

Increasing Trade and Investment to Spain

in cooperation with

TMMA (Textile Machinery Manufacturers Association)

Date: 21th of September 2018

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4. Achieving goals within the Spanish market:
 - a. Trade
 - b. Investment

Introduction

1. Same goals and objectives

Provide and assist to SME to develop or increase their presence within the Spanish Market

2. **IBERIAN OFFICE** is the Joint Venture between two consultancy companies, with more than 35 years experience providing professional services to Spanish companies helping them to enter and develop international markets.

Introduction

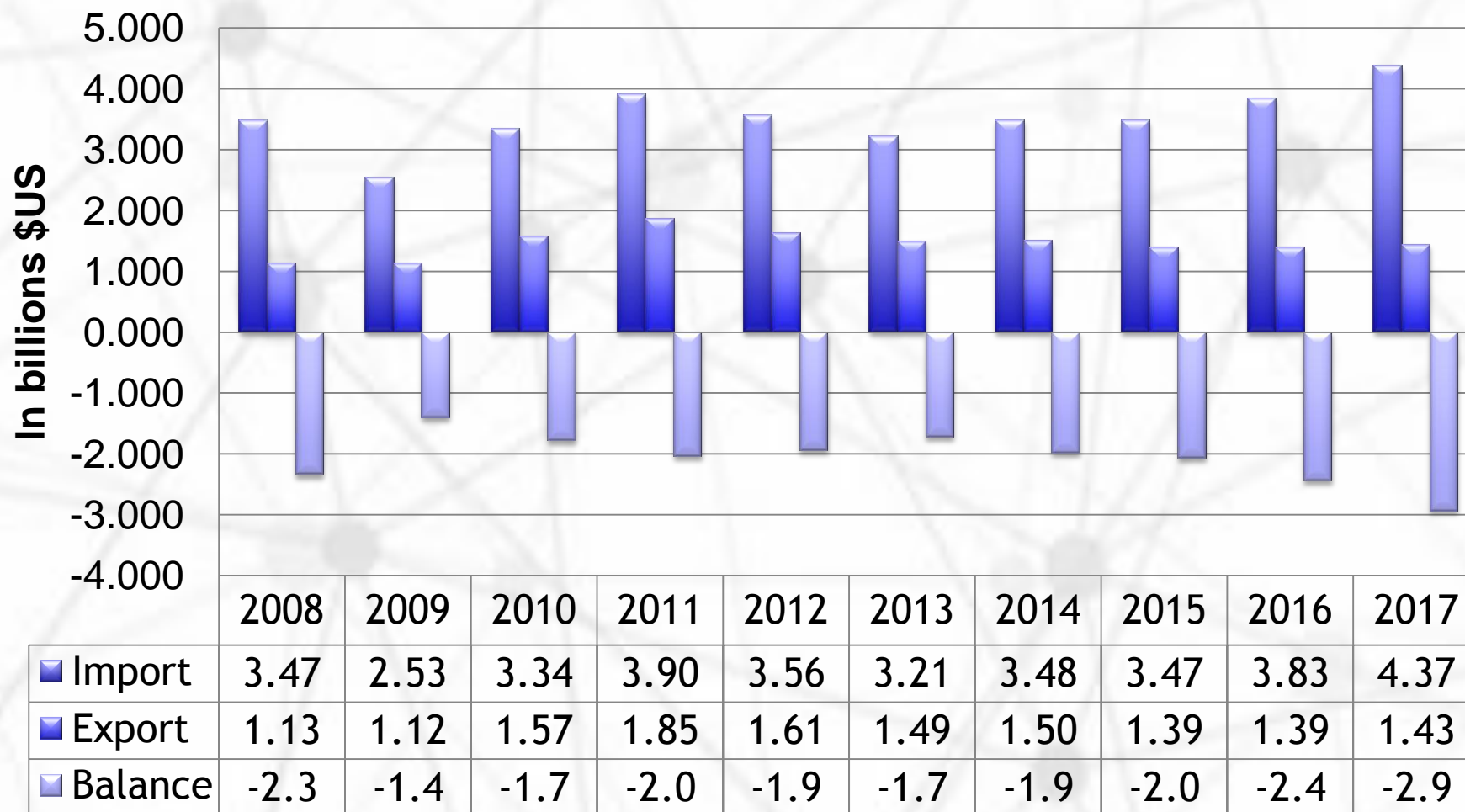
Why Spain;

- One of the most significant economies in the world: 13th in terms of size
- An attractive destination for foreign investment
- The 9th largest recipient of FDI worldwide

Why India;

- One of the largest economies in the world, and increasing:
- As it is far away from Spain.
- Previous experience in India

Trade balance between Spain and India

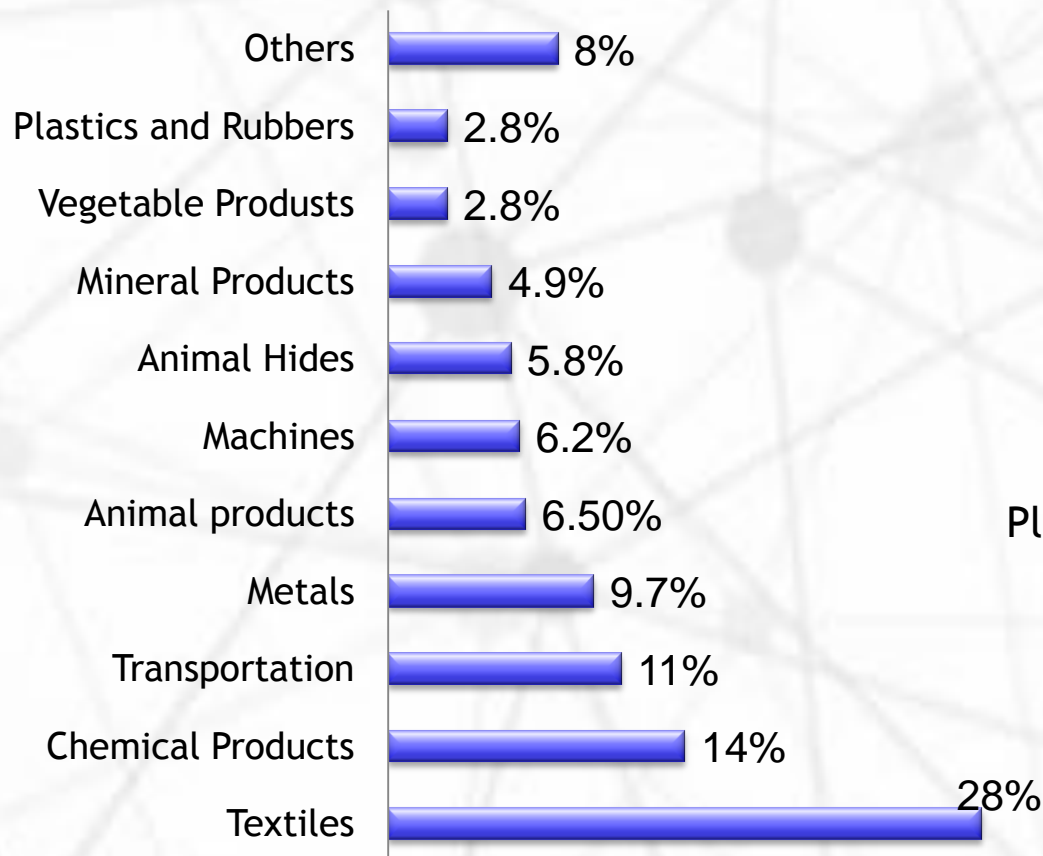


Source: DESA/UNSD, United Nations Comtrade database

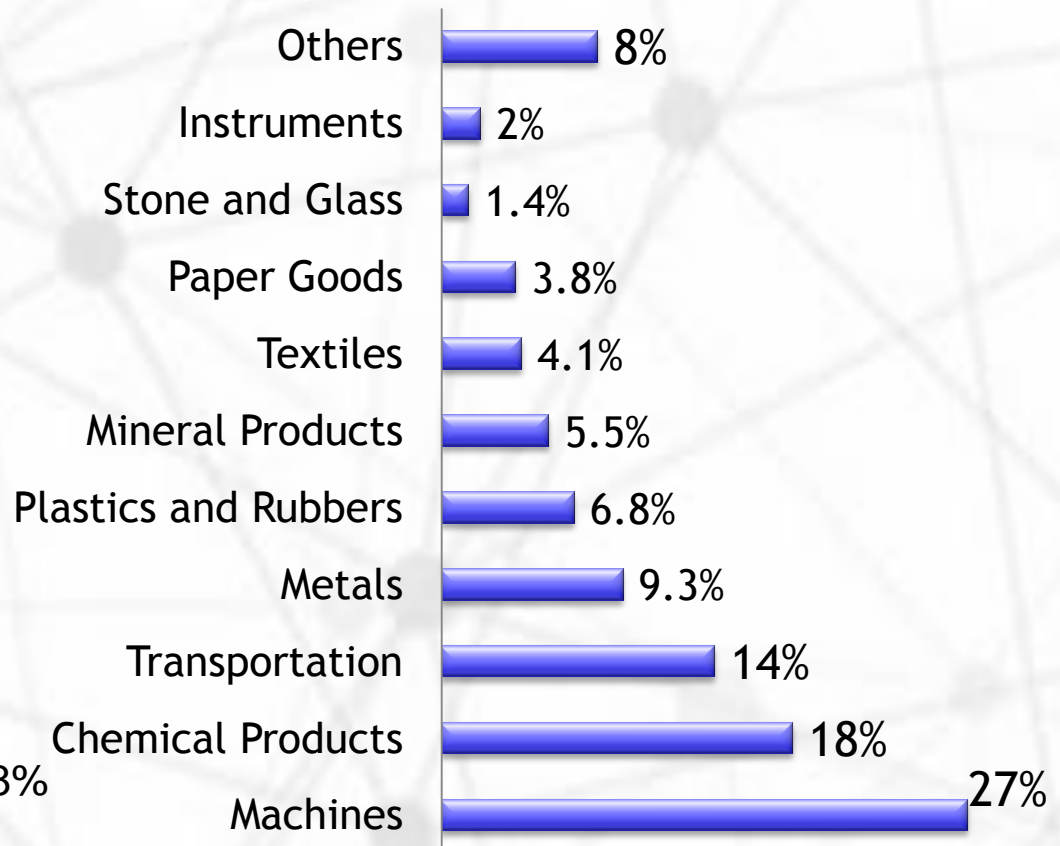
Own elaboration

Structure of trade balance Spain - India

Imports



Export



Source: Observatory of Economics Complexity. MIT Media Lab

Own elaboration

Commercial balance Spain - India in Textile Machinery

Spanish Export to India (in \$US) “Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof”- Chapter 84 Section XVI

HS Code	2013	2014	2015	2016	2017	Total
8444	0	48,209	0	19,008	0	67,217
8445	8,789,358	5,935,185	3,039,262	2,435,417	771,599	20,970,821
8446	1,287,200	870,328	734,984	320,158	743,697	3,956,367
8447	620,278	1,323,408	1,455,287	124,237	615,769	4,138,979
8448	13,707,049	5,499,600	10,554,029	8,478,368	10,705,308	48,944,354
8449	69,353	0	7,761	1,203	594,979	673,296
8450	90,088	39,313	526,060	109,738	225,867	991,066
8451	6,883,393	2,965,798	2,178,953	3,103,682	840,587	15,972,413
8452	41,068	40,522	887	13,063	27,761	123,301
8453	1,122,236	805,313	515,219	1,032,399	257,144	3,732,311
Total	32,610,023	17,527,676	19,012,442	15,637,273	14,782,711	99,570,125

Source: DESA/UNSD, United Nations Comtrade database

Commercial balance Spain - India in Textile Machinery

Spanish Import from India (in \$US) “Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof”- Chapter 84 Section XVI

HS Code	2013	2014	2015	2016	2017	Total
8444	0	0	0	130	0	130
8445	9,606	211,025	491,797	0	0	712,428
8446	177	0	106,821	177,194	0	284,192
8447	0	0	0	103,789	65,873	169,662
8448	1,068,941	1,770,145	1,281,731	1,225,027	975,039	6,320,883
8449	0	226	0	0	4,875	5,101
8450	1,156	1,697	943	152	1,995	5,943
8451	329,187	178,526	107,269	172,156	145,564	932,702
8452	8,894	11,075	15,223	11,167	20,625	66,984
8453	3,356	301	21,940	5,296	25,324	56,217
Total	1,421,317	2,172,995	2,025,724	1,694,911	1,239,295	8,554,242

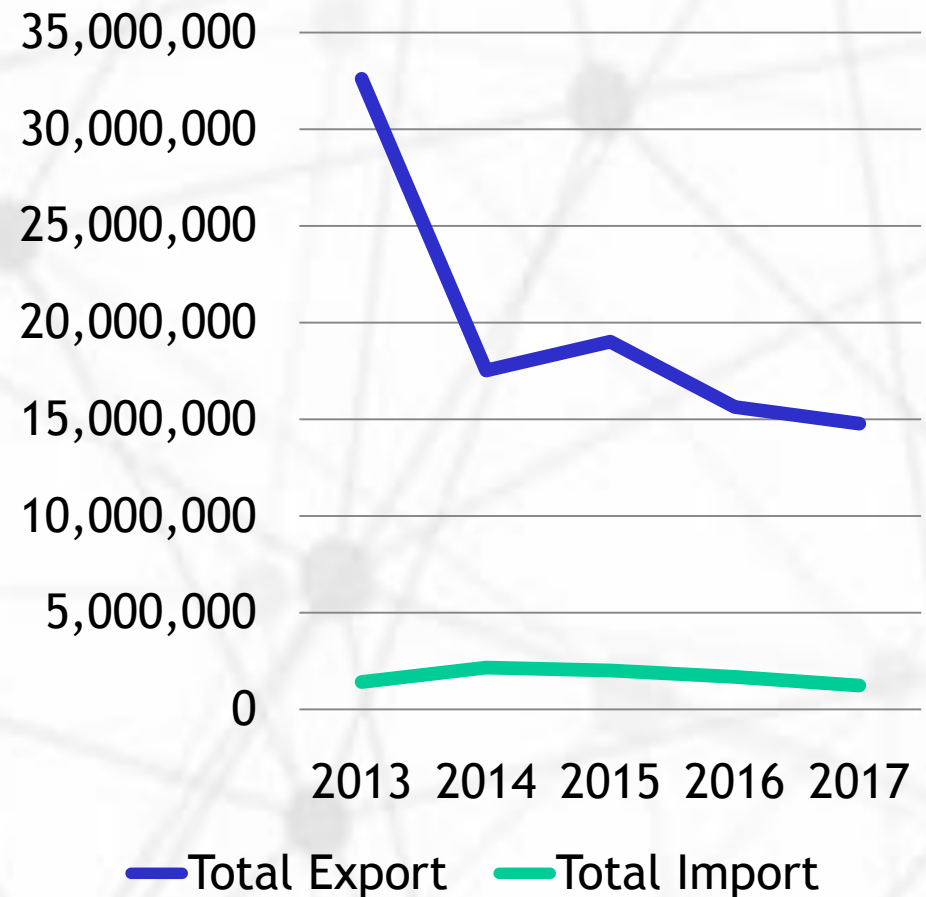
Source: DESA/UNSD, United Nations Comtrade database

Commercial balance Spain - India in Textile Machinery

EXIM

- By 2017 Spain imports reduced on 16%
- Spanish Export to India reduced 2 times
- Import rose 1.5 times
- Most exported - 8445, 8448, 8451
- Most imported - 8448, 8445, 8451
- Imports reduced in products: 8445, 8451 and 8452
- Import increased in 8452 and 8453
- Export reduced in 8445, 8451 and 8453
- Export increased 8449, 8450 in 3.5 times

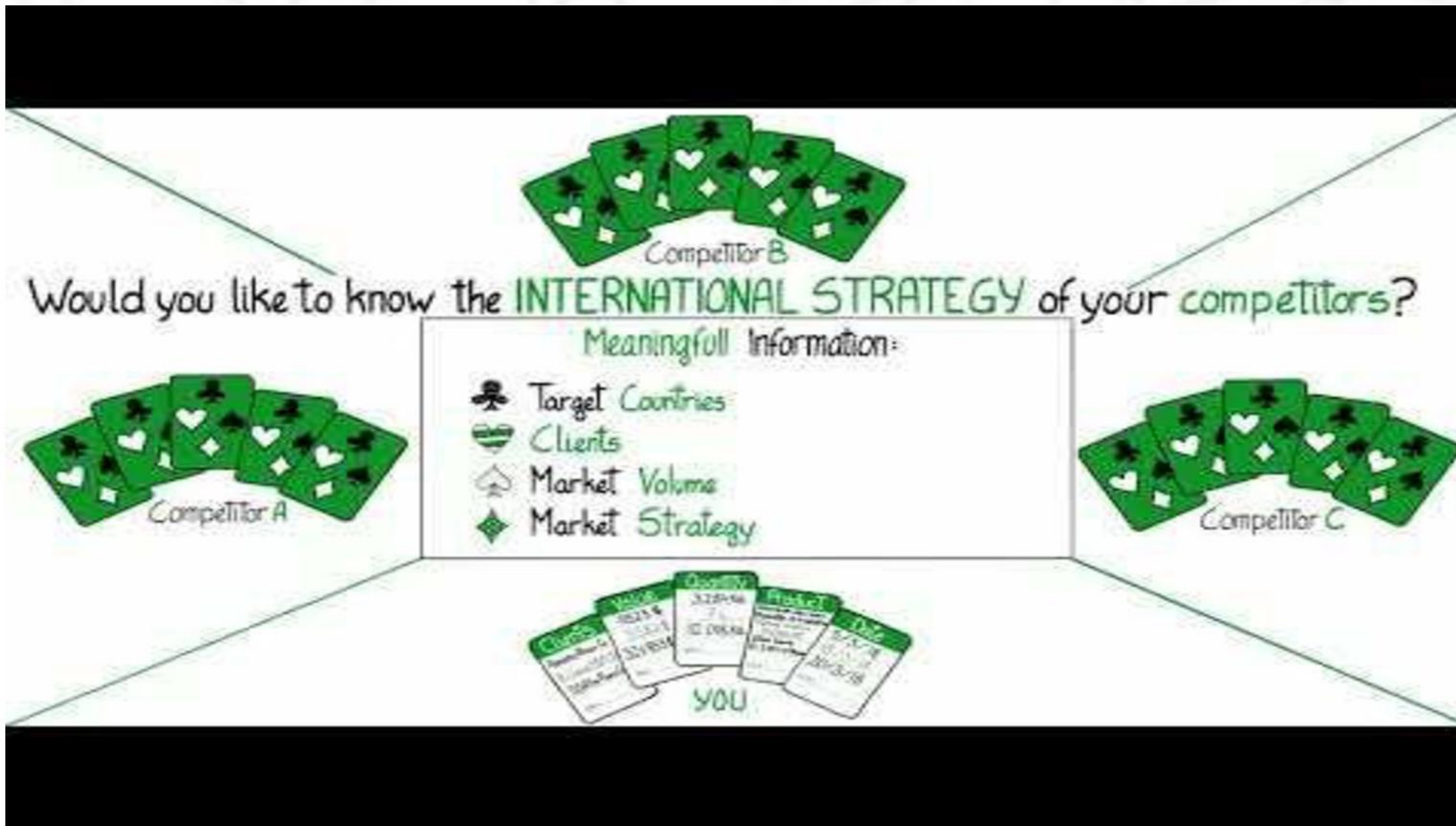
Spain - India



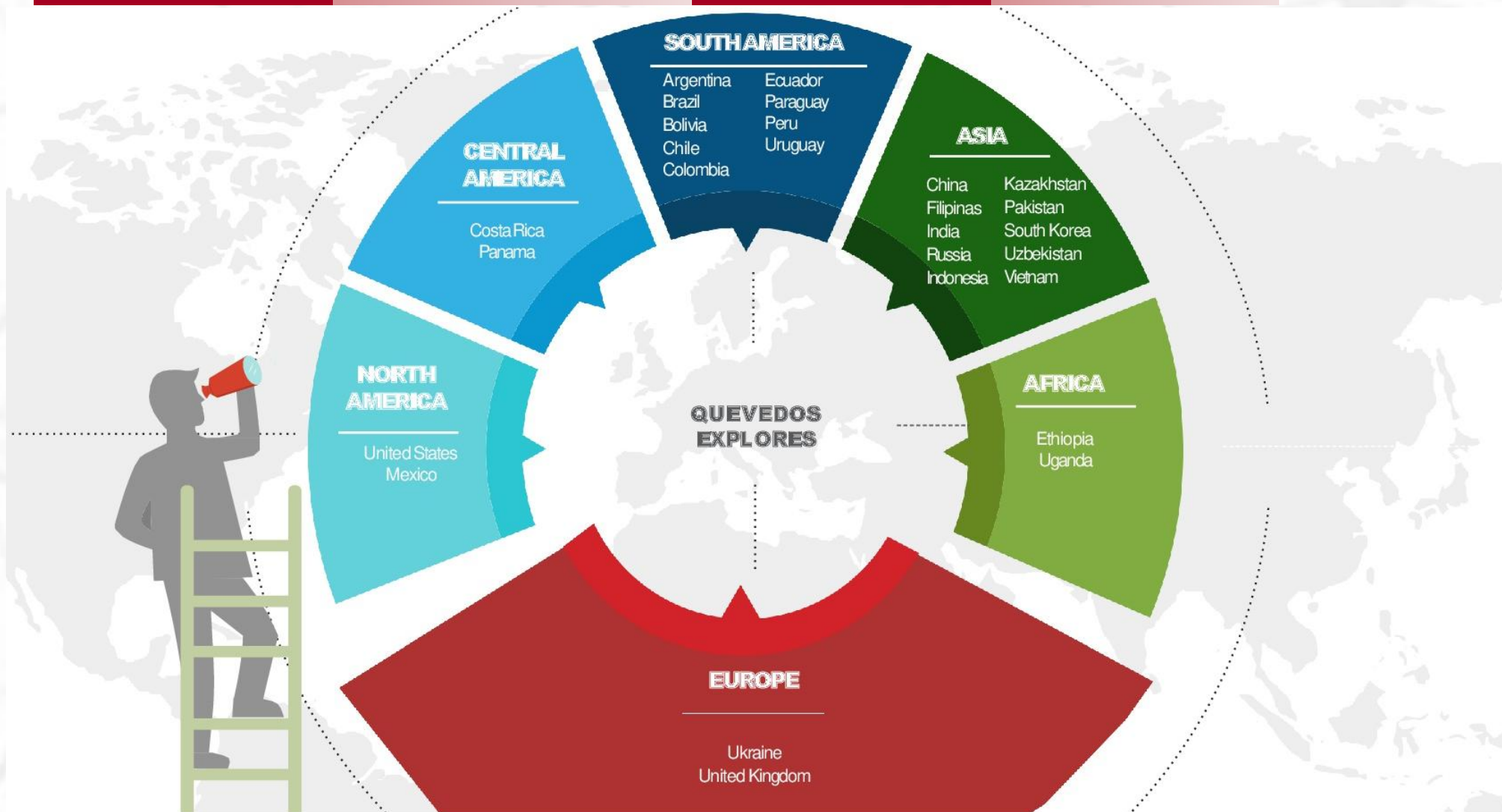
Source: DESA/UNSD, United Nations Comtrade database

Own elaboration

Obtaining valuable information of the market



Obtaining valuable information of the market



+ Nuevos Países Próximamente

CLIENT COMPANY INPUTS

	DESCRIPTION OF PRODUCTS OF CLIENT COMPANY
1	
2	
3	
4	
5	
6	

	TARIFF HEADINGS (8 DIGITS)	DESCRIPTION OF THE TARIFF HEADING
1		
2		
3		
4		
5		
6		

	DIRECT COMPETITORS (COMPANY NAME)	COUNTRY	DISCRIMINATE TRANSACTIONS WITH HS FILTERS AND DESCRIPTION (YES / NO)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

If you have **competitors** from India, Ukraine, Russia, Brazil or Mexico, please fill the next table.
This information is **very important** as you can get all the exports made by those companies
and you could obtain **all their customers around the world**.

	DIRECT COMPETITORS (COMPANY NAME)	COUNTRY	DISCRIMINATE TRANSACTIONS WITH HS FILTERS AND DESCRIPTION (YES / NO)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

*You can add all the rows as necessary in all the tables.

Obtaining valuable information of the market (example)

3.1.10.1 DIRECT COMPETITOR TRANSACTIONS:

- **COLINES S.P.A.:** 15 clients / 138 transactions / Weight (KG): 161.873/ Amount (USD): 6.422.890
- **CONSTRUZIONI MECCANICHE LUIGI BANDERA S.P.A.:** 25 clients / 127 transactions / Weight (KG): 720.934/ Amount (USD): 22.541.320
- **GARANT MASCHINENHANDEL GMBH:** 13 clients / 54 transactions / Weight (KG): 274.231 / Amount (USD): 13.464.785
- **HOSOKAWA ALPINE AKTIENGESELLSCHAFT & CO. OHG:** 25 clients / 320 transactions / Weight (KG): 674.145/ Amount (USD): 26.710.207
- **HOSOKAWA ALPINE COMPACTION:** 5 clients / 18 transactions / Weight (KG): 39.550/ Amount (USD): 1.686.022
- **HOSOKAWA GMBH:** 1 client / 1 transaction / Weight (KG):215 / Amount (USD): 94.408
- **HOSOKAWA MICRON B.V.:** 35 clients / 247 transactions / Weight (KG): 351.804/ Amount (USD): 16.059.113
- **HOSOKAWA MICRON CORPORATION:** 1 client / 1 transaction / Weight (KG): 76/ Amount (USD): 4.965
- **HOSOKAWA MIKRON LTD:** 2 clients / 7 transactions / Weight (KG): 10.475 / Amount (USD): 600.731
- **KDESIGN GMBH:** 5 clients / 10 transactions / Weight (KG): 4.922 / Amount (USD): 419.629
- **REIFENHAUSER REICOFIL GMBH CO:** 5 clients / 151 transactions / Weight (KG): 2.398.098 / Amount (USD): 98.686.754
- **SYNCRO SRL:** 1 client / 1 transaction / Weight (KG):4 / Amount (USD): 1.213
- **WINDMOLLER HOLSCHER KG:** 6 clients / 460 transactions / Weight (KG): 3.120.759/ Amount (USD): 120.204.507

UNIQUE CLIENTS: 182

Achieving goals within the Spanish market: **IBERIAN OFFICE** services *in trade*



- ✓ Trade Business Expansion
 - a) Search for sales agents and distributors
 - b) Outsource sales departments: locating and contacting clients
 - c) Recruit sales persons
- ✓ Marketing Research:
 - a) Operational market research
 - b) Competition analysis
- ✓ Tailored services:
 - a) Spanish customer landing page:
 - b) Assistance on Trade Fairs:
 - c) Bridge toward Europe and Latin America
 - d) , , , , ,

Achieving goals within the Spanish market: *in trade*

Methodology proposition:

Phase 1. Project Launch

1. Analysis of national and international competitors
2. Analysis of national and international complementary
3. Define the target profile of the clients.
4. Analyze "reasons for buying" and "not buying" the product
5. Prepare "commercial speech" / "value proposal" / BUSINESS proposal.
6. Commercial basic training of the Iberian Office team.

Output: Prepared contact pack

Phase 2. Searches in prioritized markets

7. Search and filter potential customers in each market
8. Search for local and international competitors and complements in each market.

Output: Preliminary list of companies to contact

Achieving goals within the Spanish market: *in trade*

Phase 3. Contact

9. Contact the target clients and commercial follow-up. Until a valid person within each of the selected companies expresses its interest or lack of it, and in the case of having it, follow-up to obtain possibility of the offer and/or visit.

Output: EXCEL shared with the specified information, CRM Iberian Office

Phase 4. Visits

10. Visit potential customers to track offers or generate them and obtain sales.

Output: Visiting customers and indentifying next steps.

Phase 5. Continuous commercial follow-up

11. Commercial follow-up. To be detailed after analysis of previous phases

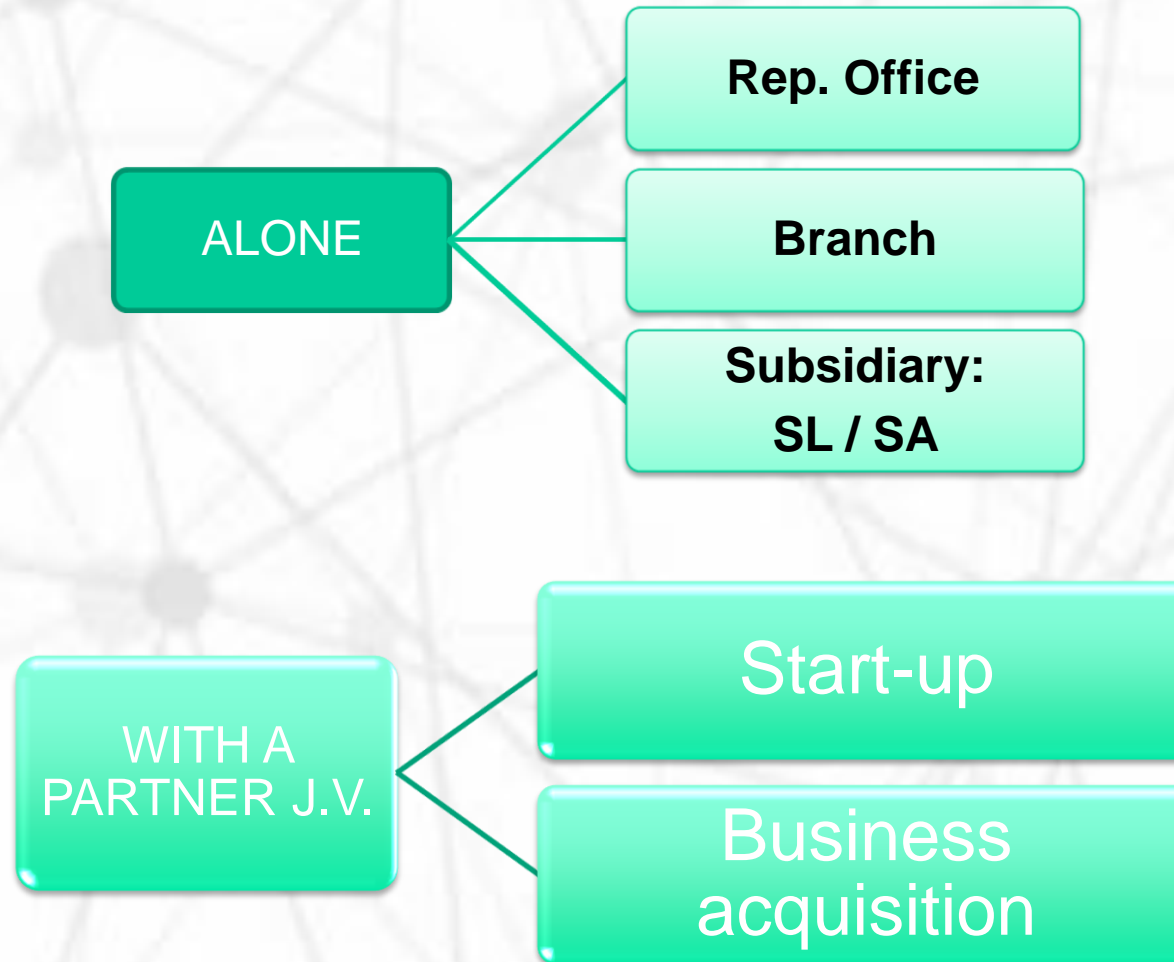
Achieving goals within the Spanish market: *in investment*

1. As a general rule, foreign investments are subject only to notification after the investment has been made.

Exceptions:

- investments from tax havens, which in general must be notified beforehand and
 - foreign investments in activities directly related to national security
2. Exchange controls and capital movements are fully liberalized and in all areas there is complete freedom of action. As a general rule, all acts, businesses, transactions and operations between residents and nonresidents which involve or may involve payments abroad or receipts from abroad are completely deregulated. It also covers the import or export of means of payment.
Although Specific transactions should be reported to the Bank of Spain for statistical and informative reasons.

Achieving goals within the Spanish market: *in investment*



Achieving goals within the Spanish market: **IBERIAN OFFICE** services *in investment*



✓ Sole Proprietorship

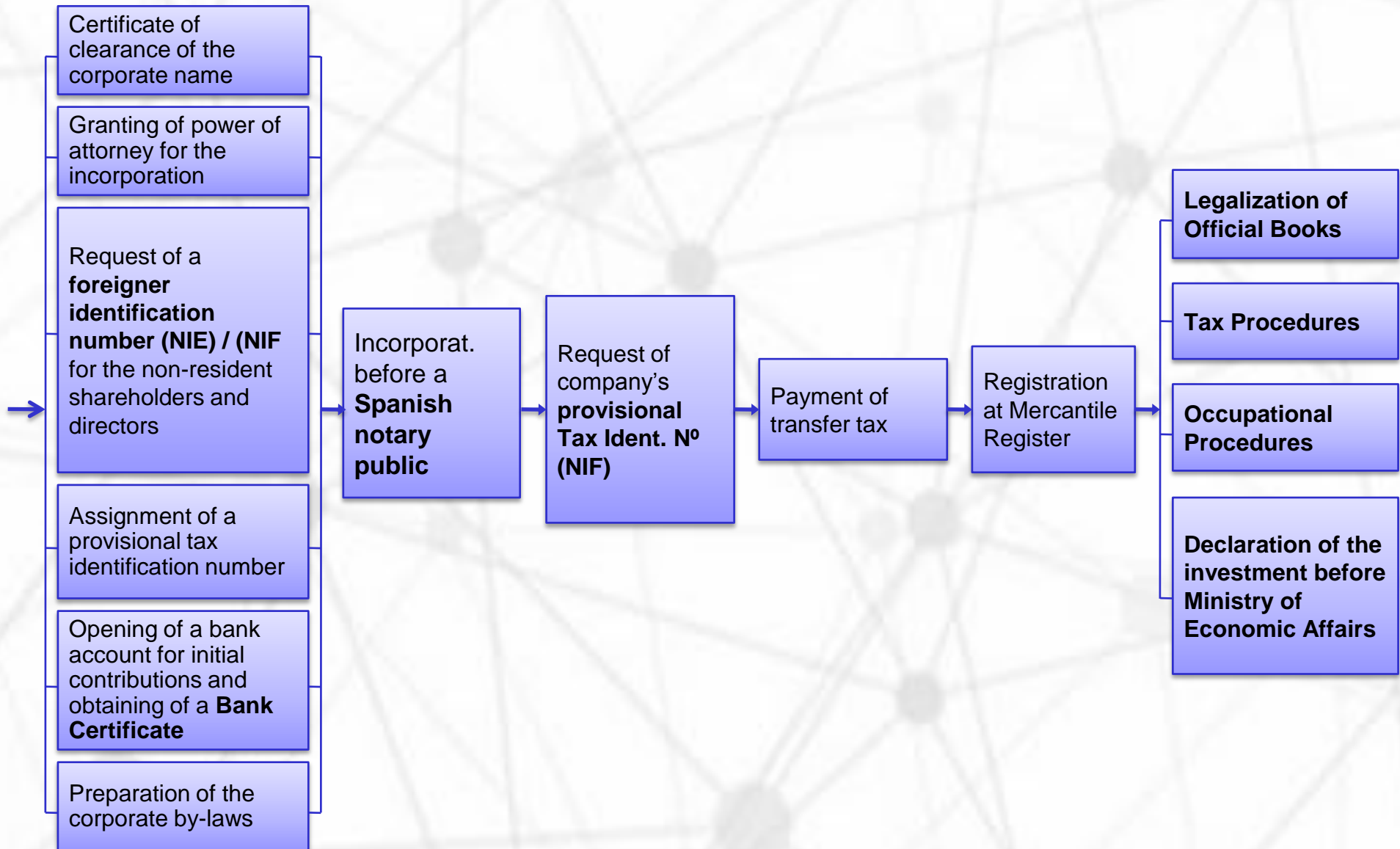
- a) Feasibility studies, business plans, options analysis
- b) Formation of companies, public registrations, necessary licenses, and permits
- c) Recruit local staffs
- d) Operation support during the initial period (Business Center)
- e) Assist the establishment

✓ Joint Venture

- a) Spanish customer landing page:
- b) Feasibility studies, business plans, options analysis
- c) Identify, locate and select potential partner(s)
- d) Structure the project: capital, contributions, etc.
- e) Support the preparation of necessary contracts and agreement depending on the type of expansion (M&A, Strategic Alliance)
- f) Expansion evaluation, Due Diligence: finance, operations
- g) Assist the establishment (public registrations, licenses and permits)
- h) Recruit local staffs

Achieving goals within the Spanish market: *in investment*

PRELIMINARY STEPS



Achieving goals within the Spanish market: *in investment*

	CORPORATION (S.A.)	LIMITED LIABILITY COMPANY (S.L.)
Share Capital	Not less than 60,000 Euros	Not be less than 3,000 Euros
Share / Units	Shares of S.A. (acciones) may be issued as bearer or registered shares.	Units of an S.L. (participaciones sociales) are subject to restrictions on transfer.
Management	<ul style="list-style-type: none"> • A director can act for a maximum of six years • Minority shareholders have the right to be represented on the Board of Directors (BoD) in proportion to their interest in the S.A.'s capital. • The company by-laws must define the structure of the administrative body. 	<ul style="list-style-type: none"> • Director may be appointed for indefinite term. • Minority shareholders do not hold such right of proportional representation on the BoD. • The company by-laws may provide alternative ways to organize the company's administrative body; i) a sole director; ii) two joint and several directors; (iii) two joint directors; or (iv) a BoD
Director's responsibilities	<ul style="list-style-type: none"> • Directors shall be liable before the company, shareholders or corporate creditors for any damages the cause for actions contrary to the law or the bylaws or actions performed without due diligence. 	
Publicity and annual accounts	<ul style="list-style-type: none"> • Certain relevant data and corporate resolutions, including its directors and annual accounts, must be filed in the corresponding Companies Register. Such information is public. • Those S.A. and S.L. that do not exceed a certain size may present abbreviated accounts and are exempt from the obligation to audit their accounts. 	
Dissolution for losses	S.A. and S.L. should dissolve in the event of losses that have reduced the net worth to a quantity less than one half of the share capital, unless this is sufficiently increased or decreased. Directors may be personally liable for any debts of the company subsequent to when the grounds for dissolution occurs, if they do not perform the actions required by law to call a general meeting or seek legal dissolution or, where appropriate, the bankruptcy of the company.	

Thank you

Q&A

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