

GREATER POLITICAL STABILITY WOULD IMPROVE SPAIN'S IMAGE IN THE GLOBAL MARKET - RAMÓN Y CAJAL ABOGADOS

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International private equity funds are targeting mid-market deals in Spain as the country loses its reputation as a 'problematic' jurisdiction

Though Spain is attracting investment from international private equity funds, greater political stability would further improve its image in the global market, according to Guillermo Muñoz-Alonso, partner at Ramón y Cajal Abogados in Madrid.

"There continues to be a large appetite for mid-market deals," Muñoz-Alonso says. He adds that Spanish private equity funds have long been active in this segment of the market, but there is now an increasing interest from international private equity firms.

According to Muñoz-Alonso, Spain's image is improving and this is contributing to the uptick in interest from international players. "The perception that Spain was a problematic jurisdiction no longer exists," he explains. "It is becoming a more popular jurisdiction for investment and becoming more attractive." At the same time, the Spanish economy is showing sustained growth, Muñoz-Alonso adds.

The Catalonia crisis led to concern among investors, but while the situation in the region remains unresolved, Muñoz-Alonso believes the outcome will not be cataclysmic. To further strengthen the

country's image in the international market and continue to attract new investors, Muñoz-Alonso emphasises the need for political stability, both in central government and the regions. Meanwhile, clients – including private equity houses and corporate clients – are less interested in commoditised deals, he says. Instead, clients want legal counsel to provide “made-to-measure” advice. He adds that the demands of private equity funds and corporates are converging. “There used to be more of a gap between the demands made by private equity firms (seen as a more sophisticated type of client) and corporates – this does not appear to be the case any longer.” To provide the best service, Muñoz-Alonso says it is important for law firms to focus on specialisation. “It is important to have a small, specialised team, which is well versed in the relevant transaction,” he explains.