



FRANCHISING IN SPAIN: 2015 IN REVIEW

Spain was one of the best performing economies of the EU in 2015 with GDP growth reaching 3.2% year-on-year (just 1.4% in 2014) which will seemingly continue in 2016 (projected growth of GDP stands at 2.6%). Has the franchise industry benefited from the upward trend? It certainly seems so as total turnover has gone up to € 26,482 million (€ 25,869 million in 2014) and the number of franchises, both local and foreign, keeps on growing (1,232 in 2015 against 1,199 in 2014).¹

Foreign franchises now total 218 brands from 28 countries (211 and 28 in 2014). France still takes the lead (winning 2 for a total of 47), Italy loses 2 but keeps the second position with 37 franchises, USA wins one (36), UK jumps up to the fourth place (13), Germany gains one (12), and Portugal keeps 11. Russia makes an entrance with 1 franchise, and joins Andorra, Bulgaria, Colombia, Guatemala, Hungary, Israel, Japan, Malaysia, Turkey and the Virgin Islands in the one franchise club.

1. Data sourced from the Spanish Franchise Association.

The number of establishments has also kept on growing (65,810 in 2015, 63,869 in 2014 and 59,131 in 2013), with the main sectors found in food, health/ beauty, IT and services/ automotive. Special attention must be given to the catering industry with all the subsectors improving their numbers, whether it's fast food, tapas, ice-cream and yoghurt shops, restaurants or cafeterias.



The positive trends in the Spanish economy are reflected in the hiring of employees: 253,913 or +2% from last year (248,914 in 2014). As regards the top 5 Spanish regions where franchises have their headquarters, things remain the same with extremely strong performances on the Mediterranean: Madrid just retains the top spot (304, -4), followed by Catalonia (302, +14!), Valencia (161, +16!), Andalusia (137, +7) and Galicia (48,=).

Spanish franchises are still gaining presence in foreign markets: 296 brands (+11) were present in 132 countries (+5) with 19,874 establishments (+917). The top 5 sectors abroad are fashion (76), hospitality/ catering (48), beauty (34), specialized boutiques (21) and furniture and household textile (15).

Mexico (88), Andorra (84), France (67) Italy (53), Morocco (42) now tied with Colombia and the UK, Panama (39) and Venezuela (34). The same trends of past years are evident, proximity (EU countries) and common language (Latin America), which means that Spanish franchises are still playing it safe.

If we look at the number of establishments we find some interesting changes: Portugal (2,866), Italy (1,906), France (1,305), Brazil (1,303), Mexico (1,059), China (1,040), Argentina (846), Poland (746), Russia (741) and Venezuela (711) make the top 10 which amount to 12,543 establishments which is equivalent to 63.1% of the grand total.

Analyzing the number of establishments by continent shows a slow but sure diversification: Europe (10,718), America (5,991), Asia (1,960), Middle East (816), Africa (350) and Oceania (39). 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, a great year for the Spanish franchise market that shows a renewed sense of confidence from local and foreign franchisors that should carry on to 2016.

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