

ALVAREZ GARCIA, Santiago and ROMERO JORDAN, Desiderio

Lines for Reforming the Corporation Tax in the Context of the European Union

Abstract: The objectives of the corporation tax reform undertaken in Spain in 1995 included introducing a series of measures intended to bring book profit and taxable corporate income into line, improve neutrality and encourage the internationalisation of Spanish business. Although this reform is generally regarded as beneficial, a more thorough study is in order. The purpose of this paper is to analyse the possible alternatives to further the reforms instituted, with special reference to the measures adopted in other European Union countries.

Key words: corporate tax, fiscal neutrality, economy internationalisation, EU, Spain.

JEL Classification: H25, H32.

BAJO RUBIO, Oscar

Exchange Rate Crises: Theory and Empirical Evidence

Abstract: This paper reviews the major theoretical models used to explain exchange rate crises. In particular, a distinction is drawn between those based on the unfavourable evolution of fundamental economic conditions (the fundamentals) that would presumably impact exchange rate trends, and those that stress the role of self-fulfilling expectations, even where such fundamental conditions are not especially unfavourable. The way these models conform to the facts is also studied, focusing on crises taking place over the last ten years.

Key words: exchange rate, financial markets, financial crisis, macroeconomic magnitudes, expectations.

JEL Classification: F31, F33, F36.

BUSTILLO MESANZA, Ricardo

An Overview of Recent Trends in Spanish Policies to Foster Internationalisation

Abstract: The implementation of policies to promote internationalisation entails a suite of public measures intended to facilitate national firms' entry on foreign markets. In the case of Spain, an analysis of the principal characteristics of these policies affords a view of the Government's most recent strategy, whose suitability should be discussed in the context of a contrast with the basic functions that any action in the area of foreign relations should be required to meet. Budgetary effort, selectivity of the support provided and geographic

tendencies are the main lines discussed in this article to review how foreign business is fostered in Spain, supplemented by an international comparison of government spending in this area.

Key words: commercial policy, foreign trade promotion, export promotion, economy internationalisation, Spain.

JEL Classification: F13, F23, H59.

CLAVER CORTES, Enrique, QUER RAMON, Diego and MOLINA AZORIN, José Francisco

Spanish Firms' Investment Strategy in the Maghreb: Determining Factors and Distinguishing Features.

Abstract: The Maghreb is a geographic area of growing importance for Spanish companies, not only from the standpoint of exports, but also as a host for direct investment. Using corporate level data, this paper explores the specific characteristics of the investment strategy deployed by Spanish companies in Northern African countries and contrasts some of the hypotheses addressed in other studies on Spanish multinational firms. Specifically, it studies how ownership advantages or foreign capital impact investment commitments, and the role that other variables play in the choice of the investment formula to be used.

Key words: business strategy, direct investments, investments abroad, Morocco, Spain.

JEL Classification: F23, M13, O55.

ENTRIALGO SUAREZ, Montserrat, FERNANDEZ SANCHEZ, Esteban and VAZQUEZ ORDAS, Camilo J.

The Scope of SME International Activity in Terms of the Relationship between Organisational Characteristics and Entrepreneurial Behaviour

Abstract: The present article compares groups of companies operating in Eastern Europe or the Commonwealth of Independent States to those that conduct no business in either of these regions (divided into companies operating in high risk scenarios abroad, low risk scenarios abroad and those not operating abroad). The groups are compared on the grounds of management and business practices. The main purpose of the research is to determine whether business and management variables impact the degree of company internationalisation, measured in terms of entry into relatively new markets such as Eastern Europe or the Commonwealth of Independent States.

Key words: economy internationalisation, businessmen behavior, small and medium size firm, Eastern Europe, Commonwealth of Independent States.

JEL Classification: L29, M21.

FLORIDO DE LA NUEZ, Carmen, ALDANONDO OCHOA, Ana and JACOB ESCAURIAZA, Marta

Elasticity of Import Demand in Distorted Markets: The French Banana Market

Abstract: One of the essential questions to be considered when evaluating the impact of different trade policies on welfare is the measure of the elasticity of import demand. This article measures such elasticity in a market distorted by a concentrated supply and application of import quotas. The results of the study show that there are substantial variations in the measure of substitution elasticity under different competition and policy scenarios. Nonetheless, in the empirical case analysed, namely the French banana market, the scant differentiation in the various sources of banana supply and the existence of very close substitutes tend to blur these differences.

Key words: demand, imports, elasticity of demand, imperfect competition, bananas.

JEL Classification: C39, D43, F14, Q17.

MARTIN PALMERO, Federico

Corporate Financial and Accounting Structure and Export Capacity: An Analysis of the Spanish Manufacturing Industry, 1994-1999

Abstract: The present article explores the possible relationship between companies' internal structure (as revealed in their financial statements) and their predisposition to engage in export trade. This involved first selecting a series of ratios from the commercial-sectoral database created in 1996 and then applying them to each sub-sector in the sample. The paper purposes to determine whether there is some visible pattern in the evolution of certain basic corporate parameters (productivity, indebtedness, profits, profitability, liquidity, etc.) that bears a relationship to export activity.

Key words: exports, export enterprises, balance sheets, processing industry, Spain, 1994-1999.

JEL Classification: F14, M41.

MINONDO URIBE-ECHEVERRIA, Asier and RUBERT ADELANTADO, Gloria

Vertical Specialisation in Spain's International Trade

Abstract: One of the new features of international trade is the growing interconnection between productive activity in different countries. This article analyses a key aspect of this interconnection, namely vertical specialisation, which measures the amount of imported goods used as intermediate inputs to produce Spanish exports. Using input-output tables, vertical specialisation is shown to have grown by around 50 per cent in the period 1970-1994. The analysis likewise shows that vertical specialisation accounts for 30 per cent of the growth in Spanish international trade in the period studied.

Key words: international trade, exchange specialization, economy internationalization, Spain, 1970-1994.

JEL Classification: F10, F14, F15.

NAVARRO GARCIA, Antonio

Effect of Foreign Expansion Strategy on the Success of an Organisation's Export Business

Abstract: The purpose of the present paper is to analyse the effect of the strategy chosen by a company for its expansion abroad on the success of the organisation's export business. A sample of 125 Spanish wine exporters is used to ascertain whether market selection strategy is conditioned by situational factors (business characteristics), whether such strategy directly impacts export-related results and, finally, what type of foreign expansion strategy (concentration versus diversification) is more effective, generally speaking.

Key words: international marketing, commercial strategy, international market, marketing-mix, export enterprises, Spain.

JEL Classification: F20, M21, M31.

NIETO SOLIS, José A.

Andean Exports to the EU: Trade Specialisation Rates and Market Shares, 1995-2000

Abstract: The Andean Community accounts for a scant 0.8 per cent of the European Union's foreign trade. Moreover, European purchases are highly concentrated on a small group of raw materials and energy products and the commercial co-operation instruments applied by the Union (such as the Generalised System of Preferences) proved to be only

narrowly effective in the late nineties. These are a few of the considerations that are indicative of the expedience of a review of the EU's agreements with Andean countries, although to date Community institutions have not clearly expressed a willingness to proceed to such a revision. Furthermore, after a period of over three decades, the Andean Community is in the midst of a process of economic integration which appears to be consolidating customs union and at the same time fanning out to include certain common policies and institutions. In this regard, support for the sustainable development of these nations is a key element to reinforcing European presence in Latin America.

Key words: common commercial policy, community exports, trade agreements, exchange specialization, market share, GSP, EU, Latin America.

JEL Classification: F13, F15, O54.

PAREJA EASTAWAY, Montserrat and TURMO GARUZ, Joaquín

Convergence of Production and Trade Structures in the EMU: An Introduction to the Case of Spain

Abstract: Compliance of a series of nominal and actual conditions on the part of the candidate countries was requisite to the creation of Economic and Monetary Union. This paper studies the evolution of the structural aspects of production and trade in Community nations. Progress towards structural convergence among the EU and euro area countries was made in the years 1985-1996, although the persistent differences in aspects such as commercial distribution constitute a risk of asymmetric impact in the event of possible external disturbance. This is also applicable to the case of Spain, despite the relative speed of this country's structural convergence.

Key words: productive system, economic convergence, economic structure, foreign trade, monetary union, EU, Spain.

JEL Classification: F14, F15, F31.

PLA BARBER, José and COBOS CABALLERO, Angela

Acceleration of Business Internationalisation: Spanish Firms' International New Ventures

Abstract: A series of recent studies attempt to fit the explanation of the internationalisation process to new conditions prevailing world-wide. The sample of 271 Spanish exporters studied in this article affords evidence of the existence of a group of companies that opted for hastened internationalisation. Regardless of the industry involved, this development is

associated with a proactive attitude on the part of management, a strategy focusing on marketing differentiation and the relevant impact of customer and competitor relationship networking.

Key words: economy internationalisation, export enterprises, business strategy, international marketing,.

JEL Classification: F20, L19.

SASTRE JIMENEZ, Luis

**Revenues from Tourism and Foreign Real Estate Investment in Spain:
Simultaneity and Interdependence**

Abstract: This article contains a re-evaluation, for the years 1967-2000, of the model described in Sastre (2002). The results are used to explain the trends in tourist industry revenues and foreign investment in residential real estate in Spain for the period 1996-2000 and discuss the stability in these trends over the period considered. The results reinforce the hypothesis that, compared to traditional models on international demand for tourist services and in the case of Spain, the explanatory power is enhanced by the inclusion of foreign investment in residential property as an explanatory variable to calculate tourist revenues and simultaneously estimate the flows analysed.

Key words: foreign investments, tourism, tourist demand, econometric model, Spain.

JEL Classification: F21, L83.

**SUAREZ ORTEGA, Sonia M^a, OLIVARES MESA, Arístides and GALVAN
SANCHEZ, Inmaculada**

**The Expansion of Export Markets and Company Size: A Study of Canary Islands
Exporters**

Abstract: This paper analyses the relationship between company size and geographic expansion. The number of host countries and regions for goods and services exported, along with the degree of export diversification and the type of expansion strategy in export markets, are measured for a sample of 450 exporters. The results indicate that larger companies export to a higher number of countries located in more regions of the world and spread their exports more evenly across the different international markets.

Key words: exports, export enterprises, export diversification, enterprise size, Spain.

JEL Classification: F13, F14.