

ENCOURAGING THE CITY'S ENTREPRENEURIAL SPIRIT

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Barcelona's economic revolution is helping to encourage the emergence of a new business approach, say Joan Roca and Jordi Casas of Roca Junyent.

There is no doubt that the Catalan economy has been affected by the global financial crisis as well as the downturn in Spain's own economy. But the region continues to place a strong emphasis on its position as an international technology centre, and consequently is now seeing the emergence of a vibrant 'start-up' and entrepreneurial business culture, says Joan



Roca, corporate partner at Roca Junyent.

✘ 'As a global economy Spain is inevitably being affected by events well beyond its own borders, with the impact clearly being seen in different ways across Spain's different regions but each of which is also now responding in a dramatically different way.'

As Spain's political and finance capital, Madrid has clearly suffered the most from the global financial crisis, but as the markets recover so will it, they believe. Barcelona's economy is global in a more traditional sense.

No hay duda de que la economía catalana se ha visto afectada por la crisis financiera mundial así como por la recesión que padece la economía española. Con todo, la región continúa poniendo el énfasis en su posición como centro tecnológico y, a consecuencia, se está presenciando el surgimiento de una cultura empresarial nueva, dice Joan Roca y Jordi Casas, socios de Mercantil en Roca Junyent. El resultado es una mentalidad que atrae nuevas habilidades, nuevos tipos de empresa y nuevas fuentes de inversión.

'There has always been much more of a focus on industrial manufacturing and on imports and exports and consequently it has been hit by the international slowdown in consumer spending and global trade,' says Jordi Casas a Roca Junyent corporate partner.

Local businesses are therefore having to adapt to a changed business environment,

even though the region remains Spain's major trade hub, but even before the onset of the current economic crisis Barcelona had already been making significant efforts to diversify its economy, they say.

'There has been a much greater push towards developing the service economy, one focused more towards innovation and research and development (R&D), and the result is that Barcelona continues to emerge as a preferred location globally for designated industries,' says Roca.

The region's car industry may be suffering, but Volkswagen continues to focus a significant portion of its international design and R&D expertise at its Martorell plant, he notes, with a remit that now encompasses its local Seat, as well as Volkswagen and Audi brands.

'For multinational industrial companies Barcelona remains an attractive choice. But besides mere design expertise, it is also increasingly the focus for the most cutting-edge R&D expertise within many of the world's major technology, chemical and pharmaceuticals companies,' adds Casas.

But Barcelona's evolution is more than the mere sum of its parts, they insist. Its position as a research centre is attracting ever deeper expertise, which is being further enhanced by the city's main research-led universities and business schools.

'There is a cluster mentality, the technology companies attract more expertise and the business schools encourage a more entrepreneurial spirit. This combination is positioning Barcelona as Spain's 'start-up' capital and an inevitable result is a dramatic upturn also in emerging company investment,' says Roca.

Spain's private equity industry may be largely headquartered in Madrid, but the majority of start-up venture capital investment is focused on Barcelona, as well as a big stake of middle market deals, they say. An importance piece also in the city's commercial self-fulfilling prophecy.



'When it comes to the number and volume of investments by business angels and early-stage investment funds, Barcelona is well ahead. Again though, the availability of funds means also that business schools graduates and those with an entrepreneurial spirit within established companies also seem to be much more willing to venture out on their own and to try something new.'

Economically, things may not be as certain as they perhaps once were for the region but Barcelona is not prepared to simply wait for the better times to return, they insist. 'The trend seems very much towards those who can to instead begin to take charge of their own destinies,' says Casas.