

Palabras de Su Majestad el Rey en la inauguración de la “7th edition of Spain Investors Day”

Hotel Ritz. Madrid, 10.01.2017

Good morning to you all. A very warm welcome to those of you who have travelled from other countries to participate in Spain Investors Day.

I am delighted to return to this forum, which I first attended a few years ago as Prince of Asturias, and feel proud to Chair its Honorary Committee. I'm also happy to mention that this 7th edition marks my first attendance as King, as Head of State. Many thanks for your invitation to this prestigious event, which continues to sail steady and firm consolidating its position and relevance as one of the key dates in Spain's business calendar.

Indeed, this gathering will bring together many of the most internationalized and dynamic Spanish companies, as well as a large number of managers and representatives coming from major international companies and investment funds.

Over the next two days, investors arriving in Madrid from around the world will have the chance to meet and establish meaningful productive contacts with senior management from those Spanish companies that are present. Not only will this allow them to exchange information directly—to support or promote valuable agreements and finalize investment decisions—it will also give them the opportunity to address underlying issues related to how companies can improve their contribution to society's progress as a whole.

The success of Spain Investors Day—and allow me to emphasize this—is even more admirable considering that the first edition was held in 2010, one of the worst moments of the great recession, that started towards the end of the previous decade. Like other countries, at that time Spain was suffering from the severe consequences of the economic crisis. Now, however, through the hard work and contribution of its entire population, Spain is moving, along a course of sustained economic growth and steady job creation.

As opposed to what happened in prior periods of growth, this latest economic expansion has also been accompanied by a current account surplus, for the fourth consecutive year in 2016. It seems that Spain has transformed its growth model, making the country's economy more open, more internationalized.

Actually, to a great extent, it was by opening up the economy to the foreign sector that our country overcame the economic crisis. Therefore, Spain continues firmly dedicated to the idea that economic development—and hence the economic and social wellbeing of its citizens—largely depends on the country being active and dynamic at the international level.

This is why our country has reaffirmed its —already strong— commitment to Europe, considered our society's crucial project for the present and the future; to Latin America (or Iberoamerica), to which Spain is tied by powerful historic, cultural and identity bonds, as well as —more recent and growing— strong economic and business relations; and in general, its commitment to help Spanish companies by extending their progress in capabilities, prestige and international leadership to all corners of the globe.

It is a very clear fact that more and more Spanish businesses are taking on the challenge of internationalization and not only the large ones! Our firms have increased their exports and are winning key contracts worldwide. They have original and patented technology, renowned brands, prized experience and international distribution networks, above all in Europe and Latin America. Let me add that our companies are also accumulating cutting-edge technology, invaluable business know-how and outstanding talent.

We all know that making one's way and defending one's space in the international markets is not an easy task, especially for small and medium-sized enterprises: it requires a great deal of hard work, as both human and financial resources are badly needed. For a company to go international —more so global— is certainly a huge undertaking and a considerable challenge, let alone due to the planning required. Nonetheless, these efforts often with much valued support from public and private institutions are aimed at obtaining such benefits as new opportunities, more revenues, greater diversification, reduced dependence on the domestic market and less vulnerability.

Endeavors of this kind also lead to improved competitiveness for companies themselves and for the economy. If we study in detail the profiles of businesses that in fact go international, we can see that —generally speaking— they expand, create more jobs, increase their financial capacity and improve their access to capital markets. In short, they become more dynamic, more competitive and more efficient. Ultimately, this also helps of course the economy as a whole to be more competitive.

Now, if we take the case of Spain, and its economy's internationalization process, we cannot focus solely —despite its significance— on the importance of Spanish companies opening up to foreign markets; we must also acknowledge the remarkable role played by foreign companies established on Spanish soil. In fact, our country is one of the most open economies in the world to foreign investment.

Foreign businesses in Spain generate both wealth and employment, for which we are very immensely appreciative. What is more, they are often able to position themselves at the top of the value chain, as they undertake innovative, high value-added activities and projects in Spain. Such companies have therefore a positive external impact on the businesses around them, through the transfer of technology and state-of-the-art management and organizational practices.

Foreign investment also has a key effect on exports, as it significantly widens Spain's export base, especially in sectors such as the automotive and chemicals industries.

Foreign-owned multinationals have often been a pillar of economic growth in Spain. And there are three ways in which their establishment in our country clearly contributes

to economic growth: first, by creating new jobs, many of them for highly qualified professionals; second, by expanding the base of exporting companies that are resident in Spain; and lastly, by helping to cement a new growth model, based on an open and innovative economy. All of this ultimately helps to enhance Spain's business climate.

Allow me now to finish by expressing my sincere admiration for this event, Spain Investors Day, and by thanking you for the opportunity it gives me to support the continued success of the work you are all doing. It is also an opportunity for me to encourage foreign funds and companies to form alliances with Spanish companies, and work together either in Spain or abroad.

I am certain that this event will be an excellent starting point for mutually beneficial joint projects. For all these reasons, I again congratulate the people and institutions who have made this initiative possible and helped it grow. And to those attending, I wish you a productive event, keeping in mind the growth of our economy and, with it, the progress and well-being of our society.

Thank you very much. And now, it is a great honor for me to formally open the 7th edition of Spain Investors Day.