

Inside Spain 63

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Foreign Policy

Economic Recovery Tops Spanish EU Presidency Agenda

During its EU Presidency Spain aspires to replace the failed Lisbon Strategy with a new one for the next 10 years on growth and employment, which would make the European economy more competitive, innovative and respectful of the environment.

The previous strategy, agreed in March 2000 at a meeting of the European Council in the Portuguese capital of the then 15 EU countries, aimed to make the EU the ‘most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’. It rested on three pillars:

- (1) An economic pillar preparing the ground for the transition to a competitive, dynamic, knowledge-based economy. Emphasis was placed on the need to adapt constantly to changes in the information society and to boost research and development.
- (2) A social pillar designed to modernise the European social model by investing in human resources and combating social exclusion. Countries were expected to invest in education and training, and to conduct an active policy for employment, making it easier to move to a knowledge economy.
- (3) An environmental pillar, which was added at the Gothenburg European Council meeting in June 2001, drew attention to the fact that economic growth must be decoupled from the use of natural resources.

The targets set for 2010 were: an overall employment participation rate (the percentage of the working age population employed) of 70%, R&D spending of 3% of GDP and lower greenhouse gas emissions (92 based on an index at 100 in 1990). Only Finland and Sweden are close to meeting the targets. Spain made considerable progress in the employment rate until 2008, when the economy slowed down and entered recession following the bursting of its property bubble and the fallout from the international banking crisis. Jobs began to be destroyed almost as quickly as they had been created during the country’s 14-year boom. The employment rate rose from 53.8% in 1999 to 65.6% in 2007 and at the end of last September (latest figure) was down to just below 60%. R&D expenditure stood at 1.3% of GDP in 2008.

The Prime Minister, José Luis Rodríguez Zapatero, wants greater economic coordination, but his idea that the EU should consider applying ‘corrective measures’ against countries that failed to meet their obligations under the new 2020 strategy did not go down well with some countries such as Germany and the UK. Rainer Brüderle, the German Economy Minister, said the proposal was ‘not very useful’ and Herman

Van Rompuy, the EU's permanent President, said it was 'very ambitious'. Miguel Ángel Moratinos, Spain's Foreign Minister, said no formal proposal or decision had been made.

Considerable coordination will be needed at some point this year to begin to withdraw the stimulus packages that prevented the EU's recession turning into a full blown depression.

As regards Turkey, whose full EU membership Spain actively supports, Egemen Bağış, Turkey's Minister for EU Affairs and chief negotiator, visited Madrid on 15 January where he met with Moratinos and Diego López Garrido, the Secretary of State for Europe. More than half of the 35 chapters that Turkey has to negotiate are blocked, either formally because of its failure to implement the Ankara Protocol regarding Cyprus, or informally by one or more member states. Only one chapter (the environment) was opened under the last (Swedish) EU Presidency. Ankara is hoping to open more than one under the Spanish Presidency. It is in a position to open the energy and education chapters, but Cyprus is blocking them.

Turkey, which invaded Cyprus in 1974, refuses to recognise the Greek Cypriot part of the island unless something is done to ease the isolation of the internationally unrecognised Turkish Republic of Northern Cyprus (TRNC) in the northern part.

On the thorny issue of Cyprus,¹ Madrid may try to set up a meeting of the four main players under the auspices of the United Nations to try to break the deadlock over a reunification agreement, which would then be put to referendums in both sides. If it happens, it would be the first time that Demetris Christofias, the Greek Cypriot President, his counterpart Mehmet Ali Talat of the TRNC, George Papandreu, the Greek Prime Minister, and Recep Tayyip Erdoğan, Turkey's Prime Minister, sit around the same table. The chances of this happening, however, are slim if Talat is presented as the head of a legitimate state, something which is unacceptable to Greek Cypriots.

Spain's EU agenda is very packed. Twenty four ministerial meetings, two bilateral summits of heads of state from Latin America, the Caribbean and the Mediterranean Union and eight bilateral summits are scheduled to be held in Spain and four outside the country.²

Barack Obama, the US President, has invited Rodríguez Zapatero to Washington to attend the National Prayer Breakfast on 4 February and to meet with him. The breakfast has been organised by the Conservative Christian Group, The Family, on every first Thursday in February since 1953. This will be Rodríguez Zapatero's second official visit to the White House since last October. King Juan Carlos will meet Obama for the first time on 17 February in Washington.

¹ See the author's Paper for the current state of play at http://www.realinstitutoelcano.org/wps/portal/riecano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/dt61-2009

² The Presidency's official programme in English is at http://www.eu2010.es/comun/descargas/programa_EN.pdf (original Spanish at http://www.realinstitutoelcano.org/wps/wcm/connect/cabd6b0040eba976af84bff117dd992e/Presidencia_espola_de_la_UE-1_Elcano.pdf?MOD=AJPERES&CACHEID=cabd6b0040eba976af84bff117dd992e).

Spain to Send More Troops to Afghanistan

Spain is to send 511 more troops to Afghanistan, lifting the number to just over 1,500, in a bid to consolidate its position in the increasingly violent north-western province of Badghis, where it leads a Provincial Reconstruction Team (PRT).

The larger deployment (see Figure 1), almost double that at the beginning of 2009, signifies a firm backing of the new US military and civilian surge in Afghanistan to win the war against the Taliban and greater risks for Spanish troops as their military role may be less circumscribed.

Spain is also building a new military base in Badghis for the permanent deployment of an Afghan National Army 600-strong battalion, which will be mentored by a Spanish Operational Mentor and Liaison Team (OMLT).

Spain has undertaken valuable civilian and reconstruction work, but has been reluctant to take the fight to the Taliban, leaving it mainly to US, British and Canadian troops. Spanish troops are subject to tight rules of engagement. The return of the Taliban to Badghis, one of Afghanistan's poorest regions, has changed the picture and thus how Spain approaches a peacekeeping mission, which has become more dangerous.³ In order to turn the tide against the Taliban, Spain's strategy may have no option but to become more proactive. So far there have been only eight casualties directly at the hands of the insurgency –the rest were due to different kinds of accidents–.

Figure 1. ISAF Troops in Afghanistan, Main Countries

| | Number at 15/XII/2009 | Envisaged increase |
|--------------|------------------------------|--|
| US | 44,623 (1) | 30,000 |
| UK | 9,955 | 1,200 |
| Germany | 4,677 | Not yet confirmed |
| Canada | 3,909 | Not yet confirmed |
| France | 3,626 | Not yet confirmed |
| Italy | 3,009 | 1,140 |
| Netherlands | 2,265 | Not yet confirmed |
| Poland | 1,902 | 600, with two OMLT teams, two POMLT teams and a reserve of 400 |
| Turkey | 1,617 | 875, with one OMLT and one POMLT |
| Australia | 1,285 | 120 |
| Spain | 1,084 (2) | 511 (3) |
| Rumania | 901 | Under study |

(1) The US has another 33,200 soldiers under Operation Enduring Freedom, which is separate from ISAF.

(2) 70 of the current contingent are temporary.

(3) 465 to an Operational and Mentor Liaison Team (OMLT).

Source: International Security Assistance Force.

Spanish Socialist MEP Barred from Entering Cuba

The government's desire to use Spain's EU Presidency to change the common EU position on Cuba, agreed 13 years ago, and make it more accommodating of the communist regime (see *Inside Spain*, Newsletter 61, 17/XI/2009) received a setback when a Socialist member of the European Parliament (MEP) was barred from entering the island.

Luis Yáñez, a veteran member of the Socialist Party and a former Secretary of State for Latin America, was put on the first flight back to Spain after landing at Havana airport. He was accompanied by his wife, Carmen Hermosín, also a MEP. She was not

³ See the policy brief by Edward Burke at <http://www.fride.org/publication/705/spain039s-war-in-afghanistan> for a detailed explanation of Spain's role in Afghanistan.

forbidden from entering Cuba. They both had tourist visas for a holiday in Cuba and Yáñez was given no explanation for his expulsion.

Alejandro González, Cuba's Ambassador in Madrid, was summoned to Spain's Foreign Ministry to explain the incident. He later justified the expulsion on the grounds that Yáñez's visit 'was not innocent'. Miguel Angel Moratinos, Spain's Foreign Minister, said Yáñez was 'not someone much appreciated by the Cuban regime' because of his criticism of it, but this did not justify his expulsion.

Yáñez said his visit was a private one, with no political mission on behalf of the government, the European Parliament or the Socialist Party. He did say, however, that he intended to meet with some Cubans 'in favour of dialogue and national reconciliation, who are democrats'.

Agreeing a new position on Cuba will not be easy as it has to be unanimously supported by all EU countries. The UK, Sweden and some of the former communist states of Central and Eastern Europe oppose Spain's overtures to Havana and want to maintain a tough line. These countries want concessions from the Cuban regime before adopting a more flexible position, particularly on the release of political prisoners.

José Luis Rodríguez Zapatero, the Prime Minister, said that during his long meeting with Herman Van Rompuy, the EU's permanent President, and José Manuel Durão Barroso, the President of the European Commission, the issue of Cuba was not discussed. This suggested it would not be a priority issue.

Domestic Scene

Government Seeks to Tighten its Smoking Ban

The government is preparing a new anti-smoking law for enclosed public places such as bars and restaurants to replace the one in force since January 2006, which is less restrictive than in other European countries and has been widely criticised for being too flexible.

The current law bans smoking in the workplace and on public transport but only partially in bars and restaurants, as they are allowed to choose. Only those over a certain size are obliged to have designated smoking areas.

'The problem is not smoking in public places, but in enclosed public places', the Health Minister Trinidad Jimenez said. Smoking-related illnesses cause the deaths of some 50,000 people a year in Spain (1,500 of them passive smokers) at a heavy cost for the public health system, according to a dossier prepared for the Health Ministry.

A survey in January by Metroscopia showed that 56% were in favour of banning smoking in bars and restaurants and leisure venues.

Italy, Ireland, France and the UK have successfully banned smoking in all enclosed public places, while in Finland a bill is before parliament, which is expected to enter into force as of the spring and further reduce where people can smoke.

Spain's Hotel Trade and Restaurant Federation (FEHR) said a total ban on smoking in

bars, restaurants and leisure venues would lead to the closure of 35,000 to 40,000 businesses or around 10% of the total and the direct loss of 100,000 jobs.

Big Fall in Arrests of Illegal Immigrants Entering Spain...

The number of illegal immigrants caught entering Spain last year was 45.7% fewer at 7,285, the lowest number since 1999, according to Alfredo Pérez Rubalcaba, the Interior Minister. This figure, combined with other data, was further evidence that Spain's recession is deterring the arrival of illegal immigrants. The number caught peaked in 2006, a boom year for the economy, at 39,180 (see Figure 2).

Figure 2. Arrests of Illegal Immigrants Trying to Enter Spain

| Year | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Arrests | 3,569 | 15,195 | 18,517 | 16,670 | 19,176 | 15,675 | 11,781 | 39,180 | 18,056 | 13,425 | 7,285 |

Source: Interior Ministry.

... and in Domestic Violence Victims

Twenty-one fewer people died in 2009 as a result of domestic violence, the lowest number since 2005. The death toll was 55, compared with 76 in 2008, 35 of them Spanish (43 last year) and 20 foreign (33).

Abundant Rain Ends Drought

Heavy rain and snow in most of Spain brought to an end a drought, which began in some parts of the country five years ago. Reservoirs, on average, reached more than 60% of their capacity, double that of the last 10 years for the month of January. Some rivers that had dried up burst their banks.

More than 160,000 Requests for Spanish Nationality from Relatives of Exiles

A total of 161,463 children and grandchildren of exiles from Spain's civil war (1936-39) and the Franco dictatorship (1939-75) have requested Spanish nationality since the end of 2008 under the 'Historic Memory Law'.

The Economy

Single Figure Jobless Rate 'will not Return before 2015'

Spain faces four more years of very high unemployment and the economy will not grow by more than 2% until 2012, according to José Manuel Campa, the Secretary of State for the Economy.

The jobless rate currently stands at close to 20%, double the EU average. Campa said it would not reach the pre-recession low of below 10% until 2015 (see Figure 3). Jobs would be created but not in sufficient numbers in net terms to begin to lower the unemployment rate until next year and then only gradually.⁴

⁴ See the author's recent Paper at http://www.realinstitutoelcano.org/wps/portal/riecano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/Elcano_in/Zonas_in/DT1-2010.

Figure 3. Seasonally Adjusted Unemployment Rates (%)

| | December2007 | November2008 | November2009 |
|--------------|--------------|--------------|--------------|
| France | 8.4 | 8.3 | 10.0 |
| Germany | 8.4 | 7.1 | 7.6 |
| Italy | 6.1 | 7.1 | 8.3 |
| Spain | 8.3 | 14.0 | 19.4 |

Source: Eurostat.

The tourism sector had its worst year since 2003 in terms of the number of visitors which at just over 52 million was 8.7% lower than in 2008, according to provisional figures released by Joan Mesquida, the Secretary of State for Tourism. Spain was particularly hit by the drop in tourists from the UK and Germany, two of its biggest markets that are suffering, like Spain, from recession.

The number of new cars sold in 2009 dropped below one million for the first time since 1996 (see Figure 4). At 952,772, sales were 17.9% below those in 2008 and the lowest in the last 20 years. December's sales, however, were 25.1% higher than the same month of 2008. The government's scrappage scheme to encourage the purchase of new cars continues this year.

Figure 4. New Car Sales

| Year | Car Sales |
|------|-----------|
| 1995 | 881,511 |
| 1996 | 962,905 |
| 2005 | 1,649,320 |
| 2006 | 1,634,595 |
| 2007 | 1,614,835 |
| 2008 | 1,161,176 |
| 2009 | 952,772 |

Source: Anfac.

Despite the recession, the Spanish stock market enjoyed in 2009 its second-best increase in a decade. The Ibex-35, the benchmark index, rose 29.8% (-39.4% in 2008), outperforming European markets by up to eight percentage points (see Figure 5). This gain was largely thanks to the continued healthy results of Spain's leading multinationals as Santander, BBVA, Iberdrola, Repsol and Telefónica have a combined weighting of around 70% in the Ibex-35 (based on their market capitalisation) and their performance drives it. This index, however, is not representative of all listed companies, nor does it reflect the state of the economy as a whole.

Figure 5. Stock Market Indices, 2009 (% rise)

| Index | Rise (%) |
|-----------------------|-------------|
| Ibex-35 Spain) | 29.8 |
| Dax (Frankfurt) | 23.8 |
| FTSE 100 (London) | 21.7 |
| Euro Stoxx 50 | 21.0 |
| Dow Jones | 20.1 |
| Nikkei (Tokyo) | 19.0 |

Source: Markets.

Spanish Companies Ranked Bottom in New Product Launching

Spanish companies are ranked last in the league table of launching new products, according to the latest comparative figures from Eurostat (see Figure 6). Overall, 18% of companies launched new products in 2006 compared with a EU-27 average of 32.4% and way below the leaders.

Figure 6. Companies that Launched New Products (%) (1)

| | Total companies | With 10-49 Workers | With 50-249 workers | With more than 250 workers |
|--------------|-----------------|--------------------|---------------------|----------------------------|
| Finland | 44.6 | 44.3 | 40.7 | 58.0 |
| Germany | 30.4 | 25.9 | 35.3 | 47.7 |
| Italy | 29.5 | 26.8 | 37.2 | 50.1 |
| Poland | 32.7 | 33.1 | 30.6 | 37.5 |
| Spain | 18.3 | 14.8 | 26.0 | 39.5 |
| Sweden | 51.3 | 49.3 | 55.8 | 58.3 |
| UK | 31.6 | 31.0 | 31.7 | 39.8 |

(1) Figures for 2006.

Source: Eurostat Yearbook, 2009.

Minimum Wage Rises 1.5%

The government raised the minimum wage by 1.5% to €633.3 a month (based on 14 payments) compared with a 4% increase in 2009. The increase brought the total rise since 2004 to 37.5% when Prime Minister José Luis Rodríguez Zapatero first took office.

Rodríguez Zapatero has set a target for the minimum wage of €800 a month in 2012 when the next general election is due to be held, but this is most unlikely to be met, given the government's need for budgetary restraint, as it would mean rises of 12% in each of the next two years.

Iberdrola Wins Contract to Build Wind Farms in Britain and its Largest Renewable Energy Sale in the US

Iberdrola Renovables, the renewable energy arm of Iberdrola, the number-one generator of wind power in Europe and the number two in the US, won a joint bid with Sweden's Vattenfall to build 'one of the biggest winds farms in the world' in Britain. The amount of the deal was not officially disclosed, but was believed to be about €20 billion.

The wind farm, which would have an energy capacity of 7,200 MW, would be built in the North Sea off the coast of East Anglia.

In the US, Iberdrola Renovables signed its largest ever renewable energy sale contract in that country with the Tennessee Valley Authority (TVA). The Cayuga Ridge wind farm it is constructing will sell its output to TVA over the next 20 years. Iberdrola Renovables has operations in 20 states and installed capacity of nearly 3,600 MW –over 30% of the company's global capacity– spread over 39 wind farms. The TVA is the largest public provider of electric power in the US.

Ferrovial Wins Appeal on Airports Sale

BAA, the owner of London's Heathrow Airport and other airports and acquired by Spain's Ferrovial in 2006, won its appeal against an order to sell three of the seven airports it operates on the grounds that the UK competition watchdog was affected by 'apparent bias'.

The Competition Commission ruled last March that BAA must sell Gatwick, Stansted and either Edinburgh or Glasgow airports within two years. It has sold Gatwick but the judgement does not affect that sale. It was unclear whether BAA would have to sell the other airports. The Competition Appeal Tribunal gave more time to hear arguments from both sides as to the next step.

The tribunal agreed with BAA's assertion that Professor Peter Moizer should not have been a member of the watchdog as he was a long-standing fee-paid adviser to the Greater Manchester Pension Fund, which has links with Manchester airport.

Collapse of Air Comet Weakens the Position of Employers' Head

Air Comet, the low-cost airline serving Latin America, had its licence revoked by the government, leaving thousands of passengers stranded and 640 staff without a job, after a UK court embargoed its fleet for non-payment of €18.5 million of debts.

The airline is part of the Marsans group and is co-owned by Gerardo Díaz Ferrán, the head of the CEOE employers' federation which has one million corporate members. Some business leaders, including one of Díaz Ferrán's CEOE deputies, called for him to step down as the public face of business. Díaz Ferrán said he had no intention of resigning.

It emerged that Caja Madrid, one of Spain's largest banks and of which Díaz Ferrán is a director, rejected as insufficient the loan guarantees offered to ensure the rollover of €26.5 million in loans outstanding to holding companies of Díaz Ferrán and his partner Gonzalo Pascual.

Many of the affected passengers were immigrants returning home for the Christmas holiday. This was the second collapse of a low-cost airline in Spain in almost exactly three years. Air Madrid collapsed in December 2006.

Santander Rebrands its Bank Branches in the UK, Eyes Joint Venture in China...

In a bid to make itself better known among the UK public, Santander, the euro zone's largest bank by market capitalisation, started to rebrand all 1,045 branches of the Abbey and Bradford & Bingley banks it acquired in 2004 and 2008, respectively.

The nearly 300 branches of Alliance & Leicester, also bought in 2008, will be renamed later this year. The total cost of the re-branding operation is €33.3 million. The UK provides around 16% of Santander's net profits.

Staff have also been issued with new uniforms and the Santander name will be emblazoned on 971 cash machines, 27 company Internet sites and thousands of separate items of stationery. Santander generates around 16% of its net profits in the UK and its brand has hardly been tarnished by the banking crisis in developed countries.

In China, Santander was reportedly eyeing a joint venture with China Construction Bank (CCB) as a first step to filling a notable gap in its global banking network. The venture would concentrate on rural banking and auto finance. CCB would hold 60% of a joint financial company and Santander the rest.

BBVA, Spain's second-biggest bank, lifted its stake in China Citic Bank to 15% last December and Criteria CaixaCorp, the listed investment arm of La Caixa, the largest savings and loan institution, agreed last month to boost its stake in Bank of East Asia (BEA) to nearly 15% from 9.81%. BEA is based in Hong Kong but has a retail presence in mainland China.

... and Subsidiary Banesto's Profits Hit by Provisions for Bad Loans

Banesto, part of Grupo Santander, reported a 28.2% drop in net profit for 2009 to €559.8 million, largely because of higher loan loss provisions stemming from the bursting of the domestic property market bubble and Spain's recession.

The bank, the first to release full-year results, assigned an extra €100 million to voluntary generic loan loss provisions in the fourth quarter as a precautionary move. Ana Patricia Botín, who heads Banesto, said that but for this the decline in net profit would have been 19.2%.

Its ratio of bad and doubtful loans as a share of total lending was 2.94% at the end of 2009, up from 1.62% a year earlier and below the average for the whole banking sector of 5.05% (November 2009, the highest figure since June 1996).

Banesto and other banks have kept non-performing property loans relatively low by refinancing them, converting debt to equity, or acquiring the underlying asset. Nomura calculates that if properties acquired by the third quarter of 2009 were treated instead as bad loans, the NPL ratio of, say, Banco Popular would leap from 5.43% to 8.43% (see Figure 8).

Figure 8. Lost Property: Non-Performing Loans

| | Property acquired by Q3 2009 (€bn) | Non-performing loan ratio (%) | NPL ratio, if property assets treated as NPLs (%) |
|-------------|---------------------------------------|----------------------------------|--|
| Popular | 2.9 | 5.43 | 8.43 |
| Sabadell | 1.9 | 3.87 | 6.82 |
| Banesto (1) | 1.4 | 3.02 | 4.93 |
| Bankinter | 0.4 | 2.42 | 3.35 |
| BBVA | 1.4 | 3.78 | 4.20 |
| Santander | 4.6 | 3.30 | 3.97 |

(1) Included in Santander results.

Source: Nomura.

Merger of Savings Banks Begins

Caja Duero and Caja España, two of the 45 unlisted regional savings banks known as *cajas*, kicked off the expected merger of up to 15 *cajas* if the Bank of Spain (the central bank) has its way.

Following the monetary authority's seizure of Caja Castilla La Mancha (CCM) last March, Miguel Ángel Fernández Ordóñez, the central bank Governor, called for a third of the *cajas* to be absorbed by stronger institutions and for the number of branches to be cut (see Figure 8). CCM was taken over by Cajastur and the cost of its rescue financed by accumulated deposit guarantee funds and not by taxpayers' money.

Spain's commercial banks, particularly the two big ones, Santander and BBVA, escaped largely unscathed by the international banking crisis and both of them made further acquisitions abroad in 2009 and 2008. The *cajas*, however, are not so strong, particularly the smaller ones over-exposed to the property sector which is in crisis. In the first nine months of 2009, the banks combined net profits were 11% lower at €12.7 billion and those of the *cajas* dropped 34% to €4.5 billion. The non-performing loan ratios of the *cajas* are higher than those of the banks.

Caja Duero and Caja España had been in merger talks for months; one reason for the delayed agreement is that the *cajas* are beholden, to varying degrees, to regional politicians and property-sector interests. The merged institution will be the eighth-largest *caja*, with assets of €50 billion and 1,117 branches (before any cuts which will have to be made).

Figure 8. Number of Savings Banks and their Branches

| | Number of savings banks | Number of branches |
|------|-------------------------|--------------------|
| 1990 | 64 | 13,685 |
| 1995 | 50 | 15,874 |
| 2000 | 47 | 19,297 |
| 2005 | 46 | 22,443 |
| 2008 | 45 | 25,035 |

Source: Spanish Confederation of Savings Banks (CECA).

Telefónica Reassures on Earnings after Venezuela Devaluation

Telefónica, the telecommunications group, said the 50% devaluation of the Venezuelan currency, would not dent its earnings this year. Its subsidiary in the country generates around 7% of its total sales.

In a filing to the regulatory authorities, Telefónica said it stood by its ‘short- and medium-term earnings guidance and dividend targets until 2012’.

Spanish Companies Dominate the Global Ranking of Transportation Developers

Seven of the world’s top 10 transportation developers are Spanish, according to the latest ranking by Public Works Financing (see Figure 9).

Figure 9. Top Transportation Developers

| | Const./Operating (1) | Active Proposals |
|--|----------------------|------------------|
| 1. ACS/Iridium (Spain) | 58 | 39 |
| 2. Global Via (FCC-Caja Madrid) (Spain) | 41 | 27 |
| 3. Ferrovial/Cintra (Spain) | 41 | 8 |
| 4. Abertis (Spain) | 39 | 12 |
| 5. Vinci/Cofiroute (France) | 33 | 17 |
| 6. Macquarie group (Australia) | 33 | 13 |
| 7. OHL (Spain) | 28 | 17 |
| 8. NWS Holdings (China) | 26 | 2 |
| 9. Sacyr (Spain) | 23 | 30 |
| 10. Acciona/Nesco (Spain) | 22 | 11 |

(1) Road, bridge, tunnel, rail, airport concessions; over US\$50 million in capital put under construction/operation from 1/1/1985 to 1/X/2009.

Source: Public Works Financing.

Spain’s at-risk-of-poverty rate, above the EU Average

The proportion of the Spanish population at risk of poverty in 2008 was 20%, higher than the EU average (see Figure 10).

Figure 10. Poverty Threshold (PPS*) and at-risk-of-poverty rate (%)

| Country | Poverty threshold (euros) | Total population (%) |
|----------------|---------------------------|----------------------|
| EU-27 | - | 17 (provisional) |
| France | 9,700 | 13 |
| Germany | 10,600 | 15 |
| Italy | 9,000 | 29 |
| Spain | 8,400 | 20 |
| United Kingdom | 11,600 (provisional) | 19 (provisional) |

(*) 2008. The annual national at-risk-of poverty threshold is set at 60% of the national median income per equivalent adult. In order to allow comparisons between countries the threshold is expressed in this table in Purchasing Power Standards (PPS), which is an artificial reference currency unit that eliminates price level differences between countries.

Source: Eurostat.