

## FOCUS · Decide where to internationalise your business: CIBI 2017

To tackle the severe economic crisis, a large number of Spanish firms had to open up their business to other countries. For instance, the number of regularly exporting companies increased from 39,000 in 2009 to 50,000 in 2016. But it is no easy task for a company to decide which foreign market is the best to target. A country's economic prospects, legal stability, degree of competition or ease of finding suppliers are just a few of the many factors to be taken into account.

To make this task easier, CaixaBank Research has developed the CaixaBank Index for Business Internationalisation (CIBI). This tool analyses the main aspects that determine a Spanish company's decision to enter a foreign market. The analysis is specifically applied to a total of 67 developed and emerging countries and allows them to be ranked by their attractiveness to Spanish companies over time.

The CIBI is built on five pillars that cover key aspects of the internationalisation process. These pillars help to assess each foreign country's strengths and weaknesses from the point of view of Spanish companies. The five pillars are: the degree of accessibility to the market of each country; the ease of operating in each market; its commercial attractiveness; the financial environment; and the macroeconomic and institutional stability.

Each pillar is made up several subpillars. For example, the commercial attractiveness pillar, which analyses the aspects that may contribute to determining the success of selling Spanish products in the country under study, contains two subpillars: one that measures the size of the target market and purchasing power of households, and another that evaluates the success enjoyed by products produced by Spanish companies.

Each subpillar is, in turn, the result of summarising data from a series of variables. For instance, the subpillar of labour conditions, which forms part of the ease of operating pillar, reflects aspects of the labour market in the country in question, such as labour productivity, workers' educational level and the minimum wage.<sup>1</sup>

In addition to considering a wide range of variables, any company wishing to break into another country must also duly assess the relative importance of each indicator. Replicating as closely as possible the decisions actually

taken by internationalised Spanish firms, the different pillars have been grouped in such a way to ensure the final index accurately reflects typical Spanish exporters.<sup>2</sup>

The CIBI 2017 has been produced based on an analysis of the relevant indicators for a company's internationalisation and the study of the behaviour of Spanish exporters. Countries in Western Europe have the most favourable conditions overall, benefitting from a dynamic European economy. Nevertheless, all regions contain at least some countries that can be very attractive for Spanish companies.

Which market should your company target next? At [www.caixabankresearch.com](http://www.caixabankresearch.com) you will find the results of the CIBI 2017 with details by country and region, as well as a tool to create your own CIBI based on the relevance of each of the five pillars to your company. Internationalisation is costly but highly profitable when the appropriate strategy is applied. CaixaBank helps you to achieve this.

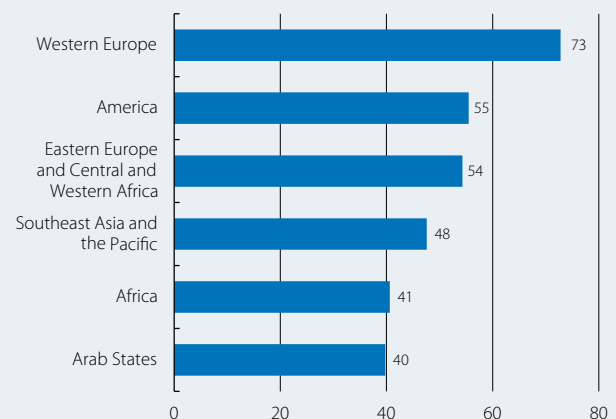
### CIBI 2017 pillars and subpillars

Pillars (weight in %)	Subpillars
<b>1. Accessibility</b> (17%)	1.1 Distance, communications, and agreements with Spain 1.2 Infrastructures
<b>2. Ease of operating</b> (21%)	2.1 Easiness of operating a business 2.2 Labour conditions 2.3 Investment relations with Spain
<b>3. Commercial attractiveness</b> (38%)	3.1 Purchasing Power 3.2 Similar tastes to Spain
<b>4. Financial environment</b> (18%)	4.1 Credit 4.2 Financial development
<b>5. Stability</b> (6%)	5.1 Institutional 5.2 Macroeconomic

Source: CaixaBank Research (CIBI 2017).

### Regional comparison

(Min. 0 - Max. 100)



Source: CaixaBank Research (CIBI 2017).

1. The different subpillar variables are standardised to make them comparable across countries. See «Nota Metodológica del Índice CaixaBank para la Internacionalización Empresarial (ICIE 2017)» (CIBI 2017), CaixaBank Research Working Paper 10/17.

2. Each pillar is assigned the relative weight that maximises the explanatory capacity of the geographical distribution of exports by Spanish companies.