat Aviv	2,105
28	31	India	New Delhi	Khan Market	2,070
32	32	Finland	Helsinki	City Centre	1,968
24	33	Ukraine	Kiev	Kreschatik Street	1,900
33	34	Vietnam	Ho Chi Minh City	Shopping Centre	1,805
34	35	Belgium	Brussels	Rue Neuve	1,750
35	36	Sweden	Stockholm	Biblioteksgatan	1,636
37	37	Lebanon	Beirut	ABC Centre Achrafieh	1,583
38	38	Luxembourg	Luxembourg	Grand Rue	1,500
40	39	Kazakhstan	Almaty	Shopping Centre	1,330
42	40	Hungary	Budapest	Váci utca	1,140
43	41	Portugal	Lisbon	Chiado	1,110
44	42	Argentina	Buenos Aires	Florida	1,064
46	43	Thailand	Bangkok	City Centre	1,025
45	44	Poland	Warsaw	ul. Nowy Swiat	1,020
-	45	Serbia	Belgrade	Kneza Mihaila	1,020
41	46	South Africa	Cape Town	W&A Waterfront	1,009
-	47	Qatar	Doha	Shopping Centre	965
51	48	Peru	Lima	Shopping Centre	950
48	49	Channel Islands	St Helier	King Street	879
51	50	Mexico	Mexico City	Masaryk Avenue	874
50	51	Lithuania	Vilnius	Shopping Centre	864
47	52	Indonesia	Jakarta	Shopping Centre	791
61	53	Bahrain	Manama	Shopping Centre	756
56	54	Ecuador	Quito	Av Naciones Unidas (Shopping centre)	665
54	55	Slovakia	Bratislava	Shopping Centre	660
53	56	Slovenia	Ljubljana	Dopova	660
55	57	Romania	Bucharest	Bulevardul Magheru	600
49	58	Oman	Muscat	Shopping Centre	543
57	59	Latvia	Riga	Shopping Centre	540
59	60	Bulgaria	Sofia	Vitosha Blvd	528
59	61	Macedonia	Skopje	Shopping Centre	480
63	62	Philippines	Manila	Makati CBD	402
62	63	Estonia	Tallinn	Shopping Centre	360
64	64	Jordan	Amman	City Centre (BCD)	317
-	65	Cyprus	Nicosia	Makarios Avenue	216

Note: This ranking includes only the most expensive shopping street in each country.

Source: Cushman & Wakefield, *Main Streets Across the World 2014-15*



## Industrial land rentals in cities in Europe, the Middle East and Africa in 2014

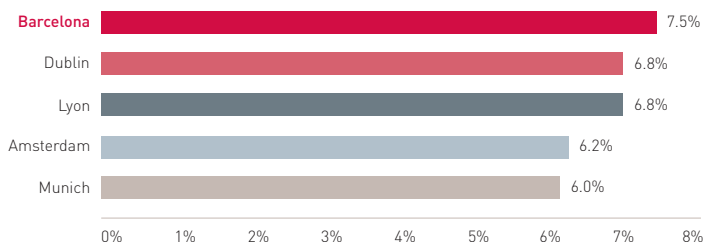
### Prices remain stable for the second consecutive year in Barcelona

The rental price of industrial land in Barcelona was 72 Euros per square metre in 2014, according to the report *EMEA Rents and Yields* by Richard Ellis. Barcelona is in the middle of a group of 49 cities analyzed in Europe, the Middle East and Africa, below important cities like London, Geneva, Zurich, Stockholm, Munich and Amsterdam.

Industrial land rental prices have remained stable in Barcelona for the second consecutive year, after years of decline, which is related to a general improvement in industrial activity. This trend was seen in many of the European cities analyzed, with some exceptions like Rome, Milan, Paris and Prague, where prices fell; and Berlin, Lyon and Dublin, among others, where prices rose. The most important price increases were recorded outside Europe, particularly in Dubai and Istanbul.

According to CB Richard Ellis, the rental yield of industrial land in Barcelona is 7.5%, higher than European cities like Dublin, Lyon, Amsterdam and Munich.

### Return on industrial land in European cities (IV QUARTER 2014)



Note: The yield refers to the return on investment for industrial land in each city.

Source: CB Richard Ellis, *EMEA Rents and Yields Q4 2014 (Europe, Middle East & Africa)*

Ranking	City	Interannual Var. (%)	Rental price of industrial land (€/m <sup>2</sup> /any)
1	Abu Dhabi	0.0	202.5
2	London	2.0	176.8
3	Geneva	0.0	166.3
4	Helsinki	0.0	138.0
5	Zurich	0.0	133.1
6	Oslo	0.0	131.4
7	Dubai	31.6	121.1
8	St. Petersburg	-7.7	99.2
8	Moscow	-14.3	99.2
10	Stockholm	0.0	94.9
11	Glasgow	4.0	90.2
12	Edinburgh	0.0	83.2
13	Manchester	3.5	82.5
14	Gothenburg	0.0	79.1
15	Munich	0.0	78.0
16	Istanbul	14.8	76.9
17	Amsterdam	0.0	75.0
17	Rotterdam	7.1	75.0
19	Frankfurt	0.0	74.4
20	<b>Barcelona</b>	<b>0.0</b>	<b>72.0</b>
21	The Hague	0.0	70.0
21	Utrecht	0.0	70.0
23	Hamburg	0.0	68.4
24	Dublin	8.3	65.0
25	Düsseldorf	3.9	64.8
26	Zagreb	-3.6	63.6
27	<b>Madrid</b>	<b>0.0</b>	<b>60.0</b>
28	Paris	-3.3	58.0
29	Vienna	0.0	57.6
30	Copenhagen	0.0	57.1
31	Tallinn	5.6	57.0
32	Berlin	2.2	55.2
33	Belgrade	0.0	54.0
33	Budapest	0.0	54.0
33	Vilnius	4.7	54.0
36	Johannesburg	-3.1	53.2
37	Rome	-5.5	52.0
38	Riga	0.0	51.0
39	Prague	-1.2	50.4
40	Kyiv	-20.0	49.6
41	Milan	-4.0	48.0
42	Warsaw	0.0	48.0
43	Brussels	0.0	46.0
44	Bucharest	-5.0	45.6
45	Lyon	2.3	45.0
46	Lille	-2.2	44.0
47	Bratislava	-14.1	43.8
48	Marseille	0.0	43.5
49	Athens	0.0	39.0
49	Lisbon	0.0	39.0

Source: CB Richard Ellis, *EMEA, Rents and Yields Q4 2014*

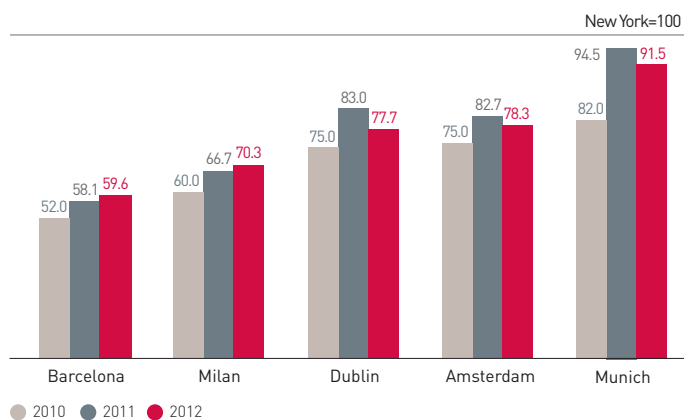
## Wage levels in cities around the world in 2012

### Barcelona remains in a mid-table position in Europe and the world

In 2012 the gross salary in Barcelona increased, although at a lower rate than the previous year. Net salaries (i.e. after taxes and social security contributions) decreased, which was different to what happened in 2011, when it rose, according to the report *Prices & Earnings Around the Globe* published by UBS, which analyzes the salary trends of 72 cities in the world compared to New York.

Salary trends in 2012 were very heterogeneous and Barcelona's ranking only changed one place, going from 30<sup>th</sup> in 2011 to 29<sup>th</sup> in 2012 in the world ranking, and from 20<sup>th</sup> to 19<sup>th</sup> in the European ranking. So Barcelona is located in the mid-band in terms of gross salary in Europe and the world, above cities like Madrid, Rome, Seoul, Dubai, Lisbon and Tel Aviv, but below Milan and Lyon.

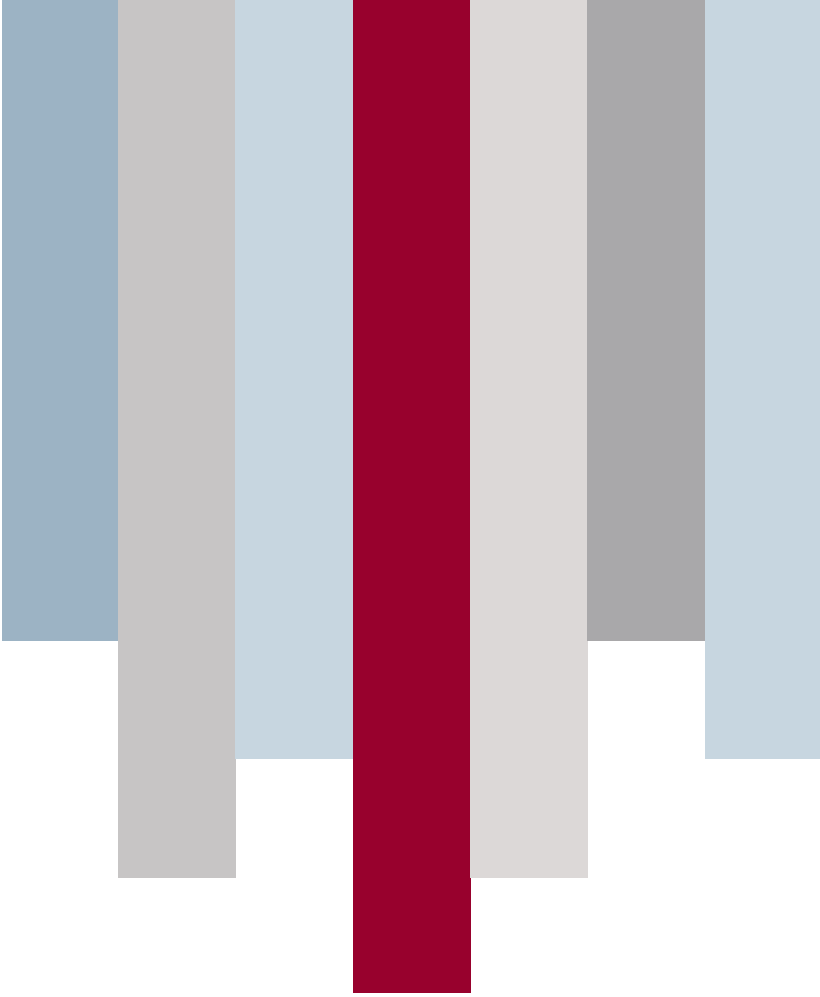
#### Gross salary index (Index New York=100)



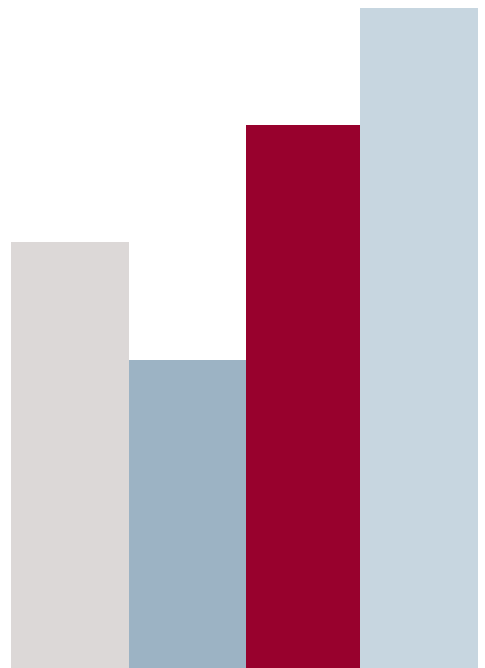
Note: The effective hourly wage is calculated from 14 professions. Net pay is calculated after taxes and social security contributions

Source: *Prices & Earnings around the globe 2012*, UBS.

Ranking 2012	Gross Salary (New York = 100)	City	Net Salary (New York = 100)
1	131.1	Zurich	132.4
2	123.6	Geneva	119.2
3	123.1	Copenhagen	93.4
4	119.1	Oslo	97.4
5	105.4	Luxembourg	109.7
6	100.0	New York	100.0
7	94.1	Sydney	98.0
8	92.4	Tokyo	90.4
9	91.5	Munich	76.0
10	88.2	Frankfurt	78.1
11	86.3	Los Angeles	80.9
12	83.3	Chicago	80.6
13	82.9	Stockholm	78.1
14	81.8	Miami	79.9
15	81.5	Brussels	59.5
16	80.2	Helsinki	74.2
17	80.2	Vienna	70.8
18	79.5	London	75.2
19	79.2	Berlin	70.1
20	78.3	Amsterdam	69.4
21	78.1	Paris	73.6
22	77.7	Dublin	78.8
23	76.8	Toronto	68.6
24	76.2	Montreal	66.2
25	70.3	Milan	61.5
26	64.2	Lyon	64.7
27	60.8	Nicosia	68.5
28	59.8	Auckland	63.5
<b>29</b>	<b>59.6</b>	<b>Barcelona</b>	<b>58.7</b>
<b>30</b>	<b>57.0</b>	<b>Madrid</b>	<b>57.9</b>
31	55.1	Rome	48.2
32	54.8	Seoul	50.2
33	49.6	Dubai	64.2
34	44.0	Lisbon	42.6
35	43.0	Tel Aviv	43.5
36	42.8	Hong Kong	49.8
37	41.5	Johannesburg	38.9
38	41.4	Athens	40.0
39	36.4	Ljubljana	32.0
40	33.3	Taipei	39.3
41	30.5	Manama	38.8
42	30.4	Moscow	33.8
43	30.1	Sao Paulo	30.5
44	28.0	Tallinn	28.3
45	27.9	Istanbul	28.2
46	27.7	Bratislava	27.3
47	27.2	Rio de Janeiro	27.5
48	26.6	Doha	34.4
49	24.5	Prague	25.1
50	24.2	Riga	21.4
51	23.8	Warsaw	21.9
52	23.6	Buenos Aires	25.4
53	22.6	Santiago de Chile	21.5
54	22.3	Bogota	22.0
55	22.2	Lima	23.1
56	21.7	Vilnius	21.2
57	21.5	Kuala Lumpur	22.0
58	20.9	Shanghai	21.6
59	20.1	Budapest	18.1
60	20.0	Caracas	23.4
61	17.0	Beijing	18.0
62	14.8	Bucharest	13.5
63	14.6	Bangkok	17.4
64	13.8	Sofia	13.6
65	13.7	Mexico	15.1
66	11.0	Cairo	12.1
67	10.5	Kiev	11.2
68	10.4	Nairobi	10.2
69	8.5	Mumbai	9.3
70	8.0	Manila	8.1
71	7.9	Jakarta	9.2
72	7.6	Delhi	8.3



## Labour market and training



## Introduction

2014's modest economic recovery in the European Union and the euro area, along with improved stakeholder forecasts, helped consolidate and stabilize employment variables, which had been marked by reductions in employment and increases in unemployment up to 2013 in most member countries. Although significant geographical differences can be seen, what is important to notice is the positive trends seen in economies like the UK (especially dynamic) and in countries in southern Europe, which have stabilized or increased employment numbers compared to the declining trends that were dominant in previous years.

This positive trend has also been seen in Catalonia, which closed 2014 with an increase in employment of about 50,000 jobs and a year-on decline in unemployment of 9.9%. However, as shown by data presented for 2013 onwards in this report- Catalonia's employment rate is below the European average and its unemployment rate is twice as high as the EU average, despite slowing; experts are predicting a slow process of employment recovery after the jobs lost during the recession.

Given this backdrop, Barcelona did create net employment in 2014 after six years of labour market adjustments that were more moderate and less intense than regions located nearby. Indeed, the city closed the year with nearly one million paid-up members of the social security system in the fourth quarter of 2014, and an activity rate of 80.9% and an employment rate of 67.6%, which is up by 8 points and 2 points on European rates, respectively, while the unemployment rate decreased to 16.4% the same year, which is still well below the averages for Catalonia and Spain.

Barcelona City Council has implemented a stimulus package to boost employment through economic growth and city promotional campaigns. These include economic development services and programmes that are part of a series of measures included in the Strategic Framework 2012-2015, which is being implemented by Barcelona Activa. The city is committed to a strategy that aims to have a positive impact on two aspects that determine the ability to reduce unemployment: the employability of people, which is defined as the adaptation of unemployed people's profiles to labour market needs, and the creation of job vacancies and employment, namely the ability of businesses in the city to generate more and better job opportunities for people.

One of the most important resources in Barcelona and its hinterlands is its large numbers of skilled and talented workforce. Importantly, in Catalonia the percentage of male and female workers with a university degree in 2013 grew to stand at 41.8% and 46.4% respectively, well above the averages seen in the European Union. Meanwhile, Barcelona is the 7<sup>th</sup> most attractive city to work abroad, according to *Decoding Global Talent Report 2014* by The Boston Consulting Group.

Finally, Barcelona continues to be a benchmark in terms of business training excellence because it is the only European city with two business schools (ESADE and IESE) in the top ten in Europe, according to the *Financial Times* and *The Economist Intelligence Unit*, with ESADE improving its already strong position in the *FT* ranking in 2015.



## Employment rate in European regions in 2013

### Employment rate decreases slow down in Catalonia

In 2013 the employment rate in the EU remained stable compared to the previous three years, while we continue to see significant differences between regions, with increases for those areas with the highest rates of employment and an overall downward trend in the majority of places that have rates below the European average.

The latter is the case of Spain and Catalonia where the respective employment rates remain amongst the lowest in the table after a fifth consecutive reduction since 2008. The rate of employment in Catalonia was 59% in 2013, with an annual decrease of 0.5 percentage points, which puts it below the European average for the fifth consecutive year. It is worth noting that this was down slightly on the reductions seen in 2012 (3 percentage points) and this keeps Catalonia's indicator above the Spanish average, which is down 4.6 percentage points, as well as regions like Rome, Montpellier and Brussels. On the other hand, the female employment rate dropped to 55.6% in Catalonia in 2013, which is not as high as the average in Europe, and which continues to fall significantly behind leading regions on the continent where it is over 70%, although Catalonia's rate is better than Spain's.

Importantly, at the end of 2014 the employment rate stood at 67.6% in Barcelona, 63.3% in Catalonia and 57.6% in Spain, which is a rise compared to the same period in 2013 of +2.2, +1.6 and +1.7 percentage points, respectively. The female year-on employment rate in Barcelona (+64.9%) grew +1.1 percentage points and remains more than 4 points above the European average.

Employment data for 2014 shows growth for the first time since the beginning of the recession across Catalonia's business sectors, according to Spain's Statistics Bureau (INE).

Employment rate (%)



Source: Eurostat and Idescat

Female employment rate (%) 2013	Variation 2013/2012 (in p.p)	Region (CITY)	Variation 2013/2012 (in p.p)	Employment rate (%) 2013
73.5	1.1	Upper Bavaria (Munich)	0.9	78.4
75.6	0.5	Stockholm (Stockholm)	0.8	77.5
74.2	-0.8	Oslo (OSLO)	-0.8	76.4
70.8	1.0	Stuttgart (Stuttgart)	0.4	75.8
71.5	-0.5	Northern Netherlands (AMSTERDAM)	-0.6	75.4
72.3	0.6	Denmark (Copenhagen)	0.5	74.4
69.2	0.7	Darmstadt (FRANKFURT)	0.3	74.0
70.9	1.1	Hamburg (Hamburg)	0.3	73.7
65.7	1.3	Prague (Prague)	1.0	73.7
72.0	-0.3	Southern Finland (Helsinki)	-0.7	73.4
67.7	-0.5	South Holland (Rotterdam)	-0.7	72.7
68.8	2.7	Eastern Scotland (EDINBURGH)	0.9	71.9
62.8	2.3	Inner London (LONDON)	1.8	69.3
66.4	3.3	Southwest Scotland (GLASGOW)	2.7	69.1
63.5	0.3	Düsseldorf (Düsseldorf)	0.0	69.0
65.7	1.0	Estonia (TALLINN)	1.4	68.5
65.7	0.4	Berlin (Berlin)	0.2	68.2
63.8	-0.1	Vienna (Vienna)	0.0	67.8
62.4	0.5	Rhône-Alpes (LYON)	0.4	66.6
63.2	0.7	Ile de France (Paris)	0.3	66.5
62.0	0.1	Greater Manchester (MANCHESTER)	-0.5	65.9
60.1	0.1	Mazowsze (Warsaw)	-0.2	65.6
62.8	0.4	Sofia (SOFIA)	-0.1	65.0
63.4	1.7	Latvia (RIGA)	2.0	65.0
57.3	1.1	Lombardy (Milan)	0.2	64.9
<b>58.7</b>	<b>0.2</b>	<b>EUROPEAN UNION</b>	<b>0.0</b>	<b>64.0</b>
62.8	1.0	Lithuania (VILNIUS)	1.7	63.7
57.6	0.1	Central Hungary (BUDAPEST)	0.6	62.8
56.5	-1.0	West Midlands (Birmingham)	-0.6	62.7
57.5	0.4	Provence-Alps-Côte d'Azur (Marseille)	0.0	62.0
57.4	-0.7	Basque Country (Bilbao)	-1.0	61.8
57.4	-1.9	Madrid (MADRID)	-1.2	61.4
56.8	0.7	South East (DUBLIN)	1.3	61.3
59.3	-1.4	Lisbon (Lisbon)	-0.7	60.5
<b>55.6</b>	<b>-0.4</b>	<b>Catalonia (BARCELONA)</b>	<b>-0.5</b>	<b>59.0</b>
50.6	1.2	South Muntenia (BUCHAREST)	1.4	58.5
48.5	-1.1	Lazio (ROMA)	-1.6	57.0
52.9	1.4	Languedoc-Roussillon (Montpellier)	1.7	56.7
<b>49.7</b>	<b>-0.9</b>	<b>Spain</b>	<b>-1.0</b>	<b>54.4</b>
47.4	-0.6	Valencia (VALENCIA)	-0.4	52.7
48.5	-0.1	Brussels (BRUSSELS)	-1.5	52.5
42.2	-2.0	Attica (Athens)	-2.0	49.7
28.1	1.5	Istanbul (ISTANBUL)	0.9	49.4
26.0	0.6	Ankara (ANKARA)	0.7	47.8

**Note:** Labour Force aged between 15 and 64. The original database contains 314 regions, although the table includes only a selected simple of benchmark regions.

**Source:** Eurostat

## Unemployment rates in European regions in 2013

### Catalonia's unemployment rate is still far from the European average

In the European Union, a modest economic recovery in the second half of 2013, which had started off in recession, meant the year ended with an unemployment rate of 10.8% in the EU-28, just 0.3 percentage points above 2012's results. The unemployment situation continues to affect southern Europe especially, in places like Spain and Catalonia, where the differentials compared to the European average continue to widen after experiencing an annual increase in unemployment of 1.4 and 0.8 percentage points, respectively.

The annual unemployment rate in Catalonia for the year ending 2013 stood at 23.4%, more than doubling the European average and a long way away from key reference regions, although still below the Spanish average (26.4%). The female unemployment rate stood at 22.8%, 0.7 points above 2012's results. Importantly, in Catalonia the female unemployment rate is slightly lower than the overall rate, while for the European Union this rate is very similar.

The fourth quarter of 2014 saw the unemployment rate standing at 16.4% in Barcelona, and 20.0% and 23.8% in Catalonia and in Spain, which in annual terms, means this indicator has gone down for the second year in Barcelona (-0.8 points) and, with greater intensity, in Catalonia and Spain (-2 percentage points in both cases). These trends show Barcelona's unemployment rate is closer to the European Union's level than the Spanish average, despite being 6 points higher.

#### Unemployment rate (%)



Female unemployment rate (%)	Region (CITY)	Unemployment rate (%)
2.6	Upper Bavaria (MUNICH)	2.6
3.1	Prague (PRAGUE)	3.1
3.7	Stuttgart (STUTT GART)	3.7
3.9	Oslo (OSLO)	3.9
3.7	Darmstadt (FRANKFURT)	4.3
4.0	Hamburg (HAMBURG)	4.8
5.4	Düsseldorf (DÜSSELDORF)	6.4
6.1	Northern Netherlands (AMSTERDAM)	6.6
6.2	Southern Finland (HELSINKI)	6.7
6.9	Stockholm (STOCKHOLM)	6.9
6.7	Eastern Scotland (EDINBURGH)	7.1
7.2	South Holland (ROTTERDAM)	7.4
7.9	Denmark (COPENHAGEN)	7.4
8.2	Mazowsze (WARSAW)	8.0
8.8	Lombardy (MILAN)	8.1
7.6	Southwest Scotland (GLASGOW)	8.3
8.2	Vienna (VIENNA)	8.4
8.4	Rhône-Alpes (LYON)	8.4
8.6	Inner London (LONDON)	8.6
8.2	Estonia (TALLINN)	8.6
8.0	Central Hungary (BUDAPEST)	8.7
8.1	Ile de France (PARIS)	8.9
14.6	Ankara (ANKARA)	9.0
8.0	Greater Manchester (MANCHESTER)	9.5
8.6	Sofia (SOFIA)	9.8
9.5	South-Muntenia (BUCHAREST)	9.9
9.2	Berlin (BERLIN)	10.6
13.9	Istanbul (ISTANBUL)	10.6
10.9	Provence-Alps-Côte d'Azur (MARSEILLE)	10.8
<b>10.9</b>	<b>EUROPEAN UNION</b>	<b>10.8</b>
10.5	Lithuania (VILNIUS)	11.8
11.1	Latvia (RIGA)	11.9
13.7	Lazio (ROMA)	12.3
10.2	South East (DUBLIN)	12.6
12.8	West Midlands (BIRMINGHAM)	12.9
13.1	Languedoc-Roussillon (MONTPELLIER)	12.9
16.0	Basque Country (BILBAO)	15.8
17.8	Lisbon (LISBON)	18.5
17.0	Brussels (BRUSSELS)	19.2
20.8	Madrid (MADRID)	20.2
<b>22.8</b>	<b>Catalonia (BARCELONA)</b>	<b>23.4</b>
<b>27.0</b>	<b>Spain</b>	<b>26.4</b>
30.3	Attica (ATHENS)	28.2
29.8	Valencia (VALENCIA)	28.6

Note: Population aged over 15. The original data base contains 314 regions, although the table shows only a group of benchmark regions.  
Source: Eurostat



# Employees with graduate studies in European regions in 2013

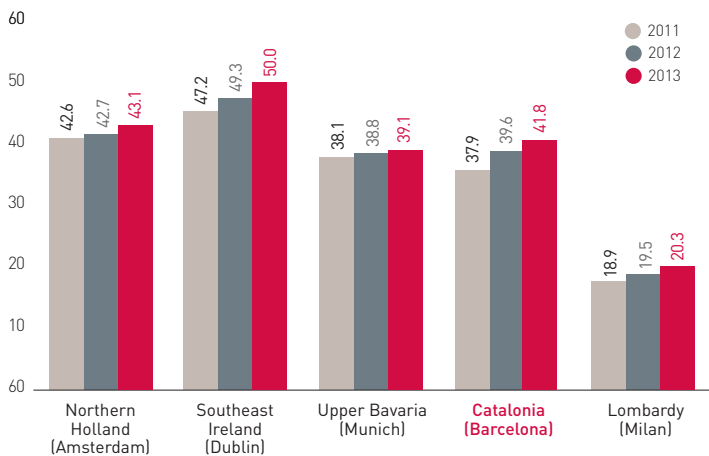
## More than 4 in 10 workers in Catalonia are graduates

According to Eurostat data, 41.8% of employees were graduates in Catalonia in 2013, an increase of 2.2 percentage points compared with the previous year. This indicator is clearly above the EU average (33.5%) and it is also higher than leading regions like Manchester, Munich, Lyon and Milan, as well as being slightly above the Spanish average (41.6%) for the first time since 2009.

The percentage of female workers with a university education in Catalonia is again higher than the total for men and women; it stood at 46.4% in 2013, after having risen 2 percentage points compared to 2012. Also, this indicator is again well above the rate for the European Union (37%) and it is also higher than the aforementioned benchmark regions, and for the first time in the last seven years it overtook the Spanish average (45.7%).

These results show Catalonia's progress in terms of training in recent years, and now the region must work towards reaching the levels of qualified workers in northern European regions.

Workers with graduate studies (% of all employed people)



Female workers with graduate studies (%)	Region (CITY)	Total workers with graduate studies (%)
72.0	Inner London (LONDON)	69.7
59.8	Basque Country (Bilbao)	55.7
60.6	Oslo og Akershus (OSLO)	55.0
58.7	Brussels (BRUSSELS)	53.3
59.5	Southern Finland (Helsinki)	53.2
53.4	Madrid (Community) (MADRID)	52.3
56.5	Eastern Scotland (EDINBURG)	51.4
55.9	South East (DUBLIN)	50.0
54.1	Stockholm (Stockholm)	48.4
53.1	Capital (COPENHAGEN)	48.4
48.6	Ile de France (Paris)	47.3
50.7	South West Scotland (GLASGOW)	46.4
47.9	Attica (Athens)	44.6
44.3	Northern Netherlands (AMSTERDAM)	43.1
50.4	Lithuania (VILNIUS)	42.4
44.5	Berlin (Berlin)	42.4
<b>46.4</b>	<b>Catalonia (BARCELONA)</b>	<b>41.8</b>
49.4	Mazowsze (Warsaw)	41.6
<b>45.7</b>	<b>Spain</b>	<b>41.6</b>
46.1	Bucharest - Ilfov (BUCHAREST)	41.2
45.1	Greater Manchester (MANCHESTER)	41.1
40.2	Prague (Prague)	40.7
47.9	Southwest (BG) (SOFIA)	39.7
40.3	South Holland (The Hague)	39.5
35.8	Upper Bavaria (Munich)	39.1
42.6	Rhône-Alpes (LYON)	39.1
43.4	Provence-Alps-Côte d'Azur (Marseille)	39.0
41.5	Valencia (VALENCIA)	37.8
40.5	Central Hungary (BUDAPEST)	37.6
45.1	Latvia (RIGA)	36.4
33.5	Darmstadt (Frankfurt am Main)	36.3
41.6	Languedoc-Roussillon (MONTPELIER)	35.9
40.7	West Midlands (Birmingham)	35.6
35.7	Vienna (AT) (VIENNA)	35.4
29.7	Stuttgart (Stuttgart)	35.2
<b>37.0</b>	<b>EUROPEAN UNION</b>	<b>33.5</b>
37.4	Lisbon (Lisbon)	31.8
26.3	Düsseldorf (Düsseldorf)	28.6
41.5	Istanbul (ISTANBUL)	27.3
30.3	Central Croatia (ZAGREB)	25.8
29.9	Lazio (ROMA)	24.6
24.3	Lombardy (Milan)	20.3
13.8	Ankara (ANKARA)	14.4

Note: % of employed population aged 25 to 64 years old with a university degree, the original data base contains 314 regions, although the table contains a reference sample of selected regions.

Source: Eurostat

## The world's most attractive cities for work in 2014

### Barcelona amongst the top ten most appealing cities to work in

According to the 2014 *Decoding Global Talent* report by The Boston Consulting Group, Barcelona is the 7<sup>th</sup> most appealing city to relocate abroad to, just ahead of Toronto, Singapore and Rome. The ranking is led by London and New York, two global business and cultural hubs that are also the most cosmopolitan and open cities for migrants in the world.

This research on the preferences of the world's workforce is based on an online survey (Global Talent Survey) that was answered by more than 200,000 people in 189 countries. The report shows the growing interest in working abroad especially among younger people, ICT professionals and engineers, with one of the main reasons for change being a desire to widen life experiences and a stronger preference for factors related to non-monetary worker satisfaction like feeling valued at work, personal relationships in the workplace or the balance between work and personal life. The attractiveness of cities, their education and public health systems are also very important competitive factors influencing global talent flows.

According to the *Scorecard on Prosperity 2014* by the Toronto Board of Trade, Barcelona is the fifth most appealing city in the world for working in and the main reasons behind this were its good weather, the proportion of the population aged 24 to 34, the low crime rates, transport efficiency, sustainability and its moderate rates of inequality in terms of income

Position	City	Result
1	London	16.0%
2	New York	12.2%
3	Paris	8.9%
4	Sydney	5.2%
5	Madrid	5.0%
6	Berlin	4.6%
<b>7</b>	<b>Barcelona</b>	<b>4.4%</b>
8	Toronto	4.2%
9	Singapore	3.9%
10	Rome	3.5%
11	Dubai	3.4%
12	Los Angeles	3.2%
13	Tokyo	2.8%
13	Munich	2.8%
15	Miami	2.6%
16	Amsterdam	2.5%
16	Vienna	2.5%
18	San Francisco	2.4%
18	Stockholm	2.4%
20	Zurich	2.2%
21	Montreal	2.1%
21	Oslo	2.1%
21	Vancouver	2.1%
24	Dublin	1.9%
25	Brussels	1.7%
25	Santiago de Chile	1.7%
25	Melbourne	1.7%
29	Copenhagen	1.6%
30	Lisbon	1.5%
30	Geneva	1.5%

**Note:** The result is the percentage of responses in which the city was named in response to the question "What cities would you consider going to work in abroad? Please give up to five answers."  
**Source:** *Decoding Global Talent*. The Boston Consulting Group, The Network.

## Best European Business Schools in 2015

### Barcelona has consolidated its position as a city of excellence in MBA education

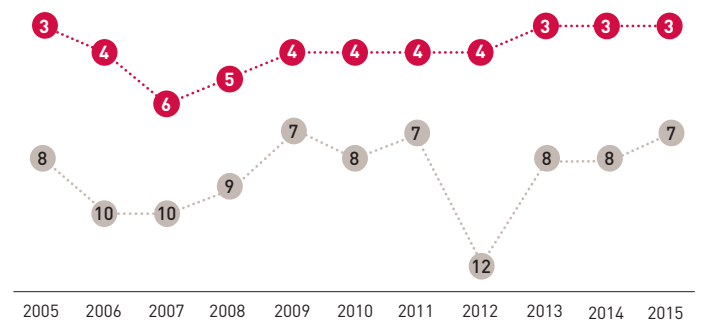
According to a *Financial Times* ranking of the Top 100 full-time MBA programmes, which is now in its 15<sup>th</sup> year, Barcelona's ESADE and IESE business schools are in the top seven positions in the European ranking and remain above renowned schools like the University of Oxford's Saïd Business School and Warwick Business School, both in England. This means Barcelona is the only city with two entries in the top 10 best business schools in Europe for the third consecutive year. These two institutions are also amongst the top twenty schools worldwide.

According to the FT, IESE held on to 3<sup>rd</sup> position for the third consecutive year in the European ranking and 7<sup>th</sup> position in the world rankings, while ESADE jumped one position on the European ranking to stand in 7<sup>th</sup> spot, overtaking IMD in Lausanne (which drops from 4<sup>th</sup> in 2014 to 8<sup>th</sup> in 2015), while in the world ranking ESADE climbed 3 positions to stand in 19<sup>th</sup> place.

Moreover, according to the 2014 full-time MBA ranking *Which MBA?* published annually by The Economist Intelligence Unit for the last 12 years, IESE is located 2<sup>nd</sup> in the European rankings and 5<sup>th</sup> in the world, while ESADE stands in 6<sup>th</sup> spot in Europe and 24<sup>th</sup> place worldwide.

Year after year these rankings show that Barcelona is consolidating its position as a city of excellence and a hub for business training at an international level.

#### Position in the European ranking



Source: Financial Times. *Global MBA Ranking 2015*

● IESE Bussines School  
● ESADE Bussines School

European ranking	Business school	City	World ranking
1	London Business School	London	2
2	Insead	Fontainebleau	4
<b>3</b>	<b>Iese Business School</b>	<b>Barcelona</b>	<b>7</b>
4	IE Business School	Madrid	12
5	University of Cambridge: Judge	Cambridge	13
6	HEC Paris	Paris	16
<b>7</b>	<b>Esade Business School</b>	<b>Barcelona</b>	<b>19</b>
8	IMD	Lausanne	20
9	University of Oxford: Saïd	Oxford	22
10	SDA Bocconi	Milan	26
11	Imperial College Business School	London	34
12	Manchester Business School	Manchester	35
13	The Lisbon MBA	Lisbon	36
14	Warwick Business School	Coventry	38
15	Rotterdam School of Management, Erasmus University	Rotterdam	45
16	Cranfield School of Management	Cranfield	45
17	City University: Cass	London	45
18	Lancaster University Management School	Lancaster	50
19	Mannheim Business School	Mannheim	55
20	ESMT - European School of Management and Technology	Berlin	63
21	Universität St Gallen	St.Gallen	67
21	University College Dublin: Smurfit	Dublin	73
23	Durham University Business School	Durham	79
24	University of Strathclyde Business School	Glasgow	80
25	University of Bath School of Management	Bath	84
26	Vlerick Leuven Gent Management School	Gant	94
27	Birmingham Business School	Birmingham	95
28	Tilburg University, TiasNimbas	Tilburg	97

Source: Financial Times. *Global MBA Ranking 2015*



# Summary

Set against a backdrop of an improving international and European economy in 2014, Catalonia's and Barcelona's economic recovery began in mid 2013. In 2015 Barcelona's economy is expected to grow even more thanks to both internal and external factors. Important internal factors are job creation, a revitalization of consumption and investment, export growth and a recovery in the real estate market. External factors that can help boost a recovery in 2015 include a depreciation of the euro, falling interest rates and a sharp fall in oil prices, together with the ECB's expansionary monetary policies and greater flexibility regarding fiscal policy.

Barcelona has taken advantage of this general economic improvement to consolidate its economic and business position at an international and European level for most of the indicators included in this Barcelona Observatory 2015 report, and even improve positions on some variables.

Given these general improvements, Barcelona jumped 15 positions in the ranking of European cities with the best prospects in 2014/2015 to stand in 7<sup>th</sup> position, according to *fDi Magazine*, above cities like Berlin, Amsterdam, Edinburgh and Paris. A survey by Eurochambres about business prospects for 2015 in Catalonia confirms these strong economic forecasts, with all variables, especially those connected with turnover (domestic sales and exports), improving significantly compared to the previous year and looking positive for 2015.

These strong prospects come in addition to other improvements on indicators related to the development of business. Business confidence of international investors in the city is strong and reflected by the fact that Barcelona is sixth in the ranking of urban regions in Europe that receive most foreign investment projects, according to an Ernst and Young study, while a KPMG ranking puts it 10<sup>th</sup> in the world again in terms of FDI. In addition, Barcelona is very competitive, according to the *Mori Global Power City Index* report, which ranked Barcelona 14<sup>th</sup> most competitive urban region in Europe in 2014.

Barcelona stands out because of its entrepreneurial spirit and business opportunities, with a rate of entrepreneurial activity (TEA) standing at 6.7% in the province of Barcelona in 2013, above rates in Germany, France and Finland. At the same time, Barcelona is the world's top city in terms of number of delegates and fourth in the world in terms of international conferences organized in 2013, according to the International Congress and Convention Association (ICCA). It is also in Europe's top 10 locations with most international and luxury retail, according to an index compiled by Jones Lang LaSalle.

In the field of knowledge and technology, Barcelona remains well positioned in Europe and internationally. Thanks to its strategy of boosting research, Barcelona has risen in the scientific output rankings from 27<sup>th</sup> position in 2005 to eleventh in the world (and fourth in Europe) in 2014, according to the annual report prepared by the Polytechnic University of Catalonia (UPC). Importantly, Catalonia's labour markets reached a critical mass in sectors with high added value in 2013: Catalonia was Europe's ninth top region with the highest number of employees in science and technology and high and medium-high technology intensity manufacturing and fifteenth in knowledge and cutting-edge technology services, despite experiencing a drop in employment in some of these activities. In terms of innovation, the results of the latest data available for 2011 show a significant increase in technology patents (35.8%) and a slight stabilization in terms of the total number of PCT patents (-0.8 %) applied for in the Barcelona area.

The tourism sector is still a driver of economic activity in the city. With very positive numbers, Barcelona is still very well positioned in terms of being a leading tourism city in Europe and internationally. The capital of Catalonia had a record number of tourists and overnight stays in 2014, an increase of 4% on the previous year for both variables, according to the city tourism board, Turisme de Barcelona. This strong performance in the tourism sector came mainly from foreign tourism and business tourism, and was also boosted by a recovery in Spanish tourism last year. Barcelona's strong position as an international tourism destination is reflected in the *Top Cities Destination Ranking 2013* by Euromonitor International, which shows the city continues to be ranked among the world's twenty-five favourite cities for tourism, and 8<sup>th</sup> in Europe. Tourism's strong performance was boosted by the city's travel infrastructure at the European level. Firstly, in 2013 the Port of Barcelona was Europe's top turnaround port for cruise ships for the thirteenth consecutive year, with 2.6 million cruise passengers (8% more than last year), according to data from Cruise Insight. Moreover, according to data from the ACI Europe's *Airport Traffic Report*, Barcelona-El Prat Airport remained among the top ten airports on the continent in terms of passenger traffic in 2014, reaching a record 37.6 million passengers (6.7% more than in 2013).

The chapter on sustainability and quality of life was changed slightly for this report by adding two new indicators: reputation and safe cities, prepared by the Reputation Institute and The Economist, respectively.

According to these sources, Barcelona had the 9<sup>th</sup> best city reputation in the world in 2014, after climbing 14 positions compared to the previous year, and it is ranked 15<sup>th</sup> safest city in the world, according to *The Safe Cities Index 2015* report which analyses urban safety in a digital world. Barcelona was declared Europe's 4<sup>th</sup> top smart city in 2013 after jumping four positions up the previous year's ranking, according to the magazine *Fast Co.Exist*. This result confirms Barcelona's leadership in the smart city movement at the international level, which is about fully integrating ecology, urbanism and technologies to improve the sustainability and quality of life of citizens. Furthermore, according to the *Guardian Cities Brand Barometer*, Barcelona had the 6<sup>th</sup> strongest global cities brand in 2014. The brand image of a city is conveyed to the outside world basically through two aspects: its assets (climate, tourist attractions, facilities and infrastructure, security levels and economic prosperity) and appearance in the media. Regarding mobility, a study called *The future of urban mobility 2.0* ranked metropolitan Barcelona's urban mobility the 20<sup>th</sup> best in the world in 2013.

Barcelona showed its prices were generally competitive when compared to other benchmark cities in the world in 2014. Barcelona remains a city with a moderate cost of living compared to other European and world cities, even climbing positions in the global ranking, according to Mercer Human Resource Consulting. In terms of salaries, the capital of Catalonia remains in a mid-table position in terms of gross wage levels in Europe and the world, above cities like Rome, Seoul, Dubai, Lisbon and Tel Aviv. At the same time, Barcelona is internationally appealing because of its competitive rental prices of industrial land, offices and retail premises, which makes it attractive and competitive for business compared to other reference cities in the world. However, in the field of taxation, Barcelona's position is less competitive, with its rate of corporation tax and VAT above the average rates in the European Union. However, we should bear in mind that tax rates will fall in 2015 and 2016 thanks to tax reforms passed by the Spanish government.

In the field of higher education, Barcelona is still a benchmark in business education in 2015, being the only city with two schools (ESADE and IESE) in the ranking of top ten business schools in Europe for the third consecutive year, according to *The Financial Times*. Barcelona is also known for its highly-qualified human capital. The percentage of workers in Catalonia that have graduate studies is still clearly above the EU average (41.8% and 33.5%, respectively) and this rate is also above the Spanish average (41.6 %) for the first time since 2009, according to Eurostat for 2013.

Regarding labour markets, 2014 saw improvements in line with economic recovery. Barcelona created net jobs in 2014, after six years of labour adjustments, although unemployment rates remain well above the European average. Moreover, according to the 2014 *Decoding Global Talent* report by The Boston Consulting Group, Barcelona is the world's 7<sup>th</sup> most attractive city to work abroad, just ahead of Toronto, Singapore and Rome.

For the fifth consecutive year the *Barcelona Observatory* report includes a special report called the *Business climate in the Metropolitan Area of Barcelona (AMB)*, which analyzes changes in business activity in 2014 and forecasts the results of the main business variables for the first quarter of 2015. This analysis shows a continued economic recovery during 2014 and the best results of the Business climate survey in the AMB since 2009. Business performance improved in the AMB for the second consecutive year in 2014, despite still being slightly negative, with prices levelling off, employment improving significantly in the second quarter and investment also improving with positive numbers across all sectors in the AMB, with the exception of the construction sector. These strong results were seen across all the sectors analyzed in the survey. The hotels and restaurants sector was the only one that recorded a positive balance in terms of annual business performance and employment, while construction improved most, although its numbers are still the most negative. For the first quarter of 2015, company executives expect business performance to continue improving in the AMB, particularly in the industrial sector.



	Global competitiveness of cities 2014	European cities of the future 2014-2015	Entrepreneurial activity rate <sup>1,2</sup> 2013	Business export forecasts <sup>1,3</sup> 2015	Foreign investment projects 2013	Attractiveness for international retailers 2015	Delegates at international meetings 2013	Workers in mid-to-high and high technology intensity manufacturing <sup>2</sup> 2013	Workers in science and technology <sup>2</sup> 2013	Scientific output 2014
1	London	London	Brazil	Portugal	Greater London	London	<b>Barcelona</b>	Stuttgart	Paris	Beijing
2	New York	Helsinki	Argentina	Spain	Ille-de-France	Paris	Amsterdam	Milan	London	London
3	Paris	Eindhoven	China	Latvia	Düsseldorf	Moscow	Istanbul	Munich	Madrid	Shanghai
4	Tokyo	Cambridge	Latvia	Serbia	Darmstadt	Milan	Vienna	Karlsruhe	Lyon	Seoul
5	Singapore	Dublin	United States	Slovenia	Uusimaa (Helsinki)	Madrid	Singapore	Istanbul	Warsaw	Tokyo
6	Seoul	Munich	Hungary	Italy	<b>Barcelona</b>	Rome	London	Torino	Istanbul	New York
7	Amsterdam	<b>Barcelona</b>	Slovakia	Bulgaria	Stuttgart	Istanbul	Paris	Düsseldorf	Milan	Boston
8	Berlin	Berlin	Poland	Estonia	Freiburg	Munich	Berlin	Paris	Munich	Paris
9	Hong Kong	Amsterdam	Netherlands	Greece	Dublin	Berlin	Seoul	<b>Barcelona</b>	<b>Barcelona</b>	Madrid
10	Vienna	Reading	Sweden	<b>Barcelona</b>	Istanbul	<b>Barcelona</b>	Lisbon	Bologna	Seville	Toronto
11	Frankfurt	Edinburgh	Switzerland	Turkey		Amsterdam	Milan	Frankfurt	Berlin	<b>Barcelona</b>
12	Zurich	Vienna	EU average	Lithuania		Hamburg	Madrid	Cologne	Stuttgart	Baltimore
13	Sydney	Glasgow	United Kingdom	Slovakia		St. Petersburg	Kuala Lumpur	Lyon	Cologne	Cambridge-Ma
14	...	Rotterdam	<b>Barcelona</b>	Belgium		Prague	Buenos Aires	Madrid	Düsseldorf	Chicago
15	<b>27 Barcelona</b>	Lyon	Catalonia	Malta		Warsaw	Prague	Marseille	Frankfurt	Los Angeles

1 The ranking refers to a selected sample.

2 The ranking refers to regions or provinces.

3 The ranking refers to countries.

	Applications for PCT <sup>1,2</sup> 2011	Airport passengers 2014	International tourists 2013	Cruise passengers 2013	European smart cities 2013	Global city brands 2014	Best reputation 2014	Safe Cities 2015	Mobility 2013	Cost of living 2014
1	Tokyo	Londres Heathrow (LHR)	Hong Kong	Miami	Copenhagen	Los Angeles	Vienna	Tokyo	Hong Kong	Luanda
2	San José	Paris Roissy (CDG)	Singapore	Port Canaveral	Amsterdam	New York	Munich	Singapore	Stockholm	N'Djamena
3	Seoul	Frankfurt (FRA)	Bangkok	Port Everglades	Vienna	London	Sydney	Osaka	Amsterdam	Hong Kong
4	New York	Istanbul (IST)	London	<b>Barcelona</b>	<b>Barcelona</b>	Paris	Florence	Stockholm	Copenhagen	Singapore
5	Boston	Amsterdam (AMS)	Paris	Venice	Paris	Seoul	Venice	Amsterdam	Vienna	Zurich
6	Osaka	Madrid (MAD)	Macau	Southampton	Stockholm	<b>Barcelona</b>	Oslo	Sydney	Singapore	Geneva
7	Los Angeles	Munich (MUC)	New York	New York	London	Rio de Janeiro	Vancouver	Zurich	Paris	Tokyo
8	Houston	Rome Fiumicino (FCO)	Shenzhen	Galveston	Hamburg	San Francisco	London	Toronto	Zurich	Bern
9	Chicago	London Gatwick (LGW)	Kuala Lumpur	Genoa	Berlin	Las Vegas	<b>Barcelona</b>	Melbourne	London	Moscow
10	Seattle	<b>Barcelona (BCN)</b>	Antalya	Singapore	Helsinki	Dubai	Montreal	New York	Helsinki	Shanghai
11	Stuttgart	Moscow Domo-dedovo (DME)	Istanbul	New Orleans		Istanbul	Copenhagen	Hong Kong	Munich	Beijing
12	Munich	Moscow (SVO)	Dubai	Savona		Madrid	Helsinki	San Francisco	Stuttgart	London
13	Stockholm	Paris Orly (ORY)	Seoul	Seattle		Chicago	Brussels	Taipei	Berlin	Victory
14	...	Antalya (AYT)	...	Tampa		Singapore	Amsterdam	Montreal	...	...
15	<b>19 Barcelona</b>	Copenhagen (CPH)	<b>25 Barcelona</b>	Vancouver		Bangkok	Paris	<b>Barcelona</b>	<b>20 Barcelona</b>	<b>71 Barcelona</b>

1 The ranking refers to a selected sample.

2 The ranking refers to regions or provinces.

3 The ranking refers to countries.

	Corporate tax <sup>1,3</sup> 2014	Office rental prices 2014	Commercial and retail rental prices 2014	Industrial land rental prices 2014	Wage levels 2012	Employment rates <sup>1,2</sup> 2013	Unemployment rates <sup>1,2,4</sup> 2013	Employees with graduate studies <sup>1,2</sup> 2013	Labour attractiveness 2014	Business Schools 2015
1	EUited States	West London End	New York 5th Avenue	Abu Dhabi	Zurich	Munich	Munich	London	London	London-London Business School
2	Japan	London city	Hong Kong-Causeway Bay	London	Geneva	Stockholm	Prague	Bilbao	New York	Fontainebleau - Insead
3	Argentina	Paris	Paris Avenue des Champs-Élysées	Geneva	Copenhagen	Oslo	Stuttgart	Oslo	Paris	<b>Barcelona - Iese Business School</b>
4	Belgium	Geneva	London-New Bond Street	Helsinki	Oslo	Stuttgart	Oslo	Brussels	Sydney	Madrid -IE Business School
5	India	Moscow	Sydney-Pitt Street Mall	Zurich	Luxembourg	Amsterdam	Frankfurt	Helsinki	Madrid	Cambridge - University of Cambridge: Judge
6	France	Zurich	Milan-Via Montenapoleone	Oslo	New York	Copenhagen	Hamburg	Madrid	Berlin	Paris - HEC Paris
7	Italy	Dubai	Tokio- Ginza	Dubai	Sydney	Frankfurt	Düsseldorf	Edinburgh	<b>Barcelona</b>	<b>Barcelona - Esade Business School</b>
8	Australia	Stockholm	Seoul-Myeongdong	St. Petersburg	Tokyo	Hamburg	Amsterdam	Dublin	Toronto	Lausanne - IMD
9	<b>Barcelona</b>	Milan	Zurich-Bahnhofstrasse	Moscow	Munich	Prague	Helsinki	Stockholm	Singapore	Oxford - University of Oxford: Saïd
10	Germany	Dublin	Moscow-Stoleshnikov	Stockholm	Frankfurt	Helsinki	Stockholm	Copenhagen	Rome	Milan - SDA Bocconi
11	Luxembourg	Oslo	Stoleshnikov Vienna	Glasgow	Los Angeles	Rotterdam	Edinburgh	Paris	Dubai	London -Imperial College Business School
12	South Africa	Frankfurt	Munich-Kaufingerstrasse	Edinburgh	Chicago	Edinburgh	Rotterdam	Glasgow	Los Angeles	Manchester - Business School
13	Norway	Istanbul	Beijing-Wangfujing	Manchester	Stockholm	London	Copenhagen	Athens	Tokyo	Lisbon - The Lisbon MBA
14	Canada	...	<b>Barcelona-Portal de l'Angel</b>	...	...	...	...	...	Munich	Coventry - Warwick Business School
15	Israel	<b>45 Barcelona</b>	Bogotá-Shopping Center	<b>20 Barcelona</b>	<b>29 Barcelona</b>	<b>35 Barcelona</b>	<b>41 Barcelona</b>	<b>17 Barcelona</b>	Miami	Rotterdam - School of Management Erasmus University

1 The ranking refers to a selected sample.

2 The ranking refers to regions or provinces.

3 The ranking refers to countries.

4 The ranking goes from lowest to highest values







# Special report

# BUSINESS CLIMATE IN BARCELONA'S METROPOLITAN AREA (AMB)

## Situation in 2014 and forecasts for 2015

### Index

1. Situation and business climate trends in 2014
2. Factors limiting business performance in 2014
3. Situation and business outlook for the first quarter of 2015
4. Graphs and tables
5. Appendix for methodology

### Executive summary

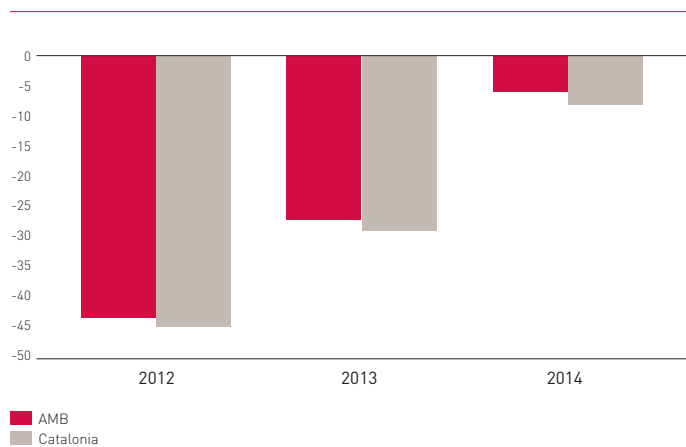
- 2014 returned the best results ever in the *Survey on the business climate* in the AMB since 2009 (when the data series began):
  - Business performance has improved notably, despite remaining slightly negative.
  - Sales prices have moderated considerably.
  - Employment improved significantly in the second quarter.
  - Investment also improved and this is now positive for all sectors in the AMB, except in the case of construction.
- These strong results are generalized to all sectors analyzed in the survey:
  - The hotel sector stands out for being the only sector that had a positive annual balance in terms of business performance and employment.
  - The sector that has reduced its negative results most was construction, even so it still has the worst performance, followed by retail and commerce.
- Regarding factors that limited business performance in 2014:
  - Weak demand remains the most mentioned factor by companies, although it was qualified as less important for the second consecutive year.
  - On the other hand, increased competition, the second most mentioned factor, gained in importance. And in the hospitality sector this factor even became as important as weak demand.
  - The third factor, financing difficulties, also became slightly less important, but this factor remains high from a historical perspective.
- Improved business performance consolidated in the first quarter of 2015, especially in the industrial sector.

## 1. Situation and business climate trends in 2014

In 2014 **business performance** improved compared to the year previous both in Catalonia and the Metropolitan Area of Barcelona, according to the *Business climate* survey carried out by the Chamber of Commerce and Idescat. Results improved noticeably after the second quarter. These show the continuity of the economic recovery during 2014, in line with Idescat's estimation of GDP growth in Catalonia, which was 0.4% for the year, and 1.5% for the fourth quarter of 2014. This has been largely thanks to a recovery in domestic demand, especially household consumption, as well as strong export results

La millora de la marxa dels negocis el 2014 és generalitzada en tots els sectors de l'enquesta. I, en comparació amb el conjunt de Catalunya, la marxa dels negocis a l'AMB ha estat una mica menys negativa l'any 2014.

**Figure 1.1. Trends in business performance across the whole economy. Situation 2012-2014. Comparison with Catalonia**  
Balance<sup>1</sup> in percentages



**Source:** Barcelona Chamber of Commerce and Idescat

<sup>1</sup>The balance is the difference between the percentage of businesses indicating that business performance was favourable and the percentage indicating it was unfavourable.

Improvements to business performance in 2014 were widespread across all sectors in the survey. Compared to the whole of Catalonia, business performance in the AMB was somewhat less negative in 2014. Despite substantial improvements to business performance in the AMB, this indicator was still slightly negative, but much less so than in 2013. In fact, the percentage of executives that said business performance was negative almost equalled the percentage that considered it positive, going from 41% in 2013 to 26% in 2014, while the percentage of leaders who considered it positive went from 15% to 21% in the same period. This improvement is seen across all sectors, but especially in hospitality, which recorded positive results, and the *other services* category, with the percentage of executives that qualified business as positive equalling the percentage that qualified business as negative, meaning it was no longer in the red.

Quarterly data show that this improvement mainly came about in the last three quarters of the year, while the first quarter recovery lost some of its intensity compared to the previous quarter. Importantly, business performance recorded a slightly positive balance in the second quarter, the first ever since the data series began in 2009.

Business performance across Catalonia overall improved, although it is still slightly more negative than in the AMB because the percentage of business leaders that noted favourable business performance was 20%, a little less than the 21% recorded in the AMB, while the percentage that indicated unfavourable business performance was 27%, higher than the 26% recorded for the AMB.

Falls in **sales prices** in the AMB continued to level off in 2014 for the second consecutive year. Although there was a slight decrease, the percentage of positive responses (rising prices) went from 7% in 2013 to 5% in 2014, and the number of negative responses (falls in prices) fell proportionally more, from 26% in 2013 to 17% in 2014. Quarterly data from the survey show a stabilization in the decline in prices throughout the year across all sectors, except industry, which saw very similar results to the previous year.

However, the latest official data show that prices were affected in the last part of 2014 by the unstoppable decline in oil prices in international markets, which led to a fall in the CPI in the province of Barcelona of 0.4% in December 2014 with respect to the same month the previous year.

**Employment** in the Metropolitan Area of Barcelona also recorded a very strong performance, with job destruction virtually stopping and these results were the best ever on this variable since the data series began in 2009, and probably since this recession started. Employment recorded an increase in the percentage of positive responses (growth in employment), from 11% in 2013 to 15% in 2014; while the percentage of negative responses fell (drop in employment), from 27% in 2013 to 19% in 2014. This improvement was seen across all sectors, but especially in the hospitality sector (a sector that has created jobs since 2014) and construction,



which managed to reduce its downward trend significantly. The quarterly results show improving employment trends took place especially in the last three quarters of 2014, especially the second and third, which recorded slightly positive results.

These fine results were in line with a change towards a generally positive trend in the labour market in 2014. Data on activity rates from EPA and membership of the social security system support the theory of a recovery in employment in Catalonia and the AMB. In Catalonia, employment rates increased by 2.1% overall in 2014, which is the first increase in employment since 2007. In 2014 the number of workers paying national insurance in the province of Barcelona grew by 3.2% compared to 2013. However, although this is good news, it is still a long way from reaching the sorts of employment levels seen before 2007, and this increase has only been able to recover 10% of the jobs lost since the beginning of the crisis.

Trends in **investment** also improved significantly compared to 2013, recording a slightly positive balance, and the best result since the start of the data series. This result was due to an increase in positive answers (increases in investment) from 18% in 2013 to 20% in 2014, while the fall in negative responses (decreases in investment), went from 31% in 2013 to 19% in 2014. All the sectors in the survey showed an improvement with positive results, with the exception of the construction sector. However, construction recorded the most notable upturn regarding drops in the overall balance between positive and negative responses in percentage points.

As mentioned, business performance was a little less negative in the AMB than in Catalonia. However, sales prices and employment were slightly more negative in the AMB than in Catalonia. And in terms of investment, both regions recorded the same slightly positive balance.

**Table 1.1. Business climate across the whole economy<sup>2</sup>.**

Comparison with Catalonia.

Whole of the economy	AMB	Catalonia
Situation in 2014		
Business performance	Unfavourable	Unfavourable
Trends in 2014 compared to 2013		
Sales Prices	● ↑	● ↑
Number of employees	● ↑	● ↑
Investment	● ↑	● ↑

Source: Barcelona Chamber of Commerce and Idescat

<sup>2</sup>Results for the overall economy are aggregated from the results for the industrial sector, construction, retail and commerce, hospitality, and other services categories. As from 2013 results for are no longer included for Spain as they are not available. INE only publishes results for the Harmonized Business Climate indicator for Spain and sectors.

- ↑ Positive and better than the previous year
- ↓ Positive and worse than the previous year
- → Positive and no change on the previous year
- ↑ Negative and better than the previous year
- ↓ Negative and worse than the previous year
- ← Negative and no change on the previous year

### Results by sector:

Improvements in business performance in the AMB in 2014 were generalized across all the sectors analyzed in the *Business climate survey*. Especially strong was the hospitality sector, which was the only sector to register a positive result, and other services, which was no longer in the red. However, the most notable improvements (the largest reductions in percentage points) were seen in the construction sector, although it still had the largest nominal negative balance, and afterwards came the retail sector, which improved thanks to the revitalization of sales in the domestic market.

The **industrial** sector<sup>4</sup> in the AMB saw improvements to all variables analyzed in 2014, reducing its negative results compared to the previous year, and especially doing well in terms of investment, which recorded a positive balance. Indeed, business performance improved in the industrial sector for the second consecutive year. In fact, the percentage of positive responses (favourable business performance) was 22%, which almost equalled the percentage of negative responses (unfavourable business performance), which was 26%. In 2013 these percentages were 20% and 32% respectively and as such a more negative result. According to INE data, industrial production also confirmed that the industrial sector's performance was slightly more positive than in 2013: industry in Catalonia ended 2014 with an annual growth on the industrial output index (IPI) of 1.3%, while it was around 1% in 2013.

<sup>3</sup>As from 2013 the question about investment on the Business climate survey is asked annually. So, we do not analyse its trend quarterly.

<sup>4</sup>As from 2013 the survey analysed all industrial branches to cover the whole industrial sector, not just manufacturing, as was done until 2012.

**Improvements** to business performance in the industrial sector was backed up by export results, which were the driving factor behind industrial activity during the last years of the recession, although in 2013 and 2014 this trend lost some of its intensity.

Survey results show a slight positive result on this variable, but not as high as the four preceding years. In 2014 the percentage of businesses saying they had experienced an increase in overseas sales was 11%, lower than the 19% seen in 2013. This is a higher figure than the percentage of business people that said exports fell, which was 10% in 2014, lower than the 11% recorded in 2013. Data from the Secretary of State for Trade shows an annual growth rate in goods exports in the province of Barcelona in 2014 of 2.7%, although this was higher than the 0.8% recorded the previous year. However, the results of the *Survey on business climate* show industrial exports from the AMB in 2014 were slightly lower than for the whole of Catalonia.

**Sales prices** recorded a fall similar to that seen the previous year. In 2014 the percentage of business executives that noted an increase in prices fell slightly to 3% (6% in 2013), while the percentage of business people who said prices had fallen went down to 14% (17% in 2013).

The industrial sector saw a significant improvement in terms of **employment**. In 2014, the overall decline in manufacturing employment also levelled off. The percentage of business people that noted an increase in employment was almost equal to the percentage that indicated a decrease (14% and 15%, respectively). The first and third quarters of the year stood out particularly, when this sector recorded a slightly positive result, meaning the percentage of business people who noted an increase in employment slightly exceeded the percentage that had indicated a decrease in employment.

However, the most notable improvement in the industrial sector was seen in terms of **investment**<sup>5</sup>. Improvements here resulted in a positive balance: the percentage of companies that indicated investment grew in fact increased (from 22% in 2013 to 25% in 2014), while the percentage indicating a decrease in fact fell (from 26% in 2013 to 17% in 2014). Therefore, this all goes to show that investment in industry rose during 2014.

The results of the survey on industry in Catalonia are better than those for the AMB, except in terms of investment. Regarding business performance and jobs, Catalonia registered a positive balance; however, this was not seen in the AMB. Regarding exports, the balance is less positive at least for the AMB and in terms of sales prices it was more negative. However, in terms of investment, the results are better in the AMB with a slightly more positive balance than in Catalonia.

**Table 1.2. Business climate in the industrial sector.**

Comparison with Catalonia.

Industrial sector	AMB	Catalonia
Situation in 2014		
Business performance	Unfavourable	Favourable
Trends in 2014 compared to 2013		
Exports	● ↓	● ↓
Sales prices	● ↑	● →
Number of employees	● ↑	● ↑
Investment	● ↑	● ↑

Source: Barcelona Chamber of Commerce and Idescat

<sup>5</sup>As from 2013 the question about investment on the *Business climate survey* is now asked once a year, therefore, there are no longer quarterly results; and the question is asked about annual investment rather than quarterly investment, as was done before.es.

- ↑ Positive and better than the previous year
- ↓ Positive and worse than the previous year
- → Positive and no change on the previous year
- ↑ Negative and better than the previous year
- ↓ Negative and worse than the previous year
- ← Negative and no change on the previous year

The **construction** sector registered the most negative results, but it also stands out as the sector that recorded most improvements across all variables analyzed, reducing negative balances in percentage points, meaning that the downward trends slowed across all variables. This was thanks to a certain recovery in construction in 2014 after a tough adjustment process that began in mid 2008. The sector appears to be back on track after seeing positive rates in the AMB in late 2014, after seven consecutive years in recession. Official data indicate this trend will continue in the construction sector for residential and non-residential construction. Residential construction has boosted the sector most: housing prices have begun to grow again, and the number of mortgages has begun to rise as has housing sales. The number of tenders for public works is growing for the second year in Catalonia.

Regarding **business performance**, the percentage of business people that have noted a favourable situation increased slightly to 11% (4% in 2013) and those that indicated a decline dropped by almost half to 36% in 2014 (67% in 2013). Although the final balance remains high, it is comparable to other sectors analyzed in the survey. Also, it is worth noting that the last quarter of 2014 registered the lowest percentage of business owners who consider business performance as unfavourable since 2009 (25%), and at the same time it was the highest percentage of business leaders that considered the situation was favourable since 2010 (19%). These quarterly results were the least negative ever in the data series (since 2009).

<sup>5</sup>As from 2013 the question about investment on the *Business climate survey* is now asked once a year, therefore, there are no longer quarterly results; and the question is asked about annual investment rather than quarterly investment, as was done before.

Falls in **sales prices** continued to level off in 2014 for the second consecutive year; and while this sector registered the most negative results of all sectors analysed, it was not as significant as happened in previous years. Thus, although the percentage of businesses in this sector saying there was an increase in prices in fact decreased slightly from 3% in 2013 to 1% in 2014, the percentage of business people saying there was a fall in prices in fact decreased by a much higher proportion, 42% in 2013 to 25% in 2014.

In terms of **occupation** there was also a clear improvement in 2014, with the negative result reduced by half compared to the previous year and in terms of quarters there was a positive trend as the year went on. So, overall in 2014, the percentage of business people indicating that employment had declined was 33% (compared to 51% in 2013) and those indicating it increased was 9% (3% the previous year).

Likewise, the trends in **investment** in 2014 improved substantially showing a much less negative balance than the previous year. 32% of business leaders believe investment has fallen, compared to 63% recorded in 2012; and 10% indicating it had increased, compared to 3% in 2013.

The results of the *Business climate survey* for the construction sector showed similar negative results in the Metropolitan Area of Barcelona and Catalonia as a whole in 2014, with the exception of employment, which saw a more negative result in Catalonia than the AMB.

**Retail and commerce** in the AMB registered a significant improvement across all the variables analyzed in 2014, but it still had the second most negative results after construction. These strong results were partly due to the strong performance of domestic sales throughout 2014. The index of retail sales, which measures trends in the sector via sales volumes, saw the first sales increase since 2010, with growth of 2.2% at constant prices.

**Table 1.3. Business climate in the construction sector.**  
Comparison with Catalonia.

Construction	AMB	Catalonia
Situation in 2014		
Business performance	Unfavourable	Unfavourable
Trends in 2014 compared to 2013		
Sales price	● ↑	● ↑
Number of employees	● ↑	● ↑
Investment	● ↑	● ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ Positive and better than the previous year
- ↓ Positive and worse than the previous year
- → Positive and no change on the previous year
- ↑ Negative and better than the previous year
- ↓ Negative and worse than the previous year
- ← Negative and no change on the previous year

Indeed, retail recorded a significant improvement in terms of **business performance** in 2014, although only the construction sector recorded a more negative result than this sector. This improvement occurred because the percentage of employers in the sector who noted an unfavourable situation in terms of business performance has decreased (from 52% in 2013 to 31% in 2014) and at the same time the percentage of business people who noted that business performance has improved in fact increased (from 10% to 21%). Business performance improved from the second quarter of the year, and even the second and fourth quarters of 2014 were positive. The fourth quarter saw the percentage of business people describing business performance as unfavourable dropping to 26%, a lower percentage than that which qualified it as favourable (28%). So the resulting balance is positive and the best since 2009.

Falls in **sales prices** slowed in 2014 compared to 2013, and the percentage of business people noting a fall also went down to 18% (26% in 2013), a larger proportion than the decrease noted by business people who said prices increased, up to 5% (7% in 2013).

Regarding **employment**, the results are far less negative in 2014 than the previous year and practically levelled off. On the one hand, the percentage of positive responses (i.e., indicating a rise in employment) remained practically the same (12% in 2014 versus 11% in 2013). On the other hand, the percentage of negative responses (reduction in employment) fell to 17% (29% in 2013). Likewise, the percentage of business people indicating a decline in the number of workers shows a similar rate to the amount indicating an increase.

**Investment** also saw a significant improvement in 2014 with a moderately positive balance leaving behind the negative results recorded since 2009 and, therefore, showing a change in trends. The percentage of business people noting an increase in investment exceeded the percentage noting a decline, 17% and 14%, respectively (compared to 20% and 27% in 2013, respectively).

The differences in terms of the results on variables in the Business climate survey for retail and commerce are very similar in the AMB and Catalonia. On the one hand, business performance was slightly less negative in the AMB than in Catalonia, and on the other hand, it was more negative in terms of sales prices and employment. Regarding investment, the result is better in the AMB, because in terms of retail the balance is already positive, while this sector in Catalonia as a whole showed a certain stabilization (0 balance between negative and positive responses).

The **hotels and restaurant** sector fared best across all the variables analyzed in the *Business climate survey 2014*, with the exception of investment. These results are in line with the strong results obtained for tourism in Catalonia during 2014, thanks mainly to increases in foreign tourism and a recovery in Spanish tourism. The number of foreign tourists increased by 7.6%, which comes after strong growth recorded in 2012 (9.9%) and 2013 (8.3%). Expenditure from foreign tourism spending increased by 6.7%. However, overnight hotel stays by foreign tourists decreased by 1%. However, a recovery in Spa-

**Table 1.4. Business climate in the retail and commerce sector.**

Comparison with Catalonia.

Retail and commerce	AMB	Catalonia
Situation in 2014		
Business performance	Unfavourable	Unfavourable
Trends in 2014 compared to 2013		
Sales prices	● ↑	● ↑
Number of employees	● ↑	● ↑
Investment	● ↑	● ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ Positive and better than the previous year
- ↓ Positive and worse than the previous year
- → Positive and no change on the previous year
- ↑ Negative and better than the previous year
- ↓ Negative and worse than the previous year
- ← Negative and no change on the previous year

resulted in a significant increase in overnight hotel stays, especially from Catalonians (11%), which more than compensated for the decline in foreign tourism overnights.

Indeed, **business performance** in the hospitality industry has not just been better than the other sectors analyzed, but it also had a moderately positive result. The hospitality sector had strong positive balances in terms of business performance in the second and third quarters of 2014. Part of these favourable outcomes came from the seasonality of the quarters, but it should be noted that the results were the same or better than the same quarter in 2013, which in turn was also quite a positive result. Thus, in the whole of 2014, 34% of business leaders described business progress as favourable, 24% higher than those describing it as unfavourable; whereas in 2013 these percentages were both 31%, resulting in stabilization in the results on this variable.

In 2014, **sales prices** continued to fall in the hospitality industry and these have virtually stopped falling. It should be mentioned, however, that in the second and third quarters prices rose, a sign of the season effects of tourism.

The number of **jobs** also trended positively in the whole of 2014, with job losses slowing and the sector already beginning to create jobs. The best trends were seen in the second and third quarters, which saw a lot of positive results. 28% of hoteliers and hospitality bosses indicated that employment had increased in 2014, a higher percentage than the 16% that had noted a decrease (compared to 19% and 20% respectively for the previous year).

However, even though **investment** showed a strong performance throughout 2014, with slightly positive balances, it did not improve on 2013's results. The percentage of business people noting an increase in investment exceeded the percentage indicating a decrease, 25% and 22%, respectively (compared to 27% and 19% respectively, in 2013). Investment is the only variable analyzed in the survey in which hospitality did not record the best result.

**Table 1.5. Business climate in the hospitality sector.**

Comparison with Catalonia.

Hospitality	AMB	Catalonia
Situation in 2014		
Business performance	Unfavourable	Unfavourable
Trends in 2014 compared to 2013		
Sales prices	● ↑	● ↑
Number of employees	● ↑	● ↑
Investment	● ↓	● ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ Positive and better than the previous year
- ↓ Positive and worse than the previous year
- → Positive and no change on the previous year
- ↑ Negative and better than the previous year
- ↓ Negative and worse than the previous year
- ← Negative and no change on the previous year

The hotel industry in the Metropolitan Area of Barcelona saw better results across all variables in the *Survey on business climate* in 2014 than the rest of Catalonia, with the exception of investment. The most important and striking results were in terms of business performance and jobs and to a lesser extent sales prices. In the case of business performance, the AMB recorded a moderately positive result (the percentage of business people indicating a favourable business performance exceeded the percentage saying it was unfavourable), while in Catalonia the results are still slightly negative. At the same time, employment also recorded a positive balance for the whole of Catalonia. The fact that tourism in Barcelona is becoming less seasonal and that there is a lot of business tourism means that the hospitality sector in the AMB performed better than the rest of Catalonia.

The other **services** sector saw an improvement across all variables analyzed in 2014. Particularly noteworthy is **business performance**, which not only improved in 2014 compared to the previous year, but also showed a positive result, with the second best results of all sectors, but behind the hospitality sector. The percentage of employers in the sector that indicated an unfavourable business performance declined from 36% in 2013 to 22% in 2014, while the percentage that indicated that it was favourable rose from 12% to 22% respectively.

The decline in **sales prices** slowed in 2014 compared to the previous year, with a decrease in the percentage of business people noting a drop in prices to 15% (23% in 2013), while the percentage of business people noting an increase remained stable for the third consecutive year (3%). Moderation is most evident in the quarterly figures: as the year progressed the falls decreased, so in the fourth quarter these percentages were 11% and 1% respectively, while in the first quarter they were 19% and 6%, respectively.

**Employment** in the other services sector also followed the same trend; the falls almost petered out with a balance close to zero. In quarterly terms, there were positive balances in the second and third quarters, and the fourth saw a stabilization in the downward trend. In 2014, 19% of business leaders indicated that employment decreased, a lower percentage than in 2013 (29%), while the percentage of business people noting growth in employment rose to 16% (12% in 2013).

**Investment** also improved compared to 2013 and there was a moderately positive result, the second best results in terms of sectors. On the one hand, the percentage of entrepreneurs indicating growth in investment was up to 22% (18% in 2013) and those pointing to a fall in fact decreased to 18% (30% in 2013).

In general, the other services sector recorded better results in the AMB than the whole of Catalonia. While business performance stabilized in the AMB, in Catalonia the results were slightly more negative. As for employment and sales prices, the balance was slightly less negative in the AMB than the whole of Catalonia. Finally, investment recorded the same positive balance in both geographical regions.

**Table 1.6. Business climate in other services sector.**  
Comparison with Catalonia.

Other services	AMB	Catalonia
Situation in 2014		
<b>Business performance</b>	Unfavourable	Unfavourable
Trends in 2014 compared to 2013		
<b>Sales prices</b>	● ↑	● ↑
<b>Number of employees</b>	● ↑	● ↑
<b>Investment</b>	● ↑	● ↑

Source: Barcelona Chamber of Commerce and Idescat

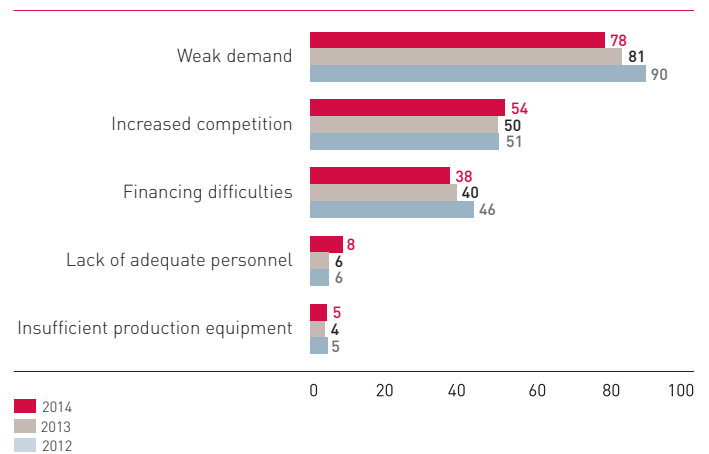
- ↑ Positive and better than the previous year
- ↓ Positive and worse than the previous year
- → Positive and no change on the previous year
- ↑ Negative and better than the previous year
- ↓ Negative and worse than the previous year
- ← Negative and no change on the previous year

## 2. Factors that limited business performance in 2014

Weak demand remains the factor most mentioned by business leaders as limiting business performance in 2014, but this factor was weighted lower for the second consecutive year. This was largely due to an increase in employment which boosted private consumption. However, increased competition was the second most mentioned factor limiting business performance and it gained importance.

At the same time, improvements to finance conditions meant this factor lost relevance and difficulty finding financing became the third most cited factor limiting business performance.

**Figure 2.1. Factors that limit business performance across the whole economy.**  
Comparison 2013-2014 (percentage)



Source: Barcelona Chamber of Commerce and Idescat

### Results by sector:

In 2014, the factor mentioned most across the Metropolitan Area of Barcelona was **weak demand**, although this factor was weighted lower for the second consecutive year. This was due in part to job creation in 2014 and this led to an improvement in domestic consumption. 78% of business leaders in the Metropolitan Area of Barcelona said that weak demand had limited business performance in 2014, slightly lower than the 81% recorded in 2013.

This factor has become less relevant for all the sectors analyzed in the *Business climate survey*, with the exception of the hospitality industry, where it gained weight (77% in 2013 to 80% in 2014). However, the construction and retail sectors remain the most affected by this factor, with 88% of business people in the construction business and 83% of retailers saying it limited their firms (lower percentages, however, than those recorded the previous year: 94% and 84%, respectively). In other sectors, this factor was also mentioned by leaders as a limiter, with the other services sector showing lower percentages, but still high, at 73%, followed by industry (78%).

The second factor most mentioned by the business leaders limiting performance was the **increase in competition**, with 54% of responses, a percentage that increased compared to 2013 (50%). However, this extra weighting occurs in retail and commerce and other services sectors. However, this percentage remained stable in the industrial sector and in construction, and it fell in the hospitality sector. However, the hospitality sector continues to have the highest percentage of business people who mentioned weak demand as a limiting factor to business performance, standing at 80%.

The third factor limiting business performance is **financing difficulties**, which was mentioned by 38% of business leaders in the AMB, a percentage that fell compared to the previous two years (46% and 40%, respectively). This reduction in importance was due to the economic recovery and improving conditions in financial markets. However, this reduction was most relevant in retail and commerce and other services sectors. In the other sectors this factor was either more or less significant. The construction sector had most business people saying they had funding difficulties, with 51% in 2014. The industrial sector, along with other services and retail, came afterwards with percentages ranging from 34% to 39%; and lastly, hospitality, where only 23% of business people mentioned this as a limiting factor.

Comparative results between sectors in the AMB and Catalonia showed the following significant differences:

- The limiting factors were practically the same between the AMB and Catalonia.
- Weak demand was a little more important in Catalonia than the AMB in 2014 (79% versus 78% respectively) and there were no notable differences between sectors.
- The percentage of business leaders mentioning increased competition as a limiting factor to business performance is exactly the same in the AMB as Catalonia, standing at 54%. However, there were big differences for some sectors:
  - In industry this percentage is much higher in Catalonia than in the AMB (50% and 40%, respectively).
  - However, for the hospitality sector this factor was much more important in Catalonia than in the AMB (80% versus 66%, respectively).
- Financing difficulties were equally important in the AMB and Catalonia (38% and 36%, respectively). While there are some differences in results across sectors:
  - In terms of hospitality, this factor was more relevant in Catalonia than in the AMB (32% versus 23%, respectively).
  - By contrast, in terms of the construction sector and industrial sector, financing difficulties are slightly more relevant in the AMB than the whole of Catalonia.

**Table 2.1. Factors that limit business performance across the whole economy.**  
Comparison with Catalonia (percentage)

Whole economy	AMB	Catalonia
Weak demand	78 ↓	79 ↓
Increased competition	54 ↑	54 ↑
Financing difficulties	38 ↓	36 ↓
Lack of adequate personnel	8 ↑	9 ↑
Insufficient production equipment	5 ↑	7 ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ **Gains importance** as a limiting factor affecting business performance compared to the previous year
- ↓ **Losses importance** as a limiting factor affecting business performance compared to the previous year
- = **Maintains importance** as a limiting factor affecting business performance compared to the previous year

**Table 2.2. Factors that limit business performance in the industrial sector.**  
Comparison with Catalonia (percentage).

Industrial sector	AMB	Catalonia
Weak demand	78 ↓	76 ↓
Increased competition	40 ↓	50 ↓
Financing difficulties	39 ↑	33 ↓
Lack of adequate personnel	7 ↑	10 ↑
Insufficient production equipment	7 ↑	10 ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ **Gains importance** as a limiting factor affecting business performance compared to the previous year  
 ↓ **Loses importance** as a limiting factor affecting business performance compared to the previous year  
 = **Maintains importance** as a limiting factor affecting business performance compared to the previous year

**Table 2.3. Factors that limit business performance in the construction sector.**  
Comparison with Catalonia (percentage).

Construction sector	AMB	Catalonia
Weak demand	88 ↓	88 ↓
Increased competition	44 =	45 ↓
Financing difficulties	51 ↑	48 ↓
Lack of adequate personnel	6 ↑	8 ↑
Insufficient production equipment	3 ↑	3 ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ **Gains importance** as a limiting factor affecting business performance compared to the previous year  
 ↓ **Loses importance** as a limiting factor affecting business performance compared to the previous year  
 = **Maintains importance** as a limiting factor affecting business performance compared to the previous year

**Table 2.4. Factors that limit business performance in the retail and commerce sector.**  
Comparison with Catalonia (percentage).

Retail and commerce	AMB	Catalonia
Weak demand	83 ↓	83 ↓
Increased competition	62 ↑	58 ↑
Financing difficulties	34 ↓	34 ↓
Lack of adequate personnel	7 ↑	7 ↑
Insufficient production equipment	5 ↑	6 ↑

Source: Barcelona Chamber of Commerce and Idescat

- ↑ **Gains importance** as a limiting factor affecting business performance compared to the previous year  
 ↓ **Loses importance** as a limiting factor affecting business performance compared to the previous year  
 = **Maintains importance** as a limiting factor affecting business performance compared to the previous year

**Table 2.5. Factors that limit business performance in the hotels and restaurant sector.**  
Comparison with Catalonia (percentage).

Hospitality sector	AMB	Catalonia
Weak demand	80 ↑	83 ↑
Increased competition	80 ↓	66 ↓
Financing difficulties	23 ↑	32 ↑
Lack of adequate personnel	8 ↓	11 ↓
Insufficient production equipment	9 ↓	11 =

Source: Barcelona Chamber of Commerce and Idescat

- ↑ **Gains importance** as a limiting factor affecting business performance compared to the previous year  
 ↓ **Loses importance** as a limiting factor affecting business performance compared to the previous year  
 = **Maintains importance** as a limiting factor affecting business performance compared to the previous year

**Table 2.6. Factors that limit business performance in the rest of services.**  
Comparison with Catalonia (percentage).

Other services	AMB	Cataluña
Weak demand	73 ↓	74 ↓
Increased competition	56 ↑	55 ↑
Financing difficulties	38 ↓	37 ↓
Lack of adequate personnel	9 ↑	9 ↑
Insufficient production equipment	4 =	5 =

Source: Barcelona Chamber of Commerce and Idescat

- ↑ **Gains importance** as a limiting factor affecting business performance compared to the previous year  
 ↓ **Loses importance** as a limiting factor affecting business performance compared to the previous year  
 = **Maintains importance** as a limiting factor affecting business performance compared to the previous year

### 3. Business outlook for the first half of 2015

Business expectations about business performance for the first quarter of 2015 are no longer negative for the first time since 2009.

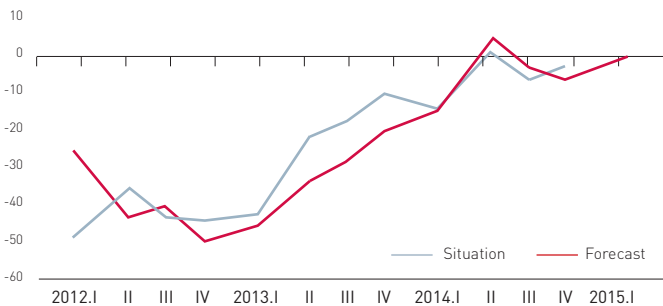
By sector, forecasts are positive in the industrial and other services sectors (not retail), and they have stabilized in retail but remain negative in the construction and hospitality sectors, the latter because of seasonal reasons.

Forecasts about business performance for the first quarter of 2015 have improved for all sectors, except for seasonal reasons in the hospitality sector.

In 2015, forecasts show Barcelona's economy will grow even faster. The factors that are contributing to this are reductions to oil prices, falling costs, the depreciation of the Euro, the city's attractiveness to tourists, and more exports outside the euro area.

The results of the *Business climate survey* show performance in the AMB could get a boost across all its sectors in the first quarter of 2015, except for hospitality due to seasonal variations. This improved business performance is in contrast to what happened in the previous quarter and what happened a year ago. Business leaders forecast positive results in the industrial sector and other services sector, and a levelling off in terms of retail and negative results in terms of construction and hospitality. These are the best business forecasts -together with the second quarter prospects in 2014- in the last four years, when there was a drop in economic activity and we entered into a second recession in the middle of 2011.

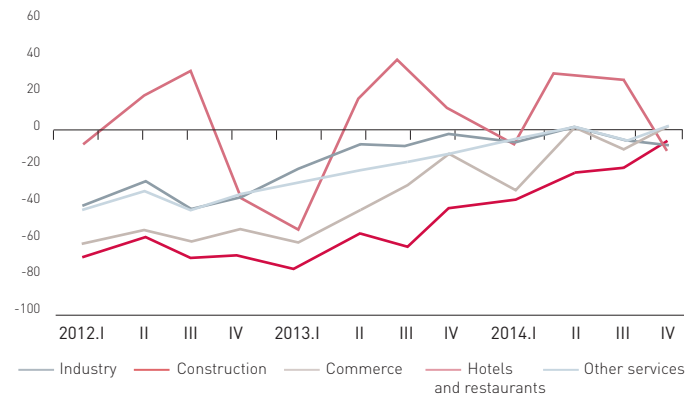
**Figure 3.1. Business performance across the whole economy.**  
(balance<sup>6</sup>, in %)



<sup>6</sup>The balance are the difference between the percentage of firms that state that business performance has been favourable and the percentage of businesses that say it was unfavourable. And in the case of forecasts, it is the difference between the percentage of firms that believe business performance will be favourable and the percentage of firms that expect it to be unfavourable.

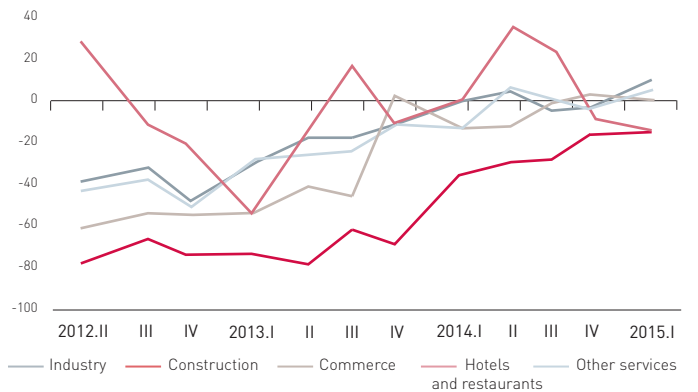
Source: Chamber of Commerce and Idescat

**Figure 3.2. Business outlook for the first quarter of 2015**  
(balance<sup>7,8</sup>, in %)



Source: Chamber of Commerce and Idescat

**Figure 3.3. Outlook for business performance, by sectors.**  
(balance<sup>7,8</sup>, in %)



<sup>7</sup>The balance for each situation is the difference between the percentage of firms that state that business performance has been favourable and the percentage of businesses that say it was unfavourable. And in the case of forecasts, it is the difference between the percentage of firms that believe business performance will be favourable and the percentage of firms that expect it to be unfavourable.

<sup>8</sup>Importantly, in the case of hospitality the results show seasonality, but the data series is too short adjust for seasonally.

Source: Chamber of Commerce and Idescat

The sectors which forecast positive business performance in 2015 during the first quarter are the industrial sector and other services sector, while the retail sector is stabilizing, i.e. the number of business executives who expect an improvement is the same as the number that expect things to get worse. While the construction sector improved notably compared to last quarter and previous years, the hospitality sector recorded a more negative result compared to previous periods.



#### 4. List of figures and tables

##### Graphs

- 1.1 Trends in business performance across the whole economy. Situation 2012-2014. Comparison with Catalonia.
- 2.1 Factors that limit business performance across the whole economy. Comparison 2012-2014.
- 3.1 Business performance in the whole economy during the first quarter of 2015.
- 3.2. Situation of business performance in the first quarter of 2015 by sectors.
- 3.3 Outlook for business performance in the first quarter of 2015 by sectors

##### Tables

- 1.1 Business climate across the whole economy. Comparison with Catalonia.
- 1.2 Business climate in the industrial sector. Comparison with Catalonia.
- 1.3 Business climate in the construction sector. Comparison with Catalonia.
- 1.4 Business climate in the retail and commerce sector. Comparison with Catalonia
- 1.5 Business climate in the hotels and restaurants sector. Comparison with Catalonia.
- 1.6 Business climate in other the services sector. Comparison with Catalonia.
- 2.1 Factors that limit business performance in the whole economy. Comparison with Catalonia
- 2.2 Factors that limit business performance in the industrial sector. Comparison with Catalonia.
- 2.3 Factors that limit business performance in the construction sector. Comparison with Catalonia.
- 2.4. Factors that limit business performance in the retail and commerce sector. Comparison with Catalonia.
- 2.5 Factors that limit business performance in the hotels and restaurants sector. Comparison with Catalonia.
- 2.6 Factors that limit business performance in the rest of services sector. Comparison with Catalonia.

## 5. Appendix on Methodology

### Sectors featured in the *Business climate survey*:

#### Industry

- 01: Food, beverages and tobacco (CCAЕ-2009: 10 to 12)
- 02: Textiles, clothing, leather and footwear (CCAЕ-2009: 13 to 15)
- 03: Wood and cork, paper and printing industries (CCAЕ-2009: 16 to 18)
- 04: Chemical, rubber and other non-metal minerals industries (CCAЕ-2009: 20 to 23)
- 05: Metallurgy and manufacturing of metal products (CCAЕ-2009: 24 and 25)
- 06: Manufacture of machinery and mechanical equipment, and electrical products, computers, electronic and optical products (CCAЕ-2009: 26 to 28)
- 07 Other industries (CCAЕ-2009: 05 09 to 19 29 to 33 35 to 39)

#### Construction

Section F of the CCAE-2009 is considered completely, with divisions:

- 41: Construction of buildings
- 42: Construction of civil engineering works
- 43: Specialised construction activities

#### Retail and commerce

- 01: Retail trade of food products, beverages and tobacco specialized (CCAЕ-2009: 472)
- 02: Retail trade of household goods, cultural and recreational goods in specialized shops (CCAЕ-2009: 475 and 476))
- 03: R&D, advertising and market research and scientific and technical activities (CCAЕ-2009: 71 to 75)
- 04: Administrative and support service activities (CCAЕ-2009: 77 to 82)
- 05: Other Services (CCAЕ-2009: 49 53, 64 66, 68, 92, 93 and 96)
- 06: Wholesale trading and intermediary trading (CCAЕ-2009: 46)

#### Hotels and restaurants

- CCAЕ-2009: 55 and 56
- 55: Accommodation Services
- 56: Food and Beverage Services

#### Other services

- 01: Information and communication (CCAЕ-2009: 58 to 63)
- 02: Legal and accounting activities (CCAЕ-2009: 69)
- 03: R&D, advertising and market research and scientific and technical activities (CCAЕ-2009: 71 to 75)
- 04: Administrative and support service activities (CCAЕ-2009: 77 to 82)
- 05: Other Services (CCAЕ-2009: 49 53, 64 66, 68, 92, 93 and 96))

