

ADOPTING A NEW INTERNATIONAL MINDSET - GÓMEZ-ACEBO & POMBO

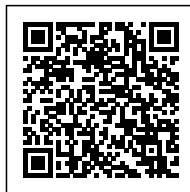
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“The economy of Barcelona is more active and was better prepared for the crisis than the rest of Catalonia.”

Fernando Rey, Managing Partner, Garrigues, Barcelona



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The Portuguese government may have suspended many of the planned most high profile infrastructure projects but sector players need not limit themselves to merely domestic opportunities, insists Jorge Sarmiento Neves, partner with Gómez-Acebo & Pombo in Lisbon.

“Some major projects, such as the fast rail connection to Spain, will progress but looking ahead there will not be the volume of projects previously seen in Portugal. Major schemes are still desired but may not become realistic for two, three or even four years. We have therefore to adjust our mindset, to now look for alternative and new markets.”

Among investors in the sector, he notes an already emerging demand for refinancing and restructuring expertise, and an appetite for investment opportunities as construction and infrastructure companies seek to adapt to the new environment.

“Many companies in the sector have accumulated large debts over the past decade and are inevitably looking for ways to reduce this. We are already seeing growing interest among funds to invest in companies, new management is often required to make the necessary difficult decisions, to sell off parts of the business and bring new thinking.”

Some leading construction companies, and their financiers, are already looking to new markets. Having expanded on a domestic projects boom they are looking to maintain momentum by leveraging their skills and know-how particularly into developing markets, says Sarmiento Neves.

“We are seeing interest in countries such as Angola, but also places like Libya and the Magreb, where there is a continuing demand for new infrastructure. These are not always easy places in which to do business, and it is important to demonstrate a track record, to establish the necessary connections, and to understand the local legal or business norms.”

Lisbon is increasingly perceived as a launch pad for companies who wish to capitalise on such opportunities, he says.

“We can utilise our position as a gateway connecting Europe, Latin America and Africa. Elements of companies' legal needs in these countries will inevitably have to be done locally, but clients need someone to act as an interface and translate unfamiliar principles into something that can provide legal certainty.”