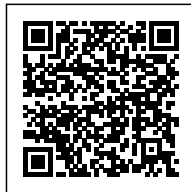


CHINA LOOKING THROUGH AND TO IBERIA - URÍA MENÉNDEZ

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When it comes to international investment, Chinese companies have to date shown limited interest in Spain and Portugal but they do recognise their importance as conduits to the lucrative Latin American market, says Juan Martín Perrotto, a Partner in Uría Menéndez's Beijing office.

"The outbound work from China is really starting to grow. Brazil is clearly the main focus of investment at present because of its size and its growing economy but there has been notable activity in Venezuela, Bolivia and Argentina too."

The figures on China-to-Brazil investments speak for themselves. In July, Alessandro Teixeira, a member of Brazil's Ministry of Trade, said that China will invest at least \$9bn into his country in 2011. It looks likely to become the biggest foreign investor in the country off the back of billions poured

into utilities and infrastructure transactions.

One recent headline deal saw China's State Grid purchase seven Brazilian power transmission companies for \$1.8bn, the first time the company has made a non-Asian investment. Another saw Taiwan-based Foxconn enter a contract with Apple to begin production of iPads in the country, a deal estimated to be worth up to \$12bn.

Perrotto, who worked for the sellers (Isolux, Elecnor, ACS Cobra and Abengoa) on the State Grid deal, estimates that around 90 percent of the work currently coming from Chinese investors is flowing into Latin America.

Significantly this emphasis could however be starting to change. With countries like Greece and Portugal set to sell off public companies to repay crippling debts, the Chinese may yet refocus their attention, including towards Iberia, with the prospect of acquiring prime European assets, he says. "We are seeing a lot more interest for investments in European companies," he says. "Chinese investors are looking for strong technology and established brands that can open up new markets and improve their own domestic market standing and reputations."