



III Industrial Promotion Master Plan

2021-2025 of
Castilla y Leon



**Junta de
Castilla y León**

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PRESENTATION
II INDUSTRIAL PROMOTION
MASTER PLAN 2021-2025
OF CASTILLA Y LEON

Alfonso Fernández Mañueco

President of the Regional Government
of Castilla y Leon

I am pleased to present a fundamental instrument for the development of our economy: the **II Industrial Promotion Master Plan (IIPMP) 2021 - 2025 of Castilla y Leon**.

The Plan is the instrument of the Regional Government of Castilla y Leon that dictates the industrial policy of Castilla y Leon for the period 2021-2025, with the fundamental goal of strengthening and promoting the development of industrial activity in the Autonomous Community of Castilla y Leon and meeting the goals set out in Law 6/2014 of 12 September 2014 on the Industry of Castilla y Leon.

Given that the Industrial Promotion Master Plan 2021-2025 sets out this broad set of lines of action and measures in a wide range of areas for the industrial fabric as a whole, its implementation corresponds to the different government bodies in the Autonomous Community and, as a result, the Plan establishes the need for institutional coordination to meet the planned goals and the need for monitoring to ascertain the evolution of the Plan and ensure its fulfilment.

The II IPMP 2021 - 2025 was defined based on the achievements and new challenges posed through the implementation of the I IPMP, launched between 2017 and 2020. The formulation of the II IPMP 2021 - 2025 also used different **international experiences** in public policy and industrial promotion as a reference and was defined considering the changes in technology and other areas in the global economy, as well as the impact of the COVID crisis. Likewise, it was built based on **extensive fieldwork** involving the diversity of **public and private players** forming the **industrial ecosystem of Castilla y Leon**.

It should also be added that the II IPMP 2021 - 2025 is linked and committed to the **Sustainable Development Goals (SDGs)**, the **Green Deal**, the **European Industrial Strategy** or the **Circular Economy Action Plan**, defined within the framework of the European Union.

At national level, the II IPMP 2021 - 2025 will be in line with the **Agenda for the Strengthening of the Industrial Sector in Spain**, the **Connected Industry 4.0 Strategy**, and the **Industrial Policy of Spain 2030**.

The II IPMP 2021 - 2025 is also in line with the **IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon**, with the **RIS3 of Castilla y Leon 2021 - 2027**, and with other sector-based regional plans and strategies.

The budget for the II IPMP 2021-2025 has been estimated at **1,421.6 million euros**, which will represent an increase of 20% per year with regard to the amounts invested in the I IPMP. The II IPMP 2021 - 2025 will be funded through different resources: the ordinary budgets of different Departments of the Regional Government of Castilla y León; the Operational Programmes of the European Union Structural Funds, in particular the European Regional Development Fund (ERDF); the European Social Fund (ESF) 2021-2027 for Castilla y Leon; and the European Agricultural Fund for Rural Development (EAFRD) 2021 - 2027. In addition to the new Next Generation funds allocated to Castilla y Leon.

In comparison with the I IPMP, the II IPMP 2021 - 2025 has increased the number of lines of action and areas of intervention. The total number of focal points has risen to 18, of which 8 are horizontal and 10 are sectoral. The horizontal focal points are **1/ Financing, 2/ Internationalisation, 3/ Innovation, digitisation and entrepreneurship, 4/ Industrial environment, 5/ Industrial land, 6/ Rural environment and local resources, 7/ Industrial sustainability** and **8/ Enhancing of quality training and employment in industry**. There are four strategic focal points: **9/ Automotive, 10/ Agrifood, 11/ Energy** and **12/ Habitat**. These include the following focal points in sectors with high growth potential: **13/ Pharmaceutical and health, 14/ Chemicals and cosmetics, 15/ Aeronautics, 16/ ICT, 17/ Cultural and creative industries** and **18/ Logistics**.

The II IPMP 2021 - 2025 also includes **Priority Industrial Projects (PIPs)** and **Territorial Development Programmes (TFPs)**, in addition to **four symbolic actions**.

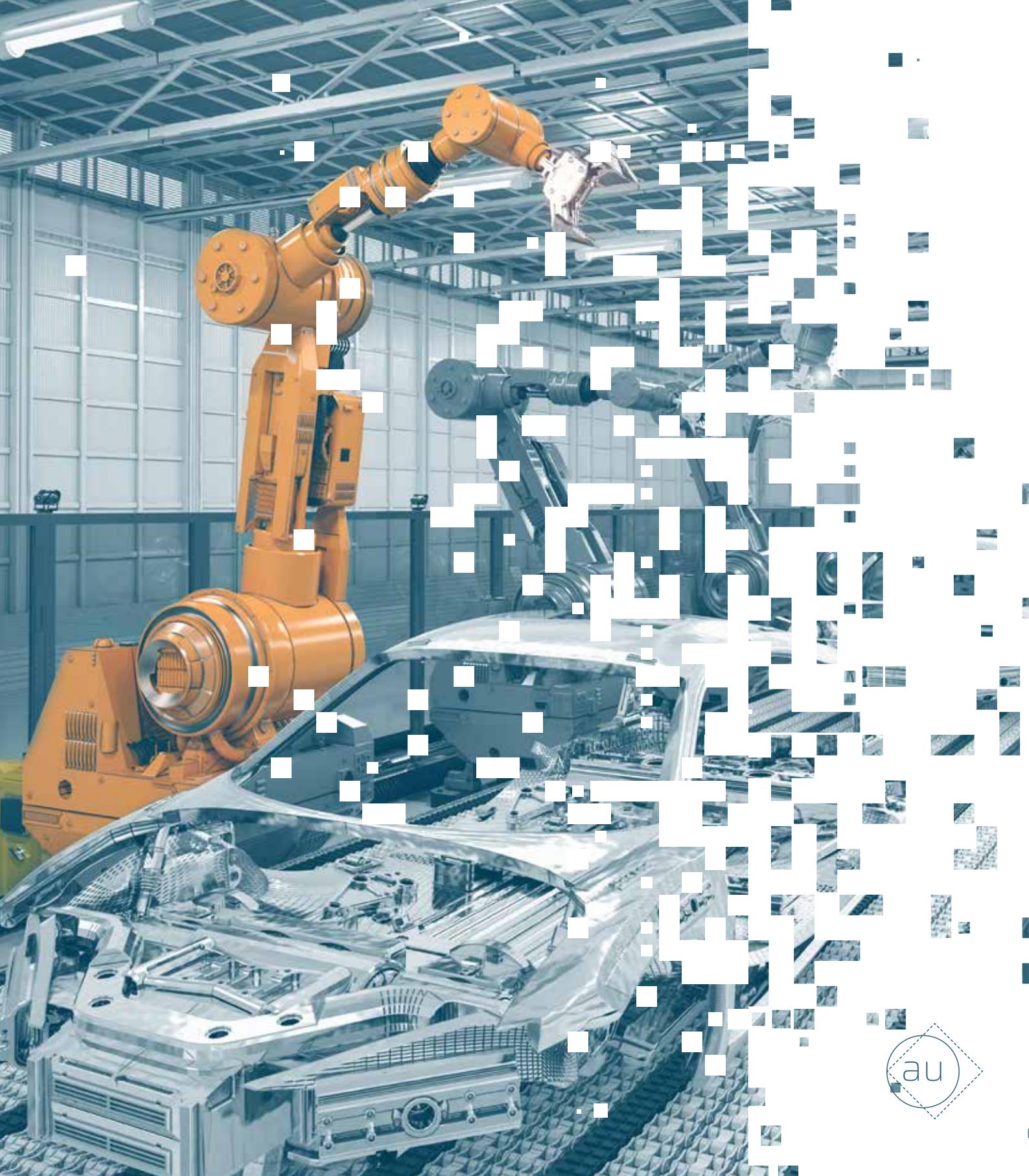
To conclude, the Regional Government of Castilla and Leon would like to thank all the people, companies and other private and public players who took part in the different activities organised for the preparation of the II IPMP 2021 - 2025. Without their collaboration, the design of the II IPMP 2021 - 2025 would have been impossible.

Alfonso Fernández Mañueco

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1 INTRODUCTION

The **II Industrial Promotion Master Plan (IPMP) 2021-2025 of Castilla y Leon** is an instrument defined by the Directorate-General for Industry of the Regional Government of Castilla y Leon, in collaboration with other public services and private players in the region's industrial ecosystem.

The II IPMP was developed in line with major international trends and based on the experience and results of the **I IPMP** implemented between 2017 and 2020.

The II IPMP was developed with reference to other public instruments, notably the **IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon** and the **RIS3 of Castilla y Leon 2021-2027**.

Similarly, development of the components of the II IPMP was based on a detailed diagnosis of the industrial sector in Castilla y Leon, particularly from extensive fieldwork carried out between July and October 2021 involving the following activities:



65 in-depth interviews

With companies from the industrial sector, organisations, and support players.



8 round tables

Each focusing on a strategic sector:

- ⦿ Automotive and Aeronautics.
- ⦿ Agrifood.
- ⦿ Health and quality of life.
- ⦿ Energy.
- ⦿ Habitat.
- ⦿ Cultural industries.
- ⦿ ICT.
- ⦿ Cross-sector (support organisations, activities and industry support services).

625 telephone interviews



With companies in the priority sectors covered by the II IPMP, other industrial and support service companies, and support organisations (associations, universities, etc.).

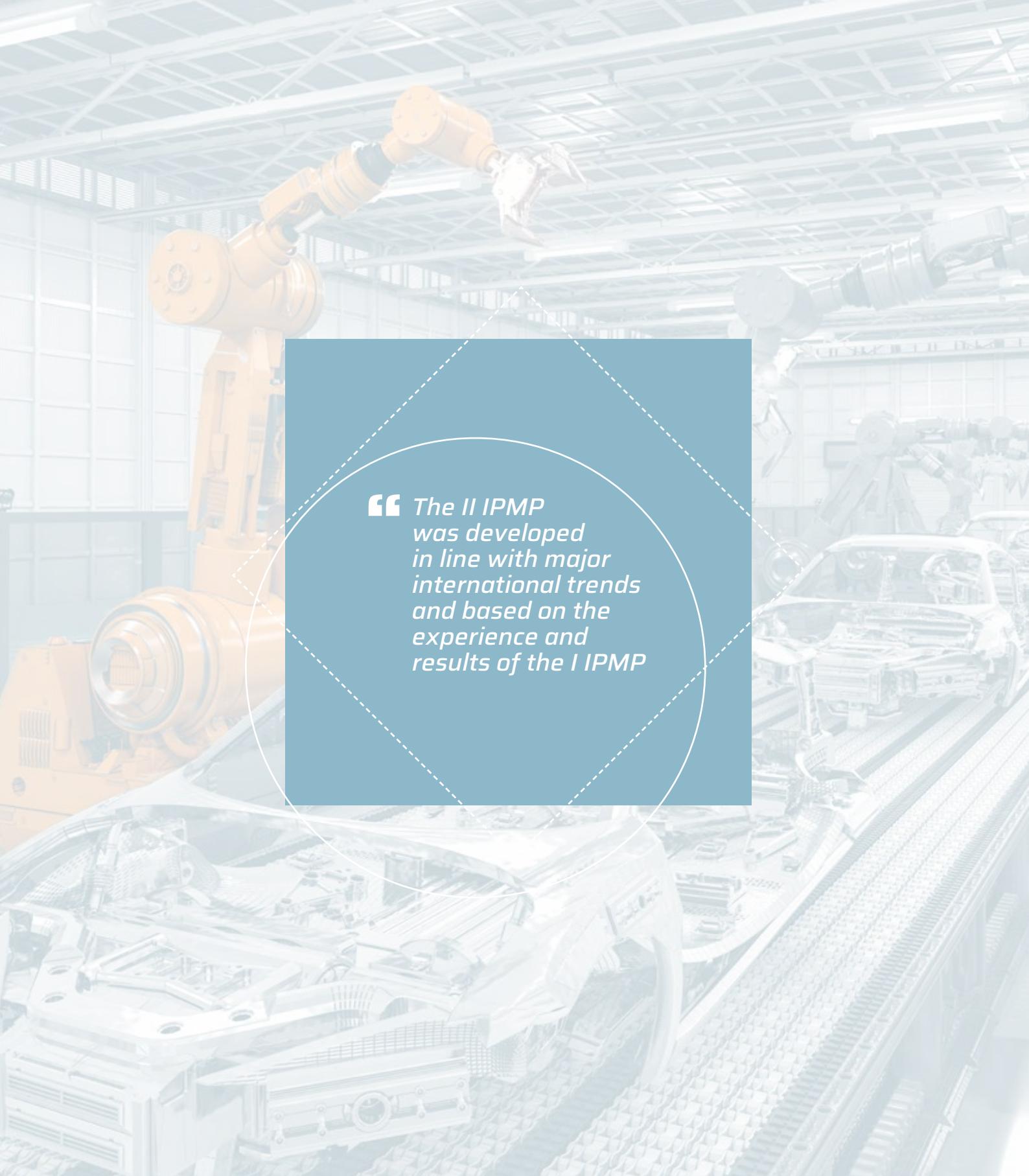
5 contrasting workgroups



Each focusing on the horizontal focal points defined in the II Master Plan:

- ⦿ Finance and internationalisation.
- ⦿ Innovation, Digitisation, Entrepreneurship and Industrial Sustainability.
- ⦿ Industrial environment.
- ⦿ Rural Environment and Local Resources.
- ⦿ Enhancing of quality training and employment in industry.

The II IPMP was also inspired by experiences and initiatives implemented in other countries as good practices, for which an international benchmarking study was previously developed. ■■■



“ The II IPMP was developed in line with major international trends and based on the experience and results of the I IPMP



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2 BACKGROUND

I INDUSTRIAL PROMOTION MASTER PLAN 2017-2020 OF CASTILLA Y LEON

The I Master Plan was the **first public instrument for industrial promotion** which, despite being designed and headed by the **Regional Ministry responsible for Industry**, was implemented by all areas of the Regional Government of Castilla y Leon responsible for promoting industry. During its term, **€947,758,413.20** were invested in the different measures, which is 13.2% more than the initially planned budget.

The progress made towards achieving the targets should be highlighted, particularly with regard to **increasing the importance of the manufacturing industry on the total GVA of Castilla y Leon (Goal 1)** and **increasing public and private investments in R&D (Goal 2)**. To this end, it must be noted that both internal R&D expenditure and, above all, the importance of R&D on GDP grew above the Spanish average during the period 2017-2019.

The I Master Plan has shown that **industrial promotion can be approached from different perspectives** and with **contributions from a wide range of public, business and academic spheres**. Industry is a very plural sector, and is destined to play an irreplaceable role in the economic growth, social development and social, and territorial cohesion of Castilla y Leon.

In the future, through the II Master Plan, efforts must be stepped up to ensure the different Ministries of the Regional Government of Castilla y Leon **work together, interact and create synergies** to boost the **positioning of the industry in the Autonomous Community** based on new trends and challenges around the world, capitalising on what has been learned through the experience of the I Master Plan.

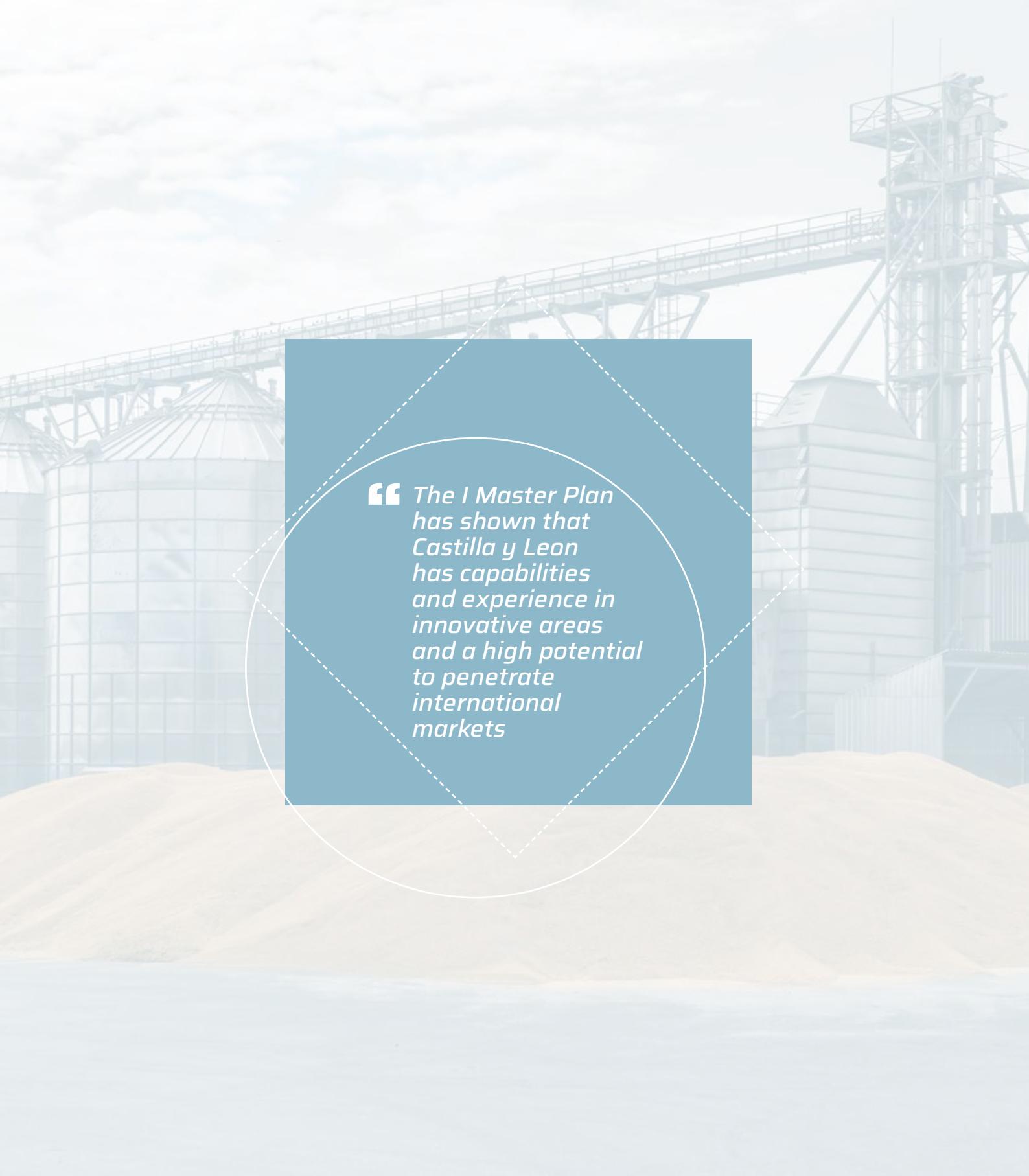
The I Master Plan implemented a wide **variety of multi-directional initiatives**, including, for example, support for new entrepreneurs; business consolidation; attraction of investment and talent; access for companies to sources of finance; international expansion; support for the most impaired economic activities; and support for up-and-coming economic segments with highest potential or greatest multiplying effect.

The I Master Plan highlighted the opportunities presented by the industrial structure of Castilla y Leon while the need for public policy continues to play a proactive role in **reconversion, transformation and innovation** processes.

The programmes and actions of the I Master Plan helped **raise the profile of the players and value chains in the industrial ecosystem of Castilla y Leon** and prompted coordination activities among public authorities, universities, technology centres, entrepreneurs, SMEs, and large companies.

The I Master Plan has shown that Castilla y Leon has **capabilities and experience in innovative areas and a high potential to penetrate international markets**, such as **advanced manufacturing or industry 4.0**.

Lastly, the I Master Plan also identified the capacities that Castilla y Leon industry can offer through the exploitation and optimisation of **renewable resources**, and their contribution to **sustainable economic growth**. ■—————



“ The I Master Plan has shown that Castilla y Leon has capabilities and experience in innovative areas and a high potential to penetrate international markets



3. CONTEXT ANALYSIS

3.1. MAIN FRAMEWORKS OF REFERENCE

The main plans and strategies of reference considered when preparing the II Industrial Promotion Plan 2021-2025 of Castilla y Leon are indicated below. These were considered for the implications they have on industrial activities. The II Plan must be in line not only with legislation and legal texts but also with strategies, plans and agreements that will guide the changes and efforts made in the coming years.

3.1.1. Global and European level □

On 25 September 2015, world leaders adopted a new sustainable development agenda promoted and defined by the United Nations, containing 17 Sustainable Development Goals (SDGs)⁽¹⁾ aimed at eradicating poverty, protecting the planet, and the present and future prosperity of all its inhabitants. The goals explain a number of specific targets that must be met within 15 years based on the joint efforts of governments, the private sector, and civil society

GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



The United Nations believes that economic growth, social development and action against climate change depend heavily on investment in infrastructure, industrial development, and sustainable progress. Industrial activity is key to employment, with each job in manufacturing estimated to create 2.2 jobs in other economic sectors⁽²⁾.

To meet this goal, a series of targets are set that are to be met by global industrial policies at all levels. The most relevant for industry in Castilla y Leon are:

- Significantly increase the contribution of industry to employment and GDP.

1 Information on the SDGs available at: <https://www.un.org/sustainabledevelopment/es/objetivos-de-desarrollo-sostenible/>

2 https://www.un.org/sustainabledevelopment/es/wp-content/uploads/sites/3/2016/10/9_Spanish_Why_it_Matters.pdf

- Increase the access of small-scale industrial and other enterprises to financial services and their integration into value chains and markets.
 - Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
 - Enhance scientific research and upgrade the technological capabilities of industrial sectors in all countries.
-

GOAL 12: **Ensuring responsible production and consumption patterns.**



This involves separating global economic and social progress from environmental degradation, as has been the case so far. It consists of doing more and better with less, increasing resource-use efficiency and improving the “material footprint⁽³⁾” *per capita*.

Although this Goal is closely linked to the consumption habits of citizens, some of its targets are applicable to the industrial sector:

- Implement the 10-year framework of programmes on sustainable consumption and production.
- Achieve the sustainable management and efficient use of natural resources.
- Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
- Substantially reduce waste generation through prevention, reduction, recycling and reuse.
- Encourage companies, especially large and transnational companies, to adopt sustainable practices.

3 The material footprint, less well known than the carbon footprint or water footprint, but equally important, refers to the total amount of raw materials extracted from nature to meet consumer demand.

In addition, industrial actions can also indirectly help meet the targets included in other SDGs. These include:

6 AGUA LIMPIA Y SANEAMIENTO



■ GOAL 6.4.

By 2030, substantially increase water-use efficiency across all sectors.

7 ENERGÍA ASEQUIBLE Y NO CONTAMINANTE



■ GOAL 7.2.

By 2030, increase substantially the share of renewable energy in the global energy mix.

■ GOAL 7.3.

By 2030, double the global rate of improvement in energy efficiency.

4 European Green Deal:

https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0004.02/DOC_1&format=PDF



In line with the SDGs is the **European Green Deal**⁽⁴⁾, which is committed to economic growth compatible with the protection of natural capital, and the health and well-being of citizens, while responding to climate and environmental challenges. However, while the timeline for meeting the SDGs is 2030, the European Green Deal sets out actions and targets for 2050.

The primary goal of the European Union, around which policies and actions should be structured, is to “achieve climate neutrality by 2050”.

To this end, the economy should be transformed around several elements. Within the context of the preparation of the II Industrial Promotion Master Plan of Castilla y Leon, this directly includes the **mobilisation of industry towards a clean and circular economy**. Given their link with the priority industrial sectors in Castilla y Leon and the changes and drive they will bring, **the acceleration in the transition to sustainable and smart mobility, and the “from farm to fork” movement or, in other words, a fair, healthy and environment-friendly food system**, must also be considered. The former is a boost for the change and modernisation of the region’s automotive sector, as well as for developments linked to smart and autonomous mobility, while the latter relates to the agrifood industry and the reduction of its value and supply chains, as well as highlighting the importance of local products.

By focusing on the mobilisation of industry, the European Green Deal considers it essential to transform the industrial sector and all its value chains to achieve goals such as reducing its weight in greenhouse gas emissions (20%

according to the Deal) or reducing dependence on the flow of extraction and marketing of materials by recycling them. Two strategies stem from this: the Industrial strategy and the Circular Economy strategy.

As regards the **European Industrial Strategy**, it “lays the foundations for an industrial policy that supports the twin transitions, make global industry more competitive globally and enhance Europe’s strategic autonomy”⁽⁵⁾, reducing its dependence on third parties and increasing its resilience.

The strategy identifies fourteen priority industrial ecosystems: construction, digital industries, health, agrifood, renewable energies, energy intensive industries, transport and automotive, electronics, textile industry, aerospace and defence industries, cultural and creative industries, tourism, proximity and social economy, and retail trade.

The European Industrial Strategy is committed to a twin transformation of the industrial, ecological and digital sector, in which Europe is a leader and not only adapts to the changes. It therefore poses the following points

⁵ Communication from the Commission: New European Industrial Strategy (update May 2021, post-Covid-19): https://ec.europa.eu/info/sites/default/files/communication-industrial-strategy-update-2020_en.pdf
and Action Plan for better implementation and A New Industrial Model for Europe (10.2.2020): <https://eur-lex.europa.eu/legal-content/ES/TXT/?qid=1593086905382&uri=CELEX%3A52020DC0102>

- ◆ **A globally competitive and leading industry.** Create contextual conditions that facilitate a competitive industry with Europe's quality hallmarks, values and principles, fostering free trade against protectionism.
- ◆ **An industry paving the way for climate neutrality.** In line with the aforementioned European Green Deal, which becomes more competitive as it progresses towards a more economic and circular model with a "safe supply of affordable clean energy and raw materials".
- ◆ **An industry shaping Europe's digital future.** Advancing in the research, development and application of disruptive technologies (artificial intelligence, 5G, use of data, etc.) and ensuring industry leads the way in digitisation, through the transformation of mature companies and the development of start-ups.

For the transformation to be a success, based on the above three elements, it is considered essential to associate the whole ecosystem and support in the following "key factors":

- ◆ **Creating certainty for industry: a deeper and more digital single market.** With common legislation and widespread rules to adapt to digitisation. It is considered essential at this point to adopt an "SME-to-SME approach" in which an important role is played by young companies with technological know-how that can support mature industrial companies in their transformation.
- ◆ **Upholding a global level playing field .** Supporting fair competition and fair trade, open markets, and trade agreements.
- ◆ **Supporting industry towards climate neutrality.** Modernising and decarbonising energy-intensive industries and creating climate neutral and circular product markets (through new processes and cleaner technologies). To this end, it is considered essential to apply the first principle of energy efficiency.

- ◆ **Building a more circular economy.** Reducing the environmental impact and use of scarce resources, thus also achieving a reduction in production costs. The implementation of circular economy principles should be cross-cutting across all sectors and industries, and is estimated to create seven hundred thousand new jobs across the EU by 2030.
- ◆ **Embedding a spirit of industrial innovation.** Unlocking investment in innovation, incentivising innovation in SMEs, and setting a series of goals related to digitisation and circularity.
- ◆ **Skilling and reskilling.** Improving the ability to recruit and retain skilled labour, improving the skills of industrial workers for digitisation, automation and advances in artificial intelligence.
- ◆ **Investing and financing of the transition.** Providing funds and improving ways of encouraging private investment, committing and combining money from the EU, Member States, and other institutional partners.

Finally, reference must be made within this European framework **to the move towards Industry 5.0**⁽⁶⁾, which focuses on sustainability, human capital and resilience. This trend focuses the transition on research and innovation, and aims to ensure that progress not only focuses on greater competitiveness of European industry but that the progress achieved has an impact on benefits for society and territories. Industry 5.0 places the spotlight on the welfare of the industry worker.

The **Circular Economy Action Plan** suggests that “the EU needs to accelerate the transition towards a regenerative growth model that gives back to the planet more than it takes, advance towards keeping its resource consumption within planetary boundaries, and therefore strive to reduce its consumption footprint and double its circular material use rate in the coming decade”⁽⁷⁾.

In the Plan, the circular economy is seen as a tool to strengthen the EU’s industrial base and encourage business creation and entrepreneurship among SMEs. To this end, changes in all sectors and activities must be implemented from the design stage of products and servi-

6 European Commission, *Industry 5.0. Towards a sustainable, human-centric and resilient European industry*. January 2021 Available at: <https://op.europa.eu/en/publication-detail/-/publication/468a892a-5097-11eb-b59f-01aa75ed71a1/>

7 *Communication from the Commission, A New Circular Economy Action Plan:* <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN>

ces, involving consumers and public buyers, and focusing on production processes. While increased recycling and improved waste management is important, circularity must be understood from a broader perspective at source.

The Action Plan identifies seven key product value chains: Electronics and ICT; Batteries and

vehicles; Packaging; Plastics; Textiles; Construction and buildings; and Food, water and nutrients.

The measures planned for 2021 and 2022 aimed at greater regulation for the waste and by-products market, with circularity goals, are highlighted in terms of waste.

3.1.2. National level □

2014 saw the presentation of the **Agenda for the Strengthening of the Industrial Sector in Spain**, with the aim of recovering public initiatives to boost industrial growth following the years of crisis and a period of outsourcing in the economy that reduced the importance of the industrial sector in the country. In line with this agenda, work has been progressing

on the digital transformation of industry since 2015. The **Connected Industry 4.0 Strategy**⁽⁸⁾, was then developed in a context of economic recovery after the 2008 crisis. Industry played a key role in Spain's return to economic growth, owing to greater innovation than in other sectors and a greater impact of exports.

⁸ Ministry of Industry, Energy and Tourism, Banco Santander, Telefónica and Indra, Connected Industry 4.0. The digital transformation of Spanish industry. Preliminary Report. Available at:
<https://www.industriaconectada40.gob.es/SiteCollectionDocuments/informe-industria-conectada40.pdf>

The strategy was developed through a **participatory and public-private collaboration pro-**

cess that involved industrial as well as academic and social players. Three goals were defined:

1

Increasing industrial added value and skilled employment in the industrial sector.

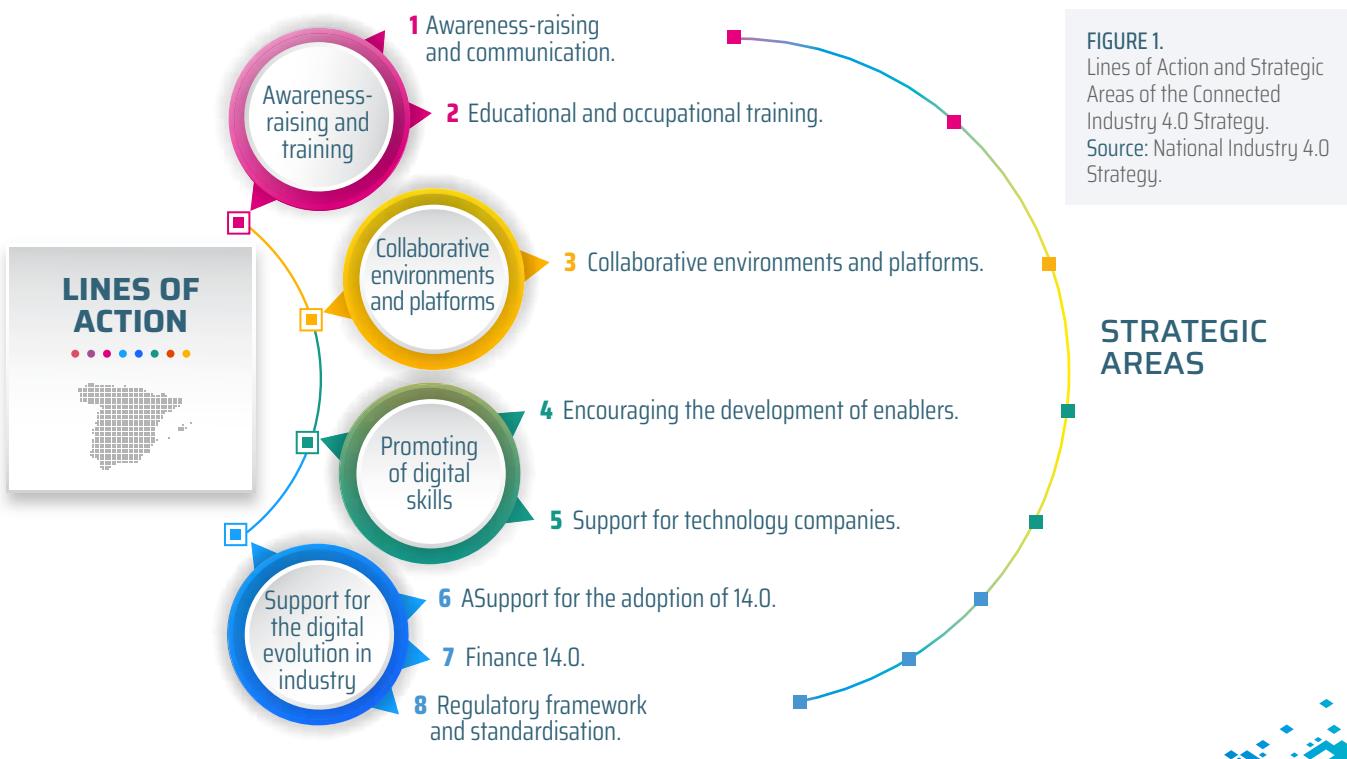
2

Favouring the future industrial model for Spanish industry to enhance future industrial sectors and increase their growth potential while developing local digital solutions.

3

Developing competitive levers to favour Spanish industry and boost their exports.

Based on these, four lines of action and eight strategic areas were developed:



These lines focused first on **the importance of the awareness-raising and training** of human capital at all levels of work and responsibility, considering a comprehensive transformation of the industrial sector. Also worth noting is the **horizontal nature of all the measures and strategic areas, except for verticality in the technology sector** by integrating the enablers needed to undertake the transition.

Furthermore, the industrial sector was limited to the activities of the CNAE groups C, D and E (05-39) which include the mining industries, the manufacturing industry, the supply of electricity, gas, steam and air conditioning and the supply of water, and sanitation, waste management and decontamination activities. However, **it also focuses, in terms of study and measurement, on two other industries: automotive components and textile and fashion.**

This Strategy currently has **six types of programmes to support digital transformation for industrial companies** aimed at achieving more efficient production processes and encouraging new business models. These are HADA (Advanced Digital Self-Diagnostic Tool), ACTIVA Indus-

tria 4.0, with specialised and personalised advice, ACTIVA Financiación, which offers long-term loans and grants, ACTIVA Retos industriales, which is an open innovation programme, ACTIVA Ciberseguridad, which promotes cybersecurity innovation in SMEs, and ACTIVA Crecimiento, which offers personalised consulting services to SMEs.

Following this strategy, 2019 saw the establishing of the **General Guidelines for the New Spanish Industrial Policy 2030** ⁽⁹⁾, which focuses on five basic vectors for industrial policies:



The ultimate goal of the industrial policy is to **improve productivity and international competitiveness**, and to increase the **contribution of the industrial sector to national and regional GDP and employment**.

⁹ General Secretariat of Industry and Small and Medium-sized Enterprises, *General Guidelines for the New Spanish Industrial Policy 2030*, February 2019. Available at: <https://industria.gob.es/es-es/Documents/Directrices%20Generales%20de%20la%20Pol%C3%A3tica%20Industrial%20espa%C3%B1ola%202025.02.19%20FINAL.pdf>

2

To balance the progress of industry with the economy's **sustainability and decarbonisation goals**.

3

To make particular use of the potential of **digitisation** as a competitive lever which must essentially contribute towards meeting the above goals.

4

To align this industrial policy with that promoted by the European Union (hereinafter, the EU) and with the cross-cutting policies affecting it, especially in the aforementioned areas: **digitisation, sustainability and decarbonisation**.

5

To develop an industrial policy that takes into account the role and contribution of **small and medium-sized enterprises in this sector**.

An **active industrial policy aimed at transforming the production model** is therefore established to reindustrialise the economy, adapt SMEs to the digital transformation for the sake of greater international competitiveness, and adapt to the ecological transition. A key challenge for the industrial policy is to improve long- and short-term competitiveness.

The **Industrial Policy of Spain 2030 was included in Part 12 of the Recovery, Transformation and Resilience Plan** ⁽¹⁰⁾, which contains the most recent guidelines in industrial policy at a national level. In line with the previous guidelines and strategic alignments, the Plan seeks to:

"Promote the modernisation and productivity of the Spanish industry-services ecosystem through digitisation of the value chain, boosting productivity and competitiveness and improving the energy efficiency of key strategic sectors in the ecological transition and digital transformation."

10 *Recovery, Transformation and Resilience Plan, Part 12, Industrial Policy Spain 2030*. Available at: <https://www.lamoncloa.gob.es/temas/fondos-recuperacion/Documents/05052021-Componente12.pdf>

To this end, a cost of €6,106.5 million is estimated over three years (2021-2023), of which €3,781.5 million will come from the Recovery and Resilience Mechanism to finance actions aimed at meeting the following goals:

TABLE 1. Goals of the Industrial Policy of Spain 2030.

Source: Recovery, Transformation and Resilience Plan, Part 12, Industrial Policy Spain 2030.

GOALS	DESCRIPTION
Digitisation of strategic sectors	Health, automotive, tourism and trade, in addition to agrifood, establishing public-private collaboration mechanisms to develop technological solutions that increase productivity throughout the value chain in these sectors, in which Spain holds a leading position.
Modernisation and sustainability of industry	Special attention to support for the transformation of the electro-intensive industry.
Promotion of “green” and digital driving industries	Including projects of common European interest.
Spanish Circular Economy Strategy	Modernisation of the waste management and treatment system.

3.1.3. Autonomous Community level □

The regional strategic framework for the II Industrial Promotion Master Plan is mainly defined by the IV Framework Agreement for Business Competitiveness and Innovation and the Smart Specialisation Strategy (RIS3) 2021-2027, **approved in 2021**.

The **IV Framework Agreement for Business Competitiveness and Innovation**⁽¹¹⁾ lays out the guidelines for the Community’s competitiveness policy. This agreement has eleven lines of action aimed at the entire business sector, focuses on the principles of sustainability and digitisation, and includes specific goals and actions in which special attention is paid to SMEs, which are the bulk of the business sector in Castilla y Leon.



¹¹ Communication from the Regional Government of Castilla y Leon:

https://comunicacion.jcyl.es/web/jcyl/Comunicacion/es/Plantilla100Detalle/1284663638052/_/1284996338604/Comunicacion

3 

Science and innovation.

4 

Finance.

5 

Efficient public management.

6 

Internationalisation.

7 

Business environment.

8 

Rural environment and local resources.

9 

Social responsibility.

10 

Transition to a circular economy. Sustainability and energy efficiency.

11 

Human capital and training.

Furthermore, the new **Smart Specialisation Strategy (RIS3) 2021-2027**, produced based on an extensive participatory process, establishes priority areas of action on which to focus efforts in R&D, given the existing specialisation pattern in Castilla y Leon. Industry as a whole is one of the activities that involves a greater degree of R&D, so the II Industrial Promotion Master Plan must be in line with this Strategy.

In addition, RIS3 no longer describes specific areas of action or sectors, but defines three multidisciplinary, multi-sectoral and inclusive vectors of transformation. These are: Castilla y Leon, a territory with quality of life; Castilla y Leon, carbon neutral and fully circular; and Castilla y Leon, support for advanced manufacturing and cybersecurity.

3.2. BROAD TRENDS

Some of the trends affecting the industrial sector can be seen as transformative. In other words, they do not represent a slow-paced continuation or evolution in their implementation, but correspond to in-depth changes and major transformations to which the industrial sector of Castilla y Leon must quickly adapt throughout all its value chains and related activities to ensure its international competitiveness.

These broad trends, represented in the following figure, are closely related, particularly in two groups: the first (shown in blue) is dominated by **three broad trends, which are Digitisation and new technologies, Sustainability and the growth of the importance of Knowledge, and R&D**, to maintain and improve the competitiveness of sectors. In turn, these trends may be accompanied by two specific sub-trends or orientations to which many transformative efforts will be directed: **Energy Efficiency and the Circular Economy**. These are especially related to sustainability, and both include common aspects (circular economy can be seen as a model that maximises the efficient use of available resources, and cannot exist without energy efficiency).

The latter group of trends (shown in grey) comprises two that may initially seem contradictory, but that **represent a transformation in global value chains**. On one hand, a more globalised world and an industry with internationalisation goals, while production is geared towards shortening value chains to ensure the resilience of the sectors to unforeseen events and to guarantee the autonomy of regions and countries for their production.

FIGURE 2. Broad trends.



With regard to the first group of trends, particularly Digitisation and new technologies, as well as Sustainability, these will be promoted in the coming years at all administrative levels, following the European goal of a “twin transition” in the industrial sectors, as will be expanded on in the next chapter.

In turn, to implement these changes in companies in an effective and useful way, **this process will be accompanied by an increase in specific knowledge of digital solutions and the application of new technologies, and of the changes needed to improve the sustainability of activities**. In this case, this is particularly understood from an environmental and social viewpoint, and assuming the economic sustainability of companies. **The financial sustainability of companies must be guaranteed**, i.e. the profitability of their activities and the strength of their structure to be able to cope with changing trends.

In terms of digitisation and new technologies, this trend covers a broad set of developments that will affect organisations to differing degrees, depending on their size, type of activity and degree of digital maturity. On one hand, in general as part of digitisation⁽¹²⁾ the replacement of certain procedures that have traditionally been performed using physical resources

would be included, incentivising the exclusive use of e-invoices, having a website or social media, the digitisation of purchasing and sales processes, etc.

More specifically, **regarding the implementation of more advanced technologies in industry**, it can be expected that they will continue to be driven by the Public Administrations, as has ultimately been the case, as they will be increasingly important for improving the competitiveness of industry. These advanced technologies are included in the eligible actions of Industry 4.0 of the Regional Government of Castilla y Leon, which are: Advanced Manufacturing through Big Data and Advanced Analytics techniques; Additive Manufacturing; Advanced and Collaborative Robotics; Internet of Things; Artificial Intelligence in industrial machinery; Cyber-physical systems that integrate the physical elements of plants with virtual reality, augmented reality and digital twins.

It will therefore be increasingly **necessary for companies to acquire and carry out projects related to advanced technologies in order to maintain and improve their competitiveness**. It is also moving towards greater customisation of implementations, i.e. adapting technologies to the company's specific situation rather than

12 This means that it involves the digitisation of all companies, not only the industrial sector.

standardising solutions. Just as the industrial manufacturing process is increasingly geared towards greater flexibility, solutions and developments will also be flexible according to the needs of each company.

The areas of implementation of advanced technologies in an organisation can be said to be infinite, although those related to the optimisation of production processes, better maintenance of industrial machinery, automation and improved logistics or control of energy and raw material consumption stand out.

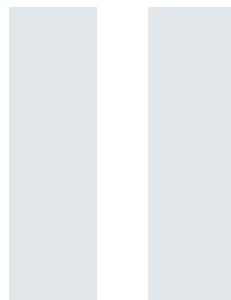
Technological solutions can be implemented for certain purposes, among which, linked to the second of the trends considered, the improvement of the company's environmental sustainability can be highlighted. In this regard, projects aimed at improving energy efficiency and making activity more circular would be noteworthy. Examples of this are the implementation of digital twins to perform consumption simulations and reduce the energy intensity of industry, or additive and flexible manufacturing projects to minimise the consumption of raw materials needed in manufacturing and to eliminate waste.

However, **sustainability must be approached from a wider perspective, and not solely in relation to advanced technologies**, even if these are tools for greater sustainability. Energy efficiency and the circular economy are two of the most relevant aspects for environmental sustainability in industrial companies. On one hand, **maximising energy efficiency is fundamental, as it minimises the energy costs** of organisations, which represent a significant stumbling block for competitiveness. **The circular economy involves industrial companies maximising the use of all existing resources**, minimising waste of any kind. It creates cost savings for organisations, as it reduces the need for waste management and could be a source of revenue if waste is sold as by-products to other organisations or exploited by the organisation itself, reducing reliance on raw materials.

The second group of trends is also related to the previous ones. In the case of globalisation, digitisation and greater knowledge of opportunities in international markets favour the internationalisation of companies and their positioning, either worldwide or in specific markets. Moreover, driven by the Covid-19

pandemic and by the trend of greater environmental sustainability, there is a tendency towards reducing the length of value chains. The situation experienced in 2020 revealed the excessive dependence on foreign countries for certain raw materials or components needed for manufacturing, as well as the shutdown of production in the face of external changes. Local products are therefore necessary to ensure greater certainty of supply, wherever possible.

This also has an impact on greater environmental sustainability since, by reducing distances, transport-related emissions also decrease.



Plan Dire

3.3. BENCHMARKING

As part of the process in producing the II Industrial Promotion Master Plan 2021-2025 of Castilla y Leon, a benchmarking study was conducted to analyse the main industrial and related policies (smart specialisation, innovation, internationalisation, etc.) of 20 regions. These regions were selected based on different criteria, including: similarity with Castilla y Leon in

TABLA 2. Regions for Benchmarking.

● SPANISH -6-	● EUROPEAN -10-	● NON-EUROPEAN -4- 
<ul style="list-style-type: none">· Galicia· Basque Country· Autonomous Community of Navarra· Castilla La Mancha· Community of Madrid· Catalonia	<ul style="list-style-type: none">· Champagne Ardennes -now Grand Est- (France)· Aquitaine (now Nouvelle-Aquitaine)· Veneto (Italy)· Emilia-Romagna (Italy)· Western Region (Romania)· North (Portugal)· Baden-Württemberg (Germany)· Bavaria (Germany)· Foodvalley, Gelderland (Netherlands)· Ostrobothnia (Finland)	<ul style="list-style-type: none">· California (USA)· Central Region (Korea)· Aguascalientes (Mexico)· Scotland (United Kingdom)

This chapter will present the main conclusions drawn from the benchmarking study, paying special attention to good practices with a high potential for applicability in Castilla y Leon.

their economic structure, competitiveness and industrial leadership at European and global level in general, and industrial leadership in strategic sectors for Castilla y Leon.

Of these 20 regions, 6 Spanish, 10 European, and 4 non-European regions were considered, as follows:

¹³ Non-European regions are excluded from this comparison because it is impossible to obtain homogeneous regional sources on these aspects. Eurostat data used.

Firstly, a comparison was made between the sociodemographic, economic and industrial situation and evolution of Castilla y Leon and the other Spanish and European regions selected in this analysis, from which the following results can be obtained ⁽¹³⁾:

- ❖ **Castilla y Leon has a population deficit that may affect the industrial workforce.** It was the second region to have lost the most population, behind only the Western Region - Vest - (Romania) and, given demographic ageing, the fourth region with the lowest percentage of working age population (62.66%).
- ❖ **Economic growth in Castilla y Leon was moderate compared with other regions, but there was an increase in GDP per capita.** While the evolution of GDP between 2009 and 2019 represented 9.12% growth, which is below the European average and much lower than some of the compared European regions, the evolution of GDP p.c. in the same period was 15.81%, which is higher than important Spanish and French regions. However, this is mainly due to the reduction in population experienced and discussed in the previous point.
- ❖ **As regards the importance of industry in regional production as a whole, most of the selected regions have greater industrial importance than Castilla and Leon.** This is logical, given that regions with an emphasis on industry were identified, although it should be noted that, compared with the other regions, Castilla and Leon is more important in relation to the remainder in terms of wages

and salaries and people employed in industry, but not in terms of the number of industrial premises.

With regard to industrial and related policies analysed in the regions, the following trends and conclusions can be drawn:

SUPPORTING DIGITAL AND ECOLOGICAL TRANSFORMATION ■■■

The two major trends occurring worldwide are related to technological and digital developments (Industry 4.0) and environmental sustainability.

In a number of the regions analysed, support for digital transformation has a twofold impact: on one hand, it involves adapting industrial companies (especially SMEs) to Industry 4.0, while on the other hand, it involves boosting the ICT sector and new technologies within the same territory, as well as a sector of interest in itself, as enablers for the transformation of the former.

In this case, support for the creation of tech startups able to serve industrial companies is also highlighted, along with the promotion of collaboration between these companies and other related entities in the R&D ecosystem with industrial companies, especially larger ones.

It should also be noted that, in many cases, support for digital and ecological transformation (especially digital transformation) is accompanied not only by financing but also by guides and support in the transformation process, which in many cases (especially SMEs) can be difficult to implement on a regional level.

Regarding environmental sustainability, aid and support measures in two specific areas stand out: the circular economy (for example, the industrial symbiosis programme in industrial estates of Navarra) and energy.

In addition, direct financial support was found in regional industrial policies to carry out investments linked to the changes needed to tackle both transformations. It must be said that in many cases technologies and sustainability are closely linked, such as financial support for the purchase of new technologies and more efficient machinery, or the promotion of industrial energy self-consumption, which invests in cutting-edge technology while promoting the use of renewable energies.

NETWORKS AND CLUSTERS

In almost all the regions analysed, clusters and networks developed are closely linked to industrial sectors. Particularly clusters, they have an important role at the heart of the industrial sector and are linked to the smart specialisation priorities of the regions.

The role played by clusters is not limited to business/industry associations, but contributes to business progress by helping set the long-term goals of R&D policies. In addition, it can be seen that, in some regions, commitment to the future involves strengthening clusters.

Furthermore, the role of networks can be highlighted by their link with local entities. They are a good tool for industries, located especially in the rural environment, receive specific support, and achieve greater representation in industrial ecosystems. On the other hand, there is public support for companies to access international networks, including the “Networks” programme of the Dimecc Platform of Ostrobothnia, which has an extensive portfolio of international networks to encourage companies to join them.

ADVICE AND MENTORING ■■■■

One of the highlights of benchmarking is that several of the regions analysed have public networks or systems through which they provide personalised advice or mentoring to regional industrial companies.

These programmes particularly target SMEs and, in some cases, offer general assistance on administrative formalities or support measures to those requesting as such, in a direct and personalised manner.

In the case of thematic or specific advice, some of the most frequent areas encountered were digital transition, industry 4.0, internationalisation and R&D, and support programmes for companies were significant. For example, support from Silicon Valley experts for startups and companies in their early stages.

STRENGTHENING R&D ■■■■

Industrial and related policies in the regions under study have shared aspects, such as the promotion of industrial R&D, support for relations between enterprises and knowledge entities, and the promotion of entrepreneurship, especially linked to new technological developments and innovative enterprises.

In addition, guidance for supporting industrial innovation, in some cases, is strongly marked by the digital and ecological transition, favouring energy efficiency. It was also often found that guidance in innovation (or R&D) is linked in different ways (e.g. by concentrating the budget) to sectors or value chains in which regions are more specialised or have a priority interest.

It was also seen that the regions analysed not only focus on promoting innovation, but are committed to trying to scale up innovation (the DIH-Techimpuls of the Western Region of Romania could be highlighted in this respect).

BOOSTING LOGISTICS, INDUSTRIAL LAND AND OTHER INFRASTRUCTURE ■■■■

In a globalised economy, with the presence of value chains in all territories that cross multiple borders and an increase in industrial internationalisation, some regions try to boost the logistics sector. To this end, investments are made in transport and distribution infrastructure, as well as for the specific digital and ecological transformation of this sector.

Infrastructure included in industrial and related policies does not usually refer to what can be considered traditional (roads and trans-

port), but territories are opting for world-class technological infrastructure. Energy infrastructure would also be included in this. One concern in the most advanced regions is that the level of all infrastructures as a whole is sufficient to make it easier to grow and attract business to a territory (initiatives for a more attractive industrial context in Baden-Württemberg).

TRAINING AIMED AT NEW TECHNOLOGIES, INNOVATION AND LANGUAGES ■■■■

Training activities aimed at employees with all levels of responsibility play an important role. Adapting the knowledge of professionals to current business needs is considered a key factor for competitiveness. Notable, for example, are training activities in new technologies for executives in companies, as well as specific training programmes for industrial employment (one example would be the I4.0 Training Programme and the 2030 InCoDe platform in Portugal, which, despite being national, includes initiatives that can be developed from a regional perspective).

In entrepreneurial training, there are also many initiatives related to business and business management, as well as others related to improving innovation management, allowing

for better knowledge transfer from the science and innovation system of the regions to their companies.

SPECIFIC BEST PRACTICES ■■■■

In addition to the conclusions given above, a number of good practices were identified that correspond to specific measures and programmes that are worth highlighting, either because of their innovative and distinguishing nature or their potential for applicability in Castilla y Leon:

- **Machinery 4.0 Programme in the Industrial Competitiveness Agenda of Galicia 2014-2020**, which selects a certain number of proposals to develop industrial solutions for their implementation. This programme supports the suppliers of machinery and equipment (a sector of great importance in Castilla y Leon) as well as Galician industries in general, providing Galician suppliers with access to machinery and equipment to solve their challenges.
- **Business Angels platform of the Industrial Plan of the Autonomous Community of Madrid 2020-2025** for priority industries. This is seen as a best practice activity that can be carried out by the public

sector, as it helps seek alternative funding for priority companies as well as raising awareness of industrial companies in the region among a wider audience. This programme increases the possibilities for companies that find it more difficult to access more traditional financing institutions, and at a lower cost to the public coffers than direct grants might have.

- ◆ **The e-showcases of the Support Plan for French export companies in Champagne Ardennes**, which offer a good showcase for products generated in the region. In this case, products from the fields of agrifood, wine and spirits, cosmetics and beauty are shown. It may be interesting to have a centralised portal offering the most outstanding products of Castilla y Leon industry and, following the example of this region, focusing primarily on B2B.
- ◆ **The cheques and vouchers of Catalonia, Bavaria and Gelderland help speed up concrete investments in digitisation or internationalisation, for example.** They

serve as a tool for public authorities to financially support investments in certain areas in a simpler way in terms of administration than regular grants.

- ◆ **Talent attraction and succession included in the Bavarian SME Pact.** This seeks to preserve the industrial fabric of family businesses that are destined to close due to a lack of succession. For this purpose, they have a digital portal known as “Corporate Succession of Bavaria” that acts as a meeting point between entrepreneurs and industries with succession problems.
- ◆ Finally, we must also highlight that **there is express support in Galicia, Aguascalientes and Scotland for “completing” local value chains**. In other words, this involves encouraging the development of supplier industries linked to the main regional economic sectors. This makes it possible to reduce outside dependence and to generate industry with nearby potential customers. ■



h

4 INTERNAL ANALYSIS

4.1. INDUSTRIAL FABRIC OF CASTILLA Y LEON

The aim of this section is to **analyse the current situation and development of the Castilla y Leon economy, focusing on the industrial context**, and to compare it, where possible and appropriate, with the Spanish situation. It should be considered that, due to a lack of more up-to-date data, much of the information and indicators collected do not yet include the effects of the Covid-19 pandemic, which has put the global economy at risk.

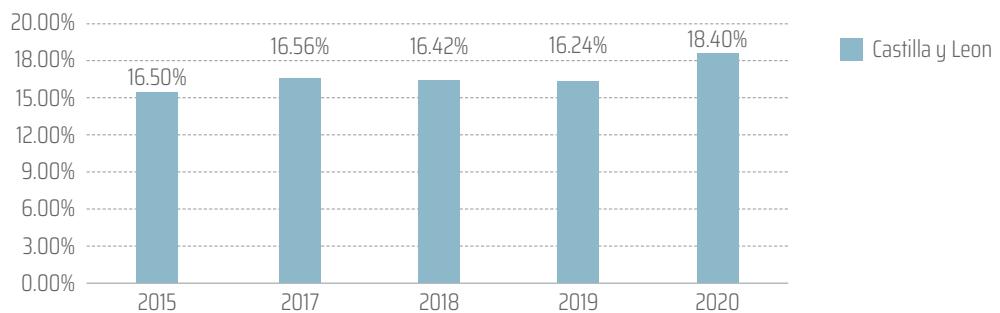
Importance of the industrial sector in the economy □

The The trend followed between 2009 and 2019 in the European Union was to slightly increase the importance of industry on total GVA, more in the Euro area (19 countries), where the increase stood at 0.9% while for the EU as a whole it stood at 0.7%. This was not the trend in Spain, where the importance of the industrial sector in the entire economy remained unchanged and stood below the European average, accounting for 15.8% ⁽¹⁴⁾, although this value increases sli-

ghtly if Spain's Regional Accounts are taken into account, in which case it reaches 16.15%.

Turning to the manufacturing industry (excluding energy and mining products), the importance of the manufacturing industry in Castilla y Leon is closer to European levels than to national levels: it has increased from 16.5% of GVA in 2015 to 18.4% in 2020.

GRAPH 1. Importance (in %) of the manufacturing industry on total GVA in Castilla y Leon. **Source:** Compiled by author based on: 1) Data from 2015 to 2019: INE, *Regional Accounting of Spain*. 2) Data from 2020: Regional Government of Castilla y Leon, *Regional Accounting*.



¹⁴ Eurostat, *Sectoral importance of sectors on GVA at current prices in European countries, 2009 and 2019. This refers to industry as a whole (manufacturing, mining and energy).*

The future outlook is currently optimistic. The regional estimates available for 2021 indicate that, in the first quarter, the industrial GVA has grown by 4.1%, with a sharp increase of 17.7% in the energy sectors and a more moderate growth of 2.7% in the manufacturing sectors. In addition, other indicators, such as the Industrial Production index, also show improvement.

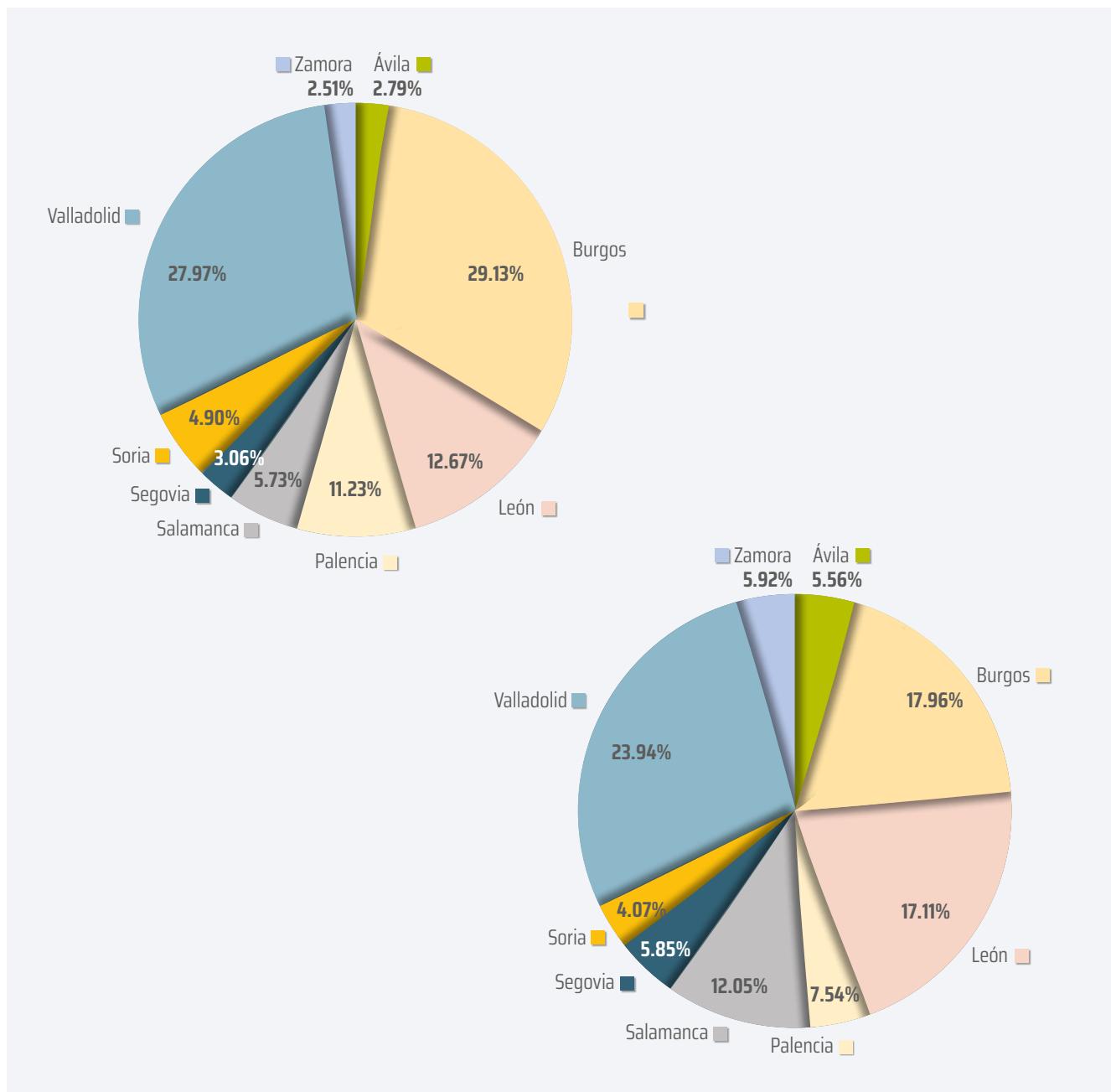
Moreover, taking into account the provincial distribution of both total GVA and, more specifically, industrial activities, it can be seen that Valladolid, Leon and Burgos are the provinces with the highest production activity. **Burgos is the province with the highest relative importance of industrial activity, contributing 29.13% of the region's Industrial GVA** ⁽¹⁵⁾. In the other provinces, the importance of indus-

try is highlighted in Palencia, Soria and Valladolid, where the weight of its industrial sector on the whole region is greater than the percentage of its contribution to total regional GVA.

In absolute terms, therefore, the provinces of Burgos and Valladolid account for a greater percentage of the total industrial activity of the autonomous community, whereas **Burgos and Palencia are the provinces where the industrial sector plays a greater role in its economic structure**. Also of great importance is the impact of this sector in the province of Soria, where it contributes almost a quarter of provincial GVA. At the other extreme are the provinces of Zamora, Salamanca and Ávila, with a lower level of industrialisation of their economic structure.

15 The data provided at provincial level is the latest available and dates back to 2018 (INE; Provincial GVA).

GRAPH 2. Provincial distribution of industrial and total GVA, 2018. *Source:*INE, Regional Accounting of Spain.



Business fabric □

169,199 companies were registered in Castilla y Leon in 2020, of which 11,477 are industrial companies, representing 7.16% of all companies in the region and 5.93% of Spanish industrial companies. **This implies an industrial specialisation of the region**, as total compa-

nies of Castilla y Leon represent only 4.71% of total Spanish companies, i.e. 1.2 percent below the industrial weight. Castilla y Leon is the sixth region in Spain due to the importance of the industrial sector on its business fabric.

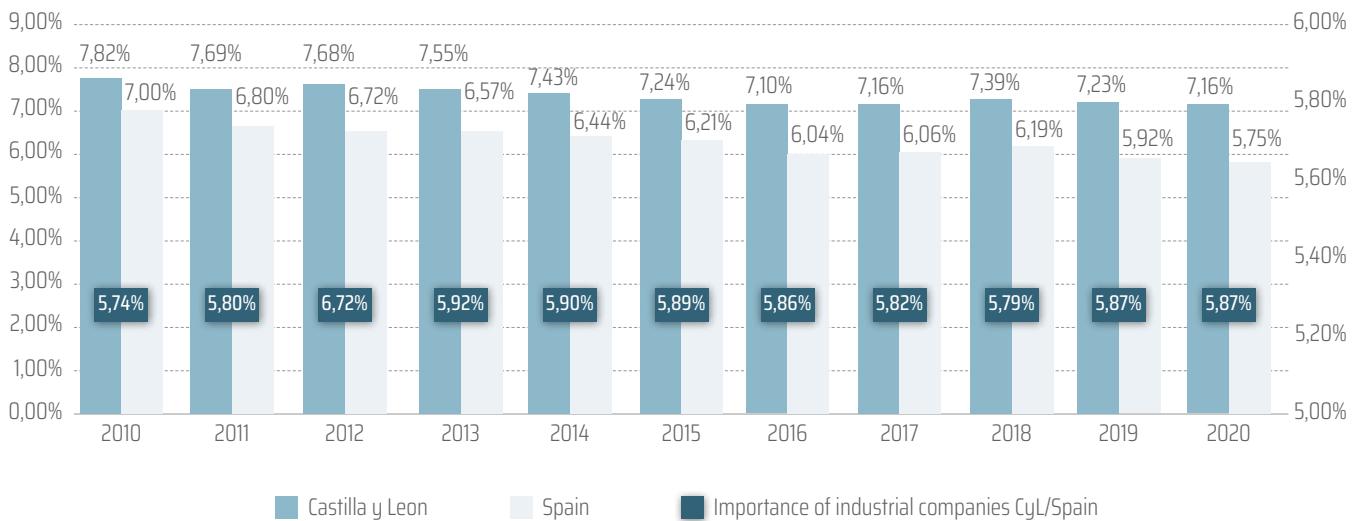
TABLE 3. Business and industrial fabric by autonomous community, 2020. Fuente: INE, DIRCE (Central Directory of Companies).

⌚ Autonomous Community	⌚ Total	⌚ Industry	⌚ % Industry/Total
TOTAL	3,404,428.0	195,615.0	5.75%
Andalusia	531,045.0	28,395.0	5.35%
Aragon	90,682.0	6,532.0	7.20%
Asturias	68,433.0	3,495.0	5.11%
Balearic Islands	100,022.0	4,834.0	4.83%
Canary Islands	152,756.0	5,677.0	3.72%
Cantabria	38,880.0	2,086.0	5.37%
Castilla y Leon	160,199.0	11,477.0	7.16%
Castilla La Mancha	128,713.0	11,174.0	8.68%
Catalonia	629,876.0	35,339.0	5.61%
Region of Valencia	370,645.0	24,680.0	6.66%
Extremadura	67,336.0	4,787.0	7.11%
Galicia	197,813.0	12,100.0	6.12%
Autonomous Community of Madrid	552,027.0	20,965.0	3.80%
Region of Murcia	96,764.0	7,107.0	7.34%
Navarra	44,430.0	3,833.0	8.63%
Basque Country	143,028.0	10,700.0	7.48%
La Rioja	22,700.0	2,233.0	9.84%
Ceuta	3,845.0	73.0	1.90%
Melilla	5,234.0	128.0	2.45%

Continuing with the importance of the number of industrial companies, the following graph shows that **the proportion of industrial companies in relation to total companies is higher in Castilla y Leon than in Spain**. In addition, al-

though both have decreased, this reduction has been more marked in Spain, causing the importance of the number of companies from Castilla y Leon in relation to the total to increase slightly in 2020 in comparison with 2010

GRAPH 3. Evolution of the importance of the industrial sector in terms of the number of companies in Castilla y Leon and Spain, and the weight of the number of industrial companies in Castilla y Leon in Spain. 2010-2020. **Source:** INE, DIRCE (Central Directory of Companies).



In terms of size, **industrial companies have a larger average size than all companies**, given the characteristics of the sector. Only 37.39% of industrial enterprises have no employees, while industrial enterprises account for more than half of all enterprises in all economic sectors. In

addition, the number of industrial companies with 50 to 199 employees has gained weight from 2016 to 2020, increasing from 1.67% of all industrial companies to 1.84%, which means a **strengthening of industrial companies**.

TABLE 4. Number of total and industrial enterprises per employee range in Castilla y Leon.

Source: INE, DIRCE (Central Directory of Companies).

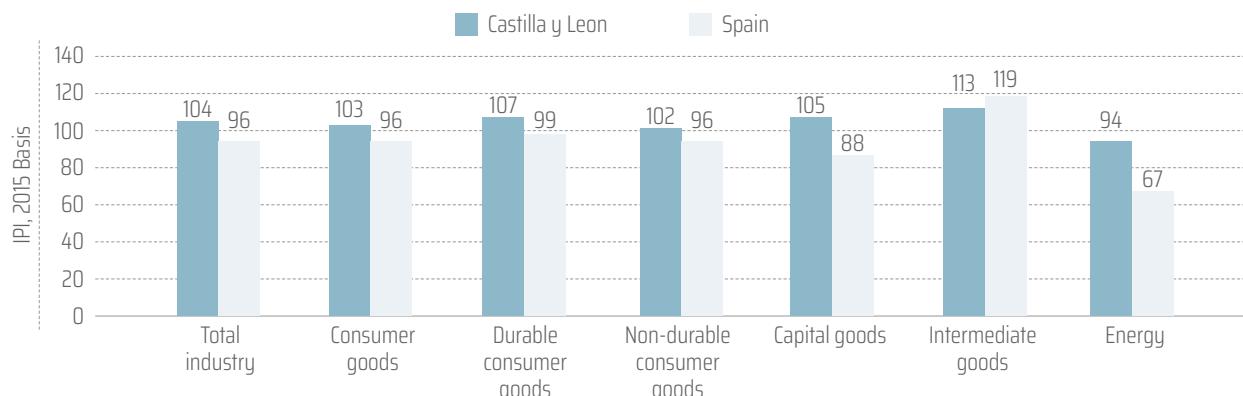
EMPLOYEE RANGE	Total	% Total of enterprises	Industry	% Industry
TOTAL	160,199	100%	11,477	100%
No employees	88,237	55.08%	4,291	37.39%
1 to 2	45,299	28.28%	3,354	29.22%
3 to 5	14,600	9.11%	1,504	13.10%
6 to 9	5,752	3.59%	851	7.41%
10 to 19	3,425	2.14%	722	6.29%
20 to 49	2,012	1.26%	495	4.31%
50 to 99	478	0.30%	133	1.16%
100 to 199	228	0.14%	78	0.68%
200 to 249	34	0.02%	7	0.06%
250 to 999	101	0.06%	35	0.30%
1,000 to 4,999	31	0.02%	7	0.06%
5,000 or more	2	0.00%	0	0.00%

Industrial production index □

In Castilla y Leon, **the Industrial Production Index in July 2021 for almost all types of goods produced stood below the national production index, except for intermediate goods**, including metal ores, flours, starches, animal manufacturing products, the paper industry, the manufacture of rubber and plastics, of electronic components or of electrical equipment other than household appliances.

Although the difference between Spain as a whole and Castilla y Leon in the total industry index is not very great, the difference between the two indices in Energy and Capital Goods is significant. In addition, with the exception of Intermediate Goods, the IPI in Castilla y Leon is below the 2015 value, while in Spain as a whole only the Energy sector is below 100.

GRAPH 4. Industrial Production Index in Spain and Castilla y Leon by economic destination of the goods, January-July 2021 average.
Source: INE, Industrial Production Index.

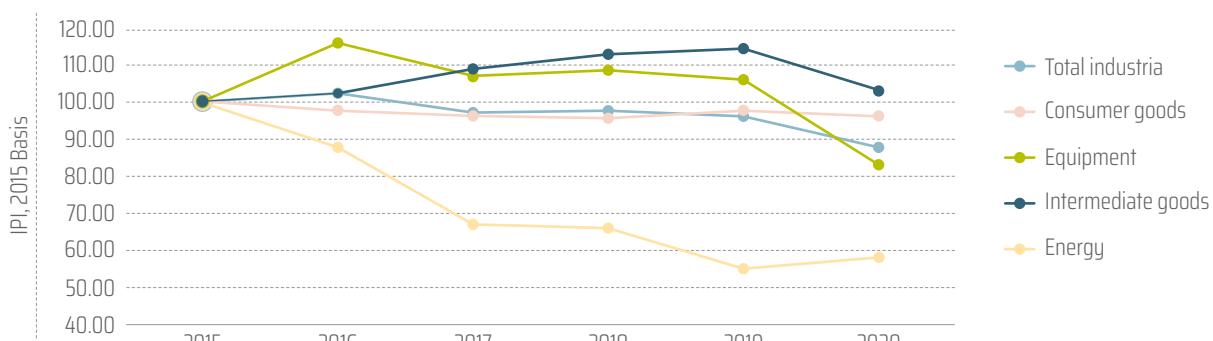


Looking at the evolution of IPI since 2015, it can be seen that **Castilla y Leon featured mainly in intermediate and capital goods** (although the latter were heavily affected as a consequence of the crisis arising from the coronavirus pandemic, the most severe effects), while consumer goods remained

virtually unchanged during this five-year period.

On the other side are the energy sectors, which have lost importance in industrial production progressively and at a different rate. However, this is the only sub-sector that saw its situation improve in 2020.

GRAPH 5. Trend in the annual average of the Industrial Production Index in Castilla y Leon, by economic destination of the goods, 2015-2020.
Source: INE, Industrial Production Index.



Turnover □

The turnover of the industrial sector as a whole in Castilla y Leon reached 39,851 million euros in 2019, although this was 1.17% down on the previous year, while in Spain as a whole industrial turnover increased by 1.66%. The weight of Castilla y Leon on the country overall fell from 6.14% in 2018 to 5.96% in 2019. It still ranks seventh among Spanish regions.

TABLE 5. Turnover by autonomous community, thousands of euros, 2019.
Source: INE, Structural Statistics on Industrial Sector Companies.

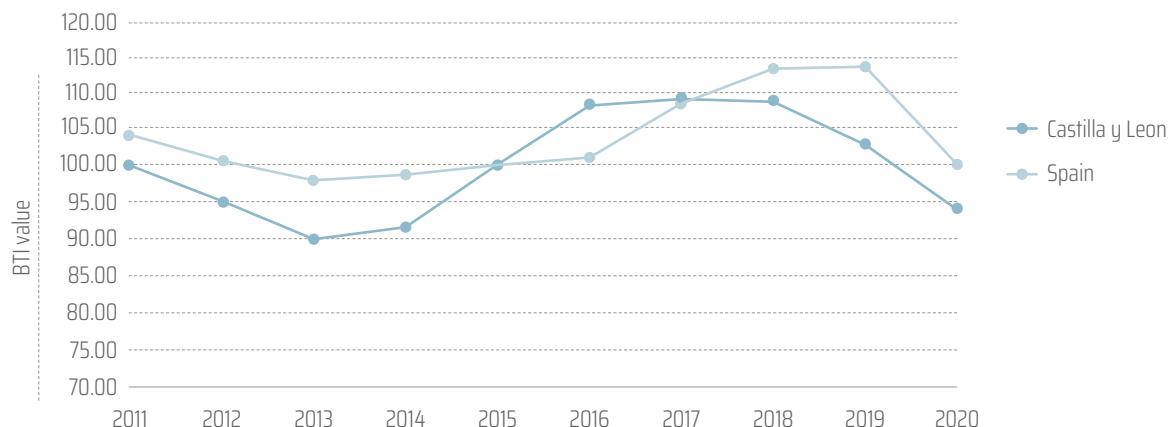
Autonomous Community	Turnover	Región %
TOTAL	668,126,995	100%
Andalusia	79,236,845	11.86%
Aragon	31,757,645	4.75%
Asturias	13,996,752	2.09%
Balearic Islands	4,899,593	0.73%
Canary Islands	7,428,979	1.11%
Cantabria	9,160,454	1.37%
Castilla y Leon	39,851,393	5.96%
Castilla La Mancha	28,932,401	4.33%
Catalonia	148,795,441	22.27%
Region of Valencia	70,970,218	10.62%
Extremadura	8,108,967	1.21%
Galicia	42,953,942	6.43%
Autonomous Community of Madrid	71,773,075	10.74%
Region of Murcia	23,211,388	3.47%
Navarra	21,885,988	3.28%
Basque Country	58,840,827	8.81%
La Rioja	6,041,786	0.90%
Ceuta	151,873	0.02%
Melilla	129,428	0.02%

The Business Turnover Index (BTI) in industry, which measures the monthly evolution of demand aimed at industrial sectors, **stood at 101.44 in April 2021 for Castilla y Leon, below that of Spain as a whole, which stood at 113.97**. The following graph shows that, with the exception of 2016, the annual average of this indicator for Castilla y Leon has remained below the national average, although it follows

a similar trend. Although it is true that a steep reduction can be observed in this index in 2020 compared to 2019 for the country as a whole, it still remained at levels similar to those of 2015 despite the impact of the pandemic. However, in Castilla y Leon, BTI started to decrease in 2018, and ended 2020 with a lower average than in 2015.

GRAPH 6. Trend in the annual average of BTI in Spain and Castilla y Leon, 2011-2020.

Source: INE, Business Turnover Index of Industry produced by INE.



With regard to the provincial distribution of turnover in the industrial sector, Valladolid, Burgos and Palencia stand out, as they account for

more than half of regional turnover among the three provinces. On the other side are the provinces of Avila and Zamora.

TABLE 6. Provincial distribution of turnover of industry in Castilla y Leon, 2019.
 Source: Regional Government of Castilla y Leon, Accounts of the industrial sector.

 Province	 Turnover (millions of euros)
TOTAL	39,851,393
Avila	1,032,480
Burgos	8,354,399
Leon	3,257,778
Palencia	5,214,214
Salamanca	2,635,813
Segovia	2,014,819
Soria	2,640,384
Valladolid	10,342,649
Zamora	1,489,804
Not known	2,869,055

164,500 people for the second quarter of 2021, with an employment rate of 93% in relation to the working population in industry. In addition, the employed population across the sector has increased by 8.07% since the same quarter in 2011, despite the decline in the number of people employed since the first quarter of 2020 when the Covid-19 pandemic began.

On the other hand, although the situation seems to be picking up, the evolution of the number of employees in the industrial sector is extremely volatile, and is still far from the 179,200 employees recorded in the last quarter of 2011.

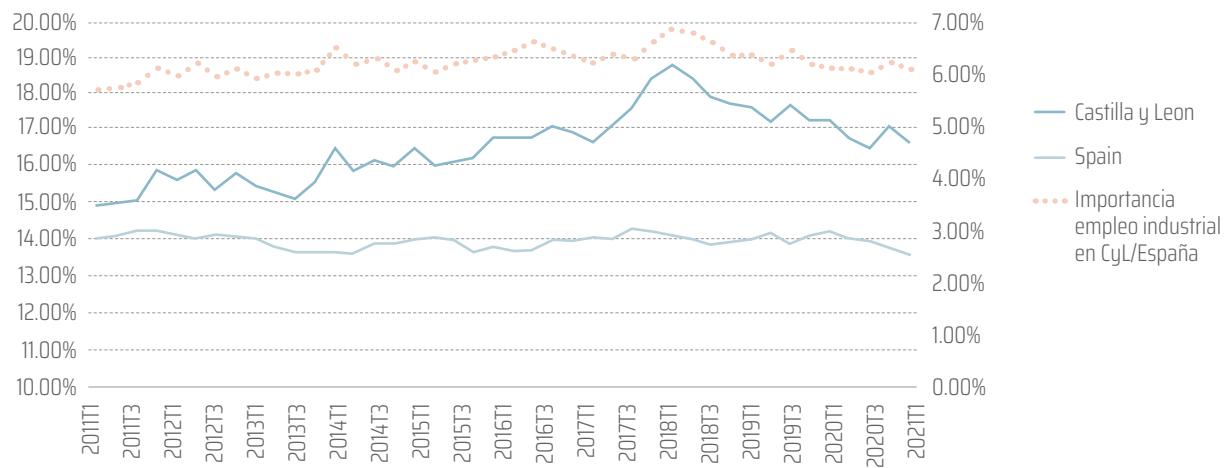
With regard to the importance of employment in the industrial sector as a whole, it can be seen that employment in Castilla y Leon is higher than in Spain, and that the gap has widened since 2011. It already started with a difference of almost one percent in the first quarter of 2011, which increased to almost 3.5 percent in the second quarter of 2021.

This means that **the importance of industrial employment in Castilla y Leon on a national level also increased in the second quarter of 2021** compared to the same period in 2011.

Employment in industry □

The Labour Force Survey places the population employed in the industrial sector at

GRAPH 7. Trend in the importance of industrial employment in Castilla y Leon and Spain and of industrial employment in Castilla y Leon in relation to Spain as a whole. 2011Q1-2021Q2. **Source:** INE, Labour Force Survey (LFS).



Employment in manufacturing is male-dominated, and in Castilla y Leon the gender gap is higher than in Spain as a whole. Using the annual employment measurements as a reference here, it can be seen that, although employment in industry is growing more among women, they do not yet account for one quarter

of those employed in Castilla y Leon, and this is only very slightly higher in Spain as a whole.

In addition, female employment in industry was higher in 2020 than in 2021, which may be due to a higher loss of female employment as a result of the pandemic.

TABLE 7. Women employed in the industrial sector in Castilla y Leon and Spain. Quarterly average comparison 2011, 2020 and 2021¹⁶. **Source:** INE, Labour Force Survey (LFS).

	% female employment			Evolution of the number of people employed (2011-2021)		
	2011	2020	2021	WOMEN	MEN	TOTAL
Castilla y Leon	21%	24%	23%	18%	5%	8%
Spain	24%	27%	26%	11%	-1%	2%

¹⁶ The data for 2011 and 2020 corresponds to average employment of the four quarters of the year, whereas for 2021 the average of the first two quarters of the year was taken, according to the availability of data.

4.2. SECTOR ANALYSIS

The Industrial Promotion Master Plan 2017-2020 of Castilla y Leon included seven sectors on which to prioritise certain efforts in regional industrial policy. These were taken **based on the Autonomous Community's economic expertise and thematic priorities defined in the RIS3 2014-2020**, with the following results:

1 Agrifood	2 Automotive, parts and equipment	3 Health and quality of life
4 Energy and industrial environment	5 Habitat	6 Cultural industry
7 Information and communication technologies (ICT)		

As expected, over the years there have been no major changes in the economic structure, specifically in the industrial structure of Castilla y Leon, and so **these sectors were also used as a basis for implementing the priority sectors of the new Plan**. However, differences among sectors in terms of size, level of development or historical presence in the territory, as well as the different characteristics of certain groups of activities within sectors, led to the following selection of priority sectors:

TABLE 8. Priority Sectors, II Master Plan.

STRATEGIC SECTORS	SECTORS WITH HIGH GROWTH POTENTIAL
Automotive	Pharmaceutical and health
Agrifood	Chemicals and cosmetics
Energy	Aeronautics
Habitat	ICT
	Cultural and creative industries
	Logistics

As can be seen in the table above, the sectors are classified under the category "**strategic sectors**", which are of greater importance in quantitative terms (number and size of companies, turnover, employment, etc.) and "**sectors with high growth potential**", which includes those where future development is expected given current capabilities, growth potential and global trend guidelines.

Moreover, with regard to the aforementioned priority sectors, there is a disaggregation of Automotive, components and equipment, which becomes **Automotive** on one hand, and **Aeronautics** on the other, while Health and quality of life is disaggregated into **Pharmaceutical and health** and **Chemical and cosmetics**, both as sectors with high growth potential and with very different players and activities.

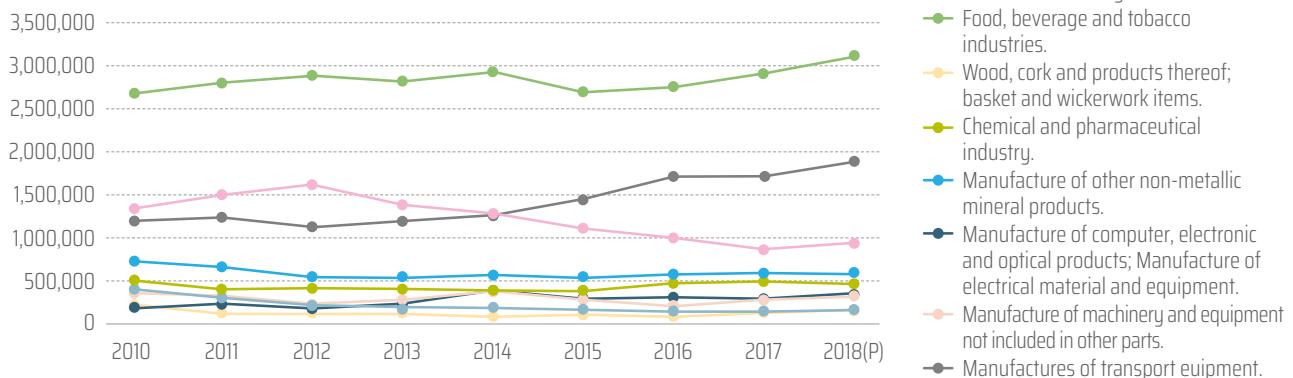
In addition, the **Logistics** sector is included because of its great importance as support or complement to the regional industrial sector and because of its strategic location, especially as a factor of competitiveness and as a tool in territorial cohesion.

Considering the Aggregates by sector of activity of Castilla y Leon Accounting, the selected sectors would have achieved ⁽¹⁷⁾ a GVA of 7.950 billion Euros in 2018, representing a contribution of 67.53% to the industrial GVA and 13.89% to the autonomous community as a whole. Moreover, compared to 2010, both va-

lues have increased, i.e. all these sectors would have gained importance in Castilla y Leon.

As can be seen in the graph below, **three sectors stand out above the others, corresponding to the first three strategic sectors:** Automotive, Agrifood and Energy. The first two have also experienced significant growth over the period considered. Although Energy has gradually decreased, as will be seen in greater depth in the following chapters, the Supply of electricity, gas, steam and air conditioning does not exclusively reflect the purely industrial behaviour of the sector.

GRAPH 8. Evolution of the GVA of the priority industrial sectors in Castilla y Leon (2010-2018). **Source:** Regional Government of Castilla y Leon, Annual Accounting 2010 Basis. Aggregates by sector of activity.



The following chapters summarise the description and current situation of all the sectors considered, and set out the main challenges and measures for each one.

¹⁷ Latest available data disaggregated by sector of activity. CNAE 05-12, 16, 19-21, 23 and 26-30 are considered in this case because they have a more "exclusive" link with the sectors considered.

4.2.1. Strategic sectors □

AUTOMOTIVE ■■■

THE automotive sector is one of the main industrial sectors in Castilla y Leon in terms of company size, job-creation capacity (direct and indirect), innovation, and export volume.

Considering the classification of activities related to automotive, but also to machinery and transport in general, it can be seen that

there are 379 enterprises in Castilla y Leon, representing 3.25% of the industrial enterprises in the region. However, it is the sector that, after the agrifood sector, contributes most to the weight of industry in Castilla y Leon, also due to the great “pull” effect it has on other sectors, not only industrial, but also trade and services.

TABLE 9. Automotive companies by main activity. Year 2020. *Source:* INE (DIRCE).

	CNAE	NUMBER OF COMPANIES 2020
281	Manufacture of general-purpose machinery	7
282	Manufacture of other general-purpose machinery	81
283	Manufacture of agricultural and forestry machinery	98
284	Manufacture of metal working machine tools and other machine tools	19
289	Manufacture of other special-purpose machinery	69
291	Manufacture of motor vehicles	4
292	Manufacture of bodies for motor vehicles; manufacture of trailers and semi-trailers	56
293	Manufacture of components, parts and accessories for motor vehicles	39
309	Manufacture of transport equipment not included in other parts	6
TOTAL AUTOMOTIVE		379

Employment in the sector stood at 21,930 people in 2018. The activities of Manufacture

of bodies for motor vehicles, Manufacture of trailers and semi-trailers and Manufacture of

components, parts and accessories for motor vehicles were those with the highest number of employees. These activities account for 17,621 workers, which is 80.35% of the sector's total.

Moreover, in terms of export volume, exports reached 7,471 million euros in 2019, with motor vehicle manufacturing being the biggest exporters.

Considering CNAE 28, 29 and 30 jointly, in 2018⁽¹⁸⁾ GVA in Castilla y Leon totalled 2,173 million euros, representing 20.47% of the manufacturing GVA of the Autonomous Community. This figure is of great importance, especially because it can be considered partial, as the automotive value chain also extends to other groups of activity (such as metallurgy or the manufacture of electrical equipment). When considering the value chain as a whole, the automotive sector and its ancillary companies amount to 25% of regional GDP⁽¹⁹⁾.

Furthermore, the evolution of the GVA in this activity (considering the three CNAE groups mentioned above) has been extremely positive since 2010. It has increased by 43.41% at cu-

rrent prices, and has increased its contribution to the manufacturing industry significantly, which stood at 16.39% in 2010.

In Castilla y Leon, a number of car multinationals were established in the last century and are still present in the region today. Other supply industries also developed around them, generating a significant volume of regional wealth and employment, especially in the provinces of Valladolid, Palencia, Burgos and Avila.

One example of the importance of the automotive sector in Castilla y Leon is the fact that 13.1% of the country's job vacancies belong to companies in this region. The profiles most in demand in 2018 include the following⁽²⁰⁾:

1. Operator.
2. Mechanic, assembler-machine adjuster.
3. Specialist operator in CNC machining centre.
4. Electromechanical maintenance technician.

Other highlights include the following aspects of the automotive sector in Castilla y Leon:

18 Latest data available in disaggregated form in the Annual Accounting of Castilla y Leon.

19 La Vanguardia, "Automotive and ancillary companies generate 25% of CyL industrial GDP". 22 November 2019. Available at: <https://www.lavanguardia.com/vida/20191122/471784870826/automocion-y-empresas-auxiliares-generan-25-del-pib-industrial-de-cyl.html>

20 ADEC <https://www.equiposytalento.com/noticias/2018/02/13/la-cualificacion-de-los-profesionales-que-llegan-al-sector-de-la-automocion-es-muy-baja>

- ◆ The **type** of companies is extremely varied, although the very significant presence of large multinational companies, both foreign and regional, must be underlined. Note that there are three car manufacturing plants in the region: Renault (Valladolid and Palencia) and FIAT-IVECO Group (Valladolid). There are also important Tier-1 companies, such as the NISSAN factory (AVILA), Antolín or Lingotes Especiales.
- ◆ In relation to the end customer, the sector is **highly diversified**. In particular, it must be noted that a very significant number of suppliers have a plural customer portfolio.
- ◆ Significant presence of **supply companies** in the region (including specialised, Tier 1).
- ◆ The region is moving towards **plug-in hybrid specialisation**. In this regard, it should be noted that Renault has so far located the production of the electric vehicle in France because the current lack of demand makes it more profitable with a single production site.
- ◆ Valladolid is home to the **National Automotive Occupational Training Centre**, specialising in the professional areas of Vehicle Electromechanics and Vehicle Bodywork, given the importance of these industrial activities in the region.

It is also important to consider the high level of automation, digitisation and innovation of these companies, the developments and applications of which feed other industries in the region, particularly because of their strong relationship with suppliers, startups, and specialised technology centres in Castilla y Leon.

To understand the changes and transformations taking place in the automotive sector of Castilla y Leon, the following international trends relating to this sector must be taken into account, which will determine its short and medium-term evolution:

◆ **Sustainability** of the value chain:

- Mainstreaming of eco-innovation into production processes, from design and manufacturing to storage, mobility and logistics.
- Design and manufacture of electric or hybrid vehicles. In addition to electromobility, mention should be made of the research and experimentation of vehicles powered by biodiesel and hydrogen.
- Commitment to decarbonisation, circular economy, and energy efficiency.

◆ **Development of hybridisations** linking automotive development with renewable energies and with Electronics, Information and Communication Technologies (EICT).

- **Digitisation of production processes (*Smart mobility*):** Implementation of 4.0 technologies, particularly to drive sensor processes; advanced manufacturing (Industry 4.0); advanced robotics; Artificial Intelligence / Big Data (development of predictive models) and advanced electronics.
- **Full traceability,** supported by 4.0 sensors, 5.0 technologies or blockchain technologies, among others.
- **New manufacturing materials:** lighter, stronger, safer, more environmentally friendly, more functional to (external and internal) surfaces.

Therefore, the automotive challenges faced in Castilla y Leon can be summarised primarily as follows:

- **Move towards specialisation in electromobility or hybrid vehicles through new and intra-firm enterprises:**
 - Adjustment of skill-based profiles.
 - Redesign of plants.

- Implementation of new manufacturing and assembly technologies and processes.
- Development of new materials (non-conductors) and batteries.
- Development of new tools and equipment.
- Promotion of new occupational safety measures.

- **Reconfigure, enhance and strengthen the value chain in electromobility or hybrid vehicles.**

- Attracting of new providers and suppliers.
- Defining of collaborative projects.
- New logistics models.

- **Promotion of digital transformation in the value chain (*Smart mobility*):**

- Technology 4.0 / Sensorisation.
- Advanced Manufacturing / Industry 4.0.

- **Drive for eco-innovation, at cross-sectoral level, in the value chain:**

- Decrease in the carbon footprint
- Boosting of the circular economy.
- Development of sustainable materials.

AGRIFOOD ■■■

THE Agrifood Industry or Agrifood Sector comprises activities dealing in the processing, preservation and manufacture of food and feed. **This sector of Castilla y Leon included 3,060 companies in 2020, of which 81.80% are micro-SMEs with fewer than 10 employees.** Although they account for 1.91% of the region's enterprises (26.66% of the manufacturing industries), they represent 10% of the sector's enterprises in Spain, showing the importance of this sector at national level, where food-related industrial activities do not represent 1% either⁽²¹⁾.

Considering a more specific distribution of the activities included for statistical purposes in this sector, it can be seen that those most closely linked to the primary sectors prevalent in the region stand out in terms of number of companies and employment: **processing and preservation of meat (livestock), manufacture of bakery products and pasta (cereal production), and manufacture of beverages (vineyards).**

TABLE 10. Companies in the agrifood sector by main activity. Year 2020. Año 2020. *Source:* INE (DIRCE).

CNAE	CNAE 3DIG Description	Number of companies 2020
101	Processing and preservation of meat and production of meat products	771
102	Processing and preservation of fish, crustaceans and molluscs	12
103	Processing and preservation of fruit and vegetables	94
104	Manufacture of vegetable and animal oils and fats	23
105	Manufacture of dairy products	162
106	Manufacture of mill products, starches and starch products	55
107	Manufacture of bakery products and pasta	1,045
108	Manufacture of other foodstuffs	129
109	Manufacture of animal feed products	100
110	Manufacture of beverages	669
TOTAL AGRIFOOD		3,060

21 DIRCE, INE, data as of 1 January 2020.

With regard to employment data, in 2018 the companies in the agrifood sector of the CNAEs (National Economic Activity Classification Codes) considered above employed a total of 38,414 people, mainly companies belonging to the activity of Manufacture of bakery products and pasta (14,936) and the activity of Processing and preservation of meat and production of meat products (10,851). The latter sub-activity of the agrifood sector also exports the most.

Of the 1,833 million euros in exports of all activities in this sector in 2019, 644.3 million were attributable to companies processing and preserving meat and producing meat products. This is followed, with export volumes of between 220 million euros and 250 million euros, by the sub-activities of: Manufacture of other foodstuffs, Manufacture of beverages, and Manufacture of dairy products.

Moreover, the GVA of the agrifood sector accounted for 3,072 million euros in 2018, representing 26.09% of the industrial GVA and 5.37% of the total regional GVA. Since 2010, the GVA has increased by 13.97%, which is a higher

percentage than that experienced in the industrial sector as a whole (7.77%) and in the total regional GVA (7.17%). In other words, between 2010 and 2018, the agrifood sector grew more than the regional industry and the economy of Castilla y Leon, although growth was slightly higher in the manufacturing industry overall (14.84%).

The most up-to-date data available on the GVA of the agrifood sector in Castilla y Leon places it at 6,711 million euros in 2019 (including distribution). This represents 12.4% of the regional GVA and 6.6% of the country's agrifood GVA. This data was provided by the Cajamar Observatory on the Agrifood Sector, which also highlights the export strength of this sector in Castilla y Leon. The 4.9% growth in exports during 2020 is particularly noteworthy, standing above the national level (4.3%) in comparison with the drop in exports overall as a consequence of the Covid-19 pandemic ⁽²²⁾.

The agrifood industry plays an important role in the industrial sector as a whole and in Castilla y Leon in general, and is well posi

22 Observatory on the agrifood sector of Spanish regions. 2019 Report. (Available at:

<https://publicacionescajamar.es/series-tematicas/informes-cayuntura-monografias/observatorio-sobre-el-sector-agroalimentario-de-las-regiones-espanolas-informe-2019>)

and additional information available at:

<http://www.empresagraria.com/las-exportaciones-del-sector-agroalimentario-castilla-leon-crecen-65/>

tioned in terms of the number of companies and export data in comparison with the rest of Spain. However, it is not only important at a statistical level, as much of the importance of this sector lies in its cohesive role in the rural environment of the region and its strong link with the primary sector, which is of great importance in Castilla y Leon. Some notable features of this sector include:

- ⦿ There is a large presence of family businesses in the agrifood sector, many of which are located in the rural environment and have a long intergenerational history.
- ⦿ There is diversity in the business fabric, mostly made up of micro-enterprises, but with a presence of “pull” companies in different sub-sectors of the agrifood industry, some family-run and others multinationals.
- ⦿ It can be considered a highly exporting industry, although with significant differences, depending on the type of activity and the size of the company.
- ⦿ There is a high level of knowledge in the agrifood industry and in its links with the agriculture and livestock sector. There are technology centres specialising in the agrifood sector and a wide range of educational options (both at vocational and university level), as well as the Vitartis cluster, which

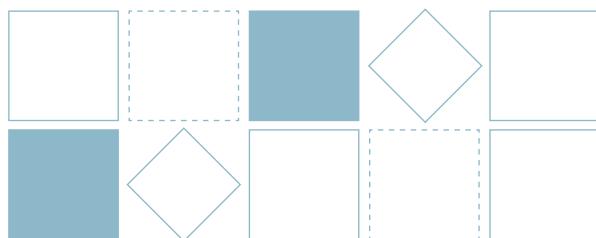
brings together the leading companies in the sector.

- ⦿ The wine industry stands out, with nine Denominación de Origen (Protected Designations of Origin): Ribera del Duero, Cigales, Rueda, Toro, Bierzo, Arlanza, Arribes, Tierras de León and Tierra del Vino de Zamora; and three quality wine denominations: Sierra de Salamanca, Valtiendas and Valles de Benavente.
- ⦿ Other notable sub-sectors are the meat and processed and cereal-related industries, especially milling products and their byproducts.
- ⦿ The sub-sector of dairy products and their byproducts is also important, especially the cheese sector.

The main challenges for the agrifood sector are specified below:

- ⦿ **Adapting to global sustainability trends**, improving the environmental impact of this sector, and tapping into growing demand for sustainable and green products.
- ⦿ **Maintaining and improving the leading position** of the Castilla y Leon agrifood sector nationally and internationally, with healthy and quality products accompanied by an average price increase and specific products.

- ◆ For smaller companies, **achieving sufficient competitiveness in their core business**, allowing them sufficient time and resources to adapt to and progress in the necessary changes and transformations for the long term, diversifying their production lines and even internationalising.
 - ◆ **Having qualified and skilled personnel in traditional trades**, especially in the rural environment, thus ensuring generational replacement
 - ◆ **Improving the skills and knowledge of management personnel**, particularly in small companies, regarding strategic business management, digitisation, new technologies, and environmental impact.
- ◆ **Attracting qualified and specialised staff** in various jobs of the agrifood sector in medium and large-sized enterprises (tourism and cuisine, marketing, R&D profiles) to help improve the results and competitiveness of companies.
 - ◆ In the case of products of animal origin or byproducts, **guaranteeing and informing society** of the efforts made with regard to animal welfare.
 - ◆ **Furthering and improving digitisation and automation in the sector** and increasing competitiveness through tailor-made solutions.



ENERGY

THE energy sector covers **all companies linked to the generation, supply, and marketing activities of any type of energy**, although they play an important role, especially in terms of employment, engineering firms in charge of project development (generation, self-consumption, high energy efficiency, etc.), and component manufacturing companies (these being the least numerous in Castilla y Leon).

The number of companies in the Energy sector in the CNAE sectors with a more direct relationship is 5,270, representing 14.16% less

than in 2010 ⁽²³⁾. Of the activities considered, the most numerous (4,196) correspond to electrical installations, which also include plumbing and other installations on construction sites, and are therefore closely linked to the habitat sector. It should also be noted that most of these companies are SMEs without employees, and the largest are included under classification code 271. *Manufacture of electric motors, generators and transformers and electrical distribution and control apparatus*, although it has only 18 companies, almost half of those in 2010.

TABLE 11. Companies in the Energy sector by main activity. Year 2020. **Source:** INE (DIRCE)

CNAE	CNAE 3DIG Description	Number of companies 2020
271	Manufacture of electric motors, generators and transformers, and electrical distribution and control apparatus	18
272	Manufacture of electric batteries and accumulators	1
351	Electric power production, transmission and distribution	1,146
352	Gas production; distribution by pipeline of gaseous fuels	4
353	Steam and air conditioning supply	9
432	Electrical, plumbing and other installations on construction sites	4,092
TOTAL ENERGY		5,270

23 The selection of CNAEs for the Energy sector takes into account both that made in the I Plan and the contributions made throughout the work performed. It should be noted that some CNAEs which may contain activities related to the energy sector (e.g. 2521, Manufacture of radiators and boilers for central heating; 253, Manufacture of steam generators; 711, Architectural and engineering technical services and other activities related to technical consultancy) were not considered, as they also contain a large number of activities that have no relationship with the energy sector, which could distort the reading of the data.

The energy sector is currently undergoing a profound evolution, with major changes taking place worldwide that greatly affect Castilla y Leon. On one hand, the closure of the region's thermal and nuclear power stations must be considered, which are deep-rooted in the territory. Large renewable generation facilities are gaining importance in the region. Hence, Castilla y Leon has become a source of electricity supply, 87% of which is renewable. Particular mention should be made of hydraulic and wind power generation and, territorially, the provinces of Burgos and Salamanca ⁽²⁴⁾.

However, the sectors of activity corresponding to Energy for statistical purposes show a reduction in all the variables considered in companies in this sector ⁽²⁵⁾:

The above data does not reflect the importance of biomass at regional level, given the difficulty of measuring it in terms of CNAE. However, other indicators, such as the capacity of biomass facilities in Castilla y Leon, provide information on the evolution of this energy sub-sector. In 2010, biomass-based energy production capacity in the region stood at 433,179

kW, which was up by 323.14% in 10 years to give an output of 1,832,933.8 kW by 2020. The provinces of Leon, Burgos and Valladolid must be highlighted ⁽²⁶⁾.

According to data from the National Observatory of Biomass Boilers of Avebiom, Castilla y Leon is the second Spanish region in terms of turnover (325 million euros), and this energy sub-sector directly employs more than 2,150 people. Moreover, the region is the national leader in energy consumed from biomass and reduced emissions ⁽²⁷⁾ although it should be considered that not the entire value chain can be found in Castilla y Leon, with parts of it, such as the production of boilers, taking place outside the region.

The evolution of this sector has been mentioned above. A transformation of the energy sector is taking place mainly because of the goal to reach Europe's climate neutrality by 2050, which implies decarbonisation of the economy, the reduction of energy-intensive use, and the increase in clean energy generation capacities (increase and diversification of clean energy production capacities: green hydrogen, coupling, biogas, etc.), among other changes.

24 Castilla y Leon Energy Statistics, gross energy production, 2020.

25 When implementing the Plan, an analysis must be performed as to whether this reduction is the result of a rationalisation process or a drain of activities.

26 Biomass observatory.

27 Energy from Castilla y Leon, "Continued growth of the biomass sector in Castilla y Leon", 30 December 2020. Available at en: <https://energiacastillayleon.com/2020/12/30/continuo-crecimiento-del-sector-de-la-biomasa-en-castilla-y-leon/>

Arising from these and other trends, as well as from the reduction of the main statistical variables in the traditional activities of the energy sector, the following challenges are considered:

- ◆ Raising awareness among businesses in Castilla y Leon to ensure they take **action aimed at greater energy efficiency** in order to reduce their costs, increase their competitiveness, and benefit the region's energy sector.
- ◆ **Maximising energy production capacity in the region** to remain exporters and ensure sufficient electricity, to progress with the process of electrification of the sectors and make it beneficial for the whole territory.
- ◆ **Maintaining and driving the region's current leading position in biomass production**, increasing the use of forests and other resources for production, and **exploiting the possibilities of this energy source in the decarbonisation of industries** dependent on high levels of thermal energy and in the heating of homes and buildings. The following challenge should therefore be addressed: continue to progress in existing knowledge, positioning the region as a leader in biomass-related knowledge.
- ◆ **Leveraging the commitment towards green hydrogen in the region** through the crea-

tion of knowledge and developments in its applications that allow for the availability of human capital prepared for its progress. It must be noted that the current expectations of certain specialist bodies refer to a model of capital-intensive hydrogen production rather than employment, as well as a high dependence on foreign markets for components.

- ◆ **Increasing the importance of the sector on employment** and the consequent capitalisation of the economic resources generated by the energy sector in the territory in certain cases (depending on the type of technology promoted, as each one has very different effects on employment and wealth in the territory). Particularly in the rural environment, the energy sector should act as a driving force to expand wealth and opportunities in these territories beyond local land-use revenues.
- ◆ **Ensuring a fair transition** in the territory of those areas affected by the closure of thermal and nuclear power plants.
- ◆ **Exploring new market niches related to the energy sector**, diversifying generation possibilities, decreasing reliance on external components, and counting on companies with a higher degree of specialisation. Pro-

ducing more components and products for the energy sector in Castilla y Leon (e.g. boilers or photovoltaic modules) is therefore a significant challenge.

- ❖ **Ensuring proper management of generation and storage technologies at the end of their useful life:** enhancing the circular economy for the upgrading, reuse and recyclability of all components.

HABITAT ■■■

THE habitat sector consists of companies working in the value chain aimed at promoting sustainable territorial development through the extraction of raw materials, forest development, timber processing, housing construction (in rural and urban areas), civil engineering, furniture manufacturing, and the rehabilitation of buildings and other spaces.

The sector is broad and diversified. In general, companies in the sector can be divided into the following:

- ❖ Companies extracting raw materia.
- ❖ Companies dealing in technical design.
- ❖ Companies producing construction materials.
- ❖ **Furniture manufacturing** companies.
- ❖ Companies engaged in construction, civil engineering and rehabilitation.

The following table indicates these types of companies by CNAE. As can be seen, **the number of companies in existence in 2020 is 27,318**, with 39.9% of companies corresponding to CNAE 412, *Building construction*.

TABLE 12. Companies in the habitat sector by main activity. Year 2020. **Source:** INE, DIRCE (Central Directory of Companies).

Sub-sector	CNAE	Number of companies 2020
Companies extracting raw material	022. Timber exploitation	5/d
	072 Mining of non-ferrous metal ores	6
	081 Extraction of stone, sand and clay	167
	089 Mining and quarrying not included in other parts	13
	099 Support activities to other mining industries	5
	161 Milling and brushing of wood	173
Companies producing construction materials	162 Manufacture of wood and cork products, basket and wickerwork	550
	231 Manufacture of glass and glass products	53
	232 Manufacture of refractory tile products	2
	233 Manufacture of tile products for construction purposes	18
	234 Manufacture of other tile products	46
	235 Manufacture of cement, lime and plaster	8
	236 Manufacture of concrete, cement and plaster elements	173
	237 Cutting, drilling and finishing of stone	213
	239 Manufacture of abrasive products and non-metallic mineral products not included in other parts	15
	251 Manufacture of metal components for construction	1,338
Furniture manufacturing companies	310 Manufacture of furniture	629
Companies engages in construction, civil engineering and rehabilitation	412 Building construction	10,914
	432 Electrical, plumbing and other installations on construction sites	4,092
	433 Finishing of buildings	3,992
	439 Other specialised construction activities	715
Companies dealing in technical design	711 Architectural and engineering technical services and related activities	4,196
TOTAL HABITAT		27,318

Note: The Castilla y Leon Habitat Sector Plan (PSHCyL) includes a higher number of CNAEs. The activities in Table 12 focus on industrial activities.

It is important to remember that Castilla y Leon is known for its diverse and extensive forest resources. It therefore has a high capacity to contribute to multi-functionality and the multi-production of raw materials. This means that the habitat value chain can be strengthened, structured and given identity, while also scaling it internationally. Sustainable management of forest resources is already a reality that will require further work.

The habitat sector in Castilla y Leon must evolve in line with international trends, including sustainable construction, digital construction, and modular construction. In addition to this is the need for the habitat sector to act as a driving force in consolidating friendlier urban habitats. Of course, it is also imperative to move towards the eradication of occupational risks, incidents and accidents, while continuing to work on the sustainable exploitation of forest areas.

These trends pave the way in the habitat sector in Castilla y Leon, to which much of its greatest efforts must be directed and focused, as can be summarised in the following:

- ◆ Encouraging the **industrialisation of the sector** through new trends such as **modular construction** and **advanced manufacturing**.

- ◆ Promoting the **reclassification and updating** of the skills map of employees in areas such as new technologies, modular construction, and sustainability.
- ◆ Promoting **training courses** related to the professional group of building and civil engineering, in rural areas.
- ◆ Continuing to promote **professional certificates** and further update the curricular content of **Vocational Training**.
- ◆ Working on **energy transition**, to make sustainability a cross-cutting reality in the construction value chain, encompassing green design, processes and materials. Three points should be highlighted in this regard:
 - The need to develop an **optimised, affordable offer** with the aim of implementing **efficient technologies**, for example in private and public buildings.
 - The need to **inform and raise awareness** of **sustainable habitats**.
 - The need for specialisation in “**passive housing**” (“**Passivhaus**”), characterised by its **bioclimatic architecture** and the **maximisation of energy efficiency**.

- ❖ Ensuring the **adaptation of organisational structures to stricter regulations** (e.g. environmental).
- ❖ **Delving deeper into digital transformation / Industry 4.0:** advanced manufacturing, 4.0 technology, etc..
- ❖ Continuing to **reduce occupational risks and eliminate accidents.** There was 1 fatal accident in Castilla y Leon in the construction sector in 2019 and 6 in 2020⁽²⁸⁾.
- ❖ Multiplying **collaborative projects** within the value chain in terms of innovation and the challenges that the habitat sector must face, based on the experiences of recent years.
- ❖ Promoting **work networks** to decrease **logistics coordination costs.**
- ❖ **Exploring the possibilities that Public Procurement of Innovative solutions (PPI)** may provide to meet the region's new challenges.
- ❖ **Disseminating an attractive social image of manual occupations**, building on the progress made in the context of the new technological and environmental challenges facing the sector.
- ❖ Encouraging greater **management of forestry production.**
- ❖ Supporting the pooling and professionalisation of **private forest management.**
- ❖ Promoting **forest management.**

These challenges must be aligned with other public instruments, particularly the future **Castilla y Leon Habitat Sector Plan (PSHCyL)**, which is currently being drawn up. This new plan promoted by the Regional Government of Castilla y Leon provides for "external relations" with other strategic sectors, such as agrifood, automotive, energy, etc. The **Castilla y Leon Forestry Plan (2002-2027)** also remains a benchmark to be considered.

The main alignments between the PSHCyL and the IIPDPI are particularly defined by their goals and lines of action, and not so much by the consideration of activities. Therefore, the IIPDPI has a more limited conception of the habitat value chain (and that of the other sectors), as it considers the CNAE groups where there is a greater concentration of companies that focus on the more purely industrial activities.

28 <https://www.elnortedecastilla.es/castillayleon/accidentes-laborales-mortales-20200428135428-nt.html>

4.2.2. Sectors with high growth potential □

PHARMACEUTICAL AND HEALTH ■■■

THE pharmaceutical and health sector includes activities engaged in **the production of medicinal products and other drugs, both for humans and animals**, as well as specialised research, and the recycling or waste management of these activities.

For statistical purposes, these activities would be included under CNAE 21, *Manufacture of pharmaceutical products*, which includes both *Manufacture of basic pharmaceutical products* and *Manufacture of proprietary pharmaceutical products*. According to DIRCE data, 6 and 8 companies under this classification were located in Castilla y Leon in 2020, respectively, representing 0.12% of all industrial companies in the region, although they represent 3.93% of the pharma and health companies nationwide. By number of companies, the most representative at national level are those in the *Manufacture of basic pharmaceutical products* sub-sector, which represent 4.34%.

TABLE 13. Companies in the Pharma and Health sector in Castilla y Leon, 2020. **Source:** INE, DIRCE (Central Directory of Companies).

CNAE	CNAE 3DIG Description	Number of companies 2020
211	Manufacture of basic pharmaceutical products	6
212	Manufacture of proprietary pharmaceutical products	8
TOTAL PHARMA AND HEALTH		14

However, the importance of this sector on one hand involves its strategic nature, especially in the current times when, as a consequence of the COVID-19 pandemic, both the increase in demand for products and the need to reduce dependence on external health products have become apparent.

In addition, the size in terms of employment of pharmaceutical companies in Castilla y Leon can be highlighted, of which four have more than 250 employees. These become more representative within Spain as a whole when companies with a greater number of employees are included. In other words, unlike other

industrial sectors in the region and the sector itself in Spain, enterprises in this sector in Castilla y Leon are mainly medium-sized and large enterprises rather than SMEs.

The importance of this sector in Castilla y Leon industry is due to the larger average size of its enterprises, which is evident in both turnover and employees. With regard to the regional industrial sector, pharmaceutical manufacturing contributed 1.56% and 2.20%, respectively, to turnover and employees in the industrial sector in 2018, with absolute values of 630 million euros and 2,839 employees ⁽²⁹⁾.

Other industrial activities that might form part of this sector can also be highlighted, despite these being difficult to exploit statistically, such as the development and manufacture of hospital and healthcare technologies, which are production activities of great added value. This sector might also include the manufacture of hospital and healthcare equipment, which would include the growth of companies producing face masks in Castilla y Leon over the past year.

The following features of the Pharma and Health sector in Castilla y Leon can be specified:

- ⌚ Small number of companies, yet with a large impact on turnover, employment and exports due to the presence of multinational companies in the region.
- ⌚ The province of Leon stands out as one of the main pharmaceutical hubs of the country.
- ⌚ The region has a long history of experimentation and development of medicines through fermentation (vaccines, antibiotics).

International trends associated with the pharmaceutical and health field are related above all to the growth in health biotechnology, sustainability, Pharma/Health & Beauty 4.0 or the increase in the sale of online products.

Based on the information provided above, the challenges facing this sector in Castilla y Leon are therefore:

²⁹ INE, *Structural Business Statistics: industrial sector, 2018* (although data from this statistic corresponding to 2019 exists, it does not include the Pharma division).

- Combining **healthcare mechatronics** with **chemical and pharmaceutical activity**.
- Transforming the province of Leon into an **animal pharma hub**.
- Fostering **collaborative spaces** and consolidating the value chain (**generating social capital**).
- **Promoting coordinated actions to attract foreign investment to the region.**
- **Promoting incentives to attract talent.**
- **Updating and expanding the university offering**, particularly in the field of **biotechnology**.
- **Boosting sustainable production**, which involves a commitment towards:
 - Circular Economy.
 - Sustainable materials.
 - Adaptation to new regulations.
 - Development of bioproducts.
 - Reduction of the carbon footprint.
- **Digital transformation/Industry 4.0**, with the following goals:
 - Discovery and development of new drugs.
 - New manufacturing processes.
 - New packaging solutions.
- Development of **collaborative projects with health centres in the region** (public and private) (for example, to conduct clinical trials, obtain new patents, etc.).
- Development of **collaborative projects between universities and the business sector** for technology transfer, creation and support for new startups, etc
- Development of **biological medicines (proteins and antibodies)** obtained through fermentation processes.
- Development of **vaccines for human use based on transfer and experience in the creation of vaccines for animal use**.
- **Re-qualification of employees** in areas of innovation: development of new products, sustainable materials, digitisation/technology 4.0, etc.
- **Exploring the possibilities of Public Procurement of Innovative solutions (PPI)** to face the challenges of the value chain

CHEMICALS AND COSMETICS

THE Chemicals and cosmetics sector **has 118 companies in Castilla y Leon in 2020**, of which **38.14%** are involved in the **Manufacture of basic chemicals, nitrogen compounds, fertilisers, plastics and synthetic rubber in primary forms**, and 29.66% in the Manufacture

of soaps, detergents and other cleaning and polishing items; manufacture of perfumes and cosmetics. As a whole, they represent only 1.01% of industrial enterprises in Castilla y Leon, although this figure stands at 3.27% nationwide.

TABLE 14. Chemical and cosmetics companies by main activity. Year 2020. *Source:* INE, DIRCE (Central Directory of Companies).

CNAE	CNAE 3DIG Description	Number of companies 2020
201	Manufacture of basic chemicals, nitrogen compounds, fertilisers, plastics and synthetic rubber in primary forms	45
202	Manufacture of pesticides and other agrochemical products	1
203	Manufacture of paints, varnishes and similar coatings; printing inks and mastics	12
204	Manufacture of soaps, detergents and other cleaning and polishing items; manufacture of perfumes and cosmetics	35
205	Manufacture of other chemical products	24
206	Manufacture of man-made fibres	1
TOTAL CHEMICALS AND COSMETICS		118

In addition, these companies are mostly micro-SMEs (78.30%). Despite this, the importance of the Castilla y Leon industry stands out in terms of its turnover, which stands at 3.42%

of the regional industry with more than €1.3 billion. With regard to employment, its 2,749 employees in 2019 represent 2.08% of regional industrial employment ⁽³⁰⁾.

30 INE, *Structural Business Statistics: industrial sector, 2019*.

Generally speaking, there is a principle of duality in the structure of the sector. On one hand, larger companies specialise in manufacturing end products, while smaller companies are more focused on basic chemicals. Small businesses also include the manufacture of handmade cosmetics.

Chemicals and cosmetics activity is undergoing major transformations in all countries, marked by the trend towards smart factories, sustainable production, the development of cosmetic products from natural resources (phytocosmetics), the growth in the sale of online products, increased international competition (particularly in developing countries), and the increase in outsourcing processes (mainly linked to manufacturing processes).

In view of this, the challenges faced by this sector in Castilla y Leon can be summarised as follows:

- ❖ Development of **new cosmetics products** from raw material (flora) from the region.
- ❖ **Promotion of sustainable production** by reducing the carbon footprint, and encouraging the use of waste from other industries, the development of sustainable materials, and the manufacture of bioproducts, etc.
- ❖ Ensure the **availability of skilled labour** to perform **industrial and technological tasks**.
- ❖ **Showcase digital transformation/Industry 4.0** to develop new products, and promote new manufacturing processes or new packaging solutions.
- ❖ **Update and upskill workers** in areas of innovation: development of new products, sustainable materials, digitisation, industry 4.0, etc.

AERONAUTICS

THE aeronautical industry **is one of the current and future ventures in regional specialisation**, and is partly linked to the value chain and challenges of automotive activity. However, the number of aeronautics companies is much smaller, and their production plants are not generally as large as automotive plants. According to DIRCE data, in 2020 Castilla y Leon had 4 companies in the aeronautics sector (CNAE 303, *Aeronautical and space construction and its machinery*), which accounted for 4.04% of Spanish companies in this sector.

This is a very specific sector in which there are not many companies, either in Spain or in Castilla y Leon. However, it is possible to highlight their size because, although the four in Castilla y Leon are SMEs, only one of them has fewer than 10 employees⁽³¹⁾.

TABLE 15. Companies in the aeronautics sector. Year 2020. *Source:* INE (DIRCE).

CNAE	CNAE 3DIG Description	Number of companies 2020
303	Aeronautical and space construction and its machinery	6

31 Although not included in the DIRCE, Castilla y Leon does have at least one large company, Aciturri, which is one of the main players in the sector in Spain.

Nationwide, Madrid, Andalusia and the Basque Country are the main territorial niches for this sector, with little presence in the rest of the territory. Castilla-La Mancha, Castilla y Leon and Catalonia stand out, however, and the latter two regions are of equivalent importance in terms of employment and turnover.

The aeronautics sector in Castilla y Leon and in other countries relies on small-quantity production yet with great added value and sophisticated technology.

Aeronautics companies must have sufficient technological capacity to innovate in product design, even more so when in some cases they are Tier 1 suppliers. Another important aspect to consider is that their decision-making centres are located in the region, which is where they prioritise their R&D investments which, at least in relative terms, tend to be larger than those in the automotive sector.

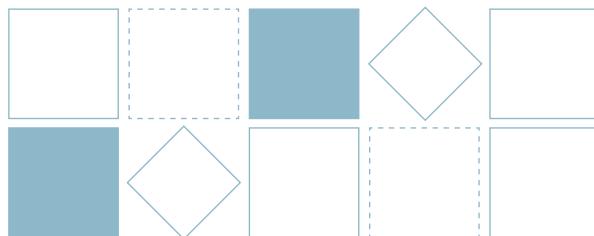
Furthermore, the clients of the aeronautics companies in Castilla y Leon are mostly located in other countries, which is logical in a value chain that is highly globalised and dominated by a limited number of end manufacturers.

This therefore forces aeronautics companies to compete in international markets, where a very significant number of competitors with high R&D capacity and accumulated experience are present. However, it should be noted that aeronautics companies in the region have made remarkable progress in international markets, where for example they work regularly on R&D projects with multinationals such as Airbus and Boeing.

In addition, efforts are being made in Leon to develop an aeronautics centre with an aerospace engineering degree, an aerospace testing unit, and an international accelerator of projects linked to the aeronautics sector, jointly promoted by ICE and the University of Leon.

Considering the above, the most specific challenges facing this sector in Castilla y Leon are, in particular:

- ❖ **Driving business growth** in order to participate in larger projects (aeronautics companies are more urgently needed).
- ❖ **Promoting the internationalisation and dissemination** of regional activity in global markets to collaborate in the most strategic projects (most pressing in aeronautical activity).
- ❖ Working **towards social capital** to develop collaborative activities (more relevant in the field of aeronautics).
- ❖ Defining **collaborative projects between automotive and aeronautics**.



ICT

ICT (Information and Communication Technology) companies are primarily engaged in telecommunications, IT services and software development. Companies engaged in the construction of telecommunications networks have also been included in the group of activities, forming an area to be taken into account due to its efforts in extending broadband and 5G throughout the territory.

This sector is growing (with the exception of cable and wireless telecommunications companies), as the number of companies increased by 34.10% between 2010 and 2020 to account for 1,278 companies in the sectors in question in that last year. In addition, **there is a clear pre-**

dominance of companies in activities related to programming and IT, and this is also the sub-sector where the greatest number of companies have been created. However, the growth in the number of companies in these activities was lower than in Spain as a whole.

Regarding size, enterprises are largely micro-SMEs: in 2020, 64.40% of the enterprises in the sector in Castilla y Leon had no employees and 30.91% had between 1 and 9 employees. This data reflects **a significant difference in relation to the size of ICT companies in Spain**, where there is a higher representation of companies with more than 10 employees.

TABLE 16. Companies in the ICT sector by main activity. Year 2020. **Source:** INE, DIRCE (Central Directory of Companies).

	CNAE	Number of companies 2020
422	Construction of networks	46
582	Software publishing	165
611	Cable telecommunications	27
612	Wireless telecommunications	16
613	Satellite telecommunications	4
619	Other telecommunications activities	83
620	Programming, consulting and other IT-related activities	787
631	Data processing, hosting and related activities; websites	150
TOTAL ICT INDUSTRIES		1,278

Turnover in the ICT sector⁽³²⁾ in Castilla y Leon totalled 1,285 million euros, accounting for 1.69% of turnover in this sector in Spain. In 2019, 7,814 people were employed in these activities, 1.86% of the national ICT employment figures. Given that the representation of the number of companies in Spain as a whole stands at around 2.44%, it can be said that ICT companies in Castilla y Leon are smaller than the Spanish average.

This, in turn, means that ICT companies in Castilla y Leon have a **low capacity for growth and development**, with associated problems of attracting and retaining the talent that is often trained in the region.

However, **there is ongoing support to develop this sector in the region, especially in the cybersecurity niche**. Linked to this sub-sector is the National Cybersecurity Institute (INCIBE) in the province of Leon, as well as the different Digital Innovation Hubs, one of which also focuses on cybersecurity, as well as the Supercomputing centre of Castilla y Leon. Recently, given the region's leading position in cybersecurity, Leon became the first cybersecurity specialisation node in Spain.

³² Reference is made in this paragraph to CNAE 61, Telecommunications, 62, Programming, consultancy and other computer-related activities, and 63, Information services. INE, Structural Business Statistics, Services Sector. Year 2019.

It is a booming industry. There is growing demand for these activities as a result of the trend for **digital transformation of companies, the public authorities, and society**, which is headed by the European Union and will affect all areas. This represents a major change in society, for which it is necessary to have enabling companies required to accompany the transformation. Other trends arising from this digital transformation and driving the growth of this sector are: the implementation of 5G to increase connection possibilities, and the growing development of technologies and vehicular solutions for transformation (IoT, sensory, cloud, cyber-physical systems, artificial intelligence, advanced and collaborative robotics, digital twins, blockchain, etc.).

It also highlights a trend towards subject-matter specialisation, such as the growth in the implementation of digital technologies related to the environment and energy and sectoral efficiency, as solutions for other companies and sectors (ICT application to logistics, trade, business management or different industrial sub-sectors).

The main challenges facing ICT companies in the region are:

- ◆ **Strengthening and increasing the size of companies**, both in terms of number of employees and turnover, and **encouraging collaboration and the establishing of ties** between companies of different sizes in order to jointly bid and opt for projects, tenders, etc.
- ◆ **Further digitising and modernising companies in the ICT sector** in the region, ensuring they remain at the forefront of available technological and digital developments and are able to adapt to the rapid evolution of ICT technologies.
- ◆ **Retaining and attracting talent**, ensuring lasting relationships of employment in companies and retaining professionals who have been trained in these companies.
- ◆ **Maintaining leadership as a hub of cybersecurity knowledge**, and increasing the development of businesses around it.
- ◆ **Increasing the development of marketable and cost-effective products**, and increasing the weight of these activities with regard to ICT-related services. In other words, increasing the IT and technological products that provide solutions (especially to companies and public authorities in the region) above IT services.
- ◆ **Achieving greater institutional support for ICT companies in the region** and encouraging mechanisms for public-private collaboration, increasing the participation of these companies in the defining of measures, plans or strategies related to digitisation.
- ◆ **Increasing the number of clients and the scope of contracts in Castilla y Leon**, contributing towards digitisation and the technological progress of companies in the region, and having a direct impact of their investments in this territory. This requires **further training and awareness-raising** among businesses, the authorities, and society regarding the benefits of digitisation (and technological transformation) and the need for adaptation, **fostering knowledge of existing solutions and their outcomes**.
- ◆ Promoting **digitisation in all areas of the region**, with sufficient internet connection and coverage for the balanced development and implementation of ICT without the geographical situation hampering the digitisation of companies.

CULTURAL AND CREATIVE INDUSTRIES

CULTURAL and creative industries fall under what is now known as the “**orange economy**”. This sector combines **traditional and emerging** activities, and is becoming increasingly

relevant within industry and the economy in general.

Three segments can be identified within these industries, as set out in the following table:

TABLE 17. Type of orange economy. **Source:** Compiled by author based on CNAE and Benavente, J. M. & Grazzi, M. (2018), Promoting the orange economy in Latin America and the Caribbean, UNESCO. Pages 6-7.

Segments	Description	CNAE
Traditional and artistic activities	This involves the development of new artistic activities and the preservation and dissemination of cultural heritage (tangible and intangible).	900 Creative, artistic and entertainment activities. 910 Activities of libraries, archives, museums and other cultural activities.
Creative industry	Cultural industry: Aimed at generating new goods and solutions for the publishing, audiovisual and photographic fields.	181 Graphic arts and related services. 581 Publishing of books, newspapers and other publishing activities. 591 Motion picture, video and television programme activities. 592 Sound recording and music publishing activities.
	Non-cultural industry: Links the development of goods and services in areas associated with ICT (video games, technological devices, for example).	620 Programming, consulting and other IT-related activities.
Industry supporting traditional activities	Creative solutions are generated as factors to promote production processes and achieve a more innovative, quality and sophisticated range of goods and services.	711 Technical engineering services and other activities related to technical consulting.

As can be seen, the orange economy combines **extensive and plural** activities, which share the implementation of **processes in which ideas are converted into cultural and creative goods and services** ⁽³³⁾. One very important activity in

this sector, which is of great relevance in Castilla y Leon, is the **teaching of Spanish for foreigners**, which also, as a result of the travel and meeting difficulties during the pandemic, has undergone a great drive towards its **digitisation**.

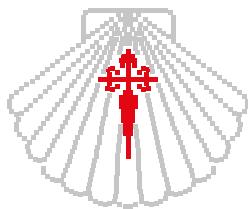
³³ Benavente, J. M. & Grazzi, M. (2018), *Promoting the Orange Economy in Latin America and the Caribbean*, UNESCO. Pages 6-7.

Considering, in the CNAE classification, the activities in the above table that do not intersect with other economic sectors, in 2020 it

was estimated that 2,897 companies engaged in traditional and artistic activities, and some of these in creative industries.

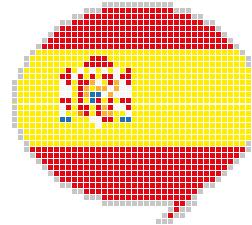
TABLE 18. Companies in the Cultural and Creative Industries sector by main activity. Year 2020. **Source:** INE, DIRCE (Central Directory of Companies).

	CNAE	Number of companies 2020
181	Graphic arts and related services	514
581	Publishing of books, newspapers and other publishing activities	256
591	Motion picture, video and television programme activities	128
592	Sound recording and music publishing activities	6
900	Creative, artistic and entertainment activities	1,640
910	Activities of libraries, archives, museums and other cultural activities	353
TOTAL CULTURAL AND CREATIVE INDUSTRIES		2,897



Castilla y Leon has a great **comparative advantage**: it is one of the regions in Europe and in the world with the **highest density of monuments and sculptures** with great heritage, historical and cultural value, essentially of a religious nature, and particularly linked to Romanesque, Gothic, Renaissance and Baroque artistic styles.

Many of them can be found along the **Camino de Santiago**, a world benchmark in religious and cultural tourism. The Las Edades del Hombre Foundation, for example, is noteworthy for its work in publicising this heritage.



Along with other neighbouring regions, Castilla y Leon is the cradle of the **Spanish language**. Castilla y Leon was also the birthplace of many of the mystics and writers who were to define the Spanish humanities, from Jorge Manrique, Santa Teresa de Jesús and San Juan de la Cruz to José Zorrilla and Miguel Delibes, among many others. Hence the importance of Spanish teaching activities for foreigner in the region.

Bullfighting, crafts and gastronomy are also part of the cultural heritage of Castilla y Leon.

In addition to this, in recent decades, particularly in the province of Burgos, **human remains (Atapuerca site)** were discovered and recovered that date back to the dawn of humanity and are now one of the main centres of **paleontological research** in Europe.

Internationally, the Creative and Cultural Industries (CCIs) are increasingly valued as **assets for local and territorial development**. Greater attention is therefore paid, for example, to promoting the **historic and artistic heritage** as a substantive element of territorial identity, as well as a **significant tourist attraction**. There is, therefore, also greater interest in generating new **territorial incentives** to turn cities, metropolitan areas, and regions into **centres to attract creative talent**. Likewise, the **creative industry** is broached as an **input from which disruptive, technological and innovative solutions emerge**.

In view of the above, the most important challenges facing the cultural and creative industry are:

- ◆ Preparing and disseminating **guides and directories** that gather and provide a record of the **range of cultural and creative services**.

- ◆ Defining actions to promote **new routes** that encourage **cultural tourism**, especially in rural areas, and that combine various **resources** at each destination: architecture, language, crafts, bullfighting, gastronomy, etc.
- ◆ Promoting **social capital** among the cultural and creative facilities and services of the region through groups, collaborative projects, etc.
- ◆ Specifically supporting small **cultural** orientation facilities located in rural areas. The goals of this support should include moving towards digitisation.
- ◆ Promoting the **connection** between the **range of cultural activities in Castilla y Leon**, particularly with regard to the **linguistic heritage**, and public and private entities committed to **promoting Spanish** in countries where this language is rapidly growing or being recovered (the United States, the Philippines, etc.).
- ◆ Ensuring **regional public investments in cultural promotion** converge with those in **Europe's most economically advanced countries**.
- ◆ Showcasing **bullfighting** as a cultural and tourist activity.

LOGISTICS ■■■

THERE were a total of 6,877 companies engaged in transport and logistics activities in Castilla y Leon in 2020, which had experienced a loss of 21.82% of the business fabric since 2010. Despite this, **logistics is considered to be a sector with great development potential, especially for the industrial sector**, which requires the ongoing circulation of raw materials and components and the efficient shipping of its products.

While the *Road freight transport and removal services* sub-sector is the largest, it has also lost the most companies since 2010. On the other hand, **Transport support activities encompass the second largest group and the only one to have seen positive growth in the last decade**. This classification includes logistical services, which also have a generally higher added value than transport. In addition, the logistics sector is key in the region, given the size of Castilla y Leon and the dispersion of its population, and is considered essential for the territorial cohesion of the rural environment.

TABLE 19. Companies in the transport and logistics sector by main activity. Year 2020. **Source:** INE, DIRCE (Central Directory of Companies).

	CNAE	Number of companies 2020
492	Rail freight transport	0
494	Road freight transport and removal services	6231
512	Air freight and space transport	2
521	Storage and warehousing	60
522	Transport support activities	584
TOTAL TRANSPORT AND LOGISTICS		6,877

As indicated above, Castilla y Leon stands out for its geographical extension and dispersion, which means that it has a large network of roads including important land connection networks, the vast majority of which are free

of charge. It is also a mandatory stopping point on many routes, and can act as a “hub” territory for goods, the origin and destination of which is not Castilla y Leon. **Ten major logistics centres in the region** are adapting at different rates to

the new demands of European transport. These are also part of the CyLoG Association, under the supervision of the Regional Government of Castilla y Leon, which aims to promote and deploy the CyLoG Model, which “*creates a series of tools needed to improve the efficiency*

of transport and logistics in our region, fostering balanced regional development by establishing intra- and supra-regional service points and hubs”.

These are as follows:

FIGURE 3. Strategic Logistics Sites of the CyLoG Network.



Source: CyLoG.



- 📍 Transport centre of Burgos
- 📍 Transport Centre of Leon
- 📍 CETRAMESA Secure parking area, Salamanca
- 📍 ZALDESA Intermodal Logistics Platform, Salamanca
- 📍 Transport centre of Benavente
- 📍 Integrated transport centre of Valladolid
- 📍 Transport Centre of Palencia, NORTH CENTRAL
- 📍 Logistics Centre of Avila
- 📍 Logistics Centre of Ponferrada (under project)
- 📍 SEMUTRANSA Logistics Site, Segovia

In terms of rail, **the Atlantic Corridor is to pass through Castilla y Leon, which is one of the priorities of the Trans-European Transport Network**, and is the only one to connect Portugal with Europe and, therefore, the only crossing for goods to enter Europe through its ports. In addition, the Atlantic corridor railway is

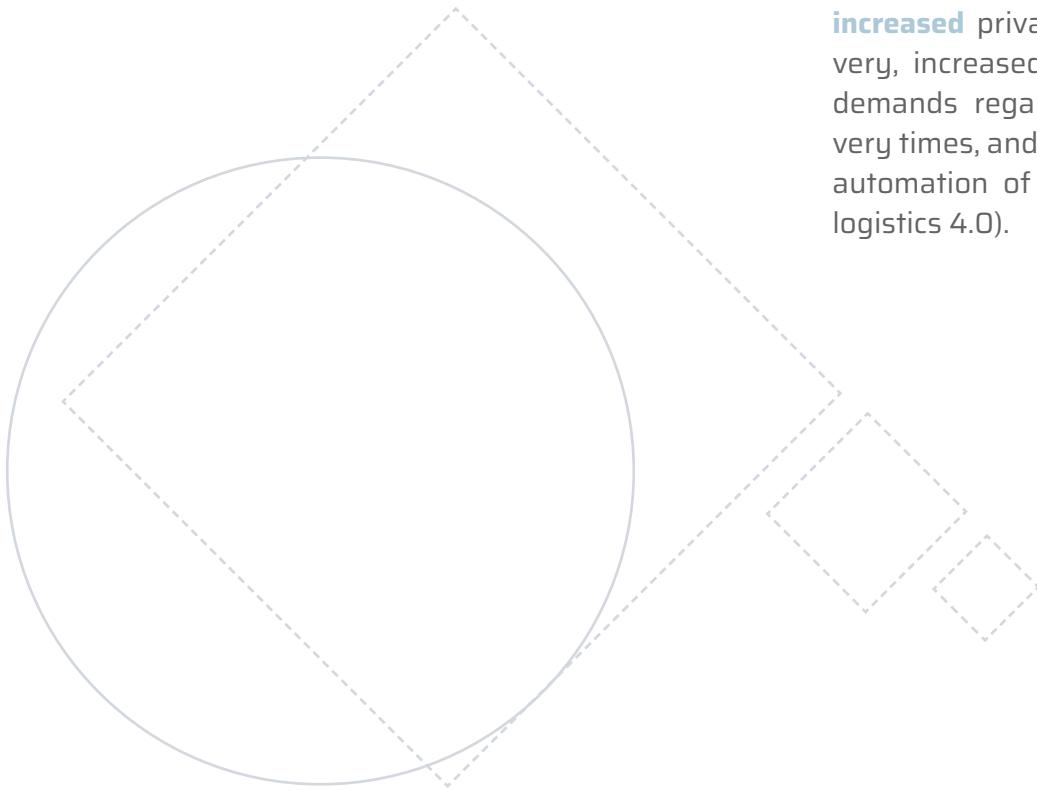
one of the new European priority projects. The passing of this network through the region facilitates the intermodality of the logistics chain, although this still has shortfalls in terms of rail.

The main trends affecting this sector are those related to sustainability and digitisation.

Transport is one of the most polluting activities. Therefore, there is a growing interest in reducing CO₂ emissions from this sector, which will be achieved through changes in vehicles and increased efforts to ensure the efficiency of the sector by applying different technologies and digitisation and improving logistics services (monitoring fleets and their consumption, creating routes using energy efficiency criteria, etc.). Changes in transport to improve sustainability and reduce emissions will also mean an increase in intermodality and improvements in logistics and transport infrastructure.

The main challenges for this sector are summarised below:

- **To ensure greater effectiveness in last mile logistics**, especially for routes that make up the most peripheral areas of the region.
- **To attract and retain qualified personnel** at all levels: from drivers and warehouse staff to logistics and route coordinators and analysts.
- **To make greater use of intermodality in transport** using efficiency and competitiveness criteria, and also with **emission reduction** targets, thus helping improve the carbon footprint of the sector, companies and products.
- **To adapt the sector to changes related to increased private demand** and parcel delivery, increased returns (reverse logistics), demands regarding distribution and delivery times, and digitisation, traceability and automation of activities (warehouses and logistics 4.0).



4.3. REGIONAL DIAGNOSIS

The most relevant conclusions of the regional diagnosis conducted are as follows:

- ◆ **The weight of industry in Castilla y Leon is above national level**, especially in terms of its contribution to GVA, despite the small size of industrial companies (87.12% have fewer than 10 employees). There are also marked differences between large and small companies within each sector, which determine different needs.
- ◆ The region has **established industrial sectors**, including larger companies (especially agroindustry and automotive), which have a pull effect on other industries. However, there are also opportunities for the development of new areas within these sectors, such as Aeronautics, which has been established as an independent automotive sector and has a different evolution, despite being linked to it.
- ◆ **Significant growth potential is also found in other industrial sectors** and, therefore, identifying them as “sectors with high growth potential” is deemed extremely use-

ful, as they require different support to established sectors.

- ◆ The exploitation of the resources currently available to Castilla y Leon (local, knowledge-based, and the pull effect of certain industries) means that the initial situation for the II Industrial Promotion Master Plan is favourable for meeting the goals set. **There is sufficient capacity to develop a stronger, more competitive industry** if certain challenges and difficulties are overcome.
- ◆ **The digitisation and progress of Industry 4.0 represents a major challenge for the region**, whose companies encounter several general obstacles for this transformation:
 - **A lack of professionals in the ICT sector** and related services in the region to develop services or to join industrial companies.
 - Many companies still view **investments in technology and digitisation as an expense** that cannot be recovered or that

has no impact on their competitiveness, which means that they allocate little finance to them.

- In relation to the previous obstacle, **the lack of knowledge in the business fabric of the technological solutions** that can be applied in their activity represents a barrier.
- **Connectivity, particularly in rural businesses, remains an issue** for certain implementations, making them impossible or substantially increasing their cost to businesses.

⦿ **Being in the rural environment creates additional difficulties for the industrial sector in Castilla y Leon**, as it is more difficult to attract talent and there are fewer connectivity possibilities (in some cases, despite all the efforts made).

⦿ There is **low overall environmental awareness among businesses in the region**. This is particularly the case of small businesses, which are not prepared for future legislative

and regulatory changes, which could hamper their activity.

⦿ **One of the main problems facing industrial companies in Castilla y Leon**, which has been expressed directly in the fieldwork carried out, **is the slow pace of red tape and the lack of flexibility in grants**. They believe this greatly discourages investments of any kind. To mention a few examples, delays in the expansion of production spaces, unjustified delays in municipal licences, delays in receiving grants for R&D projects, technical difficulties in applications, etc.

⦿ **Initially, the availability of industrial land is not an issue for the industrial sector, with the exception** of large projects requiring large expanses of land, or those requiring significant electrical power. There are also differences in the availability and price of industrial land, depending on its location (provincial capitals, particularly, are in higher demand) and ownership.

4.3.1. SWOT analysis □

Below is also the result of the regional diagnosis through an analysis of Weaknesses, Threats, Strengths and Opportunities (SWOT)

for the Castilla y Leon region in general and the industrial sector in particular:

TABLE 20. Weaknesses



COMPETITIVENESS AND ENVIRONMENT

- Some industrial sectors in Castilla y Leon have seen their competitiveness decline in recent years (such as ICT in general, excluding cybersecurity), hindering their chances of growing, diversifying or expanding.
- Small size of industrial companies, with a very large majority of companies without any employees and micro SMEs that tend to have more difficulties in dealing with changes and challenges than larger companies.
- Disadvantages for industries located in the rural environment, which believe that they compete under different conditions and from a worse starting position than companies located in or nearer to cities.
- Red tape for licences, investments, grants, etc. is slow, excessive, inflexible and often duplicated.
- Major differences in the industrial development of each of the provinces of Castilla y Leon.
- Lack of market in Castilla y Leon to absorb much of the production or industrial services developed and offered here.
- Scarce supply of large industrial land, making it difficult to be competitive in attracting large industrial investments.

DIGITAL AND SUSTAINABLE TRANSFORMATION

- Knowledge of existing possibilities and the opportunities and solutions that digital transformation and more sustainable production models can bring is considered insufficient both in the business sector (especially in SMEs) and in the public authorities, which companies believe should offer support and guidance.
- Lack of skills and interest in some companies to face the challenges of digital and sustainable transformation, not only out of ignorance but because most companies focus on the "day-to-day" and not on taking more strategic action.

ENTREPRENEURSHIP AND INNOVATION

- Insufficient entrepreneurship and innovation culture in Castilla y Leon, as companies rely more on the weight of tradition, making diversification and development difficult.

PEOPLE AND TRAINING

- There are major difficulties in most sectors in finding enough professionals and retaining talent (especially talent trained in Castilla y Leon who start their professional activity here), partly due to less competitiveness in salaries in comparison with companies from other Autonomous Communities. This problem affects both higher-skilled profiles related to new technologies or automation and trades.
- Scarce adaptation by VET teachers to the developments in industrial sectors and disconnection with business context, also in terms of content
- Lack of vocations in STEM⁽³⁴⁾ and Vocational Training, necessary to be able to move forward in the digital transformation processes of the industry.
- Significant gender gap in the industrial sector, and also in STEM and VET vocations, making it even more difficult to attract and retain female talent.

34 Science, Technology, Engineering and Mathematics

TABLE 21. Threats



COMPETITIVENESS AND ENVIRONMENT

- The increase in raw materials and the cost of energy greatly affects the competitiveness of the Castilla y Leon industry. Electricity prices are breaking all records and increase business costs above those of foreign competitors, thus weighing down regional competitiveness.
- The global semiconductor supply crisis, rising raw materials, and the supply disruptions resulting from the pandemic will lead to a rethinking of global value chains that may affect the competitiveness of regional industries.
- Worsening international logistical conditions and increased costs, making it more difficult to engage with suppliers and distributors in value chains with a larger international component.
- Risk of outsourcing part of the industrial value chains to countries with lower costs and more precarious working conditions.
- The generational change-over in the rural environment is a clear threat of loss of the industrial fabric that already exists in the region, which also plays a cohesive role in the territory.
- Difficulty for SMEs to obtain financing for investments or increases in production, due both to reluctance from banks to provide risk finance and to the slow and complex administrative procedures involved in obtaining public support.

DIGITAL AND SUSTAINABLE TRANSFORMATION

- Digital connection and communication issues in many rural settings.
- Rapid advance in technologies linked to Industry 4.0 and related activities, with Castilla y Leon in general currently falling rather behind which could lead to a loss of competitiveness that would be hard to recover, were the necessary steps not taken.
- Sustainability investments contingent on compliance with regulations by companies, without greater ambition or foresight to deal with changes under sustainability and circularity criteria, or from a strategic perspective of anticipating regulations.

PEOPLE AND TRAINING

- The ageing and low growth of the population jeopardises the maintaining of the industrial muscle of Castilla y Leon, especially in small businesses and rural areas.
- Risk of outsourcing industrial professionals in the ICT sector or in managerial, commercial, etc. positions where telework is possible.
- Corporate leaders are not prepared, in many cases, or equipped to handle the digital and sustainable transformation of the industrial sector, let alone lead it, which slows the digital transformation process.

ENTREPRENEURSHIP AND INNOVATION

- Possible loss of business competitiveness if the pace of innovation is not increased internally and collaboratively, which is often discouraged by excessive red tape in obtaining necessary permits and grants.

TABLE 22. **Strengths**



COMPETITIVENESS AND ENVIRONMENT

- The industrial sector has not been affected as much as others by the pandemic and the subsequent crisis arising from Covid-19, so there is no need for reactivation or recovery or for the strengthening of industrial sectors.
- Extensive road network, railway connections and logistics points at important transport nodes for the Iberian peninsula. Although they can always be improved upon, and there are very marked provincial differences, industrial companies in Castilla y Leon do not have logistical and transport problems, apart from certain exceptions. Furthermore, the large extension of the territory facilitates organisation and storage when necessary.
- Except for large projects, there is sufficient industrial land to set up new companies, although territorial supply and demand is unbalanced. While demand is high in the provincial capitals, there is a permanent excess of industrial land in rural environments.
- The existence in Castilla y Leon of a rich, varied network of suppliers for many of the sectors, which in some cases even compete at international level and reduce the dependence on foreign components and materials.

DIGITAL AND SUSTAINABLE TRANSFORMATION

- Castilla y Leon has numerous assets that favour energy self-consumption in industry, which could have the most impact on sustainability. It is a leader in biomass production – which can be used in industrial boilers, and there is enough space in the rural environment for solar panels or storage infrastructure, etc.
- It has production-intensive industries and activities that produce abundant organic and inorganic waste, which can be considered sources of usable secondary resources in the circular economy.

ENTREPRENEURSHIP AND INNOVATION

- There is an advanced level of R&D infrastructure (technology centres, clusters, DIH⁽³⁵⁾, etc.) that has gone from strength to strength over the years and is highly specialised in the industrial sectors of the region.
- Levels of R&D investment in Castilla y Leon are higher than in other Spanish autonomous communities, and collaborations between companies and research infrastructures are commonplace, although there are differences between large and small companies.

PEOPLE AND TRAINING

- Castilla y Leon has a wide range of training options, including vocational training throughout the territory and in universities (four public and five private), tailored to regional production specialities.
- Major investments in advanced industrial equipment are also being made in many of the centres, accompanied by vocational training specialisation courses in areas related to both traditional and advanced skills.

35 Digital Innovation Hub.

TABLE 23. Opportunities



COMPETITIVENESS AND ENVIRONMENT

- The quality of life in Castilla y Leon, in terms of cost of living and development possibilities, is considered high, which can be an important asset for attracting people and businesses. However, for this to become a real competitive advantage, a continuous policy of communicating regional attractions is required.
- The recent increase in participatory processes in the drafting and defining of Regional Strategies makes them more tailored to the business sectors of the region and facilitates knowledge of the grants available.

DIGITAL AND SUSTAINABLE TRANSFORMATION

- European Funds, including those linked to Next Generation and Structural Funds, will provide liquidity and boost the emergence of opportunities for transformation of the industrial sector towards greater efficiency, competitiveness and resilience.
- The Circular Economy trend can bring new opportunities for industrial development or intrapreneurship, through the treatment of waste as a by-product or industrial symbiosis.
- Engineering development (although still minor in most cases and unknown to the business sector) capable provided responses for SMEs in the challenges of digital and sustainable transformation.

ENTREPRENEURSHIP AND INNOVATION

- Digital and sustainable transformation provides different opportunities for entrepreneurship and innovation that can be used by existing industrial companies in Castilla y Leon to diversify or redirect their businesses and to create new companies.
- Just as outsourcing was a threat, relocating and a commitment to concentrate production chains in the territory can foster entrepreneurship in the region.
- New DIHs have been set up and important collaborative actions are taking place in emerging areas, such as cybersecurity, generating a dedicated ecosystem with business development opportunities.

PEOPLE AND TRAINING

- The development of a new Dual VET system in the region may be beneficial for retaining talent in some industrial sectors, although it should cater for differences in each type of business.
- Existence of female talent with great potential, which must be harnessed and channelled into industry to achieve greater and better industrial development in Castilla y Leon.



5 VISION, MISSION AND GOALS OF THE II INDUSTRIAL PROMOTION MASTER PLAN 2021-2025



The **VISION** of the II IPMP is as follows:

To position Castilla y Leon as one of the leading industrialised regions of the European Union by showcasing industrial products and services, its local resources, and the rural environment, committing to higher levels of competitiveness and productivity of SMEs, associations and social responsibility, the innovation and internationalisation of industries, increasing skilled employment, attracting and retaining talent, and improving cohesion among the regional provinces. This is in line with international trends in digitisation and sustainability.



The **MISION** of the II IPMP involves:

Supporting the development and consolidation of strategic industrial value chains in Castilla y Leon, both those already present in the region and those emerging that have great growth potential, in line with global challenges and through the implementation of new entrepreneurial, intrapreneurial and collaborative projects in both urban and rural areas.



The **MAIN GOAL** of the II IPMP is:

To achieve an industry that is the economic driving force of Castilla y Leon, contributing to territorial cohesion, generating quality employment, and based on a firm commitment to competitiveness, innovation, digitisation and sustainability.



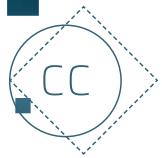
The **SPECIFIC GOALS** of the II IPMP are:

- ◆ To further the reindustrialisation of Castilla y Leon and its productive diversification, supporting the strengthening of traditional strategic sectors and the development of emerging sectors.
- ◆ To increase innovation in the industrial sector to improve industrial competitiveness.
- ◆ To increase quality employment in the industrial sector at all qualification levels, encouraging the attracting of talent and the retaining of those trained in the region, including the goal of reducing the current gender gap in all actions.
- ◆ To achieve greater industrial alignment among the provinces of the Autonomous Community by reducing the current gap among territories.
- ◆ To encourage and support the establishing and growth of businesses in the rural environment as a lever to establish the population and combat the demographic challenge.
- ◆ To support the growth of SMEs, favouring the growth and scaling up of existing companies as well as attracting larger companies with a greater effect on driving regional economy.

In QUANTITATIVE OR MEASURABLE TERMS, THE GOALS
of the II IPMP are:



- 1 Further reindustrialisation:** to reach a value of manufacturing industrial production of €11,400M, representing an annual nominal increase of 20% over 5 years.
- 2 Increase innovation in industry:** to obtain 1.8% of expenditure in Innovation and Development in relation to GDP in 2025, in line with the goals set in the RIS3 2021-2027 of Castilla y Leon (which proposes 1.70% in 2024 and 2.12% in 2027).
- 3 Attract and retain talent in industrial sectors and reduce the gender gap:** to increase the workforce employed in industry by 3% (162,300 people in Q4 2020; Goal 167,100 in Q4 2025) and to ensure a weight of 30% of women in industry.
- 4 Achieve greater industrial alignment among the regional provinces,** in order to increase the weight of the less industrialised provinces in the industrial GVA of the region, to reach the following data:
 - SORIA, from 4,9% to 6%
 - SEGOVIA, from 3,06% to 4%
 - AVILA, from 2,79% to 4%.
 - ZAMORA, from 2,51% to 4%.
- 5 Encourage the growth of companies in the rural environment:** by developing or implementing new industries in the rural environment, increasing the number of industries located in rural municipalities from 2,702 to 3,000 (+298 industrial companies in municipalities with fewer than 5,000 inhabitants).
- 6 Increase the size of SMEs:** by increasing the weight of medium-sized enterprises (between 50 and 249 employees) within all SMEs in the manufacturing industry (CNAE 10-33) from 2.07% to 3%.



6 HORIZONTAL FOCAL POINTS AND LINES OF ACTION

— The **HORIZONTAL FOCAL POINTS** are:

Focal point 1

Financing

Focal point 2

Internationalisation

Focal point 3

Innovation, Digitisation and Entrepreneurship

Focal point 4

Industrial environment

Focal point 5

Industrial land

Focal point 6

Rural Environment and Local Resources

Focal point 7

Industrial Sustainability

Focal point 8

Enhancing of quality training and employment in industry

The goals, their rationale, and the planned lines of funding are specified below.

6.1. FOCAL POINT 1. FINANCE

The investments of industrial enterprises and their potential for growth and innovation are to a large extent determined by their financing capacity. Therefore, the II Master Plan aims to guide and inform industrial companies in Castilla y Leon on routes of financing and to provide them with specific instruments, in line with new trends and on the basis and the improvement of experiences gained through the I Master Plan or other types of action.

It should also be remembered that, in 2020 and 2021, a significant number of industrial companies in Castilla y Leon required new sources of financing as a result of the crisis they experienced following the Covid-19 pandemic.

This said, it is essential to consider the financing possibilities offered to industrial companies through the Next Generation EU recovery instrument, the Spanish Economy Recovery, Transformation and Resilience Plan, and the Strategic Projects for Economic Recovery and Transformation (PERTEs), which may become a very important source of financing in the coming years.

It is important to add that, in the fieldwork conducted before preparing the II Master Plan, the heads of industrial companies were asked about the extent to which the Regional

Government of Castilla y Leon should support them in terms of finance, on a scale of 1 to 5, where 1 is Not at all important and 5 is Extremely important. The average score was quite high: 4.38.

In light of this, **Focal Point 1 (Financing)** will pursue a dual goal:

Goal 1

To provide industrial companies requiring as such with comprehensive, detailed and individualised information on sources of financing for their projects

Goal 2

To promote more tailored sources of financing for the challenges and projects of industrial companies in the region.

These goals are in line with the challenges included in the IV Framework Agreement for Competitiveness and Business Innovation of Castilla y Leon.

The lines of action of Goal 1 essentially aim to support and advise industrial SMEs on a case-by-case basis in the search for the most suitable sources of financing, including those promoted by the European Union. This will also involve updating and developing the Financial Platform already created and promoted, for example, by the I Master Plan.

Furthermore, the lines of action of Goal 2 primarily seek to ensure that companies have access to a variety of financing routes or financial products that are adapted to their characteristics, possibilities and needs. The resources to be

made available to industrial companies include loans, guarantees, preferential loans, and venture capital instruments, as well as newer ones such as business angels, microfinancing and crowdfunding.

TABLE 24. Goals and lines of action of Financing.

GOAL 1	Rationale	Entity responsible
To provide industrial companies requiring as such with comprehensive, detailed and individualised information on sources of financing for their projects.	The challenges of industrial companies, especially SMEs, require different sources of financing that are adapted to their unique characteristics. This means providing industrial companies with the most accurate information to support their decision-making.	Department of Economy and Finance.
Lines of action		
1.1. To support industrial SMEs in their search for the most appropriate sources of financing. 1.2. In the Castilla y Leon Financial Platform, to update the map of funds and financial resources available for industrial companies, according to the variety of modalities that exist at regional, national and international level. 1.3. To support industrial companies when applying for projects financed by European Union funds.		
GOAL 2	Rationale	Entity responsible
To promote more tailored sources of financing for the challenges and projects of industrial companies in the region.	The complexity of the industrial challenges and the difficulties that companies have to go through in order to achieve them require easier access to sources of financing, considering both the new forms increasingly present in the international environment and the financial mix culture.	Department of Economy and Finance.
Lines of action		
2.1. In the Castilla y Leon Financial Platform, to adapt financial resources and products and incorporate other new and innovative products (loans, guarantees, venture capital instruments, crowdfunding, etc.) in line with the new needs and challenges of the industrial companies in the region and their different sizes and/or levels of development. 2.2. To support the strengthening of the collaborative network with financial institutions in order to encourage access by industrial companies in the region to specific lines of financing. 2.3. To support the collaboration of the Financial Platform with the industrial companies in the ICE perimeter (Iberaval and Sodical) and the financial institutions that have signed partnership agreements with ICE. 2.4. To support the development of cooperation strategies among industrial entrepreneurs and intrapreneurs in the region on the basis of a common line of financing. 2.5. To support access by industrial startups and scaleups to sources of European funding. 2.6. To maintain and adapt, as necessary, the regional guarantee system to the needs of the self-employed, SMEs and entrepreneurs in industry.	2.7. To promote the rebate on financial costs of guaranteed loans and credit for regional industry. 2.8. To support the development of a network of business angels to promote industrial entrepreneurship and intrapreneurship. 2.9. To support the development of microfinancing and crowdfunding initiatives for the regional industry. 2.10. Through sources of financing, to streamline the renewal of and investment in industrial machinery under productivity, energy efficiency and sustainability criteria. 2.11. To support the granting of preferential or venture capital loans to industrial entrepreneurs or intrapreneurs with any of these characteristics: 1) Linked to rural areas (especially areas of greatest depopulation). 2) Prioritising internationalisation processes. 3) Aligned with the digital or ecological transition. 4) Showcasing local resources. 5) Participating in reindustrialization processes. 6) Promoting job creation. 2.12. To link the Castilla y Leon industry with the European Union instruments available to encourage business lending and access to financing (especially microfinancing).	

6.2. FOCAL POINT 2. INTERNATIONALISATION

Industrial activity is exposed to a high degree of globalisation. Markets are increasingly open, and the internationalisation of industrial segments is a trend that will continue to grow over the coming years.

In fact, based on the information obtained from the fieldwork conducted before preparing this II Plan, 44.6% of industrial companies sell goods and services in foreign markets. 38% of companies indicate that they export to the European market, 13.8% to North America, 16.1% to Latin America, 11.5% to Asia (except China), 10.2% to Africa, 7.9% to China and 4.3% to Oceania. European market leadership tends to be clear, especially in the case of food industries and manufacturing companies for transport and mobility, as 60.7% and 53.3%, respectively, indicate that they sell to different countries of this continent.

It should likewise be noted that, on a scale of 1 to 5, where 1 is Not at all important and 5 is Extremely important, the search for new international markets obtained a significant average of 3.99 among the measures requested from the Regional Government of Castilla y Leon.

The goals of **Focal Point 2 (Internationalisation)** are precisely the following:

Goal 1

To support the decision-making of industrial companies involved in marketing activities abroad.

Goal 2

To support the dissemination of capacities and range of regional industry.

Goal 3

To promote human resources specialising in foreign trade within regional industry.

Goal 4

To foster collaborative strategies to internationalise regional industry.

These goals, and their related lines of action, are to a large extent based on the progress made in the I Master Plan and on the challenges posed by the IV Framework Agreement for Competitiveness and Business Innovation of Castilla y Leon.

Focal Point 2 (Internationalisation) is also in line with the priorities of the 2021-2024 Business Internationalisation Plan, which is currently being drafted.

Goal 1 includes actions, primarily targeting SMEs, linked to individualised advice and to providing companies with the information they need when selling goods and services to foreign markets.

Furthermore, Goal 2 aims to implement initiatives aimed at disseminating the regional industrial ecosystem and its product portfolio in other countries. This must involve, among others, promoting participation in international events, organising trade missions, advising international companies on investing in the region, supporting the *Marca España* campaign or developing technological events in the region.

Goal 3 will, meanwhile, focus on promoting the qualification of professionals in foreign trade, the recruitment of new specialist professionals, and the support for new entrepreneurs engaged in the sale of industrial products in international markets.

Finally, Goal 4 aims primarily to create and strengthen cooperative spaces and collaborative projects in various forms, which will act as leverage to boost the sales of companies in international markets.

TABLE 25. Goals and lines of action of Internationalisation.

 GOAL 1	 Rationale	 Entity responsible
To support the decision-making of industrial companies involved in marketing activities abroad.	Industrial companies, particularly SMEs, require more extensive and personalised information on foreign markets and their marketing possibilities..	Department of Economy and Finance Department of Employment and Industry.
 Lines of action		
1.1. To support advisory activities for companies, especially SMEs, involved in overseas marketing processes. 1.2. To support the collection, updating, analysis and distribution of information on foreign markets and those of interest to regional industry.		

 GOAL 2	 Rationale	 Entity responsible
To support the dissemination of capacities and range of regional industry.	The internationalisation of regional industry requires collaboration to publicise the region and the portfolio of products and services in foreign markets..	Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
2.1. To support foreign publicity (through conferences, trade fairs, etc.) of the industrial offering of Castilla y Leon.	2.5. To support and advise foreign companies on investment processes within the region's industrial ecosystem.	
2.2. To support the Marca España campaign as an international marketing strategy of regional industry.	2.6. To support sales promotion activities for regional industry through the Castilla y Leon Financial Platform.	
2.3. To promote and support trade missions abroad in order to publicise the industrial offering of the region.	2.7. To support and monitor the industrial ecosystem of the region through institutional missions abroad.	
2.4. To attract international technological and industrial events to Castilla y Leon		
 GOAL 3	 Rationale	 Entity responsible
To promote human resources specialising in foreign trade within regional industry.	Promoting the internationalisation of regional industry requires new specialist professionals and the expansion of skills..	Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
3.1. To support the training and updating of skills of foreign trade professionals in regional industry.	3.3. To support entrepreneurs, especially young entrepreneurs, who specialise in marketing industrial products from the region.	
3.2. To support the incorporation of new foreign trade professionals into regional industry.		
 GOAL 4	 Rationale	 Entity responsible
To foster collaborative strategies to internationalise regional industry.	Efforts and resources must be pooled within the industrial ecosystem of the region to promote the attraction of foreign investment and the sale of products from Castilla y Leon in international markets..	Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
4.1. To support strategic alliances in foreign trade and the attraction of foreign investments among companies in the region and among the various public entities with competence in this matter.	4.4. To support business associations and clusters in the external promotion activities of regional industry.	
4.2. To support the participation of industrial companies from the region in cross-border, transnational and international cooperation activities financed by the European Union.	4.5. To support the links between the region's industrial ecosystem and multilateral organizations.	
4.3. To support the creation and strengthening of networks of companies and professionals from regional industry involved in international marketing processes.	4.6. To support coordination and collaboration among different public institutions and entities with competence in the internationalisation of companies.	

6.3. FOCAL POINT 3. INNOVATION, DIGITISATION AND ENTREPRENEURSHIP

Technological, process, organisational and product innovation represent a cross-cutting challenge for all types of industrial companies, as well as for the other public and private players making up the region's industrial ecosystem. RIS3 2021-2027 has had a particular impact on these critical elements. One of its cornerstones is precisely the *Digital Transformation of Companies*.

In the preliminary fieldwork conducted before preparing the II Master Plan, two out of three industrial companies (65.6%) argued that technological advances in Castilla y Leon have been important, but that there is still a long way to go. On the other hand, only 4.3% believe that the advances is competitively positioning industry from Castilla y Leon in Europe and worldwide, while 23% say that the changes are completely inadequate.

Regarding the impact of technological advances on companies, opinions are divided. Around half of the companies (48.5%) report that they have clearly improved their posi-

tioning. Meanwhile, 37.4% believe there has been some yet not very significant progress. It should be added that 12.1% indicate that these have been limited and have had no impact.

Similarly, it must be noted that a significant number of companies plan to boost innovation activities over the next three years. More precisely, 47.9% are committed to improving or creating new goods and services, 44.6% to process innovation, 34.1% to marketing/sales in new markets, and 24.6% to organisational innovation.

Among the advances developed are those primarily linked to the digitisation of the industrial fabric. However, the rapid pace of innovation in digital technologies requires ongoing efforts to upgrade and enhance devices. And it is SMEs that particularly require greater support and support in this challenge.

In addition, one of the new features of the IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon is that, for the first time, digitisation is included in a separate focal point.

This said, the goals set for **Focal Point 3 (Innovation, digitisation and entrepreneurship)** are as follows:

Goal 1

Promote cross-industry digitisation.

Goal 2

Promote industrial, innovative and sustainable entrepreneurship.

With regard to Goal 1, the actions promoted are related, for example, to the preparation of digitisation diagnostics, to support for SMEs in the installation and optimisation of digital resources; to the promotion of digital skills, to the transfer of digital experiences, to the promotion of collaborative projects, and to access to innovative solutions 4.0.

In terms of Goal 2, initiatives are also diverse. These include, for example, promoting tenders, events and coworking spaces, supporting Open Innovation processes, promoting cooperative

ventures, welcoming innovative entrepreneurs from abroad, supporting the development of startups, or encouraging Public Procurement of Innovative solutions (PPI).

Lastly, it must be noted that these actions are in line with the public instruments designed within the European Union, such as the 2021-2027 Digital Europe Programme and the 2030 Digital Compass. At national level, the main strategic frameworks of reference for this focal point are the Spanish Science, Technology and Innovation Strategy 2021-2027, Spain's Entrepreneurial Nation Strategy, the Digital Spain Plan 2025, and the Connected Industry 4.0 Strategy..

At regional level, "Centr@tec" is a training and support programme for business R&D that consists of training and personalised innovation services for companies as a public-private collaboration initiative, developed through the technology centres of Castilla y Leon. These centres are coordinated through a new Technology Centre Network model.

TABLE 26. Goals and lines of action for Innovation, digitisation and entrepreneurship.

GOAL 1	Rationale	Entity responsible
Promote cross-industry digitisation.	Although there have been very important developments, there is still a need to support and provide resources to industrial companies in order to implement and optimise digital resources in line with the most innovative trends at international level..	Department of Economy and Finance.
Lines of action		
1.1. To support the development of digitisation diagnostics in industrial SMEs in the region, especially those in rural areas. 1.2. To support advisory activities to the region's industrial SMEs on the implementation and boosting of digital resources. 1.3. To provide financial support for the installation of digital infrastructure or enablers in the region's industrial SMEs, enabling them to innovate and advance in cybersecurity, advanced manufacturing, and sustainable technologies. 1.4. To support workers in regional industry in learning and boosting digital skills. 1.5. To support access by the region's industrial companies to successful studies, information processes, digital assets, and experimentation environments in the area of digitisationn.	1.6. To support the development of collaborative projects in digitisation between the region's industrial companies and the leading players in the region's R&D ecosystem (Digital Innovation Hubs (DIH), universities, technology centres, etc.). 1.7. To support the recruitment of Industry 4.0 specialists in industrial SMEs. 1.8. To support the establishing of collaborative strategies with other national and international regions in Industry 4.0. 1.9. To support links between regional companies providing 4.0 solutions and the region's industrial companies.	
GOAL 2	Rationale	Entity responsible
Promote industrial, innovative and sustainable entrepreneurship.	New ways and resources must be provided to ensure the evolution of new startups and other undertakings in the industrial sector in the region, especially in rural areas, which are in line with the new challenges and needs..	Department of Economy and Finance. Department of Employment and Industry. Department of Education.
Lines of action		
2.1. To promote tenders, events and coworking spaces to encourage innovative, sustainable entrepreneurship in the region's industry, particularly considering the opportunities of rural areas. 2.2. To support Open Innovation processes for the evolution of innovative companies in the region's industry, particularly in the areas of digitisation and sustainability. 2.3. To support collaborative enterprises linked to industry in rural areas. 2.4. To support the implementation of specific funds aimed at promoting innovative entrepreneurship in industry.. 2.5. To support the reception of innovative entrepreneurs in industry from other regions.. 2.6. To support the defining and implementation of new project acceleration and startup scaling models in view of the capacities and opportunities of regional sustainable industry.	2.7. To support the formulation and implementation of a new University-Business Knowledge Development Plan (TCUE). 2.8. To develop Public Procurement of Innovative solutions (PPI) initiatives that promote new innovative and sustainable enterprises in the industry. 2.9. To support university teams and Results Transfer Offices (OTRIs) in promoting innovative and sustainable entrepreneurship in industry through the boosting of investments, knowledge transfer, student training, and personalised advice. 2.10. To support the development of Technology-Based Companies (EBTs) in industrial sectors in line with RIS3 in Castilla y Leon. 2.11. To support the training of the teams of entrepreneurial support entities in line with new trends, particularly with regard to sustainability.	

6.4. FOCAL POINT 4. INDUSTRIAL ENVIRONMENT

Improving and promoting the competitiveness of industrial enterprises in Castilla y Leon (mainly SMEs) will depend to a great extent on their interaction with the other public and private players outlining the value chains.

It is therefore necessary to generate social capital within the region industrial ecosystem, increase cross-sector capacities, transfer experiences, share knowledge or foster and boost collaborative interactions and projects. In an increasingly globalised industrial environment, there is growing demand for collaboration in areas where companies are the same, and for collaboration and competition in those where they are different.

There are a number of horizontal challenges in the region's industrial ecosystem that particularly require cooperation and cohesion among the different players. These challenges include, for example, internationalisation, innovation and digitisation, sustainability, the industrialisation of rural areas, the attracting of talent, etc.

In this context, public services are called upon to lead key or critical initiatives supporting the industrial fabric, especially SMEs.

To move in this direction, **Focal Point 4 (Industrial environment)** has specified the following four goals:

Goal 1 Promote the scaling of SMEs to meet new industrial challenges.	Goal 2 Foster business collaboration strategies in the industrial ecosystem.
Goal 3 Promote public services and industry support entities as catalysts and enablers of the industrial ecosystem and enhance public-private collaboration.	Goal 4 Extend high-speed digital connectivity to all parts of the region.

Goal 1 includes measures mainly related to advice, transfer of experience or knowledge, collaboration, and SME financing.

Goal 2, on the other hand, aims to generate social capital and cooperative strategies, for example, through support for the development of collaborative projects, strategic alliances, clusters or working networks.

Goal 3 will include various actions connected, firstly, with administrative simplification serving to speed up all procedures connected with industrial activity, and others such as Public Procurement of Innovative solutions (PPI), Open Innovation, the generation of new financing mechanisms, and digitisation.

Lastly, Goal 4 seeks to guarantee expanded digital connectivity, prioritising industrial estates and rural areas. This is in line with the goals set in the Digital Agenda and Connectivity Plan, which plan for 100% of the population to have connection speeds of at least 100 mbps by 2025.

These goals and their corresponding lines of action are largely linked to Focal Point 7 (Business environment) of the IV Framework Agreement for Competitiveness and Business Innovation of Castilla y Leon.

TABLE 27. Goals and lines of action of Industrial environment.

GOAL 1	Rationale	Entity responsible
Promote the scaling of SMEs to meet new industrial challenges.	Industrial SMEs in the region need multi-directional, targeted and tailored initiatives that strengthen them and help them improve their position in light of the new market challenges.	Department of Economy and Finance.
Lines of action		
<ol style="list-style-type: none">1. To support the promotion and consolidation of new financing instruments for industrial SMEs in the region.2. To support advisory, transfer, collaboration and financing activities of industrial SMEs in the region to meet new business challenges: a) Internationalisation; b) Technological innovation; c) Circular economy and sustainability; d) Digitisation; e) Implementation and expansion in rural areas; f) Attraction of talent; g) Networking; h) Use and boosting of local resources.3. To support the development of collaboration networks with financial institutions to support industrial SMEs in the region.4. To support regional cooperation between entrepreneurs and established industrial companies.		

 GOAL 2	 Rationale	 Entity responsible
Foster business collaboration strategies in the industrial ecosystem.	The strengthening of the industrial ecosystem and the improving of its position in the international environment call for the cross-cutting development of collaborative initiatives.	Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
2.1. To support the development of new industrial and cooperative business, exchange, integration and transfer projects linked to resource optimisation, energy efficiency, circular economy, and industry 4.0.	2.2. To support the development of strategic alliances between regional industry and companies and other leading or excellent players in the international industrial ecosystem.	2.3. To support the development of strategic alliances between industrial companies in the region and investments, funds and financing platforms. 2.4. To support the development and implementation of clusters, business organisations, and other industrial working networks. 2.5. To support the ties between industrial enterprises and universities in the region in collaborative projects and in knowledge and technology transfer activities.
 GOAL 3		
Promote public services and industry support entities as catalysts and enablers of the industrial ecosystem and enhance public-private collaboration.	It is necessary to take advantage of the variety of formulas and possible areas of cooperation between industrial enterprises and public services in the region as ways of developing new projects and meeting the challenges posed.	Department of Economy and Finance. Department of Transparency, Land Use Planning and Foreign Action.
 Lines of action		
3.1. To support a Roadmap and new devices to boost Public Procurement of Innovative solutions (PPI) related to regional industry.	3.2. To support public-private initiatives to finance large industrial investment projects in the region..	3.3. To support Open Innovation actions to foster public-private cooperation in the industrial ecosystem of the region
3.4. To support the search for new ways of financing industrial enterprises and projects that combine public and private resources.	3.5. To support the development of new mechanisms for communication and interaction between businesses and public authorities, improving multi-channel information services and moving towards more streamlined, agile and clear electronic processing, particularly fast decision-making.	
 GOAL 4		
Extend high-speed digital connectivity to all parts of the region.	To progress in digitising businesses and not lose competitiveness, good connectivity across the territory must be ensured.	Department of Economy and Finance. Department of Development and Environment.
 Lines of action		
4.1. To facilitate high-speed digital connectivity in the industrial estates of the region ⁽³⁶⁾ .	4.2. To support the development of high-speed digital connections in rural areas.	

36 To this end, the Directorate-General for Telecommunications and Digital Transformation expects an investment of €9.5 million in 2021, 2022 and 2023 to improve the connectivity of industrial estates.

6.5. FOCAL POINT 5. INDUSTRIAL LAND

Balanced industrial development in the region calls for the development and availability of industrial land that provides the location and resources that companies require. This is industrial land with accessible roads, digitalised, affordable for entrepreneurs and industrial SMEs, also located in rural areas, with modern and sustainable facilities and that favour collaborative strategies among those who occupy it.

Regional competitiveness will also be determined by providing companies, at an affordable price, with opportunities and site infrastructure tailored to their needs, capacities and projects.

The IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon also stresses, in some aspects, the need to promote industrial land.

Castilla y Leon is one of the largest regions in Europe, and this gives it the potential to generate industrial land. Its geographical positioning also links it with transportation routes of great strategic interest for international markets.

Today, however, there is a limited supply of large-scale industrial land, which is a barrier to

the attracting and development of large industrial projects in Castilla y Leon.

In short, industrial land must be promoted, supporting territorialisation that combines different priorities or variables, such as the following: 1) Rural environment; 2) Access to logistics infrastructure; 3) Geostrategic location; 4) Development of emerging and innovative activities; 5) Possibilities for coworking; 6) Promotion of entrepreneurial discovery; 7) Capacity to attract companies, talent and new entrepreneurs; 8) Access to energy sources.

This said, the goals proposed in **Focal Point 5 (Industrial Land)** are:

Goal 1	Goal 2
Encourage the attractiveness of available industrial land in the provinces, particularly in rural areas.	Provide alternative uses for abandoned or declining industrial land.

In Goal 1, the measures proposed relate to the improvement of equipment and infrastructure, lower levels of industrial land, the generating of new spaces for the sharing of resources

or utilities, and the promotion of innovative activities, etc.

The fieldwork prior to preparation of the II Master Plan indicated that, among the measures requested from the Regional Government of Castilla y Leon and on a scale of 1 to 5 (where 1 is Not at all important and 5 is Extremely impor-

tant), the offer of industrial land was given an average score of 3.94.

Goal 2 aims to provide new alternative uses for industrial land to foster coworking, the development of emerging, strategic or high-growth potential activities, or to encourage entrepreneurial discovery.

TABLE 28. Goals and lines of action of Industrial land.

GOAL 1	Rationale	Entity responsible
Encourage the attractiveness of available industrial land in the provinces, particularly in rural areas.	The attracting of new companies, entrepreneurs and investors requires the improvement and expansion of infrastructure and the incorporation of new equipment in the region's industrial land while boosting marketing processes.	Department of Economy and Finance. Department of Development and Environment.
Lines of action		
1.1. To support the improvement of equipment and infrastructure to make industrial land more attractive and suitable. 1.2. To move towards cheaper industrial land. 1.3. To generate new spaces for shared use of industrial land (linked to supply, waste management, etc.). 1.4. To generate specific spaces for the development of innovation activities in industrial land. 1.5. To create new equipment and infrastructure on industrial land to exploit local resources.	1.6. To explore and consolidate new ways of marketing industrial land based on the results achieved in recent years. 1.7. To update industrial land valuations. 1.8. To encourage the installation and modernisation of logistics platforms and facilities. 1.9. To publicise available industrial land and advise regional, national and international companies in their search for the most suitable spaces, according to their characteristics and projects.	
GOAL 2	Rationale	Entity responsible
Provide alternative uses for abandoned or declining industrial land.	Disused industrial land can, once restored and publicised, be effectively used for the development of key economic and business activities for the region.	Department of Economy and Finance. Department of Development and Environment.
Lines of action		
2.1. To generate new spaces on industrial land for entrepreneurs and coworking activities. 2.2. To increase industrial land for the development of emerging, strategic or high growth potential activities: biotechnology, aerospace, cybersecurity, sustainability, Technology 4.0, Industry 4.0, etc.	2.3. To encourage industrial entrepreneurial discovery through diversification related to science and technology parks, industrial estates, and logistics parks.	

6.6. FOCAL POINT 6. RURAL ENVIRONMENT AND LOCAL RESOURCES

The vast scale and diversity of Castilla y Leon makes it a rich and varied region of raw materials and natural resources. This is a great comparative advantage which, through leading entrepreneurship, intrapreneurship, productive promotion, and innovation initiatives, must be transformed into competitive advantages.

These local resources include agriculture, renewable energy sources, forest resources and mining sites. These resources are essential for the sustainable development of Castilla y Leon.

Moreover, the economic and business possibilities of the region's local resources are also a major opportunity for rural development insofar as they can attract investment, create ventures or develop businesses.

With regard to the fieldwork prior to preparation of the II Master Plan, it should be noted that, among the measures requested from the Regional Government of Castilla y Leon and on a scale of 1 to 5 (where 1 is Not at all important and 5 is Extremely important), the industrialisation of rural areas was given an average score of 4.32.

Therefore, two goals have been specified in **Focal Point 6 (Rural Environment and Local Resources)**:

Goal 1

Develop cooperative actions to promote regional industry in rural areas.

Goal 2

Strengthen the location and promotion of industry in rural areas of Castilla y Leon.

Through Goal 1, in rural areas, industrial cooperatives will be encouraged, synergies between different sectors will be promoted, collaborative spaces will be created, and the professional skills of workers will be increased and adapted.

Goal 2 will also develop different initiatives in the rural area, such as the boosting of new mining sites, project banks, R&D activities, advice for entrepreneurs, the creation of local action groups, etc.

It should be noted that the IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon places particular emphasis on the issues raised in Focal Point 6.

TABLE 29. Goals and lines of action of Rural environment and local resources.

 GOAL 1	 Rationale	 Entity responsible
Develop cooperative actions to promote regional industry in rural areas.	The development of industry in rural settings calls for the promotion of cooperative activities among different players in the value chain and the exploration of synergies with other economic sectors.	Department of Economy and Finance. Department of Employment and Industry. Department of Agriculture, Livestock and Rural Development.
 Lines of action		
1.1. To support the creation and strengthening of industrial cooperatives in rural areas, particularly using local resources. 1.2. To support the creation of public-private cooperation networks to promote industrial activity in rural areas.	1.3. To support the development of hybridisations in rural areas between agroindustry and other economic activities. 1.4. To support the development of activities to update and increase capabilities in regional industry located in rural areas.	
 GOAL 2	 Rationale	 Entity responsible
Strengthen the location and promotion of industry in rural areas of Castilla y Leon	The resources of the rural areas of Castilla y Leon offer ample opportunities to encourage the broad and diversified development of regional industry.	Department of Economy and Finance. Department of Agriculture, Livestock and Rural Development.
 Lines of action		
2.1. To support the improvement and modernisation of equipment and infrastructure of all kinds to make industrial land more attractive and suitable. 2.2. To support the development of R&D activities related to the region's local resources: agriculture, renewable energies, forest resources, mining sites, etc. 2.3. To encourage new entrepreneurial and intrapreneurial activities by boosting mining sites in the region or the recovery of mineral resources from waste containing raw materials.	2.4. To support technology innovation and marketing processes in industrial SMEs located in rural areas of the region. 2.5. To inform of rural support instruments for entrepreneurs, companies and industrial workers. 2.6. To promote the creation of local action groups in rural areas to meet industry challenges: circular economy, energy efficiency and digitisation. 2.7. To maintain rural industrial businesses by supporting business succession. 2.8. To produce an inventory of mining and quarrying resources.	

6.7. FOCAL POINT 7. INDUSTRIAL SUSTAINABILITY

Sustainability is a cross-cutting imperative for the productive promotion of all industrial activity, as well as a major regulatory requirement. Major changes are expected in this regard in the future, where it will be vital to ensure compliance with industrial safety and to avoid risks to facilities, users and the environment, thus ensuring a transformation that is both sustainable and safe.

In recent years, significant steps towards industrial sustainability have been taken in both Castilla y Leon and other regions of Spain and Europe, mainly through energy efficiency, the circular economy, industrial self-consumption, and the bio-economy.

Fieldwork among industrial companies has shown that seven out of ten companies are committed to environmental sustainability.

Likewise, the energy transition is an opportunity for the economic and social development of the region, including rural areas.

Over the coming years, we must continue along the same path. To this end, it will be essential to mobilise resources from public ser-

vices so that the industrial fabric and SMEs in particular include projects, procedures and other measures that ensure they are in line with the environmental challenges of Castilla y Leon and of the planet.

In this respect, **Focal Point 7 (Industrial Sustainability)** has set the following goals:

Goal 1

Raise awareness and provide resources to make industry in Castilla y Leon a benchmark in energy efficiency and self-consumption.

Goal 2

Promote the circular economy in industry in Castilla y Leon.

Under Goal 1, measures such as the development of individual diagnoses in companies, advice and lines of financing, technology and knowledge transfer, development of technological solutions, etc. will be promoted.

Whereas, awareness-raising activities will be promoted through Goal 2, including the design of more sustainable bioproducts and materials,

the use of nanotechnologies, the development of pilot projects, etc.

Sustainability is a cross-cutting requirement in the economy, society and culture. Therefore, new public instruments have been developed in recent years specifically to work towards sustainability or energy transition from different perspectives.

These public instruments include, for example, the second Circular Economy Action Plan, approved in 2020 by the European Commission within the framework of the European Green Deal.

At national level, the Spanish Bioeconomy Strategy - 2030 Horizon must be noted, in

which strategic economic activities in the region, primarily agrifood and forestry, are called on to play a fundamental role.

In terms of the region, the Circular Economy Strategy of the Autonomous Community of Castilla y Leon 2020-2030 must be noted. It should also not be forgotten that one of the priorities of the RIS3 2021-2027 is *Castilla y Leon, carbon neutral and fully circular*.

The lines of action linked to the aforementioned goals are in line with these public instruments, as with Focal Point 10 (Transition to a Circular Economy). Sustainability and Energy Efficiency), of the IV Framework Agreement for Competitiveness and Business Innovation of Castilla y Leon.

TABLE 30. Goals and lines of action of Industrial Sustainability.

GOAL 1 Raise awareness and provide resources to make industry in Castilla y Leon a benchmark in energy efficiency and self-consumption.	Rationale Industrial companies, especially SMEs, require cross-cutting support so that they can gradually take advantage of the new opportunities provided by technological innovations (also non-technological) and local resources in the area of energy transition.	Entity responsible Department of Economy and Finance. Department of Development and Environment.
Lines of action		
1.1. To support the development of individualised diagnostics in companies for energy sustainability needs, capabilities and opportunities.	regional industry in the field of renewable energies.	
1.2. To support, through advice and lines of financing, the incorporation of capacities, pilot projects and facilities into the region's industry, aimed at accessing and optimising renewable energies (industrial solar, biomass, biogas, etc.) and energy self-consumption.	1.5. To support the promotion of collaborative networks in regional industry to meet the challenges of energy efficiency and self-consumption.	
1.3. To support the national and international transfer of technology and knowledge to industrial companies to ensure they progress in the energy transition.	1.6. To support the addition of hybrid or electric vehicles to industrial facilities in the region.	
1.4. To support the development of technological solutions within the framework of the R&D ecosystem of Castilla y Leon for	1.7. To support the linking of regional industry with other bodies and initiatives involved in the challenges of self-consumption and energy efficiency.	
1.8. To monitor the regional actions of industry in energy efficiency and self-consumption.		
GOAL 2 Promote the circular economy in industry in Castilla y Leon.	Rationale The circular economy is still in its infancy in Castilla y Leon. Horizontal support to the industrial ecosystem is required in order to generate or consolidate the first milestones in a collaborative, innovative manner.	Entity responsible Department of Economy and Finance. Department of Development and Environment.
Lines of action		
2.1. To raise awareness of the challenges of the circular economy in regional industry.	2.6. To support new entrepreneurship for the installation of new industrial waste treatment plants or intrapreneurism for their innovation and improvement.	
2.2. To support the deployment of procedures and technologies, mainly among industrial SMEs, in the circular economy.	2.7. To support the transfer of technology, knowledge and best practices to industrial companies involved in the circular economy.	
2.3. To support the training of managers and workers of regional industrial companies in the circular economy.	2.8. To support the creation of the Circular Innovation Hub of Castilla y Leon.	
2.4. To support the design and manufacture of more sustainable bioproducts and materials for use by industry in Castilla y Leon, particularly from regional raw materials.	2.9. To support the development of pilot projects linked to the promotion of the circular economy in industry.	
2.5. To support the use of nanotechnologies to reduce material consumption in regional industry.	2.10. To support a network of entrepreneurial and intrapreneurial spaces linked to regional industry to promote collaborative projects in the circular economy.	

6.8. FOCAL POINT 8. ENHANCING QUALITY TRAINING AND EMPLOYMENT IN INDUSTRY

Increased international competition, technological or other improvements and innovations brought to industry and established quality standards are, among others, factors that call on companies, workers and educational establishments (vocational training, university, etc.) to make greater efforts in the expanding and specialisation of skills maps.

Human capital will remain the main competitive advantage of industry in Castilla y Leon and the driving force of all others. Strengthening their qualifications, allowing them to participate and lead intrapreneurial and entrepreneurial initiatives, etc., will help continue generating quality employment in industry and will necessarily contribute to its growth, competitiveness and differentiation.

One very important fact to bear in mind is that, according to the fieldwork carried out prior to the II Master Plan, 54.4% of industrial companies do not at all or only slightly agree that they can recruit people with the suitable training for their production requirements.

In order to continue to climbing with regard to its international position, industry in Castilla

y Leon must continue to work towards becoming an attractive region that retains and attracts talent, particularly qualified youngsters and entrepreneurs. All this bearing in mind that, traditionally, one of the main difficulties in the employment market in Castilla y Leon has been the flight of regional talent. The IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon has had a particular impact on this issues.

It is true that the region has vocational training centres that are benchmarks and are in line with the trends and new skills required by the most strategic economic activities. Even so, they must be more committed to adapting the design of their curricula to the new requirements of companies, to linking and developing projects with them, to further promoting dual cycles, etc. To a great extent, the VI General Plan for Vocational Training 2021-2025 of Castilla y Leon will take on these priorities.

On the other hand, closer ties and promoting joint activities between industrial companies and the universities of Castilla y Leon is an essential way of consolidating a more competitive, more digital, more sustainable regional

industrial ecosystem with greater capacity to create quality employment and multiply transferability activities, and where new young entrepreneurs also flourish.

Given these priorities and challenges, these goals have been included in **Focal Point 8 (Enhancing of quality training and employment in industry):**

Goal 1 Develop instruments and incentives to attract and retain talent in regional industry.	Goal 2 Adapt the range of vocational training to the new trends and needs of industry in Castilla y Leon.
Goal 3 Promote a regional university training model connected to regional industry, improving university-business communications and collaboration channels.	Goal 4 Promote the retraining of workers to adapt to a digital and sustainable industry.
Goal 5 Support the entrepreneurship of youngsters in industry.	

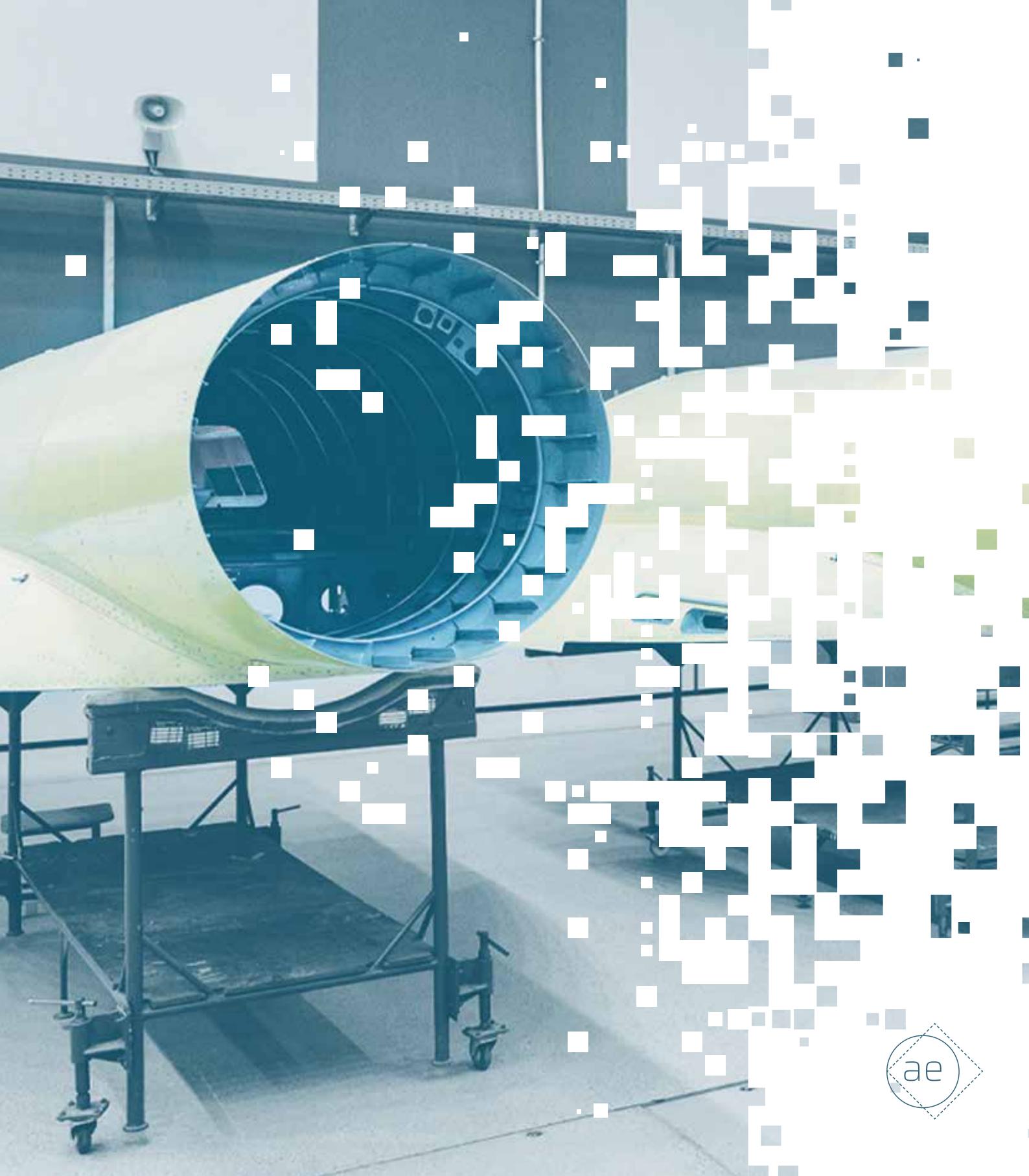
TABLE 31. Goal and lines of action for quality training and employment in industry.

 GOAL 1	 Rationale	 Entity responsible
Develop instruments and incentives to attract and retain talent in regional industry.	Strengthening the region's industry requires the leadership of skilled human capital, which means offering attractive employment, entrepreneurial and intrapreneurial opportunities.	Department of Economy and Finance. Department of Education.
 Lines of action		
<ol style="list-style-type: none"> 1. To support corporate and institutional initiatives that promote the attracting and retaining of industrial talent in the region. 2. To support initiatives for the return of locals residing abroad to regional industry. 3. To support the formulation and implementation of incentives to attract and retain talent at universities and regional R&D centres linked to industry. 4. To encourage the recruitment of women into industrial activities, making them more attractive at training stages and encouraging their attraction and retention in jobs. 		

 GOAL 2	 Rationale	 Entity responsible
Adapt the range of vocational training to the new trends and needs of industry in Castilla y Leon.	Changes in the competition maps of the industry, in line with new market trends and requirements, require ongoing efforts to adjust and update the Vocational Training offering. This will therefore be essential to enable students and graduates to join regional industry. This also means moving forwards in the goals set in the VI General Plan for Vocational Training.	Department of Economy and Finance. Department of Education.
 Lines of action		
2.1. To establish and consolidate collaborative spaces among Vocational Training centres, regional companies and other players involved in Vocational Training in order to adapt the design of curricula to the new skills maps of the industry, thus promoting insufficiently-developed groups of professions.	2.3. To support the offering of new dual training courses associated with industry (in green sectors, for example), supporting the modernisation of machinery in vocational training centres and promoting the Support Centre for the Development of Teaching, Innovation and Entrepreneurship in Vocational Training of Castilla y Leon.	
2.2. To support access by vocational training students to traineeships in industrial enterprises.	2.4. To support access by the unemployed to industry through qualification or skills upgrading activities within the framework of vocational training.	
 GOAL 3	 Rationale	 Entity responsible
Promote a regional university training model connected to regional industry, improving university-business communications and collaboration channels.	There is a need to strengthen and support the linking of the offering and training capacities of universities with new trends in industry.	Department of Economy and Finance. Department of Education.
 Lines of action		
3.1. To support the development of industrial PhDs.	3.3. To support access for students and recent graduates to traineeships and jobs in industrial sectors with greater employability.	
3.2. To support the design and provision of postgraduate programmes in universities linked to the new challenges of regional industry.		
 GOAL 4	 Rationale	 Entity responsible
Promote the retraining of workers to adapt to a digital and sustainable industry.	New employer requirements call for defining training pathways and updating the skills of workers in industry, as well as promoting relevant qualifications.	Department of Economy and Finance. Department of Employment and Industry. Department of Education.
 Lines of action		
4.1. To encourage access by workers and the unemployed to professional qualification devices in regional industry.	aimed at updating and expanding skills in digitisation, green jobs and cybersecurity in order to adapt to a more digital and sustainable industry.	
4.2. To support the development of diagnostics for qualification requirements in regional industry.	4.4. To support e-learning as a training modality in regional industry.	
4.3. To support access by industrial workers to ongoing training activities	4.5. To support industrial companies with a commitment to job placement.	
 GOAL 5	 Rationale	 Entity responsible
Support the entrepreneurship of youngsters in industry.	Boosting entrepreneurship in the region requires the training of youngsters and the support of specialised entities linked to universities or other players in the industrial ecosystem.	Departments of Economy and Finance, Education and Agriculture, Livestock and Rural Development.
 Lines of action		
5.1. To support entrepreneurship support entities with the aim of encouraging the entrepreneurship of new graduates from the education system in industry.	5.2. To support the motivation and training of youngsters to engage in entrepreneurial activities.	



“ II Master Plan
aims to guide and
inform industrial
companies in Castilla
y Leon on routes
of financing and to
provide them with
specific instruments



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7 SECTORAL FOCAL POINTS

7.1. STRATEGIC SECTORS

7.1.1. Focal Point 9. Automotive

Automotive is one of the main strategic sectors in the region and is led by multinational companies. The automotive sector also stands out because it has some of the largest industrial companies in Castilla y Leon, which are more innovative, have greater export capacity, and have opportunities to create skilled employment. This sector was particularly highlighted in the RIS3 2021-2027.

In short, the automotive sector acts as a significant driving force on the entire regional economy; it has a very important multiplying effect on employment and is, in turn, one of the leading laboratories in R&D.

Nowadays, the automotive sector in Castilla y Leon, as elsewhere in Europe or in the world, is undergoing significant transformations and facing major challenges, including the evolution towards hybrid vehicles and electromobility, smart mobility, and eco-innovation. To this end, the Regional Strategy for Alternative Energy Vehicles in Castilla y Leon 2020-2023 aims not only to promote the use of this type of vehicle but also to develop the infrastructure needed to support the new fleet of vehicles.

This strategy has an industrialisation focal point that “aims to promote the technological development and manufacture [...] of components and modules for alternative energy vehicles, as well as for the manufacture of the associated energy infrastructure”.

It is also necessary to link Focal Point 9 with the Strategic Project for Economic Recovery and Transformation (PERTE) for the development of the Electric and Connected Vehicle.

The automotive sector in Castilla y Leon is also exposed to high levels of international competition in both emerging and developing countries, and economically more advanced countries (relocation). This is why the designs, technology, production processes and skills of workers must be urgently adapted to new demands and trends, thereby increasing productivity and innovation.

Very important progress has been made in the structuring, consolidation and strengthening of the local automotive value chain because, for example, companies providing goods and services (including TIER 1), specialised technology centres or vocational training centres with an offering that is in line with the new demands for skilled labour are located in different provinces.

In this context, the following goals have been set in **Focal Point 9 (Automotive)**:

Goal 1

Move towards regional specialisation in electromobility and connected mobility.

The goal is for companies to be able to progress, at the lowest possible costs, in their transition to electric, hybrid or connected vehicles, promoting new designs, reconfiguring production chains, recruiting and retraining workers, and encouraging innovative or collaborative projects.

Goal 2

Promotion of innovative digital transformation in the value chain (*Smart mobility*).

The goal is to equip companies with the skills to integrate them efficiently into the fourth industrial revolution, bringing industry 4.0 and technology 4.0 into focus.

Goal 3 Promote eco-innovation in the automotive value chain.

The goal is for companies to stockpile and optimise tools and new skills to help them progress in sustainability, innovation, and the circular economy.

TABLE 32. Goals and lines of action of Automotive.

 GOAL 1	 Rationale	 Entidad responsable
Move towards regional specialisation in electromobility and connected mobility.	Electromobility and connected mobility are a global trend that is producing major transformations in design, manufacturing, occupational safety and materials processes, for which progress must be made in terms of collaboration, innovation and training.	Department of Economy and Finance. Department of Employment and Industry. Department of Education. Department of Development and Environment.

Lines of action

- 1.1. To support companies in redesigning plants that are appropriate for the challenges and regulations associated with electromobility.
- 1.2. To foster regional specialisation in the design and manufacture of new materials (non-conductors) and batteries.
- 1.3. To promote regional specialisation in the design and manufacture of new technologies, tools and equipment linked to electromobility challenges.
- 1.4. To support the adaptation of companies to new regulatory requirements regarding occupational safety in light of electromobility challenges.
- 1.5. To support the retraining of workers in light of electromobility challenges.
- 1.6. To adjust the Vocational Training offering to the new requirements in electromobility.
- 1.7. To attract new providers and suppliers to the regional value chain of the hybrid or electric vehicleo.
- 1.8. To develop collaborative projects among regional technology centres specialising in automotive and other players in the value chain.

 GOAL 2	 Rationale	 Entity responsible
Promotion of innovative digital transformation in the value chain (<i>Smart mobility</i>).	The automotive industry is particularly challenged by the digitisation of production processes, especially in terms of sensorisation, advanced manufacturing, and robotics.	Department of Economy and Finance.

Lines of action

- 2.1. To promote the design and manufacture of 4.0 technology linked to the regional automotive value chain.
- 2.2. To support companies in their digitisation processes, particularly those aimed at implementing advanced manufacturing/industry 4.0 within manufacturing activities.

 GOAL 3	 Rationale	 Entity responsible
Promote eco-innovation in the automotive value chain	Sustainability is a cross-cutting challenge in value chain production processes, from design and manufacturing to storage, mobility and logistics.	Department of Economy and Finance. Department of Development and Environment.

Lines of action

- 3.1. To support automotive companies in innovating sustainable materials and procedures.
- 3.2. To promote the circular economy in the automotive sector.
- 3.3. To support the incorporation of green hydrogen within energy sources linked to electromobility devices.
- 3.4. To support R&D centres in the region to involve them in automotive sustainability challenges.

7.1.2. Focal Point 10. Agrifood □

The agrifood sector is one of those considered strategic for Castilla y Leon, given its importance in terms of number of companies, employment, exports, and contribution to GVA. Moreover, given its link with the primary sector, it plays an important role as a cohesive territory thanks to its presence in the rural environment. As seen in the previous diagnosis, it consists of both large companies and SMEs, with different levels of digitisation, automation and development. It will therefore be important to consider the size and characteristics of companies in the initiatives implemented as part of this II Industrial Promotion Master Plan.

With regard to the future of the sector, RIS3 2021-2027 states that "Castilla y Leon is a leader in food quality figures and has an industry and agrifood sector with many possibilities of taking advantage of global trends to position itself in niches linked to changes in demand, health and quality of life". The positioning of the Castilla y Leon industry in these specific markets at national and international level must therefore be supported.

Furthermore, the actions established in the field of the agrifood sector will be coordinated with the Platform for Revitalisation of Agricul-

tural and Agrifood Research and Innovation (2021-2027), presented on 7 July 2021, which seeks to guarantee the modernity and viability of the sector in Castilla y Leon. This will be led by Itacyl.

Actions will also consider the measures of the future Strategic Project for Economic Recovery and Transformation (PERTE) for the smart and sustainable agrifood chain, which is under study at the time of producing the II IPMP.

Therefore, to strengthen the national leadership of the agrifood sector in Castilla y Leon, improve its international positioning, and encourage the growth and competitiveness of SMEs, the II Industrial Promotion Master Plan sets out the following goals:

Goal 1 Promote and support sustainable food production and circularity.

All this to adapt to global sustainability trends and challenges, taking advantage of the opportunities they can offer the sector, minimising the sector's impact on the environment and, therefore, improving its image and positioning with regard to other regions and countries.

Goal 2

Specialise the value chain in healthy and functional products, adding value to the agrifood industry, the tradition of craftsmanship, and the local processed product.

The goal is to target consumers who value quality products, differentiating the agrifood offering of Castilla y Leon and adding value to the processing of food ingredients.

Goal 3

Further the traceability and value creation of food products.

This aims to further safety, quality and transparency in the value chain, and to generate higher value-added products.

Goal 4

Explore hybridisations of the agrifood sector with other economic activities.

To harness the leadership and positioning of Castilla y Leon's agrifood products to benefit other production activities.

Goal 5

Strengthen and explore new markets.

The growth of the agrifood sector in Castilla y Leon involves the internationalisation of its businesses and the foreign recognition of its

products as a synonym of quality. Collaboration among businesses is considered essential in entering foreign channels and routes and the support of digitisation, especially in SMEs.

TABLE 33. Goals and lines of action in Agrifood sector.

 GOAL 1	 Rationale	 Entity responsible
Promote and support sustainable food production and circularity.	The agrifood industry must address the global challenges of energy transition, circular economy, and the incorporation of sustainable resources.	Department of Economy and Finance; Agriculture, Livestock and Rural Development and Development and Environment
 Lines of action		
<ol style="list-style-type: none">1. To support the incorporation of efficient new processes and technologies in the agrifood industry that enable it to reduce resource consumption and move towards a circular economy.2. To support the design, manufacture and procurement of packaging and other organic materials in the agrofood industry.3. To support the development of logistics in the agrifood sector, both for the marketing of products and for the management of waste.		

GOAL 2	Rationale	Entity responsible
Specialise the value chain in healthy and functional products, adding value to the agrifood industry, the tradition of craftsmanship, and the local processed product.	International trends in healthy and functional foods require changes in the regional production matrix, while highlighting their raw materials and craftsmanship techniques.	Departments of Economy and Finance; Agriculture, Livestock and Rural Development and Employment and Industry.
Lines of action		
2.1. To promote the production of new (functional and healthy) food products from regional ingredients through new intrapreneurships and new biotechnology undertakings. 2.2. To support the retraining of workers with the aim of adjusting their skills to the new challenges in healthy and functional foods, attracting new employees to traditional sectors.	2.3. To work on enhancing and publicising a regional agrifood brand based on the principles of healthy eating, craft production, and local ingredients, based on the advances made in the "Tierra de Sabor" label as a certification mark.	
GOAL 3	Rationale	Entity responsible
Further the traceability and value creation of food products.	While there have been significant developments in the traceability of the value chain, this must be strengthened, while innovation is also needed to generate increasing added value in line with market trends and requirements.	Departments of Economy and Finance; Agriculture, Livestock and Rural Development and Employment and Industry.
Lines of action		
3.1. To support agrifood companies in the strengthening and ongoing improvement of safety, quality and transparency procedures in the value chain.	3.2. To support agrifood companies in R&D processes, with the aim of adding value to their products by strengthening their work teams, supporting the incorporation of technology and the transfer of knowledge.	
GOAL 4	Rationale	Entity responsible
Explore hybridisations of the agrifood sector with other economic activities.	The agrifood industry can have a significant impact on the economic and territorial development of certain areas of Castilla y Leon, either individually or by generating synergies with other economic activities.	Departments of Economy and Finance; Agriculture, Livestock and Rural Development and Culture and Tourism.
Lines of action		
4.1. To explore the creation of new tourist routes or destinations linked to the agrifood and gastronomic value chain.	4.2. To support the growth, creation and expansion of agrifood businesses in rural areas so that they act as a driving force on local development.	
GOAL 5	Rationale	Entity responsible
Strengthen and explore new markets.	The potential of the agrifood industry, the quality of its products, and its ability to adapt to new demands mean that it has ample opportunities to gain a foothold in markets or enter new ones.	Departments of Economy and Finance; Agriculture, Livestock and Rural Development and Employment and Industry.
Lines of action		
5.1. To promote trade missions abroad to publicise regional agrifood products. 5.2. To develop nationwide campaigns to publicise the regional agrifood brand and offering.	5.3. To support collaborative projects between agrifood companies with a presence in the region to market products in domestic and international markets. 5.4. To support digitisation processes, especially for small agrifood businesses, to strengthen their marketing channels.	

7.1.3. Focal Point 11. Energy □

The energy sector, in its traditional subsectors, has experienced significant contraction in the last decade, both in terms of GVA and employment, as the diagnosis has shown. However, the energy transition represents a major change in the sector, making it more diversified and thus offering different opportunities to traditional ones for the development of an energy sector in Castilla y Leon that is driven by the energy transition, while also enabling other industries.

It is important, on one hand, for companies to be diverse, specialised and strong in clean energy generation and energy efficiency technologies and, on the other hand, for them to be capable not only of producing clean energy but for this also to be turned into opportunities or benefits for other industrial sectors and for the territory. Opportunities must therefore be explored to attempt to extend the benefits of being a renewable energy producing and exporting region in the territory. The strength in renewable generation and the ongoing efforts to improve knowledge on energy efficiency should also facilitate the energy transition and improvement of the energy efficiency of industries.

Moreover, the transition to a low-carbon economy involves great changes in which no one needs to be left behind, exploring new options and opportunities for the territories affected.

It will be important to coordinate the actions proposed through the new Energy Efficiency Strategy of Castilla y Leon 2030 (under approval), which also includes a Regional Hydrogen Roadmap, seeking to “achieve a hydrogen economy that will allow for the development and enhancement of the region’s industrial fabric”.

Likewise, actions under this focal point must be linked to the proposals set out by the II Social Dialogue Agreement to promote a fair transition to climate change in Castilla y Leon in 2021-2023.

For this sector, the II Industrial Promotion Master Plan of Castilla y Leon sets out five goals, which are aimed in three different yet related directions: the energy transition of the economy, the energy sector in Castilla y Leon, and the energy transition.

Goal 1 Promote energy transition in companies and public services.

This aims to move towards the low-carbon economy and energy efficiency, acting particularly on businesses and public services.

Goal 2 Structure the benefits of renewable energy generation across the territory.

The goal is to capitalise on the benefits and opportunities associated with renewable energy production in the territory, seeking to prioritise those technologies and developments that can have most impact on employment, particularly in the rural world.

Goal 3 Strengthen the leadership of Castilla y Leon in biomass production.

By maintaining and improving this leadership at national level, it is also positioning itself at European level as a benchmark in knowledge, technology and biomass production, as well as in the generation of energy through this.

Goal 4 Maintain the commitment to green hydrogen production in the region.

The goal is to position Castilla y Leon as an energy producing region through Green Hydrogen, and to take advantage of its applications in the industrial sector.

Goal 5 Ensure a fair energy transition for industries with no social mismatches or territorial imbalances.

The goal is to maintain the population and employment in areas affected by business closures, seeking to offer other possibilities.

TABLE 34. Goals and lines of action of Energy.

 GOAL 1	 Rationale	 Entity responsible
Promote energy transition in companies and public services.	Businesses and public services must play a key role in the region's energy transition, which requires cross-cutting support.	Department of Economy and Finance. Department of Development and Environment.
 Lines of action		
1. To raise awareness and enable businesses and public services to make progress in energy savings and efficiency and in the importance and necessity of the energy transition.		
2. To support companies and public services in implementing investments aimed at energy transition through self-consumption, storage, and energy efficiency, where biogas and the use of residual heat can play a decisive role for the industry.		
3. To support the business procurement of renewable goods and equipment, especially in industrial companies, as well as specialised services and installers for the energy transition.		
4. To promote the principles of the circular economy in harnessing components and technologies used in energy generation, distribution and end-of-life use processes.		
5. To promote Green Public Procurement and Public Procurement of Innovative solutions (PPI) initiatives linked to energy efficiency and savings technologies and renewable energies.		
6. To promote Smart cities, particularly in rural areas, through energy efficiency initiatives.		

GOAL 2	Rationale	Entity responsible
Structure the benefits of renewable energy generation across the territory.	Infrastructure created to obtain, generate or exploit renewable energy in rural areas is an opportunity to promote and structure their value chains in municipalities located in rural areas.	Department of Economy and Finance. Department of Development and Environment.
Lines of action		
2.1. To support the creation and consolidation of manufacturing, installation or information and consultancy companies linked to the energy value chain.	2.2. To promote Smart cities, particularly in rural areas, through energy efficiency initiatives. 2.3. To promote and support the installation of charging points for electric and hybrid vehicles.	
GOAL 3	Rationale	Entity responsible
Strengthen the leadership of Castilla y Leon in biomass production.	Castilla y Leon is a region with the local resources and knowledge required for biomass production. Building on the progress made, there is a need to structure initiatives that horizontally promote both production and consumption.	Department of Economy and Finance. Department of Development and Environment.
Lines of action		
3.1. To facilitate access to technologies and equipment to continue advancing in biomass production based on the region's variety of local resources. 3.2. To create infrastructure and equipment to boost cross-sectional biomass consumption in the region. 3.3. To support R&D centres and companies in their specialisation in knowledge and technology linked to the exploitation and use of biomass as an energy resource.	3.4. To support the development of procedures and devices that support the traceability of the biofuel value chain. 3.5. To train all players in the value chain in the production and use of biofuels. 3.6. To support the development of R&D projects linked to bioeconomics, the results of which are transferable to companies in Castilla y Leon. 3.7. To support the implementation and development of integrated biomass treatment plants. 3.8. To support research on third- and fourth-generation biofuels.	
GOAL 4	Rationale	Entity responsible
Maintain the commitment to green hydrogen production in the Autonomous Community.	Green Hydrogen is an energy vector that is becoming increasingly relevant globally, and in which Castilla y Leon has relevant competences in R&D knowledge.	Department of Economy and Finance. Department of Development and Environment.
Lines of action		
4.1. To specify the possibilities presented by Castilla y Leon in Green Hydrogen. 4.2. To support the generating of competences at company,	technology and human capital levels to take advantage of regional opportunities in Green Hydrogen. 4.3. To develop and implement the Regional Hydrogen Roadmap.	
GOAL 5	Rationale	Entity responsible
Ensure a fair energy transition for industries with no social mismatches or territorial imbalances.	There is a need to offer alternatives to territories and workers whose companies are closing down due to the demands and trends regarding energy transition.	Department of Economy and Finance. Department of Development and Environment. Department of Employment and Industry.
Lines of action		
5.1. To support the creation and consolidation of manufacturing, installation or information and consultancy companies linked to the energy value chain, paying special attention to the manufacture of components for energy sector equipment.	5.2. To promote and support the installation of charging points for electric, hybrid or connected vehicles.	

7.1.4. Focal Point 12. Habitat □

The Habitat sector is a large, diversified and distributed economic activity throughout the region. It links all the companies involved in the building and renovating of homes, civil engineering, furniture manufacturing, and the generation of equipment and infrastructure in other areas of social and environmental interest, thus contributing to sustainable territorial development.

The Habitat sector in Castilla y Leon faces different challenges, including energy transition and sustainability, in order to move towards more efficient habitats, “passive housing”, and ecological technologies. The richness and variety of (sustainable) raw materials can help in this challenge.

It requires a more tailored, innovative and accessible Vocational Training offering so that companies can employ qualified workers from throughout the territory according to their requirements and to the new challenges. This will also help achieve greater recognition of more specific occupations in the habitat sector.

The Habitat sector is also set to move towards more industrialised production pro-

cesses (modular construction, for example), in which the digital transformation (Industry 4.0, in particular) must become more prominent.

To meet these challenges, the promotion is required of collaborative strategies and spaces involving different public and private players in the value chain, including smaller companies. The aim is to generate more cohesion and overcome the shortcomings created by geographical dispersion.

These challenges will largely be met by the new Castilla y Leon Habitat Sector which, at the time of drafting the II Master Plan, is also being prepared.

That said, the goals of **Focal Point 12 (Habitat)** are as follows:

Goal 1 Further industrialise the Habitat sector.

The goal is to improve productivity and the creation of new materials through modular construction or industry 4.0.

Goal 2 Turn the Habitat sector into a driving force of the energy transition.

Companies are expected to engage and equip themselves with new capabilities to contribute towards sustainable development while making society more sensitive to sustainable habitats. This involves, for example, the development of actions to promote specialisation in efficient technologies, the updating of worker skills or the promotion of Green Public Procurement.

Goal 3 Promote and adapt Vocational Training to new trends in habitats.

This will involve the development of campaigns to promote vocational training among youngsters, the promotion of professional certificates or support for schools in reworking curricular design.

Goal 4 Promote more efficient processes through social capital.

This will involve creating and strengthening networks and working groups that integrate and connect rural areas, generating project banks.

TABLE 35. Goals and lines of action of Habitat.

 GOAL 1	 Rationale	 Entity responsible
Further industrialise the Habitat sector.	New technologies, designs and consumer demands are opportunities to promote more efficient manufacturing processes.	Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
1. To support the incorporation of Industry 4.0 into the manufacturing processes of construction materials. 2. To promote modular construction. 3. To support the implementation of Lean Manufacturing. 4. To support BIM methods and processes ⁽³⁷⁾ . 5. To support the implementation of digital traceability systems for materials and products, especially based on local resources.		

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 GOAL 2	 Rationale	 Entity responsible
Turn the Habitat sector into a driving force of the energy transition.	The demand for efficient housing and the tightening of regulations mean that the Habitat sector must lead cross-cutting initiatives in energy efficiency and sustainability.	Department of Economy and Finance. Department of Employment and Industry. Department of Development and Environment.
 Lines of action		
2.1. To ensure the specialisation of companies in implementing efficient technologies in private and public buildings. 2.2. To raise public awareness of sustainable habitats. 2.3. To ensure the specialisation of and support companies in the construction of "passive housing" (<i>Passivhaus</i>). 2.4. To work towards retraining workers on the challenges of sustainable construction. 2.5. To promote the construction of wooden housing through the sustainable exploitation of regional raw materials. 2.6. To promote green public procurement following support for the transition of industries from the sector towards greater	environmental sustainability (so as not to leave any industry behind). 2.7. To support eco-design in habitat enterprises. 2.8. To support the implementation of sustainable forest planning for publicly owned forests. 2.9. To promote the "Habitat Castilla y Leon" brand through advances in sustainable construction. 2.10. To strengthen the industrial forestry network and promote the industrial activity of timber processing and other forestry products in the countryside.	
 GOAL 3		
 Rationale	 Entity responsible	
Promote and adapt Vocational Training to new trends in habitats.	The habitat sector has a great capacity for employability, which means that its Vocational Training offering must be adapted to fulfil new requirements and trends.	Department of Education. Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
3.1. To promote the development and alignment of the Vocational Training offering with the new requirements of the habitat sector. 3.2. To promote access by youngsters to professional building and civil engineering certificates. 3.3. To develop campaigns to attract youngsters to the group of professionals involved in Building and Civil Engineering.	3.4. To support inclusion and equality in the habitat sector, promoting professional opportunities for youngsters and developing actions that balance the presence of women on equal terms.	
 GOAL 4		
 Rationale	 Entity responsible	
Promote more efficient processes through social capital.	The geographical dispersion and dissemination of the sector require the promotion and strengthening of collaborative spaces.	Department of Economy and Finance. Department of Agriculture, Livestock and Rural Development.
 Lines of action		
4.1. To promote work networks to decrease logistics coordination costs. 4.2. To create procedures to generate working groups in order to quickly and efficiently tackle projects in rural and dispersed areas.	4.3. To create collaborative project banks with the support of the Habitat Bureau.	

7.2. SECTORS WITH HIGH GROWTH POTENTIAL

Goals and lines of action will now be included in economic sectors with less presence in Castilla y Leon but which, nonetheless, enjoy significant comparative or competitive advantages

and which, in accordance with their capabilities and international trends, are set to grow significantly and improve their positioning.

7.2.1. Focal Point 13. Pharmaceutical and health □

The Autonomous Community of Castilla y Leon has an extensive network of public and private health centres, universities with health curricula, specialised research centres, and companies of different sizes, some of which are benchmark companies and have great R&D capacities. Several of these companies involve international investment funds.

The Covid-19 pandemic has highlighted pharmaceutical and health activity, especially specific lines such as biotechnology. The RIS3 2021-2023 highlighted the importance of this sector, considering that one of its priority focal points is *Castilla y Leon, a territory with quality of life*.

It should be noted that the province of Leon is one of the main pharmaceutical centres in Spain, with the potential for new developments in both human and animal pharma. In particular, Leon has extensive experience in product research and creation through fermentation (vaccines, antibiotics, etc.).

This sector is also involved in digital transformation processes that will enable it to open up new opportunities in the development of new medicines, improved productivity or new packaging solutions. Sustainability is another challenge visible in the growing commitment of companies to bioproduct development, re-

ducing the carbon footprint or support for the circular economy.

This entails the need to attract and retain skilled workers, train youngsters in the region, develop biotech undertakings and start-ups, and boost collaborative projects within the value chain.

In this context, the following goals have been established within **Focal Point 13 (Pharma and health)**:

Goal 1 Promote the transfer of technology and knowledge, at multidirectional and regional level, among companies, R&D centres, and health centres, with appropriate ethical and transparency criteria.

This includes actions linked to collaborative projects, startup priming, access to health technologies, and Public Procurement of Innovative solutions (PPI). This is aimed at sharing and multiplying knowledge, and generating synergies in the value chain.

Goal 2 Turn the region into an animal pharma hub.

This involves supporting trade missions to attract investment, encourage collaborative projects, and promote pharmaceutical/veterinary Technology-Based Companies. It also aims to transfer the advances in human pharma to animal pharma in mutual feedback.

Goal 3 Promote the development of new biotechnological and pharmaceutical products in line with new social needs.

This means supporting the development of R&D activities leading to the discovery and development of new medicines and vaccines.

Goal 4 Move towards a sustainable health and pharma value chain.

The aim is to incorporate sustainability across the production chain.

TABLE 36. Goals and lines of action of Pharmaceutical and health.

GOAL 1	Rationale	Entity responsible
Promote the transfer of technology and knowledge, at multidirectional and regional level, among companies, R&D centres, and health centres, with appropriate ethical and transparency criteria.	Areas of cooperation must be created, strengthened and optimised in the value chain by formulating and implementing collaborative projects to face common challenges, particularly with regard to technological innovation.	Department of Economy and Finance. Department of Health.
Lines of action		
1.1. To promote collaborative R&D projects in pharma and health. 1.2. To promote new startups (especially biotech) within the Pharma and health value chain. 1.3. To develop collaborative projects to transfer and boost sanitary mechatronics in pharmaceutical and chemical activities. 1.4. To encourage access by small pharma and health businesses to advanced healthcare technologies.	1.5. To foster Public Procurement of Innovative solutions (PPI) in health. 1.6. To transfer knowledge and technology related to fermentation processes to the cosmetic industry. 1.7. To support collaborative projects that promote the digitisation of public and private health services. 1.8. To encourage the use of the results of research, development and innovation in the public health system of Castilla y Leon that are transferable to regional industry.	
GOAL 2		
Turn the region into an animal pharma hub.	The competitive advantages and scope of animal pharma must be strengthened, particularly in Leon, so that can progress in its international positioning.	Departments of Economy and Finance, Employment and Industry, Education and Health.
Lines of action		
2.1. To organise trade missions to attract foreign investment and talent. 2.2. To develop collaborative projects between veterinary and pharmaceutical activities.	2.3. To promote technology-based companies (EBTs) and startups in pharma/veterinary medicine.	
GOAL 3		
Promote the development of new biotechnological and pharmaceutical products in line with new social needs.	Companies must be supported in product innovation in line with new trends.	Department of Economy and Finance. Department of Health.
Lines of action		
3.1. To support the creation of new biological medicines (proteins and antibodies) through fermentation processes.	3.2. To support the development of vaccines for human use based on the transfer of and experience in the creation of vaccines for animal use.	
GOAL 4		
Move towards a sustainable health and pharma value chain.	New cross-cutting procedures should be implemented to scale up waste minimisation and promote recycling and energy efficiency.	Department of Economy and Finance. Department of Development and Environment. Department of Health.
Lines of action		
4.1. To help businesses progress in the circular economy and reduce their carbon footprint. 4.2. To support companies in implementing efficient technologies.	4.3. To encourage the development of bioproducts and the production of sustainable materials.	

7.2.2. Focal Point 14. Chemicals and cosmetics □

Today the chemical and cosmetics industry has a limited yet very significant presence within the region's business fabric. In fact, there are companies in this sector in Castilla y Leon that have a high export capacity, some of which are multinational

These types of company are called upon to lead, structure, develop and internationalise value chains as set by global trends. On all accounts, small companies or startups specialising in biotechnology, for example, must be valued for their ability to trigger innovative processes.

It should be noted that companies in this sector are engaged in major transformations and innovations

To this end, on one hand the processes of digitization of production chains must be highlighted, in line with what is occurring throughout regional and international industry. The move towards Smart Factories and Industry 4.0, for example, is already an unavoidable challenge in this sector.

On the other, it must be stressed that sustainable production will also establish the road map for the sector. Therefore, bioproducts and biomaterials will be in increasing demand in the market, forcing them to be incorporated into the sector's product portfolio. The circular economy will also become increasingly integrated into CWith regard to the cosmetics segment, it should be emphasised that there is increasing demand in the international market for natural beauty or personal care products, as well as sustainable ones. The region's extensive biodiversity is an opportunity to further specialise in this market segment in Castilla y Leon.

In short, the future of the sector will involve its integration into more globalised environments, and will be determined by digital transformation, the efficient use of raw materials (including local materials), the promotion of bioproducts, and the reuse, recycling and valorisation of waste.

Alongside this, the development of the sector in the region will depend to a great extent on the capacity to provide entrepreneurs and skilled workers from universities and vocational training centres in Castilla y Leon, as well as scientific infrastructure supports R&D activities

In view of these challenges, the goals set out in the II Master Plan for **Focal Point 14 (Chemicals and cosmetics)** are as follows:

Goal 1 Promote the creation of new cosmetics products from the region's raw materials (flora).

The goal is to highlight the diversity of the flora of Castilla y Leon by promoting international research, development and innovation activities.

Goal 2 Promote the use of waste from the agrifood industry in the chemical sector.

The goal is to promote projects that generate cross-sector circular economy processes.

TABLE 37. Goals and lines of action of Chemicals and cosmetics.

GOAL 1	Rationale	Entity responsible
Promote the creation of new cosmetics products from the region's raw materials (flora).	There are opportunities for the development of a new line of regional cosmetic products based on the use of local flora.	Department of Economy and Finance. Department of Education.
Lines of action		
<ol style="list-style-type: none"> To specify the potential of the region's flora as a raw material, according to its properties and production volumes, for the manufacture of cosmetic products. To develop processes for testing and manufacturing cosmetic products based on local raw materials. To publicise the possibilities of industrial production of new cosmetics based on the wide variety of flora in Castilla y Leon. To strengthen R&D teams specialising in regional flora and cosmetic production. 		
GOAL 2	Rationale	Entity responsible
Promote the use of waste from the agrifood industry in the chemical sector.	There is the possibility of moving forward in circular economy processes through the use, as inputs, of waste from the agrifood industry in chemical activity.	Department of Economy and Finance. Department of Education.
Lines of action		
<ol style="list-style-type: none"> To develop collaborative projects between the chemical industry and agro-industry to make use of raw material waste from the chemical industry. To research and experiment in new fertilising products and other uses through waste from agrifood activity. 		

7.2.3. Focal Point 15. Aeronautics □

A number of strongly internationalised aeronautics companies are active in Castilla y Leon. In recent years, for example, some of these companies have been involved in R&D projects in collaboration with large multinationals. It is also important to note that in 2021, the University of Leon inaugurated an aerospace testing unit that can support the development of innovative activities of companies in the region.

It should also be noted that aeronautics is one of the business activities to devote most financial resources to R&D. However, research and experimentation processes demand advanced technologies that require significant investment and skilled workers, for which a more focused training offering (university and vocational training) is required.

Its link with international value chains, digital transformation, energy efficiency and sustainability, in general, shape the most important challenges of the aeronautical industry in Castilla y Leon, and are in line with those of other industrial sectors, particularly automotive.

The initiatives implemented in the context of this sector must also be linked to the actions developed within the framework of the Strategic Projects for Economic Recovery and Transformation (PERTE).

The proposed goals in **Focal Point 15 (Aeronautics)** are:

Goal 1 Promote the internationalisation of the region's aeronautical industry.

The goal is to strengthen presence in international markets, learning and transfer, while participating in collaborative projects with key players in value chains.

Goal 2 Promote the development of collaborative strategies at regional level in the aeronautical industry.

The goal is to generate synergies, projects of common interest, cohesion, capital, make the sector more visible, and create hybridisations with others, especially automotive.

TABLE 38. Goals and lines of action of Aeronautics.

 GOAL 1	 Rationale	 Entity responsible
Promote the internationalisation of the region's aeronautical industry.	The development and innovation capacity of the aeronautical activity of Castilla y Leon, and the support infrastructures installed in the region, allow for collaborative links to be explored and strengthened abroad.	Department of Economy and Finance. Department of Employment and Industry.
 Lines of action		
1.1. To support the exploration, formulation and development of collaborative projects between the regional aeronautical industry and other benchmark centres located abroad.	1.2. To support international activities for the transfer of knowledge and technology to Castilla y Leon in the field of aeronautics. 1.3. To organise trade missions and visits from abroad to attract investment and talent to Castilla y Leon.	

 GOAL 2	 Rationale	 Entity responsible
Promote the development of collaborative strategies at regional level in the aeronautical industry.	The aeronautical industry shares areas of development and innovation with other economic sectors, and may also have access to specialised infrastructure to promote R&D activities.	Department of Economy and Finance.
 Lines of action		
2.1. To support the development of collaborative projects between the aeronautical industry and the aerospace testing infrastructure of the University of Leon.	2.2. To support the implementation of collaborative projects with the automotive sector in energy efficiency, 4.0 technology, and other advanced technologies.	

7.2.4. Focal Point 16. ICT □

The prior diagnosis identified several obstacles to the growth of ICT companies in the region (mainly highlighting the lack of professionals due to a talent leak), this being a sector whose strength is considered fundamental as a creator of value and for its role in the digital transformation of business in general and of the industry in particular, and its synergies with other related sectors essential for Industry 4.0, such as robotics.

It also highlights the current regional commitment to cybersecurity, which has Leon as its main hub, but without neglecting other opportunities such as artificial intelligence and IoT.

Many of the efforts made by the Regional Government of Castilla y Leon regarding digitisation might have an impact on improving the situation of ICT companies in the region. These are, in many cases, cross-cutting and are channelled through the Digital Agenda of Castilla y Leon, which is linked to the 2021-2027 Regional Research and Innovation Strategy for smart specialisation (RIS3), although initiatives to move forward in digitisation can be found in the

lines of work of several Departments. This presents an opportunity for ICT companies in the region, which must have the appropriate tools and instruments to develop their capabilities.

The II Industrial Promotion Master Plan 2021-2025 set out the following goals for **Focal Point 16 (ICT)**:

Goal 1 Promote the growth and consolidation of ICT companies in the market.

The goal is to provide the necessary support to the region's ICT sector for its strengthening and growth.

Goal 2 Position the regional ICT industry as a benchmark for the development of new technological solutions.

To promote the specialisation of the regional ICT sector in the challenges of industry and business in Castilla y Leon, so that they increase their customer portfolio in the region and can export their developments.

TABLE 39. Goals and lines of action of ICT.

GOAL 1	Rationale	Entity responsible
Promote the growth and consolidation of ICT companies in the market.	There is a need to provide the ICT industry with new resources and new channels to strengthen its capabilities and be able to adapt to innovations in digital transformation and new market demands.	Department of Economy and Finance. Department of Education.
Lines of action		
<ul style="list-style-type: none"> 1.1. To support the modernisation process of ICT companies by encouraging the acquisition and showcasing of new technological and digital infrastructures. 1.2. To support the specialisation of ICT companies in the development of advanced software applications and services, as well as in Artificial Intelligence, Technologies 4.0 or Industry 4.0. 1.3. To develop collaborative projects among ICT companies in the region, with the aim of providing larger digital services through contracts with companies and public services. 1.4. To develop collaborative value-chain projects with the goal of strengthening and advancing the competitive position in cybersecurity. 	<ul style="list-style-type: none"> 1.5. To support the creation of startups specialising in new technologies and link them to the region's digitisation challenges. 1.6. To support the publicising of the region's ICT offering and the attracting of customers among regional companies. 1.7. To encourage the attracting of ICT companies to the region and support the strengthening of regional ICT companies. 1.8. To support the recruitment of talent to the sector from an early age and recruit qualified personnel to develop their careers in the region. 	
GOAL 2	Rationale	Entity responsible
Position the regional ICT industry as a benchmark for the development of new technological solutions.	The regional capabilities of the ICT industry must be strengthened and linked to the needs of regional industrial companies.	Department of Economy and Finance.
Lines of action		
<ul style="list-style-type: none"> 2.1. To foster collaborative digital and technological projects among strategic sectors with growth potential, favouring replication and scaling. 2.2. To support processes for the qualification or updating of skills of ICT company employees to adapt them to the challenges of digital transformation. 2.3. To encourage the participation of regional ICT companies in defining measures, plans or strategies concerning digitisation 	<ul style="list-style-type: none"> in the different areas of the public authorities (Smart cities, e-Administration, education system, social services, heritage, etc.). 2.4. To support the development of Public Procurement of Innovative solutions (PPI) linked to the challenges of regional digital transformation. 	

7.2.5. Focal Point 17. Cultural and creative industries □

Cultural and creative industries mainly include three groups of activities: Traditional and artistic, creative, and support industries.

Castilla y Leon is a region that stands out worldwide for its rich artistic and cultural heritage, and its geography is home to some of the most famous Romanesque and Gothic works of art. Many of them also trace the routes of the Camino de Santiago.

Castilla y Leon is also the cradle of the Spanish language and of many of the finest Spanish litterateurs. The region's bullfighting, crafts and cuisine are also valuable cultural resources. Furthermore, the Atapuerca site has placed the region, particularly the province of Burgos, as a world benchmark in palaeontology and "human evolution".

In short, further work is required to ensure that the diversity, uniqueness and international prestige of the region's cultural resources become an international attraction in terms of both tourism and human capital, especially to attract talent interested in becoming involved in the entrepreneurial and intrapreneurial activities of the sector.

However, the cultural and creative industries also make up a particularly vulnerable sector, as it is often highly dependent on government aid. Furthermore, infringement of intellectual property rights, which is still common in some areas, also weakens many companies in the sector

The challenges facing the cultural and creative industries also include the need to publicise, promote and generate hybridisations, spaces and collaborative projects among their subsectors. This must also seek to force a distinctive identity for the sector, while generating greater social capital

In addition, across the board, moving forward in the digitisation of processes and artistic or cultural products, providing them with greater added value or creating new ones, is an unavoidable challenge.

The lines of action must be linked to the development of promotional plans for the sector, such as the III Strategic Tourism Plan or the PAHIS Cultural Heritage Plan, through which they will be given more specific attention.

The goals programmed for **Focal Point 17 (Cultural and Creative Industries)** are as follows:

Goal 1 Make regional supply visible in the cultural industry and generate social capital.

This will involve encouraging publicity activities and projects to promote the capacities of the sector both inside and outside the region.

Goal 2 Promote the internationalisation of the linguistic heritage of Castilla y Leon.

Significa la difusión y puesta en valor de la lengua castellana.

Goal 3 Promote new tourist destinations by highlighting the cultural and heritage resources of the Autonomous Community (preferably those located in rural areas).

Implica generar sinergias entre turismo y patrimonio.

Goal 4 Promote the digitisation of cultural processes and products.

Supone promover la oferta cultural digital.

TABLE 40. Goals and lines of action of cultural and creative industries.

 GOAL 1	 Rationale	 Entity responsible
Make regional supply visible in the cultural industry and generate social capital.	The regional capacities of the cultural industry must be publicised while creating and strengthening spaces for collaboration between enterprises and new undertakings.	Department of Culture and Tourism.
 Lines of action		
1. To support the publicising of the range of different cultural and creative segments of Castilla y Leon. 2. To promote associations and collaborative projects among the different cultural and creative players, products and services in Castilla y Leon.		
 GOAL 2		
Promote the internationalisation of the linguistic heritage of Castilla y Leon.	The global rise of the Spanish language must be tapped into by publicising and showcasing its origins and the literary tradition in the region.	Department of Culture and Tourism. Department of Economy and Finance.
 Lines of action		
2.1. To develop collaborative projects with public and private organisations from other countries committed to the publicising and teaching of Spanish. 2.2. To internationally publicise the routes of the Spanish language and the literary heritage of Castilla y Leon. 2.3. To promote and support Castilla y Leon as an international territory for the learning of Spanish. 2.4. To promote digital services for teaching Spanish to foreign nationals.		

 GOAL 3	 Rationale	 Entity responsible
Promote new tourist destinations by highlighting the cultural and heritage resources (preferably those located in rural areas).	Given the cultural and heritage wealth of the region, the opportunities to identify and create new tourist and cultural routes and generate synergies with existing ones have not yet been exhausted. Particular mention should be made of the still insufficient use of the architectural heritage of rural areas as a tourist resource.	Department of Culture and Tourism.
 Lines of action		
3.1. To support municipalities and districts in defining and developing new tourist routes, mainly of a rural nature, linked to the variety of the oenological, artistic, cultural, religious and literary heritage of Castilla y Leon. 3.2. To strengthen the tourist and cultural routes of the region through synergies with other routes or destinations	located in different Autonomous Communities and in other countries. 3.3. To explore new ways of highlighting bullfighting as a cultural and tourist activity. 3.4. To highlight the knowledge generated in palaeontology and human evolution within the region at an international level.	
 GOAL 4		
 Rationale	 Entity responsible	
Promote the digitisation of the region's cultural processes and products.	Digitisation is a tool for the management, showcasing and publicising of the cultural offering that requires optimisation in the region.	Department of Culture and Tourism.
 Lines of action		
4.1. To support cultural establishments and facilities, particularly those that are smaller and located in rural areas, to progress in digital management.	4.2. To support innovation or the creation of new digital cultural products, including heritage products.	

7.2.6. Focal Point 18. Logistics □

The logistics sector is closely linked to transport activities and is a competitive tool for industrial companies. Particularly in a large territory with a scattered production network such as Castilla y Leon, where many businesses are located in the rural environment and work is required to ensure communications and logistical services do not hinder their competitiveness.

At present, as the diagnosis has shown, the number of transport companies has dropped while the support services, including logistics, with greater added value, have increased their presence in the region. In addition, both activities, like many others, are undergoing major transformation.

In this case, this transformation is due not only to digitisation (logistics 4.0) but also to other changes in transport and consumption modes, and is strongly influenced by the emission neutrality goals set by Europe. Mobility is therefore currently subject to major changes which, although they might seem more short-sighted in the case of private mobility, will also affect freight and logistics transport which is essential for the industrial sector. In this regard, there will be a commitment to intermodality,

the promotion of rail use, and the growth of logistics and transport centres.

In the case of these areas, an appropriate environment adapted to the needs of companies and regulations that targets future European requirements will be required. To this end, it is important to note the significance of the CyLog Network in Castilla y Leon, which encompasses ten logistics centres, as well as the commitment of large companies to establish logistics centres in the region (Inditex in Leon and Amazon in Valladolid, for example).

This can be an opportunity for the development of advanced logistics services in the region and the strengthening of existing companies.

With this in mind, two goals are proposed for **Focal Point 18 (Logistics)**:

Goal 1 Promote smart and sustainable transport.

This aims to make the sector efficient and environmentally sustainable, adapted to global trends.

Goal 2 Encourage the creation and implementation of new logistics areas and the upgrading and improvement of existing ones, in line with new trends.

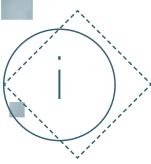
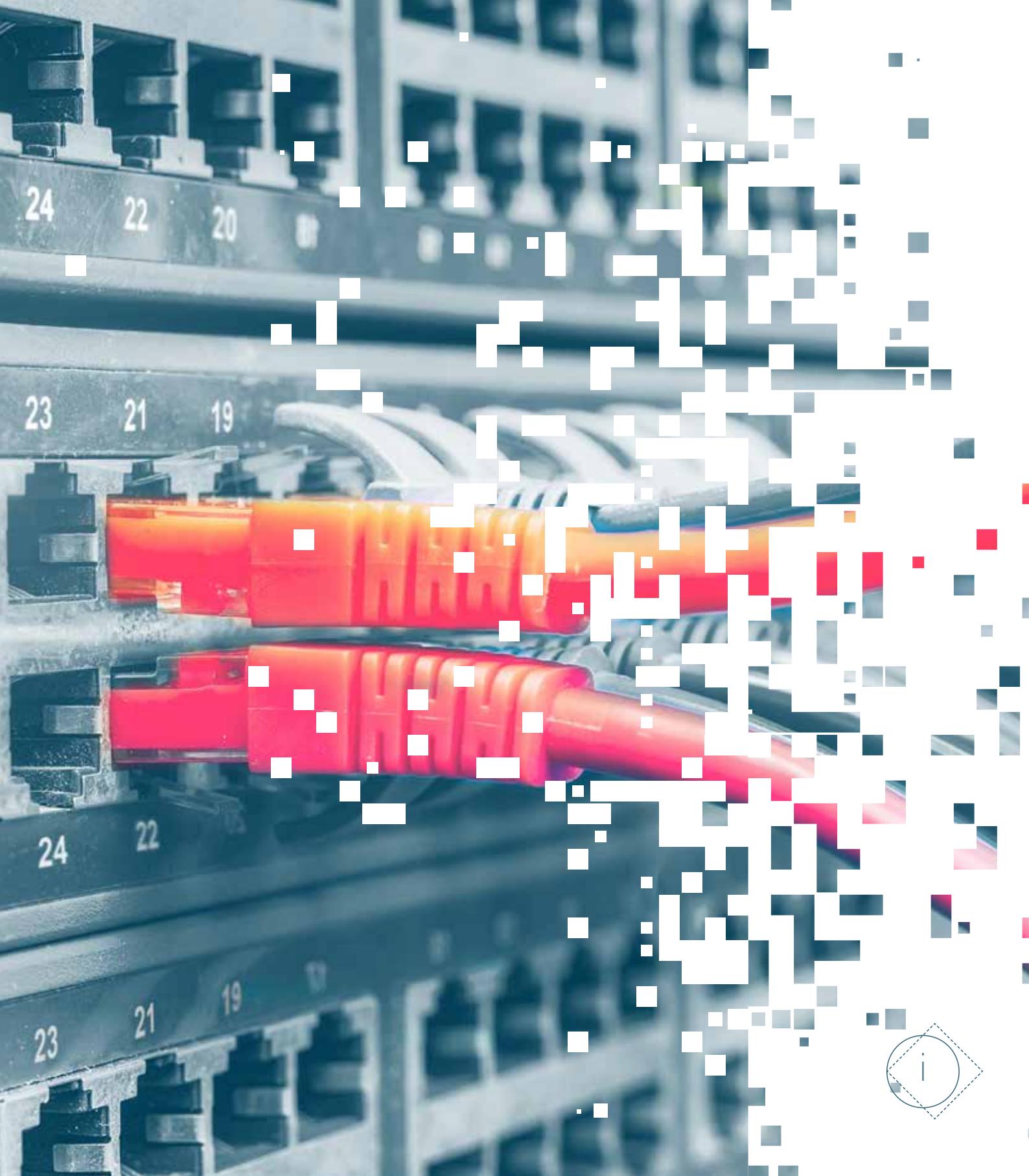
This aims to adapt the logistics environment to future European requirements and to the needs of the territory and transport.

TABLE 41. Goals and lines of action of logistics.

GOAL 1	Rationale	Entity responsible
Promote smart and sustainable transport.	International trends promote the digitisation of logistics services to allow for process optimisation while incorporating new, greener means of transport.	Department of Economy and Finance. Department of Development and Environment.
Lines of action		
1.1. To support the incorporation of new technologies (4.0) in transport and logistics services. 1.2. Apoyar la renovación de flotas que impulsen el transporte sostenible.	1.3. To support the development of infrastructure for efficient intermodality through interoperability among different modes of transport.	
GOAL 2		
Lines of action		
2.1. To support the adaptation of logistics areas to the digital and environmental transition. 2.2. To support the updating and adaptation of the logistics areas of the region's rural areas. 2.3. To support the creation and development of logistical infrastructure capable of meeting industry requirements linked to the "last mile".	New logistical areas must be created and existing infrastructures adapted to the new logistics requirements and trends of the region's industry, especially addressing rural areas.	Department of Economy and Finance. Department of Development and Environment.
2.4. Adaptation of the logistics points to 2021-2027 European regulations linked to the development of the Trans-European Transport Network, the Connecting Europe Facility, and rail freight corridors, prioritising the Atlantic Corridor and its branches.		



“ The automotive sector also stands out because it has some of the largest industrial companies in Castilla y Leon, which are more innovative, have greater export capacity, and have opportunities to create skilled employment



8 OTHER INSTRUMENTS

The above sections address the horizontal or cross-cutting focal points affecting the entire industrial sector and the sectoral focal points, where greater emphasis is placed on measures in the sectors of specialisation of Castilla y Leon, divided into strategic sectors and sectors with high growth potential.

In addition, Law 6/2014 of 12 September on the Industry of Castilla y Leon provides the region with two instruments that could be called contingencies to address on a one-off basis and in the short or medium term other initiatives that, in their interest, have a significant impact on the development of industrial policy.

Both instruments are analysed below. On one hand, the Priority Industrial Projects and, on the other, the Territorial Development Programmes and the impact they are expected to have on the immediate future of the region's businesses.

8.1. PRIORITY INDUSTRIAL PROJECTS

Article 30 of Law 6/2014 of 12 September on the Industry of Castilla y Leon provides for the declaration of priority industrial projects, indicating that these may be any investment proposals aimed at implementing or expanding one or more industrial facilities that are expected to involve significant expansion of the industrial fabric of Castilla y Leon or that help strengthen it, provided this is justified on the grounds of general interest. For this purpose, their financial impact on the affected area will be taken into account in terms of investment, job creation, and their potential technological and innovative impact.

There is a twofold goal of Law 6/2014 of 12 September in regulating these types of industrial projects that, due to their size or scope, deserve to be considered priority or strategic. On one hand, the goal is to attract them to Castilla y Leon and, on the other, to facilitate the implementation process and their start-up, reducing administrative obstacles and simplifying the necessary procedures.

The declaration of priority industrial projects will have the following positive effects:

- **Approval of the implementing or extending of the proposed industrial establishment**, without the need for any subsequent request.
- Where expropriation in favour of the applicant is considered, the **declaration of public utility and social interest**, as well as the need and urgency to occupy the goods and rights involved.
- **Justification for the direct awarding of grants**, regardless as to whether the requirements of the grant regulations have been met.
- The **establishing or extending of rights of way for access roads, power transmission and distribution lines, and liquid or gas pipelines, where necessary**, in accordance with their governing regulations.

The above requires clarification, as approval of the implementing or extending of the proposed industrial establishment, without the need for any subsequent request would be determined with regard to industry.

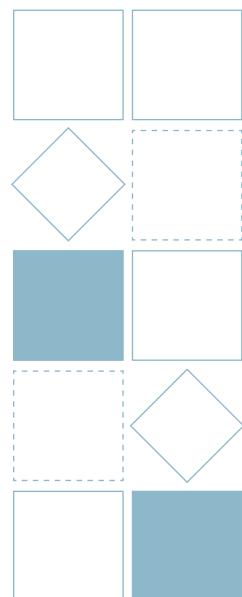
In addition, this type of priority industrial projects will have the following effects:

- ◆ In terms of direct grants, those **relating to personnel recruitment and training activities for workers linked to the industrial project** are specified, which will be conducted by signing an agreement between the awarding entity and the beneficiaries, or by resolution following their request accompanied by the corresponding Action Plan.
- ◆ **Preference for access to lines of financing and additional grants obtained from other public authorities, all within the current general and specific legal framework of government aid.**

In addition to the above, the provisions of Article 10 of Law 5/2013 of 19 June 2013 on the Promotion of Business Creation in Castilla y Leon, declare all actions within the competence of the Regional Government of Castilla y Leon that are connected with the industrial investment project as urgent, and the legally established deadlines for processing them are therefore reduced by half.

In order to specify the necessary requirements and ensure transparency in the processing of these actions, in line with the recommendations of the Economic and Social Council

of Castilla y Leon and the Advisory Council of Castilla y Leon, implementation of Law 6/2014 of 12 September 2014 on Industry in Castilla y Leon will be regulated by Decree with regard to priority industrial projects.



8.1.1. Requirements and obligations □

For the purposes of this plan, priority industrial projects may include public or private investment proposals aimed at implementing or expanding one or more industrial establishments that are expected to involve significant expansion of the industrial fabric of Castilla y Leon or that help strengthen it, and which meet the following requirements.

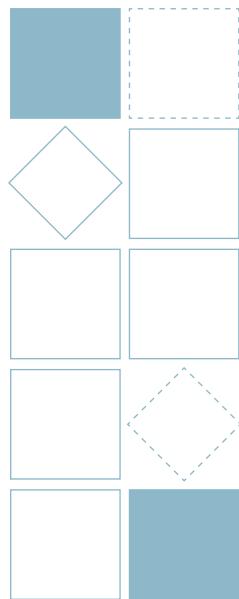
- **The investment** for the proposed industrial project **must be equal to or greater than 30 million euros** in one or more locations of Castilla y Leon.
- **The investment**, in terms of employment, **must either create a minimum of 100 direct jobs or represent the maintaining of at least 200 jobs** in the region.
- Exceptionally, if the industrial project is to be located in a **municipality with fewer than 3,000 inhabitants, the investment** for the proposed industrial project must be **equal to or greater than 10 million euros** and, in terms of employment, it must either create a minimum of 50 direct jobs or represent the **maintaining of at least 100 jobs** in the region.

- **The investment may not involve relocation or cessation of the same** or similar activity in another area of Castilla y Leon.
- **The entity or company** sponsoring the industrial investment project shall have its **own legal standing** and **must have the economic, financial and technical capacity** to make the investment and comply with the obligations arising from the project.
- **Neither the entity nor company** sponsoring the industrial investment project, **or any natural or legal person connected** with it, may **be subject to any of the prohibitions** set out in Sections 2 and 3, Article 13 of the General Subsidies Law 38/2003 of 17 November 2003.
- Merely **taking over companies cannot be considered a priority industrial project.**

Furthermore, declaration of an industrial project as a priority shall lay down certain obligations in relation to that declaration. In particular:

- ◆ The **commitment to maintain employment** must be fulfilled for the period indicated following completion of the investment work to which it is related.
- ◆ The **investments** to be **made shall be maintained at the sites** in Castilla y Leon **for the period indicated** as of the start of the industrial activity or as of completion of the investment work to which they are related.
- ◆ **A period to be determined will be established for implementing and starting up** the aforementioned industrial investment project.
- ◆ The **pending authorisations and licences required for the start of the activity** will be expressed, indicating the obligation to notify the Department of industry once said authorisation has been obtained.
- ◆ A **specific time limit for implementing** the priority industrial project will also be set.
- ◆ **The verification and monitoring actions that may be taken** by the Department of industry **must be provided**, and any alterations or modifications to the actions included in the priority industrial project must be reported.

Failure to comply with the obligations will result in withdrawal of the declaration as a priority industrial project.



8.1.2. Procedural approach □

To declare an industrial project as a priority, an application will be filed by the entity or company sponsoring the industrial investment project to the head of the Department of industry. The application, which will be filed through the online office of the Authorities of Castilla y

Leon, will be accompanied by the documents indicated:

However, a descriptive report of the industrial investment project will be required, which must have the following structurea:

Part 1

Description of the entity or company.

Part 2

Description of the industrial investment project.

Part 3

Economic and financial feasibility study of the project.

Part 4

Economic and industrial impact in the affected area.

Part 5

Impact on employment.

Part 6

Technological and innovative impact.

Part 7

Impact of the project site.

The Department of industry will produce an annual report to monitor the priority industrial

projects, which will be attached to the annual report of the Industrial Promotion Master Plan

8.1.3. Current priority industrial projects □

PLAN INDUSTRIAL DE NISSAN 2019-2024 PARA ÁVILA



By Resolution 58/2017 of 28 September of the Regional Government of Castilla y Leon, declaring the Nissan Industrial Plan 2019-2024 for Avila a priority industrial project, published in the "Official Journal of Castilla y Leon" on 2 October 2017.

Subsequently, by Resolution 114/2021 of 14 October of the Regional Government of Castilla y Leon, modifying the declaration of priority industrial project of the Nissan Industrial Plan 2019-2024 for Avila, with the new name of the priority industrial project as the Nissan Industrial Plan 2019-2026 for Avila, published in the "Official Journal of Castilla y Leon" on 18 October 2021.

KRONOSPAN GROUP INDUSTRIAL PLAN IN BURGOS (2019-2024)



By Resolution 7/2020 of 13 February of the Regional Government of Castilla y Leon, declaring the Industrial Plan of the Kronospan Group in Burgos (2019-2024) as a priority industrial project, published in the "Official Journal of Castilla y Leon" on 17 February 2020.

NETWORK STEEL



INDUSTRIAL PLAN OF THE NETWORK STEEL GROUP IN LEON 2019-2021 IN VILLADANGOS DEL PÁRAMO (LEON)

By Resolution 23/2019 of 17 April of the Regional Government of Castilla y Leon, declaring the Industrial Plan of the Network Steel Group in Villadangos del Páramo (Leon) as a priority industrial project, published in the "Official Journal of Castilla y Leon" on 22 April 2019.

LATEMALUMINIUM GROUP



INDUSTRIAL PLAN IN ZAMORA AND LEON (2021-2025)

By Resolution 26/2021 of 11 March of the Regional Government of Castilla y Leon, declaring the Industrial Plan of Latemaluminium, S.A. at its plants in Villabrázaro (Zamora) and Villadangos del Páramo (Leon) for the period 2021-2025 a priority industrial project, published in the "Official Journal of Castilla y Leon" on 15 March 2021.



INDUSTRIAL PLAN OF RENAULT ESPAÑA, S.A. IN CASTILLA Y LEON (2021-2024)

By Resolution 74/2021 of 8 July of the Regional Government of Castilla y Leon, declaring the Industrial Plan of Renault España, S.A. in Castilla y Leon (2021-2024) a priority industrial project, published in the "Official Journal of Castilla y Leon" on 12 July 2021.

8.2. TERRITORIAL DEVELOPMENT PROGRAMMES

8.2.1. Introduction

Article 28.4 of Law 6/2014 of 12 September on Industry in Castilla y Leon states that ***"When there are special reindustrialisation needs or there are areas in decline, the Industrial Promotion Master Plan of Castilla y Leon may provide for territorial promotion programmes covering one or more specific territories of the Autonomous Community. These shall be approved by the Department of industry, following consultation with other Departments with competence in specific sectors or branches of industrial activity."***.

These territorial promotion programmes shall be approved by the Department of industry, regardless to it being referred to the Governing Council of the Regional Government of Castilla y Leon, following consultation with other Departments with competence in specific

ic sectors or branches of industrial activity and having previously been heard by the Social Dialogue Council.

The Territorial Development Programmes must be linked to certain territories of the Autonomous Community which, in order to make reindustrialisation measures more effective, must be groups of municipalities with similar characteristics regarding the existing problems. For higher territorial areas, such as provinces, measures will be implemented directly from the Industrial Promotion Master Plan.

The Territorial Development Programmes are programmatic in nature and will be implemented by means of the appropriate legal and economic instruments, budget availability permitting.

8.2.2. Requirements □

It is considered that specific reindustrialisation measures may be adopted to deal with possible industrial crises with a major impact in a given territory and linked to local resources or to another series of events occurring that have short-term impact on the territory.

The existence of territorial promotion programmes will therefore be considered whenever any of the following circumstances occurs:

- ◆ **Continuous relocation processes** affecting one or more industries and involving the redundancy or dismissal of at least 500 workers during a reference period of 18 months in a population or a specific geographical area of Castilla y Leon.
- ◆ Where **circumstances requiring special government action** are highlighted in certain geographical areas of particular significance for the Castilla y Leon industry, either because of their unique geographical location (borders, logistics, etc.) or because of their link to access to local resources.

- ◆ A closure or relocation process takes place that seriously affects a given territory of Castilla y Leon, with greater consideration given to rural areas.
- ◆ Territorial promotion programmes may also be adopted based on the **need for industrialisation in rural environments** where, without any of the above circumstances leading to deindustrialisation, there is a structural and objective absence of industrial activity that leads to territorial imbalance in that area.
- ◆ Finally, in cases of **implementation in a territory of a large industry linked to the implementation of suppliers** in order to create a sustainable industrial activity hub.

In the above cases, the approval of a territorial programme will be granted, provided that funds and/or capacities are available once the resources allocated to the existing territorial programmes have been deducted.

8.2.3. Specific Industrial Development Measures □

Notwithstanding the above, specific measures may be adopted without the need for a Territorial Development Programme, budget availability permitting, with effects in one or more municipalities together. These cases

must meet the aforementioned requirements, must be treated in the same way as the Territorial Development Programmes, and will have a specific impact and efficiency.

8.2.4. Procedural approach □

Processing a Territorial Development Programme requires the prior existence of a report on the existence of the necessary conditions for its implementation.

This report will be produced by ad-hoc working groups within the Foundation for Business Anchoring and Employment Training in Castilla y Leon. These working groups should seek to convene all entities with the capacity and interest to promote reindustrialisation in a given territory. These groups will be chaired by the Director-General for industry.

If the working group gives a favourable report on the meeting of the requirements set out above, it will prepare a proposal for measures

to encourage the industrial revival of the given territory, by promoting economic activity and job creation, and establishing an attractive environment to ensure the sustainable and balanced development of this territory.

The proposed Territorial Development Programme must contain at least a legal framework and justification, a socio-economic description of the territory, a deadline for implementation together with its goals and measures, the control and monitoring measures, and the financial resources linked to the programme. With regard to the actions and their associated budget, the corresponding participation of each entity must be clearly identified and quantified.

The processing of the Territorial Development Programme will be submitted for communication to the Delegated Committee on Economic Affairs and the hearing proceedings of the Social Dialogue Council.

Before the end of the implementation period for the Territorial Development Programme, the interested party may ask the head of the Department of Industry to modify it, provided this does not involve a reduction in the measures initially established, when they arise in unforeseen circumstances or are necessary for the proper purpose of the action, and provided that third-party rights are not affected.

The Department of industry will control and monitor the Territorial Development Programmes and draw up an annual report on them, which will be attached to the annual report of the Industrial Development Master Plan. To do so, it may ask the participating entities for any additional documents and information deemed necessary to complete, clarify or verify the data provided by these entities participating in the Territorial Development Programme.

The participating entities must inform the Department of industry of any alterations or modifications to the measures or actions included in the aforementioned Territorial Development Programme.



8.2.5. Existing Territorial Development Programmes □

The following Territorial Development Programmes are currently in force:

ECONOMIC REVITALISATION
PLAN FOR THE MINING
MUNICIPALITIES OF
CASTILLA Y LEÓN
2016-2021



TERRITORIAL
DEVELOPMENT
PROGRAMME FOR
VILLADANGOS DEL PÁRAMO
2018-2022



TERRITORIAL
DEVELOPMENT
PROGRAMME FOR
BÉJAR 2019-2023



TERRITORIAL DEVELOPMENT
PROGRAMME FOR BENAVENTE
2019-2022

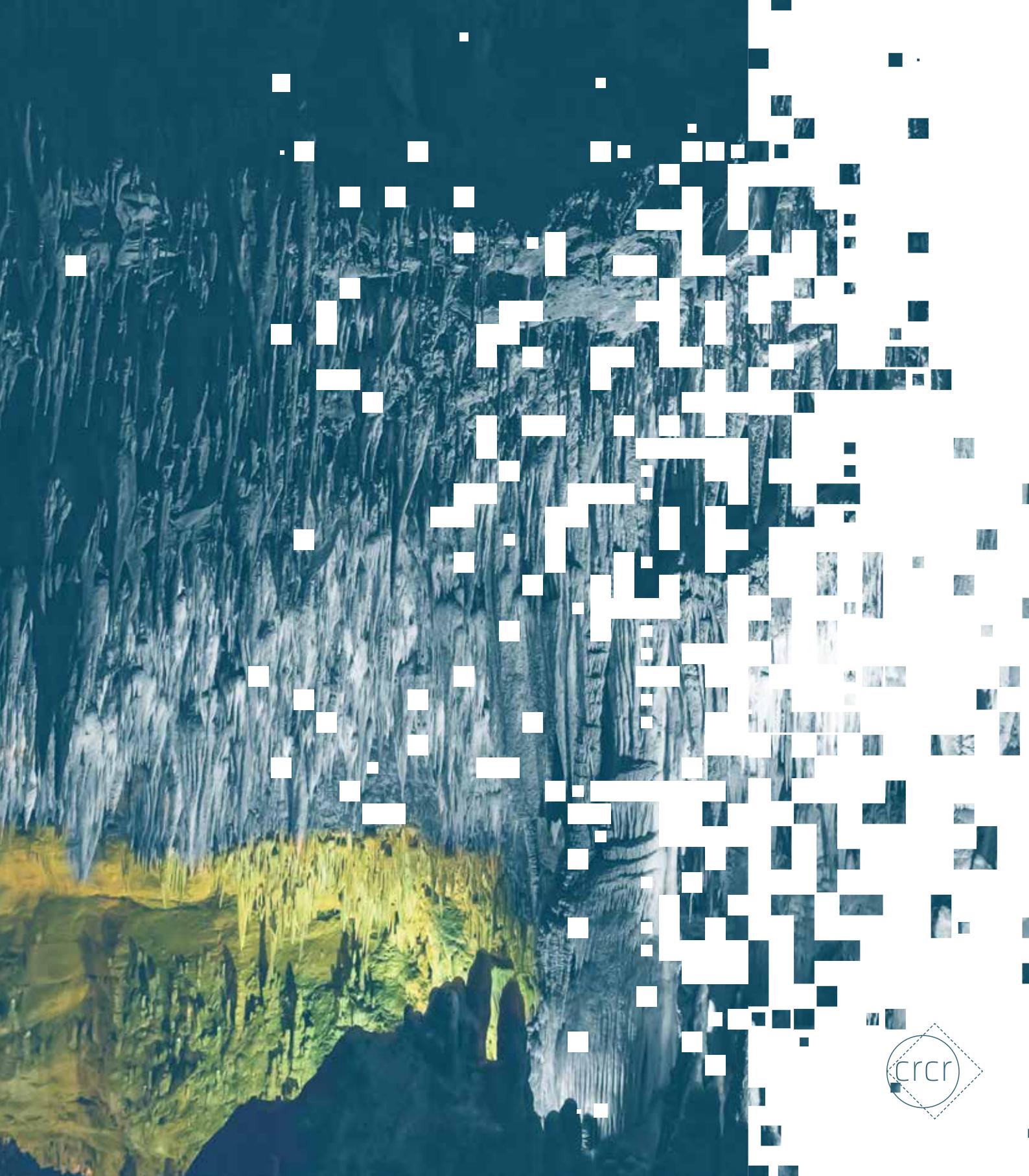


TERRITORIAL DEVELOPMENT PROGRAMME
FOR AVILA AND ITS SURROUNDINGS
2020-2024





“ Castilla y Leon provides the region with two instruments to address other initiatives that, in their interest, have a significant impact on the development of industrial policy



9 SYMBOLIC ACTIONS

New to the II Industrial Promotion Master Plan 2021-2025 in comparison with its predecessor, a series of symbolic actions are presented that focus on the main changes and transformations expected during the term of the Plan.

These actions are taken in four areas:

- Electromobility.
- Industry 4.0.
- Cybersecurity.
- Circular economy.

9.1. PROMOTE INDIVIDUAL AND COOPERATIVE ENTREPRENEURSHIPS AND INTRAPRENEURSHIPS RELATED TO THE DEVELOPMENT OF ELECTROMOBILITY IN THE AUTOMOTIVE VALUE CHAIN OF CASTILLA Y LEON

LINK WITH THE II INDUSTRIAL PLAN

THIS symbolic action is in line with Goal 1 (*Move towards regional specialisation in electromobility and connected mobility*) included in the *Automotive Focal Point*. The action is mainly linked to the following lines of action of this goal:

Line of action 1.2.

To foster regional specialisation in the design and manufacture of new materials (non-conductors) and batteries.

Line of action 1.3.

To promote regional specialisation in the design and manufacture of new technologies, tools and equipment linked to electromobility challenges.

Line of action 1.5.

To support the retraining of workers in light of electromobility challenges.

Line of action 1.6.

To adjust the Vocational Training offering to the new requirements in electromobility.

Line of action 1.7.

To attract new providers and suppliers to the regional value chain of the hybrid or electric vehicle.

PURPOSES ■■

TWO purposes are considered:

- ◆ To strengthen regional companies that provide components and other technological goods related to electromobility for the major vehicle manufacturers of Castilla y Leon.
- ◆ To attract these companies to the region.

This means that technology suppliers in the region must adapt quickly to new market imperatives, adapting more specifically to the needs and requirements of multinational vehicles and, wherever possible, from a proactive logic. All this is based on good international practice.

Smaller suppliers especially require greater support to adapt their strategies, technologies, designs, processes and products to this new situation in that they must become involved.

This action is therefore intended to:

- 1 ■ **Advise and support entrepreneurs, established companies and others** with an interest in moving to the region, in order to launch ambitious projects in electromobility R&D to respond with new knowledge and technology to the demands of large vehicle manufacturers.

Financial aid would therefore encourage technological investment, the retraining of workers, and the development of a more innovative, accessible technological offering. This offering would be linked mainly to new (non-conductive) materials, batteries, new tools and equipment.

- 2 ■ **Develop an electromobility training plan** (on-site learning, blended learning or e-learning) to specialise executives, technicians

ACTIONS ■■

ADVICE / Knowledge transfer / Work networks / Financial support / Specialised training.

MAIN BENEFICIARIES ■■

SMEs supplying automotive multinationalsn.

CONTENT ■■

THE automotive industry is undergoing a significant, rapid transformation across the value chain in order to adapt to the new trends and demands of the international market related to electric or hybrid vehicles.

and operators of SMEs supplying automotive technology goods.

In addition to giving workers new skills in electromobility and new project management, the aim is to ensure that the offer of regional skills, particularly those linked to vocational training, is adapted to new qualification requirements.

3 ■ Create work networks and provide financial support for the implementation of

collaborative projects made up of SME suppliers and large automotive manufacturing companies present in the region, with the aim of designing and developing new technological goods adapted and linked to the challenges of electromobility

These types of innovative actions would therefore seek, to a greater extent, to link the supply and demand of R&D at regional level to deal with international competition and boost social capital.

9.2. TRANSFER OF EXPERIENCE AND DEVELOPMENT OF WORKING GROUPS BETWEEN SUPPLY AND DEMAND OF SOLUTIONS 4.0

LINK WITH THE II INDUSTRIAL PLAN ■

INDUSTRY 4.0 is a cross-cutting challenge for the entire industry in Castilla y Leon. The II Master Plan refers to its relevance in the sections on both horizontal and sectoral focal points.

Therefore, for example, Focal Point 3 (*Innovation, digitisation and entrepreneurship*) included Goal 1 (*Promote cross-industry digitisation*), which includes the following actions:

Line of action 1.8.

To support the establishing of collaborative strategies with other national and international regions in Industry 4.0.

ACTIONS ■■■

CONSULTANCY / Association/Knowledge transfer / Collaborative projects/Financial aid / Trade missions / Publicising of the regional offering.

Line of action 1.9.

To support links between regional companies providing 4.0 solutions and the region's industrial companies.

It should be emphasised that both the RIS3 of Castilla y Leon 2021-2027 and the IV Framework Agreement for Business Competitiveness and Innovation of Castilla y Leon particularly prioritised the promotion and showcasing of Industry 4.0.

PURPOSES ■■■

TO create and consolidate permanent collaborative spaces at regional level between providers and requesters of solutions 4.0, using good practices developed at regional, national and international levels as a reference.

MAIN BENEFICIARIES ■■■

TWO groups of companies are considered:

- **Providers of 4.0 solutions:** startups, technology undertakings, and established companies.
- **Requesters of solutions 4.0:** Mainly industrial companies.

CONTENT ■■■

OVER the last decade, industry 4.0, also known as the Fourth Industrial Revolution, has led to a huge jump within industry value chains for advanced automation, connectivity, sensorisation, and globalisation.

Therefore, advanced manufacturing, Artificial Intelligence, Big Data, the Internet of Things (IoT), and 4.0 technology are all technological infrastructures and resources that are already part of the common denominator of industrial activities.

This is a great opportunity to promote permanent and regional areas of work that encourage the development of collaborative and innovative projects aimed at providing the solutions 4.0 that industry demands based on the capacities of Castilla y Leon.

Besides companies, these workplaces may also involve other key players in the value chains of industrial activities in Castilla y Leon, such as technology centres, vocational training centres, entrepreneurship support institutions, universities, etc.

The Digital Innovation Hub Industry 4.0 combines the best industrial companies, knowledge centres and developers in Industry 4.0 solutions in Castilla y Leon.

With all the above in mind, collaborative models that are being developed in other countries will be used as a reference and transferred at regional level.

Based on these premises, the goal is to promote the following actions:

1 Create a group of experts to mediate and support the generation of associations of regional providers and requesters of solutions 4.0.

- 2** Promote regional diagnostic, training and development activities for collaborative 4.0 projects.
- 3** Provide e-vouchers to SMEs to appoint regional technology providers specialising in 4.0 solutions.
- 4** Develop a network of international contacts of interest for the transfer of experiences 4.0.
- 5** Support the organising and development of international trade missions to put leading providers and requesters of solutions 4.0 in contact with each other..
- 6** Support the establishing of links and the generating of collaborative projects between industrial enterprises and other players in Castilla y Leon on the one hand, and industrial and innovation autonomous ecosystems located in other territories on the other.
- 7** Support the participation of industrial companies from Castilla y Leon in international events related to Industry 4.0.
- 8** Support the creation and development of startups and other technology undertakings in line with demands 4.0 of the industrial fabric of Castilla y Leon.

9.3. PROMOTE COLLABORATIVE CYBERSECURITY PROJECTS

LINK WITH THE II INDUSTRIAL PLAN

CIBERSEGURIDAD is an element that appears in both horizontal and sectoral focal points, due to its reputation in the industrial companies of Castilla y Leon. This symbolic action would be linked above all to Focal Point 16 (ICT), Foal 1 (*Promote the growth and consolidation of ICT companies in the market*) and Line of Action 1.4 (*To develop collaborative value-chain projects with the goal of strengthening and advancing the competitive position in cybersecurity*).

PURPOSES

TO develop cooperation projects in R&D between regional supply and demand in cybersecurity, helping position Castilla y Leon as a hub for specialisation and innovation at national and international levels.

ACTIONS

EXPERT advice / Work networks / Financial support / Specialised training / Knowledge and technology transfer.

MAIN BENEFICIARIES

TWO groups of companies are considered:

- **Cybersecurity solution providers:** startups, technology undertakings, and established companies.
- **IT solution users:** In particular, industrial companies using technologies 4.0.

CONTENT

OVER more recent years, Castilla y Leon has gained specialisation in cybersecurity to become a benchmark region. The high levels of demand expected in the area of cybersecurity, regionally, nationally and internationally, offer optimism on the growth potential of companies, startups and other specialised technology undertakings.

The Cybersecurity Innovation Hub is a leading collaborative innovation space in Castilla y Leon.

Using the milestones already covered as a reference, one critical point where progress needs to be made is the promotion of collaborative projects at regional level that offer a dual goal:

- In terms of supply: To strengthen the regional offering of providers of services and technologies specialising in cybersecurity, innovating and developing new products, consolidating specialist companies, and incorporating startups and other technology undertakings.
- In terms of demand: To promote the incorporation and showcasing of technological devices and cybersecurity protocols in industrial companies, other economic sectors, and the public authorities.

To contribute to these challenges, the following actions are included in this symbolic action:

1 Encourage regional networks of work, between supply and demand, to act as a laboratory for the experimentation and development of advanced technological services in cybersecurity.

2 Create a line of financing for collaborative projects in advanced cybersecurity that link business supply and demand at regional level.

3 Develop a cybersecurity training plan delivered by regional players (companies and vocational training centres) for industrial companies in Castilla y Leon in need of cybersecurity.

4 Promote regional working groups linking the supply of cybersecurity goods and services and the demands of the public services of Castilla y Leon, thus promoting Public Procurement of Innovative solutions (PPI).

5 Promote specialist advice on the regional cybersecurity offering so that new startups and other specialist technology undertakings may flourish.

9.4. TRANSFER OF GOOD PRACTICES IN THE CIRCULAR ECONOMY TO SMALL BUSINESSES LOCATED IN RURAL AREAS OF CASTILLA Y LEON

LINK WITH THE II INDUSTRIAL PLAN

THE Second Master Plan addresses the relevance of the circular economy to industry in Castilla y Leon on various fronts. Special emphasis is placed on Focal Point 7 (*Industrial sustainability*) and, more specifically, on Goal 2 (*Promote the circular economy in industry in Castilla y Leon*).

However, this symbolic action can also be linked with other lines of action of the aforementioned goal, it is primarily in line with 2.7 (To support the transfer of technology, knowledge and best practices to industrial companies involved in the circular economy).

It should also be noted that the Circular Economy Strategy of the Autonomous Community of Castilla y Leon 2021 - 2030 is now the benchmark instrument.

PURPOSES

TO provide support and resources to small businesses in rural areas of Castilla y Leon to implement management procedures and technologies to transition them to the circular economy.

ACTIONS

EXPERT advice / Work networks / Financial support / Awareness raising / Specialised training / Knowledge and technology transfer.

MAIN BENEFICIARIES

COMPANIES with fewer than 50 employees, with a turnover of 10 million euros or less and a balance sheet total of 10 million euros or less, located in rural areas of Castilla y Leon, as well as all SMEs involved in circular economy projects, regardless of where they are located.

CONTENT

THERE have been very important developments in the bio-economy or circular economy in recent years in Castilla y Leon. The growing awareness of companies with regard to environmental sustainability, regulatory requirements, trends in innovation, and the support of public services are reasons that substantially explain the path taken to date.



However, it is the smaller companies in the region, and particularly those located in rural settings, that require the most support to promote bioproducts, as well as the reuse, recycling and valorisation of waste, in line with the circular economy paradigm

Therefore, the following actions will be promoted in this symbolic action:

- 1** Create and strengthen working groups in rural areas of Castilla y Leon to enable industrial enterprises to advance through collaborative activities in the circular economy.
- 2** Organise awareness-raising, training and demonstration events in rural areas related to the circular economy, based on regional, national and international best practices, aimed at smaller industrial companies in rural areas.

3 Support the recruitment of students or new graduates from vocational training centres and universities by small industrial companies located in rural areas, with the aim of leading or supporting initiatives in the circular economy.

- 4** Promote work networks within business groups, clusters, hubs, etc., with the aim of supporting and transferring knowledge to industrial companies located in rural areas on the circular economy
- 5** Support the launch and development of platforms for the exchange of by-products and the enhancement of a secondary market.



“ New to the
II Industrial Promotion
Master Plan 2021-
2025, a series of
symbolic actions are
presented that focus
on the main changes
and transformations
expected during the
term of the Plan



10. COORDINATION

AND MONITORING OF THE II INDUSTRIAL PROMOTION MASTER PLAN 2021-2025

The activities developed will be closely monitored throughout the implementation of the II Master Plan. More specifically, this monitoring has the following goals:

- **To pinpoint** achievements and results, both in qualitative and quantitative terms.
- **To identify** challenges in the implementation process of the II Master Plan and determine actions to overcome them.
- **To learn about** the reception of the II Master Plan by the regional industrial ecosystem.
- **To encourage** Governance of the II Master Plan.
- **To update** the II Master Plan according to new needs or priorities.

- **To contribute** to transparent management and accountability.
- **To identify** good practices or success stories within the implementation process that are transferable.
- **To facilitate** coordination among all public players involved in the implementation of the II Master Plan.
- **To publicise** the lines of action with the aim of boosting the commitment of the different Directorates of the Regional Government of Castilla y Leon.

10.1. INSTITUTIONAL COORDINATION

In line with the I Master Plan, the II Master Plan is a **meeting space** among different public instruments and services committed to the industrial development of Castilla y Leon. Consequently, the different bodies of public administration must work together on the implementation and monitoring of the II Master Plan, aligning policies, resources and measures.

This meeting and cooperative space also aims to publicise the different components of the II IPMP to ensure the Directorates of the Regional Government of Castilla y Leon are actively involved in defining appropriate measures.

Given that the **Department of Employment and Industry** holds **powers** in industrial policy, it is responsible for leading coordination and monitoring actions through the **Directorate-General for Industry (DGI)**. Other Departments, depending on their powers, will also be involved in the defining, implementation and financing of actions. Of particular note in this regard is the Department of Economy and Finance, to which two major institutions for the II Master Plan are attached: The Institute for Business Competitiveness (ICE) and the Regional Public Energy Agency (EREN).

More specifically, the Departments and entities initially involved in the implementation of the II Master Plan will be as follows:

TABLE 42. Departments and directorates linked to the II Master Plan.

 Departments	 Directorates
Department of Employment and Industry	<ul style="list-style-type: none"> · Directorate-General for Social Economy and the Self-Employed. · Directorate-General for Industry. · Directorate-General for Employment and Occupational Risk Prevention. · Public Employment Service (ECYL). · Foundation for Business Anchoring and Employment Training in Castilla y Leon (FAFECYL).
Department of Development and Environment	<ul style="list-style-type: none"> · Directorate-General for Environmental Quality and Sustainability. · Directorate-General for Natural Heritage and Forestry Policy. · Directorate-General for Telecommunications and Digital Transformation. · Directorate-General for Transport. · Directorate General for Housing, Architecture and Urban Planning.
Department of Health	<ul style="list-style-type: none"> · Directorate-General for Infrastructure and Information Technologies. · Directorate-General for Information System, Quality and Pharmaceutical Care.
Department of Education	<ul style="list-style-type: none"> · Directorate-General for Universities and Research. · Directorate General for Vocational Training, Special Scheme, and Educational Equity.
Department of Culture and Tourism	<ul style="list-style-type: none"> · Directorate-General for Cultural Policies. · Directorate-General for Tourism. · Commissioner for the Spanish Language. · Directorate-General for Cultural Heritage.
Department of Agriculture, Livestock and Rural Development	<ul style="list-style-type: none"> · Directorate-General for Competitiveness of the Agrifood Industry and Agricultural Business. · Agricultural Technology Institute of Castilla y Leon (ITACYL).
Department of Economy and Finance	<ul style="list-style-type: none"> · Directorate-General for Energy and Mines. · Directorate-General for Economic Policy and Competitiveness. · Regional Public Energy Agency (ERAA). · Institute for Business Competitiveness (ICE).
Department of Transparency, Land Use Planning and Foreign Action	<ul style="list-style-type: none"> · Directorate-General for Citizens Advice and Quality of Services.

During the implementation of the Master Plan, as a result of possible institutional or regulatory changes, modifications may be made to the directorates taking industrial policy actions and, therefore, greater coordination is required to ensure valid contacts are identified at all times.

More specifically, the roles of each department will be as follows:

❖ **The Department of Employment and Industry** lists “support for the industrial sector” among its competences and, therefore, it plays an important role in this Industrial Promotion Master Plan. Besides its promotion, coordination and monitoring through the **Directorate-General for Industry**, it is responsible or jointly responsible for lines of action in virtually all the horizontal focal points and in four of the ten sectoral focal points considered.

In addition, this Department includes the **ECYL**, the **Public Employment Service**, which is responsible for activities to promote employment and training for employment and guidance and intermediation in the Castilla y Leon labour market, which will contribute towards the retraining of workers (Focal Point 8, Goal 4) and has responsibilities in other lines of action involving training in areas such as entrepreneurship.

Linked to this Department, the **Foundation for business anchoring and employment training in Castilla y Leon (FAFECYL)** must also be noted, which focuses on specific initiatives to support the retraining and updating of worker knowledge, particularly in areas or sectors undergoing restructuring.

❖ **The Department of Development and Environment** has competence in a large and varied number of areas. These include, in order of importance to industrial sectors, those related to land use, telecommunications, infrastructure, environmental assessment, water, waste, and land management. This Master Plan will be responsible for meeting the goals contained in the horizontal focal point related to digital connectivity (Focal Point 4, Goal 4), and for actions in Focal Point 5, Industrial Land, and Focal Point 7, Industrial Sustainability. This Department is also considered in some of the sectoral focal points, including its presence in the emerging Logistics sector.

❖ Through the **Directorate-General for Infrastructure and Information Technologies** and the **Directorate-General for the Information System, Quality and Pharmaceutical Care**, the **Department of Health** is responsible for directing, promoting and implementing the region’s health policy and is given responsibilities within the framework of this Master Plan for the goals and lines of action envisaged in the Pharmaceutical and Health Focal Point

❖ The **Department of Education** is responsible for the region’s educational policy, performing coordination, implementation and ins-

pection duties. Through the **Directorate-General for Universities and Research** and the **Directorate-General for Vocational Training, Special Scheme. and Educational Equity**, it is responsible for actions, in coordination with other Departments, in the horizontal areas of Innovation, Digitisation and Entrepreneurship and, more importantly, in Quality Training and Employment in Industry, given the importance of human capital for the competitiveness of industry and the multiple demands made by the different players consulted regarding the need to adapt the educational offering to the requirements of the labour market.

In addition, this Department is also present in some of the sectoral focal point, specifically in Automotive (Goal 1, Move towards regional specialisation in electromobility), Habitat (Goal 3, Promote and adapt Vocational Training to new trends in habitats), Pharmaceutical and Health (Goal 2, Turn the region into an animal pharma hub), and ICT (Goal 1, Promote the growth and consolidation of ICT companies in the market).

- ◆ The **Department of Culture and Tourism** has competences that include the promotion of cultural activities and expressions, the promotion of Spanish for foreigners, and the promotion of tourist activity and tourist resources. In the case of the first two compe-

tences mentioned, they directly affect the goals and lines of action envisaged in the Focal Point relating to Creative and Cultural Industries, while the latter, regarding tourist activities, relates to Goal 4 of the Agrifood Sector Focal Point. This consists of “Exploring hybridisations of the agrifood sector with other economic activities”, including tourism.

- ◆ The **Department of Agriculture, Livestock and Rural Development** has competences in promotion, planning, management and implementation linked to agrifood processing and the rural development actions linked to them. Through the **Directorate-General for Competitiveness of the Agrifood Industry and Agricultural Business**, the **Directorate-General for Rural Development** and the **Agricultural Technology Institute of Castilla y Leon (ITACYL)** also has responsibilities for the implementation of lines of action foreseen in the Rural Environment and local resources Focal Points (in both goals, Develop cooperative actions to promote regional industry in rural areas and Strengthen the location and promotion of industry in rural areas of Castilla y Leon).

Likewise, in the sector focal point of the agrifood sector, both Itacyl and some of the general directorate-generals of the Department of Agriculture, Livestock and Rural De-

velopment have lines of action linked to the Strategic Plan for Revitalisation of Agricultural and Agrifood Research and Innovation 2021-2027.

- The **Department of Economy and Finance** plays a priority role in the implementation of the Industrial Promotion Master Plan 2021-2025 of Castilla y Leon, mainly because of its dependence on the Institute for Business Competitiveness (ICE) and the Regional Public Energy Agency (EREN), which were already two of the main budget implementers in the previous Plan, to which it aims to provide continuity..

ICE is a regional instrument that promotes the development of economic activity and the productive system in Castilla y Leon. To this end, it has various roles which focus on business creation, business grants, investment incentives, specific support measures for SMEs, innovation or industrial land. All of these are of great importance for the competitive development of regional industries. The role of this body is cross-cutting and relates to virtually all the focal points and actions of this Master Plan.

The purpose of EREN is to promote and implement initiatives and programmes of activities for research, study and support

of energy technology actions, including renewables, as well as improving energy savings and efficiency, and promoting the rational use of energy, among others. Therefore, on one hand it is directly related to the goals and lines of action envisaged in the Energy Focal Point and, on the other, to others in the horizontal Focal Point on Industrial Sustainability, due to its link with energy efficiency in companies and industries.

- The **Department of Transparency, Land Use Planning and Foreign Action** has a wide range of competences that include, based on the demands of industrial companies, the coordination and monitoring of measures to streamline and improve procedures, simplify them, and eliminate and reduce administrative burdens and obstacles, as well as the design and coordination of regulatory quality measures. It also provides multi-channel assistance, guidance and information for entrepreneurs and businesses. In relation to this, the Department is present in the lines of action of Goal 3, Focal Point 4, Industrial environment.

It should also be noted that members of the Social Dialogue bodies will be invited to report on the monitoring of the II Plan and its degree of achievement.

10.2. II MASTER PLAN MONITORING COMMITTEE

As in the I Master Plan, a **Monitoring Committee** will be organised to coordinate the actions of the different Departments and Directorates.

10.2.1. Goals □

The goals of this Monitoring Committee will be:

- ◆ **To ensure** compliance with the goals of the Master Plan.
- ◆ **To exchange** information that allows for the most effective and efficient actions of the II Master Plan.
- ◆ **To coordinate** actions and avoid duplication.
- ◆ **To contribute** to the design and implementation of adjusted, complementary and synergistic actions.
- ◆ **To promote** the necessary political momentum.
- ◆ **To draw up** the monitoring reports on the Master Plan and other industrial policy actions.
- ◆ **To jointly assess** the results of the II Master Plan.
- ◆ **To conduct** specific monitoring of the Territorial Development Programmes and Current Priority Industrial Projects, as well as of the Symbolic Actions.

10.2.2. Organisation and operational rules □

The chair of the Monitoring Committee will be held by the head of the Department of industry. The Deputy Chair will be the Director-General of Industry. The secretary will be appointed by the Department of industry. The representatives of the various directorates responsible for actions and that hold the position of at least Director General will act as members..

Initially, the terms of Order EEI/961/2019 of 11 October 2019 amending Order EYH/435/2018 of 6 April 2018 on the organisation and operational rules of the Monitoring Commission for the Industrial Promotion Master Plan 2021-2025, will be maintained.

The Monitoring Committee will meet, preferably in person, at least once a year. It will produce annual reports reflecting the actions taken (purposes, contents, participants, resources invested, etc.) and progress made in the proposed overall goals. The publication of annual monitoring reports will be mandatory in accordance with Article 6 of Law 19/2013 of 9 December

2013 on Transparency, Access to Public Information and Good Governance.

It will also include an analysis of the situation of the industrial sector and its short-term challenges, as well as an update of indicators. A final report will be drawn up at the end of the term of the II Master Plan using the compilation of all the annual reports. In addition, other reports on industrial policy actions and monitoring reports on the Territorial Programmes for Promotion and Priority Industrial Projects and on the Symbolic Actions may also be prepared, and the possibility of publishing the indicator scorecard in “Open Data” will be studied.

The Monitoring Committee of the II Master Plan will also be called upon to ascertain, prior to approval, the preparation of public instruments that could be aligned with the II Master Plan, in accordance with its priorities, target sectors, etc.

10.2.3. Processing of reports □

The annual monitoring reports of the II Master Plan, other reports on industrial policy actions, and the final monitoring report of the II Master Plan will be submitted to the Governing Council of Castilla y Leon for its information, in order to support its decision-making in terms of industry, economic promotion, and job development. The Director of Industry will also appear before the Employment and Industry Committee to present the annual report and final monitoring report of the II Master Plan.

In order to coordinate and work towards social dialogue with social partners, and because the II Master Plan is in line with and developed within the framework of the agreements acquired by the Regional Government of Castilla y Leon in the context of the IV Framework Agreement, the Monitoring Committee on the IV Framework Agreement will participate in monitoring its progress, and will be informed of the annual report and the final monitoring report for the Plan. The Monitoring Committee on the IV Framework Agreement may make proposals for improvements, changes and updates.

10.2.4. Changes to the Master Plan □

The Department of Industry, in communication with the Monitoring Committee, may make changes and updates to the II Master Plan provided they are justified by the goals set out in this instrument. Were this the case, and in ac-

cordance with the provisions of Law 6/2014 of 12 September 2014 on the Industry of Castilla y Leon, the Parliament of Castilla y Leon would be informed thereof.

10.2.5. Working groups □

A Working Group is set up at technical level, with representatives from the directorates involved in industrial policy actions, in order to support the decision-making of the Monitoring Committee.

Where considered relevant, and on the initiative of the Department of industry, ad hoc working groups may be set up to address and face challenges arising within the goals and content of the II Master Plan, such as challenges in digitisation, promotion of industry in the rural environment, sustainability, innovative entrepreneurship, etc.



10.3. INDICATOR SCORECARD

The monitoring indicator map will consist of indicators linked to quantitative goals, other general indicators, and indicators aligned with the horizontal focal points.

In the case of the first selection of indicators, these correspond directly to the six quantitative goals established for the II Industrial Promotion Master Plan of Castilla y Leon.

TABLE 43. Indicators linked to the goals.

Quantitative goals	Indicators	Information source
1) To further the reindustrialisation of Castilla y Leon and its productive diversification, supporting the strengthening of traditional strategic sectors and the development of emerging sectors. <i>Reaching an industrial manufacturing value of 11 billion euros by 2025.</i>	GVA of the manufacturing industry	Regional Government of Castilla y Leon, <i>Cyl Quarterly Regional Accounting, 2010 Basis</i>
2) To increase innovation in the industrial sector to improve industrial competitiveness. <i>Achieving 1.8% of R&D expenditure/GDP by 2025.</i>	Total internal R&D expenditure in relation to GDP	INE, <i>R&D Activities Statistics</i>
3) To increase quality employment in the industrial sector at all skill levels and reduce the gender gap. a) Increase the workforce employed in industry by 3% (162,300 people in Q4 2020, Target 167,100 in Q4 2025). b) Achieve a weight of 30% of women in industry.	Increase in the number of employees in industry	INE, <i>Labour Force Survey (LFS)</i>
	% women employed in industry in relation to total industrial employees	
4) To achieve greater industrial alignment among the provinces of the Autonomous Community by reducing the current gap among territories. <i>Increase the weight of less industrialised provinces in the regional industrial GVA: Soria from 4.90% to 6.00%; Segovia from 3.06% to 4.00%; Avila from 2.79% to 4.00%; Zamora from 2.51% to 4.00%.</i>	% contribution to the industrial GVA of each province	INE, <i>Regional Accounting of Spain, Provincial Results</i>
5) To encourage and support the establishing and growth of businesses in the rural environment as a lever to establish the population and combat the demographic challenge. <i>Develop or implement new industries in the rural environment, from 2,702 companies located in rural municipalities to 3,000.</i>	Number of industrial enterprises in municipalities with fewer than 5,000 inhabitants	INE, <i>Enterprises by municipality and main activity</i>
6) To support the growth of SMEs, favouring the growth and scaling up of existing companies as well as attracting larger companies with a greater effect on driving regional economy. <i>Increase the weight of SMEs with more than 50 employees (between 50 and 249) in the manufacturing industry (CNAE 10-33) from 2.07% to 3%.</i>	% of companies with between 50 and 249 employees in relation to all SMEs in the manufacturing industry	INE, <i>DIRCE</i>

TABLE 44. Monitoring indicators linked to horizontal focal points.

Focal Point	Indicators	Information source
Financing	Number of approved investment, R&D or startup projects Grants awarded in total to the industrial ecosystem of the region (€)	Data provided by the Departments of the Regional Government of Castilla y Leon that have implemented actions within the framework of the II Master Plan
	Number of industrial enterprises receiving grants Number of industrial entrepreneurs under the age of 30 receiving grants	
	Grants awarded to industrial companies (€) Induced investment in the industrial sector (€)	
	Number of industrial companies receiving financial advice Number of companies that have received funding through networks of business angels supported by the public services of the Regional Government of Castilla y Leon	
	Number of companies receiving preferential or venture capital loans Sum of financial costs of loans and credit guaranteed and subsidised	
	Number of financial institutions encouraging access by industrial companies in the region to specific lines of financing	
	Weight (in %) of sales abroad in relation to the total, by activity: · Mining industries. · Manufacturing industry. · Supply of electricity, gas, steam and air conditioning. · Water supply, sanitation, waste management and decontamination activities	
	Exports (value in €) of high and medium-high tech goods Weight (in %) of exports of high and medium-high tech goods in relation to total exports	
	Number of exporting firms	
	Number of industrial companies that have participated in trade missions abroad through public funding	

	 Focal Point	 Indicators	 Information source
Innovation, Digitisation and Entrepreneurship.	Participation (%) of enterprises in internal R&D expenditure		INE, <i>Statistics on R&D Activities</i>
	Business expenditure in technological innovation (thousands of €)		INE, <i>Business Innovation Survey</i>
	Number of innovative companies		
	Number of people employed in R&D (in EJC)		
	Weight (in %) of R&D personnel in companies in relation to the total		INE, <i>Statistics on R&D Activities</i>
	Number of researchers (in EJC)		
	Weight (in %) of researchers in companies in relation to the total		
	Number of new industrial companies established with the support of public funding		Data provided by the Departments of the Regional Government of Castilla y Leon that have implemented actions within the framework of the II Master Plan
	Number of startups created in the region		
	Number of Technology-Based Companies (EBTs) in industrial sectors in line with RIS3 in Castilla y Leon, supported by public funding		
Industrial environment	Number of Open Innovation processes promoted to prime innovative companies in the region's industry		
	Energy intensity (tep/€M)		INE, <i>Energy statistics in Castilla y Leon published by EREN</i>
	CYLOG Network total area (ha)		Directorate-General for Transport of the Regional Government of Castilla y Leon
	Broadband coverage (% households)		Secretary of State for Telecommunications and Digital Infrastructure
	Number of industrial companies awarded projects linked to Public Procurement of Innovative solutions (PPI)		Data provided by the Departments of the Regional Government of Castilla y Leon that have implemented actions within the framework of the II Master Plan
	Number of companies involved in collaborative projects linked to resource optimisation, energy efficiency, circular economy, and industry 4.0		

	 Focal Point	 Indicators	 Information source
Industrial land	Total available industrial land area (ICE, SEPES, Local Council or private) m ² Area sold (ICE, SEPES, Local Council or private) m ² Increase in industrial land prices		Directorate-General for Transport of the Regional Government of Castilla y Leon Data provided by the Departments of the Regional Government of Castilla y Leon that have implemented actions within the framework of the II Master Plan
Rural environment and local resources	Number of industrial cooperatives set up in rural environments with the support of public funding Number of enterprises located in rural areas that have received public funding Number of industrial enterprises in rural areas that have received public funding Number of new undertakings in rural areas by youngsters under the age of 30 Number of industrial companies located in rural areas		Data provided by the Departments of the Regional Government of Castilla y Leon that have implemented actions within the framework of the II Master Plan INE, DIRCE.
Industrial sustainability	Number of projects financed by public services linked to the circular economy Number of industrial companies that have received public funding to produce individualised diagnoses for energy sustainability needs, capabilities and opportunities Number of industrial companies that have received public funding to implement actions focused on sustainability Annual increase in the volume of waste recycled by industrial companies in Castilla y Leon		Data provided by the Departments of the Regional Government of Castilla y Leon that have implemented actions within the framework of the II Master Plan
Enhancing of quality training and employment in industry	Number of people under the age of 30 in the industrial sector Increase in the number of women joining the industrial sector Number of workers in the industrial sector who have taken part in publicly funded training activities		INE, EPA. Datos proporcionados por las Consejerías de la Junta de Castilla y León que han implementado actuaciones en el marco del II Plan Director.

TABLE 45. Monitoring indicators linked to sectoral focal points.

	 Focal Point	 Indicators	 Information source
1. Automotive	Increase in the number of companies in CNAE 281, 282, 283, 284, 289, 291, 292, 293, 309		INE; <i>DIRCE</i> .
	% of companies in CNAE 281, 282, 283, 284, 289, 291, 292, 293, 309 in Castilla y Leon in relation to nationwide		
	Contribution to regional GVA of CNAE 28, 29 and 30		Regional Government of Castilla y Leon, <i>Annual Accounts, Aggregates by sector of activity</i>
	Evolution in turnover of CNAE 28, 29 and 30		INE, <i>Structural Business Statistics: Industrial sector</i>
2. Agrifood	Evolution in personnel employed in CNAE 28, 29 and 30		
	Increase in the number of companies in CNAE 10 and 11		INE; <i>DIRCE</i> .
	% of companies in CNAE 10 and 11 in Castilla y Leon in relation to nationwide		
	Contribution to regional GVA of CNAE 10 and 11		Regional Government of Castilla y Leon, <i>Annual Accounts, Aggregates by sector of activity</i>
3. Energy	Evolution in turnover of CNAE 10 and 11		INE, <i>Structural Business Statistics: Industrial sector</i>
	Evolution in personnel employed in CNAE 10 and 11		
	Incremento en el número de empresas de los CNAE 271, 272, 351, 352 y 432.		INE; <i>DIRCE</i> .
	% of companies in CNAE 271, 272, 351, 352 and 432 in Castilla y Leon in relation to nationwide		
3. Energy	Contribution to regional GVA of CNAE 35		Regional Government of Castilla y Leon, <i>Annual Accounts, Aggregates by sector of activity</i>
	Evolution in turnover of CNAE 35		INE, <i>Structural Business Statistics: Industrial sector</i>
	Evolution in personnel employed in CNAE 35		
	Evolution of gross energy production in Castilla y Leon		Regional Government of Castilla y Leon, <i>Energy Statistics</i>
	Biomass energy production capacity		AVEBIOM, <i>Biomass Observatory</i>

	 Focal Point	 Indicators	 Information source
4. Habitat	Increase in the number of companies in CNAE 022, 072, 081, 089, 099, 161, 162, 231, 232, 233, 234, 234, 236, 237, 239, 251, 310, 412, 432, 433 and 439		
	% of companies in CNAE 022, 072, 081, 089, 099, 161, 162, 231, 232, 233, 234, 234, 236, 237, 239, 251, 310, 412, 432, 433 and 439 in Castilla y Leon in relation to nationwide		INE; <i>DIRCE</i> .
	Contribution to regional GVA of CNAE 05-09, 19 (Mining Industries and Oil Refining) and 41-43 (Construction)		Regional Government of Castilla y Leon, <i>Annual Accounts, Aggregates by sector of activity</i>
	Evolution in turnover in group B, Mining industries		INE, <i>Structural Business Statistics: Industrial sector</i>
	Evolution in personnel employed in group B, Mining industries		
5. Pharma and Health	Increase in the number of companies in CNAE 211 and 212		
	% of companies in CNAE 211 and 212 in Castilla y Leon in relation to nationwide		INE; <i>DIRCE</i> ,
	Contribution to regional GVA of CNAE 21 and 22		Regional Government of Castilla y Leon, <i>Annual Accounts, Aggregates by sector of activity</i>
	Evolution in turnover of CNAE 21		INE, <i>Structural Business Statistics: Industrial sector</i>
	Evolution in personnel employed in CNAE 21		
6. Chemicals and cosmetics	Increase in the number of companies in CNAE 201, 202, 204, 205 and 206		
	% of companies in CNAE 201, 202, 204, 205 and 206 in Castilla y Leon in relation to nationwide		INE; <i>DIRCE</i> .
	Evolution in turnover of CNAE 20		Regional Government of Castilla y Leon, <i>Annual Accounts, Aggregates by sector of activity</i>
	Increase in the number of companies in CNAE 303		INE, <i>Estadis</i> INE, <i>Structural Business Statistics: Industrial sector tica Estructural de Empresas: Sector Industrial</i> .
	Evolución en el % of companies in CNAE 303 in Castilla y Leon in relation to nationwide ocupado del CNAE 20.		

 Focal Point	 Indicators	 Information source
7. Aeronautics	Increase in the number of companies in CNAE 303 % of companies in CNAE 303 in Castilla y Leon in relation to nationwide	INE; <i>DIRCE</i> .
8. ICT	Increase in the number of companies in CNAE 422, 582, 611, 612, 613, 619, 620 and 631 % of companies in CNAE 422, 582, 611, 612, 613, 619, 620 and 631 in Castilla y Leon in relation to nationwide Evolution in turnover of CNAE 61, 62 and 63 Evolution in personnel employed in CNAE 61, 62 and 63	INE; <i>DIRCE</i> . INE, <i>Structural Business Statistics: Industrial sector</i>
9. Cultural and Creative Industries	Increase in the number of companies in CNAE 900, 910, 181, 581, 591, 592 % of companies in CNAE 900, 910, 181, 581, 591 and 592 in Castilla y Leon in relation to nationwide Evolution in turnover of CNAE 59 and 90 Evolution in personnel employed in CNAE 59 and 90	INE; <i>DIRCE</i> . INE, <i>Structural Business Statistics: Industrial sector</i>
10. Logistics	Increase in the number of companies in CNAE 492, 494, 512, 521 and 522 % of companies in CNAE 492, 494, 512, 521 and 522 in Castilla y Leon in relation to nationwide	INE; <i>DIRCE</i> .

Note I: The indicators set out in the above table are limited to certain CNAEs and statistical data that are recurrent over time and are comparable, as this data offers a closer insight into the situation of each sector. However, for a more complete analysis, information could be supplemented whenever possible with other types of information (e.g. the positioning of companies in the markets, level of automation, situation regarding digital and sustainable transformation, etc.).

Note II: When selecting CNAEs for each sector, the selection made in the I IPMP and the contributions during preparation of the II IPMP. However, during the implementation of the Plan and its monitoring, attention will be paid to the analysis of value chains, and changes can be made, where deemed necessary, in the selection of CNAEs initially made.

TABLE 46. Other indicators.

 Indicators	 Information source
Importance (in %) of the manufacturing industry on total GVA	Regional Government of Castilla y Leon, <i>Cyl Quarterly Regional Accounting, 2010 Basis</i>
Industry turnover (thousands of €)	INE, <i>Industrial Business Survey</i>
Number of Social Security affiliations in the industrial sector (last day of the month)	
Number of Social Security affiliations in the manufacturing industry (last day of the month)	Department of Employment and Social Security.
Number of self-employed workers in the industrial sector	
Number of self-employed workers in the manufacturing industry	
Number of employees in industry	
Number of employees in the manufacturing industry	INE, EPA.
% industrial manufacturing employment in relation to total employment	
Direct foreign investment in industry (thousands of €)	Department of Industry, Trade and Tourism
Productivity per industrial employee (€)	INE, <i>Regional Accounting of Spain</i>
% industrial employment in relation to total employment	INE, EPA.
Sum of wages and salaries in Castilla y Leon industry (thousands of €)	Regional Government of Castilla y Leon, <i>Accounts of the industrial sector</i>
Industrial Production Index	INE, <i>Industrial Production Index</i>
Business Turnover Index in Castilla y Leon industry	Regional Government of Castilla y Leon, <i>Business turnover indices in industry</i>

TABLE 47. Size indicators.

Indicators	Information source
Distribution (in %) of industrial companies by size Number of industrial companies: · No employees. · Micro-enterprises (1-9 employees). · Small (10-49 employees). · Medium-sized (50-199 employees). · Large (200+ employees).	INE; <i>DIRCE</i> .
Distribution (in %) of industrial sites by size Number of industrial sites: · No employees. · Micro-enterprises (1-9 employees). · Small (10-49 employees). · Medium-sized (50-199 employees). · Large (200+ employees).	INE; <i>DIRCE</i> .

TABLE 48. Rural indicators.

Indicators	Information source
Number of municipalities with fewer than 5,000 inhabitants with enterprises	
Number of municipalities with less than 5,000 inhabitants with industrial enterprises	INE, <i>Enterprises by municipality and main activity</i>

TABLE 49. Provincial indicators.

Indicators	Information source
Evolution of average annual occupation ⁽³⁸⁾ in industry by province	
Provincial weight of the average annual occupation on the regional total	INE, EPA, <i>Provincial results</i>
Evolution of the number of industrial manufacturing sites by province	INE, <i>DIRCE, Active Local Sites</i>
Evolution of industrial GVA in each province	INE, <i>Regional Accounting of Spain, Provincial Results</i>
Weight of industry on provincial GVA	
Provincial distribution of turnover of industry in Castilla y Leon	Regional Government of Castilla y Leon, <i>Accounts of the industrial sector</i>

38 “Average annual occupation” would be the average occupation for the four quarters.



11 BUDGET

 The II Industrial Promotion Master Plan will be implemented between 2021 and 2025. The Plan covers different Departments and public entities of the Regional Government of Castilla y Leon, and provides continuity for the previous Plan, which ran from 2017 to 2020. The source of funding for this Master Plan is therefore similar to the previous one, with the addition of funds from the Resilience Plan for the recovery and transformation of the European economy. The funding of the Master Plan will therefore be made on the basis of:

- The budgets allocated annually to the different Departments of the Regional Government of Castilla y Leon.
- The part of the budget from the Operational Programmes of the European Union Structural Funds, ERDF (European Regional Development Fund) and ESF (European Social Fund) 2021-2027 for Castilla y Leon, as well as from the European Agricultural Fund for Rural Development (EAFRD) for the same period.
- Next Generation funds allocated to Castilla y Leon.

In total, throughout its term, a budget of 1,421.6 million euros is calculated to meet the goals of the Plan. The budget foreseen for the actions to be mobilised by the Plan is set out below. Given that, in comparison with the 4-year duration of the previous plan, the current plan has increased to 5, representing a nominal increase of just over 20% of average expenditure per year.

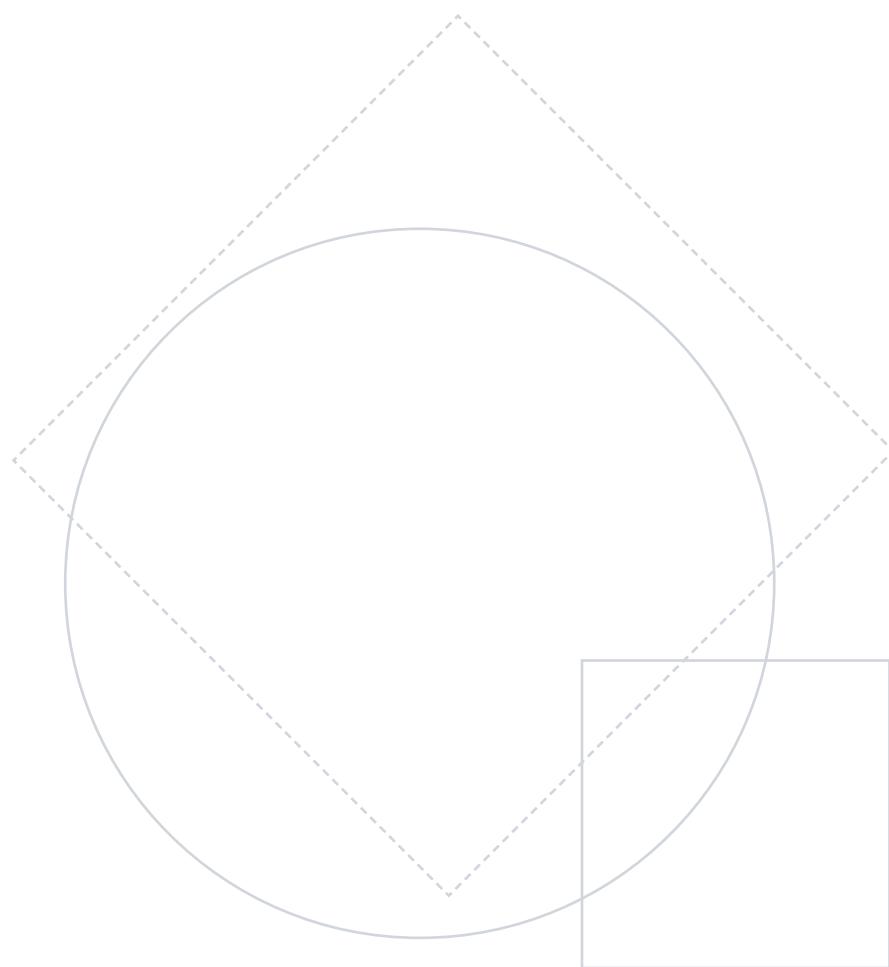
A commitment will be made to review the budgetary implications of the II Plan if the arrival of European funds requires as such.

TABLE 50.Budget per focal point of the II Industrial Promotion Master Plan.

	Focal Points	Euros
1	Financing	129,008,176.50
2	Internationalisation	8,564,099.78
3	Innovation, Digitisation and Entrepreneurship	50,133,876.29
4	Industrial environment	332,571,162.89
5	Industrial land	33,984,525.75
6	Rural Environment and Local Resources	9,688,528.01
7	Industrial Sustainability	2,437,908.80
8	Enhancing of quality training and employment in industry	186,440,471.96
9-19	Sectoral focal points	668,808,868.02
TOTAL		1,421,637,618.00

In the annual monitoring process of the II Industrial Promotion Master Plan 2021-2025 of Castilla y Leon, the budgetary items of each focal point were specified and itemised in order to foresee and collect the necessary financial resources and, therefore, facilitate their implementation.

Lastly, it must be noted that the II Industrial Promotion Master Plan 2021-2025 of Castilla y Leon is programmatic in nature, and will be implemented using the appropriate legal and economic instruments, budget availability permitting.



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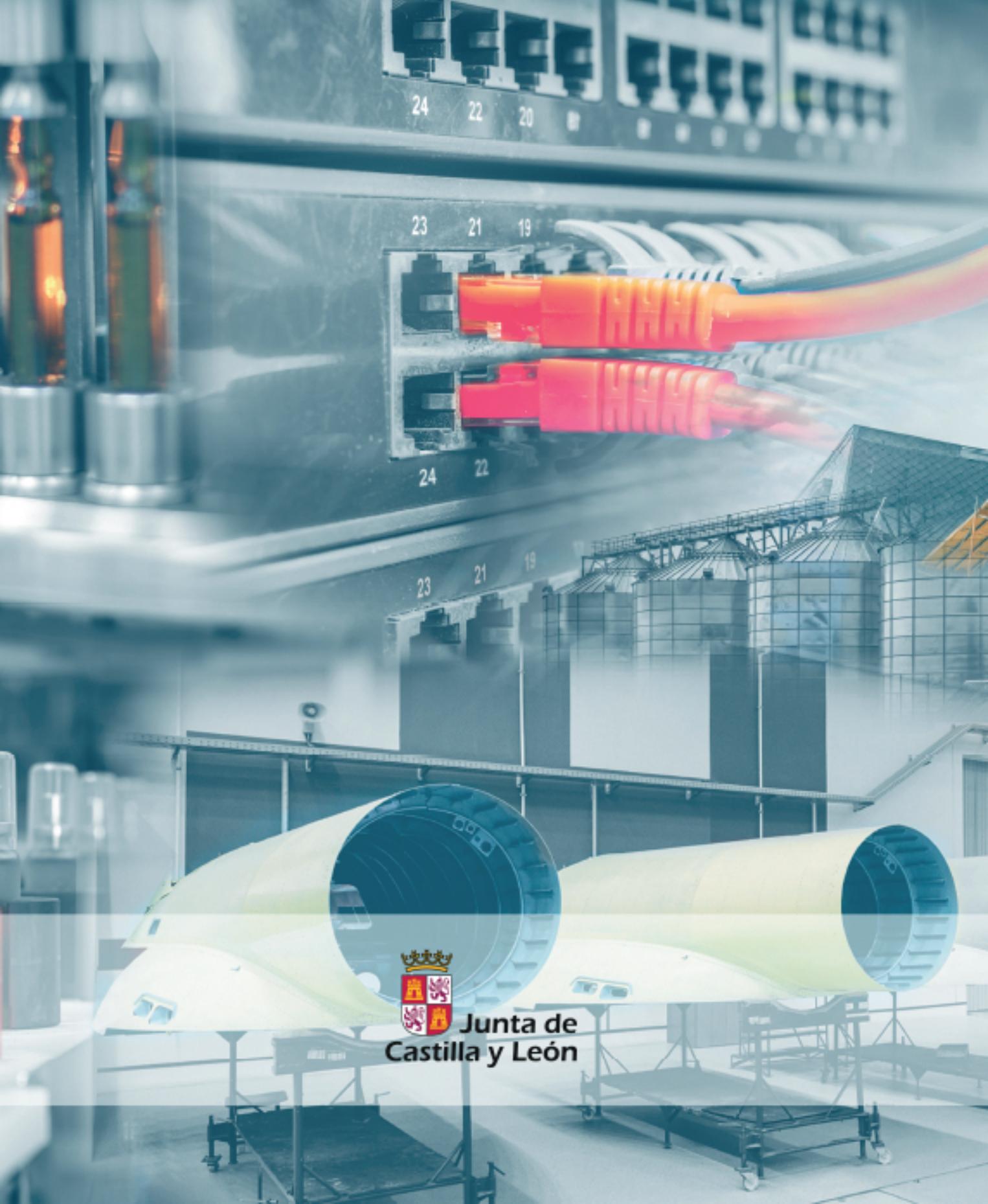
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