

Foreign Trade in the Barcelona Area 2013

Barcelona, May 2014



Ajuntament de
Barcelona

Barcelon **a**ctiva

Index

01	EXPORTS FROM THE BARCELONA AREA HELD STEADY IN 2013	3
02	BARCELONA, MAIN EXPORTS HUB IN SPANISH ECONOMY	5
03	EXPORTS BY SECTORS	6
04	EXPORTS BY COUNTRY	7
05	EXPORTS BY TECHNOLOGICAL INTENSITY	8
06	DROP IN IMPORTS TO BARCELONA IN 2013.....	9
07	MORE THAN 80% OF ALL IMPORTS ARE FROM EU AND ASIA	11
08	IMPORTS BY PRODUCTS	12
09	COVERAGE RATE: RELATIONSHIP BETWEEN EXPORTS AND IMPORTS	13

01 Exports from the Barcelona area held steady in 2013

In 2013, exports from the province of Barcelona totalled €45,280.2 million¹, which is the second highest level in recorded history. Sales abroad held steady year-on-year from 2012 both in Barcelona (-0.4%) and in Catalonia (-0.8%), while Spain as a whole showed growth similar to the previous year (+3.6%).

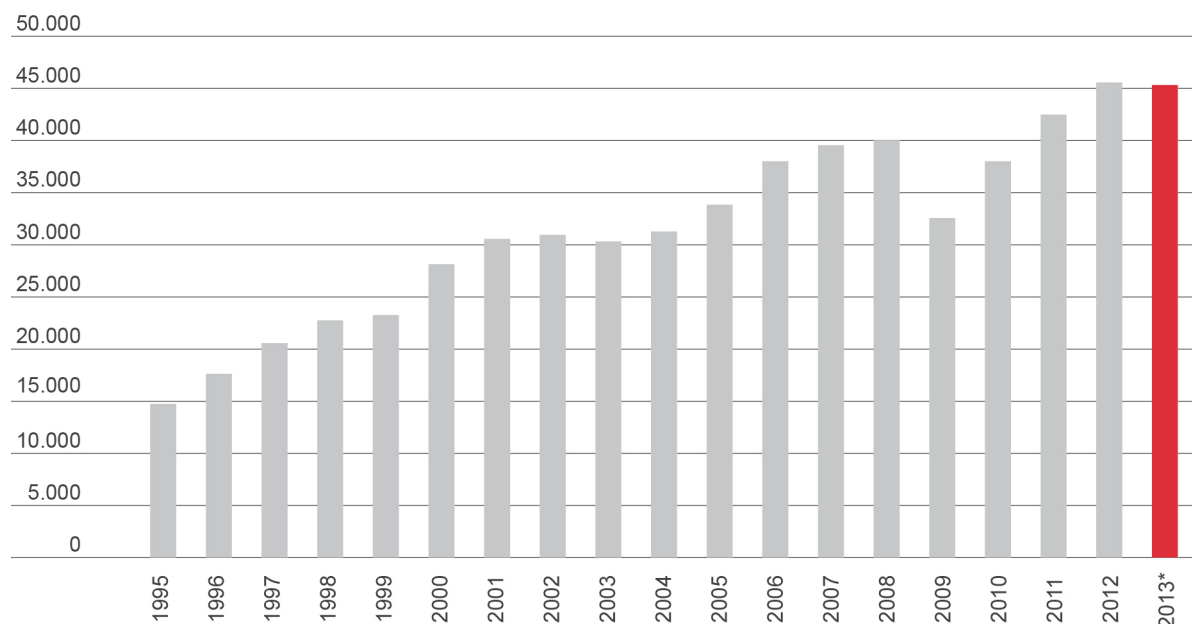
Exports. In millions of euros

	2012	2013*	Percentage of Spanish total	Variation 2013/12
Barcelona Province	45.444,27	45.28022	19,33%	-0,36%
Catalonia	58.853,25	58.358,69	24,91%	-0,84%
Spain	226.114,59	234.239,80	100%	3,59%

*Provisional data

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

Exports from the Barcelona area*



*Provincial data (in millions of euros).

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

¹ Provisional data, like all that included in this report.

Regarding the evolution of exports over the year, there was a notable drop in the first quarter (-4.8%), which is clearly related to the recession in the euro zone, while the following two quarters showed gradual improvement, up 1% and 3.2% year-on-year respectively. The fourth quarter showed a certain stagnation, with the year-on-year variation at -0.6% for that period.

Therefore, although the volume of sales abroad was above the 45,000-million mark for the second time in history, exports were somewhat stagnant in 2013 as compared to 2012. Despite this weak growth, the strong performance of foreign trade in previous years meant that the Barcelona area closed out 2013 with a total volume of exports that was 39.4% (in nominal values), higher than that of 2009.

Furthermore, the number of export companies in the province of Barcelona in 2013 was 43,487, making up 28.8% of all those in Spain (more than any other province) and 88.6% of all those in Catalonia. It must be noted that the number of export companies in the province increased 45.7% between 2008 and 2013.

Exports from the province of Barcelona in the first quarter of 2014 totalled €11,500.5 million², which is the highest level in recorded history³ for the first quarter of the year. Thus, with the European economy improving, there has been a return to the upward trend in sales abroad seen since 2009, with stronger growth in Barcelona (5.2%) than in Catalonia (4.1%) or Spain (3.2%).

Exports. In millions of euros				
	Q1 2013	Q2 2014	Percentage of Spanish	Variation 2014/13
Barcelona Province	10.935,63	11.500,49	19,70%	5,17%
Catalonia	14.112,36	14.690,07	25,16%	4,09%
Spain	56.584,55	58.392,36	100%	3,19%

*Provisional data.

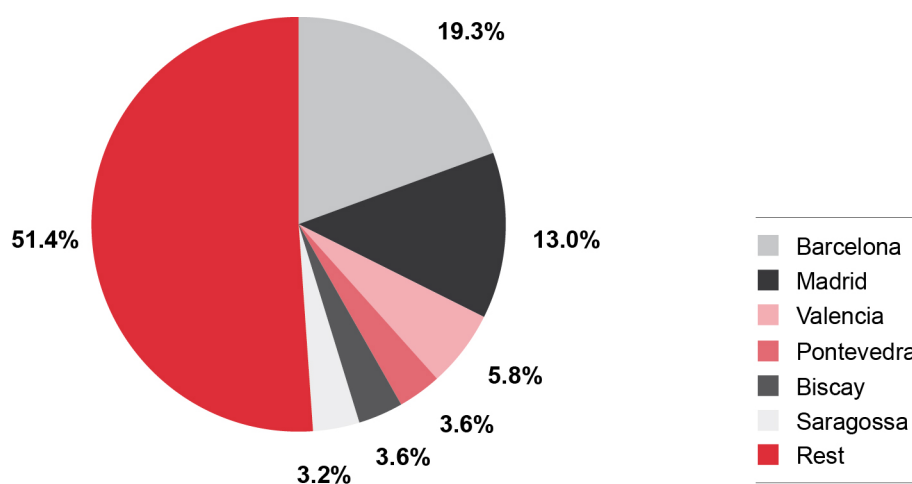
Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

³ Nominal values

02 Barcelona, main export hub in Spanish economy

In 2013, the province of Barcelona continued to lead the ranking for exports from Spain, with nearly one fifth (19.3%) of all sales abroad. Barcelona has held on to this position of leadership year after year, with its contribution surpassing the sum of exports from Madrid (13%) and Valencia (5.8%), the next two urban areas on the ranking. In any case, evolution over the past decade has led to a gradual downward trend in the relative weight of exports from the Barcelona area within the Spanish total, from the record high in 2001 of 23.6% to the current 19.3%.

Exports by large urban area* 2013 (% of Spanish total)



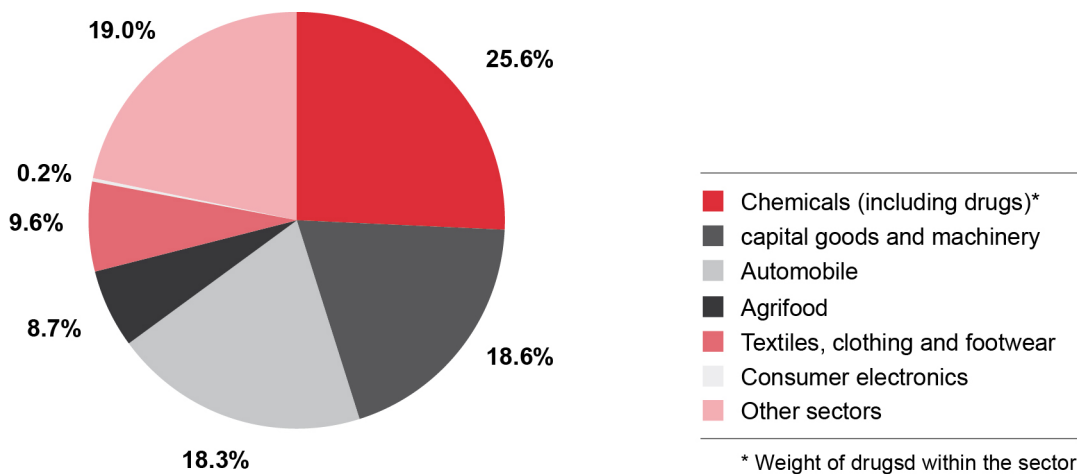
*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

03 Exports by sectors

In terms of the breakdown by sector, the chemicals sector made up more than one fourth of sales abroad from the province of Barcelona (25.6%) in 2013, with a total volume of nearly €11,600 million, followed by capital goods and machinery and the automobile sector (with 18.6% and 18.3% of the total, respectively). It must be taken into account that drug exports make up 28.3% of the chemical industry and 7.3% of the total volume of exports from the region.

Distribution by sector of exports from the Barcelona area 2013 (% of total)



*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

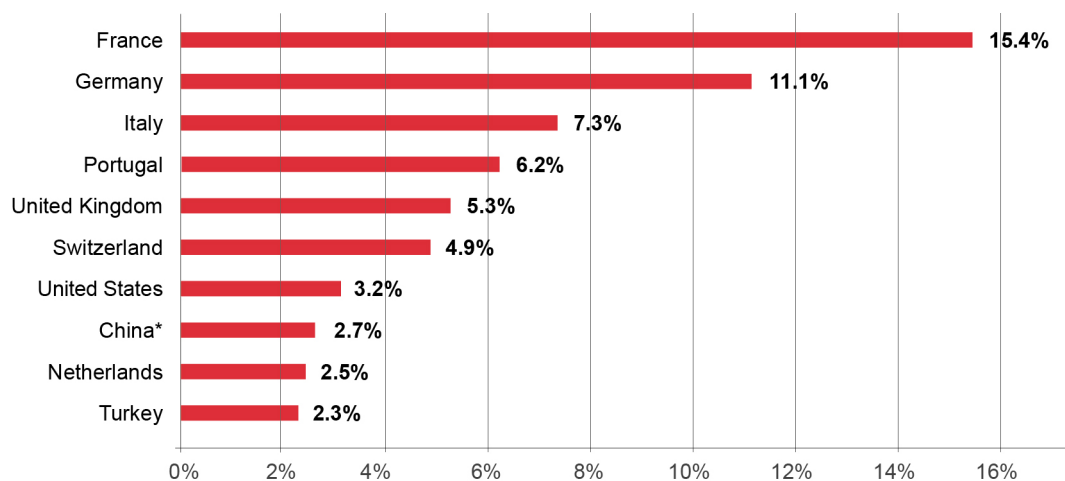
Compared to 2012, exports have shown positive growth in the textile and chemical sectors (up +13.2 and +7%, respectively). The agrifood sector posted weaker growth (+2%), while foreign sales in the automobile sector held steady. Those in the capital goods and machinery sector fell -2.6% and those in consumer electronics once again dropped significantly (-59%).

04 Exports by country

Regarding geographic distribution, in 2013 the European Union received the majority of exports from the province (58.6% of the total), with France (15.4%), Germany (11.1%) and Italy (7.3%) being the main destinations. The importance of the European Union was reinforced by a moderate rise in exports to this geographic region from 2012 (+1.5%). This growth mainly resulted from a strong increase in sales to countries in the European Union that don't use the euro as their official currency (+6.7%). However exports to the euro zone felt the effects of the stagnant economy (+0.5%) and made up less than half of all those from the Barcelona area (48.4%) for the second year in a row. This reflects the market expansion and diversification processes underway in companies that trade abroad.

In 2013, the rise in exports to the continents of Africa, Asia and Latin America was more moderate than the previous year, with year-on-year variation of +6.8%, +3.2% and +2.4% respectively, in a context in which the main emerging economies began to lose momentum. Additionally, exports to the rest of Europe and Oceania fell significantly (-12.6 and -24.8%, respectively) after posting strong numbers in 2012. In any case, the Barcelona area closed out 2013 with significant year-on-year growth in sales to non-European markets like South Africa (+24.5%), Canada (+21.2%), Chile (+13.5%), India (+8.2%) and China (+7.3%).

Countries with highest volume of exports from Barcelona area 2013 (% of total)



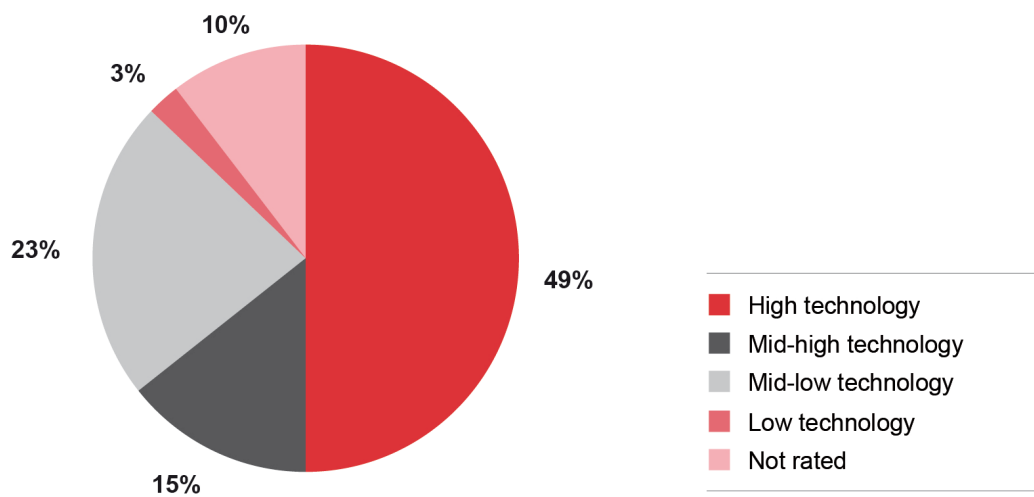
* Hong Kong and Macaco. Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

05 Exports by technological intensity

High and mid-high technology exports from the Barcelona area totalled €26,846.8 million in 2013, making up 59.3% of all sales abroad with year-on-year growth of 1.2%. The province alone generates roughly one fourth (24.9%) of all exports from Spain in this category and clearly leads the national ranking.

Distribution of exports from province of Barcelona by technological intensity (2013)



Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

06 Drop in imports to Barcelona in 2013

In 2013, the overall value of imports by companies in the province of Barcelona was €52,408.6 million, meaning that purchasing abroad fell more than €2,500 million from 2012.

Imports. In millions of euros				
	2012	2013*	Percentage of Spanish total	Variation 2013/12
Barcelona Province	54.941,06	52.408,62	20,95%	4,61%
Catalonia	69.770,08	66.627,27	26,63%	-4,50%
Spain	257.945,63	250.195,21	100%	-3,00%

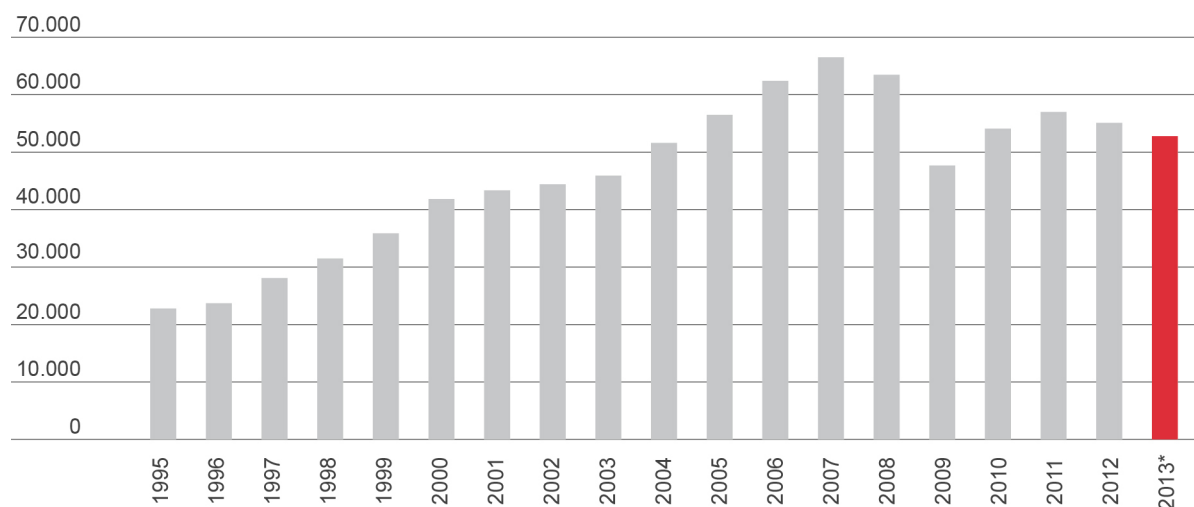
*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

The drop in the percentage of foreign purchasing in the Barcelona area from 2012 (-4.6%) is similar to that for Catalonia as a whole (-4.5%) and above that for Spain (-3%). Purchases abroad from the Barcelona area make up 20.9% of the Spanish total.

Between 1995 and 2013, imports to the province grew more than €30,000 million (for nominal growth of +136.3%). By years, the highest rate of growth in foreign purchasing took place between 1995 and 2000 (+88.4%), while from 2001 to 2007 it was +53.9% and since the beginning of the economic crisis (2008) through 2013, it fell -17.2%.

Evolution of imports to the province of Barcelona 1995-2013* (millions of euros)



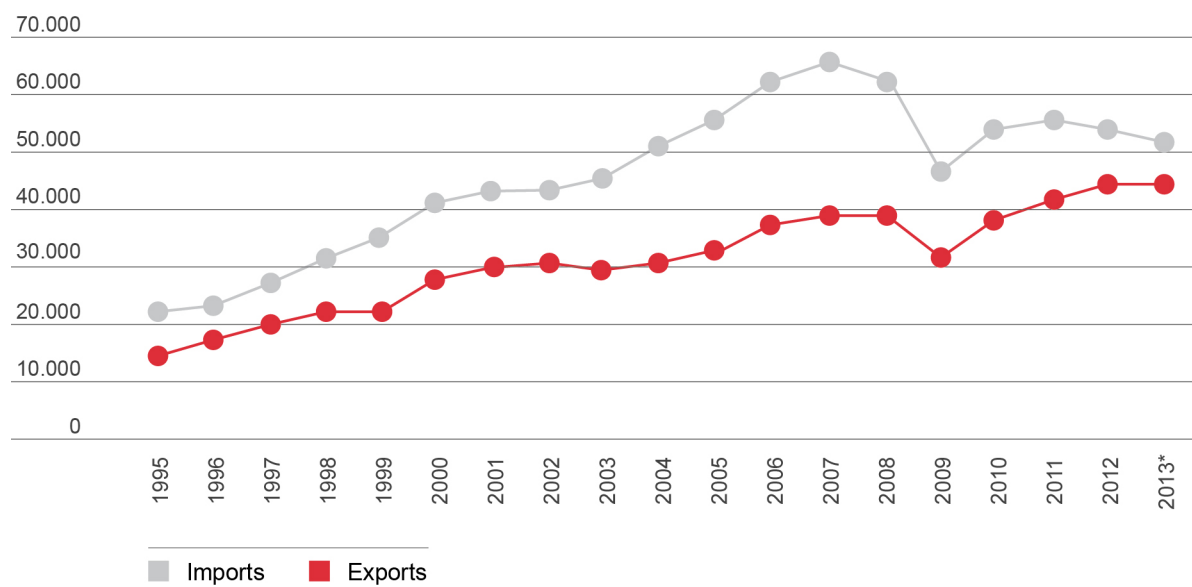
*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

From 1995 to 2013, the volume of imports to the Barcelona area was greater than that of exports, with three clearly defined periods:

- From 1995 to 2000, sales abroad grew (+91%) slightly faster than imports (+88.4%).
- From 2001 to 2007, exports increased more moderately (+28.9%) than imports (+53.9%).
- From 2008 to 2013, sales abroad rose (+13.5%) while purchasing fell (-17.2%).

Evolution of imports and exports in the province of Barcelona 1995-2013* (millions of euros)



*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

In the first quarter of 2014, the total value of goods imported by companies in the province of Barcelona was €13,893.3 million, up more than €1,000 million from the first quarter of 2013. This is clearly related to the fact that internal demand began to rebound over this time. The year-on-year increase in purchasing abroad in the Barcelona region as a percentage (+7.9%) is higher than that for Spain as a whole (+7%) and more moderate than that of Catalonia (+9.4%). Foreign purchasing in the Barcelona area makes up 21.4% of the Spanish total.

Imports*. In millions of euros				
	1Q 2013	1Q 2014	Percentage of Spanish	Variation 2014/13
Barcelona Province	12.873,13	13.893,31	21,41%	7,92%
Catalonia	16.176,93	17.698,05	27,28%	9,40%
Spain	60.632,41	64.886,75	100%	7,02%

*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

07

More than 80% of all imports are from EU and Asia

By large geographic areas, the EU (59.6%) is the preferred origin for imported goods, and more than half of all imports to the province come from the euro zone (50.3%). More than one fifth (21.8%) of all foreign purchases come from Asia, clearly surpassing Latin America (3.9%), Africa (3.5%) and North America (3.4%). The main country supplying import goods to the province of Barcelona is Germany (18.2%), while China and France are each the origin of approximately 10% of all imports.

The trend seen between 1995 and 2012 of increasing importance of purchases from emerging economies came to an end in 2013. In fact, while the contribution of the European Union to imports to the Barcelona area rose 4%, those from other continents fell, with those from Latin American and Asia, areas that had shown dynamic growth in recent years, falling sharply (-18.4 and -8.9%, respectively).

08 Imports by products

By groups of products, the ranking is led by the chemicals industry, including drugs, and capital goods and industrial machinery, each of which absorbs roughly one fifth of the imports to the Barcelona area (22.7% and 18.2%, respectively), followed by the automobile (13.9%), agrifood (12.2%) and textile sectors (11.2%). In 2013, foreign purchasing in the automobile sector rose (+9.9%), while that of the chemicals and textile sectors stabilised. The most significant reductions were seen in the capital goods and machinery (-10.9%), consumer electronics (-9.2%), and agrifood sectors (-6.8%).

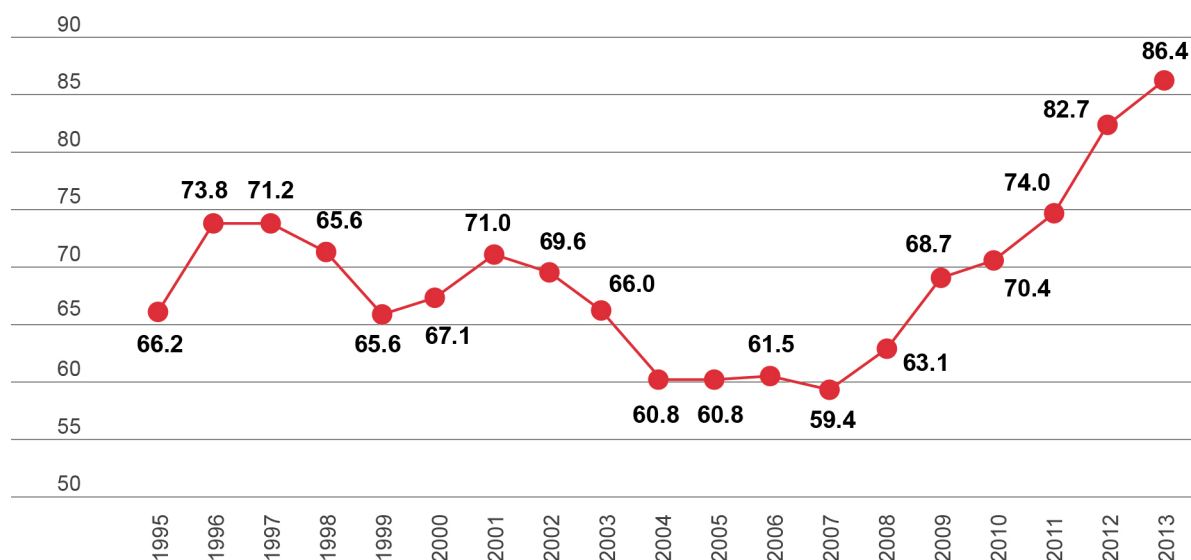
09

Coverage rate: relationship between exports and imports

The coverage rate has seen strong growth in recent years

The drop in imports alongside stable exports led to a reduction of the trade deficit of the Barcelona area in 2013, with the coverage rate⁴ at 86.4%, which is the highest in recorded history. Thus, for each euro imported to the province of Barcelona, exports recover 86 cents.

Evolution of coverage rate* in the Barcelona area (%)



*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

The evolution of this rate since 1995 can be divided into a first period in which values ranged between 65% and 74%. This was followed by the years of economic growth between 2002 and 2007, when a sharp increase in imports led to a general drop in this rate in all the territories compared, with Barcelona hitting a low point of 59.4%. From 2007 to 2013, the economic crisis pushed this rate up 27 points to a more favourable balance of trade. This is due to the fact that internal demand, which directly affects imports, has felt the effects of the recession more heavily than external demand, which has recovered over the past four years.

In terms of this indicator, Barcelona posts figures lower than those for Catalonia and Spain (87.6% and 93.6% respectively), which is true throughout the period analysed.

⁴ Balance of Exports/Imports (as a %)

Coverage rate (%) by geographic area for the Barcelona area

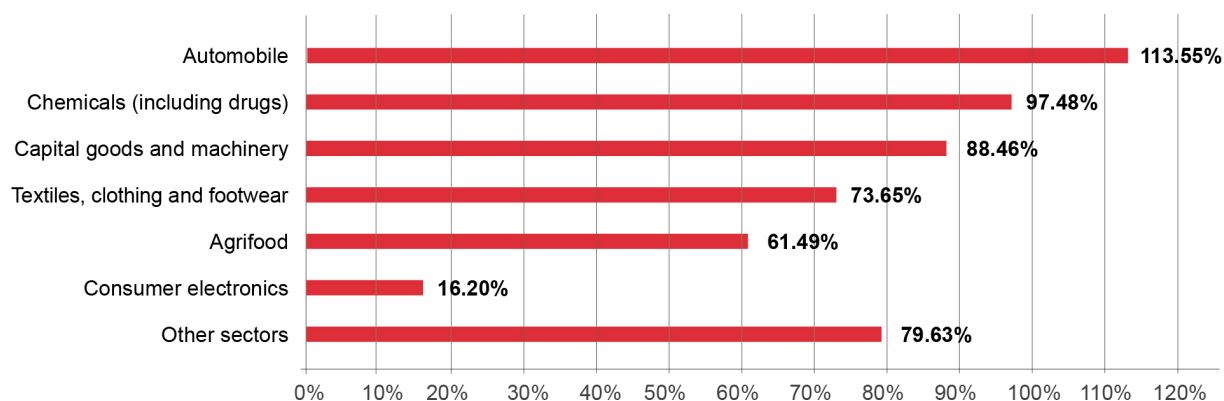
	European Union	Rest of Europe	North America	Latin America	Asia	Africa	Oceania
2012	85,20	176,32	79,99	136,96	34,95	135,82	503,98
2013*	85,14	167,49	89,43	172,02	39,58	167,81	387,19

*Provisional data.

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

In 2013, the increase in the coverage rate of the Barcelona area rose with regard to Latin America, Africa, North America and Asia, while holding steady with the European Union. The balance of trade with the rest of Europe and Oceania, however, worsened. In any case, there is still a trade deficit with regard to Asian countries, meaning that for each euro the province spends on imports from this continent only 39.6 return through exports. The balance of trade with the European Union and North America is roughly the average coverage rate and for Africa (167.8%), Latin America (172%), the rest of Europe (167.2%) and particularly Oceania (387.2%) exports from the region far outweigh imports.

Among the products with the largest volume of foreign trade, it must be noted that the automobile sector has a coverage rate well above 100, as sales abroad surpassed foreign purchases by 13% in 2013. Foreign trade in the chemicals industry is fairly balanced, with a coverage rate of 97.5%. It is also noteworthy that exports outpace imports by 22% in the pharmaceuticals subsector.

Coverage rate by product group in the Barcelona area 2013 (%)

Source: Compiled by the Barcelona City Council Area of Economy, Enterprise and Employment's Department of Studies based on data from the Ministry of the Economy and Competitiveness.

Capital goods and machinery have a coverage rate of 88.5%, while goods sold in the textile (73.6%) and agrifood sectors (61.5%) make up half of those purchased abroad. Compared to the previous year, the coverage rate was up for all products except in the automobile and consumer-electronics sectors, where the weight of exports compared to imports was down 15% and 19%, respectively.