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DIARIO INDEPENDIENTE DE LA MAÑANA

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Rajoy demands minister's head over Endesa battle

PM insists that creation of national energy champion is in interest of Spanish consumers

ANDREW EATWELL, Madrid José Montilla's continuation as industry minister is a "joke." Popular Party leader Mariano Rajoy declared Wednesday as he called on the cabinet member to step down over the Socialist government's controversial opposition to a takeover bid for Spanish electricity firm Endesa by German group E.ON.

Rajoy's singling out of Montilla for blame for the political, judicial and corporate furor that surrounds Endesa's future came a day after the European Commission approved E.ON's €29.1 billion bid, in a clear warning to Madrid not to try to block it.

Brussels had previously opened an investigation into the Spanish government's decision to move the goal posts for E.ON by rushing through legislation to allow regulators to vet foreign interest in the national energy sector. The government's actions, described as "protectionist" by the Commission, sent a clear message that the Socialist administration is supporting a rival offer by Gas Natural — a gas supplier headquartered in Catalonia, Montilla's home region.

"Political reasons" are behind the government's "grotesque" handling of the bid, Rajoy charged yesterday, noting that the government had ignored regulators' concerns about Gas Natural's €22.4 billion offer. "You are not defending the interests of consumers, or the Spanish people," he added.

Zapatero, who has previously indicated that he would like to see a national champion created in the energy sector, responded that the government is "defending the interests of Spain and consumers."

"Within Europe we believe that there should be big Spanish energy companies," Zapatero said. He argued that the PP is acting "shamefully" by campaigning in favor of a foreign firm.

Ten percent of women feel sexually harassed at work, new survey reports

CHARO NOGUEIRA, Madrid One out of every 10 women suffered sexual harassment at the workplace in the last year, a survey released Wednesday by the Woman's Institute reports.

Nearly 10 percent of the 2,000 women interviewed for *El acoso sexual a las mujeres en el ámbito laboral* (Sexual harassment against women in the workplace) reported different types of harassment, ranging from sexual innuendo to touching.

An additional five percent of respondents said they had witnessed harassment in the last year, but not suffered it them-

selves, according to the study presented Wednesday by Soledad Murillo, secretary general for equality policies.

The survey establishes three levels of harassment, with the less serious one — verbal pressure through sexual innuendos and dirty jokes — being the most common, and affecting 9.5 percent of female workers.

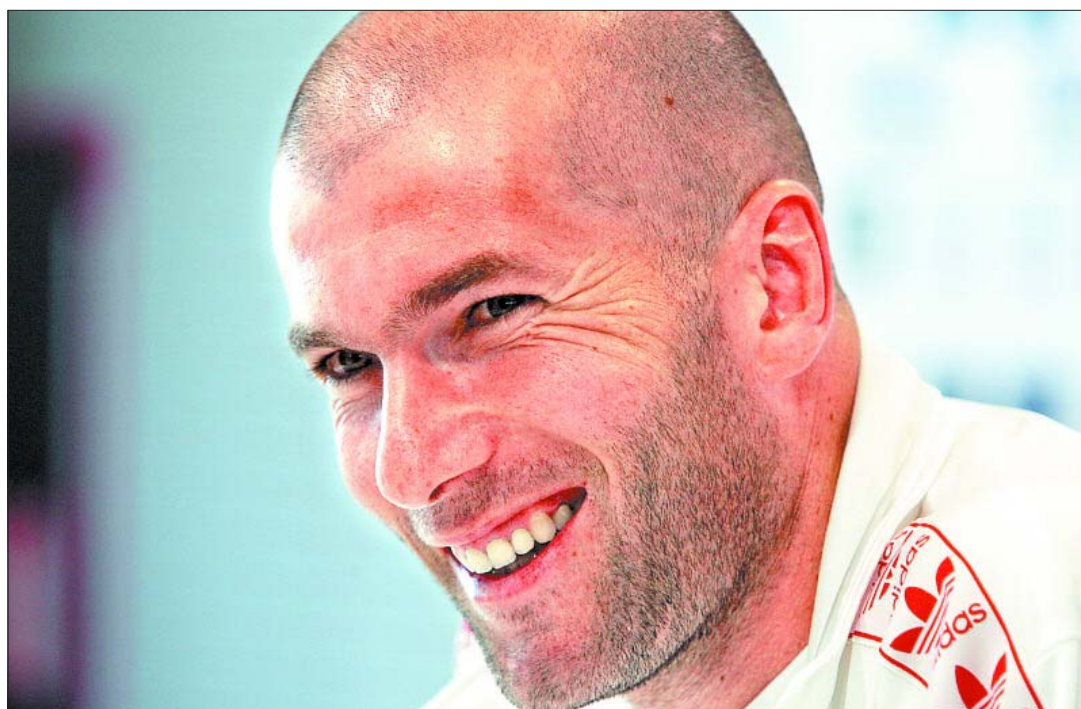
"There is a lot of tolerance for minor harassment, which opens the door to more serious abuse," said Murillo.

Some 3.6 percent of respondents said they were harassed in more serious ways, including be-

ing asked about their sex lives and even being asked for sex in exchange for favors. A third category, affecting 2.1 percent of women, involves physical assault such as touching and pinching.

The majority of women who feel harassed are between 16 and 24 years old, with single women the biggest target. There is also a higher rate of harassment among foreign women.

As for regional differences, Catalonia had the highest reported incidence at 22.2 percent, followed by Andalusia, 20.4 percent, and Galicia, 16.4 percent.



Zinedine Zidane discusses his retirement plans in a Madrid press conference yesterday. / ULY MARTIN

Spain set to profit as tourist safe haven

STAFF REPORTER, Madrid The Exceltur tourist association forecast that Spain's overseas tourist arrivals will hit yet new record levels this year as the country benefits from political uncertainty and security concerns in rival destinations such as Egypt and Turkey. See ETA page 7

The tiny robots that can roam the body to roadmap disease

SCIENCE

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THE BEST BED ON EARTH
IS NOT ON EARTH.

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Zidane ready to train the next Real generation

A. E., Madrid A day after announcing he will retire from soccer after the World Cup, French midfielder Zinedine Zidane admitted Wednesday that he might have stayed on with Real Madrid for another year if the club had won a title this season.

"If you win you want to continue. I've always been a competitive player, and I don't want to be here for the sake of being here," Zidane, who won the Champions League and Spanish League with Real Madrid in 2002 and 2003 respective-

ly, said in a press conference. The 33-year-old midfielder, widely regarded as one of the best players to wear Real's white shirt, nonetheless said he would remain "close" to the club, and would be interested in helping train aspiring footballers in the youth divisions.

"There are a lot of things I can do with Real Madrid and I've got a lot to show the children," he said.

Zidane's last match in the Real shirt will be on May 6 or 7 in the club's Santiago Bernabéu Stadium against Villarreal.

Cintra net profit up 79.1% in first quarter

Spanish toll road concession operator Cintra said Wednesday its net profit in the first three months of the year climbed 79.1 percent from the same period a year earlier to €5.6 million as a result of a positive traffic and revenue performance, and improved margins in Canada and the United States. Earnings were also boosted by new toll roads coming into service and expansion in its car park business. Revenues were up 23.9 percent at €184.6 million.

Ignacio Galán takes over as Iberdrola chairman

Iberdrola Chief Executive Officer Ignacio Galán yesterday took over as chairman of Iberdrola from Iñigo de Oriol. De Oriol is stepping down under the Spanish electricity company's by-laws, which require the chairman to give up office after reaching the age of 70 years. Galán joined Iberdrola in May 2001 as CEO and Executive Vice-President. He will combine the post of chairman with that of CEO.

Logista net profit climbs 22.3% in first quarter

Spanish logistics group Logista said Wednesday its net profit in the first three months of this year was up 23.3 percent to €17.1 million as its tobacco distribution business in Italy increased. Revenues in the period were up 7 percent at €183.9 million. Logista is a unit of the French-Spanish tobacco group Altadis.

Cie net profit up 25% in first quarter

Spanish vehicle parts manufacturer Cie Automotive said Wednesday its net profit in the first quarter of the year rose 25 percent from the same period a year earlier to €10.8 million as sales climbed 9 percent to €237.3 million due to overseas expansion. Cie said its operations in Brazil, Mexico, Portugal and the Czech Republic now account for 32.0 percent of consolidated revenue, compared with only 22.1 percent in the same period of 2005.

BBVA's earnings boosted by Mexican & US division

Spain's second largest bank earned €1.02 billion in first quarter

A. SIM, Madrid Banco Bilbao Vizcaya Argentaria booked a 25.1 percent increase in its net profit in the first quarter of the year to €1.02 billion, with earnings boosted by strong growth at its Mexican and US division.

BBVA said business activity and revenues in Mexico and the United States were up 80.8 percent as operating profit grew 87.7 percent. The division contributed €434 million to group net attributable profit.

The group's Spanish and Portuguese retail banking business increased lending by 19.9 percent. Operating profit was up 14.3 percent, while net attributable profit rose 12.5 percent to €363 million.

Spain's second largest bank set new records in the quarter for net interest income, core revenues and operating profit,

which rose 32.9 percent to €1.9 billion. The group's total assets grew 13.6 percent to €393 billion, total lending rose 22.7 percent to €228 billion, and total customer funds increased 19.3 percent to €405 billion.

No European opportunities

Speaking at a presentation of the results, Chief Executive José Ignacio Goirigolzarri said BBVA is looking to expand further in the United States, initially in areas close to the border with Mexico. BBVA has built up its US business through a series of recent acquisitions including Laredo National Bancshares in Texas and California's Valley Bank.

Goirigolzarri said the bank plans to tap its experience of dealing with Hispanic customers. In the course of the next

nine months, the bank will open 40 more branches in Mexico, where its activities are centered around its Bancomer unit.

The official did not rule out further expansion in Europe, but added there are few opportunities there at the moment. "We are always looking for alternatives and acquisition opportunities that could appear (in Europe), but we don't see any at the moment."

BBVA missed out on acquiring Banca Nazionale del Lavoro earlier this year after France's BNP Paribas tabled a €9 billion offer for Italy's sixth largest bank. Goirigolzarri said BBVA plans to tender its 15 percent stake in BNL in BNP's public offer, with the sale generating capital gains of €547 million. The bank, he said, is sitting on total unrealized pretax capital gains of €3.62 billion.

Industry group sees ETA ceasefire boosting overseas arrivals to Spain

STAFF REPORTER, Madrid The recent announcement of a ceasefire by the Basque terrorist organization ETA as well as instability in other tourist destinations in the Mediterranean basin such as Egypt and Turkey is expected to boost the number of foreign visitors to Spain, a local industry group said Wednesday.

Exceltur, which groups together 30 of the leading companies in the domestic tourist industry, forecast overseas arrivals would increase by 4.1 percent to yet a new record of 57.9 million.

"Possible exogenous factors and uncertainty produced by risks such as avian flu, the furor raised by the (publication of) Islamic caricatures, and political instability in the Middle East heightened by the latest terrorist attacks in Egypt have hit tourist destinations which compete with Spain," Exceltur secretary general José Luis Zoreda said in a statement.

Tourist receipts slowdown

But while Spain is likely to benefit from the troubles facing rival

destinations in terms of arrivals, this is not expected to lead to a big increase in revenues. Exceltur forecast average revenue per overseas visitor to drop 0.3 percent this year, continuing a trend initiated in 2004 when the average stay stood at 11.2 days. This fell to 10.6 days in 2005 and to 10.1 days in the first two months of this year.

Spain is the second most popular tourist destination in the world after France. It accounts for close to 12 percent of its gross domestic product.

Solbes sees Spain first quarter GDP up 3.5%

Economy Minister Pedro Solbes said Wednesday that Spain's gross domestic product in the first quarter grew at a rate similar to that in the fourth quarter of last year when it was up 3.5 percent. "In the first quarter of the year, growth may have achieved a rate close to that in the fourth quarter of 2005," Solbes said in an appearance before the Senate. Domestic demand remained strong, offsetting the negative impact of sharply higher oil prices. For the whole of 2005, GDP in Spain was up 3.4 percent, more than double the rate in the euro area. Domestic demand contributed 5.3 percentage points to growth, while net trade—exports minus imports—shaved 1.9 points off the figure.

Spanish firms pay most tax in EU

Spanish corporations suffer the highest tax burden within the European Union, according to a study by the German-based Center for European Economic Research (ZEW). The average effective corporate tax rate in Spain last year was 36.1 percent, compared with an average for the 25-member bloc of 23.7 percent. The calculation of the tax rate does not include the impact of tax breaks but takes into account inflation, which in Spain is much higher than most of its European partners. The highest effective tax rate after Spain was Germany, where companies pay an average 36.0 percent. The lowest was in Cyprus, with an average of 9.7 percent.

CNMV to issue hedge fund circular in May

The Spanish National Securities Commission (CNMV) expects to approve a circular detailing the requirements for setting up hedge funds in Spain on May 3. CNMV Chairman Manuel Conthe said. The Spanish government recently approved the establishment of hedge funds. Conthe said because of the inherent greater risks involved in hedge funds, shareholder fund requirement will be greater than those for other types of investment funds.

Not much drive

RAFAEL VIDAL

The Spanish blue-chip Ibx 35 remains stuck at around the 11,900-point level despite some forays by short-term investors, which managed to push the benchmark to 11,958.10 points at one point during yesterday's session.

A lack of interest by investors with a longer-term horizon at current high levels left the efforts of their short-term colleagues in vain, a factor that was also reflected in low trading volumes. Turnover on the continuous market came to only €2.638 billion.

The Ibx 35 ended the session up 0.04 percent, with the gain achieved in the last few minutes of the session after the index had been 0.28 percent lower at mid-session. The last-minute recovery was due largely to opening gains on Wall Street on the back of the release of some positive US economic indicators.

US durable goods orders for March increased by 6.1 percent, above forecast. New home sales also beat estimates, which helped offset the impact of a fall in weekly crude oil reserves.

The euro-zone investors had reason for calm from the release of February industry output index figure, which was up 3.2 percent from the same month a year earlier. However, most of the stock markets in the single European currency block barely managed to close in positive territory because of ongoing concerns about the scenario for crude oil prices.

IBEX 35

Close: 11,925.60 (+5.10; +0.04%)

Trading in euros

Nominal	Equity	Latest price	Former	Daily variation	Yesterday	Trading volume (1,000)	% Annual variation
				Euros	%	Min.	Max.
						Yest.	Accum.
3.00	Aberitis	20.86	20.87	-0.01	-0.05	20.60	21.05
1.00	Acciona	140.00	138.30	1.70	1.23	136.00	140.00
0.25	Acerinox	13.62	13.62	-	-	13.53	13.72
0.50	ACS-Dragsados	33.14	33.32	-0.18	-0.54	33.01	33.66
0.60	Altadis	37.71	37.87	-0.16	-0.42	37.51	38.15
0.75	Antena 3 TV	21.77	21.97	-0.20	-0.91	21.62	22.20
1.00	Arcelor	34.05	34.18	-0.13	-0.38	34.02	34.20
0.10	Banco Popular	12.07	12.02	0.05	0.42	11.98	12.15
0.50	Banco Sabadell	28.57	28.19	0.38	1.35	28.27	28.71
1.50	Bankinter	55.60	55.70	-0.10	-0.18	55.40	55.90
0.49	BBVA	17.41	17.45	-0.04	-0.23	17.23	17.45
0.20	Cintra	10.84	10.85	-0.01	-0.09	10.83	10.91
1.50	Enagás	17.88	17.58	0.30	1.71	17.61	17.94
1.20	Endesa	26.49	26.75	-0.26	-0.97	26.46	26.80
1.00	FCC	64.35	64.40	-0.05	-0.08	63.55	64.65
1.00	Ferrovial	64.65	64.45	0.20	0.31	64.50	65.00
0.50	Gamesa	17.45	17.63	-0.18	-1.02	17.60	17.70
1.00	Gas Natural	24.35	24.39	-0.04	-0.16	24.18	24.55
3.00	Iberdrola	25.72	25.55	0.17	0.67	25.50	25.75
0.78	Iberia	2.25	2.24	0.01	0.45	2.23	2.26
0.15	Inditex	32.80	32.33	0.47	1.45	32.38	33.10
0.20	Indra	16.66	16.51	0.15	0.91	16.55	16.74
1.50	Metrovacesa	72.45	73.70	-1.25	-1.70	71.60	74.30
2.00	NH Hoteles	14.35	14.39	-0.04	-0.28	14.33	14.42
0.10	Prisa	14.59	14.69	-0.10	-0.68	14.56	14.79
2.00	REE	28.00	27.83	0.17	0.61	27.64	28.03
1.00	Repsol YPF	24.13	23.99	0.14	0.58	23.95	24.24
1.00	Sacyr Vallehermoso	27.64	27.72	-0.08	-0.29	27.50	27.97
0.50	Santander	12.11	12.08	0.03	0.25	12.07	12.13
2.00	Sogecable	30.71	31.00	-0.29	-0.94	30.52	31.15
0.50	Telecinco	20.65	20.66	-0.01	-0.05	20.61	20.80
1.00	Telefónica	12.75	12.75	-	-	12.71	12.80
0.50	Telefónica Móviles	10.54	10.52	0.02	0.19	10.48	10.57
0.05	TPI	9.05	9.13	-0.08	-0.88	9.02	9.18
3.00	Unión Fenosa	30.73	30.65	0.08	0.26	30.61	30.97

CONTINUOUS MARKET

BIGGEST HIGHS

	%	Euros
Mecalux	9.60	2.43
Impysa	3.97	0.50
Tavex-Algodonera	3.07	0.11
Snicea	2.74	0.14
EADS	2.70	0.85
Reno Medici	2.60	0.02
Tubos Reunidos	2.28	0.28
Bayer	2.28	0.79
Tecnocom	2.28	0.22
Prosegur	2.07	0.43

BIGGEST LOWS

	%	Euros
Banco de Galicia	-2.96	-0.80
Ercros	-2.25	-0.02
Funespaña	-2.19	-0.20
Agua de Barcelona	-1.96	-0.44
Tudor	-1.87	-0.19
Immob. Colonial	-1.73	-1.00
Metrovacesa	-1.70	-1.25
OHL	-1.53	-0.28
Tubacex	-1.49	-0.08
Industrias Besós	-1.43	-0.20

FOREIGN CURRENCIES

	Buy	Sell
US dollar	1.2467	1.2466
Japanese yen	142.9150	142.9000
Sterling pound	0.6967	0.6966
Australian dollar	1.6532	1.6526
Swiss franc	1.5809	1.5808
Norwegian kroner	7.7928	7.7912

Units per euro at 18:00

Source: Cinco Días