



## Episode 8: The Spanish startup scene is heating up

This is the transcript for Episode 8 of the Smart Startup English Podcast.

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Welcome to the Smart Startup English Podcast, episode 8!

I'm Mickey, I'm your host, and in this episode, we're talking about the Spanish startup scene, and we'll learn a few Business English terms to talk about a changing startup ecosystem.

**But first, let me ask you this:**

What Spanish cities come to mind when you think of innovation and a good startup ecosystem?  
What cities are leading the way in startup friendliness in Spain?

If you're thinking Barcelona and Madrid, yes, you're right. The beauty of the Spanish startup scene is that it's not as concentrated in one city as its counterparts in the UK, France or Germany. Counterpart is a person or a thing - in our case, it's a city - that has the same function. In our case, that function is being a startup hub.

It's true that Madrid and Barcelona are two of the fastest-growing startup scenes in Europe. But other Spanish cities are catching up. To catch up means to get to the same point - the same quality or the same standard as someone else or something else.

Valencia is a relative newcomer to the startup scene. But the city is already gaining fame as a hot Spanish startup hub. A hub is the central point of an activity, the center, the place where everything happens.

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Valencia is boasting an extensive network of more than 33 investor funds, 500 startups, and 60 co-working spaces and accelerators, including Silicon Valley's Plug and Play. In this context, we use the phrase "is boasting" to mean it's proud to have. But when someone is boasting about their accomplishments, that means they're talking a lot - and in a very positive manner - about what they've achieved.

So what's the reason behind this thriving ecosystem? If something is thriving, it's very successful, even very prosperous. It's making good money.

Spain experienced the harsh economic recession that saw most of Southern Europe's unemployment rates skyrocket - that is rising very fast. However, once the recession ended, investment in tech startups in Spain grew 45 percent in 2017 to about €780m.

In the middle of the recession, in 2013, the Spanish government responded by launching a €1.5 billion fund to support the creation of smaller startup venture capital funds. These small venture capital funds would invest in the country's up-and-coming startups. Up-and-coming is a very nice expression. It refers to people, companies or even places that are very ambitious, and are developing very fast. Another term we could use to describe ambitious people is go-getter. Again, someone very ambitious, very motivated.

With all this rush of money into the local economy, the results didn't take too long to show up. In this context, we use rush of money to show how fast-paced the move was. How quickly it happened. If you're in a rush, that means that you're in a hurry.

Although this move by the government wasn't **sufficient**, it was **necessary** to create the right conditions for the startup scene to take off - to start developing very quickly.

So a generous infusion of capital helped to jumpstart the Spanish startup world. To jumpstart means to set into motion, to start or restart something that was slow.

But another factor that plays a big part in the country's success is good access to talent. About 40 percent of Spanish people attend university - that's slightly higher than the EU average of 39 percent. The country is also home to a number of well-established universities, with three Spanish universities making the top 10 in the European Business School Rankings published by the *Financial Times*.

The high quality of life coupled with the low cost of living - at least compared to other startup hubs such as Paris or Berlin, make Spain very attractive to foreign founders. According to a study from Boston Consulting Group, Barcelona is the fourth most attractive city in the **world** for workers, only surpassed by London, New York and Berlin. If you surpass something or someone, that means you're doing better than they are.

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The lower cost of living also allows companies to offer lower salaries. However, due to the high quality of living, a lot of foreign entrepreneurs and digital nomads still set up shop in Spain. To set up shop means to get established in one place and open a business.

And the third thing that Spain has going for it - the third advantage - is the Spanish language. Companies see Spain as a gateway to Latin America. A gateway is an entry point, a way to gain access.

Being based in Spain allows entrepreneurs to test the waters for the entire Latin American market. To test the waters means to try to find out if an idea or a plan will be successful before you put it into practice. In other words, you're trying to find out people's opinions or reactions to your idea before fully committing to it. You do that to minimize risks when you don't have all the information available.

That's it for this episode about the Spanish startup ecosystem.

**Before we move on to your speaking task, let's review the vocabulary we've learned in this episode.**

First, we talked about a counterpart - a person or a thing (in our case, it was a city) that has the same function. For example, Barcelona is the Spanish counterpart of London, in terms of startup hubs. A hub is the center of a certain activity.

To catch up means to get to the same point, the same quality or standard as someone else or something else.

We used the phrase boasting to mean to be proud to have. But when someone is boasting about their accomplishments, that means they're talking a lot - and in a very positive manner - about what they've achieved. They're not very humble.

If something is thriving, it's very successful, it's doing very well

We use skyrocket to refer to something that's rising very fast - we can use it to talk about trends, about costs, inflation, and so on.

The phrase **up-and-coming** refers to people, companies or even places that are very ambitious, and are developing very fast. Another term we could use to describe people is **go-getter**. Again, someone very ambitious, very motivated.

A **rush of money** refers to money that came in very fast. But if you're in a rush, that means you're in a hurry.

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In this context, **to take off** means to start developing very quickly. If your business takes off quickly, that's a very good thing.

**To jumpstart** means to set into motion or to start or restart something that was slow.

If you **surpass** something or someone, that means you're doing better than they are.

**To set up shop** means to get established in one place and open a business.

**A gateway** is an entry point, a way to gain access to something. In this case, Spain is a gateway to Latin America.

**To test the water or to test the waters** means to try to find out if an idea or a plan will be successful before you put it into practice.

**Here's my speaking practice question for you:**

In this episode, we mentioned three factors that helped the Spanish startup scene thrive: number one - good access to money, number two - a well-educated workforce, and number three - a high quality of living coupled with a low cost of living.

Which of these three factors would be the most important one for you if you decided to set up shop in Spain?

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