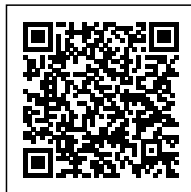


OPENING NEW FRONTIERS - GREENBERG TRAURIG

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Given the country's recovery cycle, Spanish firms continue to look beyond the Iberian Peninsula towards new markets, and there is renewed confidence in Spain thanks to economic recovery and new bankruptcy laws. At the same time, US investors are turning their eyes to Europe as an attractive opportunity, says Patricia Menéndez-Cambó, Vice President and Chair of Greenberg Traurig's Global Practice Group.

"On the M&A side, a number of Ibex companies are entering into transactions in the US and Latin America in order to diversify their markets and open new frontiers," says Menéndez-Cambó. She points to renewed interest in Mexico on behalf of Spanish firms in the wake of the recent reforms to the telecommunications and energy sectors, allowing for greater private sector participation, and where firms such as Renovalia and Abengoa are likely to increase their market share.

With deal flow within the US having been very slow since the 2008 financial crisis, US and London-based private equity funds and investors are now looking to Europe as a workplace for their money, says Bruce R Zirinsky, Global Co-Chair of the Firm's Global Business Reorganisation & Financial Restructuring Practice.

But a large deterrent has been a lack of confidence in the legal system. "Investors want to be sure that if they are committing capital then the courts will protect them, and that they won't get caught up in protracted legal proceedings that would affect their rate of return," Zirinsky says. He highlights the progress made by Spain's recently reformed bankruptcy and insolvency laws, modified to adapt to the country's economic reality.

"Capital-strapped companies are now looking for fresh funds, while new capital is looking for a good home, which makes for a perfect match," he says. Manufacturing and specialised commodities are the Spanish sectors most attractive to investors, where exports will be the initial engine of growth for an economy in early-stage recovery.

"In terms of investment opportunities in Europe, Spain and Italy are the countries that have been most overlooked, but that is starting to change," says Menéndez-Cambó. And while the crisis has kept investors cautious, Spain is now being seen as 'a safe harbour'.