

Inside Spain Nr 151

24 May - 18 June 2018

William Chislett

Summary

Spain offers a haven to 629 migrants stranded in the Mediterranean.
Spain ups its global presence.
New Socialist government plans to hold elections in June 2020.
Economy supremo sends positive signal to markets.
Iberdola enters the US offshore wind market.

Foreign Policy

Spain offers a haven to 629 migrants stranded in the Mediterranean

Spain came to the rescue and allowed a stranded humanitarian ship with 629 migrants on board to dock after Italy and Malta denied permission.

The Franco-German Aquarius, operated by Médecins Sans Frontières (MSF), and ships accompanying it docked at the port of Valencia. The group of mainly Sub-Saharanans includes 120 unaccompanied minors and seven pregnant women.

Prime Minister Pedro Sánchez quickly responded to the crisis following the closure of Italian ports to the ship by Interior Minister Matteo Salvini, leader of the far-right League party. 'Italy has stopped bowing its head and obeying, this time there is someone who says no', he wrote on Twitter.

Sánchez said it was Spain's 'obligation to help avoid a humanitarian catastrophe and offer 'a safe harbour' (*'un puerto seguro'*) to these people, thus complying with obligations of international law'.

Spain has received far fewer migrants and refugees than Italy, the main European entry point for those fleeing North Africa by sea, although the number arriving in the country has risen sharply this year (see Figure 1). According to the International Organisation for Migration, Italy received 13,808 people between 1 January and 6 June, 78% fewer than in the same period of 2018, and Spain 8,309, twice as many. In the first week of June alone, 561 migrants arrived on the Andalusian coast and this was followed by 986 in the space of 48 hours.

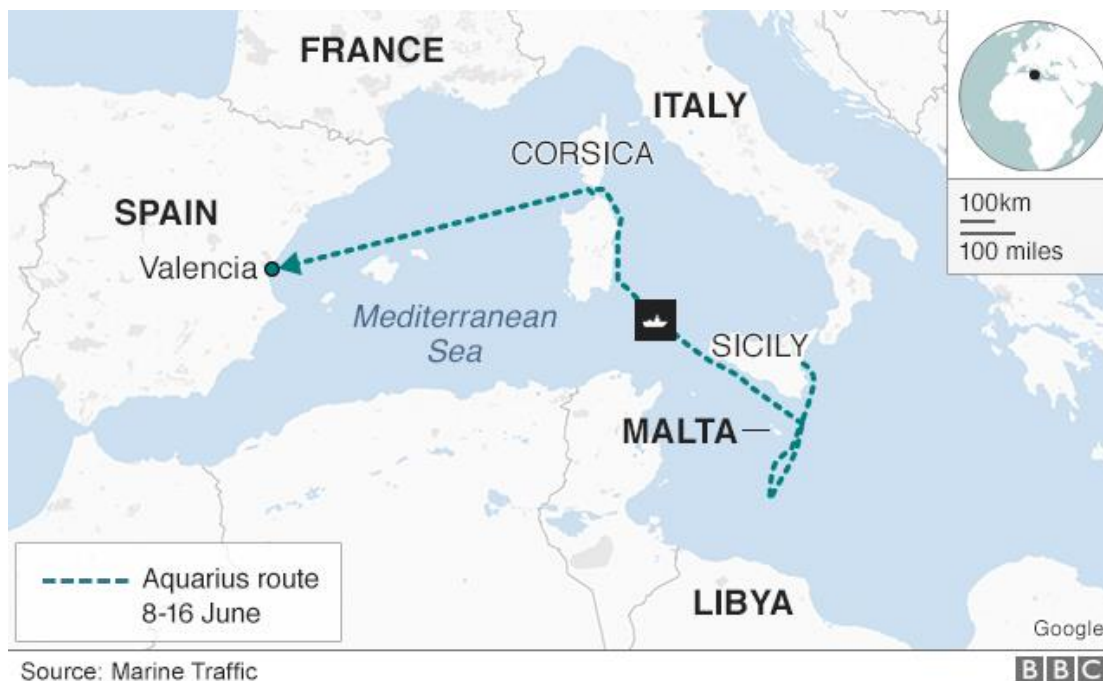
The decision by Sánchez, a week after becoming Prime Minister, resolved a potentially serious problem for the EU and signalled his desire for closer European co-operation, in stark contrast to the new Eurosceptic Italian government. The 629 migrants welcomed

to Spain are nothing compared to the more than 1.6 million who have arrived in Germany since 2014.

The move also enabled Sánchez to distance himself from the legacy of his conservative predecessor, Mariano Rajoy, who took in very few of the refugees agreed upon in an EU-wide accord in 2015.

Josep Borrell, Spain's Foreign Minister, told reporters that Spain wanted to play a 'more intense role' in Europe and was in favour of deeper political and financial integration. 'Europe has a common border and migration is a common problem... We need to find a consensual way to take in asylum seekers', said the former President of the European Parliament. He said the decision on the ship with the migrants was 'highly symbolic' and aimed at jolting the EU out of its 'ostrich politics' over migration.

Figure 1. The route of the Aquarius from 8 to 16 June, with Valencia as its final destination



Spain is one of the EU's most migrant-friendly countries. According to the Eurobarometer, 83% are comfortable with having social relations with immigrants compared with 55% for Germany and 40% for Italy.

In a separate development, the Socialist government said it would repeal the regulation, approved by the Popular Party government in 2012, limiting access to healthcare for undocumented immigrants.

Spain ups its global presence

Spain was ranked 11th out of 110 countries in the 2017 Elcano Global Presence Index, which measures the results of internationalisation, up from 12th in 2016 (see Figure 2).

Figure 2. 2017 Elcano global presence ranking, top 20

Country	Score	Country	Score
1. US	2,494.1	11. Spain	233.7
2. China	840.7	12. South Korea	225.8
3. UK	636.7	13. India	202.4
4. Germany	618.5	14. Switzerland	190.4
5. France	531.6	15. Australia	185.5
6. Japan	518.1	16. Belgium	185.5
7. Russia	380.3	17. Singapore	127.7
8. Canada	337.4	18. Sweden	126.4
9. Netherlands	297.3	19. Brazil	118.9
10. Italy	271.1	20. Saudi Arabia	113.3

Source: Elcano Global Presence Index, Elcano Royal Institute.

The *index*, the result of adding together 16 indicators of external projection that are aggregated according to the criteria of experts in international relations, measures the ability of countries to project themselves beyond their borders and the extent to which they are participating in and shaping the process of globalisation.

It measures global presence based on three dimensions. First, it ranks a country's economic presence, including outward foreign direct investment and other elements such as energy, services and exports. Secondly, it assesses a country's military presence, which is determined by the number of troops deployed abroad and the equipment available for deployment. Third, it includes statistics on a country's soft presence, which is based on a wide number of factors including exports of cultural products, tourist arrivals and official development aid.

Spain's economic presence (58.3% of its total global presence) was unchanged over 2016, while its military presence (10.2%) was slightly lower and its soft presence (31.5%) a tad higher (see Figure 3). Spain was ranked 12th in economic presence, 17th in military presence and 9th in the soft dimension.

Figure 3. Spain's global presence index absolute values and % share in the index of the economic, military and soft presence dimensions

Variable	1990	1995	2000	2010	2013	2014	2016	2017
Economic presence	50.8	64.9	101.1	174.3	152.6	143.4	132.0	136.2
% of global presence	47.5	50.1	57.1	62.0	61.3	59.6	58.2	58.3
Energy	1.7	0.7	1.8	2.4	4.0	4.0	2.6	2.1
Primary goods	5.0	8.3	8.6	10.9	12.1	12.2	11.5	11.9
Manufactures	15.4	20.0	23.3	24.0	22.6	24.5	23.6	23.8
Services	22.3	24.8	30.1	35.9	31.4	31.5	30.4	32.2
Investments	6.3	11.0	37.4	101.0	82.5	71.2	63.9	66.2
Military presence	32.6	33.7	34.7	39.4	39.1	24.2	24.1	23.9
% of global presence	30.5	26.0	19.6	13.9	15.0	10.0	10.6	10.2
Troops	0.3	6.5	10.9	9.8	9.3	3.2	4.0	3.9
Military equipment	32.3	27.2	23.8	29.6	29.9	21.0	20.1	20.0
Soft presence	23.5	31.1	41.1	70.7	69.3	73.1	70.7	73.6
% of global presence	22.0	23.9	23.2	24.9	26.5	30.4	31.2	31.5
Migrations	1.5	1.8	2.7	9.2	8.9	8.8	8.0	8.0
Tourism	8.8	7.2	9.5	9.6	10.2	10.6	11.7	12.8
Sports	0.7	2.1	1.0	2.7	2.5	2.4	2.3	2.1
Culture	4.4	9.1	14.0	15.7	16.9	16.7	16.4	16.2
Information	0.0	0.1	0.4	3.7	7.8	10.9	10.6	10.5
Technology	2.7	2.2	2.5	4.1	3.2	2.9	2.4	2.3
Science	2.3	3.9	5.1	11.0	12.3	12.6	12.5	10.7
Education	1.0	2.0	3.6	3.8	4.3	4.3	4.2	4.1
Development cooperation	1.9	2.6	2.4	10.9	3.2	3.8	2.6	6.7
Global presence index value	106.9	129.7	176.8	284.3	261.0	240.6	226.8	233.7
Position in the index	12	11	11	11	11	11	12	11
% share of presence								
Economic	1.43	1.71	1.96	2.77	2.35	2.12	2.02	2.11
Military	1.08	1.41	1.37	1.98	1.74	1.20	1.14	1.24
Soft	1.45	1.77	2.01	2.84	2.47	2.41	2.26	2.31
Global	1.43	1.71	1.96	2.77	2.35	2.12	2.02	2.11

Source: Elcano Global Presence Index, Elcano Royal Institute.

Spain's soft presence has risen virtually every year since 2010 as a result of the increased contributions of culture, tourism and migration. This type of presence has weathered the country's economic crisis (GDP shrank 9.2% between 2008 and 2013, and the pre-crisis level was not regained until 2017) better than the economic dimension. The contribution of the soft dimension to Spain's global presence rose from 24.9% in 2010 to 31.5% last year.

The economic dimension's contribution to the global presence dropped from 62% in 2010 to 58.3%, largely due to the fall in the stock of outward direct investment from US\$653.2 billion to US\$597.2 billion in 2017, according to UNCTAD. Companies disposed of assets abroad in order to reduce their debt loads and generally clean up their balance sheets.

The surge in exports of goods –from €186.8 billion to €277.1 billion over the same period– was not sufficient to offset the decline in investment abroad and maintain the contribution of the economic dimension.

The military's share of the global presence dropped from 13.9% to 10.2%, reflecting, among other things, the decommissioning of the Príncipe de Asturias aircraft carrier in 2013.

Spain's share of the global presence index rose from 1.4% to 2.1% between 1990 and 2017, while Germany's dropped from 6.4% to 5.6%, France's from 6.6% to 4.8% and Italy's from 3.2% to 2.4%, not much higher than Spain and something that few would have thought possible 40 years ago.

Domestic scene

New Socialist government plans to hold elections in June 2020

The new minority Socialist government, which came to power this month after engineering and winning an unprecedented censure vote in parliament against the conservative Popular Party administration, hopes to remain in power until June 2020 when the next election is due, although its position is weak.

Mariano Rajoy, Prime Minister for more than six years, was toppled by the 180 votes of an unholy alliance between the Socialists, the far left Unidos Podemos, Basque nationalists and Catalan separatists against 169 from the Popular Party and the anti-separatist Ciudadanos (which supported the Popular Party's minority government). The Popular Party dubbed the government a 'Frankenstein' administration.

The disparate parties that ousted the Popular Party from office, after a court handed prison sentences to politicians and businesspeople for their involvement in a huge kickbacks-for-contracts scheme, made common cause against Rajoy, but their objectives are very different. The Popular Party won the November 2011 and June 2016 elections.

Ciudadanos, with 32 of the 350 seats in parliament, did not back the no-confidence motion out of loyalty to the Popular Party but because it wanted an immediate general election as it was leading the voter intention polls. It has been left somewhat out in the cold. In the opposing camp, the Socialists, the second largest party in parliament with 84 seats (their lowest number in post-Franco Spain) and trailing in the polls, saw a chance to unseat the Popular Party and gain power. They got other parties on board for their own particular interest, while fudging the election issue.

The new cabinet has more female than male Ministers (11 out of 18 –including the Prime Minister– and the highest share in the EU) for the first time. Hungary has only one female Minister. Many of them are recognised experts in their fields. Sánchez said the government was a ‘faithful reflection’ of the massive feminist mobilisations that took place on 8 March when millions of Spanish women took part in a 24-hour strike against sexual discrimination and gender inequality.

The appointment of Nadia Calviño, the former Director General of Budget at the European Commission, as Economy Minister, and Josep Borrell, a former President of the European Parliament, as Foreign Minister, sent a very clear signal to Brussels of fiscal rectitude and a pro-Europe stamp, in stark contrast to the new Eurosceptic and populist Italian government.¹ The astronaut Pedro Duque is the Science, Innovation and Universities Minister. Culture Minister Màxim Huerta only lasted a week as he quit after it was revealed that he had been fined for tax fraud.

Not all the Ministers are card-carrying members of the Socialist party. The government is more centrist than social democratic.

Sánchez refused Unidos Podemos’ request to form a coalition and will have no truck with independence for Catalonia. The 71-year-old Borrell, a Catalan, became the *bête noire* of separatists (and very popular in the anti-independence camp) after publicly denouncing them in rallies in Barcelona.

The Socialists’ lack of an absolute majority (they have 50 fewer than the previous minority Popular Party government) means they will have to negotiate everything that goes through parliament. Their natural allies are Ciudadanos, with whom they agreed a pact after the 2016 election for Sánchez to be Prime Minister, but they were outvoted by the other parties. The Popular Party has no interest in pushing for an early election as it first has to choose a new leader to replace Rajoy, who quit as the party’s leader.

Ciudadanos’s support, however, will not be enough, while Unidos Podemos feels abandoned by the Socialists with whom it is fighting for hegemony of the left. The Senate, with limited powers, is in the hands of the Popular Party.

There are some areas where the Socialists could garner sufficient support, such as bolstering the independence of the state television broadcaster TVE, enhancing

¹ The major differences between Spain and Italy are well explained in a post by Andrés Ortega at <https://blog.realinstitutoelcano.org/en/spain-is-not-italy/>.

transparency in public contracts, which fits well with Sánchez's pledge to clean up public life, abolishing the Popular Party's excessive restrictions on the right to protest and removing the remains of General Franco from the state-funded 'Valley of the Fallen' basilica carved into mountains near Madrid with the labour of Republican prisoners and turn it into museum that more properly commemorates all those who died on both sides of the 1936-39 Civil War. José Antonio Primo de Rivera, the founder of Spain's fascist Falange party, is also interred there.

The previous Socialist government of José Luis Rodríguez Zapatero drew up a plan on what to do with the 'Valley of the Fallen', but it was shelved when the Popular Party took office in November 2011 on the grounds that there was no consensus on the issue. The only party against removing Franco's remains is the Popular Party.

Unlike Rajoy, Podemos' leader, the pony-tailed Pablo Iglesias, and his partner Irene Montero, the party's parliamentary spokeswoman, survived a confidence vote by the party's membership at the end of last month over a luxury house purchase.

The 268 square-metre house –on a 2,300 square-metre plot with a large garden, swimming pool and separate housing for guests– located outside Madrid was bought for €660,000 with a 90% mortgage. It caused an uproar in the party, one of whose hallmarks is that its leaders like to be seen as ordinary Spaniards who understand the plight of workers. 'Podemos's ethics code is not a formality', said José María González Santos – popularly known as Kichi–, the Podemos Mayor of Cádiz. 'It is a commitment to living like working people so that you can represent them'.

Iglesias was accused of hypocrisy as in 2012 he criticised the then Economy Minister, Luis de Guindos, for buying a flat for a similar price, and he also said that if elected Prime Minister he would not want to move to La Moncloa, the seat of government. Most parties celebrated Iglesias's purchase as it showed him joining the bourgeoisie.

The Socialists hope is that their time in government will enhance their electoral prospects and turn the tide in their favour. One voter-intention poll already has them ahead of the other parties and winning the next election, but not with an absolute majority.

... Catalan government takes office, Madrid lifts direct rule

The central government ended more than seven months of direct rule in Catalonia after a new regional government was sworn in, although it has not given up its push for independence.

The cabinet led by the ultra-nationalist Quim Torra, a close ally of the former Catalan Premier Carles Puigdemont, who is in self-imposed exile in Germany waiting to see whether he will be extradited, took over the same day that the Socialist Pedro Sánchez was sworn in as the new Spanish Prime Minister.

Sánchez, like his predecessor Mariano Rajoy, opposes a referendum on independence but, unlike him, is willing to engage in dialogue.

Under the Spanish constitution, direct rule ended once a new government acceptable to Madrid took office. Torra had tried last month to include in his cabinet two separatists who are in pre-detention trial and two who are wanted by the authorities after fleeing Spain last year, following an unconstitutional referendum and Puigdemont's unilateral declaration of independence, whose duration was exactly 56 seconds.

Madrid viewed Torra's move as a provocation and did not publish the names of his cabinet in the official state gazette (BOE), a step needed to confirm their appointment. As a result, direct rule continued.

At his first cabinet meeting in Madrid, Sánchez lifted direct control of Catalonia's finances. 'The government has the great aim of restoring the country's institutional normality and to do that we need to open ourselves up to dialogue', said the new spokeswoman Isabel Celaá.

The government also allowed the Catalan government's 'embassies' abroad to re-open, but will keep a close eye on their activities. They were closed under direct rule.

Sánchez, like Rajoy, has made it very clear that nothing will be negotiated outside the constitution. Unless Torra's policy changes, it will be a dialogue of the deaf.

Court confirms prison for King's brother-in-law...

The Supreme Court upheld the jail sentence for King Felipe's brother-in-law, who was found guilty by a lower court of misuse of public funds, influence peddling and tax fraud.

The court, however, dismissed the charge that Iñaki Urdangarín falsified documents and reduced his sentence by five months to five years and 10 months. It also upheld the sentence that found his wife, the Infanta Cristina, unknowingly benefited from her husband's illegal financial gains. The court ordered her to pay €136,95, half of the original fine.

The case dates to 2011 when the activities of Urdangarín's non-profit foundation, the Nóos Institute, and a real estate company, Aizoon, began to be investigated. He and his partners were accused of embezzling more than €7 million.

The monarchy's popularity began to decline when the case became public. It has since been restored under King Felipe following the abdication of his father, King Juan Carlos, in 2014.

Urdangarín could appeal to the Constitutional Court, but would have to remain in prison.

... More Popular Party politicians jailed in ongoing corruption case

Three weeks after a court handed prison sentences and fines to Popular Party politicians and their business associates for operating a kickbacks-for-contracts scheme that led to the ousting of Prime Minister Mariano Rajoy, the same court sentenced nine people to prison and fined another nine in a related case.

The 18 are part of the Valencia end of the Gürtel case, the longest probe into political corruption in Spain's democratic history. The heaviest sentence went to Francisco Correa, the ringleader, who was jailed for five years and three months for electoral and tax crimes and falsifying documents. Correa received a 51-year sentence last month in the central part of the Gürtel case.

Judge José María Vázquez Honrubia said the Popular Party in Valencia, a region it ruled between 1995 and 2015, financed electoral campaigns in an 'absolutely irregular way'.

The Popular Party responded to its corruption cases by saying it cannot be responsible for the actions of the rotten apples in its ranks. The extent of these cases, however, lends credence to the widely held belief that the party's corruption is institutional.

The Economy

Economy supremo sends positive signal to markets

The new minority Socialist government has inherited an economy in far better shape than that left to the Popular Party when it took office at the end of 2011, but it has little leeway for more expansionist policies and reforms.

Mariano Rajoy, the Popular Party Prime Minister ousted in a parliamentary censure, took over from the Socialists with unemployment at 22.8%, a budget deficit of 9.3% of GDP, public debt at 69.5%, a current account deficit of 3.2% and parts of the banking system in crisis.

Pedro Sánchez takes over with unemployment at 16.7%, a budget deficit in 2017 of 3.1%, public debt at 99%, a current account in surplus for the past five years (1.9% in 2017), largely thanks to booming tourism and exports, and healthier banks, particularly Bankia, the largest one rescued by an EU bailout. Income inequality, however, has grown.

His Economy Minister, Nadia Calviño, the EU's former Director General for Budgets is, as one would expect, not up for populist measures, while the Finance Minister, María Jesús Montero, met the deficit targets for Andalusia when she was in charge of the region's finances, unlike Cristóbal Montoro, the Popular Party's Finance Minister, who missed all the EU-imposed targets for Spain until 2017 or only did so by having them revised upwards.

Calviño is the government economic supremo and will coordinate all areas. Her appointment sent a very positive signal to markets jittery over the new Eurosceptic Italian government and worried that the change in Spain might add to the euro zone's woes.

Spain's risk premium –the keenly watched spread between 10-year Spanish government bonds and the benchmark German equivalent (bunds)– came down after the new government was appointed to 86 bp on 18 June as against Italy's 217.

The budget deficit came in at 3.07% of GDP in 2017, narrowly meeting the EU-imposed target of 3.1% and paving the way for the country to exit this year the EU's excessive-deficit procedure. Spain is the only country whose budget is still under EU supervision for running a deficit above the limit of 3%. Lowering the deficit has been a long and winding road (see Figure 4).

Figure 4. Spain's budget performance, 2007-2017 (% of GDP)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
% GDP	+1.92	-4.42	-11.02	-9.45	-9.31	-6.79	-6.67	-5.84	-5.23	-4.29	-3.07

Reaching this year's budget deficit target of 2.3% has been complicated by the Popular Party's U-turn over pensions. It agreed last month to restore indexation of pension payments to inflation in order to win belated parliamentary approval for the 2018 budget.

The move, which increases spending, followed protests by pensioners over the ending of indexation in 2014 and was part of a deal struck between the then minority Popular Party government (backed by Ciudadanos) and the Basque Nationalist Party (EAJ-PNV), whose five MPs were needed.

Sánchez, before becoming Prime Minister, had defended paying for the pensions increase with a tax on banks. He also supported repealing the Popular Party's 2012 labour reforms. The reforms reduced severance payments and allowed companies in certain circumstances to opt out of collective pay-setting agreements within industries and to make their own deals with workers. Sánchez told trade union and employer representatives that he would only try to negotiate partial changes.

As well as privately expressing satisfaction that Spain's economy is in a safe pair of hands, the European Commission has taken heart from the new government's support for further EU integration. Rajoy was more in the cautious German camp than in the ambitious French push for deeper fiscal and banking reforms.

Spaniards are among the most supportive of greater integration, according to a Eurobarometer poll published this month (see Figure 5).

Figure 5. What is your opinion on each of the following statements? For or against? (%)

	France		Germany		Italy		Spain		UK	
	For	Against	For	Against	For	Against	For	Against	For	Against
The free movement of EU citizens who can live, work, study and do their business anywhere in the EU	76	18	92	6	70	22	90	7	72	21
A common defence and security policy among EU member states	74	17	86	12	71	22	82	10	63	24
A common energy policy among EU member states	72	17	88	9	67	23	81	11	60	24
The EU's common trade policy	58	29	84	12	61	28	80	11	64	21
A common European policy on migration	67	24	85	14	68	25	82	11	56	31
A common foreign policy of the 28 EU member states	56	33	85	12	63	27	78	13	50	33
A digital single market within the EU	52	27	77	10	55	26	71	12	43	32
A European economic and monetary union with one single currency, the euro	70	24	83	14	61	29	76	19	61	32
Further enlargement of the EU to include other countries in future years	31	61	31	63	38	51	67	20	42	42

Colour code: For, Against.

The difference between the sum of those for and against with 100 corresponds to the “don't knows”.

Source: Eurobarometer, June 2018.

Inward and outward direct investment holds up

Spain remained among the Top 20 economies for foreign direct investment inflows and outflows in 2017, according to UNCTAD's 2018 World Investment Report. Its inflow of US\$19 billion was the 17th largest and its outflow of US\$40.7 billion the 10th (see Figures 6 and 7).

Figure 6. Foreign direct investment inflows, 2012-2017 (US\$ bn) and stock 2017

	2012	2013	2014	2015	2016	2017	Stock2017
France	16.0	34.2	2.7	45.3	35.1	49.7	874
Germany	28.1	15.6	4.8	33.2	16.9	28.1	931
Italy	0.09	24.3	23.2	19.6	22.2	17.0	413
Spain	25.6	37.4	25.2	19.5	19.6	19.0	644
UK	55.4	51.7	24.7	32.7	196.1	15.0	1,564

Source: World Investment Report, 2018, UNCTAD.

Figure 7. Foreign direct investment outflows, 2012-2017 (US\$ bn) and stock 2017

	2012	2013	2014	2015	2016	2017	Stock2017
France	35.4	20.4	49.8	53.2	63.2	58.1	1,452
Germany	62.2	42.3	99.6	108.2	51.5	82.3	1,607
Italy	8.0	25.1	26.3	22.3	17.7	4.4	533
Spain	-3.9	12.8	33.8	50.5	38.1	40.7	597
UK	20.7	40.4	-151.3	-83.5	-22.5	99.6	1,477

Negative values indicate disinvestment in assets or discharges of liabilities.

Source: World Investment Report, 2018, UNCTAD.

The stock of inward investment in 2017 was US\$92 billion higher at US\$644 billion than in 2016 and that of outward investment US\$70 billion more at US\$597 billion.

Spain drops in IMD competitiveness ranking

Spain fell from the 34th spot to the 36th out of 63 countries in the IMD competitiveness ranking, largely because of greater improvements in other countries rather than any severe deterioration in Spain's position (see Figure 8).

Figure 8. IMD world competitiveness ranking 2018

	Score0-100
1. US	100.0
2. Hong Kong	99.2
15. Germany	88.7
20. UK	85.6
28. France	79.9
36. Spain	74.9
42. Italy	70.6
63. Venezuela	27.5

Source: IMD.

The ranking is based on four factors that, in turn, draw on sub-factors. Spain's ranking in the economic performance dimension improved four places to 31st, in government efficiency and business efficiency it remained in 38th and 42nd position, respectively, and in infrastructure it dropped from 26th to 27th (see Figure 9).

Figure 9. Spain's performance in the IMD competitiveness index by factors (1)

	2013	2014	2015	2016	2017	2018
Economic performance	53	51	39	30	35	31
Government efficiency	50	46	43	49	38	38
Business efficiency	50	42	46	41	42	42
Infrastructure	27	27	29	27	26	27
Overall performance	45	39	37	34	34	36

(1) Ranking out of 63 countries.

Source: IMD World Competitiveness Yearbook 2017.

Spain's main strengths are exports of commercial services (11th), low homicide rate (10th), banking sector assets (17th) and life expectancy at birth (6th). The chief weaknesses are in youth unemployment (60th), general government debt (56th), employee training (58th) and language skills (52nd).

Corporate scene

Iberdrola enters the US offshore wind market

Iberdrola is to build an offshore wind farm off the east coast of the US at an estimated cost of €2.4 billion. The farm will have an output of 800 MW and will be the first of Iberdrola's large scale offshore farms to be commissioned. The project is part of the State of Massachusetts' goals to develop alternative sources of energy under the Green Communities Act.

In other news, Italy's Enel outbid Iberdrola for the Brazilian grid operator Eletropaulo Metropolitana Eletricidade based in São Paulo.

Ferrovial to manage trains in Wales

Ferrovial's UK subsidiary Amey, in a joint venture with the French public transport operator Keolis, is to develop and operate the next Wales and Borders rail franchise. KeolisAmey already operates Greater Manchester's Metrolink light-rail network and the Dockland Light Railway in London.