22.9% of the Valencian companies are among the most competitive in the country

- The GECE Observatory, promoted by Bankia and Ivie, launches the *Keys for Competitiveness* collection, analysis documents with relevant data for Valencian companies

- The first publication classifies Spanish companies in four levels of competitiveness: superior, solid, modest and fragile

- The most competitive family businesses are characterised by their larger size and a more pronounced focus on technology

Valencia, 23/11/2018. 22.9% of the Valencian companies are among the most competitive in the country, according to the Business Governance, Strategy and Competitiveness Observatory (GECE Observatory) created by the Valencian Institute of Economic Research (Ivie), with the collaboration of Bankia

The report shows that, among Valencian companies, family businesses that reach superior qualification are 22.7% of the total and the percentage rises to 31.1% among non-family businesses.

This is one of the main conclusions of the GECE Observatory that analyses the evolution of the competitiveness of Valencian companies over time and its link to internal factors that can contribute to improving it.

One of the actions planned by the GECE Observatory is the launch of the *Keys for Competitiveness* collection, a series of documents with data that might be of interest for Valencian companies. The first *Key* classifies Spanish companies in four levels of competitiveness: superior, solid, modest and fragile.

Each of them includes 25% of companies, according to the GECEcomp index obtained, based on seven indicators: short and long term profitability, short and long term solvency, ability to generate cash flow, productivity of assets and productivity of work.
The national companies classified as *superior* are 25%, which places Valencian companies slightly below the national average.

**More profitable and solvent**

However, Valencian family businesses classified as *superior* achieve better long-term profitability and solvency ratios than non-family businesses that are also among the most competitive.

Specifically, Valencian family businesses are, on average, in the 81st percentile in long-term profitability (i.e., among the 20% most profitable companies in Spain) compared to non-family businesses, which are in the 71st percentile. With regard to solvency, both long term and short term, family businesses are 7 percent higher than non-family businesses.

*Key 1* of the GECE Observatory also reveals that, as the level of competitiveness increases, the percentage of family and non-family businesses considered medium or large increases. While only 6.3% of medium and large family businesses are classified as *fragile*, almost 20% are classified as *superior*. On the other hand, 23.5% of large and small non-family business are considered *fragile* while 52.8% are classified as *superior*.

The percentage of companies that operate in more technology-intensive sectors also increases as it approaches the most competitive groups of companies.

Of the family business classified as *fragile*, 10.3% have a high or medium to high focus on technology, compared to 23.2% of those deemed *superior*. In the case of non-family businesses, this percentage is 13.1% for *fragile* and 26.4% for *superior*.

It can be concluded from these data that size and investment in technology are factors that improve competitiveness.