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Whilst speaking at the CEOE summit on ‘Spanish Enterprise Spearheading the Future’, which kicked off today, the chairman of Iberdrola group assured that

Galán: “The electrification of the economy is key for economic recovery since our sector has one of the most powerful ripple effects”

- Ignacio Galán sent a positive message and pointed out that “for every job created within our sector, 12 more are created in sectors such as construction, manufacturing of capital goods, engineering and installation services and machine tools.”
- Iberdrola’s chairman urged the implementation of the National Energy and Climate Plan to be brought forward to 2025, explaining that it “would have an immediate impact on economic growth and employment, boosting competitiveness, lessening our dependence on foreign energy, evening out the balance of payments and reducing our harmful gas emissions – all without putting any pressure on public funds.”

The chairman of Iberdrola group, Ignacio Galán, sent out a clear and positive message during his turn to speak at the business summit organised by the CEOE (Spanish Confederation of Employers’ Organisations), highlighting the electricity sector’s potential key contribution to the economic recovery that faces us in the wake of the [coronavirus pandemic](#).

“The electrification of the economy is key for [economic recovery](#), since our sector has one of the most powerful ripple effects,” asserted Galán, before going on to explain that investments in this sector mean that “for every job created within our sector, 12 more are created in sectors such as construction, manufacturing of capital goods, engineering and installation services and machine tools.”



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According to Galán, Spain's National Energy and Climate Plan that is currently taking shape in Parliament means that the country already has a roadmap that should see investments in this sector over the next decade give rise to 300,000 jobs in the country.

He also urged the implementation of the Plan to be brought forward to 2025, explaining that it “would have an immediate impact on economic growth and employment, boosting competitiveness, lessening our dependence on foreign energy, evening out the balance of payments and reducing our harmful gas emissions – all without putting any pressure on public funds.”

Iberdrola's chairman was invited to sit on the energy panel at the CEOE's forum for *Spanish Enterprise Spearheading the Future*, which kicked off today, where he gave several examples of the positive impact that greater investments in the energy sector would have on the economy. “A significant increase in investments in distribution networks could generate up to 40,000 jobs in Spain,” but that would call for measures such as “lifting the maximum investment limit of 0.13% of GDP currently set out in Spanish law.”

In the field of [renewable energy](#), speeding up the installation of new capacity to 2025 “would entail investments of €32 billion and would quickly generate 90,000 jobs across the country, especially in rural areas.”

He also argued in favour of boosting [energy storage](#) capacity, which makes the system more flexible: “Investing €5 billion in [hydroelectric pumping](#) and batteries between now and 2025 would help create 14,000 jobs.”

Boosting the electrification of other energy uses

This morning, Ignacio Galán explained the advantages of encouraging the electrification of other energy uses, leading to highly relevant investments in sectors such as air conditioning: “Replacing gas boilers for heat pumps would mean a €40 billion investment and 110,000 new jobs including manufacturers and installers, as well as leading to better air quality in cities.”

In the transport sector, bringing forward investments in charging infrastructure and the electrification of urban bus fleets to 2025 would entail investments of €5 billion and 14,000 jobs.



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Lastly, the chairman of Iberdrola urged Spanish businesses not to miss the chance to develop new technology like green hydrogen. “Decarbonising 25% of industrial hydrogen would involve investing over €4 billion and creating 11,000 jobs in a new national industry,” he explained.

Taking urgent measures

To leverage the opportunities that the electrification of the economy entails, “we have the technology, the human capital, and access to the necessary financial resources,” assured Galán, “but it is crucial to take several urgent measures.”

Among those measures, he mentioned adjusting taxes based on the 'polluter pays' principle, revisiting the electrical market model, solving the issue of economic precariousness concerning basic and back-up power generation needed to ensure a secure supply, simplifying administrative procedures, providing greater support for R&D&I, training professional teams to specialise in this new digital and renewable reality, and defining an industrial policy that encourages Spanish industry’s development in these areas.

He also ratified the group’s willingness to support and streamline the process. “We have already brought forward our investments, which will amount to €10 billion this year – almost double the average from the past few years.”

Plus, in recent months, “we have placed early orders with our suppliers worth nearly €5 billion. This way we can continue to drive the industrial fabric’s progress and encourage its growth and competitiveness on an international level.”

