BASQUE COUNTRY

A nexus of European innovation

The autonomous region in northern Spain is home to a diverse, modern and internationalized industrial economy.

S trategically located at the center of the European-Atlantic axis and Spain's northern border with France, the Basque Country extends across about 2,800 square miles that is divided into three provinces — Álava, Biscay and Gipuzkoa — with its most famous cities being its administrative capital, Vitoria-Gasteiz; bustling Bilbao that contains one of Spain's most important ports; and Donostia-San Sebastián, which is probably best known internationally for its outstanding gastronomy.

The autonomous region is also home to a flourishing and dynamic economy. While the European Union as a whole recorded 0.5% gross domestic product growth in 2023, the Basque Country's GDP expanded by 1.8% to reach over \in 80 billion and a further 2.1% rise is forecast by the regional government for this year. "This is a small region, but it's competitive and so is its industrial sector, which is modern, open and internationalized. Our economy is different from others in Spain because of the weight of our industries," says Pedro María Azpiazu Uriarte, former Basque Minister of Economy and Finance.

The Basque Country has always been Spain's industrial heartland, with the historic engines of its economy coming from areas like metallurgy, iron and steel products, rubber and plastic goods, coke plants, oil refining and shipbuilding. Over decades, however, the region has made concerted efforts to constantly build on its extensive expertise in these areas in order to modernize its traditional industries, innovate and diversify into emerging sectors as global circumstances, demands and technologies have changed.

In 2023, exports from the region's productive sectors generated about €33 billion, representing around 41% of that year's GDP. Its biggest export industry at the moment is an automotive sector that is responsible for 45% of Spanish automotive production, with around 300 companies operating across that entire value chain, from global vehicle manufacturers like Mercedes Benz to tire makers, precision component producers and electric vehicle specialists.

Advanced manufacturing is another specialty, particularly in metal components, machinery and equipment, and the Basque Country is now Europe's third-largest producer of machine tools. In energy, the region has combined the strengths of local giants like Iberdrola in electricity and Petronor in hydrocarbons with those of inward investors such as Siemens Gamesa to become a major international manufacturing and technological center for renewables, especially wind.

Other industries of the future that the region has a prominent global presence in include information and communication technologies, electronics, medtech and biohealth sciences such as gene therapies. And all of these export industries benefit from a robust local banking sector and close proximity to the Port of Bilbao, which acts as a vast state-of-the-art multimodal logistics and transportation hub on the Atlantic coast.

Investing in the future

The Basque Country's dedication to developing a modern industrial economy has not come at the expense of its 2.2 million inhabitants, who enjoy an extremely high standard of life, with the second-highest GDP per capita in Spain and low unemployment. "We have made progress in wellbeing because we have maintained a firm commitment in favor of the real productive economy, the generation of wealth as a source of social cohesion, competitiveness, quality employment and social justice," explained Imanol Pradales Gil at his investiture as the new president of the autonomous community, an event that took place in June after democratic elections.

Representing the party that has led the regional government almost constantly since 1979, Pradales' administration "will continue the work done by governments over the last 45 years" over its four-year term, he asserted. "The Basque Country must show that it wants to continue to be a model for political, institutional, economic and social stability." The region also benefits from financial stability, with a central pillar of its autonomous status being an Economic Agreement with the Spanish state that gives it control over its tax systems. "This is unique in Spain. In other regions, the state collects and distributes revenues from taxes, but in the Basque Country, we collect the taxes and, after paying the state its small share, we are responsible for making sure the moneys are well spent in the region. This model gives us the ability to implement the right policies, as we know the needs of our local businesses, society and every aspect of our region so well," says Azpiazu.

The government's ability to invest in projects that will be advantageous to local industry and citizens has been bolstered by the Basque Country's share of Spain's €163 billion in financing from the EU's post-COVID Recovery and Resilience Fund, he adds: "This is a historic opportunity, being able to use funds of such magnitude to carry out transforming projects to contribute to the green energy, digital and demographic transitions. Some of the projects relate to decarbonization and electric mobility, for example, which will be very useful for our industrial sectors and will improve our competitiveness."

One focus of the government's ongoing investments is sustainable transport, notes Iñaki Arriola López, former Minister of Territorial Planning, Housing and Transport: "Key infrastructure investment projects we've been developing include extending the metro system in Bilbao, the most important metropolis in the region, improving the Basque railway network and increasing tram numbers to enable emission-free urban mobility."

During his investiture, Pradales stressed that his government intended to foster the conditions the region needs to take full advantage of the opportunities offered by digitalization and technology, sustainability and societal and health transformations. To ensure industry will be the driving force of the Basque Country's future economy, he announced various measures, including a new Industrial Development Plan, and he proposed that the region take another qualitative economic-technological-industrial jump forward over the next decade: "The Basque Country has been successful in its commitment to industry and economic modernization since the 1970s. We know well that industrial and economic development is the result of collaboration between public and private sectors. Let's take a new leap."



Designed by Frank Gehry, the awe-inspiring Guggenheim Museum Bilbao is one of the region's most famous landmarks

Conducive environment for collaborative innovators

The highly innovative region focuses its R&D investments on advanced manufacturing 4.0, energy and biohealth

ron the last 20 years, the Basque government has prioritized investing in innovation and providing a conducive environment for companies to do the same. As a result, annual spend on research, development and innovation now amounts to over 2% of the region's gross domestic product, a higher level than in any other part of Spain. According to the Basque Innovation Agency, Innobasque, in 2023 the region's public and private sectors invested a record €1.9 billion in R&D&I, with a large proportion of that spend being targeted at the region's three strategic target areas: advanced manufacturing 4.0, energy and biohealth.

"The Basque Country is classified as a 'strong innovator' in the European Commission's Regional Innovation Scoreboard, which has high impacts on sales of new products manufactured here. The Basque economy enjoys competitive advantages for innovation. For example, there's adequate support from public entities, we have a culture of generating entrepreneurs and capital is available for investment," says Andrés Arizkorreta García, president of the Basque Businesspeople's Circle, an influential body made up of the senior executives of large companies in the region.

The Regional Innovation Scoreboard 2023 states that 39.6% of all small and medium-sized enterprises in the Basque Country are innovators and many of them have been helped in their endeavors by government bodies like Innobasque and SPRI Group, the regional agency for business development. These two in partnership, for instance, run an annual program for SMEs that enabled 385 businesses to carry out 540 innovative projects in 2023.

"The Basque educational system is very powerful too. Half our young people have a university education and there's a strong focus on professional education," says Pedro María Azpiazu Uriarte, former Minister of Economy and Finance. As well as four universities, the region contains around 100 vocational training centers and some highly specialized institutions, such as the world's first gastronomic university, Basque Culinary Center and the Machine Tool Institute — all of which ensure that companies have access to talent with cutting-edge skills and that the next-generation of innovative entrepreneurs is secure.

In addition, the region has nurtured a network of 16 world-class technology and research centers — the Basque Research and Technology Alliance — which promotes collaboration, excellence, specialization and critical mass in R&D. With 3,800 researchers and a combined annual budget of €300 million, these centers work in close partnership with local companies to solve industrial challenges and transfer knowledge.

The regional government is equally concerned with adopting innovative technologies for the benefit of businesses and citizens. "We're open to everything," says Iñaki Arriola López, former Minister of Territorial Planning, Housing and Transport. "For example, the government has developed a series of tools for territorial planning that integrate future plans for residential develop-



Half of the young people in the Basque Country have studied at university

PEDRO MARÍA AZPIAZU URIARTE, FORMER MINISTER OF ECONOMY AND FINANCE "Half our young people have a university education and there's a strong focus on professional education."

ments, industrial developments, equipment and facilities across the region."

One thing that makes the Basque innovation ecosystem stand out is how all stakeholders collaborate together on major schemes that will advance the region. A great illustration is the Basque Hydrogen Corridor initiative that has 77 members: 12 government institutions, 13 knowledge centers and business associations and 52 businesses. Established in 2021 and spearheaded by energy company Petronor, this \in 1.1-billion initiative encompasses 46 infrastructure and other projects across the hydrogen value chain that will turn the region into an integrated hub for the clean fuel and help to decarbonize the Basque energy, industrial, residential and mobility sectors.

The new government led by Imanol Pradales Gil wants the region to further cement its position as a leader in innovation and has set a goal for public-private investment in science, technology and innovation to reach 3% of GDP by 2030. Its commitments for helping to achieve that include investing 6% more annually in pre- and post-doctoral programs, promoting financing for young entrepreneurs and increasing public budget investments in research, development and innovation policies by at least 6% every year.

TOP 10 REASONS TO INVEST IN THE BASQUE COUNTRY

		20	- F	۲ C
Strategically located at the	A transport and logistics	Dynamic and diverse	Exports from competitive,	Collaborative business
center of the European-	gateway to Europe and the	economy that expanded	future-focused industries	environment with
Atlantic axis	rest of the world	by 1.8% in 2023	generate ~41% of GDP	16 industrial clusters
(E)}	<u>A</u>		\bigotimes	Ċ
Ranked as a strong innovator	16 world-class technology	4 universities and 50%	Great quality of life, with a	6th-best FDI strategy of any mid-sized region in Europe, according to fDi Intelligence
within the EU, investing over	and research centers invest	of young Basques are	UN Human Development	
2% of GDP on R&D&I	€300 million a year on R&D	tertiary educated	Index ranking of 0.936	

BASQUE COUNTRY SPECIAL 3

Vibrant and supportive business climate

Strategically located and well connected, the Basque Country's ability to develop competitive and innovative industries makes it highly attractive to international investors

and propose solutions for them.

political power and has no interest in getting

sponsibility to contribute to achieving a frame-

work in which companies can contribute more

efficiently to the creation of wealth, economic

development and the wellbeing of Basque so-

ciety," explains its president, Andrés Arizkorre-

ta García. One of the circle's current focuses is

talent availability, he adds: "The best space to

stimulate entrepreneurship, business vocations

and business culture is provided by education.

From the circle, we're making an enormous ef-

fort to further strengthen university-business

relations and to attracting and retaining talent."

One major attraction for international investors

in the Basque County is its position by the At-

lantic Ocean with access to a market of 507 mil-

lion people within a radius of 1,000 kilometers

(621 miles). "It's a good place to invest because

we are a gateway between the south and the

north of Europe, and we're in a strategic loca-

tion for exporting to other continents through

our ports and airports," says Xabier Sagredo Or-

maza, president of BBK Foundation, the bank-

ing foundation that is Spain's biggest per-capi-

ta investor in social projects, which has a 57%

interest in the region's largest bank, Kutxabank,

IÑAKI ARRIOLA LÓPEZ

FORMER MINISTER OF TERRITORIAL

PLANNING. HOUSING AND TRANSPORT

"The Basque Country has

substantial economic ability

and self-governance, way

more than other communities

in Spain.'

Building connections

nesses

mong the international investment community, the Basque Country is widely recognized as one of the most rewarding places to invest on its continent. For example, fDi Intelligence, part of the Financial Times group, ranked it as having the sixth-best foreign direct investment strategy of any mid-sized region in its European Cities and Regions of the Future 2023 report. Furthermore, Bilbao was placed in the top-10 large cities for investment appeal in the same prestigious pub-

lication. That attractiveness has drawn numerous international companies and other investors into the region over the years: according to data from the Spanish Ministry of Industry, Trade and Tourism, €16.7 billion in FDI flowed into the Basque Country between 2014 and 2022, which was followed by a further €1.6 billion last year. There are many things that make the region

a prime investment destination, not the least of which is its vibrant and dynamic business climate. The Basque Country has built up robust and competitive ecosystems in a variety of added-value innovative export industries that contain businesses operating across their entire values chains.

For example, there are currently 300 companies in its automotive sector, 342 in energy, 258 in electronics and information and communication technologies, 128 in advanced machinery, 52 in aeronautics, over 200 in biosciences and health, 436 in eco-industries and more than 100 in logistics and mobility. Among their number are local companies of all sizes, as well as global giants such as Alstom, ThyssenKrupp, General as well shareholdings in many other local busi-Electric, Mercedes Benz, ITP Aero, Michelin, Bridgestone and Bombardier.

To promote competitiveness, the region has developed an impressive system of 16 clusters, with one for each of its key sectors. Within each cluster, industry stakeholders, including companies, research centers and universities, share information and collaborate on projects that will help develop the sector by boosting product innovation, smart manufacturing, exports, efficiency, quality or sustainability, for instance.

All of the clusters are also integrated into the Net-Zero Basque Industrial Super Cluster, a pioneering initiative promoted by the World Economic Forum as part of a strategy for achieving net-zero emissions by 2050. This super cluster is working to accelerate the transition to a sustainable economy by identifying and helping to implement technologies that can decarbonize and improve energy efficiency in the Basque Country's industrial sectors.

Alongside the cluster system are more general private-sector associations that are working to with an existing line to Madrid, this project is constantly improve the business climate. These

include the Basque Businesspeople's Circle, the members of which are top executives of large companies in the region and whose main purpose is to reflect on challenges facing industry "The circle maintains its independence from

involved in partisan debate, although it is its re-A panoramic aerial view of Bilbao, the largest city in the region



The region is investing in other infrastructure that will make doing business easier too, such as expanding the Basque Country Technology communities in Spain. This allows us to support Park network that has nine state-of-the-art campuses in strategic locations around the region. companies at an economic and industrial level." Under development is a new one in Bilbao, where a disused industrial site is being transopment, SPRI Group, acts as a one-stop shop for international investors and is particularly interested in projects that are in line with the region's

formed into an urban innovation district designed by the architect Zaha Hadid. Covering 1.4 million square feet, the campus will offer space to established companies and startups involved in advanced digital technology and crethat complement or enhance the activities of exative sectors

Companies based in the region and poten-The well-connected Basque Country contial investors also benefit from close proximity tains a first-class high-capacity network of into supportive banks and investment partners. terlinked logistics and transport infrastructures such as Kutxabank and the BBK Foundation, and investments are currently taking place to exstates Sagredo: "We believe that we can play an pand this network, with the largest project being essential role, in terms of what the bank is in the the development of a new 107-mile high-speed world of financing and what BBK is in the world rail line for cargo and passengers. Running of equity, in being able to not only encourage between the region's three main cities - Vitopeople to come here to invest, but to be co-investors with them to establish new businesses here." ria-Gasteiz, Bilbao and Donostia-San Sebastián — to Spain's border with France and connecting

The regional government and public bodies are also extremely supportive of businesses



The Port of Bilbao is the only fully multifunctional port in Spain

The US's maritime gateway to Europe

The multifunctional Port of Bilbao is Spain's most important and competitive Atlantic-coast facility for transport and logistics

he Port of Bilbao is the Basque Country's main multimodal logistics and transportation hub. Associated with it are 140 public- and private-sector entities that collaborate as the UniportBilbao cluster to ensure the port remains the Iberian peninsula's most important and competitive Atlantic maritime center. UniportBilbao's diverse members cover sectors like terminal operations, maritime services, shipping, freight forwarding, manufacturing, training and government authorities. Together, they provide more of the region's economy than any other industrial association, while 70% have an international presence. According to the cluster's president, Felipe Jaber Bringas: "We generate employment, we contribute to the competitiveness of our hinterland and, by offering an essential service for the economy and citizens, we help internationalize the economy." At the heart of the cluster is the highly respected Port Authority of Bilbao. In the following interview, its president, Ricardo Barkala

panies. The port has to be a logistical node that What is the role of the Port Authority and enables fluid traffic and represents an easy step can you introduce a port with maritime in the logistics chain connections to over 150 countries?

Zumelzu, provides an insight into the port.

The Port Authority is the public entity responsible for making sure everything works efficiently at the port, for providing nautical technical services, for ensuring that the facilities are in good condition and for promoting the port. Ultimately, our role is about making the Port of

A leader in the sustainable energy transition The Port Authority of Bilbao's top investment

Ricardo Barkala Zumelzu

resident, Port Authority of Bilbad

Bilbao efficient and a central contributor to its

local environment, society, industries and com-



The Port of Bilbao is pivotal to the region's position as a hub for wind energy

facilitate.

to companies and 57 hectares of dry ports. The Port of Bilbao is also the only port in Spain that is multifunctional; we move all types of merchandise, which makes us flexible and able to respond to any demand.

At the moment, we handle around 33 million tons of goods annually. 2023 was a turbulent year due to, for instance, the war in Ukraine, attacks in the Red Sea, aftereffects of the pandemic and Brexit, which has made trade with the UK more complicated. Even so, we ended the year with growth. We're growing gradually in a sus-tained way, like the Basque economy in general.

In 2023, the Port of Bilbao set a new cruise record, receiving 80 cruise vessels with 150,000 passengers. What can we expect for this year? Cruises are a new area for the Basque Coun-

try. That's changing, as tourists are now looking for new and different destinations. Therefore, the Port Authority recently made a huge investment in building the beautiful large Olatua cruise terminal with the aim of bringing cruise passengers here, who are captivated by our cultural and gastronomic offerings, as well as our stunning nature. Compared to the big cruise destinations, the number of ships we welcome is still low and we're looking forward to more coming. We already have 93 cruises planned for this fiscal year that began in March and we will continue to grow in this area.

How connected is the Port of Bilbao in terms of intermodal transportation?

One of the main issues that concerns the Port Authority is the continual improvement of connectivity. At the moment, 26% of the containers and tanks that arrive at the port come by rail, which is a high percentage. We're well positioned to transfer freight traffic from the roads of northern Europe to an intermodal combination of road, rail and sea, which is less polluting.

Spain has four first-level general ports: Algeciras, Valencia and Barcelona in the Mediter-How does the Port of Bilbao facilitate Basque-US trade and collaborations? ranean and Bilbao, the largest and most important of Spain's ports on the Atlantic Coast and the Just over 10% of the import and export goods Bay of Biscay. We have 13 miles of docks with that the Port of Bilbao handled in 2023 involved the US. As an illustration, the Basque Country drafts of up to 98.4 feet as the Basque coast is very steep, as well as 1,112 acres of land available is one of the most important hubs for devel-



location and ability to handle any type of merchandise or ship size. Users of the port can also benefit from the Bilbao Free Warehouse, where merchandise can be deposited and then re-exported without going through customs. The RICARDO BARKALA ZUMELZU PRESIDENT, PORT AUTHORITY OF BILBAO "The Port of Bilbao's true specialty is short sea shipping, where goods are

opment, design and implementation of wind

energy, which is an important business sector

for the port. We have two large manufacturing

companies at the port - Siemens Gamesa and

Haizea Wind Group — that have partnered on

major US offshore wind projects, for instance.

Similarly, the Basque government's Minister for

Economic Development, Sustainability and the

Environment recently signed an agreement with

authorities in Virginia that relates to renewable

energy, wind energy, smart grids, energy man-

agement and hydrogen, which we will help to

In terms of trade, Bilbao can be the US mar-

ket's gateway to Europe, due to its Atlantic coast

sionalism of the Port Authority and wider port community, which can guarantee goods arrive safely, reliably and economically. In addition, the Port of Bilbao true spe-

cialty is short sea shipping, where goods are transferred onto smaller ships before being transported relatively short distances - today, 30% of the Iberian peninsula's maritime traffic with northern Europe comes through the Port of Bilbao. All of these factors, together with the Basque Country's high technological, cultural and economic development, as well as its specializations in new industries such as renewable

energy, make the port an important gateway for

the US into Europe.

transferred onto smaller ships before being transported relatively short distances." track record of the Port of Bilbao is another key factor that is based on the knowhow and profes-

Partners across the Atlantic Ocean

The US-Basque trade and investment relationship has never been closer

he trade and investment relationship between the US and the Basque Country goes back over five centuries to the establishment by Basque fishermen of North America's first ever industry: commercial whaling. At the peak of that industry in the sixteenth century, around 2,000 ships a year were traveling across the Atlantic Ocean from Basque ports to hunt whales and process their blubber into an oil that was highly valued in Europe as, among other things, a fuel for illumination.

Today, very different goods are crossing the Atlantic between the US and the Basque Country, but the relationship is stronger than ever, says Andrés Arizkorreta García, president of the Basque Businesspeople's Circle, a body of senior executives from the region's biggest companies: "In recent years, the US has become a fundamental trading partner for the Basque economy. After Germany and France, which are our main commercial partners, the US is in third place."

The US is currently the third-largest destination for Basque exports, the value of which exceeded €2.2 billion in 2022, according data from Eustat, the public agency responsible for statistical information about the Basque Country. "The main products that the Basque Country exports to the US are oil and its derivatives, vehicles, iron and steel, metal products and machinery and





Andrés Arizkorreta García ident, Basque Businesspeople's Circle

industrial equipment," Arizkorreta reveals. Pos sibly the most visible of those exports to most US citizens are Basque-made vehicles, notes the mayor of Vitoria-Gasteiz city, Maider Etxebarria García: "All the Vito vans circulating in the US come from the Mercedes Benz factory in Vitoria-Gasteiz. The world leader in tire manufactur-

ing, Michelin, also has a factory here." The Basque Country imports a substantial and rising amount of goods from the US too. "Our purchases from the US tripled in 2022, which was especially due to the energy crisis that derived from the war in Ukraine, something that forced us to look for alternative energy partners," states Arizkorreta. "In general, energy relations between Spain

and the US are developing in a context of complementarity and transformation. While the shale gas and oil revolution has turned the US into one of the main suppliers of fossil-fuel energy to Spain and Europe, Basque and other Spanish companies have increased their investments in the US, mainly in the renewable energy sector. Logically, the incentives for investment in the US contemplated in the Inflation Reduction



to achieve that?

Shaped like a dragonfly, Pedro Arrupe footbridge crosses Nervión River in Bilbao

The US is the Basque Country's biggest destination for foreign direct investment outflows. with Eustat stating that the region's businesses injected €5.44 billion into the US between 2014 and 2021 alone. And many of the major Basque-based companies that have established significant operations on the other side of the Atlantic are connected to renewable energy or helping to drive the green energy transition in other ways. These include the electricity giant, berdrola, which allocates around 36% of its total investments to the US at the moment; Ingeteam, a leader in electrical engineering; CAF that pro-

duces sustainable rail solutions; power company Arteche; the wind-energy engineering company Siemens Gamesa; and Haizea Wind Group, a leading manufacturer of onshore and offshore structures for wind turbines.

Investment inflows from the US to the Basque Country are also rising, with the US currently being the third-largest provider of FDI to the region after Germany and the UK. One notable recent entrant is Asklepios BioPharmaceutical (AskBio), the gene therapy specialist from North Carolina, which established Viralgen in Donostia-San Sebastian as a joint venture with the venture capital company Columbus Venture Partners in 2017. Viralgen has since become a world-leading fully integrated contract development and manufacturing organization for gene

therapy treatments, and has helped to turn the region into a renowned global hub for biohealth in the process. Arizkorreta believes the region has many

advantages for US companies as an investment destination: "The Basque Country has a dynamic and diversified industrial structure, an open and internationalized economy, a quality innovation ecosystem, a well-established business fabric and Act have accelerated the investment projects of an advantageous position in most socioeconomic and sustainability dimensions."

US-BASQUE BUINEŠS **RELATIONS**

and self-governance,

way more than other

The government agency for business devel-

three priorities for development - advanced

manufacturing 4.0, energy and biohealth - or

A comprehensive range of publicly funded

incentives are available to help create and grow

businesses, including low-interest loans, special

tax rates, research and development grants and

tailored vocational training programs. As for-

mer Minister of Economy and Finance Pedro

María Azpiazu Uriarte notes: "Institutions and

the government have played a crucial role in

making and keeping the region and its indus-

try competitive. The Basque Country needs a

powerful, modern industry and we work hard

isting companies in the region.

5 centuries ago, Basque fishermen established North America's **1st** industry: commercial whaling



The US is the **3rd-biggest** destination for Basque exports, which were worth €2.2bn in 2022

The US is the Basque Country's top

outward FDI location; the US is the region's 3rd-largest inward investor

Major sectors of collaboration include energy, automotives, metal products, advanced machinery, biohealth and industrial decarbonization

priority is bolstering the port's status as a hub for green transport and energies

he Port Authority of Bilbao is constantly investing in the Port of Bilbao's infrastructure and services to ensure the facility is sustainable, competitive, responsible and meets the evolving demands of its users and international standards. Between 2023 and 2026, for instance, the authority plans to invest around €200 million, which will be augmented by other members of the integrated UniportBilbao industrial cluster that is connected to the port, as well as funds from other partners, such as the European Commission.

At present, the Port Authority's primary focus is cementing the marine facility's status as a leader in the green energy transition, states its president, Ricardo Barkala Zumelzu: "When it comes to our objectives, we're obsessed with the issue of sustainability. The issue of emissions is not only a social and legal obligation for us, it's also an opportunity for competitiveness above all, with markets like the US. If we are not a sustainable port, customers will not come here. We intend to become neutral for greenhouse gas (GHG) emissions before 2050 and many initiatives are already underway to achieve this."

Work has started, for instance, on the authority's €78-million BilbOPS project that is electrifying the ports' container, cruise ship and ferry wharves and deploying onshore power supply

(OPS) connections for berthed vessels. Due to be completed by 2026, this will allow ships to turn their fossil-fuel-powered engines off while docked, which will cut the Port of Bilbao's GHG emissions by around 40%.

As part of the BilbOPS project, 30 megawatts of self-generated renewable energy capacity is being added to a port that has been a Spanish pioneer in green energy since 2006, when a 20-megawatt wind farm was installed on its lands. Now, says Barkala: "The Port Authority is working on collaborations with companies that produce and consume clean energy, installing more windmills where possible and a solar photovoltaic plant in our upper sea walls. We're also carrying out experiments on other sources of green power, such as tidal wave energy, with Bilbao PortLab, our innovation and research hub." Launched by the authority in 2019, this labora-tory provides established companies and startups that are working on smart and sustainable port-logistics solutions with a real-life and col-

laborative testing environment for their ideas. The Port of Bilbao's front-running position in alternative energies for shipping, logistics and other uses extends beyond the BilbOPS project. For example, it is home to a liquefied natural gas (LNG) terminal owned by Spanish energy giant

Repsol, as well as a LNG regasification plant with a capacity of over 4 million metric tons. In addition, the Port Authority has completed an agreement with Petronor that will see the Repsol subsidiary invest €220 million in a pilot plant for developing synthetic fuels at the port, while Waste Plastic Iberia is injecting €110 million into the development of a factory for producing biofuel from waste. This facility should start operations next year and will process 200,000 metric tons of plastic to generate over 82,500 metric tons of fuel when it reaches its full capacity.

Furthermore, in 2023 the authority signed agreements with the Port of Amsterdam in the Netherlands and the Port of Duisburg, Germany for the production and distribution of green hydrogen and its derivatives from the Basque Country. These agreements will lead to the establishment of a major new European hydrogen corridor. Petronor has already begun producing hydrogen at a unit close to the port and more capacity is expected to come on line soon from both the Spanish operator and other investors. A further priority in the Port Authority's investment program is digital technology. "We've been leaders in digitalization since 20 years ago, when we introduced a single window for import and export procedures. However, technologies

RICARDO BARKALA ZUMELZU PRESIDENT. PORT AUTHORITY OF BILBAO

"We intend to become neutral for greenhouse gas emissions before 2050 and many initiatives are already underway to achieve this.

are evolving at speed and we're working on taking a qualitative leap in this area," explains Barkala. "Another objective for us is to be even better in the multimodality of transportation by advancing more quickly in rail connectivity. Within the port, all docks are connected by train, but outside our borders, train tracks are shared by goods and passengers. We have to improve that connection, as Bilbao is a core port of the European Atlantic axis and one of the seven strategic axis that define Europe."

Finally, the president reveals: "Even though we are already the best in our industry at facilitating short sea shipping for short-distance multimodal journeys, we want to improve in this area by focusing more on being an Atlantic gateway for ships traveling to and from America, Africa and northern Europe."

Commitment

To make maritime transport an efficient and more sustainable alternative

- Party

www.bilbaoport.eus

BASOUE COUNTRY SPECIAL 5



The Guggenheim Museum Bilbao benefits from BBK Foundation support

Excellent tradition in banking

The Basque Country's leading bank is taking advantage of its balance sheet strength to support the region's continued growth

he Basque Country's ongoing status as one of Spain's most prosperous and cutting-edge economies is facilitated by the autonomous region's strong and competitive financial sector. While all the largest Spanish banks have a presence in the area, the trusted partner of choice for both local and international individuals, companies and other customers tends to be Kutxabank, which according to European regulators is the most solvent bank in Spain and has the third-best risk profile of any banking institution in Europe.

The clear leader in the Basque banking sector has a history of contributing to economic and social development in its home region that goes back 175 years. "Kutxabank was created in 2011 through the merger of three long-established Basque savings banks that served the region's different territories," explains its president, Antón Arriola Boneta. That merger has given Kutxabank a unique business model, with the three original banks — BBK of Biscay, Kutxa of Gipuzkoa and Caja Vital of Álava - having been transformed into charitable foundations

that are its only shareholders. As a result, Arriola explains: "Society is a fundamental part of Kutxabank's DNA. We give our dividends, which in 2023 amounted to around €300 million, to the three foundations and they use them to carry out activities in en-



Antón Arriola Boneta sident, Kutxabank

vironmental, social and governance areas. The foundations' investment level per inhabitant is the highest of any entities in Spain. to make Kutxabank even stronger. "Areas of Today, the bank operates nearly 700 branch-

The United Nations Sustainable Develop-

es throughout Spain, but its central focus is still investment banking, financing for companies the Basque Country. "In terms of individuals and business projects, plus the energy transiand families, Kutxabank is the largest bank with tion," says Arriola. In the latter area, the bank a 35%-40% regional market share and we have is already funding and investing in a wide array of projects that range from renewable energy traditionally supported the corporate world in



The BBK Klima center is located in the UNESCO-listed Urdaibai Biosphere Reserve

two ways: through the financing of business installations to increasing energy efficiency in projects, infrastructure projects and companies manufacturing. Between 2022 and 2023, for exin general, and through shareholdings. We curample, it provided over €4.3 billion in financing rently have shareholdings valued at €1.8 billion to projects that aim to hasten the transition to a in important Basque companies, such as Iberlow-carbon economy. drola and CAF, for example," he says.

"We have been pioneers in issuing and managing funds with a sustainability objective too. In 2023, the bank generated about €1.9 billion in revenues and achieved a consolidated We have many funds in this area at the moment profit of approximately €510 million, 54.5% and our intention is to continue with this policy, more than in 2022. "Our results have been very as well as to continue supporting sustainability good," Arriola confirms. "That's largely connectin general," he states. The bank launched its first green bond issuance for €500 million in 2021, ed to the pronounced rise in interest rates seen which was followed by a second for the same in Europe and the US, which has led to a significant widening of financial margins for banks. amount last year. Those funds are being used That, together with good management, has led to finance green building projects connected to to this increase in profit. For 2024, we foresee individual households and developers, as well as a relatively similar result in terms of margins." renewable energy and clean transport schemes. The bank saw growth across its business

> ANTÓN ARRIOLA BONETA PRESIDENT, KUTXABANK

"We want to strengthen our role in supporting all the impressive business activity that is taking place in the **Basque Country.**"

Beyond its concern for the environment mortgages is a core activity for Kutxabank. For Kutxabank is promoting social initiatives and ones that will help develop the local economy. entry product to the bank, after which we pro-Last year, for instance, it announced that its private banking arm, Fineco, was collaborating on vide them with other services, such as insurance a new €200-million fund that will support small and medium-sized enterprises.

many companies, and are now the fourth-larg-'The primary objective of the fund is to offer a product in the private equity area with an est fund manager in the Spanish state with €35 interesting return for our clients. The idea is to take minority positions in SMEs and provide The bank is taking advantage of its balance sheet strength and high profit margins by inepreneurs with access to capital," says Arvesting in the institution's future growth, its riola. "Industry in the Basque Country is very workforce, its systems and technology in order innovative and internationalized. There is an enormous business tradition in the region, with growth we want to focus on include private and a culture of excellence and high reliability in terms of seriousness, rigor and keeping one's word. Kutxabank is part of this tradition and we want to strengthen our role in supporting all the impressive business activity that is taking place in the Basque Country."



The historic Plaza de la Virgen Blanca lies at the heart of the Basque capital

Vitoria-Gasteiz boasts one of Spain's best preserved Medieval centers

A capital city that is vibrant and green

Already at the forefront of environmental and social sustainability, Vitoria-Gasteiz is evolving into a benchmark for the green economy

ocated in the south of the Basque Country in the province of Álava, the autonomous region's vibrant capital -Vitoria-Gasteiz — is home to around 255,000 people. "It's a lively, active, friendly, well-connected city that, at the same time, is an industrial benchmark that attracts investors due to its strategic location," says the city's mayor, Maider Etxebarria García

Vitoria-Gasteiz is also the Spanish capital of sustainability, it was the first city in the nation to have been named Europe's Green Capital of the year, an award it received from the European Commission in 2012. And in 2019, it was awarded the title of Global Green City by the United Nations for its extensive progress toward meeting the 2030 Sustainable Development Goals. According to Etxebarria: "Compared to other cities, we've been pioneers in understanding sustainability from different angles, not only environmentally, but also economically and socially. Vitoria-Gasteiz breathes sustainability, lives it and carries it in its DNA. That's why it's

such a great place to visit." The city has always been one of Spain's most powerful industrial centers, a position it retains today with about 32% of Álava's gross domestic product coming from industry, with much of that emanating from the capital. For decades, however, Vitoria-Gasteiz's authorities, all political parties, businesses and the general population have worked in unison to build a city designed for living and wellbeing. In the 1990s,



Maider Etxebarria García Mavor. Vitoria-Gasteiz

for instance, development started on its Green Ring, a 19-mile circle of regenerated land that has been transformed into parks, public allotments, other green spaces, cycle lanes and walkways. Richly planted with a diverse array of trees and other flora, the ring surrounds the capital and prevents its encroachment on the stunning landscapes outside its borders, which include pristine forests, hills, wetlands and vineyards. Substantial areas of the city itself have been pedestrianized, including one of Spain's best preserved Medieval centers. Instead of cars,

sustainable mobility is promoted, such as walking, trams, buses and cycling on a cycle-track network that extends over 110 miles. Numerous additional green spaces have been created, meaning that it takes only a few minutes to walk to one from anywhere in the city and there are 450 square feet of green areas for every one inhabitant

our Green Ring. Among other things, we're also going to launch a low-emissions zone in the

city center. Added to that, we want sustainable

Vitoria-Gasteiz to evolve into an international

Home to a large Mercedez-Benz plant and

Michelin tire factory, the automotive sector is

one of the capital's traditional industrial and

export strengths, and it has already become a

frontrunner in electric vehicles. That position

was cemented in March 2024, when Merce-

dez-Benz announced that it was investing over

\$1 billion in expanding its facility in order to

benchmark for the green economy."

tural, sporting, historical and environmental With the help of European funding, Vitoattractions, alongside its quality of life, is drawria-Gasteiz is now going further to become truing in an increasing number of tourists. "Many ly smart and climate neutral, says Etxebarria: Americans come to visit us, for example, as we We're committed to becoming a carbon-neutral also have work from the great architect Frank city by 2030 and this investment will allow us, Gehry, who designed the Marqués de Riscal for example, to renaturalize parts of the Mediewinery in Elciego and the Guggenheim Museval town, turn the major Los Herrán Street into a large green corridor and continue to improve

difference audiences?

MAIDER ETXEBARRIA GARCÍA MAYOR, VITORIA-GASTEIZ

employment opportunities, plus a wide range of

cultural and sporting offerings that connect all

generations of society, states Etxebarria: "Vito-

ria-Gasteiz is recognized as the city of festivals; we have at least one big event every month for

Growing global awareness of the city's cul-

"Vitoria-Gasteiz breathes sustainability, lives it and carries it in its DNA. That's why it's such a great place to visit."

um in nearby Bilbao. In addition, food and wine is a cornerstone of North American tourism to the Basque Country in general," she comments. In Vitoria-Gasteiz in particular, the local gastronomic delights include extraordinary wines from the province's Rioja Alavesa region, Álava's lightly sparkling txakoli wines, wild mountain mushrooms and artisan cheeses, all of which can be enjoyed in a variety of places, such as enticing pintxo bars, restaurants and the city's fabulous main fresh produce market.

telligence. "In Vitoria-Gasteiz, we have a lot of collaborations at an inter-institutional level that city, the capital of the Basque Country and a city are searching for innovative solutions that can that you will fall in love with. Vitoria-Gasteiz is change a linear economy into a circular one," she a green and gastronomic benchmark, which is



well worth visiting and investing in. Come and In terms of social sustainability, the city is known for its strong public services, quality enjoy it!'

Invested in sustainable socioeconomic growth

Spain's largest per-capita investor in social projects has a business model that prioritizes ESG criteria, innovation and excellence

"On top of that, we have an in-house research department that studies the Basque Country's sociology. This identifies specific problems that exist and what society demands in order to solve them. We also analyze what the public sector is

portfolio in 2023, including in loans, insurance

and investment funds, as well as in wholesale

and corporate banking. Even though the rise in

interest rates contributed to the Spanish mort-

gage market shrinking by over 20% last year,

Kutxabank also succeeded in increasing its

mortgage portfolio. According to Arriola, de-

mand for mortgages is now accumulating and

the bank expects that market to stabilize this

many of those clients, our mortgages are their

or wealth management," he notes. "We manage

the financial wealth of individuals, families and

billion in assets under management."

"Supporting individuals and families with

year before expanding from 2025.



notes.

ith roots in Biscay that go back made investments and have shareholdings in over 100 years, "The province many other local companies. In that respect, we we know today would be very have made a very solid contribution to economdifferent if the BBK Foundation ic growth, to businesses in the province and to did not exist," asserts its president, Xabier Sagreattracting companies to Biscay. What makes us unique is that we are a non-profit entity. We are do Ormaza. Indeed, the banking foundation is a key driver of sustainable socioeconomic addedicated to returning the dividends we receive vance in the Basque province and Spain's largest from our investments to society via social projper-capita investor in social projects, injecting ects that make concrete contributions." around €37 million every year to address the needs of Biscay's entire population and ensure it ment Goals (SDGs) provide the framework for the foundation's wide-ranging portfolio of projenjovs a better future.

For much of its history, BBK was a successful ects. "In particular, we are targeting three malocal savings bank, but it was transformed into jor transitions: the energy and decarbonization a banking foundation in 2011 when its banking transition, the digital transition and the demographic transition. Demographics are changing activities were merged with those of two other Basque financial institutions to form Kutxabank. in Europe — there are increasingly older populations, for example — and we have to make which is now the largest bank in the region. The BBK Foundation has retained a 57% stakeholdsure no one is left behind. We are also focused ing in the merged entity, explains Sagredo: "We on ensuring all our projects help toward the have a controlling interest in Kutxabank, which UN's 2030 and 2050 sustainable development is the flagship of our investments, and we have agendas, as well as social cohesion," he states.



REGIONAL

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and is not capable of covering, and then propose projects in areas with gaps."

Helping Biscay meet the SDGs

One of the major resources the BBK Foundation has created in Biscay to address decarbonization and environmental sustainability in general is the BBK Klima center and experience park, which has become an international benchmark for the promotion of climate-change issues. "BBK Klima is located in a stunning location, the UNESCO-listed Urdaibai Biosphere Reserve. We opened it as a place to raise awareness, where families can learn about sustainability while enjoying a great day out," says Sagredo. When it comes to the digital transition, the foundation equips all of its public buildings, including BBK Klima, with cutting-edge tech-

nologies that are accessible to visitors. "We must be careful that there is no demographic marginalization in the use of technological tools by helping people get involved in a world where technological updates are becoming faster and faster," he states. "Additionally, we are in

XABIER SAGREDO ORMAZA PRESIDENT, BBK FOUNDATION "All of our policies and statutes revolve around the concept of sustainable competitiveness."

a region where data centers are being built and an increasingly large number of companies are dedicated to digital technologies. At BBK, we are working with, for example, local businesses on issues connected to artificial intelligence and quantum technology, but we add the concepts of humanism and ethics. That is, we promote digitalization that is at the service of humans and not humans at the service of digitalization." The BBK Foundation also operates numer-

ous societal, educational and cultural projects that foster wellbeing, inclusivity and equality in all levels of society in Biscay, from young families and children to disadvantaged citizens seeking good employment opportunities, to those reaching retirement age. The BBK Sasoiko center, for instance, offers programs to people at the end of their working lives who want to stay active and make positive contributions to their communities.

"We are an active contributor to all areas of culture too, starting with the region's main museums - the Guggenheim Museum Bilbao and the Museum of Fine Arts - and Bilbao BBK Live, the highly influential annual music festival that has a worldwide reputation," he notes. Among its many other initiatives to promote Basque culture and the cultural ecosystem in Biscay, the foundation runs diverse programs at the Sala BBK cultural center in Bilbao and provides grants to local cultural projects and artists.

Xabier Sagredo Ormaza President, BBK Foundation

Encouraging talent to reach its potential is a priority for the foundation which covers all economic activities that can contribute to meeting the SDGs. For instance, it has set up a program for entrepreneurs in Biscay that provides funding, share capital, mentoring and other services. It also assists local companies to scale, internationalize and develop their workforces.

The BBK Foundation's efforts to facilitate a fully sustainable economy in the province are founded on its guiding principle of "sustainable competitiveness," an ethical business model that prioritizes environmental, social and governance (ESG) criteria alongside innovation and excellence before price. "All of our policies and statutes revolve around the concept of sustainable competitiveness. To achieve sustainable competitiveness in Biscay, we are practic-

ing what we preach and leading by example," Sagredo asserts. In the environmental arena, that means the foundation is at the forefront of the fight against greenwashing in financial statements, it invests in the decarbonization of its buildings and activities, and it discriminates toward local suppliers with low carbon footprints. Furthermore, it has removed gender imbalances in its workforce and strives to only offer high-quality employment opportunities.

As well as making itself sustainably competitive, the foundation is providing advice and investment that is helping companies in the province to boost their ESG compliance. While the BBK Foundation's main goal is sus-

tainable socioeconomic development, "Our first vocation is business investment. We are known for making good investments because that is what guarantees us having sufficient dividends to carry out our social work. We denote stability

as the most solvent entity in the Spanish state and we have a very important brand that brings reassurance. That means we can be a crucial anchor investor in projects, or a co-investor with, for example, US companies that want to invest here," says Sagredo. "Biscay is a hard-working, entrepreneurial society that is among the five most-advanced regions in Europe and it wants to continue prospering. As an entity, we are open to anything that we believe will be good for the foundation and Biscay."



Vineyards stretch out into the distance of Rioja Alavesa region in the Basque Country, northern Spain

unique ecosystem of each winery and track down

the hidden corners of the region. Apart from the

myriad of different wines on offer, visitors can

eniov wine festivals, cultural tours, vinotherapy

and local cuisine, while spending the night in

boutique hotels built with traditional methods.

is a public-private partnership and its Enobus

ture without worrying about driving.

The association of Rioja Alavesa Wine Route

Wine tourism is a lifestyle as much as it is business Rioja Alavesa has been producing wine for

thousands of years with local knowledge passed down through countless generations

ioja Alavesa, a 116 square mile region in the Basque autonomous community of northern Spain. Its population of 12,000 is spread over 15 municipalities, four administrative boards and another four population centers, and it contains no fewer than 300 wineries across stunning landscapes of vineyards, olive trees and medieval, walled towns. Many of the wineries are family owned with centuries of local knowledge passed down from one generation to the next, creating an atmosphere and local culture unlike anywhere else.

Rioja Alavesa Wine Route, consisting of over demic now firmly in the rearview mirror. The 100 establishments, invites visitors to enjoy the guided bus tour of the region allows for safer,

Two winemakers show their barrels to visitors, explaining how the wine is aged

simpler and, above all, cleaner transport across the different wineries and vineyards. It also ensures an even distribution of visitors. Those who visit with their own car tend to congregate in the town of Laguardia. The bus departs from Bilbao and passes through Vitoria-Gasteiz but it will pick up passengers within the wine region itself too, offering maximum flexibility for guests.

The passengers will enjoy ancient medieval villages, shops selling local produce and of course the wine itself. Not to be overlooked is the Ardopoesía Festival and the ComeCultura Project, which focuses on culture in its different forms paired with fine wine and local food.

A highlight for visiting wine enthusiasts is the Villa Lucía Espacio Gastronómico in Laguardia that was built using 19th-century materials including stone, wood, adobe and iron. As well as hosting gastronomic and other events, this estate features a unique wine museum with a 4D sensory film experience that has won 18 awards from across the world.

A wine spa

Nearby is the Silken Villa de Laguardia Hotel, a tours allow visitors to enjoy the best of the culsmall 4-star hotel that is home to the Wine Oil Enobus was born over 10 years ago and has Spa. This includes a hydrotherapy circuit with a been relaunched for 2023 and 2024 with the panvariety of swimming pools and jacuzzis, a hydromassage bathtub and, yes, a wine massage, which sees wine applied to the legs and olive oil across

the rest of the body. Benefits include skin therapy - wine is said to have anti-aging properties and increased circulation Most hotels in the area are small, family-run businesses, but they cater to all budgets and fam-

ily sizes. The area is deliberately not building big hotels with several hundred rooms; it caters to a more bespoke, personal feel than that. At the same time, they know they need tourism for this rural region to have an income apart from wine making and selling. The local population is very accommodating and welcoming to visitors.

With dramatic landscapes including snowcapped mountains, valley floors with miles upon miles of vineyards stretching into the distance, Rioja Alavesa region is a place where tourism, culture, skills, gastronomy and sustainability interact. Nowhere else can visitors interact on such a personal level with winemakers, cellar masters and local families, ensuring traditions are upheld whilst learning about a good, honest lifestyle, combining a love of the product with a love of showing it to the world.

WINE ROUŤE RIOJA•ALAVESA



Grapes grow alongside olives in the most northerly area where olives are produced

Center of science and gastronomy

Most famous for its amazing restaurants and bars, Donostia-San Sebastián city boasts a diverse and highly innovative economy

erfectly positioned on a white-sanded bay on the Cantabrian coast, Donostia-San Sebastián is one of the most beautiful cities in Spain and a magnet for tourists. "The capital of Gipuzkoa province is internationally renowned for its wonderful location; geographically, we are blessed. Added to which, the city itself is incredible," asserts Donostia-San Sebastián's mayor, Eneko Goia Laso.

Indeed, while the stunning 1-mile-long Playa de la Concha — which is among Europe's best urban beaches — might be the city's most recognized site, behind it are a mix of historic and modern districts that are packed with attractions including world-class museums. "Culture is very important to us. We also host numerous events during the year, like our famous international cinema festival," says Goia. "Another thing that is highly praised by visitors is our wider natural environment, as Donostia-San Sebastián is surrounded by green parks and mountains where people can enjoy cycling, walking and more. That's one of our greatest gems."

When is comes to visitor draws, however, the jewel in the metropolis' crown is probably its gastronomy. Named the best city in world for food in Condé Nast Traveler's Readers' Choice Awards 2023, Donostia-San Sebastián is home to the second-highest number of Michelin-starred restaurants per square mile worldwide. Currently, it boasts eight Michelin-starred outlets with

a combined 16 stars and three of its restaurants hold the top three-star acolade: Arzak, Akelarre and Martín Berasategui. Alongside the city's haute-cuisine offerings, there are numerous oth er temptations for gourmet visitors, including dozens of family-run traditional restaurants and hundreds of pintxo bars, many of which are concentrated in the bustling streets of its old town near the harbor. What most of these places have in common is a focus on fresh seafood, fish, veg-

etables and other local ingredients. ENEKO GOIA LASO MAYOR, DONOSTIA-SAN SEBASTIÁN "It's a dynamic city with opportunities and it's capable of generating activities and wealth on many fronts, not just tourism."

One reason that Donostia-San Sebastián continues to be a hotbed of Michelin-starred chefs is that the city has developed a culture of innovation that spreads across its entire economy, Goia states: "Innovation moves us forward from tradition and some of our gastronomists are a great example of this. For instance, we're now working on a project called the Gastronomy Open Ecosystem, which is a culinary research center.



Donostia-San Sebastián's Plava de la Concha is one of Europe's best urban beaches

Without leaving behind what we have here, we're always looking into the future and using research and innovation to adapt to a world that changes so quickly

That approach has resulted in the city developing a thriving diverse and modern economy, with one of Spain's highest per-capita incomes and lowest unemployment rates among the metropolitan area's 350,000-strong population. "This defines the city; it's a dynamic city with opportunities and it's capable of generating activities and wealth on many fronts, not just tourism," he says. "The strong relationship the local government has with local industries is part of our commitment to the city. We know that industry has a significant impact on our gross domestic product, which is crucial, because that activity

makes a region more resilient to changing global circumstances or crises that may arise."

According to data from Fomento San Sebastián, the municipal economic development agency, 40% of the companies being created in the city at the moment are knowledge-intensive entrepreneurial businesses, a group that contributes 43% of the city's GDP and 31% of its employment. "We contribute to industrial development in the area by investing in knowledge and

universities. We have four universities in Donostia-San Sebastián and a technological park, which is one of the city's greatest achievements that is now expanding," Goia reveals. "Another

thing that has become increasingly notable is the city's advancements in scientific research and technology, which have evolved substantially in recent years. We can certainly say that, today, Donostia-San Sebastián is a city of knowledge that is connected to the industrial activity in the

In terms of the city's most powerful industries, "We excel in certain fields, such as biosciences, where we have made significant advancements, and nanosciences. There are also some fields in material physics in which we are exceptional. We focus on those, because we want the implementation of new industries to be connected to these areas. To continue moving forward in this direction, we want strong infrastructures in

the city — next year, for instance, we will have a quantum computer in one of our university campuses," he enthuses. "We're going to keep working on advancing Donostia-San Sebastián's status as a city of science and knowledge, which is prosperous, full of opportunities, attractive and that welcomes anyone who wants to visit."

A key actor in the Basque biotech ecosystem

Pioneering biotech manufacturer Viralgen is dedicated to ensuring quality, affordability and equitable accessibility in gene therapies

he Basque Country took its first step becoming a hub for biotechnology when it launched a series of technology parks across the region thirty years ago. This was followed by the opening of world-class industry-centric research centers that include Tecnalia, Spain's largest technology center; CICbioGUNE, which is at the forefront of European cellular. molecular and structural biology research; CIC-





The firm's second priority is price, he adds "Gene therapy is costly, a big part of which is manufacturing, so we're continuously working to improve our processes to optimize a product's cost profile." The other mission-critical driver for Viralgen is corporate responsibility. "Thousands of diseases are related to gene defects and many can be treated with AAV technology. Some have obvious markets for biotech companies, but many have no commercial interest. We decided from the beginning not to handicap families affected by those diseases," García reveals.

"Our contribution goes to both ends, helping the biotech industry to move forward in gene therapy and providing charitable foundations and non-profit organizations with access to treatments. That strategy is unique in our industry I think and we're proud of it. We're custodians of a technology that changes people's lives and we take that very seriously." As an illustration of this strategy, Viralgen offers no- or minimal-cost research and manufacturing space to organizations such as the Columbus Foundation in Spain and the US-based Columbus Children Foundation, two sister entities that develop life-saving therapies for ultra-rare disorders in children.

JAVIER GARCÍA COGORRO

BASOUE COUNTRY SPECIAL 7 **World-renowned industrial cluster system**

20 years ago, the Basque Country implemented a cluster policy to boost competitiveness in strategic sectors that has paid huge dividends in industries such as health and food

ehind the Basque Country's rapid rise n a number of globally important inustries lies a strategic plan for creating mpetitive sectoral clusters that was initiated by the regional government over two decades ago. This cluster policy's implementation has proved so outstanding that it is now used by Harvard Business School as a case study in successful economic development Sixteen clusters currently operate in the re-

gion, which are focused on industries ranging from bioscience and health to advanced manufacturing, information and communication technologies, aeronautics and space, maritime industries, transport and logistics, energy and food. Each aims to bring together all local stakeholders in their industry - particularly small and medium-sized enterprises, universities, research institutes and government agencies - in order to promote collaborations and facilitate access to information that can help drive sector-wide growth, development and competitiveness in areas such as technical and business innovation, sustainability and internationalization.

Since these clusters were established, some small local industries have transformed into global players, with the bioscience and health industry value chain, represented by the Basque Health Cluster, being a good example of this. "The emergence and development of this sector are due to the Basque government's strategic initiatives 20 years ago. There was a vision that health would

> IDOIA MUÑOZ LIZÁN MANAGING DIRECTOR **BASOUE HEALTH CLUSTER**

"The added value of being based here is our unique, rich and closely-knit ecosystem for the industry."

become a key export pillar," says the cluster's managing director Idoia Muñoz Lizán. "Originally, there were only about 14 companies in our health sector, now there are over 200 — the growth has been exponential. In addition, the Basque Country has become, for example, a hub for advanced health technologies in Spain, with the majority of manufacturing companies for advanced therapies now being located here." Around 128 businesses and organizations are

currently part of the cluster and the number is constantly going up, with 19 joining in 2023. "Our members include companies from the biotech, pharmaceutical, medical device, in vitro diagnostics and health assistance sectors. We also have six private hospitals, along with companies that support these sectors, such as contract research organizations and consulting firms. Nearly 80% of our companies' have international markets," Muñoz reveals.

During 2023, the combined workforce of Basque Health Cluster members grew by 1,500 employees, taking the total of people working in the region's bioscience and health companies and research centers to 16,000. Members' contribution to the region's gross domestic product also

rose to 2.5% last year. This expansion has been supported by the cluster's management team, whose activities follow a regularly updated strategic plan that is developed in a collaborative process involving all members.

Among the current priorities are advanced digital technologies, which present "a great opportunity and a challenge for our companies," says Muñoz. "One of our main focuses is on data and samples. In terms of data, we're already working on artificial intelligence and big data, and we aim to collaborate with other ecosystem actors supporting these strategies at the Basque level. For example, we work with the Basque Artificial Intelligence Center and some research and technological centers that are experts in those technologies. They are helping us transfer and adapt them to our companies to enhance their products, logistics and processes."

Another priority is ensuring there is sufficient trained talent available for the industry, she adds: "We collaborate with the government, institutions, universities and vocational training providers. We work together to address the needs identified by our companies, promoting specialized courses and tools to support skill development, upskilling and reskilling. Our rapidly evolving sector requires us not only to attract new talent, but also to retain, reskill and upskill our existing workforce."

When it comes to the internationalization, "The US is a primary export market or target for many of our companies. Therefore, we're launching specific tools and educational programs, such as ones focused on US Food and Drug Administration certification requirements. In collaboration with Basque Trade and Investment, a part of the regional agency for business development -SPRI Group - that has offices in the US, we also aim to identify key actors in the market to introduce our products," explains Muñoz.

She is confident that there is enormous poten tial for the region's bioscience and health sector to expand substantially. To encourage this, the cluster is working with the Basque government on a strategy that it aims to launch by the end of next vear: Osasun Poloa, the Health Hub. "In collaboration with the entire sectoral ecosystem, we plan to construct infrastructure in Biscay to support an international health industry. More than just a building, it will be a comprehensive strategy that will enhance the growth and competitiveness of the industry and facilitate the participation of in-

ternational actors," she says. Muñoz believes the region offers fertile ground for those actors: "The added value of being based here is our unique, rich and closely-knit ecosystem for the industry. It's a dynamic, collaborative environment with proximity to resource centers and universities. In addition, the administration is developing strategies to promote competitiveness across strategic sectors for the Basque Country, which include health.

The Basque Food Cluster has helped to foster an equally tightly knit ecosystem among its 142 members that operate across a food-and-drink value chain that generates nearly 11% of the region's GDP and runs from farmers to processors. retailers, hospitality outlets, associated manufac-



The Basque Country's pintxo bars offer an amazing array of delicious snacks



Idoia Muñoz Lizán Managing Director, Basque Health Cluster

turers and service providers, plus universities and research centers. "In common with all the clusters, our mission is to contribute to the competitive improvement of our members. For our cluster, that means we need to focus on added-value generation through innovation and market orientation. We must ensure quality and translate these values to the consumer," says Jon Ander Egaña Monasterio, the cluster's managing director.

JON ANDER EGAÑA MONASTERIO MANAGING DIRECTOR **BASQUE FOOD CLUSTER**

"Uncertainty in the food sector is constant and so we need to be agile and flexible when changes occur."

Egaña and his team are driving the acceleration of innovation and market awareness in many ways. For example, the cluster has cultivated an extensive network of knowledge sharing among its members and it works in close partnership with a Basque government entity that is dedicated to promoting local foods and drinks nationally and internationally. A key tool in the cluster's arsenal is its Strategic Observatory. "This is where our staff track new industry trends, fashions, regulations and everything else companies need to pay attention to in order to ensure they stay

for our members, because uncertainty in the food sector is constant and so we need to be agile and flexible when changes occur." This uncertainty has been evident in recent years, with various global crises including the pandemic and war in Ukraine causing volatility in production costs for manufacturers. "These increases weren't transferred to the consumer at first, which affected companies' profits. Distributors were impacted too, as when prices go up, consumption decreases. There has been increasing pressure from norms and regulations as well - obviously, we need to guarantee safe, healthy

ahead," he says. "Managing uncertainty is crucial

Jon Ander Egaña Monasteri

Managing Director, Basque Food Cluster

costs. However, we're now seeing companies evolving, growing their volumes or diversifying their markets, and we're also optimistic about

and sustainable food, which adds to production

consumption increasing," states Egaña. He is optimistic about the potential for expanding the region's food and drink exports too, with the front-running goods in that regard currently being wine and canned fish, which together represent 10% of Basque industrial production today. Egaña also thinks that the region presents an opportunity to international companies in the sector: "In the Basque Country, we have a great gastronomical culture, unique knowhow, high-quality products and we offer an appealing environment to live in. The food industry is a reflection of who we are, how we eat and how we act. It's part of our culture."

biomaGUNE, a pioneer in bionanomaterials; and CIDETEC that specializes in nanomedicine. The third step was the creation of incubators to nuture innovative companies, but a few elements were still

"The Basque Country had put all the right infrastructure in place. However, it needed biotech companies that could grow fast and become a reference. It also needed professional investors that were able to help nurture their growth and create an ecosystem of businesses in the region. When Viralgen was established here in 2017, we significantly changed the landscape in these aspects. The icing on the cake for the ecosystem came in 2020, when we were acquired by Bayer, which brought a multinational pharmaceutical giant into the Basque Country," says Javier García Cogorro, Viralgen's chairman.

The pioneering company is a fully integrated contract development and manufacturing organization (CDMO) that produces adeno-associated virus (AAV) gene therapy treatments for pharmaceutical and biotech clients. It was set up as a joint venture between the US-based gene therapy specialist Asklepios BioPharmaceutical (AskBio) and Columbus Venture Partners, a Spanish venture capital company that targets biotechnology and other health sciences. With the aim of giving people with genetic diseases greater access to quality treatments, the partnership invested in an innovative proprietary manufacturing platform that increases the scalability, performance and yield of AAV therapies in comparison to other production processes.

"Viralgen was started because the founders recognized there wasn't sufficient capability and capacity in the global market," explains CEO Jimmy Vanhove. "We're focused on a very specific segment of gene therapy, which is recombinant AAV. Within that sector, we're one of the top three pure-



Javier García Cogorro Chairman of the Board, Viralgen

play CDMOs worldwide now.

From its base in Donostia-San Sebastian's Gipuzkoa Science and Technology Park, the comny operates two cutting-edge facilities, both of which are Current Good Manufacturing Practice (cGMP) certified. The first houses four production suites each with the capacity to produce up to 500 liters of a therapy at a time for clinical trials, while the second contains three modules that can accommodate nine production suites fitted with 2,000-liter bioreactors, which support late-phase trials and commercial manufacturing. This facility opened in 2021 and is one of the largest spaces in the world dedicated to AAV production. Viralgen also offers in-house quality control and

development laboratories, fill and finish rooms and warehousing, and in May this year it inaugurated its new Manufacturing, Science and Technology Laboratory that has expanded its innovation capabilities. "We have a very large group of researchers that is involved in development. Our technologies and products are constantly evolving and we need

A LEADER IN AAV

MANUFACTURING



There are three "mission-critical aspects," to Viralgen's operations, states Vanhove: "The first is product quality and how the product is manufactured defines that quality. In our sector, manufacturing is nearly as important as the therapeutic itself." García explains why this is the case: "We're working with large biological molecules, living entities; whereas traditional drugs can be synthesized guickly from small chemical molecules. Manufacturing robustness has always been important in the pharmaceutical industry, but it's vital for high-quality biologics." The expertise of Viralgen and AskBio in this

area was one of Bayer's main motivations for acquiring both companies. "Bayer recognized the importance of manufacturing and manufacturing innovation in driving gene therapies. To maintain our spirit of innovation, we're managed at arm's length. This means we have the liberty to select what we work on and keep up our speed in going forward - we're operating in a very dynamic market and that's essential for being successful in this to keep improving our processes," says García. space," Vanhove asserts.



Another goal for the company is to further expand the region's presence in biotechnology. "We collaborate as much as possible with companies in the Basque ecosystem for services. This has two advantages: the first is speed of service provision and the second is that it allows us to work innovatively with these companies, driving us into the same mindset of technological evolution," states García. In just six years, Viralgen has increased its workforce from six to 430. It currently provides manufacturing services to over 60 customers worldwide, with around 70% of its client portfolio being based in the US. "We couldn't have achieved what we have without the support of the regional government and institutes. Therefore, we feel we have an obligation to help this new ecosystem; it's the right opportunity for us and for the Basque country," García savs.

The global gene therapy market is expected to increase by between 15% and 20% over the next five to 10 years, which Viralgen is well placed to benefit from. "Having a portfolio with such variety, we can expect to continue to grow in terms of delivering services to the market," states Vanhove. "Going forward, the key elements that we will remain focused on are process development, innovation, improving the cost of manufacturing, providing equitable access to therapies, building up industrial capability locally and maintaining the exceptional work environment that contributes to Viralgen's success."

Biosensors transform food and health sectors

BIOLAN's unique solutions are quick, precise, easy to use, reliable and digital

prime example of the high-tech entrepreneurial businesses that have flourished in the Basque Country is BIOLAN, a world leader in the design, development and manufacture of innovative biosensors for analyzing parameters related to food quality and safety, as well as health monitoring and diagnostics. Established in 2006, the group is going to reach double-digit annual business growth, with 87% of its sales coming from exports to over 60 countries worldwide in 2023.

CEO Asier Albizu and his partners founded the group to solve a real-world issue: "We had detected a problem in the food industry, which was the speed of obtaining analytical results and the need for quick measurement systems that were precise, simple, intuitive, reliable and economical," he reveals. "Our first step was to find a technology that would solve the problem; we identified that electrochemistry was the answer and we became the first to manufacture enzymatic biosensors for the food world."

Being ahead of the market with a unique technology has advantages and disadvantages. "It means we don't have competition, but we had no references. We solved this by investing heavily in research and development," Albizu states. "Our second strategy, which is a true competitive advantage, is that we do practically everything in house, including all electronic, mechanical, biological, biotechnological, chemical, electrochemical, connectivity, data, hardware, software and programming activities. That involves creating multidisciplinary work teams, which generates added value for the product and BIOLAN."

BIOLAN's first solution, a biosensor for measuring gluconic acid in grape must, reached the market in 2009. Since then, it has released many more successful biosensors that address food niches, including the determination of histamine and salt in fish products, lactose in dairy goods and sulfite in seafood, processed meats and dried fruits. In 2014, the group realized that its expertise in enzyme technologies had diagnostic applications in the healthcare industry and created a division, BIOLAN HEALTH, to serve this sector, launching a lactose intolerance device. The



Asier Albizu **CEO and Founder, BIOLAN**

group then built up its capabilities in lateral flow, immunochromatographic and other technologies, which has borne fruit in solutions for detecting COVID infections and other patologies. "We still lacked knowledge in molecular biology, however, which we needed for our continued development and growth. As we do every thing in house, we acquired a company that already had extensive knowledge in that area: DNA Data," he says. The acquisition of this biomedical specialist in genetic and biological diagnostic studies was completed in 2023

As BIOLAN has grown, it has invested in expanding its headquarters in the Bizkaia Technology Park where it manufactures 100% of its solutions. In 2024, it inaugurated a new facility, doubling its space to about 43,000 square feet that extend over three buildings, which has ramped up its production and R&D capacities. "We needed to build something that would allow us to continue grow, but we also wanted to create a space that was designed for the wellbeing of the people who make up BIOLAN. It's worth noting that BIOLAN has a young, highly qualified multidisciplinary team of about 100 people that is led mainly by women, who make up almost 70% of our staff," notes Al-



BIOLAN's state-of-the-art headquarters in the Bizkaia Technology Park

Fully committed to reducing the impact its activities have on the environment, around 60% of the energy used in the group's ISO-14001 certified facilities comes from self-generated solar power. "In addition, the devices we make are eco-designed, which means our use of plastic and electronic components is minimized," the CEO highlights. "Furthermore, unlike most other solutions used to measure histamine and sulfite, for instance, we provide sustainable analytical solutions that don't use toxic reagents."

Manufacturing all of its biosensors in the Basque Country rather than opening plants abroad has been no hindrance to the group's export sales. "Our international presence has a lot to do with the certifications we have. For example, all our products are certified by the AOAC Research Institute in the US, which is recognized as the global food industry's most important certification system and which the US Food and Drug Administration endorses," he says. BIOLAN also has commercial offices in Europe, France, Morocco, Mexico, Chile, Ecuador, Thailand, Indonesia and the Philippines that bring it closer to its clients. "Currently, our main sales markets are

in Southeast Asia and Central America, followed by Europe and we've recently entered the US. In the short term, we will possibly open more offices in the US, Brazil and Vietnam. Depending on the evolution of the market, we may implement these with local partners," reveals Albizu.

Four years ago, however, BIOLAN launched a range of digital solutions that have brought it closer to all its clients, he states: "These devices are connected to the cloud. This allows us to monitor and control them, and to provide immediate solu-

tions to a problem from our headquarters or international offices, which are staffed by technicians." The devices are connected to the group's advanced BIOLANglobal 2.0 digital platform for data capture, analysis and visualization that was developed in house and is being integrated into the production chains of food companies all over the world. Albizu believes the potential for this platform is huge: "Having our own software and systems department, where we develop our digital platform, gives us a great opportunity to generate an economic activity that can be beneficial for the sector and for us. There's an increasing amount of legislation worldwide that food companies need to comply with — BIOLAN can provide them with new technologies that are faster, more precise, more effective and digitalized that help with quality control and safety."

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28 Clinical Submissions

8 BASOUE COUNTRY SPECIAL **Forging forward** in manufacturing

Irizar Forge is a global leader in practical and innovative heavy-duty crane components for offshore, onshore and subsea industries

eflecting its extensive heritage in iron and steel, the Basque Country is the third-largest producer of advanced machinery in the European Union today and home to a number of hidden champions in high-tech metalwork sectors that are at the forefront of their global industries when it comes to manufacturing quality and innovation.

One excellent illustration is Irizar Forge, the leading expert in the metallurgy of forged heavy-duty crane components such as hooks and blocks that are used in onshore, offshore and subsea sectors like oil and gas, renewable energy, industrial mills, mining, construction, ports, harbors and shipyards. Irizar Forge has been manufacturing components that stand up to challenging applications in the harshest of environments from its Basque forge since 1923, reveals its managing director, Maria Lasa Irizar: "Our forge has been at the center of our business for 100 years and it's still going strong, using a combination of traditional workmanship and modern technology to produce internationally recognized, high-quality components that meet safety standards. Our clients are crane manufacturers and operators, so we work in a heavy-duty material-handling world where the quality and reliability of our products are paramount."

In 2017, the majority of Irizar Forge's shares were acquired by Royal Van Beest Group, the preeminent manufacturer of lifting, lashing and mooring fittings. Headquarted in the Netherlands, the group has a range of other prominent European brands in its portfolio that are experienced in complimentary technologies: Green Pin, Heuer Hebetechnik and Sling Supply International. This ownership has expanded Irizar Forge's global footprint and it now boasts a network of sales agents across the world, plus offices and warehousing in Spain, Brazil and the US.

In the latter, the group has a sales office and 48,000-square-foot distribution center in Houston, Texas, as well as facilities in Chicago that serve clients in the north of the country and Canada. "Irizar Forge's presence in North America is based out of Royal Van Beest's offices in Houston. Having a local team and stock in the US has helped us grow in the market and we've developed great relationships with local clients," states Irizar. As part of Royal Van Beest, Irizar Forge's clients benefit from the group's state-ofthe-art logistics systems. It aims to have 99% of the company's standard products available in its warehouses at all times, with shipping taking place within 4 hours of ordering.



Maria Lasa Irizar Managing Director. Irizar Forge

Irizar Forge's standard products cover a comprehensive range of top-quality heavy-duty crane components that have a lifting capacity of up to 5,000 metric tons. In common with everything the company manufactures, these solutions are created using cutting-edge forging technologies rather than casting. That results in key advantages for clients, including higher safety levels, mechanical values and fatigue ratings, plus lower maintenance costs and longer lifespans. All of its products also comply with the highest international industry standards and are certified by, for instance, the LRS, DNV, ABS and BV.

In addition, Irizar Forge is an expert at developing innovative, tailor-made forged components. In order to solve specific complex engineering challenges for its customers, it offers a full-service advanced package that includes design, manufacture, in-house testing, inspection and securing relevant third-party certifications. In close collaboration with a client, this process starts with the company's engineers designing the right solution in terms of safety, reliability, durability, performance and other factors that are crucial to the individual customer.

This stage incorporates technologies such as 3D modeling, stress studies, finite elements analysis and fatigue strength simulations and, once the design is finalized, the company can forge components of up to 44,000 pounds in weight at its Basque plant. Those components are heat and surface treated to optimize their physical and mechanical properties, assembled into final products if required and they then receive a spe-



Irizar Forge's components are produced using state-of-the art forging technologies

cialized coating to protect them from the precise environmental conditions they will be used in.

Sustainable partner for offshore sectors

Over the decades, the industrial sectors that Irizar Forge supports have evolved. "For most of our history, we catered to onshore needs, mainly in the form of industrial cranes. As cranes and their hooks have gotten bigger, we've adapted and, for the past 20 years, we've been targeting the heaviest-duty niches. Many of those niches are offshore, as the largest cranes are often attached to ships that used to work for the oil and gas industry. More and more, however, they are associated with offshore renewable energy installations, particularly wind power, which has

MARIA LASA IRIZAR MANAGING DIRECTOR, IRIZAR FORGE

"Having a local team and stock in the US has helped us grow in the market and we've developed great relationships with local clients."

diversified our client base away from oil and gas. We've positioned ourselves to make sure that we can take on the largest, most heavy-duty projects and that our assets and skills are aligned to serve offshore operators," explains Irizar.

"Many of these installations are either built on the seabed or tethered to it. However, an increasing number are not fixed to the seabed, but instead float on mooring lines and this has become a new area of focus for us. Therefore, we're now forging products for mooring and towing, as well as lifting and installation." The company's geographical presence has also diversified, she adds: "We have two key markets at the moment:

North America and Brazil. The Gulf of Mexico is important to us, as is Canada as it focuses more and more on renewables. This year, 15% of our turnover will come from renewable energy, we hope 25% will come from North America and we believe these two areas have the greatest potential for growth. In renewables, Europe is a little ahead of the US, which still produces a lot of oil and gas from the Gulf of Mexico. We will be there as that region prepares to develop its renewable energy potential over the next five years."

Having been certified for waste management under ISO 14001 for two decades, Irizar Forge has been ramping up its sustainability credentials in tandem with its shift toward serving offshore sectors. "We work with very large companies that expect us, as a part of their supply chain, to be at the forefront of environmental responsibility and for sustainability practices to be built into our production processes," states Irizar. "We were a heavy consumer of natural gas until three years ago, when we introduced electrical induction to our forge, which allows us to heat products quickly and efficiently without gas. To further address energy efficiency and the green energy transition, we're now moving to ISO 50001 and have set ourselves the goal of reducing our energy consumption by 30% by 2030."

The company is ambitious to remain the worldwide industry's benchmark for not just sustainability, but also the design, manufacture and testing of practical and innovative heavy-duty crane components, Irizar notes: "Our 100th anniversary last year was a significant milestone. It highlighted our history and gave us an opportunity to look back, to remember where we came from, to look forward to the future and to determine where we are going. We are making sure that we adapt and roll with the times through careful strategic planning to ensure that we will be around for another 100 years."

Unique medtech components that improve lives

Medical device manufacturers worldwide rely on assemblies, springs, stamping and bending parts from RPK Medical



he Basque medical technology sector is one of the region's most dynamic manufacturing and export industries. Eduardo Melón Lagos is CEO of RPK Group, a global leader in the engineering and manufacture of high-precision complex components that are used in a variety of industries. As he explains, one of the reasons that companies in the region are so strong in this technology area is that, "the Basque Country has an important tradition in mechanical industries — we were founded in the steel, metal, mechanics and automotive sectors."

RPK Group has been a major contributor to that tradition since 1974 when it was established in Vitoria-Gasteiz, the Basque capital. "We've been specializing in wire forming, spring manufacturing and small stampings for industries for 50 years and we have a global presence. More than two decades ago we opened our first plant outside of Europe, which is in Mexico and is currently our second-largest manufacturing facility. In 2009, we opened a plant in India, followed by one in China in 2018," says Melón. "In the last 20 years, the group's most powerful presence has been in the automotive market. Over that period, however, we've been developing other markets, particularly the medical and electrical sectors in which we have a lot of experience and potential."

The group's RPK Medical division is dedicated to the design, engineering, development and manufacturing of diverse metal springs, stamping and bending components, plus spring assemblies that combine both metal and plastic parts. The division's global clients include original equipment manufacturers, contract manufacturers and medical device engineers, which utilize its components in applications such as disposable autoinjectors, pen injectors, staplers, inhalers, pump sprays, wearable devices, safety syringes, catheters, airway products, blood collectors, cannulas and lancets.

RPK Medical stands out from other businesses in its sector for a number of reasons. One is its commitment to not just exceeding its clients' quality expectations, but to developing solutions that make the lives of patients and healthcare professionals better. A key illustration of this is its creation of complex springs, assemblies and power packs for disposable autoinjectors, which are often used directly by patients in the regular treatment of, for example, allergies or glucose imbalances. Thanks to RPK Medical's engineering expertise and cutting-edge technologies, autoinjectors that incorporate its components easily, comfortably, safely and reliably deliver precise volumes of medication, whatever the viscosity of the drug being administered.

Another of the group's competitive advantages is the fact that it has six state-of-the-art manufacturing facilities in Europe, North America and Asia, asserts Melón: "We always offer local-to-local manufacturing, producing the necessary parts for any region on that continent. In addition, we have a very long tradition of manufacturing with specialized cleanliness requirements in all our medical clean rooms."

Tailor-made innovation

Perhaps the most unique thing about the group within its sector is its focus on research and innovation, much of which takes place at the RPK Technological Center in Vitoria-Gasteiz that opened in 2016. "This has led us to greatly increasing our catalog of products in recent years and to expanding our capabilities in different manufacturing processes, such as laser welding and plastic overinjection," he reveals. "In the technology center, we also provide comprehensive tailor-made support to clients, many of which do not have advanced knowledge about our type of parts and their technologies. We can help with initial simulations, design and all types

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of engineering processes, through to the development of prototypes, packaging, product testing and the industrialization of processes. We not only design products, we design manufacturing systems that incorporate different technologies."

Continuing at the forefront of innovation is a core pillar of the RPK Strategic Plan 2023-2026, which is guiding the group through the next stage of its development. Another is sustainability, Melón says: "Environmental sustainability is part of our company culture. We've had ISO 14001 certification for many years and have substantially reduced the waste we generate. Most of the energy we consume in Vitoria-Gasteiz and other plants is generated from photovoltaic panels and we're working toward 100% renewable energy. Today, the most carbon-intensive part of our product concerns the raw materials we buy. That's something we're working on with our suppliers, so that they also evolve their technologies."

For the CEO, an equally important aspect of sustainability is ensuring the ongoing economic strength of a group that achieved a 33% rise in its sales over the last seven years: "The post-COVID years have been complex for the industry in general due to, for instance, supply crises and energy price surges. RPK Group has come out of that situation stronger than before and in a good position, but we have to keep working on this. We've grown a lot in recent years and we want to continue growing, but in a sustainable way."

RPK Medical lies at the heart of the group's sustainable expansion plans. "We have sufficient knowledge, capacity and experience to grow in the medical sector, which is where we see the greatest opportunities. We're targeting the sector in Europe from our three plants in Spain and in North America from our Mexico plant - those are the markets that interest us the most, as there is exponential growth in the type of applications that we are expert in," states Melón. "If you look at the demographic curves and increase in pathologies in European countries and the US, you see rising demand for more types of treatment in which autoinjectors and inhalers are needed,



Eduardo Melón Lagos CEO, RPK Group

ones with increasingly specialized characteristics that put the focus on the user. This type of treatment needs to be comfortable and non-aggressive, and we are extremely skilled in those areas."

The group is now dedicating significant additional resources to build on its success in this field through its new RPK Medical brand. The division's primary target is North America, which represents 47% of the total global market and where RPK Medical already has numerous longterm clients. "We have an intense promotional plan in place, which includes participating in all types of general medical fairs and others specialized in certain applications, especially autoinjectors and pen injectors. We also have our own commercial team for the North American medical sector that is working in the region now and we have an important task ahead of us in terms of making ourselves better known," says Melón. "What I can absolutely assure all future customers is that they will be satisfied with our products. RPK has a 50-year history of always providing excellent services to its clients and of developing strong, long-lasting partnerships with them."



rpk-medical.com