

A  
GLOBAL / COUNTRY STUDY AND REPORT  
ON

**SPAIN**

SUBMITTED TO

Gujarat Technological University

In Partial Fulfillment of the  
Requirement of the Award for the Degree of  
Master of Business Administration

Under the Faculty Guide:

**Dr H.N. Misra, Mr. Kapildev Yadav and Mr. Kshitij Trivedi**

Submitted by:

**Enrollment No. 107550592122 to 107550592178**  
**MBA SEMESTER -IV**



**Sardar Patel College of Administration & Management (SPCAM-  
MBA)**

Approved by All India Council for Technical Education (AICTE), New  
Delhi

**AFFILIATED WITH GUJARAT TECHNOLOGICAL  
UNIVERSITY, AHMEDABAD**

**SPEC Campus, Vidhyanagar-Vadtal Road Bakrol-388315, Anand (Gujarat)**

**May, 2012**

## **STUDENTS DECLARATION**

We enrollment no. 107550592122 to 107550592178 Students of SARDAR PATEL COLLEGE OF ADMINISTRATION & MANAGEMENT (SPCAM-MBA) Bakrol,, hereby declare that the report for **A GLOBAL / COUNTRY STUDY REPORT** ON Spain is a result of our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place : ..

Date :

## PREFACE

In today's competitive environment, survival of the fittest is the new motto. That is why it's necessary that the theoretical knowledge is accompanied by practical knowledge. In an MBA programme, project study forms an important and an integral part. It helps in bridging the gap between the two main important aspects the theoretical as well practical knowledge.

"Knowledge and Human Power are synonyms", once said the great philosopher Francis Bacon. However based on the experience within today's global markets, he would probably say, "The ability to capture, communicate & leverage knowledge to solve problems is human power". This raises the question how exactly one can best capture, communicate & leverage knowledge, especially within world of system engineering.

With the help of the country report we can get the information about the both country and the position of the both country and make compare both the country so we can say that which country is good and which country are linked with which country.

So the country report is also helpful to show the country's economy and all the rank like GDP and all that. With help of the country we get the information about the import and export of that country with other country and which things are more import and export form the country.

## ACKNOWLEDGEMENT

We have the pleasure to present herewith the study work on economic policy of Argentina. Working on this project has been a great learning experience. Numerous individuals helped us a lot with all sort of queries that we had and without the help of them, we would never be able to complete this Country Project. We would like to use this opportunity to thank them.

We are extremely indebted to our guides (Dr H.N.Misra, Mr Kshitij Trivedi and Mr Kapildev Yadav) who have taken great pains to provide us guidance to make this project. She is always there to help us a lot by giving her valuable guidelines and suggestions to complete this study from start to end. She is the person who inspired us to explore such an emerging sector of economy. She inspired us to be systematic in our work. She explained that how to go ahead for studying such topic and also explained the technical and other dimensions of the same. We want to thank our **Director General-SPEC, Dr. T. D. Tiwari** for giving us an opportunity to work on this task.

Lastly, we express our gratitude to the faculty of SPCAM and want to thanks GTU for giving us a chance to work on such practical task. We are aware that there are a number of people who have helped us to do this project but we may have failed to make a mention of them. We take this opportunity to express our sincere gratitude to all those for their assistance and support.

Thanking All,

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# Part-I



## Demographics of Spain

Spain has 47,150,819 inhabitants according to 1/1/2010 municipal records (*Padrón Municipal*).<sup>[1]</sup> Its population density, at 91.4/km<sup>2</sup> (229/sq. mile), is lower than that of most Western European countries. With the exception of the capital, Madrid, the most densely populated areas lie around the coast.

The population of Spain doubled during the twentieth century, but the pattern of growth was extremely uneven due to large-scale internal migration from the rural interior to the industrial cities, a phenomenon which happened later than in other Western European countries. No fewer than eleven of Spain's fifty provinces saw an absolute decline in population over the century.

Spain has no official religion. The Spanish Constitution of 1978 abolished the Roman Catholic Church as the official state religion, while recognizing the role it plays in Spanish society. 76.7% of the population define themselves as Catholic, 20.0% as non-believers or atheists, and 1.6% other religions. Among believers, 55.3% assert they almost never go to any religious service; by contrast, 17.0% attend one or more masses almost every week.<sup>[2]</sup>

Many demographers have linked Spain's very low fertility rate to the country's lack of any real family planning policy. Spain spends the least on family support out all western European countries—0.5% of GDP. A graphic illustration of the enormous social gulf between Spain and the rest of Europe in this field is the fact that a Spanish family would need to have 57 children to enjoy the same financial support as a family with 3 children in Luxembourg.

In emigration/immigration terms, after centuries of net emigration, Spain has recently experienced large-scale immigration for the first time in modern history. According to the Spanish government there were 5,730,667 foreign residents in Spain as of January 2011. Of these, more than 860,000 were Romanian, and half 760,000 were Moroccan while the number of Ecuadorians was around 390,000. Colombian population amounted to around 300,000. There are also a significant number of British (359,076 as of 2011, but more than one million are estimated to live permanently in Spain) and German (195,842) citizens, mainly in Alicante, Málaga provinces, Balearic Islands and Canary Islands. Chinese number over 166,000. Immigrants from several sub-Saharan African countries have also settled in Spain as contract workers, although they represent only 4.08% of all the foreign residents in the country.

During the early 2000s, the mean year-on-year demographic growth set a new record with its 2003 peak variation of 2.1%, doubling the previous record reached back in the 1960s when a mean year-on-year growth of 1% was experienced.<sup>[3]</sup> This trend is far from being reversed at the present moment and, in 2005 alone, the immigrant population of Spain increased by 700,000 people.<sup>[4]</sup>

Allegedly, the growing population of immigrants is the main reason for the slight increase in Spain's fertility rate.<sup>[5]</sup> From 2002 through 2008 the Spanish population grew by 8%, of which 6% were foreign.<sup>[6]</sup>

## **ECONOMIC OVERVIEW OF SPAIN**

The economy of Spain is the twelfth-largest economy in the world, based on nominal GDP comparisons, and the fifth-largest in Europe. It is regarded as the world's 20th most developed country. Until 2008 the economy of Spain had been regarded as one of the most dynamic within the EU, attracting significant amounts of foreign investment. Spain's economy had been credited with having avoided the virtual zero growth rates of some of its largest partners in the EU. In fact, the country's economy had created more than half of all the new jobs in the European Union over the five years ending 2005, a process that is rapidly being reversed.

More recently, the Spanish economy had benefited greatly from the global real estate boom, with construction representing an astonishing 16% of GDP and 12% of employment in its final year. According to calculations by the German newspaper *Die Welt*, Spain had been on course to overtake countries like Germany in per capita income by 2011. However, the downside of the defunct real estate boom was a corresponding rise in the levels of personal debt; as prospective homeowners had struggled to meet asking prices, the average level of household debt tripled in less than a decade. This placed especially great pressure upon lower to middle income groups; by 2005 the median ratio of indebtedness to income had grown to 125%, due primarily to expensive boom time mortgages that now often exceed the value of the property. A European Commission forecast had predicted Spain would enter a recession by the end of 2008. According to Spain's Economy Minister, "Spain faces its deepest recession in half a century". Spain's government forecast the unemployment rate would rise to 16% in 2009. The ESADE business school predicted 20%.

Due to its own economic development and the recent EU enlargements up to 28 members (2007), Spain had a GDP per capita of (105%) of EU average per capita GDP in 2006, which placed it slightly ahead of Italy (103%). As for the extremes within Spain, three regions in 2005 were included in the

leading EU group exceeding 125% of the GDP per capita average level: Basque Autonomous Community leading with Madrid and Navarre, and one was at the 85% level Extremadura. According to the growth rates post 2006, noticeable progress from these figures happened until early 2008, when the Spanish economy was heavily affected by the puncturing of its property bubble by the global financial crisis.

The centre-right government of former prime minister José María Aznar had worked successfully to gain admission to the group of countries launching the euro in 1999. Unemployment stood at 7.6% in October 2006, a rate that compared favorably too many other European countries, and especially with the early 1990s when it stood at over 20%. Perennial weak points of Spain's economy include high inflation, a large underground economy, and an education system which OECD reports place among the poorest for developed countries. However, the property bubble that had begun building from 1997, fed by historically low interest rates and an immense surge in immigration, imploded in 2008, leading to a rapidly weakening economy and soaring unemployment. By the end of 2010 unemployment had reached 20.33 (over 28% in Andalusia and the Canaries).

➤ The 2010 Euro debt crisis:

In the first weeks of 2010, renewed anxiety about the excessive levels of debt in some EU countries and, more generally, about the health of the euro has spread from Ireland and Greece to Portugal, and to a lesser extent in Spain and Italy.

Many economists recommended a battery of policies to control the surging public debt caused by the recessionary collapse of tax revenues, combining drastic austerity measures with higher taxes. Some senior German policy makers went as far as to say that emergency bailouts should include harsh penalties to EU aid recipients such as Greece. Though it has been noted that the Spanish government budget was in surplus in the years immediately before the GFC and that its debt was not considered excessive.

At the beginning of 2010, Spain's public debt as a percentage of GDP was still less than those of Britain, France or Germany. However, commentators pointed out that Spain's recovery was fragile, that the public debt was growing quickly, that troubled regional banks may need large bailouts, growth prospects were poor and therefore limiting revenue and that the central government has limited control over the spending of the regional governments. Under the structure of shared governmental responsibilities that has evolved since 1975, much responsibility for spending had been given back to

the regions. The central government found itself in the difficult position of trying to gain support for unpopular spending cuts from the recalcitrant regional governments.

On May 23, 2010, the government announced further austerity measures, consolidating the ambitious plans announced in January.

### **Table 1 Brief overview**

<p><b>RANK OF ECONOMY:</b> 12th</p> <p><b>CURRENCY :</b> Euro</p> <p><b>FISCAL YEAR :</b> Calendar Year</p> <p><b>TRADE ORGANIZATION :</b> EU &amp;WTO</p> <p><b>GDP:</b> \$ 1.41 Trillion</p> <p><b>GDP GROWTH:</b> 0.8%</p> <p><b>GDP BY SECTOR:</b> Agriculture 2.3%,Energy 2.3%,Industry 11.7%,Cunstruction 10%,Service 66%.</p> <p><b>INFLATION :</b>3.2%</p> <p><b>PEOPLE BELLOW POVERTY LINE:</b>19.8%</p> <p><b>EXPORTS:</b> Machinery, Motor vehicles, chemicals, shipbuilding, foodstuffs, electronic devices etc.</p> <p><b>IMPORTS:</b> Fuel, chemicals, semi finished goods, machinery &amp; equipment, consumer goods, foodstuffs etc.</p> <p><b>PUBLIC DEBT:</b> 63.4% OF GDP</p> <p><b>REVENUE:</b> \$515.8 Billion</p> <p><b>EXPENSIS:</b> \$648.6 Billion</p>
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### **OVERVIEW OF DIFFERENT SECTORS**

#### **FISHING INDUSTRY:-**

The **fishing industry** includes any industry or activity concerned with taking, culturing, processing,

preserving, storing, transporting, marketing or selling fish or fish products.

It is defined by the FAO as including recreational, subsistence and commercial fishing, and the harvesting, processing, and marketing sectors. The commercial activity is aimed at the delivery of fish and other seafood products for human consumption or as input factors in other industrial processes. Directly or indirectly, the livelihood of over 500 million people in developing countries depends on fisheries and aquaculture.

**Main articles: World fish production and Fishing industry by country**

Fish are harvested by commercial fishing and aquaculture. According to the Food and Agriculture Organization (FAO), the world harvest in 2005 consisted of 93.3 million tonnes captured by commercial fishing in wild fisheries, plus 48.1 million tonnes produced by fish farms. In addition, 1.3 million tons of aquatic plants (seaweed etc.) were captured in wild fisheries and 14.8 million tons were produced by aquaculture. This equates to about 24.4 kilograms a year for the average person on Earth.

**Main article: Commercial fishing**, The top producing countries were, in order, the People's Republic of China (excluding Hong Kong and Taiwan), Peru, Japan, the United States, Chile, Indonesia, Russia, India, Thailand, Norway and Iceland. Those countries accounted for more than half of the world's production; China alone accounted for a third of the world's production.

**TOURISM:-**

**Tourism** is travel for recreational, leisure or business purposes. The World Tourism Organization defines **tourists** as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

Tourism has become a popular global leisure activity. In 2008, there were over 940 million international tourist arrivals, with a growth of 6.6% as compared to 2009. International tourism receipts grew to US\$919 billion (euro 693 billion) in 2010, corresponding to an increase in real terms of 4.7%<sup>[2]</sup>. As a result of the late-2000s recession, international travel demand suffered a strong slowdown beginning in June 2008, with growth in international tourism arrivals worldwide falling to 2% during the boreal summer months. This negative trend intensified during 2009, exacerbated in some countries due to the outbreak of the H1N1 influenza virus, resulting in a worldwide decline of 4% in 2009 to 880 million international tourists arrivals, and an estimated 6% decline in international tourism receipts.

In 2010, there were 940 million international tourist arrivals, with a growth of 6.6% as compared to 2009. International tourism receipts grew to US\$919 billion (€693 billion) in 2010, corresponding to an increase in real terms of 4.7% from 2009.

## **AGRICULTURE:-**

Compared with other West European countries, the proportion of land devoted to agricultural purposes in Spain is low. In the 1980s, about 5 million hectares were devoted to permanent crops: orchards, olive groves, and vineyards. Another 5 million lay fallow each year because of inadequate rainfall. Permanent meadows and pastureland occupied 13.9 million hectares. Forests and scrub woodland accounted for 11.9 million hectares, and the balance was wasteland or was taken up by populated and industrial areas.

The primary forms of property holding in Spain have been large estates (*latifundios*) and tiny land plots (*minifundios*). In large measure, this was still true in the 1980s. The agrarian census of 1982 found that 50.9 percent of the country's farmland was held in properties of 200 or more hectares, although farms of this size made up only 1.1 percent of the country's 2.3 million farms. At the other end of the scale, the census showed that 61.8 percent of Spain's farms had fewer than 5 hectares of land. These farms accounted for 5.2 percent of the country's farmland. Furthermore, just under 25 percent of all farms consisted of less than 1 hectare of land, and they accounted for 0.5 percent of all farmland. *Minifundios* were particularly numerous in the north and the northwest. *Latifundios* were mainly concentrated in the south, in Castilla-La Mancha, Extremadura, Valencia, and Andalusia (Spanish: *Andalucía*).

Though only about 17 percent of Spain's cultivated land was irrigated, it was estimated to be the source of between 40 and 45 percent of the gross value of crop production and of 50 percent of the value of agricultural exports. More than half of the irrigated area was planted in corn, fruit trees, and vegetables. Other agricultural products that benefited from irrigation included grapes, cotton, sugar beets, potatoes, legumes, olive trees, mangos, strawberries, tomatoes, and fodder grasses. Depending on the nature of the crop, it was possible to harvest two successive crops in the same year on about 10 percent of the country's irrigated land.

## **ELECTRICITY SECTOR:-**

The electricity sector in Spain describes electricity in Spain. In 2008 Spain consumed electricity 88 % compared to the European Union 15 average. Spain exported about 3 % of the produced electricity in 2009. The volume of renewable electricity :rose 5 % shares of the electricity use in 2009 compared to 2004 and was about 26 % of the electricity use in 2009. The share of nuclear power declined notably

between 2004 and 2005. The volume of nuclear power pro person has declined smoothly during 2004-2009.

In 2008 Spain consumed electricity in average 6,523 kWh/person that was 88 % compared to EU15 average (EU15: 7,409 kWh/person) and 73 % compared to the OECD average (8,991 kWh/person).

### **WIND POWER:-**

Spain is the world's fourth biggest producer of wind power, after China, the United States and Germany, with an installed capacity of 19,959 megawatts (MW) at the end of 2010, a rise of 1,609 MW for the year. Wind energy has consolidated as the third technology of the Spanish power system in 2010, having reached an output of 42,976 GWh, only overtaken by thermal gas combined cycle at 68,828 GWh and nuclear that reached 61,944 GWh. In 2009, for the first time in the annual calculation, wind overtook coal that produced 33,844 GWh. In 2010, wind energy has covered 16% of the demand, compared to 11.5% in 2008 and 13.8% in 2009.

The largest producer of wind power in Spain at the end of 2009 is Iberdrola, with 25.5 percent of capacity, followed by Acciona on 20.9 percent and NEO Energia (EDP Renewables) with 8.3 percent. On particular windy days, wind power generation has surpassed all other electricity sources in Spain, including nuclear. On November 8, 2009 wind power production reached the highest percentage of electricity production till then, with wind farms covering 53% of the total demand. On November 9, 2010, the maximum power output was reached being 14,960 MW. On November 6, 2011 a new record was reached with 59% of power generated by wind power.

## **Overview of Business and Trade at International Level of Spain**

### **Main Industry Sectors**

Agriculture contributes around 3% of the Spanish GDP. The country produces wheat, sugar beet, barley, tomatoes, olives, citrus fruits, grapes and cork. It is the world's largest producer of olive oil and the world's third largest producer of wine. It is the largest producer of lemons, oranges and strawberries. Spain has limited mineral resources.

The manufacturing industry is dominated by textiles, industrial food processing, iron and steel, naval machines and engineering. The new sectors such as relocation of the production of electronic components, information technology and telecommunications provide a high growth potential. In 2009, industrial production growth rate nevertheless fell by 10.2%.

Tourism represents Spain's largest source of income, having become the second tourist destination of the world and thereby stimulating export of goods and services. The tertiary sector contributes to 2/3 of the GDP.

### **FDI in Figures**

In twenty years, Spain has become the ninth global economic power thanks to its cheap workforce, the spectacular boom in tourism and, starting from the year 2000, the real-estate boom.

The development of foreign investments illustrates these changes well. Spain came to depend more and more on its added value, both in terms of training and R&D, as well as high-tech services. The country has therefore made a radical turn towards renewable energies (wind and solar energy). In 2013, Seville will have the greatest photovoltaic production platform on the planet. In addition to this, Spain wants to become one of the world's key research actors. In order to fulfill these ambitions, it has recently developed the €Malaga Valley €? project, which its sponsors hope will become the greatest European research and innovation center dedicated to information

In 2009, Spain's FDI stock was EUR 465.5b. FDI flows fell sharply in 2009 with a process of disinvestment. The acquisition of holdings of sovereign wealth funds in the Spanish petroleum company CEPSA by the UAE International Petroleum Investment Company was the largest acquisition of 2009. Madrid is the main destination for FDI flows, accounting for 62% of the total.



In terms of FDI appeal, the country's strengths include: proximity to Latin America, with the presence of a number of Spanish multinational companies, boom in tourism, its highly efficient transport network and development of renewable energies.

### **FDI Government Measures**

Spain applies the principle of free establishment and non-discrimination. Foreign investors can operate any type of business and under the same conditions as a local investor. The CEE Council Directive no. 88/361/CEE dated June 24, 1988, concerning the free movement of capital between the residents of member States was adopted in the Spanish legislation by Law no. 18/1992 of July 1, 1992, and came into effect on July 4, 1992 and by Royal Decree *1816/1991* no. 1816/1991 of December 20, 1991 on foreign economic transaction

The gaming, television, radio and air transport sectors are protected by restrictions for the investors residing outside an EU member country; it is the same for businesses manufacturing and selling arms. In the latter case, these restrictions also concern investors within the community.

### **Foreign Trade Overview**

Foreign trade has little impact on the country's GDP growth. The Spanish trade deficit worsened in 2009 and 2010. Although imports fell by half in 2009, exports too lacked vigor. The energy bill reached EUR 41.8 million, which is almost 15% of the total imports. Nevertheless, its burden decreased because of the drop in Brent future price and the increase in the production of renewable energy. Apart from food products (e.g.: fruits and vegetables) whose balance remains in surplus, there is a negative balance for other items, which shows that Spain is losing its competitiveness.

The main trade partners are the countries of the European Union, France being the first destination of Spanish exports (19.2% in 2009). France imports Spanish food products, cars, chemical and textile products. Spain also has good trade relations with the Maghreb countries.

## **SPAIN, PRESENT TRADE RELATION AND BUSINESS VOLUME OF DIFFERENT PRODUCT WITH INDIA**

### **Spain: Economy and business at a glance**

Structure of the Spanish economy is that of a developed country, with the Service Sector being the main contributor to GDP, followed by Industry. These two sectors represent 85% of Spain's GDP with

Agriculture's share today representing 3% of GDP, and declining sharply as a result of the country's intense economic growth.

Today the economy of Spain is the 5th largest in Europe, accounting for around 9% of EU output. Per capita income, at 78% of the EU average is among the lowest in the EU, although it is well ahead of Ireland, Portugal and Greece.

Spain's most important industries include Tourism, Chemicals and Petro-chemicals, Heavy industry and Food and beverages. Spain has also Europe's 4th largest manufacturing industry after Germany, France and Italy. The principal growth areas include Tourism, Automobiles, Insurance, Property development, Electronics and Financial services.

Spain is also the world's largest producer of Olive oil, 4th largest of dry fruits and the 6th largest of citrus fruits.

Presently, Spain's main trading partners are France, Germany and Italy for exports and Germany, France and Italy for imports.

#### **Spain's Imports and Exports commodities:**

Major Import commodities are: Petroleum oil, Medical equipments, Pharmaceutical products, Mechanical and electric machinery, Iron and Steel, Civilian aircraft and parts, Fuel oil, Industrial engines, Telecommunications equipment, Organic chemicals, and Food stuffs.

Major Export commodities are: Motor and goods vehicles, Machinery, Rubber tyres, Treads and tubes, Foodstuffs, Vegetable oils and fats, Medicines, and Pharmaceuticals, Industrial machines, Medicinal items, Generators, Transformers, Transformer accessories, Wall tiles, Floor tiles, and Wine.

#### **India & Spain trade info:**

- Trade between India and Spain has grown to more than five times from US\$ 900 million in 2000 to US\$ 4.5 billion in 2009 (Indian exports US\$ 3 billion and imports \$1.5 billion). The growth in bilateral trade during the year 2008-09 was 37%.
- In 2009, based on studies by FICCI (India) and ICEX (Spanish Institute for Foreign Trade), six crucial sectors are identified to boost bilateral ties between India & Spain: Infrastructure development, Renewable energy, Agriculture, Research and Development, Tourism, and Cooperation in Latin America, where Spain has a sphere of influence. The focus is on technological exchange and tapping each other's areas of expertise.

- In terms of investment, existing collaborations are: Spanish companies Roca, Duro Fulguera, Cipsa, Fersa, Simon, Befesa, Banco Popular have entered into Joint Ventures in India.
- Several Indian companies including TELCO, TCS, TVS, Mahindra & Mahindra, Suzlon, Tata Motors, Zydus, Ranbaxy, Dr Reddy's Lab, Wipro, Infosys and Cox & Kings have their presence in Spain.

**Table 2 INDIA - SPAIN TRADE FIGURES**

Year	India's Exports to Spain (in US\$ mn)	India's Imports from Spain (in US\$mn)	Total Trade (in US \$ mn)	Balance of Trade (in US \$ mn)	% of growth
2008	3,454.03	1,136.2	4590.33	+2317.73	15.2
2009	2,544.7	1136.80	3681.6	+1408	-20
2010	3356.19	1570.41	4926.6	+1785.78	+33.81

### **Tread relation with Spain and India**

1. Smt. Renuka Chowdhary, the then Minister of State for Tourism visited Spain from 5-8 October 2004. In addition to participating in the tourism promotion road show, she held talks with her Spanish counterpart, Mr. José Aguilera Montilla, Minister of Commerce, Industry and Tourism on important issues like direct air-link, travel advisories and enhanced political exchanges between the two countries.

2 Shri Vilas Rao Muttemwar, Minister of State for Non-Conventional Energy Sources, visited Spain from 28-30 September, 2005 to explore the tremendous potential of collaboration with Spanish industry in the field of non-conventional energy sources, especially wind energy and solar thermal energy.

3. Delhi Chief Minister, Smt. Sheila Dikshit, led a delegation of Delhi government to participate in the World Summit on "Information Society and the Role of Local Bodies", held in Bilbao from 9-11 November, 2005.

4. Shri Bhupender Singh Hooda, Chief Minister Haryana led an official-cum-business delegation to

Spain from 17-19 October 2006. Apart from attending the Business Meet organised by CEOE, he met the President of the Madrid region and discussed investment opportunities that exist in Haryana.

5. Shri Subodh Kant Sahai, Minister of State for Food Processing (MoS FP) visited Spain from 25-26 October, 2006 on the invitation of the Government of the region of Castilla y Leon, the largest and predominantly agricultural region of Spain. A Statement of Intent was signed by the MoS FP with the Government of Castilla y Leon in order to enhance cooperation in the food processing sector. He also met Mr. Santiago Menendez de Luarda, Minister of State for Agriculture of the Government of Spain.

6. Shri Anand Sharma, Minister of State for External Affairs, MOS (AS) visited Spain from 11-14 November, 2006. MOS (AS) held wide ranging discussions on bilateral, regional and international developments with Foreign Minister Miguel Angel Moratinos, and Secretary of State for Foreign Relations Bernardino Leon Gross. He also met the Minister for Education and Science Mercedes Cabrera. During his visit, MOS (AS) inaugurated Casa India in Valladolid and handed over a cheque of Euros 25, 000 which is India's annual commitment of programme support to Casa India. MOS (AS) spoke at Casa Asia in Barcelona and at EL Cano Institute in Madrid. He interacted with CEOs of leading Spanish companies at the Instituto de Empresas in Madrid.

7. Shri Kapil Sibal, Minister of Science & Technology visited Spain on 12 June 2007 and held discussions on matters of S&T cooperation with his Spanish counterparts i.e. the Minister of Education and Science and the Minister of Industry, Tourism and Commerce. An MoU of cooperation in the field of S&T was also signed during the visit.

8. Kumari Selja, Minister of State (I/C) Housing and Urban Poverty Alleviation visited Spain from 6-8 October 2007. She had detailed interaction with the Spanish Confederation of Industries regarding possibilities of collaboration and Joint Ventures between Spanish and Indian companies. She also visited some of the large-scale housing projects in Madrid.

9. Finance Minister Shri P. Chidambaram visited Madrid from May 3-5, 2008 to attend Annual Meeting of Board of Governors of Asian Development Bank (ADB). During the visit, FM held a meeting with the Deputy Prime Minister & Minister of Economy and Finance of Spain Mr. Pedro Solbes. A breakfast meeting with FM was organized on May 5 by the Embassy in collaboration with IBEF. Ms. Silvia Iranzo, President of ICEX & Secretary of State for Trade shared the dais with FM. This elite business gathering drew participation from about 100 CEOs and senior officials of major Spanish companies and other prominent business personalities of Spain.

10. Minister for Health and Family Welfare Dr. Anbumani Ramadoss visited Barcelona from 22-25

May, 2008. During the visit he met scientists and public health experts from Centre of Genomic Research (CRG), Barcelona and the Institute of Research, German Trias y Pujol, Badalona. At these organizations he attended presentations about the structure and organisation of the Institutes, the evolution of research activities, followed by a discussion and comparative analysis between the systems in India and Spain.

# Part-II

## Banking Sector

<b>Spain</b>	<b>India</b>	<b>Gujarat</b>
<p>Information on opening a Spanish bank account - what documents to provide - the credit and debit cards, payment methods cheques and more...</p> <p>There are two main types of banks in Spain:</p>	<p><b>Banking in India</b> originated in the last decades of the 18th century. The first banks were The General Bank of India, which started in 1786, and <u>Bank of Hindustan</u>, which started in 1790; both are now defunct. The oldest bank in existence in India is the <u>State</u></p>	<p>Gujarat is one of the most prosperous states in the Indian Republic. The banking and financial institutions of Gujarat are also well developed. The banking and financial institutions of Gujarat provides financial services to its customers.</p>

<ul style="list-style-type: none"> <li>• general retail and commercial banks (<i>bancos</i>), including registered foreign banks</li> <li>• savings banks (<i>cajas de ahorros</i>)</li> </ul> <p>The core banking services offered by both these types of entities are generally the same. One of the main differences is that <i>cajas de ahorros</i> are traditionally confined to specific regions or provinces, although the major ones have branches throughout the country.</p> <p>Spain has one of the highest ratios of bank branches per capita in Europe; however, not all of these will offer an English-language service.</p>	<p><u>Bank of India</u>, which originated in the <u>Bank of Calcutta</u> in June 1806, which almost immediately became the <u>Bank of Bengal</u>. This was one of the three presidency banks, the other two being the <u>Bank of Bombay</u> and the <u>Bank of Madras</u>, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the <u>Imperial Bank of India</u>, which, upon India's independence, became the <u>State Bank of India</u> in 1955.</p>	<p>The banking and financial institutions is under the regulatory authority of the government. Banking and financial institutions in Gujarat include banks, stock brokers, asset management firms and similar function businesses.</p> <p>The primary function of the banking and financial institutions in Gujarat is to act as intermediaries between the capital and debt markets. The banking and financial institutions transfer funds from the retail or institutional investor to those companies which require funding. The presence of banking and financial institutions in Gujarat ensures the proper flow of money through the regional economy.</p> <p>The banking and financial institutions in Gujarat helps you to manage your money better. If you are in a shopping mood-and ready to paint the town red, then there is no need to carry wads of cash with you! Simply carry your credit</p>
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		or debit card issued by the bank. The carriages of these financial instruments ensure that your money remains safe and cannot be willfully misused!
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**Table 3 Choosing a Bank in Spain, India and Gujarat**

<u>Spain</u>	<u>India</u>	<u>Gujarat</u>
<p>When choosing a bank, take the following steps:</p> <ul style="list-style-type: none"> <li>• <b><u>Location:</u></b> the closest branch may not necessarily be most suitable.</li> <li>• <b><u>Distribution:</u></b> a strong presence in Spain as most banks charge a commission for using ATMs.</li> <li>• <b><u>English-speaking staff:</u></b> some banks have English-speaking staff at specific branches to help foreigners.</li> <li>• <b><u>Telephone/Internet banking:</u></b> almost all banks in Spain now provide these services.</li> <li>• <b><u>Statements and other documentation:</u></b> some</li> </ul>	<p><b>Look at past statements:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Look at past statements:</u></b> These will help you to see what you are currently paying in fees or earning in interest.</li> <li>• <b><u>Think about your banking behavior:</u></b> It sounds obvious, but if you run out of cash and have to hit up an ATM at the convenience store, you might want a bank that refunds ATM fees.</li> <li>• <b><u>Limit your accounts:</u></b> If you currently have</li> </ul>	<ul style="list-style-type: none"> <li>• It is the same as the India to choose the bank account.</li> </ul>



banks offer the option of receiving bank statements and other related paperwork in English.	multiple checking and savings accounts, you'll cut down on paperwork if you consolidate.	
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**Table 4 Ranking of Top Banks in Spain, India and Gujarat**

<u>Spain</u>	<u>India</u>	<u>Gujarat</u>
<ul style="list-style-type: none"> <li>• <b>Banco Santander</b></li> <li>• <u>La Caixa</u></li> <li>• <b>Banco Bilbao Vizcaya Argentaria (BBVA)</b></li> <li>• <b>Caja de Madrid</b> (in Spanish)</li> <li>• <b>Banco Popular</b></li> <li>• <b>Bancaja</b></li> <li>• <b>Banco Sabadell</b></li> <li>• <b>Caja de Ahorros del Mediterráneo</b></li> <li>• <b>Caixa Catalunya</b></li> <li>• <b>Bankinter</b></li> <li>• <b>Ibercaja</b> (in Spanish)</li> <li>• <b>Caixa de Galicia</b> (in Spanish)</li> <li>• <b>Barclays Bank S.A.</b></li> <li>• <b>Unicaja</b> (in Spanish)</li> <li>• <u>Bilbao Bizkaia Kutxa (BBK)</u></li> </ul>	<ul style="list-style-type: none"> <li>• State Bank of India (SBI)</li> <li>• HDFC Bank</li> <li>• ICICI Bank</li> <li>• Punjab National bank (PNB)</li> <li>• UTI Bank (AXIS Bank)</li> <li>• Hongkong &amp; Shanghai Banking Corp(HSBC)</li> <li>• Kotak Mahindra Bank</li> <li>• Sundaram Bank</li> <li>• Oriental Bank of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>• ABN AMRO Bank</li> <li>• ANZ Grindlays Bank</li> <li>• Bank Of America</li> <li>• Bank Of Tokyo</li> <li>• Citi Bank</li> <li>• Deutsche Bank</li> <li>• Standard Chartered Bank</li> <li>• Allahabad Bank</li> <li>• Canara Bank</li> <li>• Indian Overseas Bank</li> <li>• Punjab National Bank</li> <li>• Reserve Bank of India</li> <li>• State Bank of India</li> <li>• HDFC Bank</li> <li>• ICICI Bank</li> <li>• IDBI Bank</li> <li>• Lord Krishna Bank</li> <li>• Syndicate Bank</li> <li>• UCO Bank</li> </ul>

**Table 5 Types of Bank Accounts in Spain, India and Gujarat**

<u>Spain</u>	<u>India</u>	<u>Gujarat</u>
<b>Current/checking account</b>	Demat account	Demat account
	NRE A/c	NRE A/c
<b>Savings account</b>	NRO A/C	NRO A/C
	FCNR A/c	FCNR A/c
<b>Deposit account</b>	Sb a/c -Savings bank account	Sb a/c -Savings bank account
	CC a/c - Cash credit account	CC a/c - Cash credit account
	CA a/c - Current account	CA a/c - Current account
	Salary Account	Salary Account
	Recurring deposit account	Recurring deposit account
	Overdue account - OD a/c	Overdue account - OD a/c
	Fixed deposit account	Fixed deposit account
	Proprietorship account	Proprietorship account
	Partnership account	Partnership account
	Firm account	Firm account
	Company account	Company account

**Table 6 Opening a Bank Account in Spain, India and Gujarat**

<u>Spain</u>	<u>India</u>	<u>Gujarat</u>
<ul style="list-style-type: none"> <li>• applicants must be aged 18 or over</li> <li>• photographic proof of identity</li> <li>• Proof of occupation or status This is an extra</li> </ul>	<ul style="list-style-type: none"> <li>• To open a current account in India, the document's checklist generally includes: a valid visa, two passport-sized photos, and proof</li> </ul>	<p>To open an account, you don't need a job. You don't have to put money in your account right away.</p> <ul style="list-style-type: none"> <li>• <u>Pick a "type" of Account:</u> Think about</li> </ul>

<p>requirement introduced in 2007 by the Bank of Spain as a measure to combat money-laundering.</p> <ul style="list-style-type: none"> <li>• Residents also need to produce their Foreigner's Identification Number and certificate</li> <li>• Confirmation of address.</li> <li>• An applicant with all of these documents available when visiting a branch should have their account opened almost straight away, although it will take a few days for the cheque book and ATM/debit card to be issued.</li> <li>• Some banks accept applications for new accounts submitted by post, although a visit to a branch may be needed to complete the identification process and present the originals of the personal documents.</li> </ul>	<p>of residence.</p> <ul style="list-style-type: none"> <li>• If you work in India, your company can take in charge the opening of your bank account for you with its partner bank.</li> <li>• Identity verifications, it will be imperative that your signature is in every respect identical to that of your passport.</li> <li>• Once your account is open, you will receive a checkbook and a debit card.</li> </ul>	<p>what you want to do with your money. Just need a place to put it?</p> <ul style="list-style-type: none"> <li>• <u>Pick a Bank:</u> Most people pick “home branches” that are close to their homes. Your “home branch” is the branch that you opened your account at.</li> <li>• <u>Visit the Bank:</u> When you visit the bank, make sure you have all the things you need (acceptable ID and a parent if you need one). If you decide to open you account on the spot, you can.</li> </ul> <p><u>Open Your Account:</u> Found a bank you are happy with? Open your account! A bank representative will help you open your new bank account.</p>
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## RETAIL SECTOR & ITS ROLE IN ECONOMY OF SPAIN

Retail consists of the sale of physical goods or merchandise from a fixed location, like a department store, boutique or kiosk, or by mall, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. In commerce, a “retailer” buys goods or products in large quantities from manufacturers or directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain.

**Graph 1 RETAIL SALES OF SPAIN 2011-12**



### Interpretation

The above graph shows the Retail Sales in Spain for the year of 2011-12. It shows that the sale of the sector has declined this year. This is opposite to Indian retail sales scenario which is in positive. From 2004 until 2011, Spain's average Retail Sales was -1.18 percent reaching an historical high of 5.80 percent in March of 2007 and a record low of -11.80 percent in February of 2009.

So we can say that the Indian retail sector has more potential than the Spanish retail market. As the Indian retail market has 11% of growth rate for the year of 2011-12.

## **STRUCTURE, FUNCTION & BUSINESS ACTIVITIES OF RETAIL SECTOR**

The organizational structure of a retail sector is going to vary by the size and type of the business. Most tasks involved with operating a retail business are identical. However, small or independent retail stores may integrate many sectors under one division, while larger stores have various divisions, for each particular function along with many faces of management.

### **Structure of Indian retail sector**

The retail sector is classified into two:

#### **1. ORGANISED RETAIL:**

Organized retailing is trading activities done by licensed retailers, that is, those who are registered for sales tax, income tax and many more. These include the corporate hypermarkets and retail chains, and also the privately owned large number of retailers, greater enforcement of taxation mechanisms and better labour law monitoring system.

#### **2. UNORGANIZED RETAIL**

Unorganized retailing represents 97 per cent of the total retail market of India is mainly characterized by small retailers, traditional formats of low-cost retailing, etc. The local kirana shops, general stores, paan /beedi shops, convenience stores, hand cart and pavement vendor, etc.

## **ROLE OF THE RETAIL SECTOR IN ECONOMY IN SPAIN**

Spain's economy in the latter half of the twentieth century developed under the shadow of General Franco's authoritarian regime, which had ascended to power at the end of the civil war in 1939. However, unlike the self-enclosed, state-dominated economies of other authoritarian government, Franco integrated Spain's economy into the western capitalist framework through a series of liberalization initiatives. Spain's economy underwent a rapid industrialization that affected every segment of society. Foreign machinery boosted Spain's domestic offerings. Franco also permitted investors and banks from other countries to work within Spain's borders. In 1970, a preferential agreement with the European community further boosted trade liberalization.

By the mid-1970s, Spain enjoyed a strong, modern capitalist economy. Spain's annual growth rate in the first half of the 1970s held steady at 6 %, ranking it eighth in the world in terms of GDP, measured at current prices and current exchange rates, according to the Organization for Economic Co-operation and Development (OECD).

King Juan Carlos, Franco's successor, inherited Spain's robust economy and fascist legacy after Franco's death in 1975. He began moving the country towards democracy shortly after ascending to power. The appointment of Adolfo Suarez as president in late 1976 was one of his first transition moves, followed by general election the next year. Spain's new found freedom on the political front opened up further opportunities for labour and business, including the legalization of trade unions in 1977.

The political and economic reforms which included the creation of a constitution in 1978, as well as various other legislative agreements guaranteeing the functioning of democratic institutions placed Spain squarely on footing with other Western European capitalist states by 1980.

## **COMPARATIVE POSITION OF RETAIL SECTOR OF SPAIN**

### **WITH INDIA AND GUJARAT**

**Table 7 Percentage of Retail Sector for Different Sector**

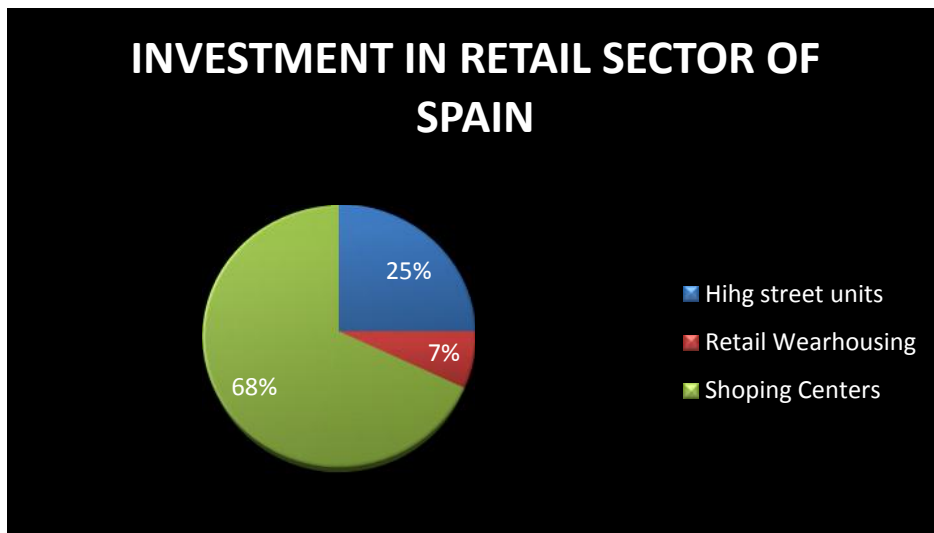
Retail Sector	Spain (In %)	India (In %)	Gujarat (In %)
Food & Grocery	14	12	15
Clothing	44	40	46
Furniture & Decoration	7	9	5
Foot ware	14	12	4
Watch & Jeweler	6	10	13

Toys, Games & Music	2	5	4
Mobile	8	6	10
Consumer Durable	5	6	3

### Interpretation

According to above table in total retail sales clothing and food and grocery contains the same share as these are the basic human needs. Rest of the things has got different market share in all of the markets.

Graph 2 Investment in Retail Sector of Spain



**SOURCE: Retail market report, Jones Lang LaSalle**

### Interpretation

The above graph shows that the most of the investment is done in shopping center which is 68%, and then after high street units and wear housings respectively which are 25% and 7% respectively.

**Table 8 Numbers Of Retailers Per Sector**

Retail Sector	Spain	India
---------------	-------	-------

Fashion & Clothing	59	13
Food	43	16
Consumer Electronics	29	5
Diy & Gardening	13	0
Furniture & Decoration	21	3
Home Ware	19	5
Footware & Lather	22	8
Personal Care	23	6
Baby Ware	12	1
Sport & Leisure	17	1
Toys, Games & Music	21	1
Books & Magazine	16	7
Jewellery & Watches	14	2
Optical	14	6
Pet Care	6	0
Telecom	9	2
Petrol	16	0
Gross Total	354	76
Net Total	268	42

## SPAIN IMPORT LICENCING AND VAT IN RETAILING

### ❖ Import Licenses

**Import Authorization:** (Authorization Administrative de Importation, AAI) - used to monitor imports, which are subject to quotas.

Prior notice of imports: (Notification Preval de Importation) - used for merchandise that circulates in the area of EU Customs Union, but is controlled for statistical use only. The importer must have to get the document and present it to the General Register.

Importers apply for import licenses at the Spanish General Register of the Secretarial General de Comerica Exterior. A commercial invoice which contains freight and insurance, the C.I.F. price, net and gross weight, and an invoice number must accompany the license application. Customs accepts invoices by fax. The license, once granted, is valid for six months and can be extended if proper justification is provided.

### Import Duties



## **Countervailing**

Countervailing duties are checked to counter the impacts of subsidies provided by a foreign govt. for exported to Spain resulting in manipulated low prices that are shown to Spanish and other EU member states industries. The time interval of the countervailing duty imposition changes from case to case and the duty imposed currently ranges from 5 to 33 percent.

Following is a detail of the new regulation for EU demonisms value that applied from 1<sup>st</sup> December 2008.

- A commercial shipment till 22 Euros: no duty and no VAT.
- A commercial shipment from 22 Euros to 150 Euros: no duty but VAT is to be collected.
- A commercial shipment above 150 Euros: duty and VAT both have to be collected.

## **Excise Duties**

Consumer goods like wine, spirits, cigars, cigarettes and tobacco are included in

Excise duty.

- The following rates are applied for alcoholic beverages.
- Beers above 0.5 alcohol % is 2.75 Euro per hectoliter.
- Wines have to pay no excise duties.
- Products with an alcohol % from 1.2 to 22% range from 33.32 Euro to 55.53 per hectoliter.
- All alcoholic drinks in Spain and the Balearic Islands over 22% are 830.25 per hectoliter, whilst in the Canary Islands it is 649.66 Euro.

## **❖ Spain Import Prohibitions:**

- Atlantic red tuna fish originating from Belize, Panama, and Honduras are prohibitive.
- Toys and games having copper sulfate.
- Items with a flexible metal blade entirely contained in a plastic, paper, or fabric sheath
- Illicit Narcotics and Drugs are prohibited.
- All forms of asbestos fibers also prohibited
- L-tryptophan and items having L-tryptophan as an ingredient are prohibited.

## **❖ VAT**

In Spain, there are three kind of VAT tariffs (IVA), two of them were increased in July 2010 as part of a range of deficit-cutting measures, aiming to consolidate recent ballooning government borrowing.

- 4% “super” reduced rate applies to basic food stuffs such as bread, milk, cheese, eggs, fruit and vegetables.
- 2. 8% reduced rate applicable for all other food stuffs.
- 3. 18% is the standard rate and is applied on all non-food items, alcohol, tobacco and services.

## **INDIAN EXIM POLICY 2010 -2011**

- Additional benefit of 2% bonus, over and above the existing benefits of 5% / 2% under Focus Product Scheme, allowed for about 135 existing products, which have suffered due to recession in exports. Major sectors containing all Handicrafts items, Carpets, Toys and Sports Goods (all of which were earlier for 5% benefits); Leather items and Leather Footwear, Handloom items and Engineering Items including Bicycle parts and Grinding Media Balls (all of which were earlier for 2% benefit).
- 256 new items added under FPS (at 8 digit level), which should be entitled for benefits @ 2% of FOB value of exports to markets. Major Product Groups are Engineering, Electronics, Rubber & Rubber Products, Other Oil Meals, Finished Leather, Packaged Coconut Water and Coconut Shell worked items.
- Instant Tea and CSNL Cardinal contained for benefits of VKGUY @ 5% of FOB value of exports.
- Round about 300 products from the readymade garment sector given incentive under MLFPS for next 6 months from October, 2010 to march, 2011 for exports to 27 EU countries.
- Zero duty EPCG scheme, applied in August 2009 and valid for two years up to 31<sup>st</sup> march 2011, has been extended by one more year till 31<sup>st</sup> march 2012. In addition, to give a growth to technological up gradation for additional sectors too, the benefit of the scheme has been expanded to include paper & paperboard and articles thereof, ceramic items, glass & glassware, rubber & articles thereof, Plywood and allied items, marine products, sports goods and toys and additional engineering items.

- Additional Towns of Export Excellence (TEEs) announced viz. Barmer (Rajasthan) for Handicrafts works; Bhiwandi (Maharashtra) for Textiles market; and Agra (Uttar Pradesh) for Leather items.

## **SPAIN EXPORT-IMPORT WITH INDIA**

### **Major Exports:**

- Machinery
  - Motor Vehicles
  - Foodstuffs
  - Pharmaceuticals
- Medicines
  - Wine (3rd largest producer in the world)
  - Fruits, vegetables and olive oil

### **Major Imports:**

- Machinery And Equipment
  - Fuels
  - Chemicals
  - Semi finished Goods
- Foodstuffs
  - Consumer Goods
  - Measuring And Medical Control Instruments

## **BUSINESS OPPORTUNITY IN FUTURE**

Following trade sectors are contributing to Spanish exports

- Machinery and tools
- Food stuffs
- Chemicals
- Automobiles

Businesses covering all sectors will face more problems in the future if they strongly depend on:

- Public buyers/state investment and consumptions.
- Household consumptions

Retail/services:

- Sectors depending on customer spending and consumer credit are most vulnerable.
- Small retail commerce is suffering from overall weak domestic demand.

## **INFORMATION TECHNOLOGY SECTOR**

### **INFORMATION TECHNOLOGY IN INDIA**

The Information technology industry in India has gained a brand identity as a knowledge economy due to its IT and ITES sector. The growth in the service sector in India has been led by the IT–ITES sector. The sector has increased its contribution to India's GDP from 1.2% in FY1998 to 7.1% in FY2011.

According to NASSCOM, the IT–BPO sector in India aggregated revenues of US\$88.1 billion in FY2011, where export and domestic revenue stood at US\$59 billion and US\$29 billion respectively. The top seven cities that account for about 90% of this sectors exports are Bangalore, Chennai, Hyderabad, Mumbai, Pune, Delhi, Kolkata, Coimbatore and Kochi. The industry's share of total Indian exports (merchandise plus services) increased from less than 4% in FY1998 to about 25% in FY2012.

This sector has also led to employment generation. Direct employment in the IT services and BPO/ITES segment was 2.3 million in 2009-10 and is estimated to reach nearly 2.5 million by the end of financial year 2010-11. Indirect employment of over 8.3 million job opportunities is also expected to be generated due to the growth of this sector in 2010-11.

India's IT Services industry was born in Mumbai in 1967 with the establishment of Tata Group in partnership with Burroughs. The first software export zone SEEPZ was set up here way back in 1973, the old avatar of the modern day IT park. More than 80 percent of the country's software exports happened out of SEEPZ, Mumbai in 80s.

## Recent development



Infosys media electronic centre, Bangalore



Tidel Park Largest software park

set up on the July 4, 2000 in Chennai



set up on the July 4, 2000 in Chennai.



Tidel Park—Largest software park in set up on the July 4, 2000 in Chennai.  
Asia Microsoft India Development Center, Hyderabad

The share of I.T.(mainly software) in total exports increased from 1 percent in 1991 to 18 percent in 2001. IT enabled services such as back-office operations, remote maintenance, accounting, public call centres, medical transportation, insurance claim and other bulk processing are rapidly expanding. Indian companies like HCL, TCS, WIPRO and INFOSYS may yet become household names around the world.

Mumbai too has its share of IT companies that are India's first and largest, like TCS and well established like Reliance, Patni, LnT Infotech, i-Flex, WNS, Shine, Naukri, Jobsperter etc. are head-

quartered in Mumbai. And these IT and dot com companies are ruling the roost of Mumbai's relatively high octane industry of Information Technology.

**Table 9 India's IT Industry**

<b>PARTICULAR</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
IT Services	10.4	13.5	17.8	23.5	31.0
Exports	7.3	10.0	13.13	18.0	23.1
Domestic	3.1	3.5	4.5	5.5	7.9
ITES-BPO	3.4	5.2	7.2	9.5	12.5
Exports	3.1	4.6	6.3	8.4	10.9
Domestic	0.3	0.6	0.9	1.1	1.6
Engineering services and Software product	2.9	3.9	5.3	6.5	8.6
Exports	2.5	3.1	4.0	4.9	6.4
Domestic	0.4	0.7	1.3	1.6	2.4
Hardware	5.0	5.9	7.0	8.5	12.0
Exports	0.5	0.5	0.6	0.5	0.5
Domestic	4.4	5.1	6.5	8.0	11.5
<b>Total IT industry</b>	<b>21.6</b>	<b>28.4</b>	<b>37.4</b>	<b>48.0</b>	<b>64.0</b>

**Table 10 Major IT Hubs**

<b>RANKING</b>	<b>CITY</b>	<b>DESCRIPTION</b>
1	Bangalore	
2	Chennai	
3	Hyderabad	
4	Pune	
5	NCR	
6	Mumbai	
7	Kolkata	
8	Mysuru	

9	Mangalore	
10	Coimbatore	

- 1 **Bangalore** Bangalore is popularly known as the capital of the Silicon Valley of India and is currently leading in Information Technology Industries in India.
- 2 **Chennai** It is the Second largest exporter of Software next to Bangalore.
- 3 **Hyderabad** Hyderabad called as Cyberbad.
- 4 **Pune** Pune, a major industrial point in India. It is also referred to as Education Hub of India. It was declared as Gamma-Global City recently.
- 5 **NCR** The National Capital Region of India comprising Delhi, Gurgaon, Faridabad, Noida, Greater Noida and Ghaziabad are having ambitious projects and are trying to do every possible thing for this purpose.
- 6 **Mumbai** Mumbai is popularly known as the commercial, entertainment, financial capital of India. This is one city that has seen tremendous growth in IT and BPO industry, it recorded 63% growth in 2010.
- 7 **Kolkata** Kolkata is a major IT hub in eastern India. All major IT companies are present here. The city has tremendous potential for growth in this sector with upcoming areas like Rajarhat.
- 8 **Mysuru** It is the second largest city in the state of Karnataka,. The city contributed Rs.1363 crores (US\$275 million) to Karnataka's
- 9 **Mangalore** It handles 75 per cent of India's coffee exports and the bulk of its cashew nuts. Major information technology (IT) and outsourcing companies like Infosys, Wipro, and Mphasis BPO have established a presence in Mangalore.
- 10 **Coimbatore** It is the second largest city in the state of Tamil Nadu,India

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SPAIN

### ✓ TECHNOLOGIES OF SPAIN

Spanish industries is began to develop significantly during the 1960s depended on foreign technology; this involve playing technical aid, taxes and royalties etc. – this is to say spending sums of such a magnitude that in 1982. They acceded the entire amount of money used for research in Spain. The low to generally promote and coordinate scientific and technical research; the so called science Lawland

other procedures, such as the patents law etc. they look the first step to modernize Spain's scientific and technical system and to define and organize directed research from then on great efforts has been made to stimulate scientific and technological development.

Since Spain's accession to the European community in 1986, the Spanish scientific and technological system has been incorporated into the European one which also initiated a new phase with the established of the European single act in July 1987. In the context the interministerial committee of science and technology is responsible for the coordination and follow-up of Spain's participation on the international R.& D. programmers.

Maritime traffic is the most heavily used transportation system for import and exports commercial operation to and from sprains.

## ✓ **THE TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY**

### **Enterprises:**

The number of active enterprises was 29,620 in 2010. Of these, 11% provided Telecommunication Services and 89% were involved in IT. Within the IT sector, 50 out of 100 enterprises were dedicated to Computer and Related Activities.

### **Revenue:**

The turnover in 2010 amounted to 100,765 million euro's, a decrease of 7.3% compared to 2011. 58% of the turnover was generated by IT enterprises and 41% by Telecommunications enterprises<sup>3</sup>. Within the IT sector, Computer and Related Activities accounted for 37% of the turnover, followed by Trade with 23.6% and Content Activities with 22%.

## ✓ **The IT Sector in Spain**

### **Enterprises:**

In 2010 there were 26,322 enterprises in the Information Technology Sector, 2.4% less than in 2009. Of these, 50% (13,000 enterprises) were devoted to Computer and Related Activities, followed by Content enterprises with 30% of the total, Trade enterprises with 11%, and enterprises engaged in



Other Telecommunication Activities with 5.7%. Manufacturing enterprises only accounted for 3.5% of the total.

**Revenue:**

59% of the turnover was generated by IT enterprises, which amounted to €9,000 million, showing a decrease of 8.5% compared to 2010. Turnover from Manufacturing recorded the greatest drop (-20.4%), Trade reduced its turnover by 12.7%, Computer and Related Activities fell by 3.8%, Content enterprises reduced its turnover by 6.3 and Other Telecommunication Activities recorded a decrease of 5.9%.

**Employment:**

In 2011, the IT sector employed over 300,000 people, 3.4% less than in 2010. ITs generated 80% of the total employment in the ICT sector. Most notable are Computer and Related Activities that created over 200,000 jobs, followed by Content enterprises with 64,000 jobs and Trade with almost 40,000 jobs.

**Investment:**

IT enterprises invested over 10,000 million euro's in 2011. The Investments made by IT enterprises represented 71% of the total investment, out of which 39% corresponded to Computer and Related Activities.

➤ **TELECOMMUNICATIONS AND INFORMATION**

✓ **TECHNOLOGY SECTOR**

Telecommunications and Information Technology Sector

**Table 11 General figures**

	2009	2010
Information Technology	25,693	26,322
Telecommunications	2,984	3,298
Total	28,677	29,620

Between 2005 and 2009, the Telecommunications and Information Technology sector grew by 9% with respect to 2005. Computer and Related Activities showed good management capacity, recording a growth of more than 40% compared to 2005. These were followed by Content activities with a growth of 17% and Telecommunications with 2%. ICT trade remained stable and Manufacturing fell by 13%.

**Table 12 Gross Added Value at market cost for the ICT sector**

Telecommunications and Information Technology (Millions of Euros)

	2007	2008	2009	2010	2011
Information Technology	32,363	33,578	39,893	42,671	37,930
Telecommunications	21,748	22,831	23,908	23,336	21,747
<b>TOTAL</b>	<b>54,111</b>	<b>56,408</b>	<b>63,801</b>	<b>66,007</b>	<b>59,677</b>

**Table 13 Compression between Spain and India**

	<b>SPAIN</b>	<b>INDIA</b>
Percentage of students in each country who possessed high levels of technophobia	34%	82%
Use of Computers as a Student	45%	49%
Written Computer Program	43%	46%
Computerized Library Use: Card Catalog	16%	0%
Computerized Library Use: Literature Search	12%	1%
Word Processing Use	29%	38%
Computer Games	85%	94%
Arcade Games	84%	94%
Video-Cassette Recorder	87%	100%
Programmable Microwave Oven	47%	32%

Automated Banking Machines	62%	10%
Computer Ownership	52%	9%
Not Own Within 5 Years	19%	3%

Computer/Technology experience was assessed in the university, in game playing, with household and consumer technology and in computer ownership most students in most countries have had some experience with computer and arcade games. In most samples, nearly all subjects had used these games at least once. The percentage of subjects in each sample who had used a video-cassette recorder, a programmable microwave oven and an automated banking at least once. These results show that the majority of students had used a video-cassette recorder at least once (and in fact most had used them many times). Microwave oven and automated banking use showed a different pattern with a few countries using these household and consumer technologies and most not using them. The percentage of students who owned a personal computer (or used one that their family owned) and those who did not plan to own one within 5 years. The first column indicates that computer ownership is higher in some countries than others (and the United States is only sixth highest). The final column paints a dismal picture for some countries where large percentages of students are certain that they will not own a personal computer, even in five years.

## **LOGISTIC SECTOR**

### **INDIAN LOGISTIC MANAGEMENT**

India is being touted as the land of opportunity for logistics service providers all over the world.

The Indian logistics market represents \$ 50billion and is growing at a rate of 7 percent annually.

India has the second highest largest road network-3.3 million km.US have the largest road network with 6.4 million km & China-1.8 million km. National Highways-2% of total road length. But carry 40% of goods traffic of India.

The Indian Railways boasts of being the world's 2ndlargest rail network spread over 81,511 km and covering 6896 stations The freight segment accounts for roughly two thirds of railway's revenues.

India has 12 major and 184 minor / intermediate ports spread across the vast coastline of 7517km. The 12 major ports handle about 76 per cent of the traffic. India's West Coast ports handle almost 70% of traffic.

India now has the largest merchant shipping fleet among the developing countries. India ranks 17thin the world in shipping tonnage. Indian share of maritime transport services is 1% of world market. The container traffic has registered an impressive growth of 15 per cent over the last five years.

Port traffic to grow to a level of 650 Million Tonnes Per Annum by 2008-Ministry of Shipping. Port Privatization is picking up momentum--USD1.39 billion worth projects approved. Players ---P&O, PSA, Maersk, Gammon India, CWC and the Dubai Port Authority.

Aviation holds a small share of India's freight market. Air Freight is very expensive in India in comparison to road and rail. The size of the world air cargo market is estimated at 27 million tonnes valued at \$200 billion. India accounts for meager 3% of the global air cargo market. As per an expert estimate, Indian air cargo industry is going to be double by the year 2010.

Cargo-garments, machinery, components, pharmaceuticals, dyes, chemicals and perishables [fruit, vegetables, flowers, fish and meat]. Major International cargo airports-Mumbai, Chennai, Bangalore, Trichy, Hyderabad, Delhi, Coimbatore, Cochin. Major domestic cargo airports –Ahmadabad, Goa, Lucknow, Visakhapatnam, Madurai in addition to the above.

Investments of USD 5.07 billion over next 5 years in Indian Airport Infrastructure. Blue-Dart, the only dedicated freight carrier in domestic sector. Air India plans to increase cargo revenue from current 10% to 15-20% in 3yrs. Jet Air, Go Air, Kingfisher Airlines charting out plans to play bigger role in Indian domestic air cargo. International Airlines-Cathay Pacific and BA increasing cargo capacity to and from India.

### **3 PL**

3rdParty Logistics imply that one company acts as an agent to look after the logistics aspect of another company or group of companies. 3RD party logistics entails a study of the customer's business, supply chain and distribution network, in order to formulate a comprehensive integrated logistics strategy, which will help render all supply-related services from a single window. India's 3PL sector represents 3 percent of the country's total logistics spend. The Indian 3PL market is expected to grow at around 20 percent per annum in the next 3-5 years. The practice in India reveals that warehousing and outbound transportation, custom clearing and forwarding are the most frequent outsourced activities. Activities such as packaging, fleet management and consolidation have started gaining attention for outsourcing.

A survey by the Transport Corporation of India (TCI) and the Management Development Institute (MDI) shows. less than 55% of Indian companies subscribe to 3PL, compared to more than 75% globally. About 57% of the companies plan to outsource reverse logistics within the next five years. 54% plan to outsource inventory management. 53% order processing. More than 50% of the companies have outsourced activities like transportation, warehousing & customs clearing/forwarding.

General growth of the Indian economy. Manufacturing boom-for exports as well as for domestic market. Expected rise in International trade from India. MNC's setting up manufacturing in India-Nokia, Flextronics. Government's thrust on Infrastructure --US\$17 billion to upgrade highway networks. Implementation of VAT will lead to growth in warehousing business. Opening of organized retail sector -attracting retail chains like Wal-Mart and Carrefour in addition to Indian players like Pantaloon and Reliance.

### **FEATURES OF INDIAN LOGISTIC MANAGEMENT**

Road Network carries nearly 65% of freight and 85% of passenger traffic. Vehicle ownership is firmly in the hands of individual truck owners. 67% of vehicle owners have fleets of less than five vehicles. Traffic on roads is growing at a rate of 7 to 10% per annum.

Government spends-12 per cent of capital and 3 per cent of total expenditure on roads.

A number of small-integrated players. Transportation costs account for nearly 40% of production costs. Logistics costs around 13% of GDP, compared to 8% in the US. Growth in Indian economy is the major driving factor for the demand in logistics industry. Chemicals, metals, FMCG, cement and textiles have been identified as the top five contributors to logistics revenues.

## **INTRODUCTION OF THE LOGISTICS SECTOR IN SPAIN**

Throughout the last decade dark clouds have packed over Spain's economic landscape. Unemployment, currently at 20%, is on the rise and the fiscal deficit has broken the 10% mark, amongst the worst in Europe. Clearly the country needs important structural changes to brighten this gloomy picture and move itself closer to the European average.

In 2006, the Spanish government provided the funds for the research project Globalog. Globalog was launched to investigate the logistics and supply chain initiatives that could contribute to the improvement of the competitiveness of the country's public and private sectors. In view of the rapid deteriorating situation of the last two years this has now become a critical mandate.

The research reported in this paper was carried out with the dual purpose of providing practical guidelines for the private sector and the government, and of establishing a rich database to facilitate further academic research into a wider array logistics and supply chain topics aimed at further strengthening the Spanish private sector.

This paper builds on the research reported in Diaz, Claes and Revilla (2008) and in Díaz, Solís and Claes (forthcoming). In particular, this paper extent this research by analyzing the gaps between global best logistics and supply chain practices, and those identified in Spain. We find clear opportunities for improvement in the logistics and supply chain practices in Spain, both on the infrastructural side (e.g., lack of rail and multimodal facilities) and, particularly, on the adoption of advanced logistics practices by Spanish companies.

The rest of this paper is structured as follows: first we summarize an extensive review into logistics and supply chain global best practices, identified by the practitioner and academic literature. Subsequently we provide an overview of the methodology used in the research and present the findings. We then comment on the gaps between the observed Spanish logistics and supply chain practices and those reported in the international literature. We close with a discussion of the findings.

Spain: Logistics Industry Guide is an essential resource for top-level data and analysis covering the Spain Logistics industry. It includes data on market size and segmentation, textual analysis of the key trends and competitive landscape. This incisive report provides expert analysis with distinct chapters for Air Freight, Express, Marine Freight, Rail Freight and Road Freight

The Spanish air freight sector is expected to reach total revenue of \$1.2 billion in 2010, representing a compound annual rate of change (CARC) of -0.6% for the period spanning 2006-2010.

The Spanish air freight sector is expected to reach total revenue of \$1.2 billion in 2010, representing a compound annual rate of change (CARC) of -0.6% for the period spanning 2006-2010. The Spanish express market is expected to have total revenue of \$5 billion in 2010

The Spanish marine freight industry is forecast to have total revenue of \$2.8 billion in 2010, representing a compound annual growth rate (CAGR) of 1.1% for the period spanning 2006-2010. The Spanish rail freight sector is forecast to have total revenue of \$315.2 million in 2010

Retail activity and the economy need to function and grow in order to help the sector.

In other words, Logistics and transport services have reduced in capacity. Goods transport and logistics contributes to 1.94% of national GDP. In Spain, road transport is the preferred method of transport, as it primarily aims to supply the region, as opposed to the rest of Spain or abroad. This transport category fell by 6.57% last year and by 23% since 2005, when it was at its peak. Air transport amounts to 28% of transfers, whilst sea transport amounts to 19%. Rail transport comes in last, having been downgraded to supplying large industries, as direct access is difficult if there is no rail siding. The liberalization of the railway sector a few years ago and the fact that investment has focused on high speed, as opposed to goods, are areas which can be covered in other reports, but not in this one.

## **ROLE OF THE LOGISTICS SECTOR IN ECONOMY IN SPAIN**

It now extends from pure transport, storage and distribution to encompass a broad range of value-added services from the re-packing of goods to warehouse management systems (WMS), which allow full tracking and traceability of products. Norbert Dentressangle is one of Europe's leading contract logistics groups in Europe for food, its biggest markets being France, the UK, Benelux and Spain. Ambient, chilled and frozen food represents 40% of the EUR1.7bn.global turnover of Norbert Dentressangle's contract logistics division and it has a stock of 4m cubic meters of cold storage located in several European countries.

"We run a truly pan-European logistics operation in food and retail and one we are committed to expanding through organic and external growth," explains Jean-Luc Declas, executive vice president for Norbert Dentressangle's logistics division.

Norbert Dentressangle's logistics division's biggest customer is Carrefour, followed by Danone, for which it handles finished goods across Europe. Its business with the French dairy giant spans large-

volume supply to major retailers in Spain to delivering modest quantities to a multitude of small outlets in Romania.

"Food manufacturers and retailers are from two different worlds and cultures and having both as major customers gives us a valuable perspective of their respective needs, allowing us to fulfil the role of facilitator between the two," Declas insists.

He says the next stage of development in Norbert Dentressangle's food business and in contract logistics as a whole, will be in accompanying its customers into new countries and even continents. "The scale and scope of the network we have built in Europe demonstrates that we have the capability to offer major food groups and retailers supply chains with a global reach."

Another major food LSP is Geodis which operates principally in France, Spain, Germany and Hungary. It provides logistics services for the finished goods of manufacturers such as Danone, Nestlé and Coca Cola Co., as well as working for retailers which include Auchan and Carrefour.

This month, the group opened a 25,000 sqm distribution hub in Bucharest, dedicated to a German retailer. "80% of the product handled at the hub is food with inflows of product from Romania, Hungary, Greece and Italy. Our task is to manage the hub, which is the focal point of 220 truck runs daily and carry out distribution throughout Romania," says Geodis assistant director for logistics Laurent Parat

While food and retail majors tend to work principally with leading LSP groups in Europe, there remains plenty of scope for smaller-scale operators. For example, NFT provides logistics solutions for chilled and ambient food manufacturers and retailers in the UK. Its customer portfolio includes Sainsbury's, Asda, Marks and Spencer, Yoplait and Nom Dairy and offers a broad range of storage, product picking and distribution services.

"We've invested heavily in a warehouse management system (WMS) solution, offering customers real-time visibility on their stock and sales profiles 'live' from our warehouses via web portals," says NFT sales and marketing director Dale Fiddy.

"Without doubt, the role of LSP's like ourselves has become more specialized in response to growing demands from customers. We are able to provide full tracking and traceability of their products, the necessity of which is of paramount importance when food scares and product recalls arise. Instant



information is of the essence in order to react swiftly to such unforeseen circumstances. We have not only been entrusted with customers' logistics but their brands too."

Atchison Topeka is a UK-based LSP that has cut itself a niche role in supplying food ingredients to manufacturers.

"We are not selling empty trucks and warehousing but a value proposition of key supply chain skills within the food sector," says sales manager Scott Waters. Atchison Topeka stores and transports food ingredients such as chocolate, starches, sugars, jams, bakery mixes, whey powders and milk powders, mainly used in the bakery and confectionery market for major ingredient suppliers such as Cargill, Kerry Group, Archer Daniels Midland and Barry Callebaut.

The business is separated between a bulk tanker operation and palletized goods storage and distribution. Atchison Topeka has a European dimension to its operations too, distributing milk from the UK to the continent and bringing in juices from the Netherlands and chocolate from Belgium.

Waters says: "Our work with [United Biscuits] McVitie's perhaps best demonstrates our business model as a consolidator and networker of food ingredients based on Groupage rather than full-truck loads. We deliver a variety of ingredients used in the production of Jaffa cakes at its Manchester plant on a single truck having each of McVitie's suppliers as customers too.

"This model supports two key initiatives of manufacturers, both of them crucial in the present economic climate: the reduction of working capital and just-in-time delivery which supplies product as and when required.

## **HOW INDIA COMPARES WITH OTHER COUNTRIES**

In spite of these strong and sustainable growth drivers, India is yet to achieve a level of transportation & logistics sophistication commensurate with its economic strength and potential. Unsurprisingly, India is unfavorably placed in comparison to some of the key global economies on key parameters of logistics efficiency and cost. While transportation cost in the US and China is high due to large and immensely widespread geographies, it is high in the Indian context due to a varying set of factors including lack of efficient alternatives to roads for long the hauls, poor road infrastructure resulting in low average speed, significances and tolls, higher rate of damage, etc. With respect to secondary cost components such as packaging and administration and damage related losses, the transportation & logistics sector in India accounts for almost 3x and 1.7x the cost share compared to that of the US and Chinese market respectively.

The Indian logistics industry is poised to become a \$125 billion industry by 2010, an increase of around 17 per cent, from the current level, according to Assoc ham. The knowledge chamber also said that the outsourcing of 3rd Party Logistics business (3PL) in India is set to become \$ 90 million size by 2012. Assoc ham projected that Indian logistics industry is expected to touch \$125 billion by 2010 from \$105 billion, an increase of around 16-17 per cent in the next two years. The 3PL industry is expected to become a \$90 million industry from the current \$58 million, as around 55 per cent of Indian companies are outsourcing logistic services like supply chain management and warehousing, which used to be between 10-15 per cent, ten years ago.

## **INTERNATIONAL IMPORTS, EXPORTS, & FREIGHT**

India is the most populous democracy in the World and seventh-largest country by geographical area, with a population of over 1.2 billion. Sneddens have a wide freight network throughout India. We have representatives in all major cities including Delhi, Mumbai, Chennai, Kolkata, Chandigarh, Indore, Ahmadabad, Kanpur, Bangalore, Cochin, Kandla, Mundra, Bhopal, Shimla, Gurgaon, Hyderabad, Jaipur as well as other smaller cities. We are well placed to cater for the needs of all Importers and Exporters throughout India. Be it finding the right mode of transport to the final destination or assisting with tariff and duty calculation, we can assist with containerized cargo or break bulk shipments. We have the knowledge and the reliable network to assist in your growth.

We provide our customers with professional & innovative international freight and logistics services to and from New Zealand. We offer a door to door pickup & delivery service for all import and export cargo. We have sea, air, courier, Door to Door, Break-bulk, FCL, LCL, shipping services.

The Indian economy is expected to expand by 8.5% in this year 2011. Economists believe India's growth rate could overtake China by 2013 and it will grow faster than any other large country over the next 25 years. There are two major reasons why India will outpace China. One is demography. China's workforce will shortly start ageing; due to its one child policy and the second reason for optimism is India's much derided democracy.

Indian economy is the fourth largest by purchasing power parity and the tenth largest in the world by nominal GDP. The Indian middle class estimated to be 50 million people and is becoming used to Western culture and goods. 583 million is the forecasted size of India's middle class in 2025.

## **IMPORT AND EXPORT OF SPAIN**

### **BECOMING A IMPORT AGENT AND EXPORT AGENT**

#### **Becoming a Import Agent**

Having your own business will allow you to earn some great profits. If you don't have your own product to market, you can try becoming an import export agent. Did you know that it's possible to become an agent even if you don't invest a large amount of capital? Perhaps the best area to start is food. There will always be a market for food, so it will be much easier to find companies that sell different kinds of products. Regardless of your location, you can find companies that manufacture products locally and never for export. If the products are of high quality and can pass for export, you can act as the export agent.

To export the products, you can use the internet to find potential buyers from the different countries of the world. You can export the products to Europe, US, and other countries. It would be an advantage to have a website and try to advertise that you're an import export agent. Being an expert agent is much easier because you will be dealing with local companies. With so many local companies producing food items, you are sure to convince several of them to consider exporting.

#### **Becoming a Export Agent**

Try to determine if you need a license as an import export agent. A company usually chooses to do business with those who are licensed or has a permit. Consult with the concerned local government agency and check for the requirements. You can make your website more attractive if you can claim that you are licensed to be an import export agent. Make your website user friendly and start creating your portfolio. If you can prove to potential clients that you're a great agent, they will be the ones who will look for you.

What are you waiting for? Start building your portfolio and attract potential clients. Some agents can earn some great money by working at night and on weekends. You can earn more if you work full time. If you have a day job, don't quit yet. Establish your business first and when money is starting to come in, you can consider becoming full time. Importing can be a challenge but if you can do it right, you can succeed. When importing, you will contact companies from other countries and you will be the one to find local sellers for the products. Invest time and effort. If you are hard working, you can become one of the best agents in your area.

## **PRESENT TRADE BARRIERS FOR IMPORT / EXPORT**

There are, broadly, two types of trade barriers, viz, tariff barriers and non-tariff barriers

Tariffs in international trade refer to the duties or taxes imposed on internationally traded goods when they cross the national borders. As noted above, after the Second World War, there has been a reduction in the average level of tariffs in the advanced countries. However, the tariff rates are generally high in the developing countries. With the recent economic liberalization across the world, many developing countries have reduced the tariff rates and NTBs as part of their trade liberalization. India is one among them adhering to WTO's GATT.

India has had one of the highest tariff walls in the world. The government, following the recommendation of the Tax reforms Committee steadily reduced the peak level of tariffs from over 300% in 1991 to 50% in 1995 to 5% in 2007. Further, import duties on capital goods, project imports, basic feed stocks for petrochemicals etc were brought down. The government proposes to further reduce the average and maximum tariffs and simplify and rationalize the tariff structure in order to bring the country's tariff structure in line with those of other developing countries.

Non-tariff barriers (NTBs), some of which are described as new protectionism measures (as against tariffs which are regarded as traditional barriers), have grown considerably, particularly since around the beginning of the 1980s. The export growth of many developing countries has been seriously affected by the NTBs.

The NTBs are of two categories. The first category includes those which are generally used by developing countries to prevent foreign exchange outflows or result from their chosen strategy of economic development. These are mostly traditional NTBs such as import licensing, import quotas, foreign exchange regulations and canalization of imports.

The second category of NTBs is those which are mostly used by developed economies to protect domestic industries which have lost international competitiveness and / or which are politically sensitive for governments of these countries. One of the most important new protectionism measures under this category is the voluntary export restraint (VER). There are different forms of NTBs. The

NTBs which have significant restrictive effects are described as hardcore NTBs. These include import prohibitions, quantitative restrictions, voluntary export restraints (VERs) etc.

## **IMPORT / EXPORT IN INDIA / GUJARAT MARKET**

Exports jumped 34.42% in April 2011 to \$ 23.8 billion continuing the fast paced growth of the previous fiscal. Imports, too, continued to rise although at a Lower pace of 14/13% to \$32.8 billion. The trade deficit for April 2011 was estimated at \$ 8.98 billion which was lower than the deficit of \$ 11.02 billion during April 2010.

Gujarat and Maharashtra account for 46 per cent of exports from India according to the data on state of origin of exports of goods in 2010-11, according to the Economic Survey 2011-12. If Tamil Nadu, Karnataka, and Andhra Pradesh, with more than 5 per cent share, are added to the top two, the share of the top five States would be 65.7 per cent (in 2010-11), it is found. In 2010-11, the growth of exports from States was robust, the Survey said, adding that “Only Goa had negative export growth due to fall in ore exports owing to a ban on exports of iron ore By the Karnataka Government.”

High export growth was registered by Odisha followed by West Bengal and Gujarat. In the first half of 2011-12, there was robust export growth in case of Karnataka, Uttar Pradesh, and Tamil Nadu, it said.

To encourage exports, outlay under the Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme for the Eleventh Five-Year Plan was increased to Rs 3,793 crore.

“State-wise allocation under State component of ASIDE shows that the top six States in terms of allocation in 2011-12 are Maharashtra and Gujarat followed by Tamil Nadu, Karnataka, Uttar Pradesh and Andhra Pradesh,” it said.

## **PRESENT POSITION OF INDIA/GUJARAT IN LOGISTIC SECTOR**

### **PRESENT POSITION OF INDIA**

Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US\$ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people.

India's retailing industry is essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population).

Until 2011, Indian central government denied foreign direct investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process.

In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Wal-Mart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, Indian government placed the retail reforms on hold till it reaches a consensus.

### **PRESENT POSITION OF GUJARAT**

Gujarat continues to occupy a distinctive position in the Indian economy. With 5 percent of the country's population and 6 percent of the country's geographical area, Gujarat contributes to about 16 percent of industrial production in India. The State has witnessed an annual average growth of 9 percent in the last three years (GDP is estimated at USD 38.4 billion) and an average industrial growth of 15 percent for the same period. However, these macroeconomic statistics look much more impressive on a closer look at the industrial landscape of the State. Accounting for 16 percent of the industrial production of India, Gujarat has demonstrated leadership in many areas of manufacturing and infrastructure sectors. Almost 50 percent of the country's refined petroleum products and 45 percent of the drugs and pharmaceuticals are from Gujarat. The State's exports stand at 14 percent of India's total exports, exhibiting a strong global orientation of the industrial structure.

The above indicators are a result of robust foundation of Gujarat's economy. At a broad level the following four components have been primarily responsible for the economic vibrancy of the State: Gujarat, at present, is on the cusp of an industrial boom. New projects are being identified; slew of investments of over INR 150,000 across 12 sectors are made by the Gujarat Government over the next few years, aiming at an annual growth of 12-13 per cent by 2015. For all these investments to be realized, it is important to focus on turning this potential to be supported by growth accelerators that could sustain the existing momentum and build new focus areas.

For better analysis of the growth, we focused on some key growth accelerators to have over time given any economy the desired push in their growth journey. The identified accelerators were trade, infrastructure, policy, demographics and technology. Here, we have very briefly elaborated on the growth ramifications of these accelerators:

## **COMPETITIVE ADVANTAGES OF SPAIN**

The competitive advantage "Latin American" has many nuances that do nothing but enhance his strength and can be stated as follows:

1) The first paragraph of the special relationship between Spain and Latin America would be associated with the above related to the geographical dimension, as was the case today in the time of the discovery of America,

The Iberian Peninsula is the "vanguard" geographical and natural extension of the European continent to the Americas, which is why it is logical that the geographical area of the Iberian Peninsula, and in this case Spain, should also become the point of departure and arrival of the main means of transport of goods that may arise between the two economic areas, emulating the role of Florida as exit and entry of logistics flows between the U.S. and Latin America.

It is hoped that the recent agreements between Mercosur and the European Union and the subsequent regional agreements that may occur between the two sides of the Atlantic to promote and achieve dynamic business linkages and enhance still minor demands more efficient logistics routes coordinated between both parties.

2) The second point related to the strategic value of Latin America for the future Spain international logistics project is the massive presence of Spanish multinationals in Latin American countries; this would directly affect a proportional increase in present and future exchanges logistical and networking of regional interests.

It is true that Spanish companies excel in the area are characterized by engaging in activities that generate goods reduced in proportion to the size of companies (Telefónica, Repsol, Endesa), but the fact remains that the presence of these companies has created a drag effect on many other smaller Spanish companies with a significant impact on logistics movements between Spain and Latin America. It would be impossible to deny that Spain is the first EU country

European investment volume in Latin America, while Spanish companies present in the Latin American market actors have become important determinants of strategic sectors of those economies of Latin America, all at one time will increase and proportional inevitable Spain's importance in logistical relations between Europe and Latin America.

3) The third aspect of the "Latin American factor" and the international logistics in Spain refers to the creation of a "Latin American logistics market" specifics within Spain.

The presence of an increasingly important number of Latin American immigrants in Spain, coupled with the presence of Spanish companies in Latin America referred to in the preceding paragraph, has given rise to a series of products aimed at specialized logistics clientele relationship, business or personal, with Latin America,

So we can see a company as a market leader DHL, which takes more than half of shipments abroad in their specific sector of transport, has designed a range of logistics products with high added value with customized destination market Latin America (America First, Mexico WPX), all this marks a trend toward specialization, improved connections, after clearance of documents, new lines of market, which strengthens and enhances the future positioning of Spain in relation to international logistics movements to or in Latin America.

4) The following positive factor in relation to Latin America, for the Spanish international logistics business is the development of logistics companies in Latin American Spanish.

As we mentioned at the time of the definition of competitive disadvantages, the Spanish logistics companies are characterized by small size and lack of international structure, which is a major burden off the big multinational companies, however in recent years have seen that in the process of geographical distribution of Spanish logistics companies has been an expansion of the logistic model to certain Latin American Spanish,

Especially through the two leading Spanish companies in the sector, MRW and Seur, this fact implies the development of local logistics networks in Latin American markets, and emerging markets still underdeveloped in this field, which can assume, as has happened in other economic sectors such as banking, energy, textile, etc.,



That in the near future these established networks can play a key role in the design of large global networks of international multinational transport, thereby reinforcing the still low weight of Spanish companies in the international context.

5) The last paragraph, not least, Spain: The relationship between Latin America in the logistics field

<b>Particular</b>	<b>India</b>	<b>Spain</b>
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would look purely cultural, even though international logistics is characterized by widespread use of English, it nevertheless ceases to be remarkable cultural tuning between Spain and Latin America, Based on a shared common history, which is important in facilitating business transactions, especially in a sector like this which is characterized by a high rate of transmission between all points logistics associated with such traffic.

The next competitive advantage, whether the Latin American context, arises precisely from one of the inherent weaknesses of the Spanish economy in the international logistics environment, this is its purely importing as we mentioned the marked imbalance in the trade balance Spanish for the benefit of a high volume of imports less likely it was in the development of international logistics sector in Spain, but now have new mechanisms and products to achieve payment flows reverse logistics services,

**Table 14 COMPARISON OF INDIA AND SPAIN IN IMPORT AND EXPORT**

Exports	\$298.2 billion	€248.9 billion
Imports	\$451 billion	€270.4 billion
Export goods	petroleum products, precious stones, machinery, iron and steel, chemicals, vehicles,	<u>Machinery</u> , <u>motor vehicles</u> , <u>chemicals</u> , <u>shipbuilding</u> , <u>foodstuffs</u> , <u>electronic devices</u> , <u>pharmaceuticals</u> and medicines, other <u>consumer goods</u>
Main export partners	US 12.6%, UAE 12.2%, China 8.1%, Hong Kong 4.1%	<u>France</u> 18.3%, <u>Germany</u> 10.6%, <u>Portugal</u> 8.7%, <u>Italy</u> 8%, <u>U.K.</u> 6.7%, <u>U.S.</u> 4.2%
Import goods	crude oil, precious stones, machinery, fertilizer, iron and steel, chemicals	<u>Fuels</u> , <u>chemicals</u> , semi finished goods, <u>Machinery</u> and <u>equipment</u> , <u>foodstuffs</u> , <u>consumer goods</u> , measuring and medical control instruments
Main import partners	China 12.4%, UAE 6.5%, Saudi Arabia 5.8%, US 5.7%, Australia 4.5%	<u>Germany</u> 14.5%, <u>France</u> 11.1%, <u>Italy</u> 7.4%, <u>China</u> 6.2%, <u>U.K.</u> 4.5%, <u>Netherlands</u> 4.4%
<u>FDI</u>	stock \$19.42 billion	\$649.9 billion
Gross external debt	\$267.1 billion	\$2.166 trillion

## **SCOPE OF THIS RESEARCH**

- Contains an executive summary and data on value, volume and segmentation for Air Freight, Express, Marine Freight, Rail Freight and Road Freight
- Provides textual analysis of the industry's prospects
- Incorporates in-depth five forces competitive environment analysis and scorecards
- Includes five-year forecasts for Air Freight, Express, Marine Freight, Rail Freight and Road Freight.

## **MEDIA & ADVERTISEMENT SECTOR**

### **Introduction of Media, Advertisement**

*“Advertising is a public announcement to inform and Persuade people to buy a product, a service or an idea.”*

Every day, we see and hear hundreds of advertisements. Let us consider a few of them.

- Posters informing us about the latest Bollywood film to be released.
- Big hoardings telling us which toothpaste would give us the cleanest and strongest teeth.
- The radio jockey, asking us to buy things from the big shop in the centre of the city for the most fashionable clothes..
- The huge wall carrying the name and address of the local beauty parlour, which will make even the most ordinary lady look as glamorous as a film star!

Advertising is the means of informing as well as influencing the general public to buy products or services through visual or oral messages. A product or service is advertised to create awareness in the minds of potential buyers. Some of the commonly used media for advertising are T.V., radio, websites, newspapers, magazines, online videos, mobile cinemas etc. As a result of economic liberalization and the changing social trends advertising industry has shown rapid growth in the last decade.

Advertising is one of the aspects of mass communication. Advertising is actually brand-building through effective communication and is essentially a service industry. It helps to create demand, promote marketing system and boost economic growth. Thus advertising forms the basis of marketing.

Advertising plays a significant role in today's highly competitive world. A career in advertisement is quite glamorous and at the same time challenging with more and more agencies opening up every day. Whether its brands, companies, personalities or even voluntary or religious organizations, all of them use some form of advertising in order to be able to communicate with the target audience. The salary structure in advertising is quite high and if you have the knack for it one can reach the top. It is an ideal profession for a creative individual who can handle work-pressure.

Today, new areas are emerging within advertising like event management, image management, internet marketing etc. Event management wherein events are marketed, Image management wherein a particular profile of an individual or an organization is projected. Internet marketing has also brought about a lot of changes in advertising as Internet means that one is catering to a select group of audience rather than a mass audience.

## Types of Advertising

### ❖ **Product advertising**

A product is something produced in large numbers by human beings, machines or by a natural process.



### **Product advertising**

The main focus of the ad in this case is the product and not the company or manufacturer. These ads usually have a playful approach. They are low on information about the product but are high on style. Ads of soft drinks, shoes, cars, cell phones and food products belong to this category.

### ❖ **Service advertising**

It consist bank, the railways a call centre or travel agency. The ads usually show the company as a leading service provider in its particulars field.

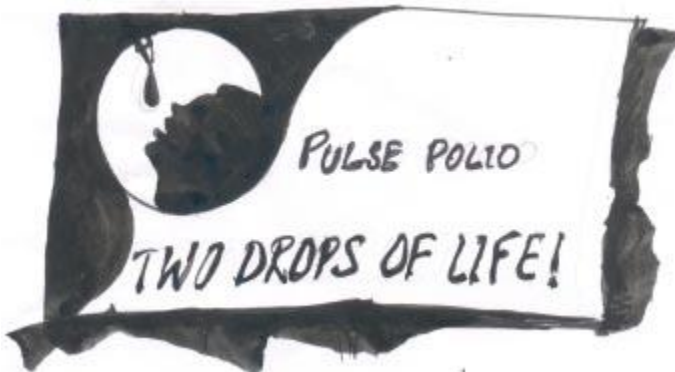
Let us consider the example of the Indian Railways.

In order to keep the public interested in the Railways and familiarize them with their services, advertisements are issued from time to time. You may look for these advertisements in the newspapers and the websites of Indian Railways.

Similarly, banks are found to advertise their saving schemes and loan facilities that they offer for buying homes and vehicles.

#### ❖ **Public services advertising**

This is also called social service advertising or development advertising. Here the focus is on issues that impact society on a larger scale, such as family planning, national integration, polio eradication, and pollution control. The main purpose is to create public awareness through hard-hitting direct messages. These ads do not sell products and services but ideas.



#### **Public service advertising**

Let us take the example of the polio eradication campaign.

Advertisements are issued through various mass media such as newspapers, radio and television to create awareness on polio eradication. This was to motivate parents to take their children for immunization and enable them to be given polio drops.

#### ❖ **Institutional advertising**

These ads are directed at creating a good public image of a company. The ads focus on the organization's work in areas of research, development and quality control. Often the ads concentrate on the social work done by the company by its sponsorship of educational, cultural and sports events. The purpose of these ads is to sell a positive image of the company rather than a product manufactured by the company.

The TATA Steel ads in the 1980s with the tag line – 'Ispat bhi hum banate hain' or 'we also make steel', is a good example of institutional advertising.

### **Role in the Economic of Advertising & media services in Spain**

#### **Advertising and Economic Growth**

**While advertising represents a major intangible investment on the part of companies, very little is known about its wider economic role.**

European economy characterized by strong economic growth, Spain is the world's 9<sup>th</sup> largest economy and is responsible for half the new jobs created in the European Union recently. Doing business in Spain provides ample opportunities to target Spain's 44.7 million resident consumers.

In a mere 30 years Spain's economy has witnessed a spectacular rise from stagnation to "miracle" status. Nowadays Spain's economy is a solid bet and is actually one of the most dynamic economies in the world. As part of the Eurozone Spain enjoys a stable international currency, and in fact was one of

the earliest adopters of the euro. Spain's inflation remains under 3% and the unemployment rate is about 8%, less than half of what the unemployment rate was 10 years ago.

Spain is a wealthy country, with a big advertising sector which uses media and television, in particular, as the main channels for conveying mass advertising to society. This is good news for media owners. Spain invested 0.84% of its GDP in above-the-line advertising (media advertising) in 2009, whereas Italy invested 0.67%, and France invested 0.64%. The media weight in advertising investment makes this difference even greater; France spends 63.5% of its whole advertising budget on below-the-line advertising; Spain spends 55.7% (IREP, 2008; Infoadex, 2010). Therefore, Spain's media advertising expenditure is relatively greater than other EU countries' spending, and it should allow for more players and more external pluralism. Spain's main industries include tourism, manufacturing, clothing and footwear, food, medical equipment and construction; however, Spain's economy is largely service-oriented and services account for over 66% of its GDP.

The traditional economic powerhouses in the world are the US, Japan, Germany and Britain. Yet the Spanish economy is currently growing at almost 4% per year, a figure substantially higher than all four of these economies. What's more, Spain's economy is now growing three times the European average and Spain "created more than half of all the new jobs in the European Union" from 2000 to 2010. Though imports from China are on the rise, Spain's main import and export partners are found in the European Union. Spain's imports include machinery, medical equipment, fuels and consumer goods, and exports include cars, pharmaceuticals and consumer goods.

**to contribute to a better understanding by economic and political actors of the mechanisms by which company investments in commercial communications influence the economic growth of developed countries.**

**Four key mechanisms:**

- **Consumption:** the sectors in which advertising investments are highest are also those in which consumption is growing the most in terms of volume. Accordingly, they contribute proportionally more to economic growth in general than other sectors;
- **Innovation:** the sectors in which investment is above average both in advertising and in innovation and R&D are also those in which the growth of added value is highest. The con-



tribution of those sectors to growth is therefore significantly greater than that made by the sectors in which investment activity is limited to innovation and R&D. To obtain the best levels of economic performance, investment in innovation and R&D must go hand-in-hand with a similar effort in terms of advertising;

- **Competition:** those sectors in which the advertising investment rate is highest are also those in which the market shares of companies are least rigid and in which competition, a recognized driver of growth, is liveliest;
- **Sectoral leverage effect:** as an economic sector in its own right, advertising is a multiplier of economic growth. In this sector, added value is increasing twice as fast as it is in the economy as a whole and its contribution to employment growth is four times greater than the average for the overall economy. This sector therefore exerts a positive leverage effect on growth.

**Compound Annual Growth rate in advertising media (WORLD WILE)**

Compounded annual growth rate is a business and investing specific term for annualized gain of an investment over a given time period. Compound annual growth rate is not an accounting term but remains widely used particularly in growth industries and compare the growth rate of two investments because compounded annual growth rate dampens the effect of volatility of periodic returns that can render arithmetic mean irrelevant. Compounded annual growth rate is often used to describe the growth over a period of time of some element of the business Like as revenue, units delivered, registered users etc.

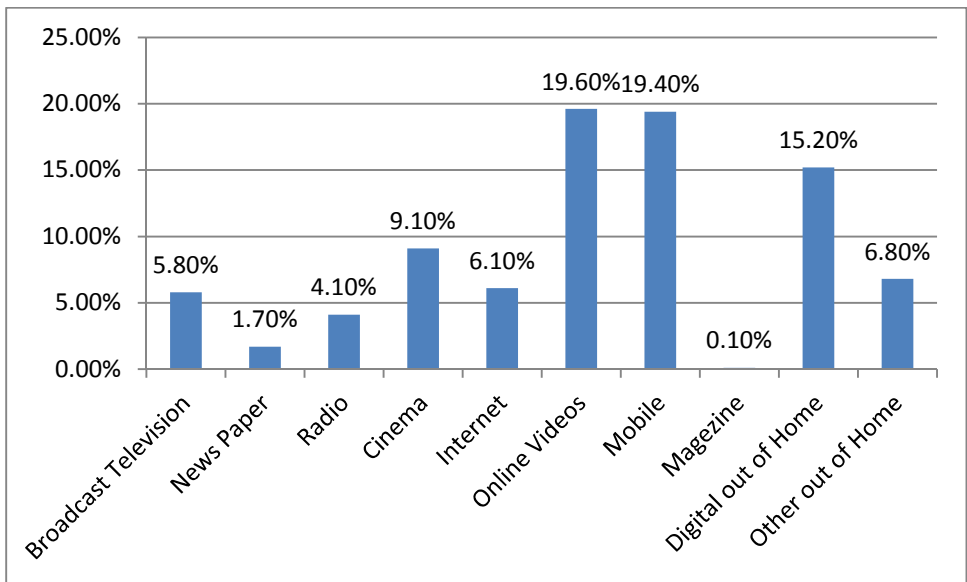
**Table 15: Compound Annual Growth rate in advertising media (WORLD WIDE)**

<b>Media</b>	<b>Annual Growth Rate (%)</b>
<b>Broadcast Television</b>	5.80%
<b>News Paper</b>	1.70%
<b>Radio</b>	4.10%
<b>Cinema</b>	9.10%
<b>Internet</b>	6.10%
<b>Online Videos</b>	19.60%
<b>Mobile</b>	19.40%
<b>Magezine</b>	0.10%
<b>Digital out of</b>	15.20%

<b>Home</b>
<b>Other out of Home</b>
<b>Home</b>

(Sources: MAGNA GLOBAL)

Graph3. Compound Annual Growth rate in advertising media (WORLD WIDE)

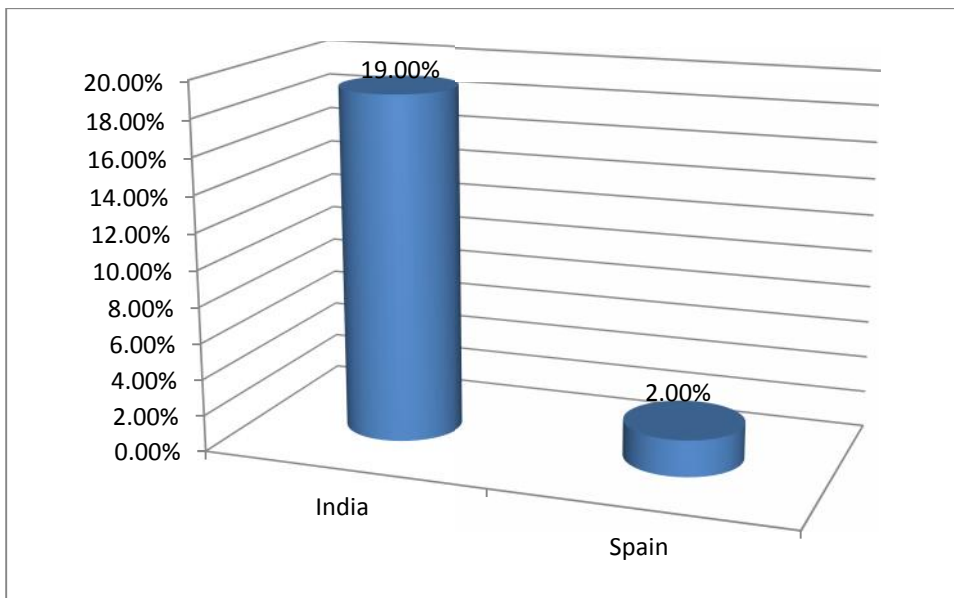


Graphical representation shows growth in advertisement instrument, broadcast television growth by 5.80%, newspaper growth by 1.70 %, Radio is 4.10 %, cinema house growth by 9.10 % internet growth by 6.10%, online video viewers increase up to 19.60% also mobile advertisement user growth by 19.40, but magazine user has no more growth it is only 0.10 %, digital out of home and other out of home respectively grow by 15.20 % and 6.80 %. This shows that mobile advertisement good impact on customer mind also online video viewer increase day by day and digital out home has also improvement in compounded growth rate.

**Table 16: Compound annual growth rate of advertisement and media services in India and Spain**

Country	Growth Rate (%)
India	19.00%
Spain	2.00%

**Graph 4: Compound annual growth rate of advertisement and media services in India and Spain**



Graphical representation shows that advertisement and media services of India is 19% while in Spain only 2% growth rate, show we can say that India is using more advertisement and media services than Spain, because use of internet, online videos, magazines, news paper and other media services instrument.

**Comparative position of advertising, media services between Spain & India**

**Comparison by television advertisement:**

An advertisement on television is a span of television programming produced and paid by an organization which conveys a message, product or services. The vast majority of television advertisement today consists of brief advertising spots, ranging in length from a few seconds to several minutes. In India code for self regulation of advertising in India, established by the advertising standard council of India it applicable on television commercials

**Graph 5: Comparison by television advertisement**

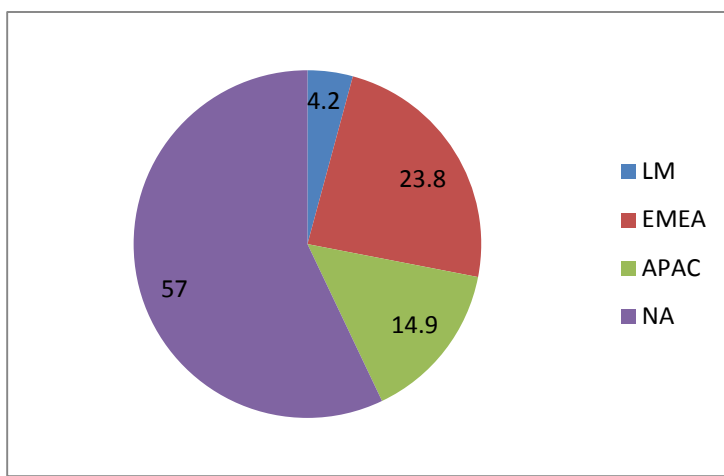


Chart No. -1

(Sources: MAGNA GLOBAL)

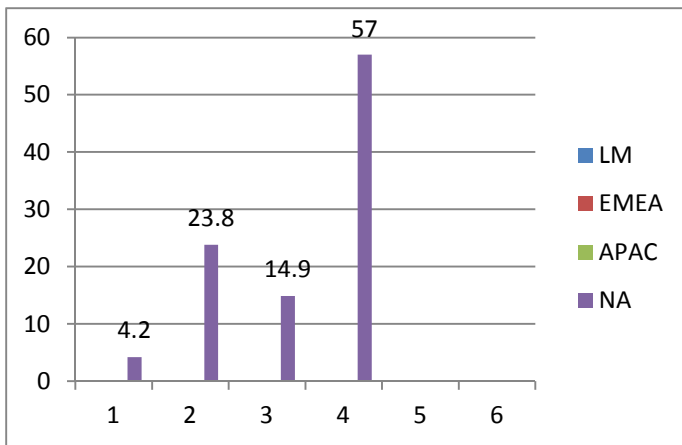
Advertisement by television is grown by 6% in 2011 and generated \$169 billion in revenue. The strength of medium around the world, it is noteworthy that total TV advertising totaled only \$ 103 billion in 1999 and that the medium which captures 41% of global advertising in 2011. US, Japan, China, Italy and Brazil are today’s five largest markets.

Chart no. –1 shows that advertisement by television is higher in (Asia pacific) APAC than (Europe, Middle East Africa) EMEA, it means in the India television advertisement more than Spain by 37.1%.

**Comparison by news paper advertisement:**

Newspaper advertising has been around longer than any other form of advertising we see today and is still the first kind of advertising that business thinking about doing. A newspaper is a scheduled publication containing news of current events, informative articles, diverse features, editorials, and advertising. These ads can do a lot more than just advertise one item or one sale each one can work really hard to bring in customers and then bring them back again and again. It usually is printed on relatively inexpensive, low-grade paper such as newsprint. By 2007 there were 6580 daily newspapers in the world selling 395 million copies a day.

**Graph 6 Comparison by news paper advertisement**



(Sources: MAGNA GLOBAL)

Newspapers satisfied the objectives of advertisers seeking immediate awareness of sales and promotion in an environment supporting trust-building for brands. News paper advertisement rise by 0.7% in 2011

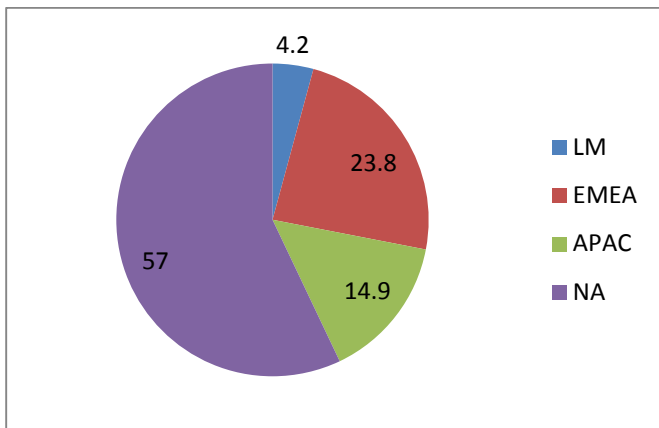
Chart no. - 2 show that advertisement by news paper is higher in (Asia pacific) APAC than (Europe, Middle East Africa) EMEA, it means in the India advertisement by news paper is higher than Spain by 79%.

**Comparison by radio advertisement**

Commercial radio stations make most of their revenue selling airtime to advertisers. Of total media expenditures radio accounts for 6.9%. radio stations today generally run their advertising in clusters or sets scattered throughout the broadcasting hour, studies show that the first or second commercial to air during a commercial break has higher recall than those airing later in the set

More than eight out of ten Spanish feel listening to commercials in exchange for free radio is fair deal. Thus radio advertising can be an effective, low cost medium through which a business can reach their target consumer. Studies shows that radio ads create emotional reactions in listeners. This can lead to increased market awareness and sales for businesses running ad schedules. 25% of listeners say they are more interested in a product or business when they hear about it on their preferred station.

**Graph 6 Comparison by radio advertisement**



(Sources: MAGNA GLOBAL)

Radio satisfies a number of underlying needs for consumers music discovery, local news gathering, spoken word contents, and information sharing all from portable, low cost source with virtually ubiquitous coverage. We expect growth to generally underperform the broader ad supported media economy with a gain of 3.1%. Which point the global radio industry should generate \$ 35.9 billion.

Chart no. -3 shows that advertisement by radio is higher in (Europe, Middle East Africa) EMEA than (Asia pacific) APAC, it means in the Spain advertisement by Radio are higher than India by 23.8%.

**Policy and norms for advertisement and media including licence, tax**

**POLICY & NORMS**

To get a complete overview of the Spanish media system, it is important to understand that it has a three-layer media structure based on geographical boundaries: national, regional, and local. 17 Spanish regions, called “Autonomies,” are similar to the German “Lander.” “Autonomies” only have power over radio and television operators in their territories. Spanish press concentration is one of the lowest in Western European countries

The Spanish state has retained control over national broadcasting activities and spectrum management. Therefore, in Spain, there is a national broadcasting sector that is regulated by the central government, and the regional and local broadcasting sectors are regulated by each regional government.

Spain media policy is implemented in 4 ways

**1 regulatory framework-** mainly the media service directive which aims to create an effective single European market for media but also Spain recommendation on protecting children/minors online and European film heritage

**2 funding program-** e.g. media to complement national systems

**3 other measures-** to promote online distribution of content

**4 actions outside the Spain-** especially defending European cultural interests in the world trade organization

## TAXATION

“Taxable Service” means any service provided or to be provided to any person by an advertising agency in relation to advertisement, in any manner.

### Spanish Tax system for advertisement and media services

#### Corporate Taxes in Spain

Spain's standard corporate income tax rate is 30%.

Companies with yearly sales of less than 8 million euros may qualify for certain tax incentives:

- A tax rate of 25%, applicable to the first 120,000 euros of taxable income.
- Accelerated depreciation of certain fixed assets.
- A 10% tax credit for investments and expenses in internet, information technology, and communications.

**Table 18: Service TAX in Spain**

	<b>Rate of Tax</b>	<b>Accounting Code</b>
<b>Service Tax</b>	10% of the value of services	<b>00440013</b>
<b>Education Cess</b>	2% of the service tax payable	<b>00440298</b>
<b>Secondary and Higher</b>	1% of the service tax payable.	<b>00440426</b>

<b>Education cess</b>		
<b>Other Penalty/interest</b>	– As levied or applicable	<b>00440016</b>

**Table 19: VAT in Spain**

<b>Income</b>	<b>TAX rate</b>
<b>standard rate</b>	18%
<b>reduced rate</b>	8%
<b>super reduced rate</b>	4%

### Indian Tax system for advertisement and media services

**Table 20: Corporate TAX in India**

<b>Company</b>	<b>Rate on income</b>
<b>in the case of domestic company</b>	30%
<b>in the case of foreign company</b>	50%
<b>in the case of merge company</b>	40%

Include: education cess: 2% of income tax amount  
 Sec. & hig edu. Cess: 1% of income tax amount

**Table 21: Surcharge rate in India**

<b>Company</b>	<b>income does not exceed 1 crore</b>	<b>TAX Rate</b>
<b>domestic company</b>	Nil	7.50%
<b>foreign company</b>	Nil	2.50%



## **LICENCE**

Some countries adopted the advertising model, but many others adopted a compulsory public subscription model, with the subscription coming in the form of a broadcast licence paid by households owning a radio set (and later, a TV set).

Today most countries fund public radio broadcasting from the same licence fee that is used for television, although a few still have separate radio licences, or apply a lower or no fee at all for consumers who only have a radio. Some countries also have different fees for users with colour TV. Many give discounts, or charge no fee, for elderly and/or disabled consumers.

### **Spanish licence**

RTVE, the public broadcaster, had been funded by government grants and advertising incomes since it was launched in 1937 (radio) and 1956 (television). Although the state-owner national radio stations removed all its advertising in 1986, its public nationwide TV channels continued broadcasting commercial breaks until 2009. Since 2010, the public broadcaster is funded by government grants and taxes paid by private nationwide TV broadcasters and telecommunications companies

### **Indian licence**

India introduced a radio receiver licence system in 1929 for all india radio with advent of television broadcasting in 1956 to 57, television was also licensed with the spurt in television stations beginning 1971-1972 a separate broadcasting company DOORDARSHAN was formed the radio & TV licences in question needed to be renewed at the post offices on a yearly basis annual premium for radio was rupees 15 in the seventies and eighties. However in 1984 the licensing system was withdrawn with both the Indian national public broadcasters AIR and DOORDARSHAN instead funded by both the government of india and advertisements.

## **ENTREPRENEURSHIP IN SPAIN**

### **INTRODUCTION OF ENTREPRENEURSHIP & ITS ROLE IN THE ECONOMY OF SPAIN**

#### **Introduction of entrepreneur:**

The word 'entrepreneur' is derived from the French word 'enterprendre' which means 'to undertake'. In early 16th century, the Frenchmen who led military expeditions were referred to as 'entrepreneurs'. Around 17th century this term was used for architects and contractors for public works. Later it was applied to the function of engaging labour and buying materials and selling the resultant products at contracted prices. Infact, it was in 18th century that the Term 'entrepreneur' was applied initially to business by the French economist Carillon who designated him as a dealer who purchases the means of production for combining them into marketable products. Frenchman J. B. Say, expanded Cartillion idea and conceptualised entrepreneur as an organiser of a business firm. In case of a developing economy like India, it refers to one who starts a new business, undertakes risk, bears the uncertainties

and performs the managerial functions of decision making and coordination. In many countries, the entrepreneur is associated with a person who starts his own new and small business.

### Defining Entrepreneurship:

- Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an Existing one, thus to pursue growth while generating wealth, employment and Social good’.
- It involves risk taking, being innovative as well as using knowledge and skills to set up new ventures or diversify from existing ones. Entrepreneurship adds significant value to the economy by creating wealth and generating employment.

According to A Schumpeter “The entrepreneurship is essentially a creative activity or it is an innovative function”.

Entrepreneurship refers to the functions performed by an entrepreneur. It involves Identification and use of opportunities prevailing in the market and undertaking Promotional activities to launch an enterprise. It involves risk-bearing, creative and Innovative action and constant striving for excellence in the field.

### **WHO IS AN ENTREPRENEUR**

- He is a person who develops and owns his own enterprise
- He is a moderate risk taker and works under uncertainty for achieving the goal.
- He is innovative
- He peruses the deviant pursuits
- Reflects strong urge to be independent.
- Persistently tries to do something better.
- Dissatisfied with routine activities.
- Prepared to withstand the hard life.
- Determined but patient
- Exhibits sense of leadership
- Also exhibits sense of competitiveness
- Takes personal responsibility
- Oriented towards the future.
- Tends to persist in the face to adversity
- Convert a situation into opportunity.

## **IMPORTANCE OF ENTREPRENEUR**

It has been said that entrepreneurship is essential for economic development. In capitalistic economies, the entrepreneurs played an important role in their development. In socialist economies, the state played the role of the entrepreneur. But in a developing country like India which followed the path of mixed economy, both the government and the private entrepreneurs played an equally important role. According to a green paper by the European Commission, there are four main importances:

- 1) Entrepreneurship contributes to job creation and growth.
- 2) Entrepreneurship is crucial to competitiveness.
- 3) Entrepreneurship unlocks personal potential.
- 4) Entrepreneurship and the interests of society.

## **QUALITIES OF SUCCESSFUL ENTREPRENEUR**

The Indian business has seen great successful entrepreneurs like Tatas, Birlas, Modi, Dalmia and many more who came up recently such as Ambaines, Mittals, Jindals, etc. The question is what makes an entrepreneur successful? Did they all have certain common qualities? The answer is, they all had certain prominent qualities which can be summarised as follows.

- (a) **Initiative:** An entrepreneur must have an innovative aptitude, pick the right opportunity, and initiate action. If he/she does not initiate action at the right time the opportunity may be lost. Hence, the ability of an entrepreneur to take initiative is the key to the success of the venture to a great extent.
- (b) **Wide Knowledge:** An entrepreneur should have wide knowledge of the economic and non-economic environment of business like the market, consumer attitudes, technology, etc. In the absence of such adequate knowledge, the decisions taken by him may be poor and will not contribute to the profitability of his business in the long run.
- (c) **Willingness to assume risk:** Entering any venture is full of risks and uncertainties. In order to deal with various kinds of risks and uncertainties efficiently, the entrepreneur should have willingness and necessary foresightedness to assume risks. The quantity and quality of risk taking would determine the quality of business decisions.
- (d) **Open mind and optimistic outlook:** An entrepreneur should have an open mind. He/she must possess a dynamic and optimistic outlook so as to predict changes in the business environment and respond effectively without delay.
- (e) **Adaptability:** The entrepreneur must understand the ground realities of the business environment. He/she should be prepared to adapt to the changes taking place in the system. Any resistance to change and delay in responding thereto, shall lead to losing the opportunity of taking advantage thereof.

## **Role of Entrepreneurship in the Economy:**

The entrepreneur who implements 'new combinations of means of production' plays a crucial role in disturbing the status quo through innovation — or 'creative destruction' — and thereby becomes an agent of change.<sup>4</sup> As such, the 'dynamic equilibrium' achieved by a constantly innovating entrepreneur could generate the conditions for:

- a. increasing opportunities for employment
- b. additional wealth creation;
- c. introduction and dissemination of new methods and technology;
- d. overall economic growth.

Entrepreneurial activities in Spain have risen by 47.5%, fuelled by factors that include the stability and growth of Spain's economy, according to the GEM - Global Entrepreneurship Monitor - Report. The report compares the level of entrepreneurial activity in each participating country and examines trends and the most relevant factors that promote entrepreneurship around the world. The GEM Report also provides a snapshot profile of today's entrepreneur and his/her motivations, challenges, demands and needs.

Spain now has some 1,700,000 entrepreneurs, half a million more than in 2002, and holds a middle position among the 31 countries analysed by the GEM Report. The total of entrepreneurial activity (TEA) in Spain currently stands at 6.77%, which represents the percentage of the Spanish population involved in entrepreneurial projects. Spain's TEA is similar to that of the UK, Finland and Denmark, and lower than that of Germany, Belgium, Holland, Ireland and Italy.

The report states that business start-ups generate 3.8% of current employment in Spain, a figure similar to that in other EU countries. The challenge, according to the experts, is not the number of start-ups, but rather the growth of fledgling companies. As for the number of employees in new companies, the report states that 79% of Spanish firms have 2 or fewer employees on their payroll.

## **ENTREPRENEUR'S PROFILE**

The Spanish entrepreneur's profile is changing. The average age is going down, particularly among women, and although men still comprise the majority of entrepreneurs the ratio of women to men has grown by between 47.5% and 58%, depending on the country. The ratio of women entrepreneurs in

Spain is double that of Ireland, but half that of China, France or Italy. The report forecasts that in the medium term there will be one female entrepreneur for every two male entrepreneurs in Spain.

## **SPAIN'S ECONOMY**

In a mere 30 years Spain's economy has witnessed a spectacular rise from stagnation to "miracle" status. Nowadays Spain's economy is a solid bet and is actually one of the most dynamic economies in the world. As the world's ninth largest economy, Spain represents a GDP of over €80 billion with a per capita GDP of US\$27,914 and provides large amounts of foreign aid each year. The traditional economic powerhouses in the world are the US, Japan, Germany and Britain. Yet the Spanish economy is currently growing at almost 4% per year, a figure substantially higher than all four of these economies. Spain's inflation remains under 3% and the unemployment rate is about 8%, less than half of what the unemployment rate was 10 years ago. Though imports from China are on the rise, Spain's main import and export partners are found in the European Union. Spain's imports include machinery, medical equipment, fuels and consumer goods, and exports include cars, pharmaceuticals and consumer goods. Spain's main industries include tourism, manufacturing, clothing and footwear, food, medical equipment and construction; however, Spain's economy is largely service-oriented and services account for over 66% of its GDP.

Spain's most powerful companies are: Santander (banking), Telefónica (telecommunications), BBVA (banking), Endesa (energy), Repsol (oil and gas), Inditex (textiles, which includes the Zara brand) and Ferrovial (construction).

## **STRUCTURE, FUNCTION & BUSINESS ACTIVITIES OF ENTREPRENEUR**

### **STRUCTURE:**

Spain has a relatively large population and while the population growth rate is very high, immigration flow is relatively low. The population age distribution stands at around the average for

the countries included in this study, as do the income dispersion (quintile) and government taxation indexes. Employment data reveal a relatively low public sector ratio. The proportion of the population with tertiary education, the percentage of Science and Technology (S&T) graduates among 20-29 year-olds and the rate of employment in S&T are around the average for the countries included in this study, while youth interest in S&T, the rate of participation in life long learning, as well as both public and private expenditure on R&D, are among the lowest values recorded in the sample of countries. In the case of industrial and intellectual property rights, the figures are once again somewhat contradictory with a high activity rate for trademarks and a relatively low number of European Patent Office (EPO) patents. Technology transfer between universities and firms would seem to be an area in clear need of improvement. At the same time, the funding of R&D comes largely from public sources with a relatively high number of enterprises receiving public funding, though early-stage venture capital is markedly low. In the realm of ICT, the indicators of overall expenditure and broadband penetration are low.

### **BUSINESS ACTIVITES:**

Entrepreneurial activity in Spain fell by 15.7% last year according to IE Business School's findings published in the 2010 GEM Spain Report. The report places Spain among the 6 least entrepreneurial countries of the 59 included in the global edition of the report. The annual survey provides a snapshot of the situation of entrepreneurs in Spain and more than 50 other countries complete with the opinions of experts and entrepreneurs, who gave a more negative evaluation of entrepreneurship last year than in 2009. Some 53.3% felt that it was "much more difficult" to set up a business than before, compared to 47.7% in 2009.

### **BUSINESS ACTIVITY BY REGION**

The GEM report also tracks the evolution of TEA in terms of Spain's autonomous regions. In 2010, the levels of entrepreneurial activity in 15 of these regions (Rioja, Basque Country, Galicia, Asturias, Ceuta, Baleares, Cantabria, Canary Islands, Navarre, Valencia, Aragon, Andalucia and Catalonia) were below the national average (4.3%). The lowest rate was recorded in La Rioja (around 2%), while the highest was found in Melilla, with over 6.5%.

### **FUNDING ENTREPRENEURSHIP IN SPAIN**

The average seed capital needed to set up a business in 2010 was €10,195, almost €100,000 more than in 2009. The source of this external funding is gauged by measuring funds originating from informal investors and Business Angels.

The 2010 figures further attest to the importance of these private investors in maintaining entrepreneurship levels, given that the amount of funding they provide has risen steadily since 2008, despite the fall in TEA in particular and in economic activity in general. Specifically, in 2010, 3.2% of Spain's adult population invested in some kind of business, compared to 2.8% in 2008. The key role of these investors in the entrepreneurial process is further heightened by the current credit restrictions.

Although most of this external funding comes from the entrepreneur's circle of family and friends, the 2010 figures reflect a fall in these categories in favor of funding by Business Angels, which is good news for the professionalization and development of entrepreneurial activity in Spain.

### **START-UPS AND CONSOLIDATED BUSINESSES**

According to the 2010 figures a typical start-up or fledgling businesses in Spain is launched in the consumer sector, with the entrepreneur as the only employee, a product or service that is not very innovative, and with scant use of technologies. Moreover it operates in a highly competitive sector and is very rarely involved in international markets. This profile is similar for consolidated businesses, except that the number of employees tends to range between 1 and 5.

### **ENTREPRENEURIAL ACTIVITY AND BUSINESS DYNAMICS IN SPAIN**

The fall in entrepreneurial activity is basically due to a drop in new initiatives, from 2.8% in 2009 to 2.1% in 2010, while the number of fledgling firms has remained practically the same as the previous year, falling slightly in 2010 to 2.2% from 2.3% in 2009. These figures evidence the difficulties that entrepreneurs still encounter in launching a project and maintaining its momentum.

2010 saw an upturn in entrepreneurial potential, namely the number of people who are considering the possibility of setting up a business over the next 3 years. Some 6.7% of those interviewed stated their intention to start a new business project compared to 5.5% the previous year. Moreover, 1.9% of survey participants had abandoned their entrepreneurial project, slightly less than the 2% of the previous year, which saw the highest level of abandoned projects since the survey started. Almost half of these projects (48.6%) were discontinued because they were not profitable, and almost 1 in 5



closures (17.8%) were due to difficulties in obtaining funding. These results were consistent with the weak position of the Spanish economy and the difficulties firms were having in obtaining loans. In fact, 66% of the Spanish entrepreneurs who closed their business in 2010 blamed the economic crisis, while the figure for 2009 had been 56%.

## **FUNCTIONS**

The functions of an entrepreneur can be summarised as follows.

(a) **Conception of an idea:** An entrepreneur is the person with a creative mind who can identify business opportunities and take steps for the conversion of ideas into successful business ventures, and give them a concrete shape.

(b) **Promotion:** It is felt that generally an entrepreneur undertakes the risk of setting up a small enterprise as a sole proprietor. But, now-a-days many entrepreneurs have assumed the role of promoters of large companies. In fact, promotion may be undertaken for setting up a new business, small or large expansion of an existing business or for combining two or more business firms. As a promoter, the entrepreneur has to conduct feasibility studies, decide to the form of organisation, assemble the required funds and people, and give a concrete shape to the business proposition.

(c) **Innovation:** An entrepreneur is also seen as an innovator who tries to develop new Technology, products and markets. The entrepreneur uses his creative abilities to do new things and exploit opportunities in the market.

(d) **Bearer of risks and uncertainty:** You know that starting of a new business venture involves good amount of risk and uncertainty. To start with, it is the entrepreneur who assumes risks and is prepared for the losses that may arise because of unforeseen situations in future. In fact, it is his willingness to take risks that helps him to take initiatives in doing new things or trying new methods of production.

(e) **Arranging necessary capital:** Arranging funds is one of the biggest hurdles in setting up a new entrepreneur. It is he who has to provide the initial capital (otherwise known As 'risk capital' or 'seed capital') for starting the ventures and then make the necessary arrangements for raising additional funds required to carry on and expand the business.

(f) **Staffing:** An entrepreneur has to design the organisational structure and recruit suitable Persons for various positions. He also makes an estimate for skilled and unskilled Workers required and make arrangements for their recruitment.

## **Comparative Position of entrepreneurship with India**

## **Entrepreneurship & opportunity – India**

Indians are optimistic about business opportunities, despite poor entrepreneurial infrastructure and social inequality

There is a moderate level of innovative activity in India. The country invests 1% of its GDP in R&D, placing 43rd on the Index, and India places 30th with respect to royalty receipts. Just under 4% of goods exports are from the ICT sector, placing India at 37th on this variable. Indians are extremely pessimistic about the local entrepreneurial environment: only 48%\* of people believe their local area is a good place to look for a job, placing India amongst the lowest five countries in the Index. This negative subjective assessment appears apposite, given that business start-up costs are very high at 57% of GNI per capita. In addition, India has a weak infrastructure for entrepreneurship: 45% of the population own a mobile telephone, internet bandwidth capacity is only moderate, and the availability of secure internet servers is low. Inequality across different socio-economic groups is pervasive in India, placing the country in the bottom 20 for equality of development. However, 85%\* of people believe that hard work allows people to get ahead.

## **Entrepreneurship & Opportunity - Spain**

A reasonable climate for entrepreneurship and moderate access to opportunity facilitate commercial activity in Spain

Spain has a moderate level of innovation for an advanced European economy. Both royalty receipts and R&D expenditure rank in the top 30 of the Index, worldwide. Meanwhile, ICT exports account for 3% of total goods exports, which ranks 46th in the Index. Business start-up costs are relatively high at 15% of GNI per capita and public perceptions regarding the environment for entrepreneurs places Spain just 70th internationally, on this variable. This is despite a strong infrastructure for entrepreneurship; Spaniards enjoy good access to communications technology, with 111 mobile phones for every 100 people, excellent provision of internet bandwidth, and a large number of secure internet servers per capita. Equality of economic development across different socio-economic groups places Spain 27th in the Index. This is broadly reflected in public attitudes regarding social mobility: almost nine out of 10\* Spaniards think that working hard brings sufficient rewards.

## **Present Position and Trend of Business (import / export) with India**

- **Spain's Imports and Exports commodities:**

Major Import commodities are: Petroleum oil, Medical equipments, Pharmaceutical products,

Mechanical and electric machinery, Iron and Steel, Civilian aircraft and parts, Fuel oil, Industrial engines, Telecommunications equipment, Organic chemicals, and Food stuffs.

Major Export commodities are: Motor and goods vehicles, Machinery, Rubber tyres, Treads and tubes, Foodstuffs, Vegetable oils and fats, Medicines, and Pharmaceuticals, Industrial machines, Medicinal items, Generators, Transformers, Transformer accessories, Wall tiles, Floor tiles, and Wine.

- **India & Spain trade info:**

- Trade between India and Spain has grown to more than five times from US\$ 900 million in 2000 to US\$ 4.5 billion in 2009 (Indian exports US\$ 3 billion and imports \$1.5 billion). The growth in bilateral trade during the year 2008-09 was 37%.

- In 2009, based on studies by FICCI (India) and ICEX (Spanish Institute for Foreign Trade), six crucial sectors are identified to boost bilateral ties between India & Spain: Infrastructure development, Renewable energy, Agriculture, Research and Development, Tourism, and Cooperation in Latin America, where Spain has a sphere of influence. The focus is on technological exchange and tapping each other's areas of expertise.

- In terms of investment, existing collaborations are: Spanish companies Roca, Duro Fulguera, Cipsa, Fersa, Simon, Befesa, Banco Popular have entered into Joint Ventures in India.

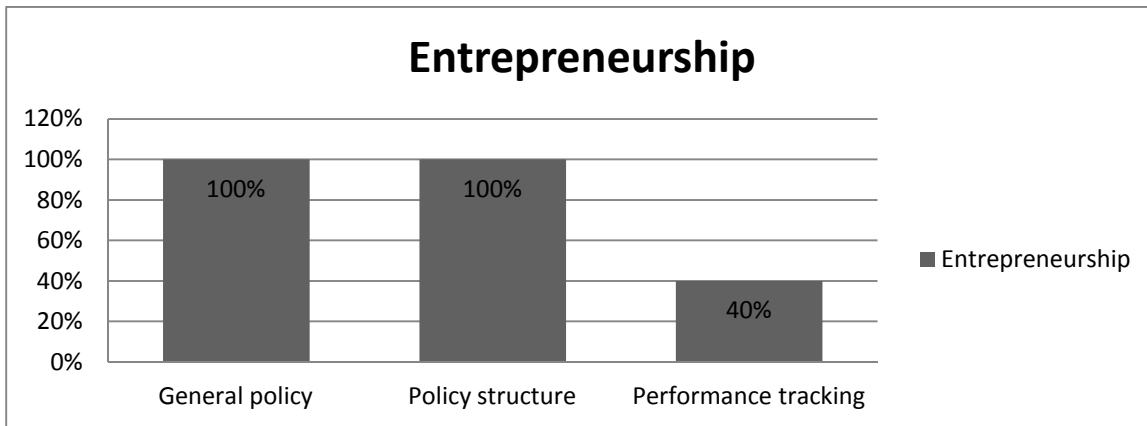
- Several Indian companies including TELCO, TCS, TVS, Mahindra & Mahindra, Suzlon, Tata Motors, Zydus, Ranbaxy, Dr Reddy's Lab, Wipro, Infosys and Cox & Kings have their presence in Spain.

### **An introduction to Spanish entrepreneurship policy at the national level**

- **General description – comprehensiveness index**

In this chapter we initially present an overview of the answers to the questions used in compiling the comprehensiveness index. The index should provide a clear and comparable picture of the situation within the respective policy fields for each of the participating countries.

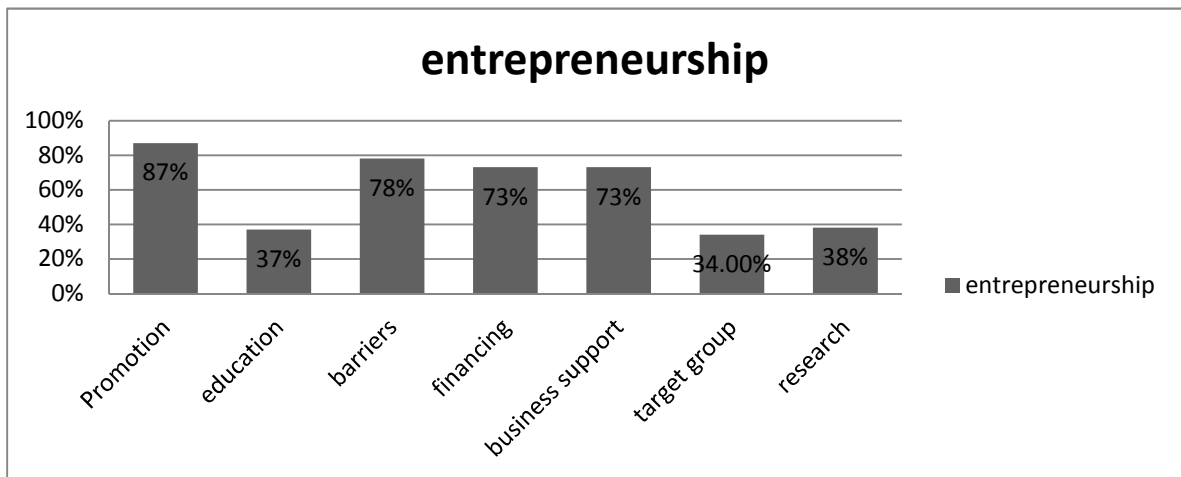
**Graph 7: Comprehensiveness index. General policy and Performance**



Both general policy and policy structure are fully represented in Spain’s entrepreneurship policy framework, but government performance tracking is not among its priorities as shown by the low percentage (40%) on the comprehensiveness index. Reports and observatories focus more closely on SMEs policies than on entrepreneurship “climate” and “culture”. These are areas in which improvements might be made.

Each comprehensiveness index chart shows the percentage of questions included in the index within each group that might be answered “Yes”. Rating of 4 and 5 similarly count as a “Yes” response.

**Graph 8: Comprehensiveness Index. Rating**



An overview of the comprehensiveness index shows that within the area of entrepreneurship policy, education is Spain's Cinderella. Efforts have been made to rectify this and relevant statements have been delivered such as that included within the law for quality in education. This law introduces the basic principles for entrepreneurship as a quality item within the system.

Both policy objectives and contents at all levels of education include this focus on entrepreneurship. The Ministry of Economy and the Ministry of Education, Culture and Sports developed a general document targeting entrepreneurship, but most of these objectives have yet to be reached. However, it is the Spanish regions that have jurisdiction over education, so in contrast to the answers recorded on the comprehensiveness index at the national level, very different approaches have been implemented at the regional level.

The target group constitutes another weakness in Spanish entrepreneurship policy. Apart from women and young entrepreneurs, target groups are given no specific focus in national policies. However, here again, specific actions have been implemented in several regions for immigrants and social entrepreneurship. Research is another field that deserves more attention, according to the comprehensive index

results in this sub-area.

#### **4.2: Policies and Norms of India for Import or export to the Spain.**

- **Higher Support for Market and Product Diversification**

1. Additional benefit of 2% bonus, over and above the existing benefits of 5% / 2% under Focus Product Scheme, allowed for about 135 existing products, which have suffered due to recession in exports. Major sectors include all Handicrafts items, Silk Carpets, Toys and Sports Goods (all of which were earlier eligible for 5% benefits); Leather Products and Leather Footwear, Handloom Products and Engineering Items including Bicycle parts and Grinding Media Balls (all of which were earlier eligible for 2% benefit).
2. 256 new products added under FPS (at 8 digit level), which shall be entitled for benefits @ 2% of FOB value of exports to all markets. Major Sectors / Product Groups are Engineering, Electronics, Rubber & Rubber Products, Other Oil Meals, Finished Leather, Packaged Coconut Water and Coconut Shell worked items.
3. Instant Tea and CSNL Cardinol included for benefits under VKGUY @ 5% of FOB value of exports.
4. Nearly 300 products (at 8 digit level) from the readymade garment sector incentivised under MLFPS for further 6 months from October, 2010 to march, 2011 for exports to 27 EU countries.

- **Support for Technological up-gradation**

1. Zero duty EPCG scheme, introduced in August 2009 and valid for only two years upto 31.3.2011, has been extended by one more year till 31.3.2012. In addition, to give a boost to technological up-gradation for additional sectors as well, the benefit of the scheme has been expanded to cover paper & paperboard and articles thereof, ceramic products, refractories, glass & glassware, rubber & articles

thereof, Plywood and allied products, marine products, sports goods and toys and additional engineering products.

2. Additional Towns of Export Excellence (TEEs) announced viz. Barmer (Rajasthan) for Handicrafts; Bhiwandi (Maharashtra) for Textiles; and Agra (Uttar Pradesh) for Leather Products.

- **Service sector:**

1. Scrip's issued under Served from India Scheme (SFIS) can now be used for payment of duty on import of Vehicles, which are in the nature of professional equipment.

- **Agriculture and Plantation:**

2. Instant Tea and CSNL Cardinol included for benefits under VKGUY @ 5% of FOB value of exports.
3. Oil Meals (Cotton, rape seed, and groundnut), Castor Oil derivatives, Packed Coconut Water and Coconut Shell worked items shall be entitled for benefits @ 2% of FOB value of exports to all markets under FPS.

- **Engineering and Electronics:**

4. Additional 2% bonus benefits over and above the existing benefits under Focus Product Scheme will significantly benefit Bicycle parts and Grinding Media Balls exporters.
5. Additional items of Engineering, namely, Pipes & Tubes, Electric Generating Sets, Cast Articles of Iron & Steel, Ferro Manganese and Ferro Silicon shall now be entitled for benefit @ 2% under FPS
6. A number of Engineering items namely, Machine Tools, Compressors, Iron & Steel Structures including Transmission Towers and Scaffolding, LPG Cylinders, Ductile Tubes & Pipes shall now be entitled for benefits @ 2% of FOB value of exports to all markets under FPS instead of their exports to specific markets under MLFPS earlier.

7. Telecom Equipments, Colour TVs, Audio Systems, Optical Media, Semi-conductors, Capacitors, Resistors, PCBs, LEDs, Conductors, Desktops and Notebooks shall now be entitled for benefits @ 2% of FOB value of exports to all markets under FPS instead of their exports to limited market under MLFPS earlier.

#### **4.3: Present Trade barriers for import / Export of Spain**

- A barrier to trade is a government-imposed restraint on the flow of international goods or services.
- The most common barrier to trade is a **tariff**—a tax on imports. Tariffs raise the price of imported goods relative to domestic goods (goods produced at home).
- Another common barrier to trade is a government **subsidy** to a particular domestic industry. Subsidies make those goods cheaper to produce than in foreign markets. This results in a lower domestic price. Both tariffs and subsidies raise the price of foreign goods relative to domestic goods, which reduces imports.
- Yet another barrier to trade is an **embargo**—a blockade or political agreement that limits a foreign country's ability to export or import.
- Barriers to trade are often called "**protection**" because their stated purpose is to shield or advance particular industries or segments of an economy. From an economic perspective, though, the costs to the economy almost always outweigh the benefits enjoyed by those who are protected.

#### **Technical Barriers to Trade (TBT's)**

- Technical barriers or non-tariff barriers to trade, as they are sometimes known, can cause many problems for exporters looking for new markets for their products.
- These barriers can be in the form of regulations, standards, testing and certification procedures.
- The World Trade Organization (WTO) Agreement on Technical Barriers to Trade tries to ensure that these barriers do not create unnecessary obstacles.



- To obtain further information on Technical Barriers to Trade as well as Notifications on technical regulations and conformity assessment procedures.

**Table 22: Potential to import export In India**

**Product(s) Exported From INDIA**

Quantity in MT

Value in Mill. US\$

<b>Sr No.</b>	<b>Product</b>	<b>QTY(2010)</b>	<b>Value(2010)</b>
<b>1</b>	Semi-milled/wholly milled rice, whether or not polished/glazed (100630)	14,49,105.00	1,511.87
<b>2</b>	Meat of bovine animals, frozen, boneless (020230)	3,33,393.00	953.46
<b>3</b>	Mucilage's & thickeners, whether or not modified, derived from locust beans/ ... (130232)	2,32,037.00	383.70
<b>4</b>	Husked (brown) rice (100620)	2,61,792.00	277.28
<b>5</b>	Onions & shallots, fresh/chilled (070310)	7,65,838.00	272.91
<b>6</b>	Ground-nuts, not roasted/othw. cooked, shelled, whether or not broken (120220)	1,97,337.00	169.01
<b>7</b>	Food preps., n.e.s. (210690)	28,263.00	153.69
<b>8</b>	Chickpeas (garbanzos), dried, shelled, whether or not skinned/split (071320)	1,77,481.00	146.83
<b>9</b>	Maize (corn), other than seed (100590)	6,14,561.00	138.37
<b>10</b>	Grapes, fresh (080610)	71,075.00	117.42
	<b>Page Total</b>	<b>41,30,882.00</b>	<b>4,124.54</b>

**Table 23: Product(s) Imported To INDIA**

Quantity in MT

Value in Mill. US \$

<b>Sr No.</b>	<b>Product</b>	<b>QTY(2010)</b>	<b>Value(2010)</b>
<b>1</b>	Cane sugar, raw, in solid form, not cont. added flavouring/colouring matter ... (170111)	13,28,773.00	659.77
<b>2</b>	Beans of the species Vigna mungo (L.)/Hepper/Vigna radiata (L.) Wilczek, dr ... (071331)	5,20,680.00	615.55
<b>3</b>	Peas (Pisum sativum), dried, shelled, whether or not skinned/split (071310)	15,40,103.00	501.26
<b>4</b>	Dried leguminous vegetables, n.e.s., shelled, whether or not skinned/split (071390)	3,51,933.00	293.77
<b>5</b>	Lentils, dried, shelled, whether or not skinned/split (071340)	2,50,543.00	208.92
<b>6</b>	Apples, fresh (080810)	1,22,878.00	121.30
<b>7</b>	Dates, fresh/dried (080410)	2,61,089.00	119.22
<b>8</b>	Beans (Vigna spp., Phaseolus spp. (excl. of 0713.31-0713.33)), dried, shell ... (071339)	93,834.00	93.04
<b>9</b>	Chickpeas (garbanzos), dried, shelled, whether or not skinned/split (071320)	1,51,745.00	85.78
<b>10</b>	Wheat other than durum wheat; meslin (100190)	2,48,143.00	76.07
	<b>Page Total</b>	<b>48,69,721.00</b>	<b>2,774.68</b>

**Source:**

[http://agriexchange.apeda.gov.in/countrysearchnew/products\\_exported.aspx?ctryid=99999&ctryn=INDIA&menuid=3](http://agriexchange.apeda.gov.in/countrysearchnew/products_exported.aspx?ctryid=99999&ctryn=INDIA&menuid=3)

**5.2 Business opportunity in Future**

31St May 2011, Port of Spain

A Report Prepared by Overseas Indian Facilitation Centre: June 2011 Business Forum on Investment and Entrepreneurship Business Forum on Investment and Entrepreneurship

- Key points of discussion during the Business Forum

- A. Speaking at the inauguration, Shri Vayalar Ravi, Hon'ble Minister of Overseas Indian Affairs and Civil Aviation said "today India as one of the largest and the most dynamic emerging economies has proved itself to be a key driver of global growth. With a GDP growth of 8.6% in the last financial year and similar growth expected in the current year too, sustained growth can be attributed to strong service sectors, emerging knowledge spheres, high number of qualified people and a huge young population". O He further added, "Globalization has been one of the major facets of India's growth. Trade and investments have grown with the rest of the world. Exports of goods and services have both been on the rise. O Latin America and the Caribbean region have today emerged as an important focal point for bilateral trade with India and India is particularly keen on expanding the economic engagement with the region with which Indian Shri Vayalar Ravi, Hon'ble Minister of Overseas Indian Affairs and Civil Aviation at the OIFC led Business Forum Business Forum on Investment and Entrepreneurship trade has been growing faster than with the rest of the world.. Today there is increased bilateral trade with LAC and Investments by Indian companies are on the rise. The T&T economy has also experienced high growth rate and is an important contributor to the regional economy. Engaging with the T&T economy for business will provide a springboard for greater economic engagement in the Latin American and Caribbean region. Various sectors have been identified for economic cooperation".
- B. As a closing remark, Shri Vyalar Ravi, urged the Indian Diaspora of the region to take the lead role in strengthening the business partnership of India and the region as a whole and benefit from the growing ties.
- C. Shri Vyalar Ravi invited Hon'ble Prime Minister of T&T (a person of Indian origin) to PBD 2012 to be held at Jaipur.
- D. Speaking at the inauguration, Mr Stephen Cadiz, the Hon'ble Minister of Trade & Industry, T&T said, "There is a need to strengthen ties with countries in the strong emerging markets especially the BRIC nations, one of which is of course India". He also mentioned the range of incentives being given to investors to enhance the

business environment and looked forward to the development of closer business relationships between the two countries.

- E. Addressing the forum, Ms Kamla Persad Bissessar, Hon'ble Prime Minister of T&T, congratulated India on its rise in the global market. Highlighting the attractions for investment in the region, she invited investments from India in the areas of education, ICT, Pharmaceuticals, Sports, Packaging & Printing, Financial Services, and Wellness etc. She also said that Tobago would be developed as a centre for healing and this would require investments. Business Forum on Investment and Entrepreneurship
- F. High Commissioner of India, Mr Malay Mishra, highlighted the potential of many business opportunities available in T&T. However, he mentioned the need for India to raise the standards of quality in Trade & Business.
- G. Mr Deo Gosine, Chairman of the India-Trinidad & Tobago Chamber of Industry & Commerce (ITTCIC), said, "We should add to our traditional trading partners of US, UK and Canada and should start establishing a new relationship with the largest democracy and an emerging super power.- India".
- H. The role of people of Indian descent in Trinidad & Tobago in the emancipation of the Caribbean majority was acknowledged by several of the session leaders, as was the need for the Indian Diaspora in Trinidad & Tobago to form a conduit for the stimulation of the economic sector, both in Caribbean and India. OIFC can provide the platform by forging close linkages with like minded organisations from Caribbean.
- I. There is a need to regularly organise similar Business Forums, bringing together the Indian Diaspora in different regions of Caribbean.
- J. Information about investment and business opportunities both in India & Caribbean needs to be shared on a continuous basis through platforms such as OIFC & CII.
- K. The Business Forum was tailored for business leaders from across Caribbean and India and provided a space to share experiences, questions, challenges and practices.

- Conclusion and Moving Forward
  - A. The Business Forum was an engaging event, attended by a group of select Global Indians businessmen and professionals. Business Forum on Investment and Entrepreneurship
  - B. Going forward, OIFC will plan similar Business Forums in other select regions of the Caribbean, to expand the economic linkages between the Global Indians in Caribbean and India.
  - C. OIFC will continue its interaction with the delegates, who attended the Business Forum. This will help strengthen the interface and reach out of the diaspora with India. Some of the activities include:
    - o regularly updating the diaspora delegates with sector and state specific investment opportunities through OIFC's online business networking portal and monthly e-newsletters.
    - o Inviting the delegates to sign in for the online business network and directory to enable them to reach out to the potential Indian businesses and SMEs.
    - o Inviting like-minded associations in Caribbean like India -Trinidad & Tobago Chamber of Industry & Commerce (ITTCIC) to become OIFC's Associate Partners. CEO of OIFC with members of GOPIO and ITTCIC

### **5.3: Suggestion & Conclusion**

- **Suggestion**

This all are the steps which is will pays some important role for to developing successful entrepreneurship business between the Spain and India

#### **1. Emphasis on stimulating, supporting and sustaining activities:**

The success of EDPs depends upon the stimulating, supporting and sustaining activities. Stimulating activities includes entrepreneurial education, publicity of entrepreneurial facilities, motivational training and assistance in the identification of viable projects,

creating a common platform for entrepreneurs, where they can share their problems, experiences and success.

Supporting activities involves the various forms of support provided to the potential entrepreneurs for setting up and running of their units such as registration, funds mobilization, license, tax relief and incentives and management consultancy services. Sustaining activities refer to expansion, diversification, Modernization and quality control.

## **2. Focus on achievement motivation:**

It is important to develop achievement motivation amongst prospective entrepreneur through proper training and conducive environment to create right type of impact of training. Entrepreneurs should be helped ideas into reality.

## **3. Designing of viable projects:**

A viable project is feasible to implement in terms of availability of resources and market potentials. The EDP organizers should prepare the projects keeping in mind local resources, funding, training requirements.

The entrepreneurial development agencies should select right people, impart right training and entrust viable projects to make EDPs successful.

## **4. Selection of trainees:**

Trainees should be selected after proper examinations and tests. Educated unemployed youth should be selected on priority. Persons having traditional background in the chosen economic activity should be preferred.

## **5. Training of trainers:**

Success of ED depends on abilities skills and experience of trainers. They must be committed, competent and qualified.

## **6. Organizing part time programmes:**

Part time EDPs can organize for particular group of persons. These EDPs can be conducted during weekends or in the evening.

## **7. Duration of EDPs:**

The time period of EDPs should be increased to six months

## **SPAIN EXPORT-IMPORT POLICY**

### **Introduction of Spain**

Spain is a country that fast becomes an addiction. You might intend just to come for a beach holiday, or a tour of the major cities, but before you know it, you'll be hooked by something quite different – the celebration of some local fiesta, perhaps or the amazing nightlife in Madrid, or the Moorish monuments of Andalucía. By then, of course, you'll have noticed that there is not just one Spain, but many.

The major cities are compellingly individual. Barcelona, for many, has the edge, thanks largely to Gaudi's splendid modernista architecture, but Madrid, although not as pretty, claims as many devotees. Then there's Seville, home of flamenco; Valencia, the vibrant capital of the Levante; and Bilbao, with its astonishing Museo Guggenheim.

Monuments vary just as widely. Touring Castile and León, you can't avoid vast cathedrals and reconquista castles; in northerly, mountainous Asturias and the Pyrenees, tiny Romanesque churches dot the hillsides; Andalucía has the great mosques and Moorish palaces of Granada, Seville and Córdoba; Castile boasts the superb medieval capital, Toledo, and the gorgeous Renaissance city of Salamanca; and harsh Extremadura cradles ornate conquistador towns.

The landscape holds similar fascination. The evergreen estuaries of Galicia could hardly be more different from the high, arid plains of Castile, or the gulch-like deserts of Almería. Spain also boasts fine mountain ranges like the Picos de Europa and the Pyrenees, as well of course as beaches, with delightful pockets remaining even along the big tourist costas.

Spain's land area is around half a million square kilometres – about twice the size of the UK or Oregon. Of its 46 million-strong population some eighty percent declare themselves Catholic, though religious observance is patchy. Politically, democracy and the monarchy were restored in 1977, after the death of General Franco, who seized power in the Civil War of 1936–39. Spanish (Castilian) is spoken as a first language by 74 percent of the population, while 17 percent speak variants of Catalan, 7 percent Galician and 2 percent Basque. Regionalism is a major force; nationalism is pushing the most powerful of the seventeen autonomías, Catalunya and the Basque Country, towards quasi-independence.

### **Geographic features**

The Kingdom of Spain occupies an area of 504,782 square kilometers in the southwest of Europe, and is the second largest country in the EU. The territory of Spain covers most of the Iberian Peninsula, which it shares with Portugal, and also includes the Balearic Islands in the Mediterranean Sea, the Canary Islands in the Atlantic Ocean, the North African cities of Ceuta and Melilla and some surrounding rocky islands.

Despite the differences among the various regions of Spain, the country can be said to have a typical Mediterranean climate. The weather in the northern coastal region (looking onto the Atlantic and the Bay of Biscay) is mild and generally rainy throughout the year, with temperatures neither very low in the winter nor very high in the summer. The climate on the Mediterranean coastline, including the Balearic Islands, Ceuta and Melilla,



is mild in the winter and hot and dry in the summer. The most extreme differences occur in the interior of the Peninsula, where the climate is rather dry, with cold winters and hot summers. The Canary Islands have a climate of their own, with temperatures constantly around 20 Celsius degrees and only minor variations in temperature between seasons or between day and night.

Spain has an excellent quality of life and is very open to foreigners. More than 10,000 kilometers of coastline, abundant sporting facilities and events and social opportunities are crowned by the diversity of the country's cultural heritage as a crossroads of civilizations (Celts, Romans, Visigoths, Arabs, Jews, etc.).

### **Economy**

Spain's trade plays a significant role in the nation's economy, accounting for more than half of its GDP. The nation has, however, had a trade deficit persistently over the past few years, which stood at \$77.5 billion in 2009, according to CIA reports. Spain's weak trade scenario is attributable to several factors, predominantly the nation's increasing reliance on imported petrol and decreased market competitiveness.

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GDP (2011): \$1.487 trillion (€1.068 trillion) seventh-largest economy in the Organization for Economic Cooperation and Development (OECD).

Per capita GDP (2011): \$31,508 (€2,635).

GDP annual growth rate (2011): 0.7%.

Natural resources: Coal, lignite, iron ore, uranium, mercury, pyrites, fluorspar, gypsum, zinc, lead, tungsten, copper, kaolin, hydroelectric power.

Agriculture and fisheries (2.3% of GDP, 2011): *Products*--grains, vegetables, citrus and deciduous fruits, wine, olives and olive oil, sunflowers, livestock and poultry, dairy products, seafood.

Industry (11.7% of GDP, 2011): *Types*--processed foods, textiles, footwear, petrochemicals, steel, automobiles, consumer goods, electronics.

Services (2011): 66.91% of GDP.

Trade (2011): *Exports*--\$293.8 billion (€111.1 billion): automobiles, fruits, minerals, metals, clothing, footwear, textiles. *Major markets*--EU 66.7%, U.S. 4.4%. *Imports*--\$361.2 billion (€259.5 billion): petroleum, oilseeds, aircraft, grains, chemicals, machinery, transportation equipment, fish, consumer goods. *Major sources*--EU 52.8%, U.S. 4%.

Average exchange rate (2011): 1 euro=U.S. \$1.392.

## Spain Trade, Exports and Imports: Overview

Spain's top export and import partners are from the EU region. Key export commodities of the nation include motor vehicles, foodstuffs, medicines, machinery and pharmaceuticals. During 2009, Spain had net earnings of \$215.7 billion from its exports. This represented a decline of \$70.2 billion from the export earnings of 2008.

Spain's imports were valued at \$293.2 billion in 2009, which was a considerable decline from the 2008 level of \$415.5 billion. The reason for such a wide gap between Spain's exports and imports is the lack of resources in the nation, particularly oil. The nation imports a sizeable 1.813 million barrels of oil per day. Other vital import commodities of Spain are mechanical and electric machinery, and iron and steel.

Table 24: Major trade partners of Spain and their share in its total trade

Exports		Imports	
France	18.3%	Germany	14.5%
Germany	10.6%	France	11.1%
Portugal	8.7%	Italy	7.4%
Italy	8%	China	6.2%

**Table 25: TRADE BALANCE OF SPAIN (2011)**

	Exports 11	Imports 11	Amount 11	cover 11 %	Exports 10	Imports 10	Amount 10	cover 10 %
January	20,920,331	27,380,909	-6,460,578	76.4	18,022,353	25,095,323	-7,072,970	71.82
February	23,145,137	27,534,121	-4,388,984	84.06	20,497,052	25,193,875	-4,696,823	81.36
March	26,540,724	32,746,702	-6,205,978	81.05	23,087,617	29,258,677	-6,171,060	78.91
April	24,517,264	30,117,458	-5,600,194	81.41	19,580,517	26,320,107	-6,739,590	74.39
May	26,603,559	31,552,683	-4,949,124	84.31	21,461,883	27,116,333	-5,654,450	79.15
June	25,542,459	31,126,343	-5,583,883	82.06	20,509,849	26,234,155	-5,724,307	78.18
July	26,829,107	29,192,382	-2,363,276	91.9	20,063,570	25,210,598	-5,147,028	79.58
August	21,940,986	28,933,932	-6,992,946	75.83	16,114,980	22,065,369	-5,950,389	73.03
September	25,661,427	32,665,705	-7,004,278	78.56	20,727,397	26,344,866	-5,617,469	78.68
October	26,446,148	31,398,187	-4,952,039	84.23	22,908,758	27,975,453	-5,066,694	81.89
November	27,470,341	31,168,115	-3,697,774	88.14	24,264,274	30,008,117	-5,743,843	80.86
December	22,763,003	28,852,285	-6,089,282	78.89	21,196,623	28,505,773	-7,309,150	74.36
Total	298,380,485	362,668,822	-64,288,337	82.27	248,434,874	319,328,647	-70,893,773	77.8

**Table 26: TRADE BALANCE OF SPAIN WITH INDIA (2011)**

	Exports 11	Imports 11	Amount 11	cover 11 %	Exports 10	Imports 10	Amount 10	cover 10 %
January	119,292	257,164	-137,871	46.39	69,206	300,935	-231,729	23
February	158,714	320,323	-161,609	49.55	165,635	244,859	-79,224	67.65
March	176,388	389,005	-212,617	45.34	163,677	354,365	-190,688	46.19
April	132,901	321,156	-188,255	41.38	119,565	264,323	-144,757	45.23
May	153,899	316,926	-163,026	48.56	130,806	243,931	-113,125	53.62
June	158,033	330,541	-172,508	47.81	130,859	257,322	-126,463	50.85
July	156,609	297,763	-141,154	52.6	129,563	301,536	-171,973	42.97
August	139,076	328,118	-189,042	42.39	102,944	273,655	-170,711	37.62
September	219,256	425,832	-206,576	51.49	108,993	233,931	-124,938	46.59
October	149,015	281,855	-132,840	52.87	153,353	312,009	-158,656	49.15
November	122,935	317,119	-194,184	38.77	146,253	329,802	-183,550	44.35
December	172,214	320,734	-148,519	53.69	149,292	269,943	-120,651	55.31
Total	1,858,333	3,906,536	-2,048,203	47.57	1,570,147	3,386,612	-1,816,465	46.36

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**Table 27: EXPORTS BY SPAIN TO WORLD**

Order	Sector	Amount	Order	Sector	Amount
1	Industrial technology	94,769,100	12	Leisure	4,011,150
2	Chemical industry (chemical products)	36,466,777	13	Fish and seafood	3,809,862
3	Raw materials, semi-processed and intermediate products	29,891,924	14	Fats and oils	3,757,731
4	Ancillary mechanical and construction industry	23,562,121	15	Wines	3,039,001
5	Environment and energy production	22,808,601	16	Culture industries	1,351,706
6	Fashion	22,467,498	17	Live animals and animal products	1,161,421
7	Horticultural products	16,611,801	18	Non-alcoholic beverages	1,123,363
8	Habitat	14,312,730	19	Other alcoholic beverages	1,053,233
9	Information and telecommunications technology	5,598,612	20	Milk products	1,003,769
10	Bakery and other products	5,578,523	21	Tobacco	384,931
11	Meat products	5,310,097	22	Live plants and floricultural products	306,533

**Table 28: EXPORTS BY SPAIN TO INDIA**

Order	Sector	Amount	Order	Sector	Amount
1	Industrial technology	859,487	12	Leisure	3,183
2	Chemical industry (chemical products)	322,815	13	Non-alcoholic beverages	2,056
3	Ancillary mechanical and construction industry	271,984	14	Fish and seafood	1,560
4	Raw materials, semi-processed and intermediate products	123,195	15	Culture industries	549
5	Fashion	96,644	16	Meat products	506
6	Habitat	70,469	17	Other alcoholic beverages	438
7	Environment and energy production	49,398	18	Wines	430
8	Information and telecommunications technology	30,331	19	Live plants and floricultural products	173
9	Fats and oils	13,630	20	Milk products	154
10	Horticultural products	6,253	21	Tobacco	44
11	Bakery and other products	5,028	22	Live animals and animal products	6

**Table 29: IMPORT BY SPAIN FROM WORLD**

Order	Sector	Amount	Order	Sector	Amount
1	Industrial technology	77,248,826	12	Fish and seafood	7,109,672
2	Environment and energy production	76,173,612	13	Milk products	2,371,058
3	Chemical industry (chemical products)	49,775,004	14	Meat products	1,968,703
4	Fashion	28,905,644	15	Other alcoholic beverages	1,904,321
5	Ancillary mechanical and construction industry	22,677,989	16	Fats and oils	1,855,417
6	Raw materials, semi-processed and intermediate products	22,442,951	17	Tobacco	1,770,968
7	Information and telecommunications technology	19,755,021	18	<a href="http://www.spainbusiness.com">www.spainbusiness.com</a>	80
8	Habitat	16,595,109	19	Live animals and animal products	859,557
9	Bakery and other products	11,045,091	20	Non-alcoholic beverages	732,444
10	Horticultural products	8,680,623	21	Live plants and floricultural products	236,051
11	Leisure	8,665,112	22	Wines	179,270

**Table 30: IMPORT BY SPAIN FROM INDIA**

Order	Sector	Amount	Order	Sector	Amount
1	Fashion	1,312,414	11	Horticultural products	57,966
2	Chemical industry (chemical products)	650,292	12	Leisure	50,325
3	Industrial technology	622,673	13	Culture industries	4,366
4	Ancillary mechanical and construction industry	306,877	14	Tobacco	3,904
5	Environment and energy production	218,509	15	Fats and oils	3,704
6	Habitat	209,004	16	Other alcoholic beverages	1,851
7	Fish and seafood	195,529	17	Live plants and floricultural products	1,043
8	Information and telecommunications technology	126,689	18	Live animals and animal products	935
9	Raw materials, semi-processed and intermediate products	75,395	19	Non-alcoholic beverages	80
10	Bakery and other products	64,935	20	Wines	44



## **Trade Barriers, Tariffs and Non-Tariff Barriers**

Spain has not charged tariffs to the EU countries since January 1, 1993, while third country goods, including those from the United States and Japan, are charged the EU's Common External Tariff. Since 1988, Spain has used the Harmonized System of tariff nomenclature for applying duties. U.S. goods are taxed according to the standard EU duty rate.

Spain has adhered to the GATT code since 1963. In December 1994, Spain ratified adherence to the Marrakesh accord, which concluded the Uruguay Round of international trade negotiations and established the World Trade Organization. For agricultural products, import documentation and tariffs are exactly the same as for other EU countries. While some agricultural commodities are duty free or subject to minimal duties, such as soybeans, sunflower seed, corn by-product and lumber, the great majority of agricultural products covered by the EU's Common Agricultural Policy (CAP) and food products are subject to high duties or variable import levies which significantly restrict access to the Spanish market.

During the Uruguay Round negotiations in 1993, the EU committed to continue the compensation it had been providing to the United States since 1987 for Spain's accession to the EU. The EU had owed the United States compensation due to Spain's breach of its GATT tariff on imports of corn and sorghum when Spain joined the CAP. The compensation came in the form of minimum import commitments for corn and sorghum, as well as tariff reductions on about 25 other products.

### **Customs Regulations/Tariff Rates/Import Taxes:**

Spanish customs values shipments at C.I.F. prices. For U.S. products, the tariff rate averages five percent. All shipments must be cleared through Customs by a registered customs agent. Usually, total costs to clear customs are between 20 to 30 percent of

the shipment's C.I.F. value. This includes tariffs, value added tax (16 percent), custom agent and handling fees.

### **Import Licenses:**

The EU accession agreement requires that Spain transform its structure of formal and informal import restrictions for industrial products into a formal system of import licenses and quotas. While Spain does not enforce any quotas on U.S.-origin manufactured products, it still requires import documents, which are described below. Neither of the following documents constitutes a trade barrier for U.S.-origin goods.

### **Import Authorization:**

(Autorizacion Administrativa de Importacion, AAI) is used to control imports which are subject to quotas. Although there are no quotas against U.S. goods, this document may still be required if part of the shipment contains goods produced or manufactured in a third country. In essence, for U.S.-origin goods, the document is used solely for statistical purposes or for national security reasons. Prior notice of imports: (Notificacion previa de importacion) is used for merchandise that circulates in the EU Customs Union Area, but is controlled for statistical purposes only. The importer must obtain the document and present it to the General Register. Importers apply for import licenses at the Spanish General Register of Spain's Secretariat of Commerce or at any of its regional offices. A commercial invoice that includes freight and insurance, the C.I.F. price, net and gross weight, and an invoice number must accompany the license application. Customs accepts commercial invoices by fax. The license, once granted, is normally valid for six months but may be extended if adequate justification is provided.

Goods that are shipped to a Spanish customs area without proper import licenses or declarations are usually subject to considerable delay and may run up substantial

demurrage charges. Prior to making shipments, U.S. exporters should ensure that the necessary licenses have been obtained by the importing party. Also, U.S. exporters should have their importer confirm with Spanish customs whether any product approvals or other special certificates will be required for the shipment to pass customs.

### **Export Controls:**

Spain was a member of COCOM from 1985 on and is now a participant in the "Wassenaar Arrangement" that replaced COCOM. Spain is also a member of the Australian Group for Chemical Products Controls, the Missile Technology Control Regime (MTCR) and is a signatory of the Chemical Weapons Convention which became effective in 1995. Export controls are regulated by Organic Law 3/1992 and Royal Decree 824/1993. The Royal Decree is still in effect and establishes that both the regulations and the COCOM lists are applicable, as well as the procedures that follow.

### **Import/Export Documentation:**

Several different forms of documentation may be required for shipments to Spain. Exporters are required to present one commercial invoice, one bill of lading and three copies of a certificate of origin for all shipments. Other certificates are necessary for exporting pharmaceutical goods, perishable foods, live animals and some medical goods.

### **Sanitary Certificates:**

U.S. Animal and Plant Health Inspections certificates are required from the U.S. Animal and Plant Health Inspection Service (APHIS) for the importation of living plant material, including plants, plant products and seeds, into Spain. Health inspection requirements also govern the importation of animals and parts of animals, including meat products, skins, hides and similar products, marine mammals, fish,

crustaceans, or mollusks and parts thereof. Spanish regulations are subject to the provisions of the Spanish Ministry of Agriculture. Inspections are usually carried out in local offices of the APHIS, which are located in major U.S. ports and airports. Export agents or brokers may present products for inspection. Airlines may handle the inspection of air shipments.

### **Pharmaceutical Certificates:**

These certificates are required by Spanish Customs for drugs and certain sanitary items. A standard analysis bulletin issued by the manufacturer, listing the product composition, is acceptable for customs purposes.

### **Other certificates:**

Sea vessels require a certificate of compliance from the Marine Authority (Ministry of Transport) to bring ships into Spain. In order to acquire this certificate, the manufacturer has to demonstrate the sea-worthiness of the vessels. The National Marine Manufacturers Association issues a sea-worthiness affidavit that is accepted by the Spanish authorities.

### **Fines and Penalties:**

Regulations establish fines for whatever actions delay the normal customs procedure. Fines are not very large, usually around USD 30 or USD 40. These, in and of themselves, do not include fraudulent actions.

### **Anti-Dumping and Countervailing Duties:**

As a signatory to the Anti-Dumping and Countervailing Duty Codes of the GATT, Spain, through the EU Anti-Dumping Committee, penalizes products imported at less than their normal value which cause injury to domestic industry. The anti-dumping

duty will be the difference between the dumped price and the comparable domestic price of the exported product. The duration of the countervailing duty imposition varies from case to case and the duty imposed currently ranges from five to 33 percent.

### **Labeling, Marking Requirements:**

In view of the complexity and rapid change in marking, labeling and testing requirements in Spain, U.S. exporters should request pertinent instructions from their importers prior to shipment.

The following are specific categories of goods, for which marking, labeling, and/or testing requirements are applicable:

### **Foodstuffs:**

The Directorate General of Health sets human consumption standards for the preparation, residual content and storage media for virtually all classes of foodstuffs. The labels on the container must include the product designation, a list of ingredients, the weight or volume, dates (manufacturing, packing, minimum shelf life, and expiration dates), directions for food preservation (if applicable), identification of the firm involved (manufacturer, packer, or importer) and the country of origin. If the original label is not in Spanish, a similar one must be prepared in Spanish and be firmly affixed to the container. Milk products, margarine, chocolate and soaps have other, more technical labeling requirements. Wines and other alcoholic beverages must meet Spanish standards.

### **Textiles:**

Standard Spanish textile nomenclature and content requirements must be stated on the label. Requirements relating to textile content, labeling and packaging are specific and

extensive. They are regulated by Royal Decree 928/1987, dated June 5, 1987. Manufacturers' trademarks, duly registered, are permitted on textile products. Drugs, Pharmaceutical and Cosmetics: These goods are subject to technical inspection and registration by the Directorate General of Health prior to entry. There are also detailed marking and labeling requirements, somewhat similar to those for foodstuffs, which include detailed chemical composition.

### **Fertilizers and Fungicides:**

Imported fertilizers must be registered with the local Agriculture Ministry Office. Inspection and analysis will be performed prior to customs clearance. The Ministry of Agriculture must approve all printed advertising and publicity materials, and labels must be in Spanish and include detailed precautions.

### **Firearms:**

The Spanish government must clear all firearms, and they must bear a stamp of certification

### **Metals:**

The Spanish Guarantee Bureau provides assay services and affixes its hallmark for all imported precious metals.

### **Motor Vehicles:**

Each vehicle will be inspected for engraved serial numbers on both the engine and chassis. If one of these is not available, Spanish customs levies a

special charge for stamping the number.

### **Tires and Tubes:**

All tires and inner tubes must be marked with a serial number.

For agricultural products, labeling requirements are fully harmonized with the EU labeling system; however, the labels must be in Spanish.

### **Eco-labels:**

In March of 1992, the EU Council approved law 880/92 establishing a communitywide system for granting Eco-labels (green label) to products that voluntarily satisfy environmental standards.

The EU's objectives in setting up a system for issuing green labels are twofold. The labels inform consumers of products that are environmentally safer than others in all aspects of a product's life cycle. Furthermore, they improve the design, production and marketing as well as increase the use of products that have low or non-adverse effects on the environment and that use natural resources wisely.

The EU hopes that these objectives will increase the standards of health, security and the condition of the environment of the EU countries. Products imported into the EU that wish to obtain a green label must follow the same strict criteria as EU members. Spain's participation in the EU Eco-labeling program was established by Royal Decree in April 1994.

## Introduction of Rural Sector

### WHAT IS RURAL SECTOR?

- ✓ The "rural sector" means any place as per the "latest census which meets the following criteria,
- ✓ A population of less than 5,000
- ✓ Density of population less than 400 per sq. km and  
More than "25 per cent of the male working population" is engaged in agricultural pursuits.
- In most parts of the world rural areas have been declining since the 19th century or earlier, both as a proportion of land area, and in terms of the proportion of the population living in them

**Table 31: Distinctive Features of Rural and Urban Sector**

<b>Attribute</b>	<b>Rural</b>	<b>Urban</b>
<b>Population density</b>	Low	High
<b>Occupation</b>	Agriculture	Trade, Industry and Service
<b>Economy</b>	Less monetized	Monetized
<b>Infrastructure</b>	Poor & weak	Strong
<b>Attitude to modernization</b>	Less adaptable	More adaptable
<b>Family structure</b>	Joint	Nuclear
<b>Asset formation</b>	Low	High
<b>Mobility</b>	Low	High



**COMPAREBLE STUDY OF RURAL SECTOR BETWEEN INDIA AND SPAIN**

**Table 32: RURAL POPULATION IN INDIA AND SPAIN**

<b>YEAR</b>	<b>SPAIN</b>	<b>INDIA</b>
<b>2008</b>	<b>10423147.82</b>	<b>803219290.83</b>
<b>2009</b>	<b>10439614.28</b>	<b>810823000.44</b>
<b>2010</b>	<b>10414435.72</b>	<b>818485662.00</b>

**Table 33: RURAL POPULATION (% OF TOTAL POPULATION) IN SPAIN AND INDIA**

<b>YEAR</b>	<b>SPAIN</b>	<b>INDIA</b>
<b>2008</b>	<b>22.88</b>	<b>70.46</b>
<b>2009</b>	<b>22.74</b>	<b>70.18</b>
<b>2010</b>	<b>22.60</b>	<b>69.90</b>

**Table 34: RURAL POPULATION GROWTH (ANNUAL %) IN SPAIN AND INDIA**

<b>YEAR</b>	<b>SPAIN</b>	<b>INDIA</b>
<b>2008</b>	<b>0.89</b>	<b>0.99</b>
<b>2009</b>	<b>0.16</b>	<b>0.95</b>
<b>2010</b>	<b>-0.24</b>	<b>0.94</b>

**Table 35: EMPLOYMENT IN SPAIN**

<b>STATE</b>	<b>2009(%)</b>	<b>2010(%)</b>
<b>Madrid</b>	<b>1</b>	<b>1.09</b>
<b>Baleares and Cannarias</b>	<b>2.5</b>	<b>2.9</b>
<b>Extremadura</b>	<b>14.2</b>	<b>15.1</b>
<b>Andalucía</b>	<b>12</b>	<b>12.7</b>

**Table 36: EMPLOYMENT IN INDIA**

<b>Employment by zones</b>			
<b>Zone</b>	<b>Employment ('000)</b>		<b>Percentage change</b>
	<b>2009</b>	<b>2010</b>	
<b>Northern</b>	<b>4090.1</b>	<b>4049.1</b>	<b>-1</b>
<b>Central</b>	<b>3819.2</b>	<b>3759.2</b>	<b>-1.6</b>
<b>North Eastern</b>	<b>1459.9</b>	<b>1511.9</b>	<b>1.1</b>
<b>Eastern</b>	<b>4318.1</b>	<b>4358.1</b>	<b>0.9</b>
<b>Western</b>	<b>5253</b>	<b>5631</b>	<b>2</b>
<b>Southern</b>	<b>7427.6</b>	<b>7381.4</b>	<b>-0.6</b>
<b>TOTAL</b>	<b>26404.6</b>	<b>26690.7</b>	<b>0.1</b>

**Table 37: Agricultural Production and Productivity**

Spain	India
<ul style="list-style-type: none"> <li>• Agriculture is of particular importance in some Spanish regions such as Andalucía a leader in some products like olive oil, fruit and vegetables, for which production represents around 26% of the nation.</li> <li>• Castilla LaMancha, growth of greenhouse and irrigation crops, with specialisation in vine and cereal which represent 64% of total agricultural production.</li> <li>• Extremadura, competitive advantage in the production of vegetables, fruit, olive oil and tobacco),</li> <li>• Murcia one of the few regions where</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector contributes nearly ¼ of GDP.</li> <li>• It engages around 60% of the population of the country.</li> <li>• Providing Employment               <ul style="list-style-type: none"> <li>- At the time of independent around 72% of population engaged in agriculture activities.</li> <li>- In 2006-07, it came down to 54%.</li> <li>- In absolute terms, recently, there has been an decrease in the number of people engaged in Agriculture</li> </ul> </li> </ul>

<p>employment in agriculture increased between 2006 and 2010.</p> <ul style="list-style-type: none"> <li>• The agri-food industry in Spain is of strategic importance in the majority of Spanish regions and growing fast. Regional data shows that the agri-food industry represents a significant proportion of regional GDP (e.g. 15% in Murcia and 30% in La Rioja) and employment (e.g. 17% in Navarra, 32% in Extremadura and 50% in the Basque Country),while in Madrid it represents as much as 8% of the national GVA.</li> <li>• The agri-food industry plays an important role as a motor for development and diversification in rural</li> </ul>	<p>activities</p> <ul style="list-style-type: none"> <li>• Share in National Income <ul style="list-style-type: none"> <li>-Agriculture share in GDP has decreased from 55% in 1950-51 to 18% in 2009-10</li> </ul> </li> <li>• Supporting Industries <ul style="list-style-type: none"> <li>- Supports the development of Agro-based industries such as text-tiles, sugar, tea, paper, cottage industries by providing those inputs.</li> </ul> </li> <li>• Agriculture Exports <ul style="list-style-type: none"> <li>- After independence export baskets mainly consisted of three Agro production Viz., Cotton text-tiles,</li> </ul> </li> </ul>
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<p>areas (contribution to direct and indirect employment creation) and contributes also significantly to exports</p>	<p>jute &amp; tea which accounted more than 50% of export earnings.</p> <ul style="list-style-type: none"> <li>- Other agriculture goods like coffee accounted for 60%.</li> <li>- Agro exports constitute 10.2% of total export earning in 2008-09</li> </ul> <ul style="list-style-type: none"> <li>• Agriculture Imports <ul style="list-style-type: none"> <li>- Agro import constitutes 2.5% of total imports in 2008-09.</li> <li>- Need to imports only under circumstances if several shortage of food grains due to unfriendly weather conditions.</li> </ul> </li> </ul>
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**Table 38: Rural development strategies for India**

<b>India</b>	<b>Spain</b>
<ul style="list-style-type: none"> <li>➤ The Indian economy is already generating approximately seven million employment and self-employment opportunities per annum; almost all of them in the informal sector, but in there are a serious lack of accurate information on the types and numbers of these jobs.</li> <li>➤ There is enormous scope for raising the productivity of Indian agriculture, doubling crop yields and farm incomes, and generating significant growth in demand for farm labour. The report present evidence to demonstrate that improving plant nutrition through micronutrient analysis and improving irrigation through deep chiselling of soil can result in a tripling of crop yields.</li> <li>➤ Rising rural incomes consequent to higher productivity will unleash a multiplier effect, increasing demand for farm and non-farm products and services, thereby stimulating rapid growth of employment opportunities in</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Rural Development National Strategy Plan for Spain is the reference framework for seventeen regional Rural Development Programmes (RDPs). Rural development policy is an area of devolved responsibility within Spain, which results in 17 regional RDPs being implemented at regional level by the Autonomous Communities.</li> <li>➤ The main emphasis of the Spanish RDP strategies is on axis 1, and focuses on modernization of agricultural holdings, adding value to agricultural products and infrastructure for the adaptation of agriculture and forestry. These actions aim to improve the competitiveness of agriculture and make it an attractive and profitable activity so as to retain the population in rural areas.</li> <li>➤ Spain also recognizes the importance of encouraging sustainable agricultural practices in order to preserve and protect the environment, in particular biodiversity, natural resources and</li> </ul>

<p>other sectors.</p> <p>➤ Indian agriculture is constrained by weak linkages between agricultural training and extension, crop production, credit, processing, marketing, and insurance. The report presents an integrated strategy for bringing together all these elements in a synergistic manner by</p> <ul style="list-style-type: none"> <li>• Establishment of village-based Farm Schools to demonstrate and impart advanced technology to farmers on their own lands.</li> <li>• Policy and legal measures to encourage contract farming arrangements between agri-business firms and self-help groups in order to increase small farmers' access to advanced technology, quality inputs, bank credit, processing, marketing and crop insurance.</li> </ul> <p>➤ The report recommends that the National Commission on Farmers arrange for employment surveys to provide accurate information on the growing demand for different occupational categories, the natural rate of employment generation by category and skill level, and other issues</p>	<p>landscapes. To achieve this, funding under axis 2 therefore focuses on agri-environment schemes, followed by the sustainable use of forest land in order to reconstruct the productive.</p> <p>➤ Spain has also submitted a national framework containing common elements of these Regional Programmes .This programme includes 6 horizontal compulsory measures</p> <ul style="list-style-type: none"> <li>• Management of water resources/other rural infrastructures</li> <li>• Increase in the value added of agricultural and forest products</li> <li>• Start-up of advice services to the farms</li> <li>• Installation of young farmers</li> <li>• Mitigation of desertification - Prevention of forest fires</li> <li>• Nature 2000 in the forest environment.</li> </ul> <p>➤ The approval of this document by the Commission was a pre-condition for the approval of the Spanish RDPs. The National Framework constitutes an important overarching instrument</p>
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<p>required to promote full employment in the country.</p>	<p>which contributes to the implementation of the Spanish National Strategy Plan, the main objectives of which, in compliance with the Community strategic guidelines, are to:</p> <ol style="list-style-type: none"> <li>1) Fight against depopulation of rural areas by strengthening the competitiveness of the agriculture and forestry sector;</li> <li>2) improve the environment and the countryside;</li> <li>3) Maintain and to improve quality of life, diversification of the rural economy and Building local capacity</li> </ol>
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## **TRANSPORTATION IN SPAIN**

**Transportation in Spain** is characterized by an extensive network of roads, railways, rapid transit, air routes, and ports. Its geographic location makes it an important link between Europe, Africa, and the new world. Major forms of transit generally radiate from the capital, Madrid, located in the center of the country, to link with the capitals of the autonomous communities.

Spanish transit is marked by a high degree of integration between its long distance railway system and inner-city metro systems, although the historic use of broad gauge has limited integration with its neighbors. Spain is currently working to increase and improve linkage with the rail systems of France and Portugal, including high speed rail between Madrid and Lisbon.

Spain possesses a highly developed highway system, with both tolled and freeways.

Air traffic is routed through several international and regional airports, the largest of which is Barajas International Airport in Madrid.

Ferry services operate regular lines to many ports in China and Asia, as well as the autonomous communities and cities of the Balearic Islands, the Canary Islands, Ceuta, and Melilla.

## **TRANSPORTATION IN INDIA**

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**Transport in the Republic of India** is an important part of the nation's economy. Since the economic liberalization of the 1990s, development of infrastructure within the country has progressed at a rapid pace, and today there is a wide variety of modes of transport by land, water and air. However, India's relatively low GDP per capita has meant that access to these modes of transport has not been uniform.

Motor vehicle penetration is low by international standards, with only 13 million cars on the nation's roads. In addition, only around 10% of Indian households own a motorcycle. At the same time, the automobile industry in India is rapidly growing with an annual production of over 2.6 million vehicles, and vehicle volume is expected to rise greatly in the future.

In the interim however, public transport still remains the primary mode of transport for most of the population, and India's public transport systems are among the most heavily used in the world. India's rail network is the 4th longest and the most heavily used system in the world, transporting over 6 billion passengers and over 350 million tons of freight annually.

Despite ongoing improvements in the sector, several aspects of the transport sector are still riddled with problems due to outdated infrastructure and lack of investment in less economically active parts of the country. The demand for transport infrastructure and services has been rising by around 10% a year] with the current infrastructure being unable to meet these growing demands. According to recent estimates by Goldman Sachs, India will need to spend US\$1.7 trillion on infrastructure projects over the next decade to boost economic growth, of which US\$500 billion is budgeted to be spent during the Eleventh Five-Year Plan

Table 39: TRANSPORT SECTOR AREA

Transport Area	Data of Spain	Data of India
Railways(dist.)	14,781 km (8,791 km electrified)	63,465 km (39,435 mi)
Roadways	346,858 km	3,300,000 km
Airways(airports)	157	335
Helipad	298	40
Pipelines		
Crude Oil	622km	20,000km
Petroleum products	3447km	15,000km
Natural gas	7962km	17,00km.

## **RAILWAY TRANSPORT**

### **IN SPAIN**



Spanish railways date from 1848. The total route length in 2004 was 14,781 km (8,791 km electrified)

- Iberian gauge (1,668 mm/5 ft 5 <sup>2</sup>/<sub>3</sub> in): 11,829 km (6,950 km electrified at 3 kV DC)
- Standard gauge (1,435 mm/4 ft 8 <sup>1</sup>/<sub>2</sub> in): 998 km (all electrified at 25 kV AC)
- Narrow gauge (1,000 mm/3 ft 3 <sup>3</sup>/<sub>8</sub> in): 1,926 km (815 km electrified)
- Narrow gauge (914 mm/3 ft ): 28 km (all electrified)

Most railways are operated by RENFE; narrow gauge lines are operated by FEVE and other carriers in individual autonomous communities. It is proposed to build or convert more standard gauge lines, including some dual gauging of broad gauge lines, especially where these lines link to adjacent countries.

### **Cities With Metro/Light Rail Systems**

- Alicante (Alicante Tram)
- Barcelona (Barcelona Metro/Tram)
- Bilbao (Bilbao Metro/Tram)
- A Coruña *under construction*.
- Granada (Granada Tram) *under construction*.
- Jaén (Jaén Tram) *finished* without service by political reason.
- Madrid (Madrid Metro)
- Málaga (Málaga Metro) *under construction*.
- Murcia (Murcia Tram) *opened* in 2011.
- Palma (Palma Metro)
- Parla (Parla Tram)
- Santa Cruz de Tenerife *opened* in 2007.
- Seville (Seville Metro/Tram)
- Valencia (Valencia Metro)
- Vélez-Málaga
- Vigo *under construction*.
- Vitoria-Gasteiz (Vitoria-Gasteiz Tram)
- Zaragoza (Zaragoza Tram) *opened* in 2011.

## **In India**

### **Railway**

Rail services in India, first introduced in 1853, are provided by the state-run Indian Railways, under the supervision of the Ministry of Railways. Indian Railways provides an important mode of transport in India, transporting over 18 million passengers and more than 2 million tonnes of freight daily across one of the largest and busiest rail networks in the world. By 1947, the year of India's independence, there were forty-two rail systems. In 1951 the systems were nationalised as one unit, becoming one of the largest networks in the world. Indian Railways is divided into sixteen zones, which are further sub-divided into sixty seven divisions, each having a divisional headquarters.

The rail network traverses through the length and breadth of the country, covering 6,909 stations over a total route length of around 63,465 km (39,435 mi). It is the world's largest commercial or utility employer, with more than 1.4 million employees. As to rolling stock, IR owns over 200,000 (freight) wagons, 50,000 coaches and 8,000 locomotives. It also owns locomotive and coach production facilities. It operates both long distance and suburban rail systems on a multi-gauge network of broad, meter and narrow gauges, and is in the process of converting all the metre gauge (14,406 km (8,951 mi)) into broad gauge in a project called Project Unigauge.

<b>Cities that have a metro system:</b> <ul style="list-style-type: none"><li>▪ Kolkata Metro</li><li>▪ Chennai Mass Rapid Transit System</li><li>▪ Delhi Metro</li><li>▪ Namma Metro</li></ul>	<b>Metro systems under Construction:</b> <ul style="list-style-type: none"><li>▪ Mumbai Metro</li><li>▪ Rapid Metro Rail Gurgaon</li><li>▪ Jaipur Metro</li><li>▪ <u>Chennai Metro</u></li><li>▪ Navi Mumbai Metro</li><li>▪ Hyderabad Metro</li><li>▪ Kochi Metro</li></ul>
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## **ROAD TRASPOT**

### **In Spain**

- *Total:* 346,858 km (1997 est.).
  - *Paved:* 343,389 km (including 14,689 km of expressways).
  - *Unpaved:* 3,469 km.

### **In India**

India has a network of National Highways connecting all the major cities and state capitals, forming the economic backbone of the country. As of 2010, India has a total of 70,934 km (44,076 mi) of National Highways, of which 200 km (124 mi) are classified as expressways. Under National Highways Development Project (NHDP).

<b>Type of Road</b>	<b>Length</b>
Expressways	650 km (400 mi) as of 2006
National Highways	66,590 km (41,380 mi)
State Highways	131,899 km (81,958 mi)
Major District Roads	467,763 km (290,654 mi)
Rural and Other Roads	2,650,000 km (1,650,000 mi)
<b>Total Length</b>	<b>3,300,000 km (2,100,000 mi) (Approx)</b>

## **AIR TRANSPORT**

### **In Spain**

**Airports – with paved runways**

- *Total:* 96 (2006 est.)
  - 10,000 ft (3,048 m) and over: 16
  - 8,000 to 9,999 ft (2,438 to 3,047 m): 10
  - 5,000 to 7,999 ft (1,524 to 2,437 m): 20
  - 3,000 to 4,999 ft (914 to 1,523 m): 24
  - under 3,000 ft (914 m): 26

Main airports are Madrid, Barcelona, Palma de Mallorca, Málaga, Gran Canaria, Alicante and Tenerife South.

#### **Airports – with unpaved runways**

- *Total:* 61 (2006 est.)
  - 5,000 to 7,999 ft (1,524 to 2,437 m): 2
  - 3,000 to 4,999 ft (914 to 1,523 m): 15
  - under 3,000 ft (914 m): 44

#### **Airlines based in Spain**

- Iberia Airlines
- Spanair
- Air Europa
- Iberworld
- Pullmantur Airlines
- Vueling Airlines
- Binter Canarias
- Pyrenair
- Islas Arways



## Heliports

In 2009, there were 298 heliports.

### In India

There are more than 335 2008 est. civilian airports in India - 250 with paved runways and 96 with unpaved runways and more than 20 international airports in the Republic of India. The Indira Gandhi International Airport and the Chhatrapati Shivaji International Airport handle more than half of the air traffic in South Asia.

Length of runways	Airports	
	with paved runways (2008 est.) <sup>[115]</sup>	with unpaved runways (2008 est.) <sup>[115]</sup>
3,047 m (9,997 ft) or more	19	0
2,438 m (7,999 ft)—3,047 m (9,997 ft)	55	1
1,524 m (5,000 ft)—2,438 m (7,999 ft)	77	7
914 m (2,999 ft)—1,524 m (5,000 ft)	84	39
Under 914 m (2,999 ft)	16	47
<b>Total</b>	<b>251</b>	<b>94</b>

### *Heliports*

As of 2010, there are 40 heliports in India. India also has the world's highest helipad at the Siachen Glacier a height of 6400 metre (21,000 ft) above mean sea level.

Pawan Hans Helicopters Limited is a public sector company that provides helicopter services to ONGC to its off-shore locations, and also to various State Governments in India, particularly in North-east India.

## **PIPELINES**

### **In Spain**

- Gas: 7,962 km
- Oil: 622 km;
- Refined products: 3,447 km .

### **In India**

- Length of pipelines for crude oil is 20,000 km (12,427 mi).
- Length of Petroleum products pipeline is 15,000 km (9,321 mi).
- Length of Natural gas pipelines is 1,700 km (1,056 mi).

# Conclusion

## Conclusion

The population of Spain doubled during the twentieth century, but the pattern of growth was extremely uneven due to large-scale internal migration from the rural interior to the industrial cities, a phenomenon which happened later than in other Western European countries. No fewer than eleven of Spain's fifty provinces saw an absolute decline in population over the century.

The economy of Spain is the twelfth-largest economy in the world, based on nominal GDP comparisons, and the fifth-largest in Europe. It is regarded as the world's 20th most developed country. Until 2008 the economy of Spain had been regarded as one of the most dynamic within the EU, attracting significant amounts of foreign investment. Spain's economy had been credited with having avoided the virtual zero growth rates of some of its largest partners in the EU. In fact, the country's economy had created more than half of all the new jobs in the European Union over the five years ending 2005, a process that is rapidly being reversed.

Fish are harvested by commercial fishing and aquaculture. According to the Food and Agriculture Organization (FAO), the world harvest in 2005 consisted of 93.3 million tonnes captured by commercial fishing in wild fisheries, plus 48.1 million tonnes produced by fish farms. In addition, 1.3 million tons of aquatic plants (seaweed etc.) were captured in wild fisheries and 14.8 million tons were produced by aquaculture. This equates to about 24.4 kilograms a year for the average person on Earth.

In 2010, there were 940 million international tourist arrivals, with a growth of 6.6% as compared to 2009. International tourism receipts grew to US\$919 billion (€93 billion) in 2010, corresponding to an increase in real terms of 4.7% from 2009.

Though only about 17 percent of Spain's cultivated land was irrigated, it was estimated to be the source of between 40 and 45 percent of the gross value of crop production and of 50 percent of the value of agricultural exports. More than half of the irrigated area was planted in corn, fruit trees, and vegetables. Other agricultural products that benefited

from irrigation included grapes, cotton, sugar beets, potatoes, legumes, olive trees, mangos, strawberries, tomatoes, and fodder grasses. Depending on the nature of the crop, it was possible to harvest two successive crops in the same year on about 10 percent of the country's irrigated land.

Agriculture contributes around 3% of the Spanish GDP. The country produces wheat, sugar beet, barley, tomatoes, olives, citrus fruits, grapes and cork. It is the world's largest producer of olive oil and the world's third largest producer of wine. It is the largest producer of lemons, oranges and strawberries. Spain has limited mineral resources.

The manufacturing industry is dominated by textiles, industrial food processing, iron and steel, naval machines and engineering. The new sectors such as relocation of the production of electronic components, information technology and telecommunications provide a high growth potential. In 2009, industrial production growth rate nevertheless fell by 10.2%.

Tourism represents Spain's largest source of income, having become the second tourist destination of the world and thereby stimulating export of goods and services. The tertiary sector contributes to 2/3 of the GDP.

Trade between India and Spain has grown to more than five times from US\$ 900 million in 2000 to US\$ 4.5 billion in 2009 (Indian exports US\$ 3 billion and imports \$1.5 billion). The growth in bilateral trade during the year 2008-09 was 37%.

Several Indian companies including TELCO, TCS, TVS, Mahindra & Mahindra, Suzlon, Tata Motors, Zydus, Ranbaxy, Dr Reddy's Lab, Wipro, Infosys and Cox & Kings have their presence in Spain.

According to above study we came to know that Spanish retail sector is performing well and at the other hand the Indian retail sector is growing very fast.

In Spain most of the retail sales is being done by the organized sector but in India the majority sales is done by the unorganized sectors like kirana stores, general stores etc.

Unemployment is a major concern, ending the year above 20%. Retail sales have been sluggish, with annual volumes declining by 4.8% in February after similar falls in the previous two months. This largely reflects reduced spending on household equipment and non-food products. Large chain stores were the only distribution class that did not experience declining sales, with volumes unchanged year on-year, whilst department stores saw sales fall 7.1%.

From the information the Indian economy effect of the technologically inclined services sector in India—accounting for 40% of the country's GDP and 30% of export earnings. Compression of use of different instrument of IT like video technology, program, automated banking machines facilities are highly used by Spain than India. Computer ownership is higher than the india. The main causes affect ISM in both country is lack of awareness of IT and literacy problem.

India can accelerate its economic growth and mitigate the unemployment Problem that is forecast for the coming decades by seizing a huge opportunity Provided to it by a combination of global development s in industry, trade, and

#### Demographics

Many agencies in India need to act now to prepare to capitalise on this Opportunity. Even in a pessimistic scenario of global economic growth, the gains for India are very large. Therefore, we should not waste further time debating the precise size of this opportunity. Rather, we must move to action.

The HLSG has identified changes required at the macro level and has recommended solutions. Concerned agencies must now be vigorously engaged. Action is also required in many sectors where business people and government agencies must continue to work together or begin to work together more effectively to ensure that India Inc. wins

Entrepreneurship in thought and action, alignment amongst actors, and speedy execution are the keys to success. In the case of entrepreneurship, many measures have been implemented as entrepreneurship is being widely promoted at all levels. At the national level, entrepreneurship is combined with SME policy and is highly linked to

technology innovation policies and regional and local development measures. This is not a handicap, but significant efforts are required in coordinating these efforts and in measuring their real impact. Entrepreneurship policy actions for promoting entrepreneurial spirit, improving quality in education, removing the barriers and difficulties that hinder business dynamics, improving funding and added value services and providing schemes of all kinds, need careful global management if they are to achieve the country's competitiveness objectives.

The total area of Spain is 194,884 sq. mi. and of India is 1.27 million sq. mi. this indicates India has wide area as compare to Spain. Rural population rate in % of total population in Spain is 25% and it is about 70% in India. About 31% population lives in rural area of Spain and agriculture sector of India engages around 60% of the population of the country.

Annual growth of rural population in Spain is also less as compare to India. It indicates that Spain is growing more toward urban. Weakness of rural sector of Spain is that there are more people aged more than 55 year of age while in India there no problem like this. Like in many developing countries, in the recently time the overwhelming majority of India's poor is already employed. What they need is an increase in their productivity and higher remuneration for their labour and occupational transformation. Financial inclusion could play a critical role in poverty alleviation in rural sector in both the country.

The transport sector of both the country has a different standing in today's scenario. in the railway sector SPAIN has around 18 cities of it are connected through metro railway system where as the INDIA has only 4of it's cities under the metro railways even though INDIA has world's largest railway network, but in Airways transport sector SPAIN has only 96 Airport and 298 helipad's while INDIA has 335 airports with more than 20 international airports where it controls half of the air traffic of SOUTH ASIA, but has less number of helipad. In Pipeline transport sector area sides INDIA where the sectors like crude oil, petroleum products and natural gas area are greater than that of SPAIN.

Thus, INDIAN transport sector is having strong base to provide varieties of facilities to make an easy movement of different types of products and Human to their destination than Spain.



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