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Foreign Policy

'Spain Needs Latin America More', King Juan Carlos

In a twist of history, recession-hit Spain courted booming Latin America, once part of its vast empire, at the annual Iberoamerican summit of the region's leaders, inaugurated by King Juan Carlos.

'The world today is very different from what it was when we began these summits', said the King. 'Latin America is on the up. On this side of the Atlantic, we have seen difficult situations arise because of the crisis. We need Latin America more'. The summit was held in Cadiz, where wealth from the colonies was once unloaded from ships.

Latin America is forecast to grow by more than 3% in 2013, while Spain will remain in recession.

Latin American immigrants, who flocked to Spain during its decade-long boom, are returning home in increasing numbers and Spaniards are emigrating there in search of a better life. Spanish exports to the region are also rising as companies seek to diversify away from the depressed home market.

Spain and the UK Clash over 'Incursions' into Waters off Gibraltar

The Foreign Office summoned Spain's Ambassador to London, Federico Trillo-Figueroa, and lodged a protest about what it called 'incursions' into territorial waters off Gibraltar, the British overseas territory located at the southern tip of the Iberian peninsula and long claimed by Spain.

In Madrid, the British Ambassador, Giles Paxman, was called to the Spanish Foreign Ministry and told that Spanish fishermen had a right to continue fishing in the waters. As Paxman was not available, the second-ranking diplomat went to the Ministry.

David Liddington, the UK's Europe Minister, said a Spanish naval vessel had patrolled Gibraltarian waters and Spanish customs had also attempted to seize a civilian boat on 13 November.

The incidents followed British complaints last month about the 'unacceptable' delays at the border with Spain of up to six hours for people trying to cross from the Rock.

'We remain confident of UK sovereignty over British Gibraltar territorial waters and fully committed to protecting the interests of the people of Gibraltar and their wish to remain under British sovereignty', said Liddington.

Domestic Scene

Government Says it will not be Swayed by Second General Strike in Less than a Year

The second general strike since the Popular Party (PP) returned to power a year ago failed to paralyse the country, but culminated at the end of the day in hundreds of thousands of people protesting at the government's austerity measures.

The strike, the eighth in 36 years of democracy, hit schools, hospitals, public transport, airports and public administrations. Private-sector activity was largely unaffected. Electricity consumption, a yardstick of activity, was close to 18% lower at 11am than on a normal working day, according to the national grid, roughly the same level as on 29 March during the last strike.

Luis de Guindos, the Finance Minister, said the government's policies were the only alternative.

Trade unions had urged the work force of 17.3 million (20.4 million in 2008) to down tools. They challenged the government to hold a referendum on its measures.

Home Evictions Suspended for Two Years after Two Suicides

The government responded to mounting social pressure over home evictions for non-payment of mortgages by issuing a decree suspending them for two years for the most needy.

The move followed two suicides in as many months and street protests. Amaia Egaña, a 53-year-old former Socialist councillor in the Basque Country, threw herself from the window of her fourth-floor flat when bailiffs arrived to seize it.

Some 350,000 properties, not all of them residential, have been repossessed since 2008 when Spain's property bubble burst and the country slid into a recession which has not yet ended.

Mortgage law in Spain, where home ownership is very high (more than 80%) and also investment in real estate (see Figure 1), is among the toughest in Europe. Homeowners remain liable for what they owe on their loan, even after returning the house to the bank, if the sale of the house does not cancel out the entire mortgage debt.

Figure 1. Asset split of households (% of total assets in real estate)

	%
Spain	**79**
Germany	56
Italy	53
France	52
UK	39
Japan	33
US	26

Source: Oliver Wyman.

The freeze on foreclosures only applies to households earning less than €1,597 per month combined with certain other conditions such as young children in the property, a handicapped person or a long-term unemployed person not receiving benefits. The measures are not retroactive.

'This is an emergency response to mitigate the effects of the worst of the economic crisis', Deputy Prime Minister Soraya Sáenz de Santamaria said.

The government had hoped to agree the measure with the support of the Socialists (PSOE), the main opposition party, but could not reach a solution satisfactory to both sides after several days of negotiations.

The Socialists said the measure was a stopgap solution, which would benefit few families and did not go far enough. One point of disagreement was over the Socialists' insistence that the value of a foreclosed property put up for auction should not be less than the appraised value when the mortgage was granted. House prices have fallen on average by around a quarter since 2008.

The three main associations of judges also criticised the decree for being 'arbitrary and insufficient'.

Both the Socialists, when they were in power (2004-11) and the PP, while in opposition, rejected proposals from other parties to halt the wave of evictions.

Spanish banks, four of which have been nationalised as a result of the property crash and others awaiting up to €100 billion of EU recapitalisation funds, had begun, before the government's announcement, to stop evictions in the most extreme cases.

Mortgage defaults continue to rise, particularly among real-estate developers. The total level of bad loans stood at a record 10.7% of banks' total lending at the end of September.

The government intends to draft a new mortgage law and to make available to those who lose their homes foreclosed properties at low rents.

Juliane Kokott, the Advocate General of the European Court of Justice, said earlier this month that Spain's legal rules for evictions were incompatible with European norms as they did not sufficiently protect the consumer against possible abusive clauses in mortgage contracts.

In another development, the government was studying giving residency permits to foreigners who buy a home in Spain priced at more than €160,000, in order to reduce the stock of hundreds of thousands of new and unsold properties.

The proposal, similar to one in Portugal and Ireland, is aimed mainly at Chinese and Russian investors and other non-EU citizens who do not have an automatic right to live in Spain.

Pro-independence Parties Set for Victory in Catalan Election

Parties in favour of independence for Catalonia look set to win more than half the seats in the region's snap parliamentary election on 25 November, but the ruling Convèrgencia i Unió (CiU) will not be returned to power with an absolute majority.

This would frustrate the ambition of Artur Mas, the CiU leader and head of the Catalan government, who wants a big majority for his party in order to have a free hand in his push for independence via an illegal referendum on the issue.

The Spanish Constitution gives the central government 'exclusive competence' on the authorisation of referendums, and Madrid has already ruled one out for Catalonia. The only legal way to trigger a process which results in independence is through a constitutional amendment which would require a large majority in the Spanish parliament, new elections and approval in a referendum held throughout the country.

The CiU will capture the same number of seats as in 2010 (62), while the Catalan Republican Left (ERC), historically and more radically in favour of independence, will gain eight more seats. This would give the two parties 80 of the 135 seats in the regional parliament, 12 more than the absolute majority, according to a poll by Metroscopia (see Figure 2).

The Catalan Socialist Party (PSC) will lose 10 seats for its worse result ever and, for the first time, be outflanked by the PP, which governs at the national level. The Socialists did badly in last month's regional elections in the Basque Country and Galicia.

Figure 2. Catalan parliamentary election voting intention and 2010 results (number of seats)

	25 November 2012	2010 results
Convèrgencia i Unió (CIU)	62	62
Popular Party (PP)	19	18
Catalan Socialist Party (PSC)	18	28
Catalan Republican Left (ERC)	18	10
Initiative for Catalan Greens (ICV)	10	10
Citizens	6	3

Source: Metroscopia.

Three very different views of Catalonia will be contested at the election. The CiU, previously moderate in its nationalism, has concluded that after 30 years of democracy the region no longer fits into Spain. The Socialists, divided over backing the referendum and caught on the hop by the election, want Spain to become a more federal state and the conservative PP, which governs the country as whole, wants to stick to the constitution and keep Catalonia's current status.

Artur Mas, the head of the Catalan government, began to internationalise the Catalan independence issue by visiting Brussels to lobby for his case. Mas is avoiding the word 'independence' and instead talks of Catalonia becoming 'its own state within the framework of the European Union'.

José Manuel Durão Barroso, the President of the European Commission, said an independent Catalonia would not form part of the EU and would have to apply for membership.

According to a report by UBS, the Swiss bank, the economic prospects of a Catalan state would be 'probably gloomy, and possibly disastrous'.[1]

Socialists Fail to Make Inroads One Year after Losing the General Election
Support for the PP, since winning the general election last November, has plummeted, but the Socialists' popularity has also declined, albeit to a smaller extent.

If elections were held now the PP would capture 31.8% of the vote, down from 44.6% in November 2011, and the Socialists 22.9% (28.7%), according to a poll by Metroscopia based on voter turnout of between 60% and 62%, 10-12 pp less than in previous elections (see Figure 3).

Figure 3. Voter intention (% of votes)

	November 2012	November 2011 Results
PP	31.8	44.6
Socialists	22.9	28.7
United Left	12.9	7.7
Union, Progress and Democracy (UPyD)	4.6	8.5

Source: Metroscopia, 6-7/XI/2012.

Voter evaluation of the Socialists' leader Alfredo Pérez Rubalcaba has not ceased declining since the party scored its worst-ever result. In November 91% of respondents said they had little or no confidence in him compared with 84% for Prime Minister Mariano Rajoy.

The Socialists are still stigmatised by their association with Spain's recession, which happened on their watch, and suffer from a lack of credible alternative policies.

French Police Arrest Top 'ETA Military Leader'
Izaskun Lesaka, described by the Interior Ministry as one of the 'three most important figures in the Basque terrorist organisation ETA, was arrested in the French town of Macon. She was picked up along with Joseba Iturbide Ochoteco. This brought to 24 the number of ETA suspects captured this year.

Lesaka is said to have been on the run for at least seven years and was one of the three masked figures who read out ETA's ceasefire announcement in October last year.

ETA has assassinated more than 800 people in its 45-year campaign for an independent Basque state.

Constitutional Court Upholds Gay Marriage
The Constitutional Court reaffirmed the gay marriage law approved by the Socialist government in 2005 and against which the now ruling conservative PP appealed.

The court, which took seven years to make up its mind and during which there were more than 22,000 gay marriages, voted eight to three in favour of the law.

[1] 'Can Catalonia leave? Hardly'. UBS Investment Research, 18/X/2012.

Spain became the third country to approve gay marriage after Belgium and the Netherlands. The law outraged the hierarchy of the Roman Catholic Church. The French cabinet approved a draft bill legalising same-sex marriage earlier this month.

Population at Risk of Poverty Rises
More than one-quarter of the population was at risk of poverty or social exclusion in 2011, according to the latest figures from Eurostat (see Figure 4).

Rising unemployment (currently 25.8%), which shows no signs of abating, and cuts in welfare spending have lowered living standards substantially in the last four years.

Figure 4. EU population at risk of poverty (%)

Country	Population at risk of poverty (%)
Bulgaria	49.1
Ireland	29.9 (1)
Greece	27.7 (1)
Spain	**27.0**
Italy	24.5 (1)
Germany	19.9

(1) 2011.
Source: Eurostat.

As in unemployment rates, there are considerable regional differences as regards the levels of population at risk of poverty. Andalusia is the region most at risk (see Figure 5).

Figure 5. Spain's population at risk of poverty by regions (1) and stated unemployment rates (2)

	At risk of Poverty (%)	Unemployment (%)
Andalusia	38.6	35.4
Canary Islands	38.2	33.6
Castilla La Mancha	35.2	28.0
Extremadura	35.2	32.7
Navarra	13.1	14.9
Spain	27.0	25.0

(1) 2011.
(2) September 2012.
Source: Eurostat and INE.

The Economy

European Commission Pours Cold Water on the Government's Forecasts, Rules out Further Austerity
Spain will not meet its EU-imposed budget deficit targets this year and next, but despite this the government will not be pressed into approving further austerity measures.

This respite increases the likelihood of Prime Minister Mariano Rajoy requesting a bailout from the EU and the European Central Bank, which he has so far been reluctant to do unless he has a clearer idea of the conditions. A rescue, probably in the form of an EU-ECB bond purchase programme to lower Spain's borrowing costs, now looks politically easier.

The Commission forecasts a deficit of 6% in 2013, above the 4.5% target agreed with Brussels, and of 6.4% in 2014, more than double the EU threshold of 3% (see Figure 6).

Figure 6. European Commission forecasts, 2012-14 (1)

	2012		2013		2014	
	Comm.	Gov.	Comm.	Gov.	Comm.	Gov.
GDP growth (%)	-1.4	-1.5	-1.4	-0.5	+0.8	+1.2
Budget deficit (% of GDP)	8.0 (2)	7.3 (2)	6.0	4.5	6.4	2.8
Gross pub. debt (% of GDP)	86.1	85.3	92.7	90.5	97.1	NA

(1) 5 November 2012.
(1) Including the financial assistance to banks.
Source: European Commission and Spanish Government.

Olli Rehn, the EU Economic Commissioner, ruled out new budget deficit targets for 2012 and 2013. This indicated a more flexible policy toward resolving the euro zone crisis.

Madrid has already obtained a one-year delay for lowering the deficit to below the EU threshold (from 2013 to 2014).

Spain's 2013 budget is based on an unrealistic GDP shrinkage for 2013 of 0.5%, almost three-times lower than the forecast of the Commission and of other international organisations. Spain has been in recession since 2009, apart from anaemic growth in 2011.[2]

The government's main battle on the budgetary front is with regional and local administrations, which account for three-quarters of spending excluding welfare benefits and interest payments on debt, much higher than the EU average. They have still not presented their budgets for achieving the central-government-imposed deficit target in 2013 of 0.7% of GDP. Half of their spending goes on personnel.

The *Círculo de Empresarios*, a lobby for the business sector, urged the government in a report to reduce the number of town halls, provincial councils (which have more than 1,500 indirectly appointed political posts) and companies and foundations that belong to regional and local governments.[3] Spain has 8,114 town halls (many more than the much larger Germany), only 750 of which cover towns of more than 10,000 people, almost 50 provincial councils and more than 4,000 companies and foundations. Some of the state's institutions are also duplicated in the regions, such as the *Tribunal de Cuentas* (Court of Auditors), the *Tribunal de Defensa de la Competencia* (Competition Court) and the *Defensor del Pueblo* (Ombudsman), as well as foreign trade offices.

Treasury Meets Debt Issuance Target for 2012

The Treasury met its gross debt issuance target for the year of €86 billion on 8 November and with three more tenders before the end of 2012 it could achieve a head start on 2013.

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[2] See the author's Paper, 'Spain's Crisis: the State of Play', for the current situation (http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/image+of+spain/wp17-2012_chislett_spain_crisis_2012).

[3] See 'PGE-2013: la hora de las Administraciones Territoriales', http://www.circulodeempresarios.org/es/sala-de-prensa/noticias/pge-2013-la-hora-de-las-administraciones-territoriales.

Significantly, the Treasury auctioned 20-year bonds, the longest-dated since May 2011, which was interpreted as a sign of greater self-confidence. Until then it had relied on short-dated maturities.

The 10-year government bond yield was 5.97% on 19 November, down from a peak of 7.5% in July (see Figure 7). The markets seem to be less aggressive towards Spain, but no one knows for sure whether this is the calm before a storm or a consolidated position.

Figure 7. 10-year government bond yields (%) and spreads over Germany's bunds (pp)

	Yield (%)	Spread (pp)
Germany	1.36	–
Greece	17.20	+15.84
Ireland	4.66	+3.30
Italy	4.91	+3.54
Portugal	8.56	+7.20
Spain	**5.97**	**+4.61**

Source: ThomsonReuters.

Some analysts say the relative calm reflects the markets' conviction that at the end of the day Spain will have no option but to go for a rescue.

Alfredo Sáez, the CEO of Santander, Spain's largest bank by market capitalisation, spoke for many in the private sector when he said last month that a rescue request would be 'viewed positively' by the bank.

Spain Set to Become a Net Contributor to the EU Budget for the First Time

As if the government had not got enough on its plate coping with the country's recession, in 2014 Spain will become a net contributor to the EU budget. It has been a net beneficiary since joining the EU in 1986 (see Figure 8).

Figure 8. Net contributors to the EU budget, 2000-10 (€ mn)

	2000	2005	2010
France	-677	-2,883	5,535
Germany	-8,232	-6,064	-9,225
Italy	1,231	-2,199	-4,534
Spain	**5,263**	**6,017**	**4,101**
UK	-2,913	-1,529	-5,626

Note: Negative amounts mean that, according to the Commission's calculations, the country has paid more towards the EU's budget than it should if there were to be a balance between payments and receipts between the EU and the Member State.
Source: European Commission.

The role of Spain within the EU budget has undergone an amazing transformation: from being the largest net beneficiary in absolute terms in the Multiannual Financial Framework 2000-06, with net returns of 1.2% of GDP, to being a likely net contributor as of 2014. As a 'cohesion country', together with Ireland, Portugal, Greece and the 12 new member States, Spain has been the leading net recipient of cohesion funds in absolute terms, absorbing almost 25% of the EU budget devoted to regional policy at the beginning of 2000.[4]

[4] See M. Kölling & C. Serrano Leal, 'Spain's Balancing Act: Net Contributor or Net Beneficiary of the EU Budget',

According to reports, Spain could lose up to €20 billion in EU funds.

Prime Minister Mariano Rajoy said the cuts in the overall EU budget for 2014-20 were 'not acceptable'. However, faced with a need to win Berlin's support if he seeks an EU rescue, Madrid is unlikely to make many waves on the issue.

Spain's per capita income in purchasing power standards dropped in 2011 to below the EU average for the first time since 2001 (see Figure 9).

Figure 9. Per capita income in purchasing power standards (EU-27 = 100)

	2001	2006	2011
France	115	108	107
Germany	116	116	120
Italy	118	105	101
Spain	**98**	**105**	**101**
UK	120	120	108

Source: Eurostat.

Spain Holds its Global Position in Merchandise and Commercial Exports

Spain maintained in 2011 its global share of merchandise and commercial exports, according to the World Trade Organisation (see Figures 10 and 11).

Figure 10. Ranking by global market share of merchandise exports, 2002-11 (%)

Country Ranking	2011	2010	2009	2002
1. China	10.4	10.4	10.1	5.1
2. US	8.1	8.4	8.5	10.8
3.Germany	8.1	8.3	9.0	9.5
6. France	3.3	3.4	3.9	5.1
8. Italy	2.9	2.9	3.2	3.9
11. UK	2.6	2.7	2.8	4.3
18. Spain	**1.6**	**1.6**	**1.7**	**1.9**

Source: World Trade Organisation.

Figure 11. Ranking by global market share of exports of commercial services, 2002-11 (%)

Country Ranking	2011	2010	2009	2002
1. US	13.9	14.1	14.2	17.4
2. UK	6.6	6.2	7.2	7.9
3. Germany	6.1	6.3	6.5	6.2
4. China	4.4	4.6	3.9	2.4
5. France	3.9	3.8	4.2	5.5
8. Spain	**3.4**	**3.3**	**3.7**	**4.0**
13. Italy	2.6	2.6	3.0	3.8

Source: World Trade Organisation.

Higher exports, since the onset of Spain's crisis in 2008, coupled with much lower imports have played a significant role in lowering Spain's massive current account deficit from 10% of GDP in 2007 to an estimated 2.4% this year.

The trade deficit for January-August was €23.5 billion, 23.3% lower than in the first eight months of 2011 (the energy bill accounts for a big part of the deficit). This reduction, coupled with the higher surplus on the services account (including tourism) lowered the current account deficit for the first eight months to €16.1 billion from €26.5 billion in the same period of 2011.

Inward Foreign Direct Investment Rises, Business Climate Sentiment Virtually Unchanged

Gross foreign direct investment (FDI) in Spain almost quadrupled in the first half of the year, while foreign business sentiment remained virtually the same as in 2011.

FDI was US$14.8 billion, up from US$3.1 billion in the first six months of 2011 (see Figure 12), albeit partly because of the recapitalisation by foreign parent banks of their affiliates, hit by the sovereign debt crisis, and not due to any significant greenfield investment.

Figure 12. Foreign direct investment inflows, first half of 2012 (US$ bn)

Country	First Half 2012	First Half 2011
China	59.1	60.9
US	57.4	94.4
France	34.7	9.8
UK	30.8	31.2
Spain	**14.8**	**11.1**
Ireland	14.7	3.1
Germany	10.0	26.1
Portugal	7.8	2.2
Italy	-1.6	13.9

Source: Global Investment Trend Monitor, 23 October 2012, UNCTAD.

Investindustrial, the Italian private equity group, recently agreed to acquire the 50% of PortAventura it does not already own for around €120 million. The fund bought its initial holding in 2009.

The 2012 business climate barometer from the standpoint of foreign investors, released at the end of October and drawn up by the IESE business school and the government-run Invest in Spain, is only slightly lower than in 2011 (2.7 out of 5 as against 2.9). The survey of over 250 companies was conducted in June and does not reflect some of the structural changes since then. According to the report, the main weaknesses are:

- A scarcity of bank financing and its high cost and of other financing sources.
- An excessive bureaucratic burden in establishing and operating a company.
- The need for further flexibility and lower labour costs.
- The need for more investment incentives for R+D+i.

Compared with the 2011 barometer:

- The regulatory framework was the only area that received (slightly) better marks.
- The rise in ‘general costs’ was seen as the highest deterioration year-on-year, followed by financing and market size.
- The rest of the surveyed areas (labour market, taxation, infrastructures, labour force, innovation and quality of life) received slightly lower marks.

According to a long and very detailed report by the Arcano Group, which counters what it calls the ‘excessively pessimistic picture painted of Spain’ and knocks down some of the prevailing myths, ‘now is a fantastic moment to invest’ because of the country’s 'enhanced fundamentals and depressed valuations'.[5]

Corporate Scene

Property Loans Drag Down Santander and BBVA's Nine-Month Earnings
Santander, the euro zone's largest bank by market capitalisation, posted a 94% drop in third-quarter net profits to €100 million, due to more bad property loans in Spain and slower growth in some markets abroad. The profit for the first nine months was 66% lower at €1.8 billion.

Real estate provisions in the quarter amounted to €5 billion and increased coverage of problematic property loans to 65%. The bank said it had now met 90% of the provisions imposed by the government on banks.

Earnings declined in the UK, Brazil (a key market) and Chile.

BBVA, Spain's second-biggest bank, saw its third-quarter net income drop 82% to €146 million for similar reasons. Profit for the first nine months was 43.7% at €1.6 billion. The bank fared better than Santander in its foreign markets. Profits in Mexico, where BBVA is the leader, were 12% higher.

Repsol's Profit Offsets YPF Nationalisation
Higher output in Bolivia and Libya and steeper prices helped the oil company Repsol offset the loss of YPF, its Argentine unit, and boost its third-quarter profit by 36.4% to €760 million after adjusting for one-time items and inventory costs.

The Argentine government seized Repsol's majority stake in YPF in April.

Profit for the first nine months was down 5.5% at €1.79 billion (+4% to €1.76 billion after eliminating the impact of the change in the value of oil inventories).

Repsol made five hydrocarbon discoveries between January and September, including a big one in Brazil, and earlier this month announced a gas find in Algeria.

Telefónica Boosted by Latin American Operations
Telefónica, the telecommunications company, recorded a net profit of €1.38 billion in the third quarter, compared with a loss of €429 million in the same period of 2011 (due to a one-off charge for its redundancy programme).

Net profit for the first nine months rose 24.6% to €3.45 billion.

Latin America generated, for the first time, more revenues than Telefónica's operations in Europe. They rose 5.9% to €22.5 billion and accounted for 49% of the total.

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[5] Ignacio de la Torre, 'The Case for Spain', http://www.arcanogroup.com/sala-prensa/presentaciones-informes/.

Iberia to Cut 4,500 Jobs in 'Fight for Survival'
Iberia, the loss-making airline, is to shed 4,500 jobs (22% of the total) as it struggles to return to profit.

International Airlines Group (IAG), the parent company of Iberia and of British Airways, forecast an operating loss of €120 million for Iberia in 2012. BA remained in profit.

'Iberia is in a fight for survival and we will transform it to reduce its cost base so it can grow profitably in the future', Willie Walsh, the chief executive of IAG, said in a statement.

Ibex-35 Companies Continue to Generate 60% of Revenues Abroad
The companies that form the Ibex-35, the benchmark index of the Madrid Stock market, earned, as a whole, 60% of their total revenues abroad in the first half of 2012, the same as in 2011 (see Figure 13).

Acerinox (stainless steel) generated 92% of its revenues abroad, ACS (construction) 81% and Santander (banking) 79%.

Figure 13. International revenues of Ibex 35 companies, first half of 2012 (€ bn and % of total) (1)

Company	Sector	Total revenues (€ bn)	International (% of total)
Abengoa	Technology	3.7	72.3
Abertis	Motorways	1.8	55.5
Acciona	Construction	3.3	39.6
Acerinox	Metals	2.4	91.6
ACS	Construction & services	18.8	81.3
Amadeus IT Holding	Travel technology	1.5	6.6
Banco Popular	Banking	2.7	8.8
Banco Sabadell	Banking	1.9	5.2
Banco Santander	Banking	30.5	79.5
Bankinter	Banking	0.9	0.0
BBVA	Banking	12.7	63.7
Dia	Supermarket chain	5.0	48.8
Enagás	Electricity	0.5	0.0
Endesa	Electricity	15.8	38.0
FCC	Construction	5.3	56.2
Ferrovial	Construction	3.6	61.6
Gamesa	Wind turbines	1.6	85.2
Gas Natural	Gas	12.4	44.0
Grifols	Pharmaceutical	1.3	91.5
IAG	Airlines	7.8	86.6
Iberdrola	Electricity	16.9	52.4
Inditex	Fashion retailer	7.2	77.5
Indra	Electronics	1.4	53.6
Mapfre	Insurance	9.1	58.7
Mediaset (Telecinco)	Media	1.7	71.7
OHL	Construction	2.5	74.4
Red Eléctrica	Electricity	0.8	2.4
Repsol	Oil	28.7	47.0
Sacyr-Vallehermoso	Construction	1.7	43.0
Técnicas Reunidas	Engineering	1.3	96.0
Telefónica	Telecoms	30.9	75.0
Total		239.8	60.4

(1) Figures rounded to nearest decimal point.
Source: Based on figures from the National Securities Market Commission.

Six Spanish Companies among Top Ten Global Transportation Developers

Spain leads the world with six companies in the top 10 transportation developers, compared with four in 2011 (see Figure 13).

Figure 13. Ranking of the world's largest transportation developers

	Under constr./ operating (1)	Of which: US	Of which: Canada	Of which: home country	Of which: other
1. ACS Group/Hochtief (Spain)	**64**	**2**	**5**	**20**	**37**
2. Global Via -FCC-Caja Madrid (Spain)	**45**	**1**	**1**	**29**	**14**
3. Abertis (Spain)	**36**	**1**	**0**	**11**	**24**
4. Macquarie Group (Australia)	36	4	1	1	30
5. Vinci/Cofiroute (France)	35	0	2	11	22
6. Hutchison Whampoa (China)	33	0	0	10	23
7. Ferrovial/Cintra (Spain)	**32**	**5**	**2**	**8**	**16**
8. OHL (Spain)	**32**	**1**	**0**	**8**	**23**
9. Sacyr (Spain)	**25**	**0**	**0**	**15**	**10**
10. NWS Holdings (China)	25	0	0	25	0
11. EGIS Projects (France)	24	0	1	4	19
20. Acciona/Nesco (Spain)	**14**	**0**	**3**	**9**	**2**
36. Isolux Corsan (Spain)	**8**	**0**	**0**	**1**	**7**
38. Itinere (Spain)	**6**	**0**	**0**	**6**	**0**

(1) Ranked by number of road, bridge, tunnel, rail and airport concessions over US$50 million in investment value and under construction/operation as of 1 October 2012.

Source: Public Works Financing.