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Analysis and Studies

| Spain: A look at the market



The majority of Spain's exports (61%) are for intra-EU commerce

Located in southern Europe, Spain occupies most of the Iberian Peninsula. It shares borders with Portugal on the west, with France and Andorra in the northeast, and on the south with Gibraltar and Morocco. The Meseta, a large central plateau half a mile above sea level, is its heartland. Traditional uses of the area include cattle grazing and grain cultivation.

Spain is one of the world's most popular tourist destinations, and it is well known for its cities, monuments, and history. Some of its biggest cities are **Madrid** (6,204,829 ab.), **Barcelona** (5,233,638 ab.), **Valencia** (1,564,145 ab.), **Seville** (1,249,346 ab.) etc.

The country is the product of the various cultures that historically populated the area: **among others, Romans, Arabs, Jews, Roma (Gypsies), Castilians, Catalonians, Lusitanians, Galicians,** and Basques, have had an impact on the country's culinary traditions, rituals, and significant contributions to its cultural heritage.

Before the final unification under the reign of **Charles V in 1516**, there was a very important step in which, for the first time, the basis for a united Spain was laid: **the marriage between Isabella of Castile and Ferdinand of Aragon.** With their union, Isabella and Ferdinand officially decreed the union of their two kingdoms. In these years, the Spanish colonial period started and it characterized its history for centuries.

On the 16th and 17th, the Spanish float ruled the seas and the country establish itself as the conquistadores of the world. With time, its unwillingness to embrace the industrial and commercial revolution caused the country to fall behind Britain, France, and Germany in political and economic importance. In the 20th century, the country suffered through a devastating civil war that ended in the twenty-year dictatorship of General Francisco Franco. From 1975, Spain went on the path of democratization and economic transformation. Composed of 17 autonomous communities and 2 autonomous cities, Spain is a parliamentary democracy and constitutional monarchy. It is a member of the European Union and the North American Treaty. **Besides some ups and downs, Spain is a major economic force on the European continent, being the eurozone's fourth-largest economy.**

THE ECONOMY OF SPAIN

After 2008's global crisis, the Spanish economy fell into recession failing to grow until 2013. Unemployment is still a big issue for the country, although it cut down compared to the past. In 2021, Spain's GDP was a total of 1.43 trillion dollars, being the 14th economy in the world. The public sector, defense, education, human health, and social work activities will make up the majority of Spain's economy. Other important sectors are industry (16.1%), wholesale and retail commerce, transportation, lodging, and food services (19.7%), and public administration (20.5%). According to the Social Progress Index 2021 (published every year by the Social Progress Imperative, a non-profit organization that ranks countries according to social aspects such as access to basic human needs, general well-being, and opportunities), Spain is the 20th country in the world for living standards.

SPAIN IN INTERNATIONAL TRADE: IMPORT AND EXPORT



The majority of Spain's exports (61%) are for intra-EU commerce (France 16%, Germany 11%, and Italy 8%), **while 8% and 5%, respectively, are sent outside the EU to the United Kingdom and the United States.** In terms of imports, **57% come from EU nations (Germany 14%, France 11%, and Italy 7%), 9% from China outside the EU, and 4% from the US.** In 2020, **the top exports of Spain were cars (\$32B), packaged medicaments (\$11.6B), motor vehicles, parts and accessories (\$9.14B), refined petroleum (\$7.77B), and pig meat (\$6.46B),** exporting mostly to **France (\$47.6B), Germany (\$34B), Portugal (\$23.8B), Italy (\$22.8B), and United Kingdom (\$18.9B).** **Crude Petroleum (\$15.8B), cars (\$13.9B), motor vehicles; parts and accessories (\$11B), packaged medicaments (\$10.7B), and petroleum gas (\$5.5B), were Spain's biggest imports, mostly from countries like Germany (\$41.2B), France (\$33.9B), China (\$30.3B), Italy (\$22B), and Netherlands (\$15.5B).**

Import & Export Snapshot

Fuel wood: Import and export



The world trade of fuel wood was worth 9.95 billion dollars

With the winter approaching and energy prices going up, businesses and families are looking at alternative sources to reduce the impact of the crisis. One of the most natural options for heating the house or lighting up industrial plants is fuel wood.

Fuel wood is a biofuel, biomass that is used to generate energy. Biomass is plant or algae material or animal waste used to heat, cook, or generate electricity. Firewood, charcoal, pelleted sawdust, and wood chips are all types of fuel wood. It is a natural and sustainable fuel because it uses waste from wood products used in other sectors such as construction and furniture production. Nevertheless, the scientific community is still debating its impact on greenhouse gas emissions.

Recently, the price of wood has gone up, and so has the price of fuel wood. The Russian invasion of Ukraine and the resulting sanctions introduced by Western countries have directly and indirectly affected supplies and thus the price of this fuel. Indeed, Russia is one of the world's largest exporters of wood.



The world trade of fuel wood was worth 9.95 billion dollars. **In 2020 the world's biggest exporter of the product was Vietnam with a total of 1.92 billion dollars. Following, are the United States (\$1.4 billion), Australia (\$657 million), Latvia (\$557 million), and Canada (\$493 million). Japan (\$1.72B), China (\$1.65B), the United Kingdom (\$1.48 billion), Italy (\$711 million), and Denmark (\$622 million) were the world's greatest importers of fuel wood.**

Product Analysis

| Tea: A look at the market



Tea represents 0.046% of total world trade, with a value of \$7.7 billion in 2020

Tea is fundamental in many cultures around the world. One of the world's favorite commodities holds centuries of history. Indeed, tea has been around in China since about 2700 BCE. Early in the seventeenth century, Europeans became aware of tea as one of several herbal medicines used in Asia that had a potential market in Europe. In the course of the seventeenth century, the practice of drinking tea came to Europe via two different routes: by land from China and Persia through Russia into eastern Europe, and by sea around the Cape of Good Hope thanks to the Dutch and British East India Companies. Teas are divided into categories based on their countries of origin, such as Chinese, Ceylon, Japanese, Indonesian, and African teas and others. More, it is also categorized according to the size of the processed leaf.



Tea represents 0.046% of total world trade, with a value of \$7.7 billion in 2020. Between 2019 and 2020 the export of the product decreased by -2.96%. In 2020 **the top exporters were China** (\$1.75 billion), **Sri Lanka** (\$1.27 billion), **Kenya** (\$1.2 billion), **India** (\$703 million), and **United Arab Emirates** (\$310 million). **Pakistan** (\$646 million), **the United States** (\$473 million), **Russia** (\$413 million), **the United Kingdom** (\$330 million), and **Hong Kong** (\$312 million) **were the top importers.**

Article of the Month

Diversity, inclusion & equal opportunities: why promoting them will generate value in your company

It has become increasingly fashionable in recent years, within corporate governance policies, to emphasise a corollary of measures and principles, as defined by GRI 405 or the SASB method, a cornerstone of human capital and its related management: inclusion, diversity and equal opportunities policies



Under these three headings, sometimes mentioned together and at others subdivided or placed side by side with other components of **human capital**, we find a multiplicity of issues that affect corporate life, with consequences also on the private sphere, for which it is necessary to strike a balance between the two, in a holistic sense as possible.

How to encourage diversity and inclusion in the workplace

If in the materiality matrix of **SASB** the category "**Diversity and Inclusion**" is flanked and included in personnel engagement practices, for **GRI 405 "Diversity and Equal opportunities"** regulates the disclosure on two sub-topics, one concerning diversity within corporate governance bodies (GRI 401-5) and the other the debated issue of "gender-pay" (GRI 405-2).

The key point analysed in both GRI and the SASB method is an organisation's approach to diversity and inclusion of individuals of different gender, age, race, religion or other, actively promoting them and benefiting from them in terms of human capital wealth, which constitutes a company's main intangible asset.

Therefore, if on the one hand it is primarily the company that has an interest in the promotion and introduction of such policies, with consequent benefits in terms of innovation and the creation of value in the medium to long term, on the other hand the workers themselves find themselves benefiting from important aspects, such as fair pay, personal satisfaction together with the valorisation of their own peculiarities, or the same and indispensable possibility of having access to goods and services.

In fact, it is well known that giving access to resources, through work and pay, can create a more stable and equal society that contributes to the economic development of a country; therefore, it is even more important to give equal opportunities equally and without any discrimination.

This has much to do, at the macroeconomic level, with what Amartya Sen refers to as the 'capabilities approach', a framework theorised in the last two decades by the Nobel Prize-winning economist and forerunner of the 'ESG culture' and sustainability, whose theories were later declined into a series of more specific normative theories, such as those of social justice or development ethics, leading to the definition of new sector studies and social indicators, today largely included in ESG assessments.

This moral model applied to economics is based on the fact that, first and foremost, individuals should be left free to express themselves and contribute to economic and social development, choosing the economic activities to be pursued, hence their professions, according to their abilities.

In fact, the approach is based, firstly, on the assumption that the freedom to achieve prosperity is of paramount moral importance and secondly, the freedom to achieve prosperity must be understood in terms of people having capabilities and utilising them by taking the most suitable professional path.

This is, in other words, the same concept that Diversity, Inclusion and Equal Opportunities (DEI) policies focus on, within companies and institutions, where people must be facilitated and given real opportunities to do and be what they value, creating no inequalities and valuing specificities.

Examples of Diversity & Inclusion projects and diversity management

From the corporate point of view, many researches have pointed out that it is precisely by fostering the presence of people who are different in terms of age, culture, nationality, gender, etc., that the value of the organisation's intangible assets and human capital can be brought and increased, thus enabling the differentiation of figures to be included within teams and structures, thus stimulating innovation processes and contributing to the creation of value and growth in terms of medium-long term performance, coinciding with the ESG criteria.

In this respect, one of the largest research projects on the topic at the moment is the 'Human capital research' conducted by SASB.

A panel of specific questions in the 'Diversity & Inclusion' area will also be provided, for which feedback is currently being sought from the stakeholders involved.

As part of this public consultation, in fact, SASB wants to obtain feedback from companies, investors and other stakeholders who are familiar with the impact and benefits achieved at the sector-specific level, to gather feedback on

- what investors consider to be the most meaningful data to assess the issue in a comprehensive and, if appropriate, also on a local basis;
- how companies manage and track these issues and policies as applied, but also how they relate to the broader corporate strategy and long-term value creation of the company.

This standard-setting project aims to address Diversity, Equity and Inclusion (DEI) across 45 industry sectors and will consider adding or revising disclosure topics and/or metrics to better account for how DEI can impact business value, within each of these sectors.

The research has its origin in the 'human capital' research project initiated by the SASB Board to:

- analyse and document emerging evidence supporting the financial relevance of human capital issues;
- examine how human capital issues are accounted for in existing SASB standards;
- develop evidence-based recommendations for subsequent SASB standard-setting activities.

It is certainly an ambitious project that of SASB, as it aims to put at the centre of corporate financial assets, the measurement and impact generated on performance through human capital: starting from the measurement of this highly 'intangible' asset by definition and through its reporting, according to the materiality matrix and the ESG criteria included in it, the aim is to encompass the economic value of diversity and equity, breaking down the 'weak logic' of 'inclusiveness' and bringing them to a key role of financial leverage of performance.

Quick Infographic

| CRIF's Enhanced Due Diligence and Its Benefits



Enhanced Due Diligence and Its benefits



Entering a business relationship without complete knowledge of your partner's business can be risky. Eliminate a significant level of risk associated with it by analysing their past and present with CRIF's Enhanced Due Diligence Report.

Why CRIF Enhanced Due Diligence Report?

- 1 Get a discreet report prepared with non-intrusive methods with accountability and integrity maintained
- 2 Compiled from numerous corroborating sources including local and international media, court records and more
- 3 Get a cost-effective in-depth investigation with clear turnaround timelines without any compromise on quality
- 4 Obtain consistent and high-quality output put together by CRIF's in-house research analysts
- 5 Leverage expertise in detailed background checks and stringent quality control protocols
- 6 Explore the emerging markets before anyone else by conducting thorough due diligence
- 7 Get access to our network of research analysts located across the globe who speak native and can access maximum information from the source

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CRIF's Business Information Report, commonly known as the BIR Report, is a new way of thinking about data and information and how they are linked to each other. Available in 230 countries and territories, CRIF'S Business Information Report contains up to date information collected from various data sources. The report helps in determining a company's profitability, financial trends, and risk. It also provides an in-depth profile of a company, including financial information, legal cases, history of business, ownership details, operational information, and details on related firms and special events that occurred in the past involving company management. It's an industry standard for evaluating both new and existing credit relationships, especially medium-to-high risk accounts. Additionally, it supports a company's other efforts, like marketing and purchasing.

CRIF India's Business Information Offerings



| How is CRIF different?



We brought in new Sets of Data Points,
First in the Industry at a TAT less than 48hrs.



Global Data Environment
200 million companies across 230 countries,
2 Million directors on these companies,
400+ data points covered



Unmatched expertise in analysis
Our vast experience gives us an eye for better
assessment of information



Count on our TAT
Quality in expertise translates into
efficiency in outcome



Quality checks
We've set processes to ensure reliable
information is coming your way

Customized solutions for: Customer | Suppliers | Trade / Supply Chain solutions



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