

A STRATEGIC VISION FOR SPAIN IN ASIA 2018-2022



GOBIERNO
DE ESPAÑA

MINISTERIO
DE ASUNTOS EXTERIORES
Y DE COOPERACIÓN

www.exteriores.gob.es

**A STRATEGIC
VISION FOR
SPAIN IN ASIA
2018-2022**





February 2018

NIPO line: 501-18-013-3 / NIPO paper: 501-18-012-8

Legal registry: M-9853-2018

Design and imprint: Dirección General de Comunicación e Información Diplomática

Official imprints general catalogue of the Spanish government:
<https://publicacionesoficiales.boe.es>

This leaflet has been printed on chlorine free recycled paper according to environmental criteria for public contracts.

www.exteriores.gob.es

1

KEY MESSAGES

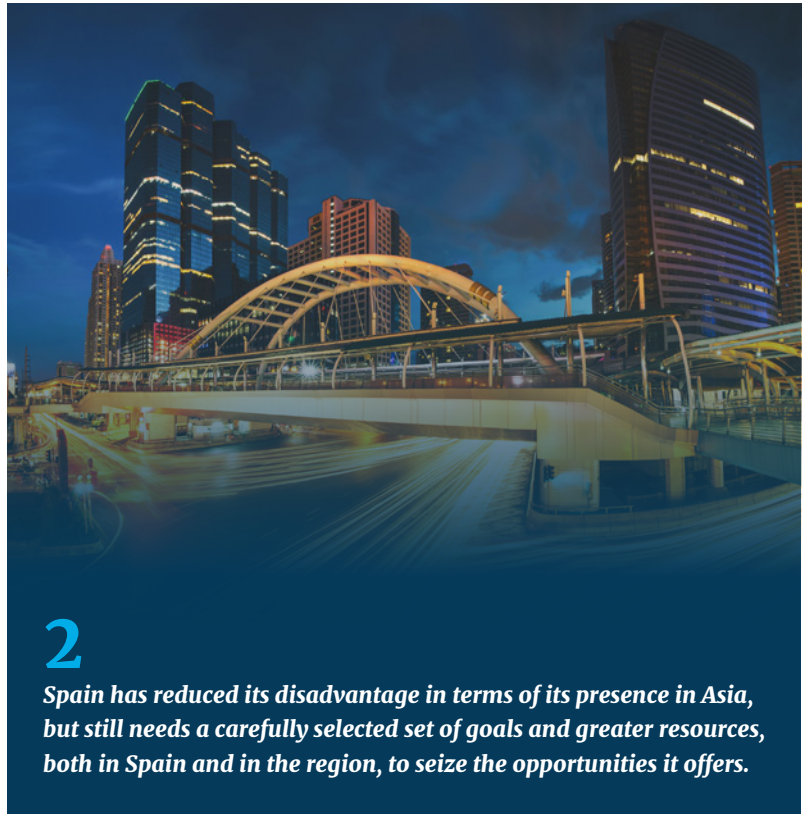
1

A strong presence in Asia is a continual goal due to the demographic importance of the continent, its economic dynamism and its position as a new global centre of power.



2

Spain has reduced its disadvantage in terms of its presence in Asia, but still needs a carefully selected set of goals and greater resources, both in Spain and in the region, to seize the opportunities it offers.





3

Economic opportunities in Asia could contribute to a shift in Spain's production model towards segments with more added value.

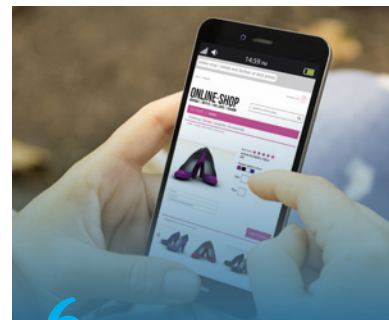


5

Asia is the arena in which the new global "great game" will play out, and where the coming century's balance of power will be determined. The EU and Spain must be proactive in this arena, to avoid being marginalized in the new world order that is being shaped.

4

Being part of the European Union is an advantage in terms of influence in Asia; as a result, Spain is a more active participant in the CFSP towards Asia, based on fundamentally shared strategic interests.



6

In this time of re-examination of the globalization model and of a rise in neo-protectionist movements, Spain and the EU have a great opportunity to lead constructive globalization in Asia; an open model, but one that establishes a playing field that benefits everyone.

7

Asia is a world-leading hub for science, technology and innovation whose global influence will grow in the coming years. Spain must establish an ever closer partnership with Asia's key science and innovation hubs, to improve how we exchange and pool our knowledge.



8

The conflicts and tension that may arise as a result of Asia's ascendancy could pose a threat to the global economy; we must therefore closely monitor these issues and it would be advisable to make active contributions to the EU's positions.



9

Human rights, the rule of law, and corporate social responsibility must be incorporated into bilateral relations with Asian countries in a more systematic manner, as these relationships mature and expand.



10

Civil society networks, interest in Spain's language and culture, and Spain's appeal to tourists must all be leveraged and promoted as key tools to raise the profile of our country among the emerging Asian middle classes.



2

BACKGROUND

This report is the result of critical analysis performed by the Ministry of Foreign Affairs and Cooperation and consultations with the Ministry of the Presidency and for Territorial Administrations, the Ministry of Defence, the Ministry of Energy, Tourism and the Digital Agenda, the Ministry of Education, Culture and Sport, the Ministry of Employment and Social Security, and the Ministry of the Economy, Industry and Competitiveness. The aim of this process was to propose measures that favour Spain's presence in Asia in the 2018-2022 period, as part of the 2014 Foreign Action Strategy.

To prepare the report, a wide-ranging study has been performed of the factors that may positively or negatively affect attainment of the goal, as regards both Spain (strengths and weaknesses) and the context in which our policy towards Asia is developed (opportunities and threats).

When formulating the recommendations, a moderate level of specificity has been employed, as is appropriate to the scope of this exercise.

3

ANALYSIS OF THE FACTORS THAT DETERMINE SPAIN'S INFLUENCE

3.1. OBJECTIVE CONDITIONS IN ASIA

Growth and conflict

Asia is a diverse continent, with a multiplicity of levels of economic development, cultural traditions and socio-political models. The key features of these models are: their considerable demographic weight, their notable economic dynamism, and their growing geopolitical tension. Population growth and the inclusion of millions of people into production activity, consumption and the networks of the world economy are probably the most striking case of the shift in global power—from the Western world to emerging countries—since the end of the 19th century. Asia is a region that contains 54% of the global population and 46% of the world's urban population; in 2017, it generated approximately 30% of the global GDP, and is set

to produce 43% in 2020 and 52% in 2050 (figures 1 and 2).

A large-scale “middle-class revolution” is occurring in Asia, affecting billions of people, whose purchasing power and financial and social capacity are increasing rapidly. It has been calculated (see figure 3), that from 2000 to 2025 Asia's middle class will grow by more than 2.65 billion people, while the most disadvantaged in the continent will decline by approximately 2 billion, making the region a clear protagonist of this major global shift. Due to both its immense size and its dynamism, Asia is full of promise, and no country in the world can allow itself to miss the opportunities it offers, if they intend to play some kind of role in the course the modern world takes.

Asia is also a continent of frequent conflict and tension, with a regional

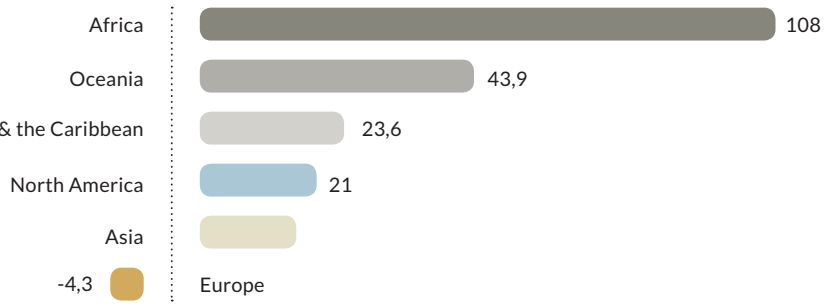
security architecture that is still taking shape, and which is not sufficient to avert these conflicts and this tension, which are multifarious and each of which poses different challenges. The reshaping of the global role of many Asian powers, sometimes assertively, together with the unresolved legacy of the Cold War, together form an encumbrance that hangs over the prospects of regional and global stability. Nationalist discourse as a means of advancing political legitimacy also, paradoxically, offsets the tendency towards integration that ought to be natural in economies such as those in Asia, which are increasingly interdependent. Finally, the rapid growth in Asia is having a huge impact on the environment, and one that transcends the borders of the countries in question.



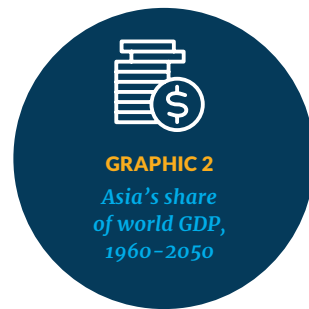
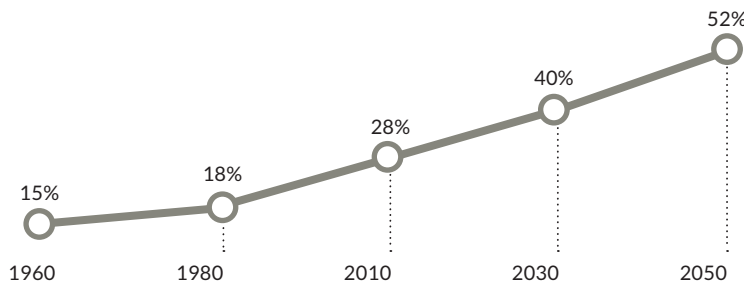
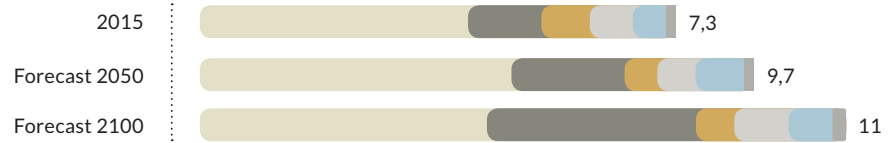
GRAPHIC 1
The world's population

Source: NNUU, The Economist

REGIONAL % CHANGE, 2015-2050 FORECAST



TOTAL POPULATION, BN



GRAPHIC 2
Asia's share of world GDP, 1960-2050

Source: The Asian Development Bank



GRAPHIC 3
Forecast growth in the middle class 2000-2025

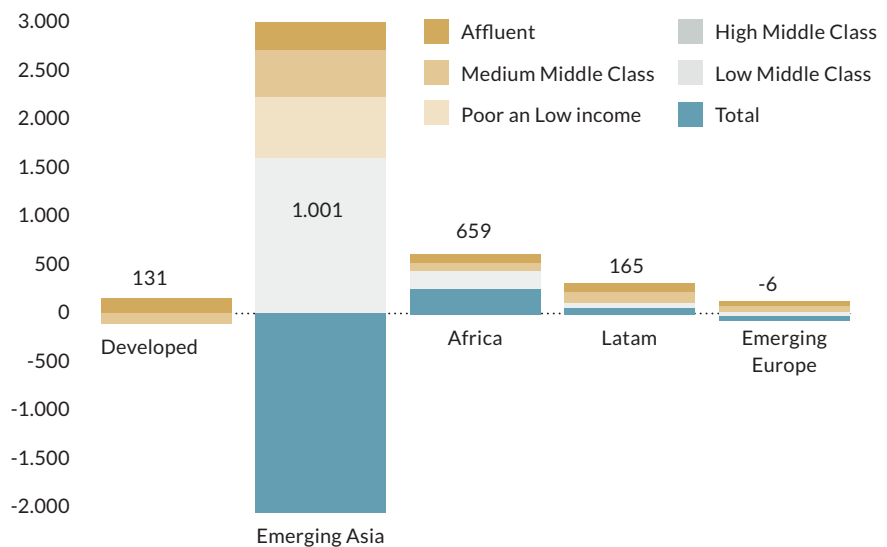
Source: BBVA Research

> Medium-high middle classes and affluent segments will increase from 24% in 2000 to 67% in 2025 in Emerging Countries

> Emerging Asia is the largest contributor to this reshaping of the world's income distribution with a new middle class of 2658 mn living there

> The share of the wealthier segments is on the rise in Africa, Latin America and Emerging Europe

CHANGE OF POPULATION (MN) BY GDP PER CAPITA AND REGION (2000 A 2015F)



3.2. SPAIN'S POSITION

The Foreign Action Strategy describes Spain as an advanced and plural democracy; an open and diverse economy, which is dependent on foreign trade for natural resources and energy, with some cutting-edge and globalized sectors; a plural society, but one that is ageing, and a powerhouse in culture and language. Internationally, we are an active member of the EU and of the transatlantic community; we have very strong links with Ibero-America and a closeness with Africa; and we are committed to multilateralism as a tool to achieve the major global objectives.

In its effort to strengthen its position in Asia, Spain aims to leverage its strengths to take a more effective approach to the region. Our special ties with Ibero-America are generating interest in Asia, as a result of our trade alliances and the development of the Pacific arena; our membership of the EU, as a trading power but also as a global player, raises our profile among our Asian partners; and the fact that we are a mid-sized power with no colonial past, no direct interests in regional conflicts and no individual agenda in Asia, allows us to present ourselves as a country that is committed to peaceful development of the region, and one that is able to act freely and to adopt balanced positions.

Spain already has a positive image in the region, as a result of both our work and the objective conditions. Through its successive Asia Plans, Spain has established a positive trend in terms of its profile in the continent. Initiatives

such as Casa Asia have played a key role in raising awareness domestically. Furthermore, the commitment we have maintained to Afghanistan through missions to support security and rebuilding have helped to improve our image internationally and expand beyond our traditional scope in security and development cooperation. Lastly, the success of Spanish companies, especially in the infrastructure, alternative energy and defence sectors, has cultivated a positive image of our country's technological and economic potential.

3.3. FOREIGN POLICY AND ACTION TOWARDS ASIA

Asia as a foreign policy objective.

Resources.

Over the past fifteen years, during the aforementioned rise of the region, Spain has strived to incorporate Asia-Pacific into its foreign policy. To achieve this, we have strengthened both the formulation of strategic objectives (Asia Plans, the Foreign Action Strategy, Comprehensive Market Development Plans) and the resources available to achieve these objectives:

- Strengthening reciprocal travel and visits
- Launching structured dialogue
- Establishing new economic joint committees
- Strengthening our presence on the ground, through six new embassies and consulates-general, new counsellors' offices for specific sectors, and economic and commercial offices

- Promoting defence diplomacy
- Development cooperation and humanitarian assistance
- Further developing institutions for public diplomacy (Casa Asia), educational and cultural diplomacy (Ministry of Education, Culture and Sport; Instituto Cervantes; Spanish Cultural Action), economic diplomacy (regular visits by the High Commissioner for Marca España, institutional visits by the State Secretariat for Trade, and ICEX activities)
- Fostering civil society initiatives (Council Foundations) and business organizations (Confederation of Employers and Industries of Spain, Spanish Chamber of Commerce)

All of these measures represent progress and have put Asia firmly among Spain's foreign policy priorities, feeding into the flows and dynamics that help to create an increasingly strong connection between our country and Asia.

It is important, however, to acknowledge that **Spain still has fewer resources for its Asian policy than other European countries** with a similar standing. **Asia's importance in the global distribution of power is expanding more rapidly than the resources we assign to the region**, resulting in opportunities being missed and a growing imbalance between declared goals and the resources available. This situation is further aggravated at present by the general limits on spending to which the Spanish government has committed.

This restriction on resources makes

HIGH-LEVEL TRAVEL AND VISITS, AS AN INDISPENSABLE DRIVER

Our embassies in the region have stressed the importance of maintaining regular, fluid and direct high-level contact with our key Asian partners, to foster our bilateral relations in all areas, to resolve problems and to identify opportunities. Our key partners have had Asia at the heart of their international agendas for many years. This is a trend that Spain has adopted as its own, when planning activities for our main authorities, given the major “ripple” and consolidation effect that visits have.

Countries such as Germany (whose Chancellor Merkel visits China annually and which organizes institutional government-government meetings), France, the UK, the Netherlands, Poland and Italy make a great effort to ensure a regular and positive level of dialogue in all spheres of government, with the aim of establishing and fuelling meaningful cooperation agendas. In recent years, Spain has made progress in this regard, with a good rate of visits in both directions and ever-improving structuring of institutional dialogue. Coordinated action from the entire Spanish administration, including regional and local authorities, is needed to ensure that resources are used efficiently.

it particularly necessary to conscientiously **prioritize** our objectives, and the planning and coordination of the actions undertaken by different parties to achieve said goals. Furthermore, it is essential that we have all possible foreign policy tools at our disposal to raise our profile in Asia, including strategically focused parliamentary diplomacy.

Spain in EU policy towards Asia

EU policy towards Asia has become increasingly structured in recent years (growing participation in political and security forums in Asia-Pacific, periodic summits, framework agreements and free trade agreements, strategic and sector-based dialogue, subject-specific strategies, coordination in the Council/Asia-Oceania Working Party), although it is restricted by the EU's limited capacity to provide military security, which is what a large portion of Asia want from the West (obtained primarily from the US).

The EU and its Member States, together with 21 Asian countries, take part in the biennial Asia-Europe Meetings (ASEM). The European Union is also part of the ASEAN Regional Forum (ARF), which acts as a platform for dialogue on security matters. Following years of absence, in 2017 the EU was invited as an observer to the East Asia Summit, an event which was launched in 2005, focusing on dialogue concerning strategic and security affairs.

Leadership in the EU's policies towards Asia often falls to the European External Action Service (EEAS), the Commission and the countries that are most active and have the

greatest presence in the region, with more resources and influence and which enjoy better informed public opinion about the continent. Spain, which has experience and key interests in a number of global affairs, such as the fight against terrorism, maritime safety and security, controls on migration, urban development and infrastructure, has a vocation to play an increasingly active role in these areas, when defining the EU's policies and programmes concerning the region.

With respect to the economy and trade, there was a considerable shift in the EU's trade policy towards Asia in 2006, when a number of trade negotiations began (e.g. South Korea, the ASEAN bloc, India, and Japan); different degrees of progress have been made in these negotiations. Spain supports the negotiation of deep, comprehensive and ambitious free trade agreements, to improve our companies' access to and operations in Asian markets. In negotiations with Asian countries, Spain has played a key role in resolving deadlocks and must continue to be proactive and constructive in this area.

The EU's role is also fundamental to protecting our investments in Asia, above all in emerging economies. Spain must continue to focus on the investment agreements negotiated by the EU, which will not only open up new sectors for Spanish investment in Asia, but also consolidate and protect the status quo from possible legislative reversals.

Spain supports unity of action by the EU in Asia, as the best means of promoting our interests, in view of the region's numerous opportunities



Counter terrorism police checkpoint in the Philippines.

and challenges, in order to achieve tangible, positive results in terms of our political and economic relations with Asian countries by judiciously deploying EU resources.

3.4. SECURITY

The potential for conflict in South and East Asia, and the global impact of a possible military crisis in the region (Korean Peninsula, South China Sea, East China Sea, Taiwan Strait), constitute a threat for Spain in various ways. Spain must think about Asia in terms of security and can make contributions in this area.

Since 2010, the world's five biggest buyers of conventional weapons have been Asian countries, and in general it is expected that the greatest increases in defence spending up until 2020 will occur in countries from this region (figure 4). Asia's rearmament process will foreseeably continue in parallel with its economic progress and a rise in challenges to regional security. Spain is a responsible supplier of defence materiel, and it is highly probable that Spanish companies in this sector will place increasing emphasis on Asia in their commercial strategies.

Spanish policy on the exportation of materiel to Asia must remain subject to the current stringent criteria and control of the Inter-ministerial Regulatory Board on Foreign Trade in Defence and Dual-Use Materials (JIMDDU).

Asia has become a priority target for the international jihad, with a progressive rise in the presence of terrorist groups (including Al Qaeda and DAESH) and of agents of religious radicalization in Central, South and South East Asia. We are also seeing a growing number of foreign fighters of Asian origin. This phenomenon could destabilize important logistical bases

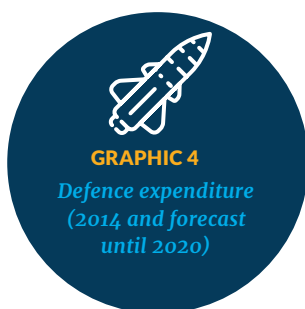
for our companies, and fuel the risks for maritime security.

Spain has recognized experience in responding to certain non-conventional threats that also affect Asia, such as terrorism, radicalization, challenges to maritime security, and natural catastrophes.

Heightened awareness of our vulnerability with respect to the security situation in Asia could lead Spain's civil society agents (companies, think tanks, public opinion) to demand the reorientation—in the medium term—of our foreign policy priorities and resources towards this region.

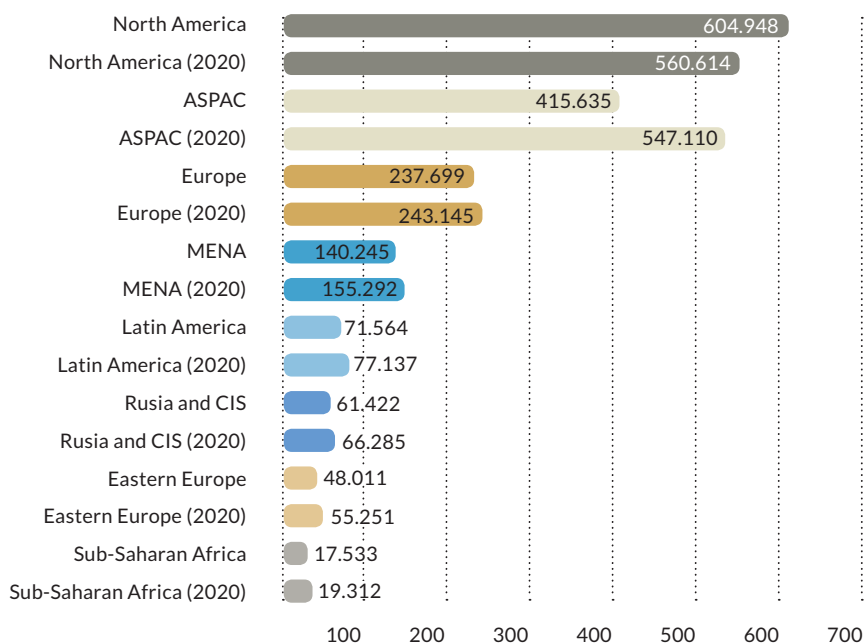
CONFLICTS AND TENSIONS IN ASIA ALSO HAVE AN IMPACT ON SPAIN

The impact on Spain's interests of **unrest** in Asia could manifest itself in different ways, and with varying intensity. Nuclear and ballistic proliferation in **North Korea** undermines the international framework for non-proliferation to which Spain is actively committed, and is a serious threat to peace in the region. Conflicting claims to archipelagos and maritime areas of the **South China Sea** could give rise to aggressive maritime activities that would jeopardize the free navigation and trade flows in which Spain also participates.



Source: IISS - Military Balance

USD



3.5. HUMAN RIGHTS

Human rights policy

The human rights situation in most Asian countries is not good, and this judgement refers both to civil and political rights (the death penalty, torture, restrictions on freedom of expression) and to economic, social and cultural rights. In addition to authoritarian political traditions, and to the general prioritization of socio-economic development, for some decades now a number of leaders have alluded to the existence of characteristically Asian values that would explain the continent's more restrictive, more authoritarian attitude towards human rights. In any case, as we witness a surge in the middle classes of the middle and low-income countries with the greatest problems, we can expect to see a parallel rise in the social awareness of human rights issues, as has occurred in those countries in the region that have already achieved high levels of development.

Spain has maintained a responsible, multilateral human rights policy in Asia, which is channelled through the United Nations system (Human Rights Council, General Assembly),

the European Union and bilateral dialogues. In the coming years, we must continue to develop this policy as an instrument that legitimizes our foreign action, promoting the values and expectations of our citizens, and demonstrating our commitment to those countries whose values and principles we share.

In this field, Spain will work to reinforce a positive cooperation policy, focused on the human rights areas in which Spain has learned valuable lessons (human rights in the fight against terrorism, gender, religious freedom, and the death penalty), and on accompanying democratization processes underway. This cooperation should be supported by resources earmarked to undertake specific programmes and strengthen cooperation networks in the long term. One option would be a cross-cutting programme along the lines of the AECID's MASAR programmes to finance training actions and technical assistance in these areas. We must strive for complementarity with EU actions, without omitting from any bilateral dialogue those issues on which Spanish input could deliver results.

This policy must also categorically promote the rule of law, due to its intrinsic value and its positive impacts (legal certainty) on the activity of our civil society in the region. Cooperation in the modernization of public institutions in Asia increases predictability, paves the way for foreign investment in these countries, and fosters the emergence of networks between our civil societies.

Corporate Social Responsibility (CSR)

The installation in Asia of Spanish companies seeking to avail of its more permissive labour and environmental laws—and a consequent reduction in their costs—has tarnished the legitimacy of the globalization process of the past few decades, fuelling political narratives that run counter to what is, in general, a positive trend that would be very difficult to reverse.

A substantial proportion of major Spanish companies with operations abroad have implemented Corporate Social Responsibility programmes to foster a favourable social climate in the countries in which they carry out their activities. However, these programmes are sometimes a secondary facet of the companies' activities,



Source: Statistical tables HDI 2015, tables 1 and 5

Country	HDI ranking 2015	HDI ranking on gender policies	Average number of years of schooling (Women - Men)
Alemania	6	3	12.6 - 13.3
Francia	22	13	10.9 - 11.4
España	26	16	9.5 - 9.7
República de Corea	17	23	11.1 - 12.5
Japón	20	26	11.2 - 11.8
China	90	40	6.9 - 8.2
Bangladesh	142	111	4.6 - 5.6
Pakistán	147	121	3.3 - 6.1
India	130	130	3.2 - 5.6

with a limited role in their strategic guidelines.

Spain’s Administration could improve public coordination through these programmes, exercising reasonable leadership and thus reaping benefits on two fronts: from an internal perspective, promoting the Corporate Social Responsibility of Spanish companies could be an effective counterpoint to the traditional “support of the expansion of Spanish companies”, which will be balanced by the attention paid to the basic concerns of our citizens with respect to economic globalization. In this way, CSR can play a significant role in legitimizing economic diplomacy.

Any actions in this regard must be carried out without losing sight of the following three pillars that the State Secretariat for Trade has established with respect to Corporate Social Responsibility:

- Companies’ adherence to Corporate Social Responsibility guidelines should be voluntary
- Companies should not be burdened by CSR

- Efforts must be made to strengthen mediation mechanisms in Corporate Social Responsibility, such as the OECD’s National Contact Points for Multinational Enterprises

From a foreign policy perspective, this line of action enables us to act against one of our economic threats in Asia (social and environmental dumping), through a constructive approach that our commercial partners cannot object to. This approach entails encouraging the effective commitment of Spanish companies to the socio-economic development of the societies in which they operate, which will generate benefits for both parties in the medium and long term. Joint reflection on good practices and the preparation of a catalogue thereof could contribute significantly to legitimizing our traditional actions promoting our companies’ activities abroad. This policy is in line with the guidelines set out in the chapters on sustainable development and included by the European Union in the negotiation of free trade agreements.

JOB MARKETS WITH MAJOR STRUCTURAL PROBLEMS

The ILO is striving to convince the Asian countries that specialize in labour-intensive production to adhere to its concept of “good labour practices”, but the majority of the ILO’s conventions have yet to be ratified by many countries in the region.

The lack of commitment to the ILO’s conventions highlights serious difficulties with respect to working conditions, such as chronic inequality in remuneration and career opportunities between men and women, lack of training and of skilled work for young people, high volumes of temporary or casual work, unsafe working environments and the lack of job security.



Source: Datacomex y US Gov. Census

	2016	% GDP
United States	452,705	2.4%
Germany	223,219	6.3%
United Kingdom	80,973	3%
France	77,896	3.1%
Italy	68,308	3.7%
The Netherlands	54,328	7%
Spain	26,478	2.1%

USD million

3.6. ECONOMY, TRADE AND BUSINESS

Asia, a new economic frontier for Spain

Currently, barely 10% of our exports are to Asia, even though Asia is the key driver of the current dynamics of world economic growth and of the development of the middle classes. Our penetration of the Asian market in comparison with that of similar countries (an average of 20% of EU exports are to Asia) suggests we still have a long way to go, both in the trade of goods (as can be seen in the table below, at between one and five GDP points, or between 10 and 50 billion euros in additional revenues), and in financial services, logistics and tourism.

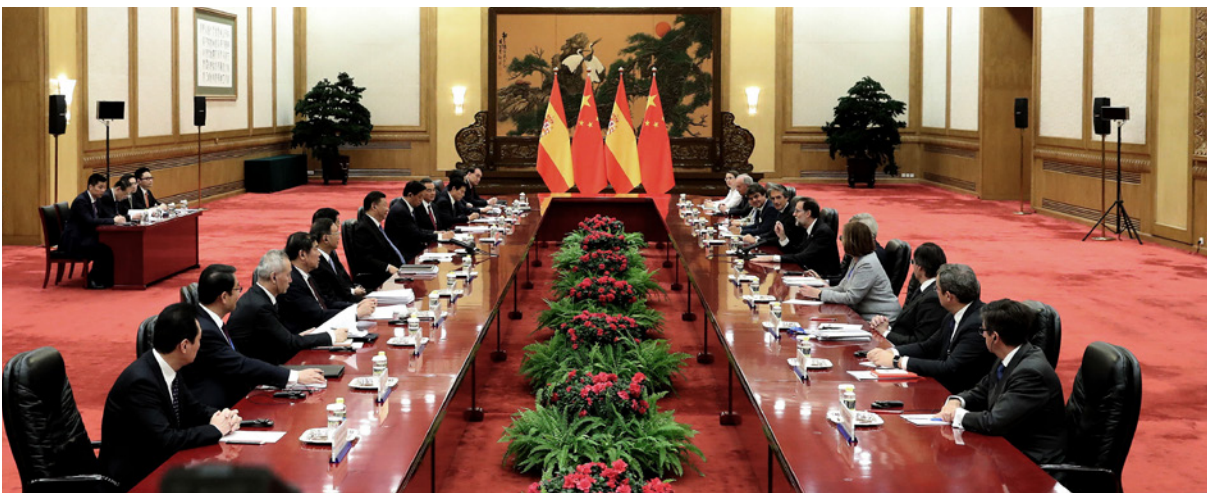
The development of the Asian markets

will likely see Asia climb the rankings of our foreign priorities, while increasing the awareness of Asia among society in general, and will have an impact on other economic sectors, such as the cultural industries, the teaching of Spanish, and transport and communications logistics.

There are instruments, such as Act 14/2013, supporting entrepreneurs and their internationalization, favouring the entry of Asian investment and talent into Spain. Such instruments must continue to play a highly significant role in promoting an ever closer involvement between our economic decision-makers and scientists and Asian hubs of innovation, business and excellence.

Asia as an arena for new economic opportunities and for the transformation of the Spanish production model

The surge of the middle classes in Asia will have a profound economic impact. The newly emerging classes will substantially increase their spending, redirecting it towards better quality products with full guarantees and a greater technological content. They will also spend on services associated with a higher standard of living (including environmental protection, healthcare, educational and financial services). Moreover, Asia's unstoppable urbanization will lead to the movement, over the next few decades, of millions of people towards the big cities, which must be equipped with the basic urban infrastructure in terms of sanitation, energy, housing, public transport and waste management.



The Spanish President Mariano Rajoy and the President of China Xi Jinping meet in Beijing, May 2017.

SPAIN IS INTERESTED IN THE MAJOR CONTINENTAL CONNECTIVITY SCHEMES IN ASIA

The initiatives of the Asian Infrastructure Investment Bank (AIIB)—which Spain joined in 2015 as a founding member—and the New Silk Road (Belt and Road Initiative), promoted by China, have attracted interest in Spain, on spotlighting the development of connectivity in a continent that currently presents major needs and, therefore, numerous opportunities.

Spain's acquisition of a stake in the AIIB was announced in March 2015, and entailed the subscription of 1.76% (1,761.53 million dollars) of the Bank's share capital (100,000 million dollars). 25% of the Bank's total share capital is held by the group of countries that do not belong to the region. Spain's decision to enter the Bank's shareholder structure took into account the interest of Spanish infrastructure and engineering companies in this new vehicle for investment, and their desire to participate, from the outset, in a mechanism that operates under the strictest criteria on transparency and institutional good practices. Spain aspires to having Spanish experts in the governance bodies of the Bank, as part of a multinational team that operates under the strictest standards on transparency and equal opportunities.

In 2013 the Chinese President, Xi Jinping, unveiled the **double initiative of the Maritime Silk Road and the Silk Road Economic Belt (known, since 2017, as the Belt and Road Initiative, or BRI)**, a major multidisciplinary project to improve connectivity in Asia. This initiative also includes elements of regional development strategies promoted bilaterally by China,

such as the China-Pakistan economic corridor, or the Bangladesh-China-India-Myanmar economic corridor.

The initiative is expected to have an impact on countries that jointly represent 55% of world GDP, 70% of the world population, and 75% of the world's known energy reserves. The implementation period of the One Belt One Road (OBOR) initiative is forecast to run until 2049, the centennial of the People's Republic of China.

China is set to allocate—directly or indirectly—over one trillion dollars to this project, through public institutions such as the “Silk Road Fund”. In addition to this amount, potential private investment, and the investment of public funds by interested countries, should also be taken into account. The State Secretariat for Trade manages financial instruments supporting the internationalization of Spanish business, such as the FIEM (Corporate Internationalization Fund), the FIEEX (Fund for Foreign Investment), the FONPYME (Fund for SME Foreign Investment Operations) and COFIDES (a public-private development financing company) resources, the CARI (Reciprocal Interest Adjustment Contract) and the coverage offered by CESCE (a public-private commercial risk management company), as sources of financing that can be invested concurrently in the financing schemes of these major cross-border infrastructure projects.

Moreover, Spain hosted the “**test run**” of the Silk Road, through the start-up of the Madrid – Yiwu

railway line, the longest in the world. The journey lasted 21 days, with the train covering 13,053 kilometres and crossing China, Kazakhstan, Russia, Belarus, Poland, Germany, France and Spain. After two years of activity, this railway line is now fully consolidated and its operators are working to improve the service conditions and increase the freight volumes destined for China and the loading and unloading points on the peninsula. For our country it is important that the train returns to China with Spanish products, thus promoting Spanish exports and reducing the trade deficit.

The New Silk Road project also has geopolitical, global game-changing dimensions that call for close monitoring by Spain and the European Union to ensure that the principles of openness to all economic operators, inclusion of all countries, transparency, public and private initiative partnership, and economic, fiscal, financial, social and environmental sustainability are duly taken into account.

In May 2017 the President of the Spanish Government, Mariano Rajoy, travelled to Beijing to attend the **first Silk Road Summit**, a biannual framework for dialogue that will give political impetus to this initiative, to demonstrate Spain's commitment to this project under the aforementioned principles.

Spain will continue working to establish a national strategy for Euro-Asian connectivity that is fully compliant with the principles we hold in common with the European Union and in line with the strategy developed by the EU in 2018.



The Spanish Minister for Foreign Affairs and Cooperation welcomes India's Prime Minister Narendra Modi during his visit to Spain in May 2017.

Spain is a recognized power in many of the sectors that will benefit from the new consumption patterns of the Asian middle classes. Our agrifood companies, which enjoy a good reputation for quality, have significant potential, as do those of the consumer goods sector. Spain is also home to companies that are world pioneers in the provision of urban planning services, such as those related to “Smart Cities” and mobility, as well as environmental management and recovery services.

In addition, Spain is transforming its production model to focus more closely on exportation and innovation. This transformation is all the more necessary given that the main Asian countries are already embarking on their own transition processes towards more innovative economies, which will be more similar to our current economy, and compete with us directly.

As happened in the transformation cycle of 1990–2000, Spain could lose ground to Asian competitors in sectors in which we are currently

strong (construction, engineering, telecommunications, the automotive industry, alternative energies), which would force us to seek new niches. As happened in Ibero–America in the aforementioned period, a heightened technological and economic presence in Asia could allow our companies to obtain significant economies of scale with which to finance their transformation towards a new technological and organizational era. In this quest for opportunities, adequate protection of our innovation will be crucial. The principal means of protecting technological innovation is the patent system. The free trade agreements concluded by the EU must include mutual and adequate recognition of patents.

Our companies' greater exposure to Asia could also be a source of opportunities in third markets, such as the Ibero–American, African or Near Eastern markets, where collaborations have already been forged in strategic sectors such as telecommunications, industrial design, renewable energies and transport networks. Such symbiosis and cooperation increases

our companies' capacity to compete and to acquire relevant experiences in future sectors such as “Smart Cities”, an area in which Spain's brand enjoys a good reputation in Asia.

The 2017–2027 strategy for the internationalization of the Spanish economy identifies several Asian countries among its geographic priorities, necessitating access to greater resources to increase our scope for action on this continent. Many countries that are similar to Spain and with which we compete directly have larger networks of economic and commercial offices abroad.

The State Secretariat for Research, Development and Innovation is promoting a number of scientific and technological cooperation programmes with the main generators of innovation in Asia, such as South Korea, Japan, China, India and the South East Asian countries, as well as the undertaking of joint activities by the main agents of Spanish R&D&I, such as the Centre for the Development of Industrial Technology (CDTI), Spanish universities and research groups, and

CHINA AND INDIA EMBARK ON A CHANGE IN MODEL

China, since the third Plenary Session of the Central Committee of the Communist Party of China (November 2013), and under the Government of President Xi Jinping, has been implementing a growth strategy focused on quality and sustainability and based on innovation and internal demand, aimed at preventing China from falling into the so-called “middle-income trap” and at improving the disposable income of the country’s citizens.

The reforms underway, which have been included in the 2016–2020 five-year plan, and in the Made in China 2025 strategy, seek to redirect the economy towards domestic consumption, a lesser dependence on exports and industrial investment as economic drivers, the accelerated development of those economic sectors with high technological value, the gradual replacement of technological imports, and the establishment of international added value networks with facilities in the People’s Republic of China. Spain must observe this change in model very closely to try to ensure, together with the rest of the EU and other partners, that it does not engender or perpetuate practices that could damage our capacity for innovation. The immediate goals of this change in model include the gradual internationalization of the yuan and a greater role for China in global economic governance. Through global initiatives such as

the New Silk Road (Belt and Road Initiative, BRI), China aspires to becoming a strategic, economic and financial pacesetter in the Eurasian space.

Since the rise to power of its new Prime Minister, Narendra Modi (May 2014), India has launched an ambitious agenda of economic reforms which have boosted the country’s economic growth (7.1% in 2016-2017). Modi seeks to create a better climate for businesses and overcome the country’s numerous structural difficulties, fostering improvements in the population’s living conditions. Modi’s campaigns, including “Make in India”, promoting domestic industrial production, “Clean India”, focused on the sanitation and environmental sectors, and “Digital India”, giving impetus to the country’s IT industry and associated services, all aim to generate, in the medium term, powerful economic drivers with which to transform the production and social model of the country. Spain has opportunities to explore in these initiatives and a stable framework for the protection of EU–India investment, currently in negotiation, should enable the expansion of investment in both directions. Spain has always sought to conclude a deep, comprehensive and ambitious trade agreement with India. The prompt conclusion of an investment protection agreement is thus highly necessary.

their counterparts in Asia. Heightened interaction in this field will enable us, within the framework of a new economic model in Spain, to promote the exchange, combination and advancement of knowledge.

The opportunities offered by the international mobility section of Act 14/2013, of 27 September, supporting entrepreneurs and their internationalization, favour the entry into Spain of Asian investment and talent, a factor that must be taken into account to promote synergies in the development of policies on trade and on scientific and technological cooperation.

Trade liberalization in Asia

Asia is currently engaged in a trade liberalization process, which began several decades ago, with significant milestones including China’s entry into the WTO in 2001 and the creation of the ASEAN free trade area in 1993. It is currently one of the areas in which the greatest integration of global value chains is occurring. The United States’ withdrawal from the Trans-Pacific Partnership (TPP) process at the beginning of 2017 created a vacuum—the regulatory convergence spearheaded by the US was crucial to industry, as it would increase the predictability of regulatory developments. Given that future world growth is and will be centred in the Asia-Pacific region, the US’s withdrawal from the TPP has led the EU to maintain its strategy of strengthening commercial relationships with these countries through the negotiation of free trade agreements. The EU can take advantage of this new situation to develop balanced trade conditions in the region and to promote good practices in some of the

main regional economic actors. In this context, the EU can help to establish a significant body of common rules in areas such as labour rights, or the protection of intellectual property. In any case, the processes underway (Regional Comprehensive Economic Partnership [RCEP], China–Japan–South Korea free trade agreement networks, EU negotiations with different regional actors), and the change in model in those countries could lead to advances in the coming years towards a level playing field in which equal conditions are respected and maintained in the sphere of international trade, applying more and better WTO rules (regulations regarding State subsidies, dispute settlement, public companies, export credits). It is essential that both the EU and the Asian countries oversee compliance with the multilateral trade framework.

This goal of achieving a level playing field with the region's main countries must also be attained in the field of investment, where we must promote—and even demand—reciprocity in the access to and operation of investments, analyse the investments received to ensure that they are in line with national interests, and promote those that are. Without question, investment protection in the area of EU and bilateral trade policy allows for the creation of a network of agreements that protect our investors when backing emerging economies. The EU Agreements not only pave the way for foreign investment in certain sectors, but also consolidate the status quo in the face of a possible legislative backlash.

In light of these processes, Spain must remain positive, but also vigilant, preventing the reproduction, under other forms, of known protectionist



The new Free Trade Agreement between the European Union and Japan will create important opportunities for Spanish companies.

patterns, and ensuring the protection of its intellectual property interests and designations, security of investment and safeguarding from industrial espionage. EU actions to protect and reinforce intellectual property rights have facilitated a relatively successful dissemination of the most stringent TRIPS+ standards through free trade agreements. In the same vein, it is worth noting the inclusion in the agreements of a list of geographical indications, given that this is a concept created in Europe, which had a limited global adoption and could help production in our continent.

The European Union considers Asia

a priority in its trade policy strategy. Spain's capacity for influence over the European Union's trade policy is fundamental both to identifying barriers to our trade and to directing EU policies to seek opportunities, forge alliances of interest and promote orientations. This includes, where necessary, ensuring that the European Union makes effective use of the trade defence instruments it has at its disposal.

Following the new US administration's withdrawal in 2017 from the liberalizing agenda in the Asia-Pacific region (TPP) that it had been promoting, the EU is once again at the forefront of the drive for economic openness and free

THE IMPACT OF BREXIT

The 2016 referendum in which the United Kingdom voted to withdraw from the European Union, and the subsequent negotiation process undertaken to agree the key details of the UK's withdrawal, has had a significant impact on international economic opinion, and very particularly that of Asia. Until recently, the United Kingdom was one of the main investment destinations in Europe. The announcement of Brexit has led numerous economic operators to rethink their strategy for economic presence in the European Union.

Following the recent agreement (December 2017) on the main issues surrounding the United Kingdom's withdrawal, negotiations have begun to define the bases for the future relation between the

United Kingdom and the European Union, including the rules that will define access to the respective markets.

Spain enjoys close and highly positive relations with the United Kingdom in many areas, which it intends to maintain and strengthen after the UK's withdrawal from the European Union. At the same time, aware as we are of our Asian partners' need to maintain predictable terms of access to the internal market, Spain is working with them to offer them the best opportunities in those sectors in which our country enjoys comparative advantages.

In this regard, Spain can complement its activities to promote and attract foreign investment from Asia by introducing the Brexit variable

when appropriate, in light of the potential companies and international investors from the target countries and priority sectors. These activities to promote and attract investment will emphasize Spain's strengths in a scenario of possible reinvestment in the continent. This may allow us to make our pitch for Spain as an investment destination in all the capitals of the target Asian countries, in multilateral economic forums and in meetings between Spanish and Asian companies, with an impact on Spain's economy and job market. Among the activities to promote Spain as an investment destination—showcasing Spain's strengths in the light of Brexit—it would be advisable to include further meetings with investors and road show workshops during the second half of 2017 and throughout 2018.

trade in the region, based on a free trade model that benefits all parties and enshrines a reciprocal openness to our companies' activities. This is a constructive globalization model, already underway, on which the EU has been working for several years: there is already one free trade agreement in force (Republic of Korea), three negotiated agreements that have yet to be signed and ratified (Singapore, Vietnam and Japan), five more at different stages of negotiation (India, Thailand, Malaysia, Indonesia and the Philippines), and two for which negotiations have yet to begin (Australia and New Zealand), as well as two investment agreements in negotiation with China and Myanmar.

The agreements with Vietnam, Singapore and Japan are expected to enter into force in 2018–2019, generating significant opportunities for Spanish companies in different fields.

3.7 TOURISM

Nowadays, between 2% and 2.5% of our tourists are Asian. Spain's strength as a tourist destination, and the expansion of the upper and middle classes in Asia, suggest that Spain may perform very well in coming years. Improved flight connections between Spain and Asia are key to maximizing this trend's potential. In

2016, new routes were inaugurated between Madrid and Shanghai, Hong Kong, Tokyo, and Delhi. In 2017, new routes were opened up between Barcelona and Seoul, Hong Kong and Shanghai.

Prospects for increasing the frequency of flights in coming years are bright, given the great number of indirect passengers between Spain and Asia-Pacific who are currently making connections in other European countries, and who are estimated to reach 3.3 million in 2017. Likewise, Madrid Barajas Adolfo Suárez Airport has the opportunity to become the main hub for connections between Asia



THE POTENTIAL OF ASIAN TOURISM FOR SPAIN

Asian tourists visiting Europe are drawn to segments of the tourist industry that are of particular economic interest to Spain: cultural, urban, rural, shopping, culinary, and smart tourism. Spain is extremely well positioned in all of these segments. These tourists have a high ratio of spending per person and stay (an average of €2,800, for example, in the case of Chinese tourists), which has grown rapidly in recent years.

Asia-Pacific, as a source market, has grown over the past decade at an average rate of 6.4%, according to World Tourism Organization (UNWTO) data. This growth is expected to continue in the next decade, at a rate of around 6% in Eastern Asia, and to grow by more than 7% a year in South Asian countries such as India.

Spain has recently experienced spectacular growth—50% more

Chinese and Korean tourists, and 77% more Indian tourists in 2016, and 30% more Japanese tourists in 2015. However, it has plenty of room for growth as compared with other destinations in Europe. Recently, France and Italy have been able to attract nearly two million Chinese tourists per year, whereas approximately 580,000 visited Spain in 2016. This same difference can be observed in other markets, such as Japan; in 2015 one and a half million Japanese tourists visited France or Italy, while nearly 600,000 visited Spain. Up to 2015, France attracted approximately five million Asian tourists, whereas Spain welcomed just over one and a half million.

The high retail-spending level of Asian tourists in France and Italy accounts for those countries having higher spending rates per tourist than our country.

and Latin America given its current predominant position in the European market and the comparative advantages it offers as opposed to other connection points between those two markets. Improved flight connections between Spain and Asia are key to maximizing this trend's potential. In 2016 and 2017, new routes with the principal source markets were opened up, a trend that must be maintained in coming years.

An ambitious programme of accompanying policies, including consular and visa facilitation policies, such as the recent opening of visa issuance centres in 12 Chinese cities, may generate major benefits now that we are strengthening our international competitiveness. Likewise, policies to raise Spain's profile in Asia must be enhanced by strengthening networks between our civil societies, to complement and bolster market penetration, identifying opportunities and generating permanent bases for Spain's economic presence in Asia.

3.8 SCIENCE, TECHNOLOGY AND INNOVATION

Asia is currently responsible for 42% of the world's R&D spending and for 40% of worldwide scientific output. It has some of the world's most dynamic countries in terms of science, technology and innovation, such as China, Japan, South Korea, India and the ASEAN countries. Asia's scientific output has increased tremendously in recent years, by up to 15% a year in countries such as China, with greater quality and sophistication, and an ever-increasing impact on the international academic community.

Likewise, in recent decades Asian countries have committed decisively to strengthening excellence in university education, and to recruiting and retaining talent in science and technology, with outstanding results in all research fields. Moreover, the principal Asian countries are rapidly becoming consolidated in international rankings as some of the world's major drivers of innovation.

In the wake of the international financial crisis, many countries in Asia are joining the race to develop technological and scientific policies with ambitious strategies to improve their academic research and innovation, and thus enhance their international competitiveness, highlight the prestige of their "country brand" as economies based on knowledge and entrepreneurship, and reaffirm their R&D&I ties with other countries.

Several Asian countries have, in recent years, become privileged partners of the EU in the areas of R&D or mobility cooperation, through different instruments, including the EU's 7th Framework Programme. Furthermore, countries such as China, Japan, India and South Korea participate actively in major international scientific projects including the CERN, the TMT, the ITER and the SKA, and in international research platforms and networks, making strategic contributions in the fields of electronics, nanoscience, artificial intelligence, nuclear fusion and fission energy, medicine, and the aerospace sector.

Spain is carrying out scientific and technological cooperation with Asia through institutional agreements promoted by Spain's State Secretariat for Research, Development and Inno-

vation (SEIDI), agreements between Spanish and Asian R&D&I agents, universities and research groups, and by fostering associations of Spanish scientists (Japan). This is an essential vector for Spain's profile in Asia, and one that has been included in the principal bilateral cooperation instruments currently in force; it must serve to generate new opportunities for our scientific and technological output and our innovation, and to strengthen the development of the knowledge society and knowledge economy in our country.

3.9. CIVIL SOCIETY

Civil society networks in Asia

One of the main weaknesses of Spain's presence in Asia is the scarcity of networks between our civil societies, resulting from Spain's history of intermittent and limited relations with Asia. Tightly knit networks between civil societies reinforce bilateral relationships, stabilize them when difficulties arise, and improve their capacity to enter new sectors.

At present, Spanish companies have few lobbies defending their interests in Asia, and there are few Spanish experts working in key posts in innovation or major projects in Asia. However, the number of talented, high-profile Spaniards in the continent is increasing, and this may help to galvanize Spain's networks of contacts in Asia and generate interest groups.

Public guidance and support are critical in the initial stage of such networks, even when the initiative comes from civil society, as it does in

many cases. We can take advantage of the most positive existing experiences (Foundations, meetings of CEOs and associations of Spanish scientists, for example) and also emulate initiatives launched by other countries, in order to expand, drive and sustain these shared working networks, in an integrated and systematic manner.

Think tanks and home-grown strategic analysis

Some of the opportunities that Asia-Pacific offers are not being seized due to a lack of familiarity with the region's risks and conditions. In past decades, Ibero-America was a fertile land in which to increase Spain's presence in all areas (economic, political, legal, cultural, etc.), precisely because it is easy for most Spanish civil society actors to understand the region.

In Asia, countries similar to Spain with extensive historical experience or that have systematically invested in increasing their knowledge now have a high degree of penetration and a considerable presence. Their decision-makers benefit from a body of knowledge, lessons and analyses adapted to their specific conditions, enabling them to make the right decisions and achieve very positive results.

In this sphere, Spain is not exactly starting from scratch: we already have many multinational corporations with significant experience in Asia acquired in the past decade, and prestigious think tanks that are increasingly focused on risk analysis of the continent. Now, the time has come to combine these strengths in order to generate a capacity for home-grown



King Felipe VI and Queen Letizia during their official visit to Japan with the Emperors of Japan, Akihito and Michiko. The clock was offered by King Felipe III of Spain to Japanese authorities in 1611, in appreciation for the rescue of the crew of the Spanish galleon San Francisco stranded off the Eastern coast of Japan in 1609.

strategic analysis that may make Asia more intelligible for our operators, so that they may better identify and maximize the significant opportunities existing there. As in the case of the networks described above, the allocation of public resources to fostering home-grown strategic thinking will continue to be crucial.

3.10. PUBLIC AWARENESS

The geographical distance, the weak historical ties, and the absence of a narrative guiding the presence of Spain in such a vast and varied region as Asia, are all factors that have not helped to raise public awareness in Spain of what our country has at stake in that region. This lack of interest partly explains the position of Asia in our foreign policy and the allocation of resources to that policy.

In any case, several opposing phenomena are causing a gradual—but sustained, and foreseeably long-lasting—increase in Spanish society's awareness of Asia: regular and irregular immigration, the omnipresence of products from Asia, the popularity of Asian cuisine, Asian investment in industry and real estate, Asian inter-

est in Spanish sport, the proliferation of small convenience stores in many neighbourhoods, an interest in the diverse forms of Asian spirituality, adoption, and tourism, just to name the most visible.

This awareness has, as does any social phenomenon, opposing characteristics: it combines forces of attraction (economic dynamism; cultural wealth, both traditional and contemporary; tourism) with forces of repulsion (perceived social and environmental dumping, the situation of women in Asia, nationalisms).

It is foreseeable and desirable that greater social awareness will increase the importance given to Asia as a target of Spain's foreign policy.

3.11. EDUCATION AND TEACHING OF SPANISH

In Asian societies, education is a national undertaking and at the same time a huge economic sector attracting many competitors, both local and international. Moreover, many countries similar to ours have influential Asian studies centres that have improved understanding of the

region and generated expert knowledge, raising the profile of countries, companies and civil society. In Spain, many of these centres have been created recently. Today, East Asian studies programmes (at the graduate, postgraduate and specialization levels) are being taught in at least ten Spanish universities.

Spain has one major advantage (Spanish as a global language) and other substantial assets (business schools, studies in areas such as architecture, engineering, sports, design and cuisine) that can be used as levers in the competition for Asian students. Given how highly the Asian public values the prestige of educational institutions, it is essential that we underscore how far Spanish universities have risen in the most widely used international rankings, especially in those for specific educational branches or subjects. Spanish universities are among the best in the world: they have reached the top 50 in certain rankings and the number of universities in the top 200 is increasing.

The Communication Plan for Spain's University System, created by Spain's Ministry of Education, Culture and Sport (MECD), is aimed at improving

the image of our universities abroad and at recruiting university talent. The Plan has the potential to be a key instrument for promoting Spanish universities, and generating significant synergies with other sectors of our bilateral relations, given the professional, cultural and economic networks resulting from university experience.

Moreover, extending Spanish throughout the formal education systems in Asia, both at university and non-university levels, has become a priority

goal. Spain can use and strengthen its traditional resources in that continent (assistantships, resource centres, teacher training programmes, and exchange programmes), in addition to exploring other new resources adapted to the dimensions and needs of Asian markets.

The instruments at our disposal should be adapted to the specific conditions of Asian countries, focusing on providing educational products and services in which our country can offer high added value. The opportunities

for Spain focus on the area of education (teaching of Spanish and elite education) in countries such as China, Japan, Korea, Singapore and India, which have first-rate universities and educational centres. The MECED's Educational Action Abroad network is considered to be able to play a significant role in this regard, because it already has several offices in the region (China, Australia, New Zealand and the Philippines), and plans to extend its activities to India soon.

INSTITUTO CERVANTES AND ASIA-PACIFIC

Since its creation in 1991, Instituto Cervantes has promoted the learning and teaching of Spanish in third countries. Its presence in Asia-Pacific dates back to the 2006-2009 period, the most recent phase of its international expansion. The fiscal consolidation carried out by Spain over the past six years has brought Instituto Cervantes' plans for expansion in the region to a standstill. Previously, its strategy was based on establishing large self-managed centres; these enhanced Instituto Cervantes' prominence and reputation in large cities, but entailed high structural costs.

Asia-Pacific, given its particular conditions—densely populated cities, the high value placed on education, and greater public and private offering of Spanish studies—could be an excellent testing ground for new models for the expansion of Spanish teaching, with Instituto Cervantes at the helm, multiplying its international operations and bolstering its status as the global gold standard for the teaching of Spanish.

The economies of scale afforded by densely populated areas, the difficulties in achieving a significant impact with only the resources of a single institution, and the existence

of robust private entities wishing to partner with a quality brand in language teaching, all favour Instituto Cervantes moving towards an operating model based on public-private partnerships. Such a model would allow it to focus its resources on the local Spanish teaching sector, providing services that ensure its quality and consolidation: training and certification of trainers, knowledge assessment, and accreditation of entities. Many educational entities, even in the Spanish teaching sector, are adopting business models in this line in order to increase the scope, impact and profitability of their operations.

4

RECOMMENDATIONS

The recommendations set out below take into account: the guiding principle of additionality of public action; Spanish government policy—as defined in the Foreign Action Act; the Internationalization Strategy for the Spanish economy; the other sector-specific instruments to raise Spain's profile abroad; and the purposes and objectives of the Spanish government's foreign policy.

OBJECTIVES

1 Prepare a **catalogue of specific focus areas for Spain's actions in Asia** (e.g. urban development and planning, trade, cooperation in tourism, science and technology, security, combating terrorism, disaster management and risk reduction, alternative energy, human rights, promotion of the Spanish language).

2 **Identify sections of the EU agenda in Asia in which Spain can take a more active role**, whether because we have already established our own agenda or because we have relevant experience from other regions.

3 Draft or outsource an **assessment of the impact on the Spanish economy from the ongoing regional economic integration processes**.

4 Prepare a **Spanish strategy for the New Silk Road**, with participation from public and private actors with interests in the initiative, so that all parties contribute to the strategy in their respective areas of activity.

5 Incorporate the following into Spain's strategy for **Brexit: activities and action plans to promote Spain and attract international investors from target countries**, coordinating the work of the different administrations to present our country as a destination for investment in Europe by Asian companies. These activities will be complementary and additional to those that ICEX-Invest in Spain is undertaking in these countries as regards Brexit, and will be conducted in coordination with them.

6 Perform **ongoing monitoring of conflicts in Asia and periodically assess their impact** on Spain's interests.

7 **Promote human rights** in political dialogue with key Asian partners and launch specific dialogues that complement those undertaken by the EU, accompanying the socio-economic evolution of Asian countries.

8 **Strengthen corporate social responsibility** in Asia in government-civil society dialogue and in political dialogue with Asian partners. Prepare a catalogue of good practices and acknowledge Spanish companies' initiatives in this field.

9 Foster **development of R&D&I networks** with the Asian countries that are at the forefront of science, technology and innovation, through both bilateral relations and European or international programmes.

10 Draft or outsource a **study on Spain-Asia civil society networks**: how they arise, how they are developed, members, and the role the Spanish State can play in fostering them.

11 Facilitate **initial contact between opinion shapers in Spain and Asian reality**, through

study visits and periodic meetings with Ministry of Foreign Affairs and Cooperation staff who are responsible for policy towards Asia.

12 Actively participate in the areas of civil society that study Asian affairs: Universities, think tanks, and analysis departments of companies, through visits, conferences and seminars.

13 Establish an administration/think-tank mechanism to promote training of experts in strategic analysis of Asia.

14 Promote and unlock the value, in Asia, of the instruments available in Spain to attract talent and investment and particularly those established in the Entrepreneurs Act 14/2013, those established by ICEX-Invest in Spain to attract entrepreneurs and promote start-ups, and the Rising Start-up programme; also, leverage the know-how acquired by Spaniards in Asia.

15 Promote and unlock the value of existing vacation and work activity programmes with countries in the region, and foster

signing of such programmes with other countries that are of particular interest to Spain.

16 Study means of unlocking the economic and commercial potential of second-generation Asians in Spain.

17 Taking advantage of the events commemorating the five-hundredth anniversary of the first expedition to circumnavigate the globe, led by Ferdinand Magellan and Juan Sebastian Elcano (2018-2022), to publicize Spain's crucial role in the beginnings of globalization and to raise the profile of Spanish science, enterprise and civil society in Asia.

ORGANIZATION AND WORKING METHODS

18 Promote reflection, through the Foreign Policy Council, by all ministries whose work substantially involves Asia, to establish **coordinated policy for Spain towards Asia.**

19 Pursue, develop and, if applicable, launch sector

plans for Asia within the various departments whose work is related to the continent, in their different areas of responsibility, and establish specific action plans.

20 Launch pilot projects for inter-ministerial working groups, led by the competent ministries, to monitor—at the technical level and using network working methods—the matters that have been identified as priorities for Spain in Asia (e.g. obstacles preventing a level playing field in specific countries, promotion of the rule of law, the fostering of Asian tourism, and scientific and technological cooperation in sectors of interest).

21 Plan, annually and jointly with the competent ministries, the activities of our embassies in Asia, defining with them their objectives, performing ongoing monitoring, overseeing their work on the ground and the information that they must obtain, and assessing results.

22 Adapt working methods and documents to the strictest European standards in terms of quality and format.

23 In terms of the profile of the Spanish language, **specifically adapt the deployment of Instituto Cervantes to Asian societies**, including **public-private partnership** instruments similar to those already used by other institutions that promote language.

24 In the area of security, **strengthen relations with Intelligence Services** of Asian countries that share interests with Spain; strengthen cooperation in **counter-terrorist intelligence** and promote **academic exchanges among experts in the respective strategic intelligence communities**.

25 Bolster the presence of **Spanish civil servants in Asian multilateral organizations** and promote the signing of agreements therewith.

26 Develop the **Defence Diplomacy Plan** and institutional relations in this sector, to raise the profile of the Spanish defence industry and of our operational and training capabilities.

RESOURCES

27 **Enrich in-house analysis by systematically incorporating expert insight into Asia**, so that our positions are based on the best possible sources (on the ground contact, experts and academics in Spain, business intelligence) and provide resources for this.

28 **Improve strategic planning of high-level travel and visits**, and increase the frequency and content thereof, to bring them into line with other major countries.

29 **Make greater use of multilateral meetings with Asian partners** to strengthen contact and dialogue with Asia.

30 **Strengthen the teams of the Ministry of Foreign Affairs and Cooperation's Asian units, and those of other ministries with a presence in Asia**, to bring them into line with those of other European countries in terms of capacity and resources.

31 **Strengthen the diplomatic and consular network in Asia**, incorporating new posts and

boosting the staff and resources of existing posts, including those concerned with economic, trade, consular, educational, cultural and tourism affairs. In particular, open, in the near future, an embassy in Myanmar and new consulates in Chengdu (China) and Bangalore (India), to promote economic activity and foster tourism flows.

32 **Bolster existing mechanisms in Spain** (Casa Asia, Foundations, Cooperation) to promote the **establishment of networks** among civil societies.

33 Use **existing EU mechanisms** (FIAP, Horizon 2020, etc.) and multilateral mechanisms to raise Spain's profile in Asia.



GOBIERNO
DE ESPAÑA

MINISTERIO
DE ASUNTOS EXTERIORES
Y DE COOPERACIÓN

www.exteriores.gob.es

