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Summary

Mas agrees joint ticket for early election, support for Catalan independence wanes.

King Felipe improves the monarchy's standing in his first year.

Government upgrades growth yet again, brings forward income-tax cuts.

Qatari sheikh acquires 10% of El Corte Inglés for €1 billion.

Foreign Policy

King Felipe in visit to Mexico, launches Spanish language proficiency certificate
King Felipe VI, in his first visit to Latin America as head of state, filled a longstanding gap by launching the first globally-recognised Spanish language proficiency certificate.

English has its Cambridge-awarded Proficiency, French has its DALF, German its Goethe-Zertifikat and now Spanish has Siele (International Service for Evaluation of the Spanish Language).

The initiative, jointly developed by Spain's Cervantes Institute, which has 90 centres in 44 countries, the National Autonomous University of Mexico and the University of Salamanca will be effective at the beginning of the next academic year.

'If we want our language to reaffirm itself as the world's second language of communication, we have to move beyond a short-term, self-absorbed vision and pool everyone's resources to achieve a goal that will benefit us all', the King said.

The new certificate will be available on five continents, but with a particular focus on Brazil, the US and China, where more than 15 million people are currently studying Spanish.

The single examination has a pan-Hispanic approach, bringing together the varied forms of the language in use in different Spanish-speaking countries.

'The Siele is not just an evaluation, it is also a way to promote Spanish, and by that we mean everyone's Spanish, with everyone on an equal footing', said Víctor García de la Concha, the head of the Cervantes Institute.

According to a [report](#) by the Institute, there are 470 million native Spanish speakers, a further 70 million with a limited proficiency and some 21 million people learning the language (see Figures 1 and 2).

Figure 1. Population of main countries where Spanish is the official language

	Population (million)	% of native speakers
Mexico	121.0	96.8
Colombia	48.0	99.2
Spain	46.7	91.9
Argentina	42.2	98.1
Peru	31.1	86.7
Venezuela	30.2	97.3
Chile	18.0	95.9
Ecuador	15.9	95.7

Source: Cervantes Institute, *El español: una lengua viva*.

Figure 2. Spanish speakers in main countries where Spanish is not the official language

	Native speakers	Limited proficiency
US	41,343,921	11,644,834
EU (except Spain)	1,400,000	30,975,000
Brazil	460,018	96,000
Canada	439,110	293,000
Algeria	175,000	48,000
Belize	165,339	22,000
Australia	117,498	374,571

Source: Cervantes Institute, *El español: una lengua viva*.

There are now more Spanish speakers in the US than Spain: 41 million native speakers and a further 11.6 million with varying degrees of proficiency, mainly the children of immigrants. This puts the US ahead of Colombia and Spain and second only to Mexico. The US Census Office forecasts 138 million Spanish speakers by 2050. California's Hispanic population outnumbered the white population as of July 2014, according to official data.

Domestic Scene

Mas agrees joint ticket for early election, support for Catalan independence wanes

The break-up of the ruling nationalist CiU coalition, the dominant force since Catalonia regained a degree of self-government in 1980 and comprising the Convergence and Union parties, helped Artur Mas, the region's President, to forge a joint ticket agreement for the early election on 27 September with the more radical Republican Left of Catalonia (ERC).

Josep Antoni Durán i Lleida, the moderate leader of Union, seeks a third-way federalist solution and was expected to form a new party.

Mas had repeatedly tried to persuade ERC to join him, and threatened to cancel the election which he views as a plebiscite on independence. If the pro-independence parties won, they would formally declare a separate state six to eight months after the election, something that would be fought at every stage by the central government which declared the move illegal.

The joint platform has also attracted the support of Barcelona football legend Pep Guardiola (44) who will be the final name on the list of 135 pro-independence candidates. He has long been associated with the independence movement.

Half of Catalans would effectively reject independence for the region when the election is held, according to a poll published this month by the Generalitat, the region's government, compared with 48% in March. Those voting for parties in favour of independence fell from 44.1% to 42.9%. The joint platform could regalanise support.

King Felipe improves the monarchy's standing in his first year

King Felipe VI marked his first year on the throne with a greatly improved approval rating for the monarchy: from 62% last June to 81% a year later.

The King took over from his father, Juan Carlos, after he abdicated and at a time when the monarchy's standing had been seriously tarnished, most notably by his son-in-law Iñaki Urdangarín, who is accused of creaming off €6 million of public funds from a charitable institution he established. His wife, the Infanta Cristina, has been charged with tax evasion. Both are expected to stand trial later this year. King Felipe stripped his sister of her title of Duchess of Palma de Mallorca last month.

Felipe quickly moved to clean up the institution's image by subjecting palace accounts to external audits and making the results public. Other steps included a new code of good conduct, a ban on immediate royal family members working in the public sector and greater control over gifts received by the royal family. He has also reached out to a broader spectrum of society. None of his activities

in the last year has been polemical.

The monarchy enjoys support among all age groups, particularly those over the age of 55 who experienced Spain's transition to democracy between 1975 and 1978 after the death of General Franco, but also, though to a lesser extent, those under the age of 34 (see Figure 3). Queen Letizia, a former television presenter, got a 74% approval rating.

Figure 3. Would you say the monarchy...? Answers by age groups (%)

		18-34	35-54	Over 55
Gives a positive image of Spain abroad:	Yes	68	79	83
	No	29	18	14
Helps support the democratic system:	Yes	60	71	75
	No	36	24	18
Exercises its functions impartially and without bias:	Yes	57	69	68
	No	36	25	22
Gives stability above that of government changes:	Yes	53	63	69
	No	44	34	23

Note: the difference up to 100 is the vertical sum of the percentages corresponding to don't know/don't answers.
Source: Metroscopia, survey conducted on 15 and 16 June 2015.

Even Pablo Iglesias, the pony-tailed leader of the anti-establishment upstart party Podemos, had a good word for the King, although he would prefer an elected head of state.

A pending issue is to change the constitution so that the King's eldest child, Leonor, can ascend the throne in the event of a male heir being born in the future. The 1978 constitution gives primacy of rights to the throne to male descendants. Felipe's other child is also a girl.

Fertility rate inches up for first time in further sign of optimism...

The number of babies born last year rose for the first time since the start of the crisis in 2008, albeit by a miniscule 0.1% to 426,303, according to the National Statistics Office (INE).

Births steadily declined from 519,779 in 2008 to 425,715 in 2013. The fertility rate (the number of children born for every woman in the country) increased from 1.27 to 1.32, with a still significant gap between the rate for Spanish women (1.27) and that for foreign women (1.61).

Average life expectancy also increased: from 82.8 years to 83 (85.7 for women and 80.2 for men), one of the highest in the world.

The increased number of births denotes a greater degree of optimism about the future, a factor closely linked to the decision whether to have children or not.

... Public spending on family and children almost the lowest in EU

Public spending on family and children accounted for 1.4% of total government expenditure in 2013, the lowest among EU countries after Greece (see Figure 4), according to the latest Eurostat figures.

Figure 4. Public spending on family and children (% of total government expenditure)

	% of total government expenditure
Denmark	8.8
France	4.4
UK	3.7
Germany	3.5
EU-28 average	3.5
Italy	2.0
Spain	1.4

Source: Eurostat.

Spain's overall spending on social protection accounted for 39.7% of total expenditure, close to the EU average of 40.2%.

Emigration of Spaniards slows down

More than 78,000 Spaniards emigrated last year, almost double the number in 2010 but 0.6% lower than in 2013, suggesting that their exodus, a sensitive issue and largely because of the crisis, might have reached a peak.

The number, however, could be understated as not all Spaniards register with consulates in the countries to which they move.

The total number of people who emigrated fell 23% to 409,343 and those moving to Spain rose 9.4% to 307,035, according to provisional official figures. Net emigration was 60% lower at 102,309 (see Figure 5).

Figure 5. Migratory movements in 2014

	Immigration	Emigration	Balance
Total	307,035	409,343	-102,309
Spaniards	41,278	78,785	-37,507
Born in Spain	19,638	50,249	-30,611
Born abroad	21,640	28,536	-6,896
Foreigners	265,757	330,559	-64,802
Born in Spain	6,107	18,667	-12,560
Born abroad	259,650	311,891	-52,242

Source: INE.

The emigration of foreigners declined to 330,559 from the 458,974 who packed their bags in 2013 (see Figure 6).

Figure 6. Migration of foreigners, 2010-2014

	2010	2011	2012	2013	2014
Immigration	330,286	335,993	272,489	248,350	265,757
Emigration	363,221	353,562	389,339	458,974	330,559
Balance	-32,936	-17,669	-116,850	-210,624	-64,802

Source: INE.

The population fell for the third year running, by 0.1% to 46.4 million at 1 January 2015, of which 9.4% were foreigners. The largest foreign community continued to be Rumanians. Their number surged from a mere 2,575 in 1996 to 207,960 in 2004 and a high of 897,203 in 2012 before falling to 707,284. The 10 largest communities all shrank between 2012 and 2015 as people returned to their home countries or moved elsewhere. The total number of foreigners declined by 1.3 million to 4.4 million (see Figure 7).

Figure 7. Foreign population by the top-10 countries of origin, 2015 and 2012 (1)

	1 January 2015	1 January 2012	Change 2015/12
Rumania	707,284	897,203	-189,919
Morocco	686,314	788,563	-102,249
UK	303,776	397,892	-94,116
Italy	182,246	191,901	-9,655
Ecuador	174,328	308,174	-133,846
China	166,383	177,001	-10,618
Germany	145,577	196,878	-51,301
Colombia	145,490	246,345	-100,855
Bulgaria	134,507	176,411	-41,904
Portugal	103,877	138,682	-34,805
Other countries	1,698,070	2,217,208	-519,138
Total	4,447,852	5,736,258	-1,288,406

(1) Provisional figures for 2015 and definitive for 2012.
Source: INE.

Controversial new public safety law comes into force

The new public safety law, called the *ley mordaza* ('gag law') by its opponents, came into force at the end of last month, with fines of up to €600,000 for demonstrators taking part in unauthorised protests outside Parliament and other locations.

The law, approved by Parliament in March where the ruling Popular Party (PP) has an absolute majority, was in response to big protests against austerity measures including those called by a youth-led movement known as *los indignados* (the indignant ones) that later morphed into the anti-establishment party Podemos, tipped to do well in the upcoming general election.

Human Rights Watch, Amnesty International and Maina Kikai have criticised the law for being too restrictive. According to a Metroscopia poll, 63% of respondents said the law should be withdrawn and 21% that it should be kept. Podemos' leader, Pablo Iglesias, wrote to the Council of Europe last year asking the body to examine whether the new law breached the EU's charter of fundamental rights.

The police union also has reservations about the law. 'It's not the best timing, since we're living in clear times of social, political and economic change, made harder when a planned law hasn't gathered the necessary political or social consensus', it said in a statement.

Among other measures, the law makes it illegal to disseminate pictures, video and other content deemed ‘damaging’ to police and security forces. Publishers of such images can be fined €30,000. Amateur video footage in the US of police tactics has led to the arrest of police officers for brutality and in some cases unlawful killings.

The Socialists say they will scrap the law if they win the general election due to be held by the end of the year.

Spain 14th in soft-power ranking

Spain was ranked 14th out of 30 countries in a leading index which examines the strength of soft power assets, ahead of Finland but below the other large EU economies (see Figure 8).

Figure 8. The Soft Power 30, selected rankings

Country	Country
1. UK	14. Spain
2. Germany	19. Ireland
3. US	24. Poland
4. France	26. Israel
9. Sweden	28. Turkey
12. Italy	30. China

Professor Joseph Nye, who developed the concept of soft power, described the [index](#) as ‘the clearest picture to date’. It is the first index to include the rising importance of digital assets and to use international polling to gauge national reputations across the world.

The index contains 66 metrics across six categories: government, culture, education, global engagement, enterprise and digital.

The Economy

Government upgrades growth yet again to 3.3%, brings forward income-tax cuts

The accelerating pace of economic growth to 3.3% this year and job creation led the government to bring forward income-tax cuts by six months.

The reduced rates came into effect this month instead of next January (see Figure 8). The top rate is reduced from 47% to 45%.

Figure 9. New income-tax rates

Tax base	January 2015 tax rate (%)	July 2015 tax rate (%)
Up to €12,450	20	19
€12,450-€20,200	25	24
€20,200-€35,200	31	20
€35,200-€60,000	39	37
Over €60,000	47	45

Source: Economy Ministry.

The number of registered unemployed continued to fall to 4.12 million in June, 302,055 fewer than in December 2011 when the PP took office. Jobs are being created, but they are more precarious. The proportion of workers on temporary and part-time contracts increased from 36.2% at the end of 2011 to 39.4% in June.

The number of social security contributors stood at 17.25 million at the end of June (+571,400 year-on-year) and is now slightly higher than at the end of 2011, but still far from the peak of 19.49 million in 2007 before the crisis.

The OECD forecast employment growth for Spain this year of 2.9% and 2.8% in 2016, the fastest pace in both years among the 34 OECD countries, albeit from a low starting point (see Figure 10). The second fastest rise is in Greece.

Figure 10. Employment growth forecasts in OECD countries (%), 2015 and 2016

	2015	2016
Spain	2.9	2.8
Greece	1.2	2.8
UK	1.7	1.1
US	1.9	1.0
Italy	0.5	1.0
Germany	0.9	0.7
France	0.2	0.6

Source: OECD Economic Outlook, June 2015.

The labour market situation has improved a lot over the last year, but the jobless rate will remain above 20% until 2017. The employment rate (the percentage of the labour force employed) has risen by 2 pp since 2014 but at 57% is still well below the OECD average (66%).¹

¹ See the Spain country report in the OECD's 2015 Employment Outlook at <http://www.oecd.org/spain/Employment-Outlook-Spain-EN.pdf>.

Gross fixed capital formation (investment minus disposals) is also projected to grow strongly this year and the next (see Figure 11).

Figure 11. Gross fixed capital formation forecasts (annual growth in %), 2015 and 2016

	2015	2016
Spain	5.4	6.3
UK	4.7	6.2
US	3.0	5.4
Germany	2.5	4.3
Italy	1.6	1.9
France	-0.6	1.8

Source: OECD Economic Outlook, June 2015.

'If no one stops the change begun in 2011, we could be in the longest expansive cycle of our history', trumpeted Prime Minister Mariano Rajoy who believes the economic recovery will play in the PP's favour and enable it to win the most votes in the upcoming general election, though probably far from the absolute majority it currently enjoys.

The election, due to be held by the end of the year, will, for the first time, be a four-horse race as two upstart parties, the radical left Podemos and the centrist Ciudadanos, will challenge the PP and the Socialists who have alternated in power since 1982.

The PP is narrowly ahead, according to Metroscopia's latest voter intention poll (see Figure 12). Podemos is holding firm and Ciudadanos is gaining ground following a drop after May's regional and municipal elections.

Figure 12. Voting intentions (% of valid votes)

	2011 general election	October 2014	January 2015	February	March	June	July
PP	44.6	30.2	19.2	20.9	18.6	24.5	23.0
Socialists	28.7	30.9	23.5	18.3	20.2	23.0	22.5
Podemos	–	13.8	28.2	27.7	22.5	21.5	21.5
Ciudadanos	–	–	8.1	12.2	18.4	13.5	15.0

Source: Metroscopia.

Confidence in the government has plummeted the most in Spain among OECD countries after Greece and Slovenia, according to survey (see Figure 13).

Figure 13. Good government? Confidence in national government (% 2014) and its change since 2007

	2014	Percentage points change since 2007
Switzerland	75	+12
Germany	60	+25
UK	42	+6
OECD	42	-3
Italy	31	+1
France	26	-10
Spain	21	-27

Source: Government at a Glance, OECD, July 2015.

Guindos loses to Dijsselbloem to head Eurogroup

Luis de Guindos, Spain's Economy Minister, failed to gain enough support to replace Jeroen Dijsselbloem as head of the Eurogroup of finance ministers, despite intense lobbying by Prime Minister Rajoy and the backing of Germany.

Madrid gave the impression that the job was a shoo-in for Guindos and felt that he was due the post in recognition of Spain sticking to orthodox policies and reforms and emerging from recession with the fastest pace of growth among the main euro zone economies, in stark contrast to failed state Greece.

Rajoy pushed hard for Guindos at a time when the euro zone faced its biggest crisis yet and against a credible incumbent. It was also not clear whether Guindos would still be in government after the next election due to be held by the end of the year. Rajoy was rather rash in claiming victory so often when it was not a done deal.

EU fines Spain for deficit data manipulation by government of Valencia

The Council of the EU imposed a fine of €18.9 million for the hiding by the regional government of Valencia of part of the health spending between 1988 and 2011.

The European Commission found serious negligence in the regional audit office, which led to incorrect reporting by Spain of its general government data in March 2012 to Eurostat. This was the first time a fine was imposed for data manipulation under a regulation adopted in 2011 as part of a strengthening of EU fiscal surveillance.

Spanish officials protested that Madrid was not given a right of defence and that it had fully co-operated in the investigation. The government planned to appeal the fine.

Inward FDI declines, outward rises

Spain's inward foreign direct investment dropped 45% in 2014 to US\$22.9 billion and outward investment increased 18.6% to US\$30.7 billion, according to UNCTAD's 2015 World Investment Report.

The inward investment was the 12th largest in the world and the third in the EU (see Figure 14).

Figure 14. FDI inflows: world ranking of top host countries, 2013 and 2014 (US\$ billion) (1)

	2013	2014
1. China	124	129
2. Hong Kong (China)	74	103
3. US	231	92
4. UK	48	72
10. Netherlands	32	30
12. Spain	42	23
19. France	43	15

(1) Figures rounded to nearest whole number.
Source: UNCTAD, World Investment Report 2015.

Outward investment was also the world's 12 largest and the fifth in the European Union (see Figure 15)².

Figure 15. FDI outflows: world ranking of top home countries, 2013 and 2014 (US\$ billion) (1)

	2013	2014
1. US	328	337
3. China	101	116
5. Germany	30	112
8. France	25	43
9. Netherlands	57	41
11. Ireland	24	32
12. Spain	26	31

(1) Figures rounded to nearest whole number.
Source: UNCTAD, World Investment Report 2015.

² See my analysis on the international position of Spanish companies at http://www.realinstitutoelcano.org/wps/portal/web/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari36-2015-chislett-international-position-spanish-companies-on-the-rise#.VZ_0bvSUeyM.

The inward stock of FDI was US\$721.9 billion at the end of 2014 and the outward stock US\$673.9 billion (see Figure 16).

Figure 16. Inward and outward FDI stocks of largest EU countries, 2014 (US\$ billion and % of GDP)
(1)

	Inward stock	% of GDP	Outward stock	% of GDP
France	729	25.6	1,279	44.9
Germany	743	19.3	1,583	41.0
Italy	374	17.4	548	25.5
Spain	722	51.3	674	47.9
UK	1,663	56.5	1,584	53.8

(1) Figures rounded to nearest whole number.
Source: UNCTAD, World Investment Report 2015.

Spain remained the fourth most attractive destination for foreign investors, according to the European Attractiveness Survey 2015 published by Ernst & Young. Spain attracted 232 projects, 5% more than in 2013, compared with 887 for the UK, 701 for Germany and 608 for France.

Export success, but high-tech products remain low

Exports of goods increased from €185 billion in 2007 (17.5% of GDP) to €240 billion in 2014 (22.6%), a rise equivalent to 5.2% of Spain's 2014 GDP. Even allowing for the shrinkage in Spain's output, which made exports in GDP terms look better, this was still a significant achievement and better than the progress of the other large euro zone economies.

High-tech exports, however, only accounted for 5.1% of total exports in 2014, way below the EU-28 average of 15.6% (see Figure 17).

Figure 17. Exports of high technology products, 2014 (% of total)

	% of total exports
France	20.6
Ireland	19.3
UK	17.8
EU-28	15.6
Germany	14.2
Italy	6.7
Spain	5.1

Source: Eurostat.

Industrial employment plummets

The toll that the collapse of Spain's construction sector wrought on employment is pinpointed in data showing the share of industrial jobs in total employment dropping from 27% to 18% between 2007 and 2014 (see Figure 18).

Figure 18. Employment in industry (% of total jobs)

	2014	2007
Germany	24.6	25.0
Italy	23.7	27.1
EU-28	21.9	24.7
Spain	17.8	27.0
France	17.6	19.4
UK	15.8	18.1
Greece	13.9	19.4

Source: Eurostat.

More than one million construction jobs were lost during this period, mostly related to the bursting of the massive property bubble. Construction jobs accounted for 5.4% of total employment in 2014, down from 12.8% in 2007.

Eight years after the start of the property collapse, the number of unsold new homes still stood at more than 500,000 in 2014 as the market has recovered very slowly (see Figure 19).

Figure 19. Stock of unsold new homes

2005	2006	2007	2009	2010	2011	2012	2013	2014
195,184	273,363	413,642	649,780	642,793	626,670	583,453	563,908	535,734

Source: Development Ministry.

Not only were far too many homes built, but also several ghost airports which the authorities have been trying to sell. There was only one offer this month for the airport at Ciudad Real in the region of Castilla-La Mancha (the home of Don Quixote), valued at €40 million, and that was €10,000 made by a Chinese company.

The airport, with a 4km runway capable of taking an Airbus A380m, the world's largest passenger jet, was completed in 2009 at a cost of around €1 billion by the region's then Socialist government. Epitomising the reckless public spending during Spain's boom years, it went bankrupt in 2010 and closed in 2012.

It was not clear whether Tzaneen International would get the airport as its bid was way off the value set by a court. The deadline was extended to September 15 in the hope of attracting higher offers.

European Commission casts doubts on meeting renewable energy target
Spain might miss its 2020 renewable energy target of 20% of final consumption, according to the latest report by the European Commission (see Figure 20).

The report, published every two years, says France, Luxembourg, Malta, the Netherlands and the UK might fail to meet their targets and Belgium and Spain 'to a lesser extent'. Achievement is also not certain in the case of Hungary and Poland.

Figure 20. EU countries' progress toward 2020 renewable energy targets (%)

	2013 renewable energy share (%)	2020 target (%)
France	14.2	23.0
Germany	12.4	18.0
Italy	16.7	17.0
Poland	11.3	15.0
Spain	15.4	20.0
UK	5.1	15.0
EU	15.0	20.0

Source: European Commission.

Spain has become a global leader in the development of wind and solar powered electricity, winning major contracts abroad, but regulatory changes have severely damaged the once very favourable investment climate at home for such projects.

The government is striving to close the big gap between the cost of electricity generation and what consumers pay (known as the tariff deficit), which has resulted in draconian cuts in subsidies for renewable energy and sparked legal battles with investors over what they perceive as an unfair retroactive change to the rules of the game. As a result, no one is willing to invest in renewable energy any more.

There are currently 14 cases against Spain at the World Bank's arbitration agency, the International Centre for Settlement of Investment Disputes (ICSID)

Number of millionaires continues to grow

The number of Spaniards with net assets of at least US\$1 million (€881,000), excluding their primary residence and consumables, rose 10.5% in 2014 to 178,000, putting it at its highest level in a decade, according to the latest world wealth report of Capgemini and RBC Wealth Management (see Figure 21).

Figure 21. Ranking of countries with the most high net worth individuals (thousand) (1)

	2012	2013	2014
1. US	3,436	4,006	4,351
3. Germany	1,015	1,130	1,141
4. China	643	758	890
5. UK	465	527	550
6. France	430	472	494
10. Italy	176	203	219
14. Spain	145	161	178

(1) Out of 25.

Source: Capgemini and Royal Bank of Canada, 2015 World Wealth Report.

The number dropped sharply in 2008, when the economy slowed down before going into recession, and since then has been 40% (see Figure 22).

Figure 22. Number of rich Spaniards, 2005-14

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number	148,000	157,000	161,000	127,000	143,000	140,000	137,300	145,000	161,000	178,000

Source: Capgemini and Royal Bank of Canada, 2015 World Wealth Report.

Corporate Scene

Qatari sheikh acquires 10% of El Corte Inglés for €1 billion

Sheikh Hamad bin Jassim bin Jabr al-Thani, a former Prime Minister of Qatar, bought 10% of El Corte Inglés, Spain's largest retailer and the owner of an extensive chain of department stores, for €1 billion.

A former head of the Qatar Investment Authority, Sheikh Hamad's purchase is the latest in a string of acquisitions including a €1.75 billion stake in Deutsche Bank.

The unlisted El Corte Inglés, one of the country's biggest private sector employers, stands to benefit from Spain's accelerating pace of growth.

Amazon to locate in Madrid its first software development hub outside the US

Amazon is to set up its European software development hub in Madrid, the first such centre outside the US. Together with hubs in Seattle and Austin, the Madrid centre will contribute to the development of Amazon.com's B2B platform.

Two companies among world's largest by market capitalisation

Banco Santander and Inditex, the fashion retailer, were ranked 72nd and 74th, respectively, among the world's largest companies by market capitalisation, according to the classification by Bloomberg and PricewaterhouseCoopers (see Figure 23).

Figure 23. Ranking of world's largest companies by market capitalization (US\$ billion)

	US\$ billion
1. Apple	725
2. Google	375
72. Banco Santander	106
74. Inditex	100
98. Vodafone	87

Source: Bloomberg and PwC analysis, data at 31 March 2015.