

Location Spotlight – Málaga, Spain

March 2022: Complimentary Abstract / Table of Contents



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This report provides perspectives on key aspects of the global sourcing market in Málaga, Spain

Location Spotlight – Málaga, Spain

Málaga | at a glance



Emerging Central and Eastern Europe (CEE) location leveraged for IT-BP services delivery; offers moderate cost arbitrage over tier-1 Spanish hubs of Barcelona and Madrid

KEY FACTOIDS

- 10,000-15,000 annual tertiary graduates
- Annual cost 75-85% savings
- 15-20% savings

Current overview	Key drivers	Key challenges
<ul style="list-style-type: none"> Largely offers delivery of IT ADM, IT infrastructure, contact center, and non-voice BP services such as F&A and budgeting services Primarily serves Europe, the Middle East, and African countries Leveraged by both GBS organizations and service providers for delivery of services in English, Spanish, and multiple other European languages (e.g., Italian and French) 	<ul style="list-style-type: none"> Málaga offers strong industry academia relationship with a consolidated network of universities and businesses Strong government support and multiple government incentives High-quality infrastructure supporting superior rail, road, airport, electricity, and water infrastructure with a focus on further improvement Offers an attractive cost arbitrage of 75-85% over Dallas, the US, and 15-20% over Barcelona 	<ul style="list-style-type: none"> Macroeconomic concerns and increasing public debt <ul style="list-style-type: none"> High reliance on tourism external shocks such as Relatively lower multi-lingual and Madrid) present some non-native languages



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Location Spotlight – Málaga, Spain

Málaga | risk profile (page 1 of 2)

Stable geopolitical environment and availability of excellent transport infrastructure; some concerns around macroeconomic stability

Parameter	Everest Group rating	Comments
Geopolitical	Highly favorable	<ul style="list-style-type: none"> Spain offers stable political environment and has a constitutional monarchy with a parliamentary system of government Spain holds 22nd rank among 167 countries in the Democracy Index 2020 compiled by the Economist Intelligence Unit (EIU); this ranking has been stable throughout the years and the regime is considered as a full democracy Spain ranks 34th among 180 countries in the Corruption Perception Index 2021, making it a moderately corrupt country; however, progress has been made in tackling corruption and minimizing instances of bribery
Macroeconomic	Favorable, some concerns	<ul style="list-style-type: none"> Spain's GDP contracted by ~10% in 2020 as a result of the impact of the global COVID-19 crisis; however, the GDP rebounded to ~-6% in 2021 Spain's economy faces the burden of high public debt of around 97% of the GDP due to reduced public consumption and fewer investment opportunities Spain's economy is a tourism-driven economy, making it highly vulnerable to changes due to global conditions such as the COVID-19 pandemic Standard & Poor rated Spain as A with a negative outlook, owing to rising public debt and shrinkage in the overall macroeconomic environment
Infrastructure	Highly favorable	<ul style="list-style-type: none"> Málaga provides excellent public transport infrastructure in terms of road, air, and rail network, providing excellent c within the country and with multiple international destinations Apart from an airport and a port, Málaga also has a high-speed train link with metropolitan cities such as Barcelona and Madrid Spain is ranked 7th out of 141 countries in the Global Competitiveness Index (compiled by World Economic Forum) for its infrastructure quality

Source: Everest Group (2022); EIU; Transparency International, WRR; WEF; interviews with market participants.

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Research calendar

Locations Insider™

■ Published
 ■ Planned
 ■ Current release

Flagship reports

Release date

Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Locations PEAK Matrix®	November 2021
Reimagining Latin America Delivery in a Post-COVID-19 World	December 2021
Location Spotlight – Sri Lanka	January 2022
Location Spotlight – Riyadh	January 2022
Location Spotlight – Jamaica	January 2022
Location Spotlight – Ahmedabad, India	March 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Locations PEAK Matrix®	March 2022
Location Spotlight – Málaga, Spain	March 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Risk Radar	Q2 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Key Trends Shaping the Landscape	Q2 2022

Thematic reports

Release date

Talent Handbook on Cybersecurity Skills	June 2021
Technology Services Talent Handbook – Do You Have the Right Locations in Your Delivery Portfolio?	January 2022
Impact of Climate Change on Delivery Locations Sustainability	March 2022
Enterprise Acquisition Guide for Hot IT Roles	Q2 2022
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