



Catalonia

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Lots of buzz in hive of industry

Tax incentives and start-up grants are giving Barcelona global clout, says Gavin van Marle

The stream of tourists strolling down La Rambla serves as a daily reminder of Barcelona's fame as a top holiday destination — but there is far more to the city than monuments, museums and markets.

Over the past few years, Barcelona has been transformed into a European

gateway on many levels, cultural, commercial, technological and industrial. And these changes have helped the city to establish itself as a brand to be reckoned with.

The Saffron City Brand Index, developed by the Saffron consultancy, places Barcelona as the sixth strongest in the world — third in Europe behind Paris and London and far ahead of Tokyo, Shanghai and Bangkok.

The rankings are created by calculating a city's assets against its "buzz". With its museums and galleries, stunning architecture, vibrant cultural scene and one of the world's most successful football clubs, Barcelona clearly has the buzz. And, spearheaded by the investment in infrastructure for the 1992 Olympics, the city has also increasingly built up



GUILLEM LOPEZ/GETTY IMAGES

its asset-base to offer businesses and industry what city leaders believe is a natural European hub.

The sovereign debt crisis that threatened the Spanish economy was the catalyst for the city to develop itself as a brand. Civic leaders realised that Barcelona would have to distance itself from the national economy in the minds of investors. According to Jordi Joly Lena, the chief executive for economy, business and employment at Barcelona City Hall, demonstrating the financial health of the municipality was paramount: "We had to show the business community that we would not fall to the contagion."

"Questions were being asked about whether Spain would leave the European Union. But Barcelona was not part of this storyline; we had the goal to be seen as something different through the brand of Barcelona."

While the Spanish economy languished, city officials put into place a strategy known as Barcelona Growth, a variety of initiatives aimed at attracting investment and strengthening the local economy.

"To have healthy public finances was absolutely key," Lena says. "We [the municipality] must pay our

Barcelona is a world-class city thanks to its energy, often on display at festivals, and its vibrant cultural scene

suppliers within 30 days. City Hall has a €2.5 billion budget and if you want to have a city that is really competitive, it is important to have public administration that reacts quickly and is efficient. We need to be 'the German city in the south of Europe.'

This represents a real change in the way Spanish civil administrators typically think: promoting a local economy is traditionally about protecting local businesses but Barcelona has launched the nearest thing to a tax-free zone that it is allowed to under national laws. Centred on the 22@ innovation area in Poblenou, companies — local or not — that locate to the area will receive a €50,000 grant from the city to help with start-up costs.

The dividends appear clear. Direct investment in the city grew by 31 per cent last year, according to KPMG.

Sònia Recasens i Alsina, second deputy mayor of economy, business and employment, says: "We believe that good management generates international confidence and creates an environment for investment and economic recovery, so we work hard to reduce barriers to business creation."



Port sails free of choppy waters

A €300 million investment is a sign of confidence in the future, says Gavin van Marle

At the height of Spain's economic crisis, the world's largest port operator opened Barcelona's newest container terminal — a sure sign of long-term confidence in the Catalan economy.

Hutchison Port Holdings, part of the Hutchison Whampoa conglomerate, officially opened the new Barcelona Europe South Terminal (Best) in

September 2012 on the dark day that the Madrid stock exchange lost 4 per cent of its value and Spain appeared to be heading towards bankruptcy.

A further indication of the importance of the port of Barcelona to Spain was that King Juan Carlos, then head of state, opened the terminal.

The decision to build it seemed a brave one but Clemence Cheng, Hutchison's European managing director, says that the €300 million-plus (£240m) investment is a 30-year project. "Container handling is a long-term business and hopefully economic recovery is on its way," he says.

His words were prophetic. The injection of container capacity — it can handle 1.5 million standard containers a year — and its 16-metre draught and state-of-the-art cranes allow it to serve the largest vessels afloat.

The development was part of a deal



“There is a very strong industrial base here

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