



BP's impact on the
economy in

Spain

A report by Oxford Economics
December 2017

€610
million

Gross value added
contribution supported
by BP in Spain

BP supported

11,300
jobs

One in every
1,700 in Spain

BP's activity supported

0.05%

of Spanish GDP

€328
million

spent with Spanish
businesses

1,800

Spanish suppliers of
goods and services

BP promotes
road safety via the

Royal
Automobile
Club of Spain

BP supports

Reina Sofía
School of
Music

BP funds the

BP Chair on
Energy and
Sustainability

Executive summary

BP has been operating in Spain for more than 50 years. This section of the report highlights BP's impact on Spain's economy in the 2016 calendar year. The company's impact arises from the operations of BP itself and its subsidiaries.¹ The impact is measured in terms of BP's direct contribution to GDP and jobs, as well as those supported by buying goods and services from local businesses.

For the purposes of this report, the EU27 is defined as the 28 European Union countries less the United Kingdom.

2016 economic impact highlights

- Considering BP's impact across all EU27 countries, BP's total jobs impact ranks 5th and the company's total GDP impact ranks 6th.
- Counting direct and supply chain impacts, BP supported an estimated **€610 million gross value added** contribution to Spanish GDP and **11,300 jobs** in 2016.² That is equivalent to **2.1% of all gross value added** and **5.8% of all employment** in the Spanish electricity, gas, and water supply sectors in 2016.
- BP's direct activities and its spending with Spanish suppliers are estimated to have supported one in every **1,700 jobs** in Spain in 2016, **0.06%** of all employment in the country.
- An estimated **0.05%** of Spanish GDP in 2016 was in some way reliant on BP's activities – whether directly or through BP's purchases from suppliers. That is **€1 in every €1,800** of GDP created in Spain during the year.
- Of the total, BP's direct operations created a **€229 million gross value added** contribution to the Spanish economy and employed **900 people**. That is **38%** of all gross value added that BP supported in Spain in 2016 and **8%** of all employment the company supported that year.
- BP spent nearly **€330 million** with about **1,800 Spanish suppliers**³:
 - **€270 million** on non-capital goods and services, which, combined with BP's worldwide spending, supported a **€305 million gross value added contribution** to Spanish GDP and **8,300 jobs**.
 - **€56 million** on capital goods, which, combined with BP's worldwide spending, supported an estimated **€75 million gross value added contribution** to Spanish GDP and **2,100 jobs**.

¹Unless otherwise stated, all references to BP include BP itself and the company's subsidiaries.

²Totals in this report may not always be equal to the sum of component parts due to rounding.

³This is the number of unique supplier names in BP's procurement database, with an adjustment for duplicates based on a visual examination of a sample of 200 suppliers (e.g., 'ABC Inc' and 'ABC Incorporated' would be considered one firm).

BP's direct impact

In Spain, BP operates under the brands BP and Castrol. BP refines crude oil, markets and sells automotive, industrial, and marine lubricants as well as provides technical services and engineering consultancy to the aviation sector. BP also enjoys an active presence in the natural gas market in Spain since 1999 and holds 75% interest in Bahía de Bizkaia Electricidad power plant.

By doing so, the company directly created a €229 million gross value added contribution to Spanish GDP in 2016 and employed around 900 people, including retail and contractor personnel.

BP's support for local suppliers

BP supported businesses in almost every region in Spain in 2016. The company spent nearly €330 million on capital and non-capital goods and services from about 1,800 Spanish suppliers that year. This spending bolstered a wide range of businesses in the country.

BP spent 60% of the total with suppliers located in Madrid, 11% with businesses in Catalonia (Cataluña), and 10% with businesses in Comunidad Valenciana (Fig. 1). A further 7% of BP's spending went to suppliers in the Canary Islands (Canarias) and 5% going to businesses in Andalusia (Andalucía). BP also spent 3% each in Basque Country (País Vasco) and Castilla-La Mancha.

As it rippled through the Spanish economy, this spending, as well as BP's worldwide spending, is estimated to have supported a €380 million gross value added contribution to the country's economy and 10,400 jobs.⁴

BP's expenditure with suppliers supported an estimated €102 million gross value added contribution to Spain's transport and storage sector (27% of the total supply chain impact, Fig. 2). €76 million to Spain's business services sector (20%), and €49 million to the country's wholesale and retail trade sector (13%).

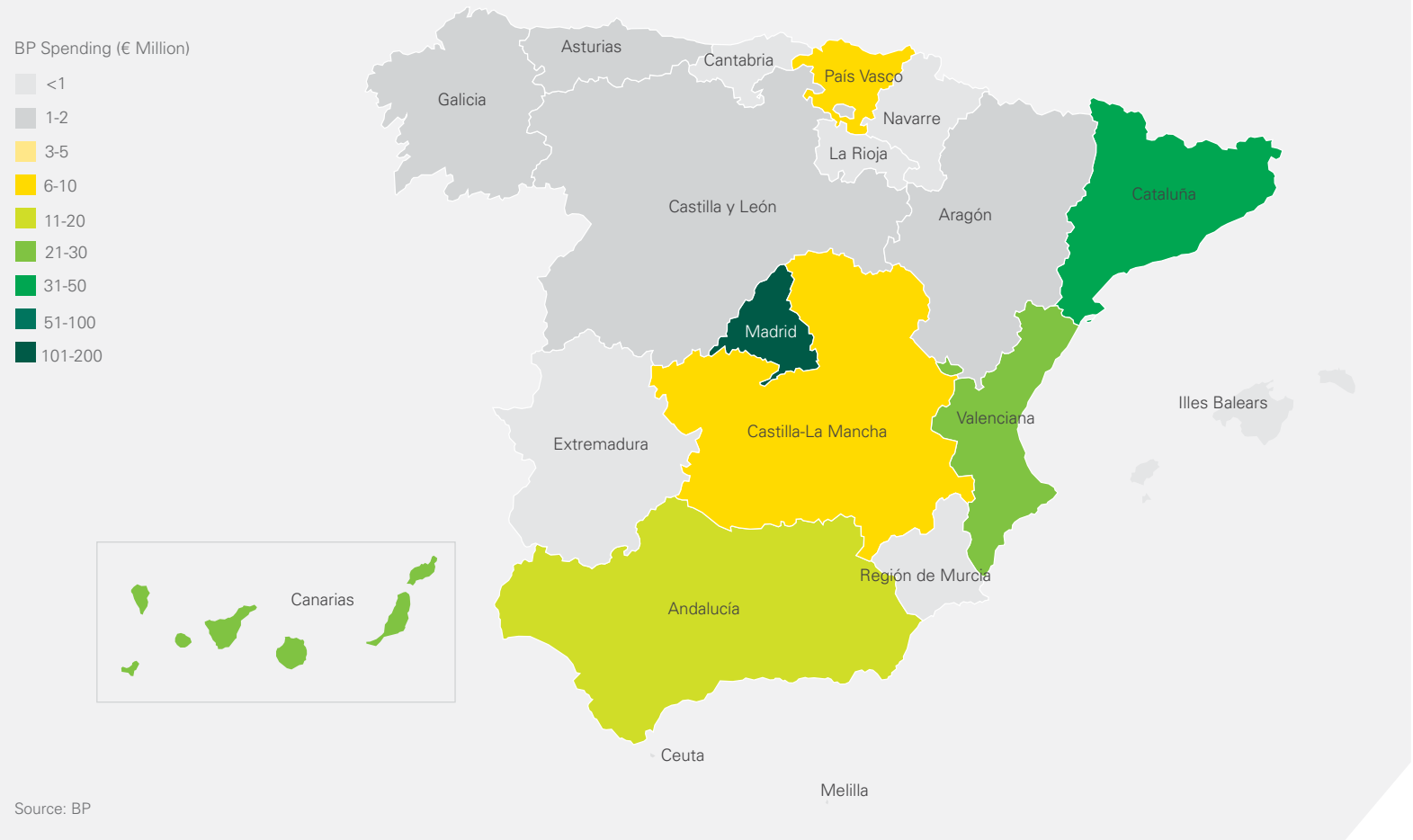
⁴This jobs estimate includes people who may work on-site at BP but who are ultimately employed by one of the companies BP buys services from.

⁵We have used BP's procurement database to map the company's spending across the country. The map includes over 80% of BP's total spending in the country; the procurement database does not include postcode or location data for all spending, and that spending cannot be mapped.



BP's spending with suppliers in Spain by autonomous community, 2016⁵

Fig. 1

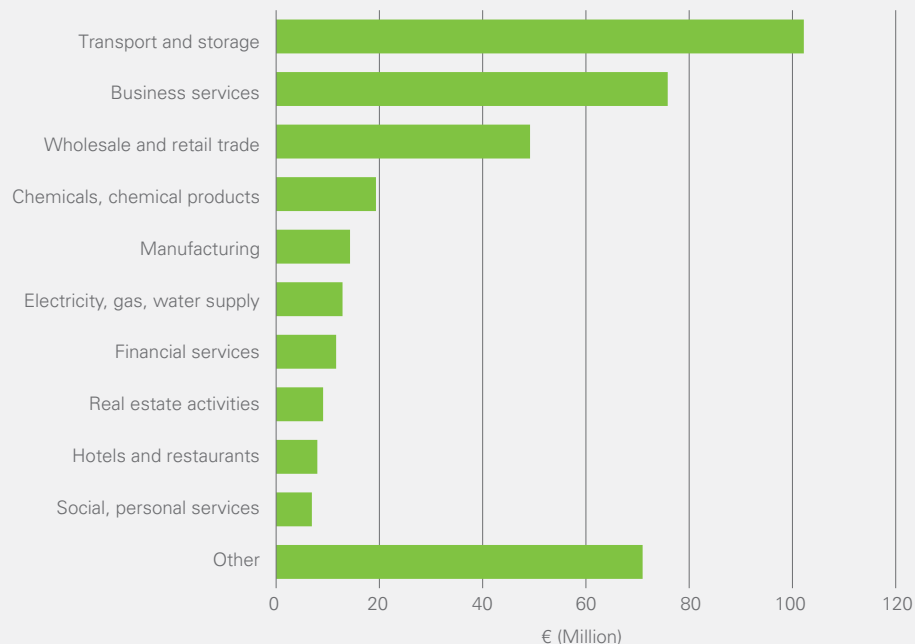


Summary

Including BP's direct impact and supply chain impact, the company supported an estimated €610 billion gross value added contribution to Spanish GDP and 11,300 jobs (Fig. 3). Considering BP's impact across all EU27 countries, BP's total jobs impact ranks 5th and the company's total GDP impact ranks 6th.

Gross value added by industry stimulated by BP's supply chain spending, 2016

Fig. 2



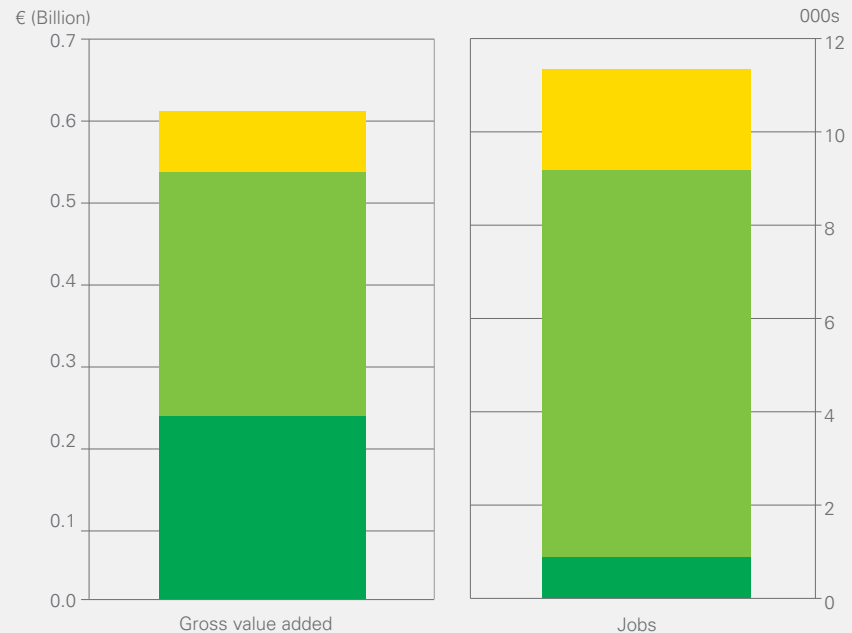
Source: Oxford Economics

BP's activities have a substantial multiplier impact in Spain. For every €100,000 gross value added contribution to GDP that BP generated in Spain at its own operational sites, the company supported another €160,000 gross value added elsewhere in the country through its supply chain spending. And for every person BP itself employed in Spain, the company supported another 12 jobs elsewhere in the country by spending money with local businesses.

BP's total impact in Spain, 2016

Fig. 3

■ Supply chain capital expenditure
■ Supply chain operational expenditure
■ Direct



Source: Oxford Economics

Contacts, links and further information

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