

## Inside Spain 79

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### **Foreign Policy**

#### *Spain Officially Recognises Libyan Rebels, Withdraws Ambassador in Tripoli*

The government recognised Libya's National Transition Council as the country's legitimate representative, joining France, Italy, Germany, Qatar and Jordan, and withdrew its Ambassador from Tripoli.

Trinidad Jiménez, the Foreign Minister, announced the recognition during her visit to rebel-held east Libya. The government sent a diplomat to Benghazi last month.

Carne Chacón, the Defence Minister, announced that Spain's participation in the Nato-led mission would be prolonged indefinitely.

Spain has contributed to the mission four F-18 fighter jets, a B-707 refuelling aircraft, a frigate, a submarine and a maritime patrol aircraft to help enforce the no-fly zone and the arms embargo against Libya.

Robert Gates, the US Defence Secretary, told a closed-door meeting of Nato defence ministers that Spain, along with Turkey and the Netherlands, should do more, either by flying ground-attack sorties or assisting in other high-intensity missions, as other countries were bearing too much of the burden of toppling Colonel Gaddafi.

#### *EU Court Backs Spain on Territorial Waters Dispute with Gibraltar*

The EU General Court rejected the appeal by the government of Gibraltar, which objected to the classification of part of the waters surrounding the Rock as a Spanish protected area (see Figure 1). The UK government supported the appeal by Gibraltar, a British overseas territory long claimed by Spain.

Brussels had registered the area as 'Eastern Strait' and placed it as part of Natura 2000, an EU-wide network of nature-protection areas.

Peter Caruana, Gibraltar's First Minister, said his government would appeal the decision at the European High Court of Justice in order 'to protect Gibraltar from adverse consequences that the judicial resolution has over the British sovereignty and the exclusive jurisdiction that Gibraltar has over the British territorial waters. Under no concept can the Gibraltar government permit British territorial waters be treated, administered, or governed by the European Union or with any other purpose'.

Spain's position is that the 1713 Treaty of Utrecht, under which Gibraltar was ceded by Spain to Great Britain, only granted waters in the port and did not authorise the three nautical mile limit being claimed.

There have been repeated incidents in these waters between the Spanish Civil Guard and Gibraltarian police and the Royal Navy.

Gibraltar is the only non-autonomous territory that a European country maintains in the territory of another European country, even though both Spain and the UK are EU members and NATO allies.

### **Domestic Scene**

#### *Socialists Heavily Defeated in Local and Regional Elections, Popular Party Calls for Early General Election*

The Popular Party (PP) swept the board in local and autonomous regional government elections, setting it on course for victory in the general election due to be held by March 2012.

The Socialists, who have governed at the national level since 2004, suffered unprecedented defeats on 22 May, including strongholds such as the region of Castilla-La Mancha and Seville, the capital of Andalusia, where they had ruled for a long time. In Barcelona, the capital of Catalonia, the Socialists lost to the conservative nationalist Convergence and Union (CiU) after 32 years in power, while in Madrid the PP maintained control of the town hall and the region.

Elections were held in 13 of the 17 autonomous regions and for more than 8,000 town halls. The Socialists now control only three of the 17 regions (Extremadura and two regions that did not vote –Andalusia and the Basque Country–), down from seven in 2007, and nine provincial capitals compared with 24 in 2007.

Mariano Rajoy, the PP leader, stepped up his long-running strategy of calling for an early election.

The PP captured more than 2 million votes than the Socialists in the local elections and were almost 10 p.p. ahead of them compared with 150,000 votes and less than one percentage point in the 2007 municipal polls. The Socialists' share of the vote (27.8%) was the lowest in municipal polls in the post-Franco democratic era (see Figure 1).

**Figure 1. Municipal Elections results, 1983-2011 (% of total votes)\***

	1983	1987	1991	1995	1999	2003	2007	2011
Socialists	43.0	37.1	38.3	30.8	34.3	34.8	34.9	27.8
Popular Party	26.4	20.4	25.3	35.3	34.4	34.3	35.6	37.6
United Left	8.2	7.2	8.4	11.7	6.5	6.1	5.5	6.3

(1) Figures rounded up to nearest decimal point and only for these three parties.

Source: Interior Ministry.

The PP was widely expected to benefit from the Socialists' unpopularity, largely stemming from the central government's handling of the country's three-year and ongoing economic crisis and austerity measures to reduce the budget deficit.

In the Basque Country, Bildu, the pro-independence coalition, won 25% of the vote (74 mayors), making it the second most voted party in town halls after the conservative Basque Nationalist Party (PNV). Bildu's victories included the city of San Sebastian.

Bildu includes people close to Batasuna, banned in 2003 for its ties to the terrorist separatist group ETA, which has killed more than 800 people in its 40-year campaign for an independent Basque state carved out of northern Spain and southern France. Batasuna, before it was banned, captured between 13% and 15% of the vote.

The surge in the vote for the so-called *abertzale* parties in Bildu in the eight years since the banning of Batasuna indicated that the new strategy of seeking independence by democratic means is gaining significant support.

ETA has been considerably weakened by police operations to capture its gunmen and arms. It declared a ceasefire in January, but has yet to lay down its weapons.

Bildu was only able to contest the local elections after the Constitutional Court overturned the ban on it imposed by the Supreme Court.

The Supreme Court had earlier declared a new party, Sortu, illegal because it was considered a continuation of Batasuna.

The Basque Country as a whole has been governed by the Socialists since 2009 when they defeated the PNV. They rule in a minority government supported by the PP.

#### *Pérez Rubalcaba Likely to Lead the Socialists at the Next General Election*

The federal committee of the Socialists chose Alfredo Pérez Rubalcaba, the Deputy Prime Minister and Interior Minister, as their candidate for the next general election in place of Prime Minister José Luis Rodríguez Zapatero who announced seven weeks before the local and regional elections that he would not stand for a third term.

Rubalcaba, aged 59 and nine years older than Rodríguez Zapatero, is a veteran politician. His nomination is expected to be rubber stamped at a primary election by party members later this month with just one candidate.

Carme Chacón (aged 40), the Defence Minister and the other candidate to head the party, bowed out after it became clear that the primary election could become fratricidal.

Chacón said escalating tensions among Socialists, following the party's drubbing in the elections, including calls for an extraordinary congress, 'put at risk the party's unity, the authority of the Secretary General (Rodríguez Zapatero) and even the government's stability'.

Felipe González, the Socialist Prime Minister between 1982 and 1996 and still an influential figure, said a consensus candidate 'would avoid internal fights that people would not understand given the problems facing us'.

The procedure adopted for Rodríguez Zapatero's successor was similar to that taken by José María Aznar, the former PP Prime Minister (1996-2004), when he proposed Mariano Rajoy to succeed him.

Rajoy lost the general elections in 2004 and 2008. The next one has to be held by March 2012 and could be brought forward to the autumn depending on the political climate.

Rodríguez Zapatero has so far been adamantly opposed to an early election as he believes the main priority should be to stick to his package of reforms and austerity measures.

Pérez Rubalcaba, with a career in politics spanning more than 30 years, is widely regarded as the Socialist leader who could produce the best result for the party. In the likely event that he lost, Chacón, from a much younger generation, would be well placed to be the Socialists' candidate for the following general election.

#### *Young People's Protests Takes Political Class by Surprise*

Tens of thousands of people, mainly young adults, staged sit-ins around Spain for four weeks to protest at the impact on them of the country's economic crisis and the failure of the political class, in their view, to respond adequately.

The movement, known as Real Democracy Now, came from nowhere and began in Madrid's Puerta del Sol, the heart of the city, on 15 May, one week before the local and regional elections. It quickly spread to squares in around 60 other cities.

The heterogeneous movement, articulated like those in Tunis and Egypt, through mobile phones and the Internet has no clear ideology. Participants ranged from unemployed youths and disenchanted university students to sacked workers and pensioners.

The sit-ins took on a spontaneous festive air with music, readings and discussion groups on everything from the electoral law to political corruption (more than 100 candidates in the elections were under judicial investigation) and women's rights.

Youth unemployment (16 to 24 year olds) is 46%, more than double the EU average; close to half of young people with a job are on temporary contracts; more and more young adults are having to live at home because they cannot afford to move out and even if they do more than half of them only manage to pay their bills thanks to support from their parents.

The movement had no discernible impact on the local and regional elections, although analysts said it punished the left more than the right. Voter participation in the local elections increased from 63.9% in 2007 to 66.2% in 2010, but the proportion of blank and null votes (a form of protest) rose from less than 2% of votes cast in the 2008 general election to 4.2%.

#### *Economic Crisis Reduces Early School Leavers' Rate*

The proportion of young people aged between 18 and 24 who left school after receiving their compulsory education (which ends at 16) dropped to 28.4% in 2010 from 31.2% in 2009. It was the largest drop in a year, although the level, the lowest since 1996, is still almost double the average in the EU.

The sharp fall was expected as many young people left school early during Spain's long economic boom to work in sectors such as construction and tourism (see Figure 2). The collapse of the former as of 2008 left many young workers unemployed and with low skills.

**Figure 2. Early School Leavers (% of this aged between 18 and 24 who left school after their compulsory education)**

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
29.2	29.9	31.6	32.0	30.8	29.9	31.0	31.9	31.2	28.4

Source: Education Ministry.

As a result, more young people today have no option but to continue their education.

The government's objective is to reduce the rate to 15% in 2020, in line with the average EU level today.

## **The Economy**

### *Government Demands More Compensation for Germany's E. coli blame*

The government won compensation from the EU for the economic losses suffered after German health authorities initially and erroneously blamed Spanish cucumbers for the outbreak of E. coli in their country, but said it was not sufficient.

The European Commission agreed to provide €210 million for all the affected countries, based on 50% on the average seasonal price using a reference period from the past three years. The government demanded 100% compensation, claiming their farmers were the worst affected.

Germany's accusation decimated Spanish exports of fruit and vegetables, which are worth around €200 million a week, and led Russia to prohibit imports of produce from the whole of the EU.

### *PP Raises the Alarm over Regional and Local Government Finances*

The Conservative Popular Party (PP), emboldened by its victory in the regional and local elections, painted a dramatic picture of the finances of regional and local governments, particularly the region of Castille-La Mancha, which they captured from the Socialists after almost three decades.

The incoming administration for Castille-La Mancha claimed there was not enough money to pay the salaries of the region's 76,000 civil servants, as the region was 'totally bankrupt'. The Socialists said this was false and accused the PP of scare-mongering so that it could reduce spending drastically and fire employees.

The finances of the 17 regions have become a focus of increasing attention and concern in markets and among investors as the central government strives to cut the budget deficit from 9.3% of GDP in 2010 to 6% this year and decouple Spain from the three euro zone countries (Greece, Ireland and Portugal) that have been rescued by the International Monetary Fund and the EU.

The overall budget deficit in 2010 only came in on target thanks to a better-than-expected performance by the central government which offset the overshoot by the regions. Only eight of the 17 regional governments met their deficit goal last year.

Castille-La Mancha was the worst-performing region in 2010, with a deficit of 6.5% of GDP, well above the limit for that year of 2.4%. Marcial Marín, the PP's economy coordinator in the region, said Castille-La Mancha was 'the Greece of Spanish regions'.

The central government deficit for the first four months of 2011 was 53% lower year-on-year at €2.45 billion (0.2% of GDP), but the deficit of the regions, which together account for around one-third of total spending, was 0.5% of GDP.

The deficit of Catalonia, the most dynamic region whose economy is the size of Portugal's, is likely to reach 2.6% of GDP by the end of 2011, double the limit set by the central government.

Andreu Mas-Colell, Catalonia's Finance Minister in the government of the conservative nationalist Convergence and Union (CiU) party, said the 1.3% target could only be met if the central government released funds he said were owing to the region. Madrid rejects this demand.

The rating agency Moody's said Catalonia's stand-off with Madrid 'clearly shows that the central government does not have effective tools to reinforce fiscal compliance in the regional sphere', while a report by the European Commission criticised the central government for using overly optimistic growth assumptions in formulating its national budget.

Elena Salgado, the Finance Minister, said the overall deficit target of 6% of GDP would be met. 'We are on absolutely the right course to meet the target we set', she said.

Miguel Ángel Fernández Ordóñez, the Governor of the Bank of Spain, said it was crucial for Spain's credibility to meet the deficit target. Failure to do this would spook the markets and increase the spread between Spanish 10-year treasury bonds and German bunds –a measure of the perceived extra risk of holding Spanish paper–. This premium stood at 255 bp on 13 June, up from 222 bp a month earlier.

Fernández Ordóñez said Spain 'should not accept' a spread of two percentage points for long as higher interest payments pushed up public spending and made it hard to finance companies. This was echoed by Francisco González, the Chairman of BBVA, who said that every 100 bp rise in the risk premium prevented the creation of 160,000 jobs and cost €12.4 billion a year in interest payments –much more than the €8.4 billion cost of the government's infrastructure plan–.

Spanish 10-year yields have risen by 42 pp since February 2 when they hit a year low (see Figure 3).

**Figure 3. Government 10-year Yields, Moves in Basis Points since February 2 (1)**

	February 2	June 13	Change in bp
Germany	3.28	2.97	-31
Greece	10.54	17.01	+647
Ireland	8.59	11.39	+280
Italy	4.51	4.79	+28
Portugal	6.91	10.66	+375
<b>Spain</b>	<b>5.10</b>	<b>5.52</b>	<b>+42</b>

(1) Year low for yields of Italy, Spain and Greece.  
Source: Bloomberg and ThomsonReuters.

Mariano Rajoy, the PP leader, urged the regions run by his party to pursue austerity measures.

Alfredo Pérez Rubalcaba, the Deputy Prime Minister and the Socialists' likely candidate in the next general election, said the PP's programme lacked credibility as the debts of the regional and local governments run by the PP were higher than those controlled by the Socialists.

The per capita debt of the provincial capitals run by the PP was €1,280 at the end of 2010, double that of the Socialists, and in the first quarter of 2011 the spending by PP-run regional governments increased 10% compared with a 2.6% rise in those controlled by the Socialists (see Figures 4 and 5). The PP-run Madrid town hall has 134 official cars on its payroll.

**Figure 4. Per Capita Debt of Selected Capital Cities at the end of 2010 (€)**

City	Debt	Political party in power
Barcelona	742	Socialist
Madrid	1,972	Popular Party
Malaga	1,307	Socialist
Seville	645	Socialist
Valencia	1,100	Popular Party
Tarragona	1,148	Socialist
Teruel	1,180	Popular Party
Zaragoza	1,108	Socialist

Source: Ministry of Economy and Finance and INE.

**Figure 5. Debt of Selected Regional Governments at the end of 2010 (% of GDP)**

Region	% of GDP	Political party in power
Valencia	17.2	Popular Party
Castille-La Mancha	16.5	Socialists
Catalonia	16.2	Socialists
Galicia	11.2	Popular Party
Extremadura	9.8	Socialists
Andalusia	8.5	Socialists
Madrid	7.1	Popular Party

Source: Ministry of Economy and Finance and Bank of Spain.

The associations of pharmaceutical companies and medical equipment suppliers said they were owed €5.2 billion and €4.3 billion, respectively, by the health system, which is the responsibility of regional governments.

As well as reducing the size of regional administrations, Spain needs a slimmer local government. The country has 8,100 town halls compared to 11,300 in much larger Germany (13,850 in the year 2000). Spain has one town hall for every 5,800 inhabitants compared to Germany's 7,200.

#### *Trade Unions and Employees Dissatisfied with Collective Bargaining Reform*

The government unilaterally approved collective bargaining reforms after trade unions and employers failed to reach agreement.

The proposed reforms introduce a measure of flexibility into bargaining agreements, which are regarded as too rigid, particularly during an economic crisis. Most are made at the level of a business sector or geographic region than a specific company.

Employers said the reforms, which will be debated in parliament and could be changed, did not give them enough control over hiring, firing and wages, while unions said the proposals gave businesses too much power.

### *Exports Surge in First Quarter, But Trade Deficit Still Increases*

Exports in the first quarter jumped 23.4% year-on-year to €52.73 billion, the largest quarterly rise since the fourth quarter of 1994, but the trade deficit was 3.3% higher at €12.77 billion because of an 18.9% increase in imports to €65.50 billion.

For the second quarter running Spain registered a trade surplus with the EU (€411.7 million compared with a deficit of €1.12 billion in the first quarter of 2010).

The double digit growth in merchandise exports in March was the 14<sup>th</sup> consecutive monthly rise. The depressed state of the domestic economy is forcing companies to sell abroad.

### *Bank of Spain Warns of Further Falls in House Prices*

House prices will continue to fall for two more years and by 2013 will have declined by around 30% on average since 2008.

José Luis Malo de Molina, head of the research department, told a real estate conference there were between 800,000 and 1.1 million unsold homes and this stock would continue to exert downward pressure on prices.

The number of housing starts in 2010 (123,888) was one-sixth of the peak in 2006 and the lowest number since the 1970s, while the number of homes sold in the first quarter of 2011 was 30.4% lower year-on-year at 75,540, partly because of the ending of tax benefits and higher interest rates on mortgages.

### *OECD Says Spain Will Take 15 Years to Return to its Pre-Crisis Jobless Rate*

Spain's unemployment rate, currently at 21.3% (4.9 million people), will not drop to the 7-8% level attained between 2005 and 2007 at the height of the country's long economic boom, until 2026, according to the latest forecasts by the Organisation for Economic Cooperation and Development (OECD).

Sluggish growth (0.9% this year and 1.6% in 2012, according to the OECD) and the collapse of the labour-intensive construction sector mean that Spain will be hard put to create sufficient new jobs to soak up the pool of unemployed and provide employment for those coming onto the labour market for the first time.

### *Shadow Economy 'Represents Almost One-Quarter of GDP'*

The shadow economy has more than doubled in the last 25 years to 23.7% of GDP between 2005 and 2008, according to a study by Funcas, the research foundation of Spain's savings banks.

The authors of the report estimate that the state's coffers were deprived of €32 billion in the last decade, 5.6% of the official GDP and not far from the government's 6% budget deficit target for this year.

The size of the unofficial economy explains to a significant extent how Spain has been able to have very high unemployment and little civil unrest.

But its magnitude is seriously heeding the efforts to further reduce the budget deficit which has to reach 3% of GDP in 2013, the EU's ceiling.



The government, which, like its predecessors, has been tolerant of the black economy, launched a campaign in April when it approved a law that increases fines for people and companies evading social security payments.

#### *Spain's Tax Burden on Workers' Earnings Rises*

The tax and social security burdens on employment income for a single person earning the average wage rose by 1.36 p.p. in Spain to 39.6% in 2010. The increase was the second largest after Iceland among OECD countries (see Figure 6).

**Figure 6. Income Tax Plus Employees' and Employers' Social Security (as % of labour costs), 2010 (1)**

Country	Income tax	Employee	Employer	Total tax wedge	Labour costs (US\$) (2)
France	9.9	9.6	29.7	49.3	55,252
Germany	15.7	17.2	16.2	49.1	61,971
Italy	15.4	7.2	24.3	46.9	47,347
<b>Spain</b>	<b>11.7</b>	<b>4.9</b>	<b>23.0</b>	<b>39.6</b>	<b>44,875</b>
OECD average	12.2	8.5	14.2	34.9	41,589
UK	14.7	8.3	9.7	32.7	35,272
US	13.9	7.0	8.8	29.7	47,207

(1) Single individual without children at the income level of the average production worker. (2) Dollars with equal purchasing power.

Source: Taxing Wages, 2010, OECD.

One reason for the increase was the ending of the €400 tax deduction.

#### *China's HNA Acquires 20% of NH Hoteles*

HNA, the Chinese airline and logistics group, agreed to buy 20% of NH Hoteles for €431.6 million. NH Hoteles has 400 hotels in 25 countries, mainly in Europe.

Rich Chinese are increasingly coming to Spain for holidays and are big spenders in luxury goods.

#### *Movistar Surges in Ranking of Top 100 Global Brands*

Movistar, Telefónica's brand for all landline and mobile products and services in Spain and Latin America, was ranked 21<sup>st</sup> in the latest BrandZ Top 100, up from 60<sup>th</sup> position in 2010. It is the second-largest brand value in Continental Europe.

The ranking is the only one based on a brand valuation methodology that is grounded in quantitative customer research and in-depth financial analysis.

Santander, the euro zone's largest bank by market capitalisation, dropped from 31<sup>st</sup> to 77<sup>th</sup> position and Zara, the fashion retailer, from 80<sup>th</sup> to 86<sup>th</sup> (see Figure 7). They are the only Spanish companies in the ranking. BBVA, which was ranked 56<sup>th</sup> last year, dropped out.

**Figure 7. BrandZ Top 100 Most Valuable Global Brands, Selected Companies (US\$ million)**

Brand and ranking	Brand value 2011	% change 2011/2010	Brand contrib.	Brand momentum
1. Apple	153,285	84	4	9
2. Google	111,498	-2	4	4
5. Microsoft	78,243	2	4	7
12. Vodafone	43,647	-2	2	4
<b>21. Movistar</b>	<b>27,249</b>	<b>n/a</b>	<b>2</b>	<b>6</b>
35. Facebook	19,102	246	3	5
<b>77. Santander</b>	<b>11,363</b>	<b>-37</b>	<b>2</b>	<b>5</b>
<b>86. Zara</b>	<b>10,335</b>	<b>15</b>	<b>3</b>	<b>6</b>

Source: Millward Brown Optimor (including data from BrandZ, Kantar Worldpanel and Bloomberg).

The brand value is calculated in three steps. First, the proportion of a company's earnings generated 'under the banner of a brand' is determined. Secondly, only a portion of these earnings can be considered as being driven by brand equity. This is the 'brand contribution' (displayed as an index from 1-5, with 5 the highest). It is the degree to which the brand plays a role in generating earnings. In the final step, the growth potential of these branded earnings is taken into account. The brand momentum is displayed as an index from 1-10 (10 is the highest score).

Santander was ranked 16<sup>th</sup> the Top 20 financial institutions by brand value, down from 7<sup>th</sup> in 2010 (see Figure 8).

**Figure 8. Financial Institutions, Top 20 by Brand Value, Selected Banks (US\$ million)**

Brand and Rank	Brand value 2011	% change 2011/2010	Brand contrib.	Brand momentum
1. ICBC	44,440	1	2	5
2. Wells Fargo	36,876	97	3	2
4. China Construction	25,524	22	2	4
11. Citi	15,674	17	4	1
16. Santander	11,363	6	2	9
20. Bank of America	9,358	-43	1	3

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor and Bloomberg).

#### *Elcano Launches a Global Presence Index*

Spain is ranked 9<sup>th</sup> out of 54 countries in a new global presence index drawn up by the Elcano Royal Institute (see Figure 9). As expected, the US is first and China is very much in the ascendant.

The index, based on 14 variables in the economic, military, scientific, social and cultural fields, is a much wider measurement of globalization than traditional ones, such as the degree of openness of economies, and will be produced every year ([http://www.realinstitutoelcano.org/wps/portal/rielcano\\_eng/GlobalPresenceIndex-IEPG](http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/GlobalPresenceIndex-IEPG)).

**Figure 9. Top Ten Countries in the Elcano Global Presence Index**

	Score
1. US	1,000.0
2. Germany	387.6
3. France	334.9
4. UK	329.7
5. China	291.2
6. Japan	273.0
7. Russia	255.3
8. Italy	192.4
<b>9. Spain</b>	<b>189.4</b>
10. Canada	176.7

Source: Elcano Royal Institute.

Spain's results in the five categories reflect the country's strong and sustained internationalisation over the past two decades (see Figure 10). Its highest ranking is in migration and tourism (3<sup>rd</sup> position) and its lowest in technological development (17<sup>th</sup>).

The latter reflects the generally poor quality of the education system. Spain is ranked 107<sup>th</sup> out of 139 countries in the 2010-2011 ranking of education quality by the World Economic Forum where quality is defined as the capacity of an education system to adapt to the needs of a competitive economy.

**Figure 10. Components of the Elcano Global Presence Index (EGPI)**

	<b>First country</b>	<b>Spain's position</b>
<b>1. Economy (US\$ million)</b>		
Exports of goods	China (US\$1,043,165)	12 <sup>th</sup> (US\$186,217)
Exports of services	US (US\$446,370)	7 <sup>th</sup> (US\$108,715)
Energy exports	Russia (US\$169,325)	28 <sup>th</sup> (US\$5,450)
Outward FDI stock	US (US\$3,805,060)	9 <sup>th</sup> (US\$571,193)
Overall position	US	13 <sup>th</sup>
<b>2. Defence</b>		
Troops abroad (number)	US (330,640)	13 <sup>th</sup> (2,512)
Military deployment capacity <sup>1</sup>	US (38,455)	9 <sup>th</sup> (2,059)
Overall position	US	9 <sup>th</sup>
<b>3. Migration and tourism</b>		
Immigrants (number)	US (42,813,000)	8 <sup>th</sup> (6,378,000)
Tourists (number)	France (79,218,000)	4 <sup>th</sup> (52,231,000)
Overall position	US	3 <sup>rd</sup>
<b>4. Culture and science</b>		
Dissemination of culture (exports of audiovisual services: cinema, TV, radio and music)	US (\$12,211million)	7 <sup>th</sup> (US\$689 mn)
International sports results (FIFA and summer Olympic Games) <sup>2</sup>	US (113,561)	10 <sup>th</sup> (30,089)
Technological development (international patents)	Japan (59,003)	17 <sup>th</sup> (1,217)
Scientific research (articles in international journals)	US (457,158)	9 <sup>th</sup> (51,988)
Foreign students (number)	US (624,474)	14 <sup>th</sup> (37,726)
Overall position	US	12 <sup>th</sup>
<b>5. Overseas Development aid</b>		
International development aid flow	US (US\$24,833 mn)	6 <sup>th</sup> (US\$6,675 mn)
Overall position	US	6 <sup>th</sup>

(1) Aggregate indicator including airlift and sealift capabilities that allow a country to deploy units of soldiers or weapons to distant destinations not easily accessible by land forces.

(2) Aggregate indicator.

Source: Elcano Royal Institute.