



FRANCHISING IN SPAIN: 2016 IN REVIEW

Spain surpassed every GDP forecast for 2016 finally reaching an impressive growth of 3.2%, outpacing every country in the Eurozone bar Ireland. The Spanish franchise industry has been quick to act upon this propitious scenario with a total turnover of € 26,991 million (€ 26,482 million in 2015). The number of franchises, both local and foreign, keeps on growing (1,298 in 2016 against 1,232 in 2015). This means that the number of franchises has doubled since 2001 (646).

Foreign franchises now total 224 brands from 28 countries (218 and 28 in 2015). France still takes the lead (winning 3 for a total of 50), the US win 6 (total of 42) and overtakes Italy (that keeps its 37 franchises) for the second place, UK, Germany and Portugal all lose one franchise for a respective total of 12, 11 and 10. China makes an entrance with 1 franchise, and join Andorra, Bulgaria, Colombia, Guatemala, Hungary, Israel, Japan, Malaysia, Russia, Turkey and the Virgin Islands in the one franchise club.

The number of stores keeps on growing (70,541 in 2016 vs. 65,810 in 2015), an impressive 7.1% increase, with the main industries found in food, health/beauty, services/automotive and computing/signage/printing. Good numbers are also found in specialty shops and transportation services.



The favourable trends in the Spanish economy are reflected in the hiring of employees: 268,986 in 2016 or +5.9% from last year (253,913 in 2015). As regards the top 5 Spanish regions where franchises have their headquarters, things remain the same with Madrid and Andalusia performing strongly: Madrid retains the top spot (325 franchises, +21!), followed by Catalonia (311, +9), Valencia (166, +5), Andalusia (147, +10!) and Galicia (51, +3).

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Spanish franchises are still gaining presence in foreign markets: 302 brands (+6) were present in 137 countries (+5) with 20,891 stores vs. 19,874 in 2015 (+1,017). The top 5 sectors abroad are fashion (75), hospitality/catering (49), beauty (35), specialty shops (22) and furniture and household textile (15).

The top 10 countries for Spanish franchises in terms of brands are Portugal (186, -1), Mexico (89, +1), Andorra (86, +2), France (74, +7), Italy (59, +6), UK (47, +8), Morocco (41, -1), Colombia (39, =), Panama (36, -3) and the UAE making its first appearance in the top 10 with 36 Spanish brands, (Venezuela drops out of the 10th position). The same trends of past years are evident, proximity (EU countries) and common language (Latin America), with the positive surprise of the UAE.

The top 10 by number of stores shows some minor changes in ranking: Portugal (2,770), Italy (2,217), France (1,483), Brazil (1,462), Mexico (1,259), China (1,115), Argentina (951), Russia (812), Poland (793), and the US (604) make the top 10 which amount to 13,466 stores vs. 12,543 in 2015, which is equivalent to 64.4% of the grand total. Only Portugal shows a decrease in the number of stores and the US overtake Venezuela in the 10th spot.

If we break down the numbers by continent we find a solid increase everywhere except for Africa (-10 stores): Europe (11,458), America (6,105), Asia (2,098), Middle East (850), Africa (340) and Oceania (40).

In conclusion, the Spanish franchise market reflects the upward trend of the Spanish economy and faces 2017 with great optimism both in and outside of Spain.

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