



It's time again to review the performance of the Spanish franchise sector. What happened during 2014? Which are the hottest trends? Where do foreign franchises come from? Where are Spanish franchises going to? Find all the answers in our 2014 Spanish Franchise Review.

FRANCHISING IN SPAIN: 2014 IN REVIEW

After a few tough years 2014 was the light at the end of the tunnel for the Spanish economy. GDP growth reached 1.4% and set the stage for what is turning to be a quite remarkable 2015 (with GDP expected to pass the 3% mark by the end of this year).

2014 has also signaled the recovery for the franchise sector, with all indicators showing positive numbers. Although total turnover barely reflects this (€ 25,869 million¹ up from last year's € 25,867 million) it has broken the downward trend from

the all time high in 2011. Plus the market keeps attracting franchises, both local and foreign (1,199 in 2014 against 1,087 in 2012).

Foreign franchises now total 211 brands from 28 countries (200 and 27 in 2013). France still takes the lead (winning 1 for a total of 45), USA has lost two franchises (34), while Italy gains six and takes the second position (39), Portugal wins one (11) and Germany is still tied in the fourth place with Portugal. It is worth noting the appearance of a franchise investor from the Virgin Islands.

¹All quoted figures from the Spanish Franchise Association.

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The number of establishments has grown quite significantly to 63,869 from last year's 59,131, with the main sectors found in food, health/ beauty, IT and catering/ restaurant. The only sector that has taken a dip is the specialty shop (2,696 in 2014 against 2,834 in 2013); on the upside all subsectors in the fashion/ textile industry have performed extremely well.

Franchises are back to hiring: 242,140 employees in 2013 and 248,914 in 2014. Employment figures have been quite positive so far in 2015 so we will have to wait for next year's data to see if this has had any effect on the franchise sector. As regards the top 5 Spanish regions where franchises have

their headquarters, things remain the same with extremely strong performances from all, with Madrid claiming the top spot (308, +18!), followed by Catalonia (288, +11), Valencia (145, +21!), Andalusia (130, +19!) and Galicia (48, +7).

Spanish franchises are still very much active in foreign markets: 285 brands were present in 127 countries with 18,957 establishments (against 279 brands in 123 countries and 18,688 establishments in 2012). The top 5 sectors abroad are fashion (76, +3), hospitality/ catering (48, -1), beauty (34, +1), specialized boutiques (21, =) and furniture and household textile (15, +2).



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The top 10 countries for Spanish franchises are Portugal (187, +2), Mexico (88, +6), Andorra (84, +6), France (67, +6) Italy (53, +1), Morocco (42, +4) now tied with Colombia (also +4) and the UK (+7), Panama (39,+4) and Venezuela 34 (-1). The same trends of past years are evident, proximity (EU countries) and common language (Latin America), which means that Spanish franchises are still playing safe.

If we look at the number of establishments we find some interesting changes: Portugal (2,866, +19), Italy (1,906, an astounding +727), France (1,305, an equally astounding -727), Brazil (1,303, +147), Mexico (1,059, + 20), China (1,040, + 46), Argentina (846, + 82), Poland (746, + 46), Russia (741, + 97) and Venezuela (711, -57) make the top 10. The US falls from the tenth spot despite a small improvement (699, +7). The top 10 amounts to 12,543 establishments

which is equivalent to 63.1% of the grand total (-1.2% from last year so there is a little more diversification).

Analyzing the number of establishments by continent is a real eye-opener: Europe (10,294, back to positive numbers, +294), America (5,991, still performing strongly, +620), Asia (1,960, +178), Middle East (816, +45), Africa (350, +109), Oceania (39, +13). So it's a solid, positive trend across the board, with interesting numbers coming in from Africa that show a year-on-year growth close to 50%.

In conclusion, all the facts and figures back up the story of a reborn Spanish economy, a dynamic franchise market and powerful ambition from local franchisors that keep investing throughout the globe. 2015 should not only confirm this positive outlook but also build upon the achievements of 2014.

page 3

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