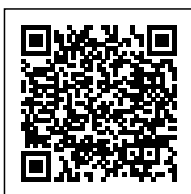


TOURISM AND EXPORT DRIVING GROWTH, URÍA MENÉNDEZ

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The Madrid economy is taking off, according to Uría Menéndez managing partner Luis de Carlos, who anticipates a sustained period of growth over the next two years.

The trend is going up and will keep improving – 2014 will be better than 2013 and 2015 will be better still, he says. “The Spanish economy has corrected itself and has established the basis for a new period of reasonable growth – it has overcome the worst and has been improving since last summer, though it took time before the data confirmed this.”

So, what sectors are driving this growth? Merger and acquisition work in all sectors is on the increase, according to De Carlos, but tourism and exports are among the areas attracting the most interest. “The Spanish economy has the capacity to export, and also attract tourists, so these two sectors have been particularly relevant with regard to M&A,” he says.

De Carlos says that many different types of funds are showing interest in Spain. “They [the funds] have been very active in acquiring different kinds of assets, including banks, non-performing loans and real estate,” he says. “Investors have also come from Asia, particularly Japan and China, as well

as Latin American countries, such as Mexico, Colombia and Brazil. There is more trust in the Spanish economy and we have closed a good number of deals." While there has also been an increase in the internal investment rate [that is, investment by Spanish companies in Spain], this has been limited by the Spanish economy's excess of indebtedness, De Carlos adds.

The challenge for investors is to acquire assets at a reasonable price and fully capitalise on this potential. "So due diligence and a proper review of the business being targeted is important," De Carlos adds. "The Madrid market is clearly taking off with both the Spanish and Madrid economies offering some interesting opportunities."