

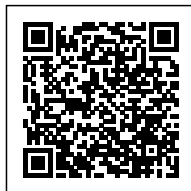
REMOVING THE BARRIERS TO NEW BUSINESS GROWTH - ECIJA

Posted on 26/04/2011



Gabriel Nadal

Category: [Uncategorized](#)



New investment opportunities are emerging in Barcelona and entrepreneurial creativity continues to overcome bureaucratic barriers

In the face of the global downturn and challenges facing Spain as a whole, new investment is still arriving although companies face more administrative barriers than ever, says continuing challenges, says Gabriel Nadal, Managing Partner of the recently enlarged Barcelona office of Écija. "If you look at the figures from last year, foreign direct investment (FDI) picked up around 50 percent on 2009 and Barcelona remains a very attractive location to do business. However, the legislative trend of recent years has done very little to help this. It is increasingly more difficult to set up a company or to relocate an international business here."

By teaming up with local technology-led boutique Legal Link late last year, Madrid-based Écija has now strengthened its ties to the Barcelona market having already established itself as one of Spain's leading law firms in the intellectual property (IP), information technology (IT) and media sectors; the firm's innovative approach matched by its client focus.

Legal Link's team of eight lawyers slotted neatly into Écija, says Nadal himself a new recruit, having been a founding partner at prominent local firm Jausàs.

"The Legal Link team had significant expertise in the areas where we already had plans, such as in telecoms and IT law, and itself had seen an evident rise in client activity both in Barcelona and across Spain," he says.

Écija's growth – the firm now has around 90 lawyers – has been helped by its entrepreneurial approach, which includes "off-the-shelf" and standardised legal products. Such creativity is not only beneficial but necessary, says Nadal, who is a fierce critic of the legislative situation in Spain which he believes threatens to slow the country's return to prosperity.

A lawyer dealing with foreign clients for 25 years, the bureaucratic constraints now facing many are more than ever before, he says. "It's unbelievable, foreign companies are increasingly surprised by, and impatient with, Spanish legislation."

When it comes to setting up a company and complying with directors' liability requirements, filing tax returns or registering for VAT, Spain presents unnecessarily burdens, he believes.

The recent "heavy handed" introduction into Spanish Law of the EU Anti-Money En España nos enfrentamos a trámites innecesarios en cuanto a registro de empresas, cumplimiento normativo o fiscalidad; pero según Gabriel Nadal, Socio Director de Écija en Barcelona, sigue habiendo oportunidades de inversión y la creatividad empresarial sigue superando los obstáculos burocráticos.

Laundering provisions requiring the identification of company shareholders is yet another example of "over-zealous" legislation facing new businesses.

"We have gone back years, both from a legal perspective and from creating an FDI-friendly country," he says. "For start-ups and small companies, this is an added cost and ultimately a possible deterrent to doing business here."

But despite the bureaucracy, Nadal reports a rise in the number of new businesses emerging out of the downturn, and in quite unexpected sectors.

"We have seen a renewed increase in e-commerce operations in Barcelona and an expansion of their legal requirements. This is a sector that was booming at the start of the last decade but inevitably suffered with the bursting of the dot-com bubble. But now, once again, we see start-ups or more consolidated offerings from big retail banks. This commercial creativity is in spite of the regulatory hurdles they often face."

Likewise, he reports an increasing number of M&A operations many involving foreign investment, not only in IT but also in other sectors. International investors remain interested the right types of opportunities and Barcelona continues to have wide appeal.

Perhaps the biggest surprise has come in the property market, he says.

After a catastrophic crash and three years of unpredictable, but mostly falling, property prices, it appears there is now movement among cash-rich investors for premium real estate and commercial property. This is where Barcelona, over other cities in Spain and across Western Europe, comes into its own, believes Nadal.

"We have seen quite a lot of activity in the prime residential property market. High net worth individuals are again looking at the European property market and choosing to acquire prime real estate in Barcelona and Catalonia ahead of other investment destinations."

As with the re-invigoration of the city's high-tech businesses, such a trend reflects a mix of established and new sources of finance and interest – notably from Eastern European and the Middle East.

"We are seeing things happen that are very different to matters we were working on only two years ago. For those with a wider perspective, the trend towards new opportunities seems to be increasing."