



“There is a growing interest to invest in *Spain*.”

EDVALDO MORATA Responsible for corporate banking for Sovereign Bank/ The North American financial organization has confidence in the reforms implemented in the country and ensures that Spain “will soon begin to grow again”.

Estela S.Mazo **NEW YORK** — Prior to his interview with Newspaper Expansión, Morata had recently visited Harvard University where he participated in RCC Executive Program, a program for high-level executives that aims to find transatlantic opportunities. Edvaldo Morata, who has more than 20 years of experience in financial services, knows a lot about this.

“We believe that great imbalances that have affected the country negatively in recent years are being corrected.”

“With a solid infrastructure and a large business sector, Spain is an ideal destination for investors.”

His current position is at Sovereign Bank, a subsidiary in the United States of Grupo Santander, where he is responsible for corporate banking. His privileged position allows him to analyze financial relations between both countries during an era when the “Spain” brand is not at its best moments in the U.S..

What is the best advice for potential investors of North American companies that see that dark picture? Morata has no doubt, “Reinforce the idea that the country is an ideal destination for direct foreign investment due to its solid infrastructure, optimum location in logical terms, business sector with big international companies, and quality labor force.”

“...our corporate clients are increasingly interested in exploring investment opportunities in Spain.”

Sources: **Expansión** | 5 August 2013 | No: 8,169 | Translated.

Bank BBVA says economy already growing & estimate a 2014 GDP growth at 0.9%

BBVA RESEARCH anticipates that GDP will return to positive territory in the third quarter of this year, beginning a path of “moderate recovery”.

- The entity’s studies say Spain is already growing
- Calculating that in 2014 the GPA will grow 0.9%, 4 tenths more than expected
- The bank’s estimates are slightly more pessimistic than the official estimates of this year.

MADRID — BBVA analysts assess that “based on available Q3 data, the Spanish economy may have already returned to weak growth” (0.1% of GDP quarter on quarter) and forecasts 2014 growth at 0.9% of GDP. The estimate goes on to caution that labor market improvements will be slow to bring down unemployment, which the bank assesses will remain above 25% until at least 2015.

The BBVA growth outlook falls along the more optimistic end of the range of economic performance predictions for Spain (almost double the official Spanish Government 2014 growth estimate of 0.5% of GDP).

BBVA analysis also highlights the smaller than anticipated negative impact of weak domestic demand and an improving level of business investment: “Spain’s internal devaluation, the diversification of exports, growth of global markets, and improved competitiveness augur well for continued export strength,” concludes BBVA.

Sources: **El País** | 6 August 2013 | www.economia.elpais.com/economia | Translated.

La Razón | 7 August 2013 | www.larazon.es | Translated.

“Positive” Perspective

It seems that American entrepreneurs, despite bad provisions, have begun to think about Spain. Interest of the American investors to enter in the Spanish market “exists and is growing”. He reassures, “What we see in various conversations with our corporate clients is that they are increasingly interested in exploring investment opportunities in our country [Spain].” With this perception, it is understood that the vision of Sovereign regarding Spain is “good”. We are conscious of the difficulties and challenges the Spanish economy is experiencing”, but “we believe that great imbalances that have affected our country negatively in recent years are being corrected. We are convinced that Spain will soon begin to grow again.” Among the imbalances, Morata highlights the reduction of the deficit whilst strengthening the exterior sec-



“The Spanish franchise system is one of the safest & most successful trading formulas when starting a business in Spain.”

“It is expected that the franchise system will be the first to leave the current economic problems behind.”

“Today there are 204 foreign brands operating in Spain, of those 37 are US, which makes it the second largest market that brings companies to Spain.”

- AFE (Spanish Franchise Association)

“In addition to acting as a gateway to the European market, American products have traditionally been well received in our country.”

“... the Spanish real estate market is undergoing a significant adjustment process, which has resulted in the reduction of property prices, favoring the expansion of the franchise chains in our market.”

“The franchise network has continued to grow over the last 3 years... 2010 marked an increase of 7% and closed the year 2011 and 2012 with an increase of 5% reaching more than 22 billion euros in revenues.”

- Santiago Barbadillo,

Director General de Barbadillo y Asociados

“In the current market, the franchise sector is experiencing strong growth as an alternative business model, which allows entrepreneurs to start a new activity.”

- Baker & McKenzie

DEAR US FRANCHISORS, REASONS TO COME TO

Spain



“It is actually a good time to be searching for franchise investors in Spain. The country is expected to come out of its recession in 2014, and already there are signs of improvement. Spain has also become much more competitive as a result of the financial & labor reforms it has implemented...”

There is definitely money in Spain... there are individuals and companies who have resources and are looking for new investments with a high probability for positive future returns. Real estate costs and other expenses have dropped during the recession making this a good time to begin building a new business.”

- Robert Jones, Regional Commercial

Counselor, U.S. Commercial Service, U.S Embassy Madrid



Franchise Seminars

The U.S. Commercial Service in Spain, in conjunction with Baker & McKenzie and the Asociación Española de Franquicidores (AEF) offer franchise seminars twice a year during the spring and fall seasons. Topics usually discussed include: commercial trends in Spain, legal framework, franchise models: success and failure, required documents, and operational challenges and business franchise practices in Spain. U.S. franchisors also have the opportunity to present their concepts to a targeted audience of potential investors.

For more information & to register, please contact: Angela.Turrin@trade.gov & Kristin.Houston@trade.gov