




VALÈNCIA

THE MEDITERRANEAN GEM

VLC  INVEST IN
VALENCIA
March 2022



Attraction and retention of investments in València

Guide to Investment Potential in the city of Valencia

Requested by Invest in València Office

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València, the Mediterranean gem

The ideal city to invest



01

València

THE IDEAL CITY TO INVEST

The city of València, with more than twenty centuries of history, has gone through stages in which the leading economic activity alternated between the produce of its famous orchards to handicrafts, in addition to industrial, commercial, financial or tourist activity. In the 21st century, València is a **creative, multicultural city** open to knowledge, a **magnet for business and talent** that hasn't lost sight of its past

València is one of those fascinating places where you can develop both professional and life projects. Three reasons explain the attractiveness of the city: **the very high quality of life, the wealth of local and imported talent, and the moderate cost of living.**

The warm climate, the sun-kissed beaches and the world-renowned gastronomy, make it a **perfect city to enjoy the healthy Mediterranean lifestyle.**

The **vibrant cultural activity** of the city at all times of the year, the love for design and architecture, which perfectly combine tradition and vanguardism, attract a large number of companies and entrepreneurs.

A **sustainable** city with a **privileged location**, where the trees and the garden that populate the old Túria riverbed have become a giant 9 km track for thousands of runners and pedestrians who use it daily.

A **fun-loving** city, with world-renowned festivals such as the Fallas (UNESCO Intangible Heritage of Humanity), which are a unique display of creativity, ingenuity, the combination of tradition and avant-garde and the industrial and productive capacity of its population.

The **port of València**, the largest international trading hub in the Mediterranean with the Asian market and nodal point of the Mediterranean Corridor, combines intermodality with other freight and passenger transport infrastructures. Likewise, València's international airport is connected to the main European cities, and the high-speed rail network connects València with Madrid in just over 90 minutes.

One of the factors that has helped to put the city of València on the map is its **scientific and R&D system.**

The Valencian public universities, internationally recognized in different disciplines, the other scientific and technological infrastructures as well as the exceptional professionals that València has have generated a great benchmark of knowledge, collaborative research and business activity linked to technological development. In turn, this generates tractor effects on other companies and entrepreneurial initiatives.

València has a powerful, internationally recognized **entrepreneurial ecosystem**, which, together with the scientific and research system, make the city a hub of reference in innovation and technology.

A privileged location and an excellent quality of life, cutting-edge infrastructures, a wide range of services and affordable costs make València **a city in which to invest and develop innovative projects**, and one of the most seductive cities in southern Europe.

Ten reasons to invest in València

There are many reasons to invest in one of the most fascinating cities in the Mediterranean, València. But we know that those who risk their money on an investment want quick answers to the problems that may arise in their business decision.

This guide briefly describes the factors that influence how València is positioned, in terms of its market, available talent, infrastructure, capacity to innovate and institutional support.

València has many attributes, but if any of them differentiates this Mediterranean enclave from other cities, it is the possibility of living in a **unique cultural and business environment, with a magnificent quality of life at reasonable costs**. A city that seduces with its creativity, dynamism and accessibility.

An optimal combination:

TALENT + QUALITY OF LIFE + AFFORDABILITY

València, a key economic hub with a dynamic, open market and great potential

01

València is one of the main business hubs in Spain and a growing destination for investment, with more than 560 foreign companies operating in the city

02

Diversified, balanced productive structure with a high degree of specialization

Presence of advanced services, a traditional industry linked to cutting-edge design, and a highly specialized and productive agricultural sector

03

València, a key logistics enclave of the Mediterranean, open to the world by sea, land and air

The largest port in international container trade in the Mediterranean, just over an hour and a half from Madrid

04

Specialized talent at the centre of a renowned international entrepreneurial hub

Abundance of talent, investors, ideas and supporting infrastructure: high-growth, high-impact entrepreneurial ecosystem

05

Top-level technological and innovation assets and infrastructures

The Polytechnic University of Valencia and the University of València, generators of knowledge, R&D and talent of recognized international prestige

06

Urban districts of the future: technology, innovation and inclusion

International center for organizing events and business tourism, which coexists with a flourishing technology sector

07

Attractive business environment within the Euro Zone

Very competitive labour, operating and living costs, without sacrificing high quality of life

08

Modern, welcoming city with a rich culture

València, a world leading healthy city, is appreciated by the more than 115,000 foreigners who already enjoy it

09

Quality of life: healthy life style, sustainability, excellent gastronomy, leisure activities and nature within walking distance

A clear exponent of a 15-minute city. Sustainable energy, a connected and intelligent city, open and digital government are already a reality in València.

10

Institutional commitment to knowledge, research and innovation

Invest in València, the institutional support you need

Seven Hotspots

THAT ADD TO VALÈNCIA'S ALLURE

València is a city that faces the sea, and from its coastline and throughout its historic centre and its vibrant neighbourhoods that extend into the metropolitan area, seven unique hotspots can be identified. **Seven hotspots that generate wealth and well-being in València.**

The Túria Gardens and La Albufera National Park

Sport, quality of life, sustainability. València as a *lifestyle choice*.

Marina de València

The Mediterranean Design Agora, an urban laboratory for people. An innovation centre, a hub for entrepreneurship, creativity and leisure.

Port of València

Connectivity, logistics and international trade in the largest Mediterranean port.

City of Arts and Sciences

The cornerstone of the city's arts and culture that combine Valencian tradition and modernity.

Virtuous triangle of technological and innovation infrastructures

The Technological, the PolytechParknic City of Innovation and the Science Park that integrates business, science, research and Technological Institutes.

Vara de Quart

The urban district of the future: technological, innovative, and inclusive.

A wealth of talent in the Mediterranean

València's ecosystem combines own and imported talent, financing and public and private support.



València

IN FIGURES



I. GENERAL

Surface area	13.835 ha. (València capital, VAL) 1.739 km ² (Functional Urban Area, FUA) 25 km of coastline 19.5 km of beaches
Population	800.180 inhabitants (VAL, 2021) 1,8 millones (FUA, 2020) <i>València is the third most populous city in Spain</i>
Population density	8.100 hab/km ² (VAL, 2021) 1.017 hab/km ² (AUF, 2020)
Foreign population	116.652, 14,6% of the total (VAL, 2021) total (VAL, 2021) <i>160,732 people born abroad</i>
Working age population	519.090 (2021)
Activity rate	56,1% (2020)
Time zone	Greenwich Mean Time (GMT)
Climate	Mediterranean climate with average temperature of 19° C (66,2 ° F, 2020)



II. ECONOMY

GDP	61.5 billion € (province of València, 2019) 115.4 billion € (region of València, 2019)
GDP per capita	24,088 València € (province of, 2019) 23,083 € (region of València, 2019)
Gross income per person	16.880€ (VAL, 2019)
Net income per person	13.643€ (VAL, 2019)
Economic activities (2021)	- Industry: 3.4% - Construction: 6.8% - Trade and Services: 66.7% - Professional and Artistic: 30.0%
Minimum wage	1,000 €/month, or 14,000 €/year (14 instalments, 2021)
Average wage	1,755 €/month (CV, 2021)
Foreign investment	Flows of 780 million euros per year (region of València, 2017-2021) Stock of 6,727 million euros (region of València, 2019) 112,132 jobs (region of València, 2019)
Foreign Subsidiaries	563 subsidiaries of foreign companies in València, 1,088 in its province (2022)

València

IN FIGURES



III. Connectivity and Tourism

Tourists	5.80 million tourist overnight stays (2019)
Air connections	International airport with 23 airlines that connect València with 71 direct destinations in 19 different countries (2022) 28 airlines connecting with 24 countries (before the pandemic)
Passenger air traffic	8.5 million passengers a year (2019)
Railway links	Connections with Madrid (100 minutes), Castellón and Seville by high-speed train (2021)
Maritime traffic (2021)	Connections with almost 1,000 ports in 168 different countries 5.6 million containers, more than 1.1 million passengers First port in Spain and fourth in Europe in volume of containers (TEUs). Second port in the Mediterranean
Fairs and convention centers	The Feria de València, the Palacio de Congresos and unique settings like the City of Arts and Sciences, the Palau de la Música or the Marina
Accommodation	More than 27,000 beds available in tourist establishments in the city (2019) 170 hotels of all categories. Growing offer of tourist apartments..

Sources: Own elaboration with data from the València City Council, Statistics Office (2021), INE (2021), Eurostat (2021), SABI (2022), FILINT (2021), Investment Registry (2021).

All the data used in this guide is the most up to date available at the time of preparation/ review, except in those cases (indicated) in which the 2020 data is overly affected by the pandemic and the 2019 data is more representative of reality.





València, the Mediterranean gem

Powerful business hub



02

Business Hub

València is a key economic hub with a dynamic, open market that has great potential.

València is the capital of the region of València, and represents approximately 5% of the Spanish economy. València and its metropolitan area constitute the most important economic nucleus in the region and is **one of the 30 largest in the European Union**.

The GDP of the entire province of València amounts to almost 61.5 billion euros, the third largest economy in Spain. The size of its economy is comparable to that of the Italian region of Turin or a country like Slovakia.

The Valencian region enjoys **sustained economic dynamism over time**. The growth of its economy in the five years prior to the pandemic stood at 15.3%.

The city of València has just over **800,000 inhabitants**, over 1.7 million if the metropolitan area (functional urban area) is considered, just over a third of the population of the Region and two thirds of the province. Its **GDP per capita exceeds 24,008 euros** in the province. València is the third city in Spain by population, after Madrid and Barcelona.

86% of its population is under 65 years of age, significantly **younger than the Spanish average** (79.2% under this age).

The Valencian labour market is resilient and some sectors, such as tourism, have already recovered from the crisis caused by the pandemic. With an activity rate of more than 56%, in 2021 the unemployment rate was 13.7%, in line with the Spanish average.

European cities similar to València

Source: Harvard, Metroverse (2022)



LESS SIMILAR

MORE SIMILAR



Metroverse assesses the similarity between urban economies by studying whether they are competitive in the same industries.

Business Hub

València is one of the main business hubs in Spain and a growing destination for investment.

The Valencian industrial fabric is highly **diversified** and operates in an open economy with a clear focus on international markets.

In the economy of València, the commerce, transport and hospitality companies stand out, along with other activities in the service sector (health, finance, communication) and, especially in the city, those linked to professional and technical activities. The tertiary sector brings together 88% of the city's business activity.

València is also the third city in the country in total number of companies and large companies. The metropolitan area of València is a **business hub** (26,200 companies registered with the Social Security, more than 134,000 economic activity licenses issued) where professionals with technological and innovative skills are concentrated.

The numerous industrial estates in the metropolitan area make up a **top class industrial district** of innovative and high-tech sectors, together with traditional activities with strong roots and a high degree of specialization.

The metropolitan area of València concentrates a large part of the province's technological and innovative activity.

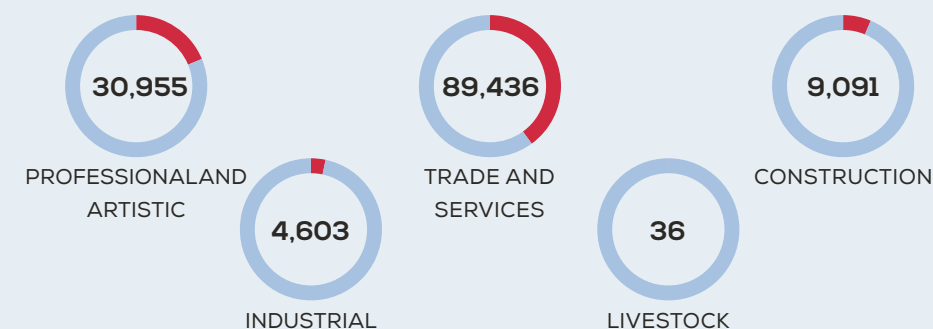


Number of companies in the Region of València, province and city of València, 2021 · Source: Central Companies Directory CDC (INE), 2021

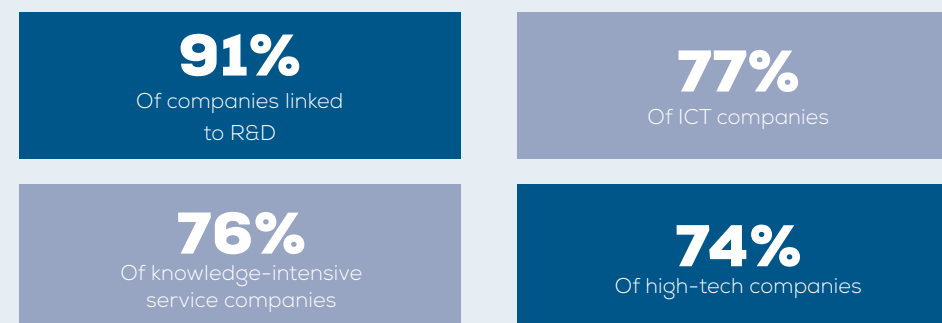
	Spain	Region of València	València Province	València City
Companies	3,366,570	368,044	182,851	67,635
% SPA		10.9%	5.4%	2.0%
		4th region in Spain	3rd province in Spain	3rd province in Spain

Economic activities in the city of València, 2021

Source: València City Council, Statistics Office, 2021



Companies in innovative sectors of the València metropolitan area over the total of the province, 2019 · Source: IVACE, via GfK



Open economy

The Valencian economy, with a **diversified, balanced productive structure and a high degree of specialization**, has an important asset in its internal and external commercial activity. This derives from the presence of advanced services, a traditional industry which employs cutting-edge design and a specialized agricultural sector.

The **links with foreign countries** fostered by its commercial port activity with international markets endow València with the dynamism typical **of large European port cities**, and a degree of economic complexity similar to that of the most developed economies.

València is the third Spanish province with the highest export volume. Although with a high weight of the automotive sector in foreign trade figures (25%), the sectoral structure of exports and imports is markedly intra-industry, as is usual in more developed economies. Likewise, Valencian agri-food products (fresh and processed) are highly valued in foreign markets.

The relative weight of exports and imports as a percentage of GDP is 60%, above the Spanish average.

Access to markets from València

Source: INE (2021), United Nations (2020)

5

Million inhabitants in the Region of València

47

Million inhabitants in Spain

447

Million inhabitants in the EU-27

552

Million inhabitants in Mediterranean countries

Main figures of the Valencian foreign sector · Source: State Secretariat for Trade, INE, ICEX

The province of València has great export potential and exports highly diversified products

MAIN FIGURES

Valencian exports	17,425 million € (2021)
Weight in the total exports of Spain	5.5% (2021)
Exports/GDP	29.4% (2019)
Exporting companies	18,467 (2021) 7.6% of the total of Spain
Regular exporting companies	4,522 (2021) 7.6% of the total of Spain

MAIN EXPORTS

Millions of €, 2021

Cars	2,873
Fresh citrus fruits	1,508
Parts and accessories for vehicles and their engines	837
Commercial vehicles	552
Persimmons and red berries	306

Main destinations of Valencian exports

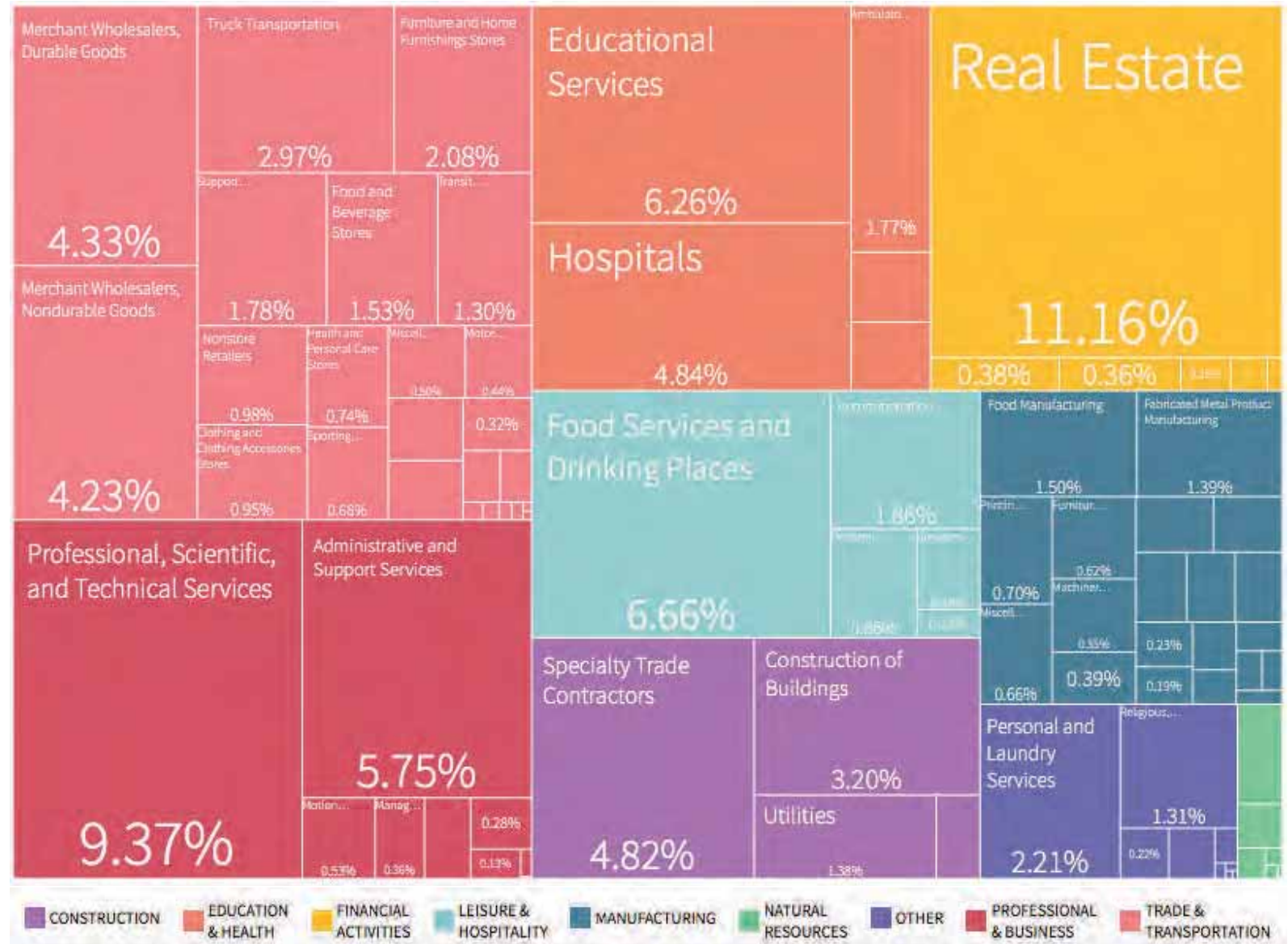


Open economy

Diversification and complexity of the Valencian economy, 2020

Source: Atlas of Economic Complexity, Harvard, CID, 2022

The following figure shows the complexity of the Valencian economy, understood as the distribution of employment by sectors and knowledge clusters (groups of industries that require similar technologies or productive capacities).



Foreign Investment

València is an attractive destination for foreign investment

València is also an **increasingly attractive destination for foreign investment**. In the last five years, according to the Investment Registry, the Valencian region has received more than 800 million euros a year of productive foreign investment flows, more than doubling the flows of the previous five years, despite the pandemic. The region receives investments mainly from other OECD countries (87%), with a significant weight (59%) from its European partners.

Foreign capital companies employ more than **112,000 workers in the region** (2019), 5.5% of the employed population.

The impact of subsidiaries of foreign companies in València is significant, and has increased notably in recent years. The **INE** puts the number of foreign subsidiaries in the region at 846: despite barely representing 0.34% of the total number of companies, they are responsible for 4.7% of employment, 12.8% of turnover and 23.5% of exports.

Private sources such as **SABI** (D&B) put the figure at 1,911 companies controlled by foreign capital in the Region of València in 2021, 57% of them in the province of València. The city of València concentrates more than half (563).

València is thus a priority destination for cross-border greenfield investment projects (new investment). According to the latest data from the FT's **fDi Markets**, València is the third city in Spain in this respect, having received 236 projects since 2003. These projects have generated 32,398 jobs and have mobilized an investment of practically 8 billion dollars. In the last four years, València has received more than 20 projects a year, which have generated 3,600 jobs each year

Contribution of subsidiaries of foreign companies in the Region of València

Source: IVACE, with data from the INE, 2021



Main foreign investment figures in València

Source: Investment Registry (2021), SABI (2022), fDi Markets (2022)

800

Millions of € received each year (Region of València, 2017-2021)

112,000

Greenfield investment projects in València since 2003

563

Companies controlled by foreign capital in València (2021)

236

Greenfield investment projects in València since 2003