

Spain: EIB, ICO and El Corte Inglés sign EUR 210m agreement to boost the company's investment in innovation and digitalisation



- The European Investment Bank will provide EUR 110m for the operation under the Juncker Plan, while ICO will contribute EUR 100m
- The agreement will help to accelerate El Corte Inglés' digital transformation to strengthen its competitiveness
- The investments will focus on the implementation of new technologies to expand multichannel sales and improve logistics chain management

The European Investment Bank (EIB) and the Instituto de Crédito Oficial (ICO) are set to finance the innovation investments of El Corte Inglés, with a view to accelerating its digital transformation. To this end, the EIB will provide a EUR 110m loan with Investment Plan for Europe support, and ICO will grant financing of EUR 100m. This is a ten-year agreement which reflects the two institutions' confidence in the Spanish company. The contracts formalising this agreement were signed today in Madrid by EIB Vice-President Emma Navarro, ICO Chairman José Carlos García de Quevedo and El Corte Inglés CEO Víctor del Pozo.

Supporting innovation and business digitalisation is one of the EIB's

priorities in Spain, and it is with this goal in mind that the EU bank has signed this second loan aiming to boost the digital transformation of the emblematic Spanish business and European department store leader. The financing provided by the EIB in 2016 enabled El Corte Inglés to launch a new integrated digital platform for online retail to drive internet and mobile sales.

The ICO financing is part of the Spanish public sector bank's strategy to promote business development in digitalisation and innovation.

With the agreement signed today, El Corte Inglés will be able to speed up and expand its technological transformation by strengthening its digital infrastructure and systems, developing new software for better data management and improving the cyber-security of its online business. In addition, the application of new technologies will enable it to adapt more quickly to consumer preferences and optimise online client response times, as a portion of the EIB and ICO financing will go to investment in its logistics, supply and distribution chain.

The implementation of this project will help strengthen the competitiveness of one of Spain's biggest private sector companies in terms of job creation. El Corte Inglés has more than 90 000 employees and accelerating its digital transformation strategy will mean creating new, highly skilled jobs in its IT department.

"We are delighted to contribute to the digital innovation of one of our most emblematic companies and one of Spain's biggest employers. Digitalisation is among the main challenges faced by European businesses to ensure they can compete and grow, which is why supporting it is a key priority for the EU bank," said **EIB Vice-President Emma Navarro** at the signing ceremony. *"In the retail sector, investing in digital technologies is vital to adapting to rapid market changes and competing with other online retail giants. By signing this agreement, the EIB is reiterating its commitment to the innovation and digitalisation of Spanish businesses and to creating jobs in our country."*

ICO Chairman José Carlos García de Quevedo indicated that *"ICO's participation in this operation is part of its strategy to promote digitalisation and innovation, one of the public sector bank's key priorities. ICO's goal is to provide Spanish companies with financing instruments enabling them to confidently tackle their digitalisation process to consolidate their growth and competitiveness."*

El Corte Inglés CEO Víctor del Pozo expressed his satisfaction that the company could count on the support of two major institutions in its ongoing digital transformation. *"Our company innovates in everything we do, and the digital challenge is one of our current priorities. The support of the EIB and ICO will enable us to drive and move forward in this digitalisation and innovation objective."*

The EIB and innovation

In 2018, the EIB Group increased the financing it provided in Spain for research, development and innovation (RDI) – key elements of the competitiveness of the economy – for the third consecutive year. It dedicated EUR 2.439bn to this objective, representing almost 30% of its activities in the country and making Spain the second largest beneficiary of EIB financing for innovation investment in the EU in 2018.

Background information

The **Instituto de Crédito Oficial** (ICO) is a corporate state-owned entity attached to the Spanish Ministry of Economy and Business. ICO has become a reference point for the financing of both SMEs and large investment projects. ICO contributes to business growth and job creation, supporting economic activities meriting promotion and development as a result of their social, cultural, innovative or environmental importance.