THE FASHION MARKET

IN SPAIN

CONTENTS

1. MARKET AND ECONOMIC TREND IN THE CLOTHING SECTOR

STATISTICS

- ➔ **5th largest European clothing market : 7.7% market share**
- ➔ **Turnover in clothing : 1,350 billion pesetas**
- ➔ **Annual expenditure on clothing : 7.4% of household budget**

PRODUCTION INDICATORS

- ➔ **Number of companies in clothing sector (1997) : 5,330**
- ➔ **Workforce : 175,130 employees (1997)**
  trend : -40% between '89 and '96
- ➔ **15% of the national production is exported**
- ➔ **Principal suppliers :**
  Italy
  France
  Germany
  Portugal
  China
  United Kingdom

BIG NAMES IN THE CLOTHING INDUSTRY

	Industria de Diseno Textil (Inditex) Industria y Confecciones (Induyco) Confecciones Sur	Generos de Punto Ferrys Confecciones Mayoral
Women's Wear	Marpy Confecciones Aninoto Diseno y Textura DITEX	Drapecoti Juan Ramilans
Men's Wear	Adolfo Dominguez Caramelo D'Aquino	Manufacturas Falbar Manufacturas Sanchez Flor Fuentecapala
Children's Wear	Andaluza de Confecciones Pili Carrera S.L. Mestre Infantil	Cayetano Tomas Planells Creaciones Foque
Knitwear	Basi Centro Textil Massana	Ignacio Carner Fernando Luna
Lingerie	Bassons Ind. de la Confecion Vives Vidal	Eurocorset Manent Casanovas
Swimwear	Dolores Font Cortes Noeco	Dos Mares Barcelona Manuf. Bora-Bora de Confecion

CHARACTERISTICS OF CLOTHING INDUSTRY

➔ **Predominance of small and medium-sized enterprises**

- ⇨ 70% employ a workforce of less than 20 people
- ⇨ merely 0.2% businesses > 500 people
- ⇨ turnover per business rarely > 200 million pesetas

➔ **Level of productivity 10% below the average European rate** despite :

- ⇨ significant investment into the clothing industry since 1990
- ⇨ salary costs 40% below average European salary expenses

➔ **Production is geared toward products for widespread distribution which represent the majority of current outlets**

➔ **However, there is a decline of the traditional industry with regard to the volume and fashion purchases by large-scale distributors**

➔ **Relocation, subcontracting and reduction of manpower in the sector**

➔ **High degree of flexibility**

➔ **Quality of design and good image of « made in Spain »**

CHARACTERISTICS OF CLOTHING MARKET

➔ **Major increase in imports**

- ⇨ 395 billion pesetas 1997
- ⇨ trend 1996/97 : + 13%

➔ **Slight increase in expenditure by Spanish households since 1996**

- ⇨ trend 1996/97 : +1.5% absolute value

➔ **But the relative share of expenditure for clothing continues to fall** in the long run, like for most European countries

- ⇨ rise not as strong as for other items of household budget : development from 9.8% in 1970 to 7.6% in 1995 (compared with an average 6.3% for the seven large OECD countries)

➔ **Interesting potential for progress**

- ⇨ the amount of money spent on clothing per citizen only represents 60% compared to that spent by the major European countries

➔ **Importance of down-market and medium-price/down-market segment**

- ⇨ 43% of sales for down-market segment
- ⇨ 34% for medium-price/down-market segment
- ⇨ 15% for medium-price/up-market segment
- ⇨ 5% for up-market segment

➔ **Comfort prevails over brand**

➔ **The average Spanish consumer prefers classic lines**

- ⇨ a **basic item of clothing is not subject to changes in fashion** and has a secure long life in the Spanish market

- ⇨ distinctions need to be made with regard to the various regions, climatic conditions, age of the consumers, and urban concentration => as a result, more clothing articles are purchased in the North of the country - notably in conurbation areas such as Madrid or Barcelona - which are also more sophisticated than compared with the South of the country,

CLOTHING SIZES

➔ There is no official table converting the sizes of the respective countries to those of other European countries.

➔ In general, Spanish sizes are close to French sizes

⇨ Men's Wear

Jackets

France	46	48	50	52	54	56	58
USA	36	38	40	42	44	46	48
GB	36	38	40	42	44	46	48
Italy	44	46	48	50	52	54	56
Spain	**46**	**48**	**50**	**52**	**54**	**56**	**58**
Germany	44	46	48	50	52	54	56

Trousers

France	38	40	42	44	46	48	50
USA	28	31	33	34	36	38	39
GB	31	32	33	34	35	36	38
Italy	38	40	42	44	46	48	50
Spain	**38**	**40**	**42**	**44**	**46**	**48**	**50**
Germany	36	38	40	42	44	46	48

⇨ Women's Wear

Ready-to-wear

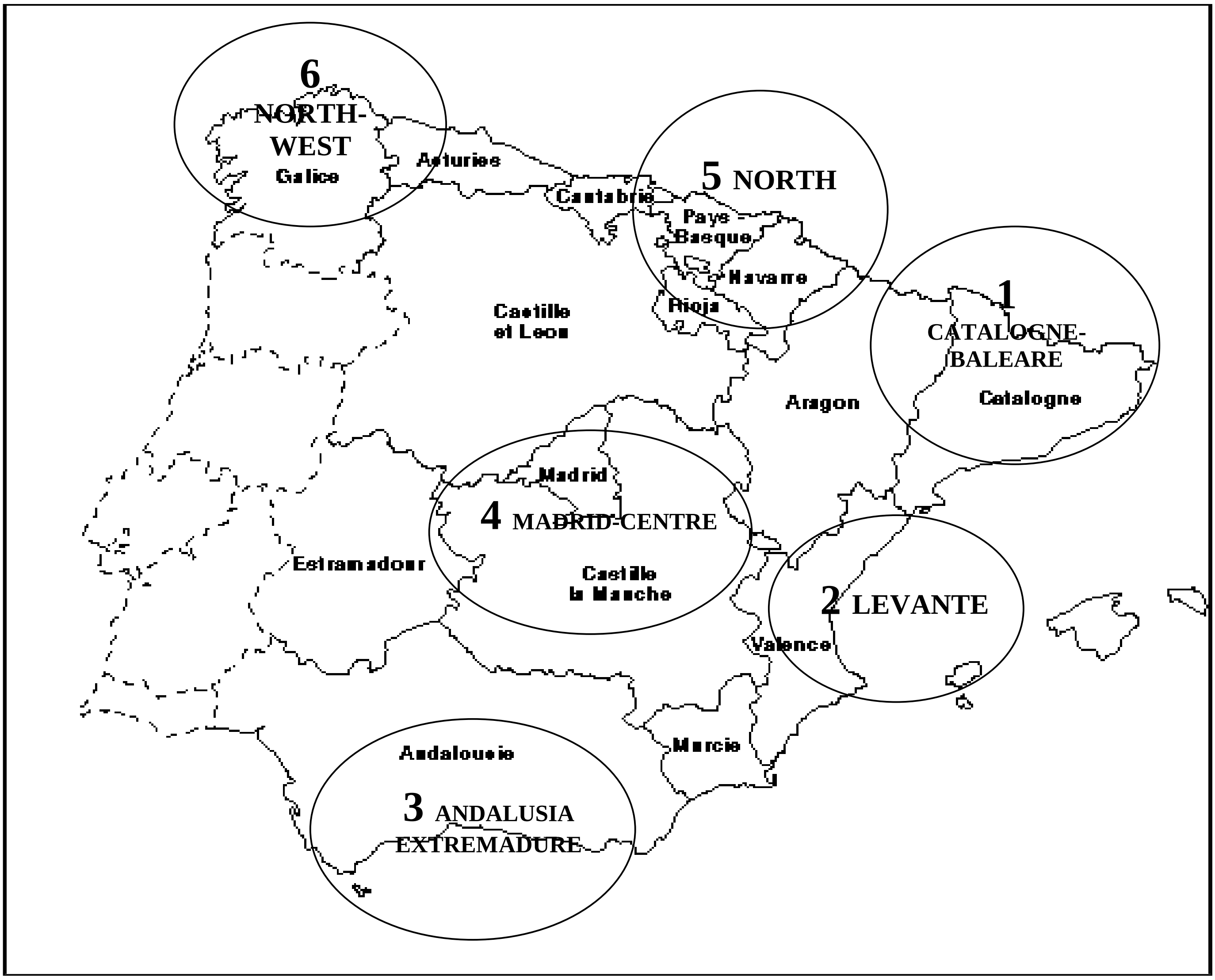
France	36	38	40	42	44	46	48	50
USA	6	8	10	12	14	16	18	20
GB	8	10	12	14	16	18	20	22
Italy	40	42	44	46	48	50	52	54
Spain	**36**	**38**	**40**	**42**	**44**	**46**	**48**	**50**
Germany	34	36	38	40	42	44	46	48

2. GEOGRAPHICAL APPROACH

THE REGIONS AND THEIR POTENTIAL

Zone	*Region*	*Population*	*Major cities*
1 Catalogne-Baléares	Catalogne	1,566,450	Barcelona
			Girona
			Tarragona
	Baléares	2,068,187	Palma
	Aragon	1,424,971	Zaragoza
2 Levante	Comunidad Valenciana	1,354,757	Valence
			Alicante
			Castellon
	Murcie	1,120,828	Murcia
3 South	Andalusia	1,025,725	Seville
			Malaga
			Cadiz
			Granada
			Cordoba
			Jaen
	Extrémadure	998,757	Badajoz
4 Madrid-Centre	Madrid		Madrid
	Castilla la Mancha	1,172,809	Ciudad Real
			Toledo
	Leon	1,260,124	Valladolid
			Caceres
5 North	Basque Country	1,432,773	Bilbao
	Navarre	1,573,658	San Sebastien
			Pamplona
	Rioja	1,515,230	Santander
6 North-West	Galice	1,238,491	La Coruna
			Vigo
	Cantabrie	1,289,077	Leon
	Asturies	1,250,401	Oviedo

MAP OF TARGET ZONES
RANKED ACCORDING TO PRIORITY



3. DISTRIBUTION

GENERAL DISTRIBUTION CHARACTERISTICS

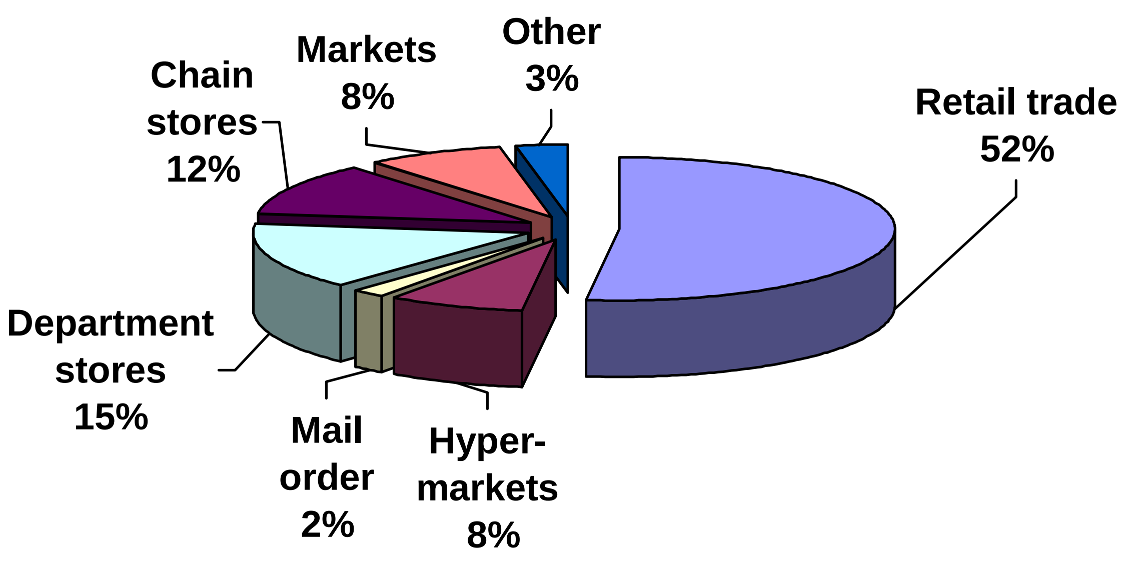
➔ Distribution has changed profoundly and undergone major modernisation within a decade, entailing a significant impact on the industrial structure, considering the importance of the main vertically integrated groups such as Inditex or Cortefiel

The trends in distribution are

concentration
market segmentation
conurbation
internationalisation

➔ **The retreat of independent retailers** originates from organised distribution as well as chain stores, hypermarkets and franchising – a trend which seems to have stagnated, according to the most recent observations.

Market share for textiles by type of distribution



(1997)

3.2. MAJOR DISTRIBUTION PARTIES

MAIN CHARACTERISTICS OF MAJOR DISTRIBUTION

➔ **Increase in market share to the disadvantage of specialised classic retail trade**

⇨ Spanish consumers are buying more and more often in department stores and shopping centres

➔ **Concentration in conurbation areas :**

Madrid
Barcelona
Valencia
Seville

➔ **Internationalisation of Spanish names**

➔ **Very strong foreign presence** :

Continent
Carrefour
Al Campo
Promod
Etam
C&A
M&S

3.2.1. CHAIN STORES

Distribution company with several points of sales at great distance from one another (in different towns), selling a range of relatively similar items. The purchase, the inventory and the logistical transport are generally centralised..

MAIN CHARACTERISTICS

➔ **High growth segment**

➔ **75% of the specialised chains located in Spain are Spanish**

➔ **Specific nature of Spanish chains : integrate MANUFACTURING and DISTRIBUTION**

➔ **Emergence of highly innovative chain models imitating foreign chains**

MAJOR NAMES IN THE MARKET

➔ **2 principal nation-wide groups** which started exporting :

- ➲ <u>INDITEX</u> : Zara, Pull & Bear, Massimo Dutti, Kidy's Class, Berksha, Brettos
- ➲ <u>CORTEFIEL</u> : Cortefiel, Springfield, Women's Secret, Milano
50% in Algodon, 20% in Marks & Spencer

➔ **Some local chains** (between 4 and 10 POS) with minor geographical coverage : Amichi (Malla 3 group), Cedosce et Tintoretto (Induyco group), Globe Red (Zartone producers)

➔ **Foreign companies are very present** : Benetton, Rodier, Manoukian, Kookai, C&A, Pimkie, Promod…

ORGANISATION AND PURCHASE

➔ **own manufacturing**

➔ **external purchasing (own buyers) via trade fairs, direct contacts, agents…**

PURCHASING DATES

Spring/Summer :	April - May
Autumn/Winter :	November- December

DELIVERY DATES

Spring/Summer :	November - February
Autumn/Winter :	June - September

GENERAL MARK-UP

➔ **Multiplying coefficient : 2.5**

PAYMENT

➔ **90 to 120 days**

3.2.2. DEPARTMENT STORES

Large commercial retail enterprises which offer very versatile assortments (sometimes more than 100,000 articles) under a single roof and on a substantial surface area (4 to 6 floors), and which in general focus on :

- → *clothing and textiles,*
- → *household articles,*
- → *all types of home products.*

Each product line has its own department at times managed by specialists.

MAIN CHARACTERISTICS

➔ **Stable market share of 15% for 10 years**

➔ **Fashion more or less traditional medium- to up-market segment**

MAJOR NAMES IN THE MARKET

➔ **Only one originally national name, but of substantial importance :**

➲ <u>El Corte Ingles</u> : true institution in Spanish distribution structure

- ⇨ founded in 1956
- ⇨ 69 outlets (44% Madrid and Andalusia, 16% Valencia and Catalogne)
- ⇨ 50% of the sales surface dedicated to textiles-clothing
- ⇨ between 13 and 16% of sales in textiles
- ⇨ signals intent to expand and has started export

<u>NB</u> : El Corte Ingles took over its main competitor Galerias Preciados in 1996

➔ **Some minor names operate in the rest of the country**

ORGANISATION AND PURCHASE

➔ **Purchase department specialised by sector**

➔ **Procurement : direct manufacturer, trade fairs, agents…**

PURCHASING DATES

Spring/Summer :	April - May
Autumn/Winter :	November- December

DELIVERY DATES

Spring/Summer :	November - February
Autumn/Winter :	June - September

GENERAL MARK-UP

➔ **Multiplying coefficient :2.5**

PAYMENT

➔ **90 to 120 days**

MODE OF PAYMENT

➔ **bank transfer**

3.2.3. MAIL ORDER

MAIN CHARACTERISTICS

➔ **premiered in Spain in the early 80s**

➔ **mail order remains a difficult market in Spain**

MAJOR NAMES IN THE MARKET

➔ **Two major names in the textile-clothing sector :**

- **Venca** : subsidiary of 3 Suisses
- **Beyella** : recently taken over by Damart, introduced the Blanche Porte catalogue

ORGANISATION AND PURCHASE

➔ **Purchase department specialised by sector, with buyers specialised in products**

➔ **Procurement : directly from manufacturer, agents, trade fairs**

PURCHASING DATES

Spring/Summer :	April - May
Autumn/Winter :	November- December

DELIVERY DATES

Spring/Summer :	November - February
Autumn/Winter :	June - September

GENERAL MARK-UP

➔ **Multiplying coefficient : 3**

PAYMENT

➔ **90 to 120 days**

MODE OF PAYMENT

➔ **bank transfer**

3.2.4. HYPERMARKETS

MAIN CHARACTERISTICS

➔ **This segment emerged in the early 70s and has experienced major growth rates, stimulated by the major French distribution chains (copying French model)**

➔ **However, the government and the lobby of the retailers have recently put a** hold **on this development => this type of distribution is heading for controlled expansion**

➔ **Offer focuses on Madrid, the area around Valencia, Catalogne and Andalusia**

➔ **Feature : large selection of lingerie and classic men's wear at attractive prices**

➔ **The recent establishment of fashion hypermarkets on the edge of conurbation areas close to supermarkets can be observed.**

MAJOR NAMES IN THE MARKET

➔ 4 big national names**, of which 3 originate from France, have the most extensive coverage and design their own brands :**

- ➲ <u>PRYCA (Carrefour)</u> : 51 hypermarkets
- ➲ <u>CONTINENTE (Continent)</u> : 47 hypermarkets
- ➲ <u>AL CAMPO (Auchan)</u> : 22 hypermarkets
- ➲ <u>HIPERCOR (El Corte Ingles)</u> : 22 hypermarkets

➔ **Other names for medium-sized companies : EROSKI, MERCADONA**

➔ **…and some regional names, otherwise widely dispersed market**

ORGANISATION AND PURCHASE

➔ **Centralised sales**, Madrid is the capital for central purchasing, followed by Barcelona

➔ Centralised purchasing of hypermarkets (buyers specialised by products / product categories) is **highly autonomous** - for example, a product registered at Carrefour France is not systematically chosen by Pryca's central purchasing

➔ **Purchasing departments specialised by sector, with buyers specialised by products**

➔ **Purchase : direct manufacturer, agents, trade fairs**

PURCHASING DATES

Spring/Summer :	April - May
Autumn/Winter :	November- December

DELIVERY DATES

Spring/Summer :	November - February
Autumn/Winter :	June - September

GENERAL MARK-UP

➔ **Multiplying coefficient : 1.30 to 1.75**

PAYMENT

➔ **90 to 120 days**

MODE OF PAYMENT

➔ **bank transfer**

3.2.5. OTHER

➔ **Factory outlets** : as an innovative and excellent fashion distribution channel, the recent arrival of factory outlets has been given a promising welcome by buyers

➔ **Franchise** : growing segment which increased strongly during the 80s. In 1996, there were 75 franchising chains (of which 21% were Spanish), and 2,300 franchise POS.

➔ **Discount stores**: have made a recent entry into the market

3.3. RETAIL TRADE

MAIN CHARACTERISTICS

➔ **51,500 boutiques in 1994**

➔ **a sector which is slowly but surely eroding** due to the price war initiated by the chains and the supermarkets:

- ⇨ **66% market share in 1985, 52% in 1994, 45% in 1999**
- ⇨ **10% of the retail outlets closed down between 1992 and 1994**

ORGANISATION AND PURCHASE

➔ direct purchase from manufacturers and trade fairs

➔ agents

➔ importers

PURCHASING DATES

Spring/Summer :	July – end of September
Autumn/Winter :	January – end of February

DELIVERY DATES

Spring/Summer :	February - March
Autumn/Winter :	September - October

GENERAL MARK-UP

➔ **Multiplying coeff. : 2.2**
1.8 on certain products (jeanswear)

PAYMENT

➔ **60 to 90 days**

MODE OF PAYMENT

➔ **bank transfer**

3.4. MARKETS

➔ Markets have deep cultural roots in Spanish buying habits

➔ **Down-market** or **eccentric** products are found at markets

PURCHASE

➔ Procurement : wholesalers
unsold stock from manufacturers

➔ **Instant local buys**

➔ **Not a foreseeable outlet for foreign manufacturers**

4. WHICH FORMS OF REPRESENTATION ?

This guide mainly addresses companies about to enter the market. At this stage, we are exclusively interested in the most frequently referred to forms of selling / of representation: direct approach, importer or wholesaler, sales representative.

Other possible forms of establishment are related to companies which are already making steady business in Spain, which are sure of the potential of their products and which have relatively significant resources, and known brands with a strong image. These might include :

- *licensing*
- *franchising*
- *establishing own boutiques : good test ground for collections*
- *setting up of commercial branch*

4.1. DIRECT SELLING

➔ Direct selling can be relevant for products which address **large-scale distribution** (highly personal negotiations, margins to be defended at close range…).

- ⇨ in fact, **buyers often prefer dealing directly with the manufacturers** in order to negotiate details. Moreover, they have the feeling of buying at less expensive rates by saving on commission and on importers.

➔ For all other cases, they prefer **local intermediaries** :

- ⇨ agent
- ⇨ importer

4.2. IMPORTERS AND WHOLESALERS

4.2.1. IMPORTERS

Importers purchase your products in order to resell them to their own clients, subject to territorial exclusivity, with the support of their own sales team or commercial agents. They are registered as a company, often operate at ***national*** *level and have a warehouse, a billing system.... ...*

=> generally these are relatively important structures which are much less widespread in Spain than simple sales representatives.

➔ ***Advantages*** ***:***

- ⇨ *a single partner who is in charge of managing the clients => you deal with a single client and save on administrative work compared to managing a portfolio of various clients.*
- ⇨ *security in terms of payment: you invoice the importer who invoices his client directly and thus assumes the risk of non-payment*
- ⇨ *simplified and less costly logistics : 1 or 2 large orders per season, delivered directly to the importer => you save on transport instead of sending several smaller consignments to clients*

➔ ***Disadvantages*** ***:***

- ⇨ *no market transparency : neither the clients nor the market is known; if the collaboration is discontinued, you are back to square one*
- ⇨ *no control over the image of your products : the importer sells to whoever and however he wants*
- ⇨ *there is only a minor risk of non-payment, yet of more concentrated nature: obtain reliable information on financial solidity of your partner*

➔ **The number of importers in Spain is decreasing steadily**:

- ⇨ the market trend is as such that less enterprises are willing to take the risk of reselling
- ⇨ also, because of fierce competition and the price war between the various distribution networks, manufacturers trying to enter the Spanish market are more inclined to bypass such intermediary, who has become too costly.

➔ **<u>Import margin</u> : approx. 40%**

4.2.2. WHOLESALERS

The advantages and disadvantages of this commercial solution are just about the same as for an importer

- ⇨ *it should nonetheless be noted that wholesalers are often much more volatile and need not necessarily be considered a regular distribution partner, but rather a true client who buys more of "what he likes" without a long-term commitment*

➔ **25% of Spanish production destined for the retail trade passes through wholesalers (source CITYC)**

➔ essentially located in **Barcelona, Madrid and Valencia**

➔ in the **down-market and medium-price segment**, mainly women's wear and children's wear

➔ **Prefer working with national suppliers**

- ⇨ shorter periods of procurement
- ⇨ higher responsiveness

4.3. AGENTS

Spanish commercial agents work against a remuneration ranging between 5% to 20%, depending on the respective volumes and the proposed service.

➔ ***Advantages** :*

- ⇨ *market transparency : clients and geographical spread are known… if the collaboration ceases you maintain your portfolio of clients and can transfer them to another agent*

➔ ***Disadvantages** :*

- ⇨ *you invoice each client directly and as a result assume the risk of non-payment on behalf of such clients*

- ⇨ *it is your task to handle each order and the logistical process which follows (management of order receipts, transport, management of returns, reminders…)*

Depending on the level of the range or the type of distribution, different agents might be taken into consideration:

4.3.1. MAJOR DISTRIBUTION AGENTS

➔ They visit buyers from large-scale distribution, ensure that your products are registered, and sell them.

➔ **Commission : between 5% and 10%**

4.3.2. REGIONAL AGENTS

➔ A regional agent operates under **regional exclusivity**. This is the most frequently referred to selling structure used for the collections which address the retail trade

➔ **Commission : 10-12%**

➔ Geographical coverage: a total coverage of the whole of Spain requires x number of agents in the following regions, ranked by priority (see map in chapter *2. Geographical Approach*)

4.3.3. GENERAL AGENT

Operates under national exclusivity, alone or with sub-agents, depending on the number of POS

➔ *Advantage :*

- ⇨ *this kind of structure allows you to forego the management and operations of an entire network of agents (relatively difficult): you work with a single contact in the market, all while preserving ownership of your clientele*

➔ *Disadvantages :*

- ⇨ *if the general agent abandons you, there is the great possibility that the network of agents will also leave you*
- ⇨ *less transparency with regard to local market trends*
- ⇨ *difficult to intervene directly in the event of problems occurring in a particular area*
- ⇨ *risk of losing information about your products (the general agent acts as intermediary between regional agents and yourself)*

➔ **Commission: 15-20%**

5. TRADE FAIRS

➔ Trade fairs

Trade fair	*Dates*	*Theme*
Pasarela Cibeles, Madrid	mid-February beginning of September	Presentation of designer collections
Semana Internacional de la Moda - Inmoda-Animoda - Imagen Moda - Intermoda - Intima Moda Bano - Ibermoda - Nupcial	mid-February beginning of September	 Women's wear import Ready-to-wear Fashion circuits courts Lingerie, swimwear Men's wear Wedding
Moda Barcelona - Gaudi Barcelona - Intimoda - Mediterraneo Jeans-streetwear - Novia Espana - Intibano	beginning of February September (September only) (September only)	 Designers lady's wear/men's wear Lingerie Jeans and street wear Wedding, communion Swimwear
FIMI	January July	Children + teenagers

➔ Organisers

IFEMA (Pasarela Cibeles, Semana Internacional de la Moda)
Parque Ferial Juan Carlos – 28067 Madrid
Tel : (34 9 1)722 50 00, Fax : (34 9 1) 722 57 99

Fira de Barcelona (Moda Barcelona)
Av. Maria Cristina s/n – 08004 Barcelona
Tel : (34 9 3) 233 20 00, Fax : (34 9 3) 233 20 01

Feria Muestrario Internacional (FIMI)
Av. de las Ferias s/n, Aptdo 476 – 46080 Valencia
Tel : (34 9 6) 386 11 06, Fax : (34 9 6) 363 61 11

6. TRADE JOURNALS

➔ Titles

Title	*Theme*	*Published*
Confeccion Espanola	textiles	bi-monthly
Noticiero Textil	textiles	monthly
Pinker Moda	textiles	monthly
Textil Expres	textiles	bi-monthly
Divos	Children's wear	half-yearly
Ninsmoda	Children's wear	quarterly
Blint	Lingerie	quarterly
Catalogo de la Moda Femenina	Lingerie	half-yearly
Corsetry and Lingerie	Lingerie	quarterly
Diva	Lingerie	half-yearly
Directorio Sectorial	Distribution	bi-monthly
Distribucion actualidad	Distribution	monthly

➔ Editors

Confeccion Espanola, Tel : (34 9 3) 436 29 04

Noticiero Textil – Astoria Ediciones, Tel : (34 9 3) 451 72 72

Pinker Moda – Ediciones Tecnicas Doria, Tel : (34 9 3) 319 61 51

Textil Expres – Aramo Editorial, Tel : (34 9 3) 453 79 38

Divos / Diva
Ediciones FB, Tel : (34 9 3) 209 36 89

Ninsmoda / Catalogo de la Moda Feminina
Ediciones Esfer, Tel : (34 9 3) 488 18 20

Blint – Fecid Promociones ed, Tel : (34 9 3) 218 56 46

Corsetry and Lingerie – Indice SL, Tel : (34 9 3) 232 13 61

Directorio Sectorial – NSI SL, Tel : (34 9 1) 307 00 00

Distribucion Actualidad – Ediciones y Estudios, Tel : (34 9 1) 733 91 14

7. COMMERCIAL POLICY

7.1. PAYMENT

➔ **Payment difficulties are a reality in Spain :**

- ⇨ obtain information regarding solvency of future clients
- ⇨ take out necessary guarantees : export insurance or factoring companies – the latter deduct a commission per order of **3 to 5%**

➔ **Spanish clients often only honour their obligations with delay**

➔ **Invoice in pesetas** : this is mandatory for the purchase centres and wholesalers as well as retailers, who are not yet very used to imports, so avoid anything which might prove to be a cause for complication

➔ **Mode of payment** :

- ⇨ Avoid settlement by cheque
- ⇨ A bank transfer is the most widely used settlement for business
- ⇨ The use of a documentary credit is recommended (wholesalers and retailers)

➔ **Terms of payment:**

- ⇨ Payment is often effected by 3 instalments (after 30, 60 and 90 days)
- ⇨ For the major central organisations, the terms are often much longer (90 to 120 days) and may even take 150 days for hypermarkets (see distribution)

7.2. BUSINESS CODE

➔ **Working language** employed :

- ⇨ Castillan Spanish
- ⇨ Catalan, Galicien and Basque in the respective regions
- ⇨ English is spoken by less than 30% of Spanish managers

➔ **The rapport with your contact is of primordial importance.** To enter the Spanish market, nothing replaces direct contact; Spaniards do not like doing business with people they do not know, they prefer contacts based on respect and trust

- ⇨ Spaniards prefer direct face-to-face contact than contact by phone or fax

➔ **Business meetings** :

- ⇨ Do not arrange for meetings during siesta (12h30-16h30)
- ⇨ Meetings are always an official event => prepare for them with care
- ⇨ Confirm the meeting by letter or fax before arrival
- ⇨ Usually, the meeting starts with around ½ hour of small talk about football or politics, do not head straight to the point or you risk being considered ill-mannered. Let your host direct the conversation, do not haste the meeting, be patient, do not try to attain immediate decisions
- ⇨ Be aware that when you come to an agreement, the details are still subject to regulation

➔ Business dinners are usual and are part of Spanish tradition. Important decisions are often made at such occasions.

➔ Punctuality is not rigorously observed. In all major cities, traffic is very busy, and whether in Madrid or Barcelona, delays of 15 minutes are rather frequent.

➔ Business cards are usually exchanged at the beginning of the meeting, sometimes they are still exchanged at the moment of leaving.

➔ Observe the importance of hierarchy and seniority in the business, of the title – competencies only take on a secondary role

- ⇨ autocratic management style
- ⇨ decisions are made on the grounds of superiority in the hierarchical structure, and only rarely by consensus

7.3. Miscellaneous

➔ **Working hours** : Monday to Friday from 09:00 am to 08:00 pm

- ⇨ « siesta » generally takes place between 1:30 pm and 04:00 pm
- ⇨ working hours in summer: 8:30 am to 02:30 pm-3:00 pm and on

➔ **<u>Public holidays</u>** :

- ⇨ 1st January : New Year
- ⇨ 6 January : Epiphany
- ⇨ February or beginning of March : carnival, which ends during or after Ash Wednesday
- ⇨ 19 March : San José
- ⇨ Holy Week (before Easter)
- ⇨ 1st May : Labour Day
- ⇨ Corpus Christi (changing date)
- ⇨ 24 June : Saint Jean
- ⇨ 15 August : Ascension
- ⇨ 12 October : to commemorate the discovery of America
- ⇨ 1st November : All Saints
- ⇨ 6 December : Constitution
- ⇨ 8 December : The Immaculate Conception
- ⇨ 25 December : Christmas

If a holiday falls on a Tuesday or a Thursday, it is customary to bridge the day in between and numerous offices close for a long weekend