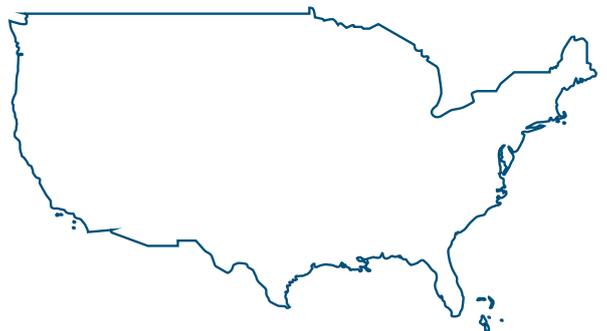
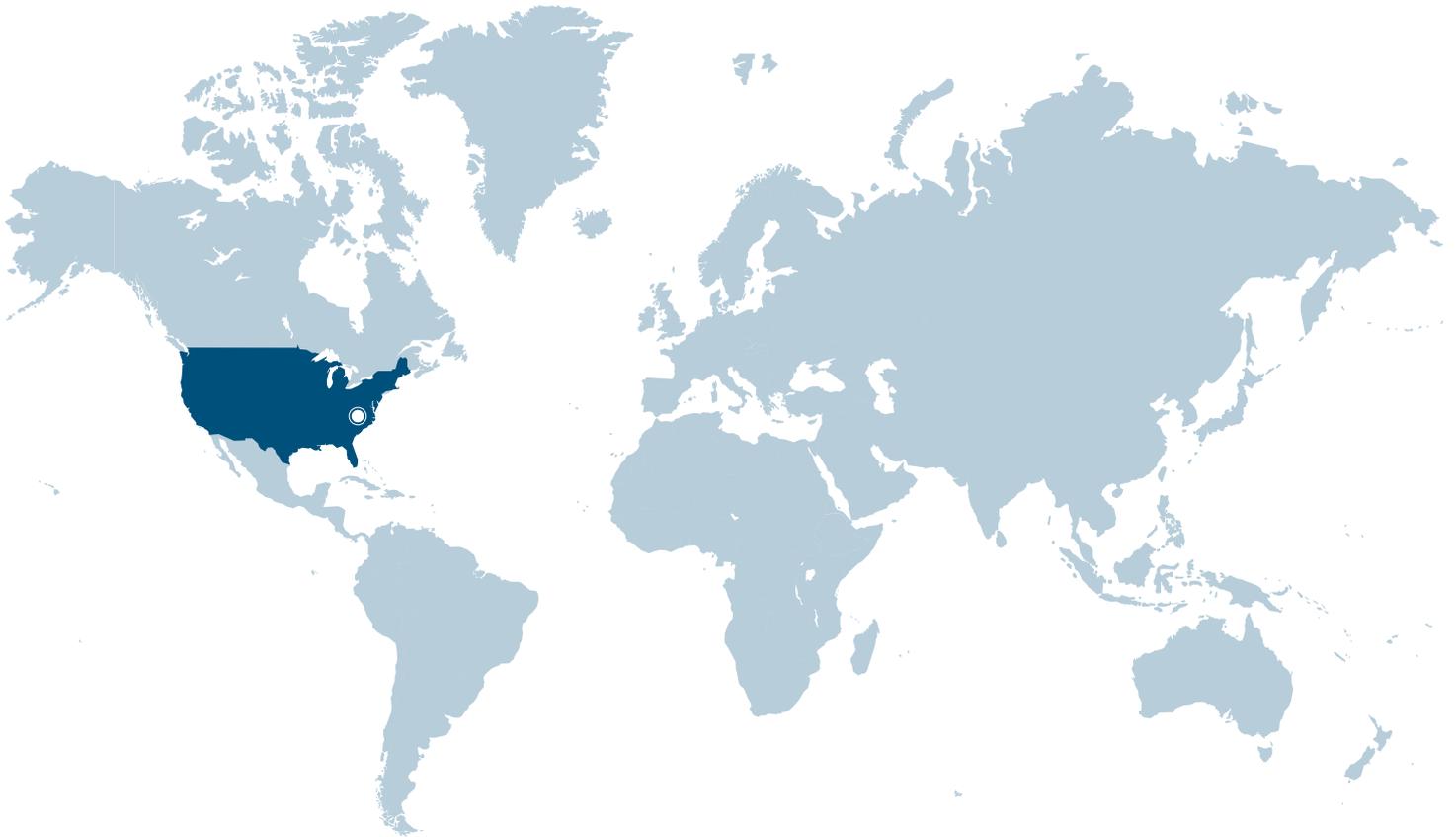




Country outlook
United States





United States



Form of Government: Constitutional federal republic

Capital: Washington D.C.

Official language: English

Population: 326 million inhabitants (2019)

Currency: US dollar (USD)

Exchange rate: 1 EUR = 1.11 USD (31/05/2020)

GDP: \$20,580 trillion (15% of world GDP)

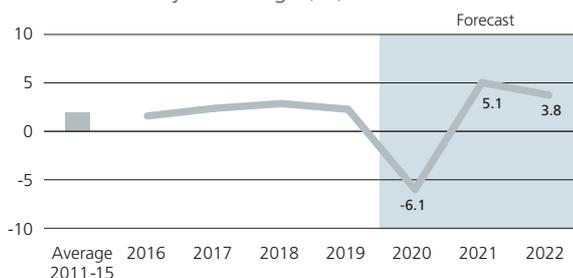
GDP per capita: \$62,869 (\$62,869 purchasing power parity)

Ease of doing business: 6th in the world out of 190 according to the World Bank (Doing Business)

Religion: Protestant: 51.3%

Economic forecast

GDP. Year-on-year change (%)



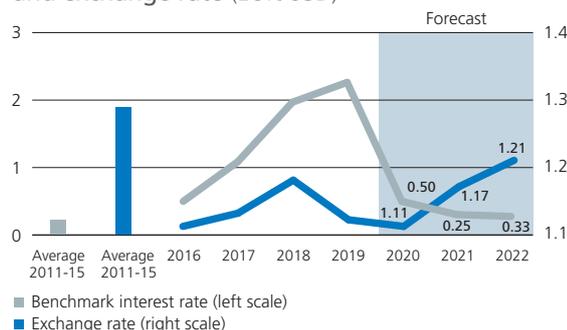
CPI. Year-on-year change (%)



- Restrictions on mobility due to the coronavirus pandemic will entail an unprecedented economic cost to the US economy during 2020 (drop in GDP of 6.1%). Nevertheless, the impact of COVID-19 is estimated to be somewhat lower than that in other advanced economies due to the lockdown measures which have been less severe, and the swift and decisive monetary and fiscal response (one of the biggest stimulus packages in the world). This decisive economic policy response will allow activity to bounce back considerably in 2021 (growth of 5.1%). However, the high level of uncertainty regarding the containment of COVID-19 and possible medical advances to counteract it mean that current forecasts are more uncertain than usual.
- Inflation will ease in 2020 due to the decrease in demand during the months of lockdown and the fall in the oil price (caused, in turn, by the collapse in global demand). This is, however, a temporary easing, as the gradual lifting of restrictions on mobility and the recovery in the oil price will favour a recovery to higher levels in 2021.

Economic policy

Benchmark interest rate (%) and exchange rate (EUR/USD)



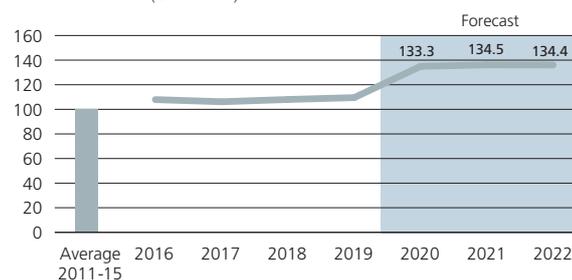
Fiscal balance (% GDP)



Current account (% GDP)



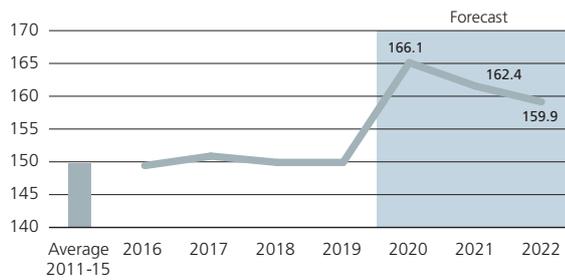
Public debt (% GDP)



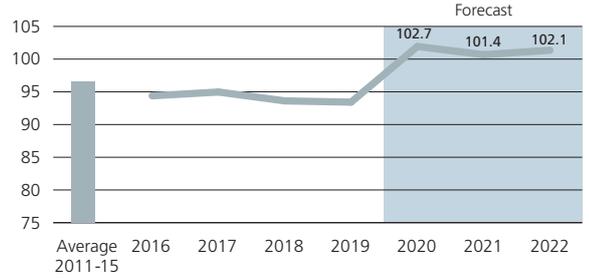
- The Fed's response to the COVID-19 crisis has been swift and aggressive. It has lowered the official interest rate to 0.00%-0.25% (-150 bp in a single month), launched massive asset purchases (treasuries and MBS in unlimited volumes, and other programmes for a wide range of assets) and injected liquidity into the financial system. It is also willing to offer new programmes and extend the limits of those already announced if necessary.
- In the same vein, the US fiscal response has been one of the strongest worldwide. In total, we estimate that, with what was announced up until the beginning of June, fiscal measures could exceed 1.7 trillion dollars (8.6% of GDP) while guarantees and other liquidity measures could exceed a trillion dollars. Some of the most important measures include loans, guarantees and subsidies for companies, financial assistance for the most affected sectors and direct payments to citizens.
- The strong response to the pandemic will lead to a sharp deterioration of the fiscal deficit. This will continue to exert pressure on a bloated and growing public debt. In this context, however, the country's capacity to finance its growing indebtedness without too much difficulty has become evident.

Financial conditions

Private credit (% GDP)



Gross external debt (% GDP)



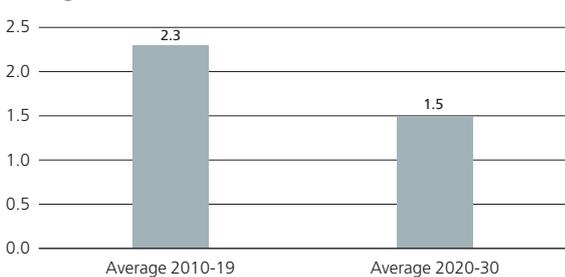
- In a more demanding financial environment due to the COVID-19 crisis, the vulnerability of corporate debt has gone from being a medium-term risk to a short-term one. Of particular concern is the increased indebtedness of companies with poor credit profiles, the increase in debt issued by companies that are already heavily indebted and the securitisation of part of this debt.
- The economic policy response is proving important in ensuring that this risk does not escalate. Specifically, many of the economic measures have been aimed at ensuring that the corporate sector maintains favourable access to sources of funding and containing financial stress. It is also worth noting that the status of the dollar as an international reserve currency makes the country's high funding needs more sustainable.

Political situation

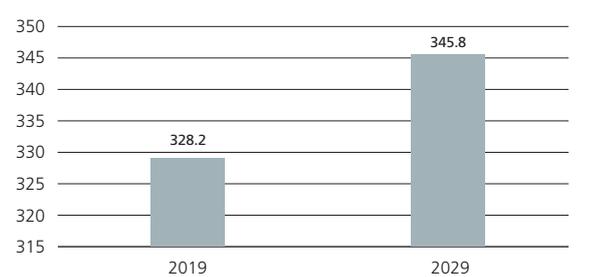
- Regarding the domestic political situation, a divided Congress has not prevented broad agreements in the fight against the pandemic. There is a common ground in terms of public policies that is likely to be maintained if the risks of new outbreaks persist.
- Continuing on the domestic front, different events in recent months have changed the outlook of the presidential elections to be held in November 2020. Firstly, although President Trump's management of the health crisis (bizarre and puzzling on numerous occasions) does not appear to have affected his popularity, the economic weakness accompanying this crisis may do so. Furthermore, the poor management of the protests against violence towards African Americans with the rise of the Black Lives Matter movement have had a very negative impact on his popularity.
- In foreign policy, the country's withdrawal from numerous multilateral agreements will continue under the current president. The confrontational tone with China will also be maintained, since it is a winning strategy for obtaining votes in the presidential race. In this regard, we do not expect tariff measures of the calibre of those in 2018 and 2019, but we do expect measures on other fronts: The US has pointed out that it could exclude Chinese companies from its stock markets and Hong Kong could stop being considered as an autonomous region of China.

Long-term outlook

GDP growth (%)



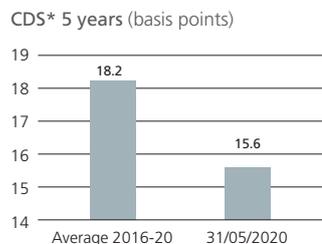
Population (millions of inhabitants)



- The outlook for medium-term growth is favourable. Capital (physical and human), the country's workforce, its ability to innovate and attract talent, put the growth potential of the US at around 1.8% annually. A significant growth rate among advanced economies.
- However, doubts about its potential growth have increased in recent years. In fact, after the outbreak of COVID-19, some of the elements that could affect the long-term advance of the economy have become more evident, such as high social inequality. In this respect, in addition to the need to improve the country's infrastructures, both traditional and technological in this post-coronavirus era, social policies are also necessary in the fight against high and growing inequality.

Country risk

	Rating	Last changed	Outlook
STANDARD & POOR'S	AA+	10/06/13	Stable
MOODY'S	Aaa	18/07/13	Stable
FitchRatings	AAA	21/03/14	Stable



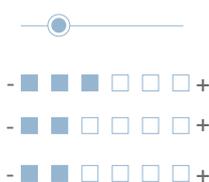
■ Indicates that the country has an "investment grade".
 □ Indicates that the country does not have an "investment grade".

*Credit default swap: measurement of country risk that reflects the cost of ensuring the non-payment of the sovereign bond.

Risks

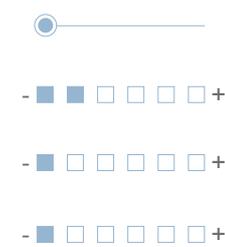
SHORT-TERM

- Greater than expected global impact of the pandemic
- Political uncertainty
- Increase in geopolitical tensions with China



LONG-TERM

- Radical change in external economic and political relationships
- Low potential for economic growth
- Excessive (public) indebtedness



Business environment

STRENGTHS

- Size of the domestic market.
- Deep markets.
- Ease of setting up a business.
- Financial and technological hubs.

WEAKNESSES

- Deterioration of infrastructure.
- Ageing of the baby boomers.
- High poverty rate.

Main sectors

EXPORTERS

- Machinery, electronics, mineral fuels, aircraft, and vehicles.

IMPORTERS

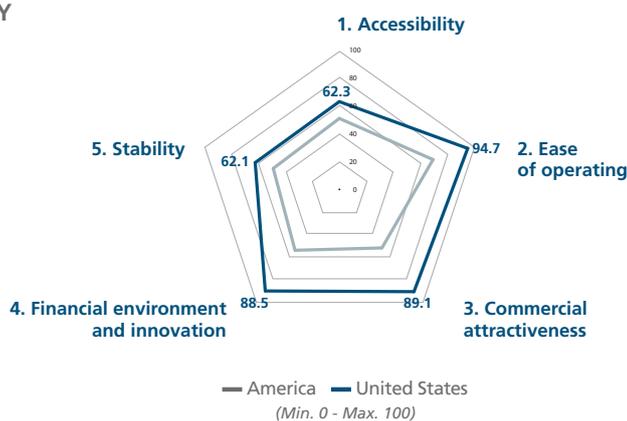
- Electronics, machinery, vehicles, mineral fuels, and pharmaceuticals.

CIBI | CaixaBank Index for Business Internationalisation

POSITION IN COUNTRY RANKING



PILLARS



SUBPILLARS

- Top**
- Investment relations with Spain
 - Labour conditions
 - Infrastructures
- Bottom**
- Distance, communications, and agreements with Spain
 - Institutional stability
 - Macroeconomic stability

Taxation

Costs related to establishing a company in the US do not represent a significant fiscal burden as there are state incentives that vary from state to state to facilitate and boost new businesses.

Given the size and complexity of the country, several different bodies levy taxes on natural and legal persons. Therefore, there are federal, state and municipal taxes.

Since 1 January 2018, the nominal corporate tax rate in the US has been a single rate of 21%, owing to the approval of the tax reform Tax Cuts and Jobs Act. Corporations are also subject to an alternative minimum federal tax and alternative state taxes. Like individuals, companies must file tax returns every year. They must make estimated quarterly tax payments. Group subsidiaries may file a consolidated return. Income tax on branches is an additional 30% tax on foreign corporations engaged in US trade or business.

The tax on physical persons is federal and varies depending on the characteristics of the person,

such as their marital status and number of children. It may be between 10% and 37%. These taxes also exist at a state and municipal level although not in all states, and they can usually be deducted from the federal tax.

In the US there is no VAT but there is a state sales tax (Sale and Use Tax) when purchasing a product or service, which varies from state to state. In some places there is also a surcharge on top of this tax for local government, as this is a state tax that can also be collected by municipalities, local and county agencies. It is applied only to the end consumer and the rates vary from 4% to 8% according to the states and/or local government corporations implementing it. Sales and Use Tax rates vary from state to state and generally range from 2.9% to 7.25% across the country. Most states also allow a "local option" for local jurisdictions, cities and counties to impose an additional percentage on the state tax and keep the related income.

Investment

The main investing countries are: United Kingdom, Canada and Japan. Spain's role is irrelevant, accounting for less than 1% of total

FDI, while the sectors that attract the most investment are: manufacturing, insurance and finance and wholesale trade.

Establishment

LOCAL COMPANY

Starting up a commercial enterprise in the US is governed by the laws of each state as there is no federal law that can be applied apart from the obligation to register the company with the Tax Department of the state in question to obtain the relevant Certificate of Authority, as legally a company cannot do business without this certificate. This permit also authorises both local and state Sales Tax to be collected.

Once established, the company can carry out their economic activity in any of the 50 states that make up the country, as well as the District of Columbia. The company may have its headquarters in a different state than where it was incorporated, although they apply the laws and taxes of the state where the company articles were drawn up.

There are four types of company:

1. Sole proprietorship: This is the simplest, the owner and the business are the same legal entity so the owner or business person is liable for all the obligations of the business.
2. Partnership: established by the union of two or more persons called partners, organised to jointly carry out a business

activity and who are the business owners. Partners can be individuals or other companies. This is usually the preferred form by small businesses and groups of professionals such as lawyers and tax consultants working as a team. This can take the form of a General Partnership whose main feature is that all partners have unlimited liability although they may not contribute equally to the company's capital (joint and several liability), or a Limited Partnership where there is one or more partners with unlimited liability and one or more with limited liability in the same firm, depending on their contributions of capital.

3. Corporation (similar to the Spanish Sociedad Anónima): a legal entity independent from its shareholders with no requirement of minimum capital stock for its incorporation. There is a difference between a C Corporation that pays federal taxes depending on its corporate earnings and an S Corporation that does not pay federal taxes according to its corporate earnings, each of the shareholders being responsible for paying taxes according to the profits made.

Establishment (continuation)

4. Limited Liability Company (similar to the Spanish limited liability company): is different as it does not require a minimum capital stock for its constitution and its flexible structure.

Main advantages: owners can deduct losses in their tax returns and double taxation is avoided as this is not subject to corporate tax. However, the organisation costs are very high.

BRANCH

A branch has no legal personality of its own as it does not have any rights or obligations, being an extension of a foreign company that reports to the parent company, which is legally liable for any obligations taken on by the branch. As this is not an incorporated body, it does not have to comply with the usual legal procedures and is therefore easier to set up.

No minimum share capital is required nor does this have to come from the parent company, neither are there any statutory audit requirements. However, the branch's books and accounts must be duly kept to clearly reflect tax revenue.

There is no kind of restriction on the economic activity that can be carried out.

REPRESENTATIVE OFFICE

Agency contracts and representative offices are the simplest and cheapest way to access the US market. They are governed by state laws and local regulations and there is no kind of restriction depending on their economic activity.

In the case of the agents, a fixed amount plus a fee will be required at the beginning of the business relationship and then they will only

work for commissions of between 10% and 12% of sales. In addition, the manufacturer still owns the product while in the store, and in the case of sales to a retail distributor or retailer, ownership of the goods passes directly to them. A national agent will have a territory and some large accounts and will have the support of regional brokers for those areas it cannot cover.

Alliances strategic

FREE TRADE ZONE

In the US there are more than 195 free trade zones spread throughout all the states. These areas are legally outside the US customs territory and are intended to attract

international trade. They are subject to supervision by the US Customs and Border Protection and must be authorised by the Foreign Trade Zones Board.

JOINT VENTURE

This is not a kind of commercial enterprise. It is established by uniting two or more partners (physical or legal persons) participating in the benefits of a common project based on the

formation of a new corporation in which both parties are shareholders; it is not necessary for one of these to be a US citizen. These can also be established via a General Partnership.

Customs conditions

FREE TRADE AGREEMENTS

The new administration has imposed a protectionist shift on the country's economic policy, increasing trade defence procedures and paralysing the negotiation of the Transatlantic Trade and Investment Treaty (TTIP), which aimed to reduce non-tariff barriers and deepen economic integration between the US and EU, and withdrawing from the Trans-Pacific Partnership (TPP) that included 11 other countries such as Japan or Australia.

The US has free trade agreements with the following countries: Australia, Bahrain, Canada, Mexico (North America Free Trade

Agreement), Chile, Colombia, South Korea, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Morocco, Nicaragua, Oman, Panama, Peru and Singapore.

It has a Trade and Investment Framework Agreement with the Association of Southeast Asian Nations (ASEAN) and Bilateral Investment Agreements with most African countries.

The North American Free Trade Agreement (NAFTA), which aims to eliminate trade barriers between the US, Canada and Mexico

Customs conditions
(continuation)

has been reviewed; that is, it intends to remove customs duties, unnecessary regulations, restrictions on investment, etc. and simplify the trading of goods and services. The US forms part of the following regional institutions: Pacific Economic Cooperation

Council (PECC), the Inter-American Development Bank (IADB), Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Organisation of American States (OAS).

FREE TRADE ZONE

The main advantages of US foreign trade zones are: deferral of tax payments, elimination of export and import duties and relief from inverted tariffs, exoneration of ad valorem tax

and the elimination of duty on waste, scrap and yield loss. Another huge advantage is that goods can remain in a foreign trade zone for an unlimited period of time.

GENERALISED SYSTEM OF PREFERENCES (GSP)

The US forms part of the GSP which offers preferential tariffs on 3,400 products from 119 countries, primarily less developed countries.

Negotiations and protocol

BUSINESS CULTURE

When doing business in the US, punctuality is essential. The US business culture is defined by its individualism and is based on personal achievements more than collective. In general, they are direct and down to the point at meetings, so they are usually short and business matters are exclusively dealt with. Do not spend time trying to establish personal ties.

Although Spanish is a spoken language by much of the population, the language used for negotiations is English. It is considered very important to plan the meeting and familiarise yourself with the company which will hold the meeting. Our firm's position in the domestic market and its most outstanding projects are valued very highly.

Top fairs

- Fancy Food Show
- BioFach America
- International Airport Expo
- NASS Annual Meeting
- PackExpo International
- MinExpo International

Websites of interest

- American Association of Exporters and Importers: www.aaei.org

Payment and charging methods

MEANS OF COLLECTION

The main methods used are letters of credit and transfers. The Standby Letter of Credit is customary as a guarantee of payment.

MEANS OF PAYMENT

The most widespread and secure payment method is a letter of credit. As a relationship of trust develops with the local company, other less secure but more profitable methods can be used such as import remittances, transfers and confirming services.

EXCHANGE RATE INSURANCE

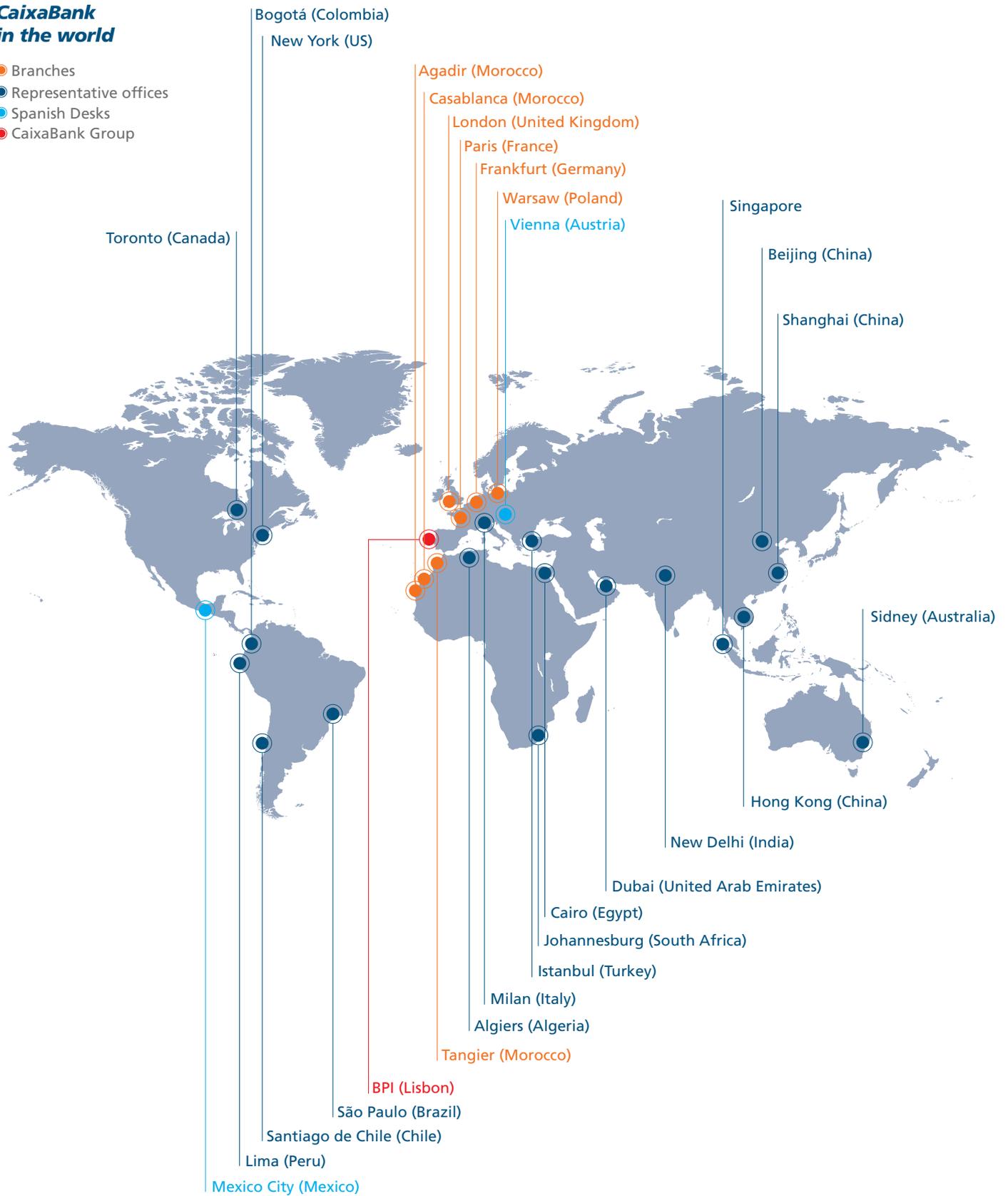
This is the world's main currency whose value has been reinforced in the last few years thanks to the country's economic growth and the economic policies of the US Federal Reserve. Given its constant fluctuation with the euro, it's advisable to hedge against foreign exchange risk via insurance or other types of coverage.

CaixaBank in the country

The main objective of the US office is to improve communication channels with local financial institutions, supporting CaixaBank customers' activities in the country, whether they are foreign trade or investment and deployment projects. It also offers advice to US companies about products and services that CaixaBank makes available in order to meet their financial needs in Spain or other countries acting through the branch.

**CaixaBank
in the world**

- Branches
- Representative offices
- Spanish Desks
- CaixaBank Group



New York representative office

280 Park Avenue, 32nd Floor, Building West
N.Y. 10017
New York

Director: Raul Carmona
Tel. +1 6 463 678 241