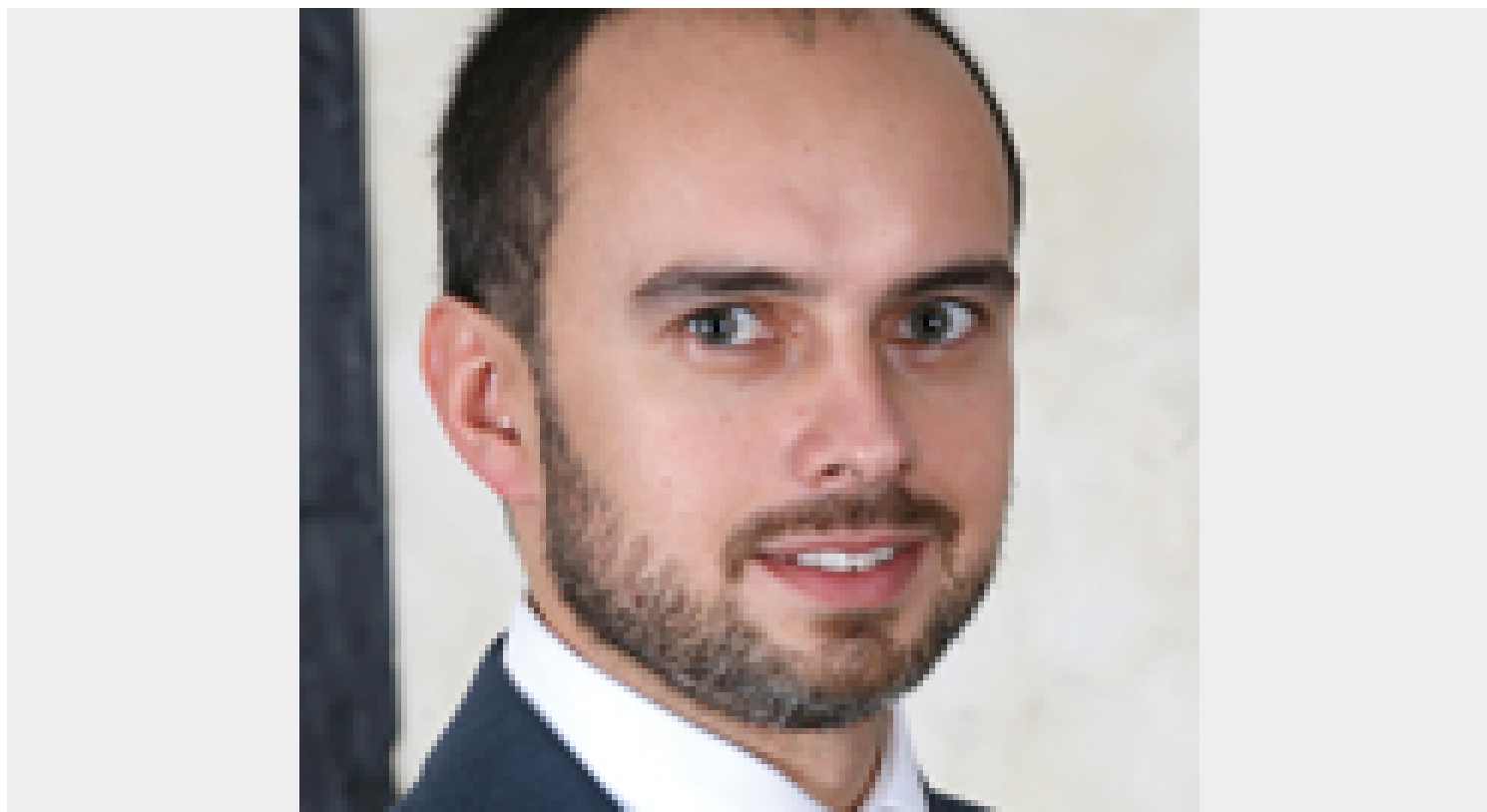


THE GAIN IN SPAIN - GÓMEZ-ACEBO & POMBO

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Recent data makes worrying reading for the private equity sector in Spain, says Rubén Ferrer, an M&A expert and Resident Partner in the New York office of Spain's Gómez-Acebo & Pombo. In the first half of 2013, the volume of private equity investment was the lowest since the start of the crisis.

"However, it is noteworthy that international funds were responsible for around half of the amount invested," he says. The decrease has been attributed to a lack of liquidity from Spanish banks and, while that has caused some issues for domestic investors, for international firms it is a different matter.

"International investors, especially those in the US, are interested in Spain and have the edge when it comes to bidding for assets," explains Ferrer, who focuses his practice on advising US clients on their investments in Spain. He points to real estate, banking and infrastructure as three sectors of growing interest with plenty of opportunities for international investors. However, it is not just distressed assets that are on the US agenda.

More traditional M&A activity is also making a comeback, with US investors in particular focusing on premium assets. Recent deals saw US-based Bain Capital buy local call centre company Atento for

€1bn, while the US retail giant Costco Wholesale Corporation recently announced plans to start operations in Spain. Latin American investors are also becoming notable players, such as Brazilian BTG Pactual's recent transaction involving the Catalanian water utility Aigües Ter Llobregat. "Both investment funds and strategic investors are scouting the market for possible acquisitions," Ferrer adds.

"The general view from the US is that this is a good time to invest at the right price". Spain is undergoing major structural reforms and is where productivity has increased the most in Europe in the past years.