BARCELONA **Innovative & Creative Business**

FINANCIAL TIMES SPECIAL REPORT | Tuesday March 22 2011

www.ft.com/barcelona-2011 | twitter.com/ftreports

Automotive Globalisation has forced

traditional manufacturers to explore new avenues Page 2

Art and industry make for a gaudy mix

Victor Mallet

examines how creative and design businesses are coping in the wake of the financial crisis

arcelona has never been afraid of the new. This is, after all, the city that in the 13th century opted for a form of government closer to democracy than most other systems of the time - the Consell de Cent, or Council of One Hundred, whose imposing assembly hall adorned with Catalan flags can still be seen at the municipal offices in the old city centre.

The Council lasted more than four centuries, its durability attributed by Robert Hughes, author of a cultural history of Barcelona, to the fact that it was flexible and not completely dominated by wealthy merchants. "A leather worker, a tailor, a cooper, or a smith might sit in session with a trading banker or the biggest spice importer in Barcelona in terms of voting equality," he wrote.

But the innovations of Barcelona, capital of Catalonia and the Barcelona-based business Spain's second city, did not stop school, says these crises seem to at politics and administration.

This is a city of European commerce and industrial revolution, but also of art and culture. Barcelona is the city that nurtured artists Pablo Picasso and Joan Miró, and the home of architect Antoni Gaudí, whose long unfinished Sagrada Familia (Holy Family) church was finally consecrated last year by Pope Benedict XVI. Not everyone likes the works of Gaudí that dominate parts of Barcelona, but no one ever accused him of lacking originality.

Barcelona has repeatedly rebuilt and modernised itself to maintain its hard-won prosperity, as it did in order to make an 600 exemplary success of hosting the 1992 Olympic Games.

Now it must do so again, as Catalonia, Spain and indeed the 400 whole of southern Europe struggle to emerge from a global 300 financial crisis and the subse-200 quent eurozone sovereign debt crisis - a challenge that has 100 already driven Greece and Ireland into the arms of rescuers from the European Union and the International Monetary Fund, with Portugal perhaps not far behind.

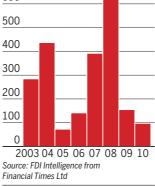
Julia Prats, assistant professor of entrepreneurship at Iese, have galvanised Barcelona soci-



Vibrant city: Barcelona is regarded as a world centre for design and architecture

Overseas investment into Barcelona

Total project investment (\$m)



MORE ON FT.COM For more on FDI in the city, go to www.ft.com/fdibarcelona

ety into action after a decade or so of shrugged shoulders and unproductive nostalgia over the successful initiatives of the past.

"The crisis is helping to pull together civil society and there are a lot of initiatives from people not involved in politics."

Ms Prats is part of a group of organisations, entrepreneurs and professionals called Barcelona Global that is trying to promote competitiveness, innovation and technological research in the city, while improving social cohesion, education and Barcelona's international image. For years, both the private

sector and government national, regional and municipal have targeted promising sectoral clusters for investment in the 27 municipalities of greater Barcelona that together account ship visits, hotels, trade fairs, for 60 per cent of Catalonia's and food, with Catalan chefs

gross domestic product. Such such as Ferran Adrià already growth businesses include fashrenowned throughout the world. ion and design, an industry that builds on Barcelona's traditional fied city. We don't have one secstrengths in textiles and architor, we have several, old and tecture and takes advantage of new: food, cars, housing, tourthe creative flair of local and ism," says Jordi William Carnes, deputy mayor. "What we've done with all of them is help foreign inhabitants.

Barcelona and Catalonia have also invested their hopes - and their money - in biotechnology and biomedicine, and in hightech electronics and services companies that can move beyond their involvement in traditional industries such as vehicle manufacturing to apply their skills to the electric cars, aerospace applications and information technologies of the future.

Then there are the services connected to tourism: cruise

"Barcelona is a very diversi-

with their renewal." Barcelona

Activa, the municipality's local

development agency, says it

supports more than 1,000 new

projects a year, and hosts 115

companies at its business "incu-

bator" and technology park.

Dreamstim

a rich literary history Page 5

Gourmet reinvention

The chef behind El Bulli is shutting the restuarant to open a culinary foundation Page 6

More on FT.Com

Guest Column Alfons Sauquet explains why he thinks



Biotech Lack of a local champion and of funding raise questions about the prospects for the capital hungry sector Page 2

Inside this issue



Football Running the city's hugely successful football team takes

more than just skill on the pitch Page 3

Profit tonic Fever-Tree, which makes premium drink mixers, explains why the group is expanding in Spain Page 4

Publishing Barcelona has

Yet the length of the current Barcelona economic crisis affecting the whole of Spain, and the economic austerity plans designed

to cut the nation's annual FT.com/barcelona-2011 budget deficit and limit the growth of government debt, are

CREATE INVEST WORK **LEAR** RESEARCH SMILE BARCELONA

Most cities locate their business on the outskirts of town. For the space dedicated to the knowledge-based economy, we prefer the city centre. More than 4,500 companies working in media, ICT, energy, Med Tech and design already know this and have created more than 56,000 new jobs.

Visit www.bcn.cat/barcelonabusiness

Ajuntament de Barcelona

www.bcn.cat/barcelonabusiness

As part of this strategy the

sis, and constructing a servicing

Barcelona: Innovative & Creative Business

From car door panels to hybrid batteries

Automotive

Globalisation has forced traditional manufacturers to explore new avenues, says Miles Johnson

f all of Barcelona's surviving heavy industries, few have been forced to transform themselves in the face of globalisation as much the city's vehicle manufacturers.

The Catalan automotive industry, which in 2009 made up 10 per cent of the region's output and 15 per cent of its exports, has suffered a slow long-term decline because of increasing competition from emerging markets, combined with the impact of the economic crisis on its domestic economy.

Spain's share of vehicle production within the European Union fell below that of eastern European countries for the first

than in 2004, according to data Mirror image: companies such as Ficosa are shifting from

ket, the region's car industry has begun to refocus on green and electronic technologies to

growing parts of the world In March 2009, the Catalan government approved a programme for green vehicles as part of a 10strategy vear

manufaccar turers to ensure the local indusmarketplace.

Now, both the regional govtime in 2007, while the number of vehicles produced in Cataloernment and local players in the nia was 120,657 lower in 2009 automotive technology sector are hoping that a rebalancing towards high-tech and green car technology will allow one of Catalonia's most important industries over the past 100 years to remain relevant during the next century.

While the Catalan automotive sector is headed by two large foreign vehicle assemblers. Seat (owned by Volkswagen) and Renault, a number of local system and component companies operate on a global scale, attempting to diversify their businesses towards high-tech and environmentally-focused technology.

A report commissioned by the regional government last year argued that "electric vehicles present an opportunity for the Catalan automotive sector to turn this situation round. A capacity to produce green vehicles is not only an opportunity but a necessity as, at first sight, the automotive sector's future seems to rely on getting on this bandwagon".

One company emblematic of side Barcelona. "We made the this shift is Ficosa, a familyowned car parts manufacturer founded in 1949 that has moved quickly to start producing an array of green and electronic auto gadgets. These include technology to detect when a driver falls asleep at the wheel, and paper-thin car aerials.

In 2005, Vicenç Aguilera, head of research and development at Ficosa, made the recommendation to the company's board to begin shifting its strategic focus away from making simple steel and plastic-based car parts, and into electronics.

Focusing on three core areas electronic safety devices, wireless communication, and hybrid and battery technology - Ficosa now invests 4 per cent of its turnover in research and development.

"In the year 2000, the company was in the process of globalising, and realised the need to invest in its own research and development programme," he says from the company's 6,000 square metre "innovation centre" in Villadecavallis out-

argument to move into what we company is investing in source could see was the growing overand supply batteries, developing lap between the auto sector and and testing safer types of chaselectronics.

The Villadecavallis factory, system for electric motorcycles. previously used by Sony to man-A study into the benefits of ufacturer television sets and green car technology for the other home electronics, has Catalan regional government become the centre of Ficosa's argues that companies in the region are well placed in the drive to develop new technology, where it manages a portfoelectric motorcycle industry, lio of more than 600 active pathelped in part by demand from ents and serves clients includthe large metropolitan area of ing Continental, the tyre group, Barcelona, and closeness to other European export markets. and Hewlett-Packard.

Another Barcelona-based com-Ficosa's Mr Aguilera says that the process of shifting the focus pany moving towards green car of businesses such as his technology is Applus, Spain's largest certification and car towards innovative technologiinspection company that has cal products for cars will enable allocated €7.8m to examine Ficosa to remain rooted in Cataways to service electric and lonia while continuing to expand in developing markets. hybrid cars.

Applus, which employs 11,000 'The roots of the company are globally and in 2007 received an here," he says. "If you want to investment of €1.48bn from Carbe a leader, you need to be at lyle - the largest private equity the front. Ficosa came into this investment in Spain at the time, part of the car business as a has said that it is aiming to genfollower. But you can't expand vour business unless you put erate 15 per cent of turnover from high-tech services develbetter solutions, and better techoped over the past four years. nology in front of your clients.'

export to other, faster for the region's

try maintains its weighting in Catalan gross domestic product, and that companies remain competitive in the global

Hub faces intense competition

Barcelona.

of European

The region also benefits

Biotechnology

Lack of local leader and funding raise questions, writes Miles Johnson

must play to its strengths. This was the philosophy adopted by the Catalan government when deciding which research-based industries would represent the future of the region's economy after the end of the Franco period.

pharma-Family-owned ceuticals companies had existed around Barcelona for more than half a century and an abundance of

made the city an ideal petri- 1980s, along with a scheme dish to cultivate existing to recruit researchers from research talent in life sciences and biotechnology. "There was a strong, gov-

ernment-led strategy to around universities, helping build a research base here in the 1980s," says Montserrat Vendrell, chief execu- panies. tive of Biocat, a local gov-Barcelona is a city that ernment-fostered umbrella organisation set up to pro-

mote the biotechnology industry within Catalonia. "We had the right ingredients here in terms of hospitals and a consolidated pharmaceutical sector, and this was topped with the

management of right research and a scheme to recruit intentional talent." After a regional govern- grants coming to Spain are ment-led drive to create a now awarded to Catalonia. network of independent

hospitals and universities research centres in the from the presence of located here in Catalonia, MareNostrum, one of the most powerful supercomputers in Europe, which in abroad to join them, the next decade saw a boom in 2006 saw its processing science parks being built capacity increased because of the big demand from scito foster research projects entific projects. between academia and com-

However, in spite of these efforts, Spain and Catalonia This focus has helped lack a local champion that Barcelona become a centre can compete in scale and of excellence for biotechnolscope against the world's ogy in Spain, with almost a leading companies. Almirall, Spain's largest

quarter of all Spanish biopharmaceutical company, tech companies located in Barcelona-based and valued at €1.2bn (\$1.67bn), is small The number of new companies being established in in international terms, as is Catalonia is growing at a its peer Zeltia.

rate of 30 per cent a year, "There is no very large Spanish biotech company, while more than 60 per cent research and this is important," says Ms Vendrell 'We have medium-sized

pharmaceuticals companies

but nowadays the size you have to achieve to be competitive is crazy. Even if they merged all of them, it would still be difficult."

Catalonia faces stiff competition from other biotech hubs in Europe, such as Cambridge in the United Kingdom, and Flanders in Belgium, and researchers also say that there is a lack of international private funding available, in spite of local venture capital groups.

Ms Vendrell argues that the nature of the biotechnology sector, where projects need large-scale investment and many years nurtured from being infancy to market, means the state can play a role in providing early capital for important projects that could otherwise be ignored for being too risky.

"With biotechnology you really have to go a little bit further than you would do





from the Catalan government. In an effort to combat this combination of vigorous foreign competition and a falling share of exports to the European mar-



Your office in Spain,

Negocenter is the leader in providing working space solutions

Total flexibility:	From a half day to 5 years. One workplace to 500. Increase or reduce the size of your office whenever you need to.
High quality, attractive price:	No building work, no services charges, no maintenance bills.
Immediate availability:	Your office up and running in an hour. Instant Offices, Fully Furnished, Totally Serviced.
Made to Measure:	All types of layouts, meeting and training rooms.

It was never so easy to start working in Spain



in other areas, since we are talking about very risky long development processes that are far from the market," she says Joaquim Vilà, professor of

strategic management at Barcelona's Iese business school and an expert in biotechnology companies, says government schemes to promote the sector in Catalonia must merely augment, rather than crowd out initiatives funded by private capital. "Government is not an

alternative, but a complement to private investment," he says. Fledgling local companies

have been helped by the emergence of private investors such as the €67m bioinvestment fund tech launched by the Barcelona-

based venture capital group Ysios Capital Partners. In 2009, Ysios and the Catalan savings bank, La Caixa, made a €5m investment in Sabirmedical, a company based in the Barcelona Science Park which

is developing a non-invasive device that continually measures patients' blood pressure.

Ms Vendrell of Biocat says it is crucial to continue funding the sector, even as Spanish government austerity measures threaten to lop

millions off research budgets, if the sector's potential to benefit the economy is to be realised.

Scientific rigour: Catalonia's midsized companies struggle to compete at a global level

"Funding research is strategically important for a country that wants to create its own knowledgebased economy," she says.

"But the question is: How far should you go from basic research to where the market takes over to launch a sector? Our biotech sector has a short history and we need a success story, desperately."

And, in spite of the progress that Catalonia's biotech project has made in just two decades, the global economic downturn may have made the prospect of finding a local success story more remote.

"I am not saying there is not a chance, but this field has been very late in coming up in Spain," says Mr Vilà.

"If companies that are 20 years ahead are having difficulties, then it will be difficult for our companies.'

Gaudy mix: art and industry

Barcelona

retained some high-value

Let's not

government

much, says

Julia Prats

to decide too

allow

Continued from Page 1

already squeezing budgets at every level of Spain's public administration. That in turn has raised questions about whether new industries in particular depend too much on official support, and whether biotech or computer software will ever be able to provide as many jobs as construction

and heavy manufacturing did in the past. Joan Sureda, directorgeneral of industry in the

it's impossible," he says.

research and development Catalan government and a and management activities former executive of PepsiCo, accepts that labourintensive industries are vulnerable but says he is determined to prevent disinvestment by foreign companies.

– the

in Europe. "One of the big issues we have will be not to lose a single company in this country, even if we know

near

businesses.

"Sometimes you get the Mr Sureda nevertheless impression that if you don't belong to the Ibex-35 list of companies, you don't matoriented businesses as a ter," says Irma Jiménez, HP's chief of governmental model that was shown to affairs for Iberia and direcwork in Germany and says tor of Innovación España. investment in innovation has been rising steadily as a as the foundation is called. Ms Jiménez says that Big companies, of course,

Spain lags behind its Euroage of austerity? pean peers in terms of public investment in research cluster thing, but I'm a litand development. Meantle afraid when the governwhile, foreign multinationment decides," says Ms als are pushing for better Prats. "A bit of government tax and financial incenis okay, but let's not allow has its global printing and tives, stronger links them to decide too much."

imaging research centre between business and uniand versities and improvements employs nearly 3,000 in and in education and skills.

around the city - led for-Barcelona residents, from eign multinationals three HP executives to young years ago in establishing a software entrepreneurs. agree that the city's dynafoundation to support innovation, promote Spain and mism, its transport infrastructure, pleasant lifestyle lobby the government to heed the concerns of foreign and proximity to the rest of the Europe make it a good HP is a typical investor in place to do business although it is hampered the sense that it moved its manufacturing from Spain like the rest of Spain by the to Asia a decade ago, but

she is not alone in com-

plaining of the "horrible"

and costly mess of a multi-

tiered administration of

nation, regions, provinces

But the vital questions to

which investors in Barce-

lona need answers are

these: Is public financing

for innovative and creative

companies a substitute for

vigorous private invest-

ment? Can bureaucrats

choose winners? And is the

funding sustainable in an

"I believe a bit in the

and municipalities.

political rivalry between the centre and the autonomous regions and between the regions themselves.

Andy Mears Ms Prats of Iese says sev-Picture Editor eral businesses are leaving Barcelona for Navarra,

For advertising, contact: Maria Gonzalez on Tel +34 91 564 1810. Fax +34 91 564 1255 or maria.gonzalez@ft.com or your usual representative

All FT Reports are available on FT.com. Go to:

www.ft.com/reports Follow us on twitter at www.twitter.com/ ft.reports

All editorial content in this supplement is produced by the FT.

Our advertisers have no influence over, or prior sight of, the articles or online material

Miles Johnson Madrid Correspondent

Victor Mallet Madrid Bureau Chief

Contributors

Edwin Heathcote FT Architecture & design critic

Ángel Gurria-Quintana FT Contributor

Pascale Davies FT Contributor

Tom Griggs Commissioning Editor

Steven Bird Designer

where taxes are lower, and

Barcelona: Innovative & Creative Business

The goal is success without the debt

Sport

Miles Johnson looks at the financial challenges

of running the city's football team

f Barcelona is a city that thinks of itself as doing things differently, its football club is no exception.

For years, the current champions Spanish remained unique among Europe's top teams by obstinately refusing to carry a commercial sponsor on their shirts.

But while FC Barcelona's brand of free flowing football – known as tiki taka – has helped it enjoy sustained success on the pitch, with its team topping Spain's La Liga, the club's financial performance has been less glittering.

After reporting an annual loss last year of €79.6m and net debt of about €400m, in December Barça tore up its historical policy and signed a five and a half year, €165m contract with the Qatari government – the most lucrative shirt sponsorship deal in football history. Previously, it had filled the space with the Unicef logo free of charge.

Like other clubs during the credit boom Barcelona burnt through its cash by paying huge transfer fees. This resulted in the club last year seeking a €150m loan to help pay player and staff wages and ushered in a new period of austerity.

Heavily indebted teams tic and international broadacross Europe must also get casting revenues. their houses in order ahead

June 2010. He has pledged to slash the club's debt and to build on its success to increase revenues through international marketing. After widespread criticism of the financial man-

agement of his predecessor, Mr Rosell has outlined a plan to improve revenues, and pay down about €30m in debt by the end of the season without selling players

As part of the financial restructuring Mr Rosell, a former Nike executive and holder of an MBA from the Esade business school, has rebuilt the club's board around figures with both managerial and international marketing skills.

Seven of the 15 seats are occupied by holders of MBAs and business degrees, while the appointment of Dídac Lee, a Catalan internet entrepreneur of Chinese origin, was interpreted partly as a reflection of the club's desire to bolster its expertise in the key Asian market.

The club's earning capacity, which has seen it consistently ranked second behind Real Madrid in Deloitte's annual football money league, will be helped by the increasingly tight grip Spain's two richest teams hold over domes-

Supporters don't care about the financial state of their teams if they are winning

Last year, Barcelona gen- ship structure. Barça is one of Uefa, Europe's football erated €178.1m from broad- of only four Spanish clubs governing body, introduc- casting, or 44 per cent of controlled by its members,



Nimble footwork: Leo Messi evades a tackle from Arsenal's Abou Diaby

price elasticity as, if you the president, meaning that increase the price, TV sta-Mr Rosell's attempts to tions will still pay. There is restructure no alternative for broadfinances must be balanced casters if they want to show with the feelings of the Barça matches," says Kimio club's fans, estimated to Kase, professor of strategic number about 44m according to market research management at the business school Iese. greater than Real Madrid

Barcelona's world famous and more than six times the players, such as the Argenpopulation of Catalonia. tine attacker Leo Messi, have also helped it to increase international shirt sales, with other clubs looking upon its team of mostly homegrown stars with envy

All three finalists for the 2010 Fifa Ballon d'Or – Xavi Hernández, Andrés Iniesta and Messi - were not just all Barcelona players, but they had also been cultivated in the clubs' famed vouth academy.

Mr Kase says that the Barcelona management faces different types of pressure from other sports businesses because of its owner-

in his favour is that the team is winning. "The sporting side of the club's

> cial side," says Mr Kase. "Supporters don't care about the financial state of

their teams if they are winning. But if you lose games, they will kick you out, even For now, one of the most if you are financially important things working responsible.'

force their capital.

face of a moribund Spanish property market, Mr Fainé and Juan María Nin, his chief executive, moved with characteristic decisiveness.

of repossessed properties much smaller Caixa Girona

Lender weathers storm one of a series of mergers will be placed not with that has already reduced

Bank remains a dominant financial power in the city, says Victor Mallet

La Caixa

La Caixa – or Caixa d'Estalvis i Pensions de first big savings bank to Barcelona (Barcelona savings and pensions bank), to give it its full name – has long been the dominant financial power in the city of Barcelona and the autonomous region of Catalonia, and a significant force in Spanish retail banking.

Formed in 1990 from a merger of two savings banks, one dating back to 1904 and the other to 1844,

Yet even Isidre Faine, the famously canny La Caixa chairman who began his working life in a bicycle repair shop, was unable to resist the increasingly strident demands of international financial markets and of the Spanish government that unlisted savings banks become more transparent, improve their corporate governance and rein-

furthermore, the bank will Sensing the changing be endowed with stakes in investment climate in the Repsol, the energy group, and in Telefónica, and will therefore benefit from the latent capital gains of more than €2bn in these two holdings Meanwhile a "bad bank" While absorbing the

the number of Spanish caja groups from 45 to 17 – La Caixa's executives in the ther reinforce its capital by black towers of group head- selling €1.5bn in compulsoquarters on Barcelona's Avinguda Diagonal began ents. last year to make plans for a listing of their banking

As a result, they were the

Isidre Fainé

working life

repair shop

began his

in a local

bicycle

Both the new structure

and the process of building

it are complex, some might

say cunning. La Caixa

already has a listed entity -

the industrial holding com-

pany Criteria – and the

Spanish and foreign bank-

ing operations will be gath-

ered under that umbrella as

To strengthen Caixabank.

Caixabank.

operations.

Caixabank but with the old industrial holding group. Lastly, the bank will furrily convertible bonds to cli-

The result will be a bank with a core tier one capital ratio of 10.9 per cent under current Basel II rules, one of the most robust ratios

produce a detailed road among Spanish lenders. map. In January this year, Bankers in Madrid say that Caixabank will be one they unveiled their project for the listing of the bank, of the more attractive finanto be called Caixabank and cial investments in what is with a book value calcuset to become a crowded lated at €20.6bn (\$28.7bn) field, as Spanish cajas jostle double the value mooted for for fresh capital.

La Caixa is by no means the only financial institution in Barcelona. Carlyle, the private equity group, is also has its Iberian base in the city, where it controls Applus, an acquisitive technology company in the automotive, aerospace and pharmaceuticals sectors.

Yet La Caixa - whose colourful logo comes from a design by Catalan artist Joan Miró – remains the Big Daddy of finance in Barcelona and Catalonia, and the paymaster for many investments and innovations in Spanish finance.

Hewlett-Packard - also based in the Barcelona region - boasts of the three big projects it has carried out for La Caixa in recent years: a "business control centre" to manage operations in real time; a customer loyalty project for merchants receiving payments by card; and a business intelligence system to integrate La Caixa's own data with information from other sources.



managing a club is quite independent from the finan-

rival Bankia, the bank composed of Caja Madrid and six smaller savings banks.

La Caixa has weathered the latest economic crisis in better shape than most of its Spanish peers and remains the embodiment of Catalan financial strength.

ing new rules on how much clubs can spend in relation to their income.

see the 121-year old club's revenues stay above €400m this year, and give it the chance to dethrone archrivals Real Madrid as the highest grossing team in the world

Instrumental in the move people are interested in was the arrival of new club

and an annual rise of 12 per cent. The club also signed a The Qatar deal is likely to renegotiated four year individual broadcast contract

with Mediapro, which holds the television rights for Spanish first and second division football, under improved financial terms. "Throughout the world,

the clubs' total revenues

not their main aim.' watching Barcelona games, president Sandro Rosell in so there is a low level of Barcelona's members elect

Graffiti Vandalism or oppressed street art?

Barcelona welcomes all kinds of art lovers. While tourists will queue for hours for the Picasso Museum or endure the scorching summer sun to glance at the marvels of Gaudí's architecture, those on a limited budget can simply stroll through the back streets and stumble upon the delights of

the city's disorderly street art. As a temporary resident of the city, I have to push my way past the tourists taking photos of my own graffiti-stained door

But the artists who leave behind these spray-painted lyrics are generally dismissed as "taggers" who vandalise property and give street art a bad name.

"I could do it myself," is the dismissive judgment of Begoña Ochoa, a clothing store boss who is confronted with such graffiti every day

Yet there is a more serious side to Barcelona's public art.

The international success of the street artist, Banksy, has emboldened local artists to try to be even more aggressive than those of contemporary London in both the style and the quantity of work displayed across the city.

Among the Barcelona street artists is El Pez (The Fish), whose real name remains a mystery.

He is identifiable by his images of grinning fish, which have now evolved into more varied range of smiling animals. Fuji Sport hired El Pez to decorate their store shutters - a typical commission for such artists.

Another well-known Barcelona-based artist is Andrea Michaelsson, who goes by the name of BToy

She sprays layer upon delicate layer of paint to create fragile and whimsical portraits, reminiscent of Andy Warhol's work, of celebrities such as Judy Garland. It is a far cry from the boldness and aggression of much of the city's other street art.

Then there is the politics.

Artists such as Uri and Zosen use their illustrations to mock politicians from Catalonia or further afield, with Uri portraying European foreign ministers as villains from a Disney movie.

Sometimes the hostility is mutual. The authorities have begun strictly applying anti-graffiti laws, prompting criticism that the police are being deployed to stifle Barcelona's bohemian spirit. An image that took hours to create will typically be erased within 48 hours.

El Pez's distinctive signature It can be illegal for an artist to paint a company's shutters, even if commissioned by the company, and both face the risk of hefty fines.

For this reason "most of the public artists avoid having a bank account," says Robert Burt of the art gallery Base Elements.

As the once-riotous colours on Barcelona's streets are washed and scraped away, only a few small galleries are keeping alive the hope of preserving the city's bohemian-chic vibe, while many of the larger and better-known galleries shy away from exhibiting public art.

Base Elements, now nine years old, is one of the handful of galleries that will without embarrassment display the loud colours and dynamic shapes of public art across their bleached white walls

Stubborn street artists - who once refused to stoop to exhibiting their work in galleries - now find they have little choice, given the hostile reception in the streets. Mr Burt says the gallery has found

success in part because public art, previously free, is now so commercial that Barcelona families will buy its subversive images to be displayed awkwardly in their living rooms.

But if public art is no longer public, and if street art is no longer in the street, can it be worthy of the name?

Pascale Davies

The writer is a student currently based in Barcelona

Madrid, Athletic Bilbao and Osasuna. "When you are privately

owned, or listed on the stock market, this motivates you to make money for your investors," he says. "While Real Madrid and Barcelona generate large amounts of money, this is

or socios, alongside Real

Under the socio structure

MSc Management Finance Marketing

Contact:

Contact:

mba@esade.edu

www.esade.edu/mba

T. +34 934 952 088

mscmanagement@esade.edu www.esade.edu/msc T. +34 935 543 513

MBA

Full Time MBA

Information Events (Barcelona):

Open Day. 29th of April

Discover my MBA Experience. 19th of May Experience Weekend. 27th and 28th of May

International Management

Innovation & Entrepreneurship

Executive Education

Open Innovation and Corporate Entrepreneurship

Contact:

montse.canellas@esade.edu openinnovation.esade.edu T. +34 934 953 813

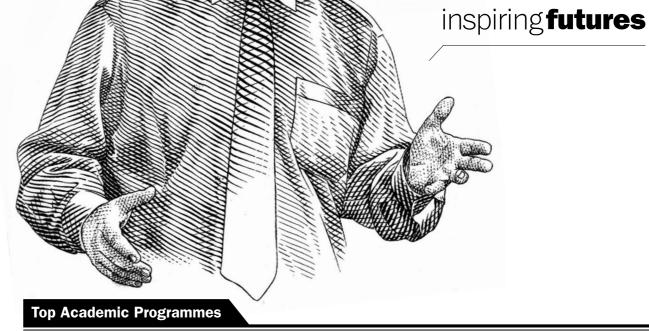
Campus: Barcelona, Madrid, Buenos Aires

Global Centres: Munich, São Paulo

www.esade.edu

Henry Chesbrough.

Adjunct Professor, Haas School of Business, UC Berkeley, and Professor, ESADE





Investment per head in the six largest Spanish cities

València

ooooo Sevilla

---- Zaragoza

Barcelona

••••• Màlaga

500

400

300

100

Barcelona: Innovative & Creative Business

City vibrant despite economic stagnation

"extremely

tional in Spain.

discouraging

compared with the valua-

tion of the company in the

US", but also an advantage

because EyeOS is excep-

He adds that he would

never move the company's

Being in a high-tech

sector in Spain

makes you a big

fish in a relatively

In short, being in a high-

Entrepreneurs talk

Victor Mallet meets some of the region's movers and shakers

It was a quintessential Barcelona breakfast: a group of enthusiastic entrepreneurs - some Catalan, some foreign, some young, some notso-young – gathered around a table of pastries, fruit juice and coffee to discuss the future of their businesses and the pros and cons of being based in one of Europe's most energetic and cultured cities.

Edward Hugh - a Catahas become a leading Eurotor on Facebook – organised the meeting for the FT at business people in Barcelona that is itself an entre- nation and on optical engipreneurial start-up founded by Karen Reith, Jonathan Goodman and Jacqueline

Dohertv The discussion was proof that Barcelona remains an optronics and photonics

sectors of the economy particularly in information technology and other services – are still rich in opportunities, in spite of the

omy What remained unresolved was the level of financial support that governments

regional and municipal should or could provide to fledgling businesses in an era of fiscal austerity.

corporate lan-speaking Briton who Polytechnic University's pean economic commenta- ments and systems developthat Catalonia encourages the Gild club, a venue for clusters of companies such as those focused on illumi-

> neering. Netherlands," "These countries

business.

national,

Ferran Laguarta, chief executive of Sensofar and development director of the Catalonia centre for sensors, instru- the "cloud" through their ment, finds it important

"This is the same situation as in Singapore or the he says. have

attractive destination for clusters. This is an emerginvestors and that some ing technology, a global Sensofar, which has a subsidiary in Tokyo, makes

3D optical profilers, microscope-like devices that use eurozone sovereign debt light to measure objects on crisis and the stagnation of a nanoscale – essential, for the overall Spanish econ- example, in the semiconductor and medical equip-

ment industries. Pau Garcia-Milà, directorgeneral of EveOS. is manufacturing software, not hardware, and says the growing company of 30 employees, with a presence in 65 countries, constitutes the biggest open-source project developed from Spain.

small pond The model is to sell services that allow users to access what they need from

headquarters, although of web browser – essentially a course offices will have to portable desktop and applibe opened elsewhere. cations that you can access from anywhere. tech sector in Spain makes

its own profits.

The company has closed a you a big fish in a relatively deal with IBM as well as small pond, whereas California is an ocean of highwith Spanish groups such as Telefónica and benefits tech enterprise and financfrom official soft loans as well as the reinvestment of

Mr Hugh, the economist, says the same is true of his Mr Garcia-Milà says the profession. "If I'd started in

New York and begun talk- the "home meal replace-Barcelona base is a disadvantage in so far as ing about the economy, no venture capital groups one would have noticed," apply a valuation to the he says Spanish company that is

Jonathan Hayes, cofounder and president of Dinube Mobile Payments. says his company did start in the US – as a spin-off from work done at the Massachusetts Institute of Technology Media Lab, where the concept was developed. The beta version of

Dinube's website says it pulls together loyalty and payment accounts to allow a transaction to be done simply from any mobile phone. Dinube says that it is building a payments "ecosystem" and that in future such operations may also be achieved using "near-field communication" with special microchips in smartphones.

Barcelona is also home to service businesses that are more traditional and perhaps less risky, although even these typically make the most of new technology that allows them to cut costs or attract new customers

One of these is Nostrum,

ment" business of which Quirze Salomó is executive chairman. Founded in 1998

and built on the family's long involvement with the food industry in Catalonia and across Europe, Nostrum now operates 44 Mediterranean ready-meal stores around Barcelona and is planning to expand to Madrid, Valencia and France

"One of the goals we have is a very tight supply chain. We are running a very good system," IT says Mr Salomó. "And with an iPhone or Android system you'll be able to ask for your lunch from the shop and pay – and won't wait in the queue. I know that in New York some people are doing the same.

At this point Mr Garcia-Milà intervenes to report that he catered his company's end-of-year dinner using Nostrum food. Kate Teesdale of Essor, a language training company, Nostrum's boss to begs offer good sandwiches as well as prepared meals to fill a gaping hole in the fast-

Sources: Barcelona municipality, Spanish finance ministry, Institute of Fiscal Studies and municipal budgets (except Seville) food offerings on Spanish

high streets. Ms Teesdale says the professional language training market is changing fast with the arrival of online training, and she sees the model diverging: at the lower end of the market there will be enterprises and venture-"virtual classes", more including by mobile telephone; and at the top end, the continuation of traditional one-on-one training for senior executives.

The crisis and the resulting budget cuts have put pressure on the prices that companies such as Essor can charge their customers. Everyone at the breakfast nevertheless seems to agree

that Barcelona's combination of skills and hard work, a convenient geographic location and openness to investment and innovation makes it an attractive base even if it can never hope to match the sheer volume of capital funds that enrich California's Silicon Valley, and even if some areas depend too heavily on public-sector support.

1011

The crucial factors for Barcelona and Catalonia, savs Salvador Garcia, a banker and former film entrepreneur, are its "entrepreneurial spirit" and "a kind of innovation atmosphere".

Spanish taste for premium gin gives duo a profit tonic

Alcohol

High-quality mixers go down well with consumers of tasty tipples, as market grows, says Victor Mallet

have always been the entry gate for foreign products in Spain.'

Fever-Tree's marketing pitch is that there is no point drinking an expensive, delicately flavoured gin if you are going to smother it with an indifferent tonic.

The idea seems to have caught on, and the company has branched out into other mixers, including Lemon Tonic (Bitter Lemon is the subtitle, sk for a gin and tonic in but that term was seen as old-fash-



Conferences provide €2.5bn boost to city

Trade fairs

Private management helps city-owned Fira cope with tough economic times, says Miles Johnson

In February, almost 60,000 people filtered past the 50 metre high Venetian towers leading into Barcelona's Plaça Espanya to attend the Mobile World Congress. The three-day conference is regarded by the telecoms industry as an annual pilgrimage and the keynote speeches from Google's Eric Schmidt and Microsoft's Steve Ballmer were broadcast live to technology fanatics around the globe.

booked, plazas are filled with delegates, and it becomes a complicated affair to locate a restaurant table in central Barcelona. The Mobile Congress, and 80 other trade fairs representing industries from textiles to food, are all held at the city's main exhibition centre, Fira Barcelona, housed off the Placa Espanya. According to a study conducted by Iese, the Barcelona-based business school, the events held at Fira generate €2.5bn a year for the city, of which almost 40 per cent comes from the amount spent by visitors and exhibitors during their stay. "We use the brand of Barcelona, which is very strong," says Agustín Cordón Barrenechea, Fira's chief executive. "Much of the money we generate is made by our direct activities, but also what our events generate for businesses in the city. Fira traces its origins back to the universal exhibition held in the city in 1888 - said to have featured a twometre sculpture of a castle carved out of Manchego cheese, and seen by some academics as an important influence on the Catalan architectural modernism made famous by Gaudí.

model is not usually found [for conference centres] in other countries," he says. "We have public shareholders, the city hall and the government, but we are managed by representatives of business. There are no politicians in our business model.

However, Fira will have to compete against rivals from Milan, Munich and Paris to secure the Mobile World Congress from 2013 to 2017, having previously snatched it from Cannes.

As well as liaising with Barcelona's hotels and leisure industries to plan for the thousands who attend, Fira is also required to work closely with other parts of the city's infrastructure to run its events effectively.

For the ITMA textile and garment machinery exhibition, to be held this September and expected to attract Away from the exhibition centre, it 100,000 people, Fira has had to work is also an event worth millions of closely with the Barcelona port euros to the economy of the city that authorities to arrange for machinery hosts it. Local hotels are block- to be shipped in from Asia that cannot be transported by air. Mr Cordón Barrenechea argues that the varying industries and geographical regions represented in Fira's fairs

Spain, and the barman invariably asks you what *sort* of gin – and gives you a wide choice.

On a March evening in Barcelona's Bar San Telmo, Charles Rolls and Marc Calabuig are comparing a Hendrick's gin flavoured with cucumber and a Whitley Neill ("with nine botanicals, inspired by Africa, made in England") from which protrudes a twig of liquorice. It may seem counter-intuitive in the midst of an economic crisis, but the premium gin market has been growing rapidly in Spain.

Mr Rolls and Mr Calabuig are riding the wave, supplying the country's premium gin drinkers with premium mixers to match from Fever-Tree, the UK company founded six years ago by Mr Rolls and his partner Tim Warrillow.

Fever-Tree – with the UK and the US as its other big markets so far had a serendipitous entry to Spain designed to appeal to when the artist Richard Hamilton brought some of its Indian tonic water from Waitrose, the UK supermarket, and introduced it to Ferran Adrià, the renowned chef at the El Bulli restau- ordinary tonic rant near Roses, two hours north of Barcelona

tonic with his gins. He even made a soup out of it, and suggested Mr Calabuig of International Cooking Concepts as a distributor.

"The connection is with the chefs. We started with the restaurants and then we moved into the bars and then into supermarkets," says Mr Calabuig. "Catalonia and therefore Barcelona

ioned by young consumers), Ginger Ale, Lemonade and Ginger Beer.

It sources and blends high-quality, natural ingredients - including quinine produced by a German family on the Congo-Rwanda border and fresh green ginger from the Ivory Coast for its bottling plant at Shepton Mallet in Somerset, England.

For its Indian tonic, the launch product, the company says the quinine was "blended with spring water and eight botanical flavours, including rare ingredients such as marigold extracts and a bitter orange from Tanzania". That is the kind of recipe designed to appeal to premium drinkers, and it costs twice as much as ordinary tonic.

Mr Rolls, who made his name run-

That is the kind of recipe premium drinkers and it costs twice as much as

Mr Adrià does not merely serve the ning Plymouth Gin, says Fever-Tree's sales rose from £4.3m in 2009 to £6.7m last year, and continue to accelerate. "We're growing faster than we grew last year. We're 87 per cent up on last year in the first two months in terms of sales," he says. "We haven't even touched places such as South America vet.

"People are drinking less, but they

Charles Rolls: 'People are drinking less but ... better quality'

are drinking better quality and we are it was exported from South America doing nothing more than following the trend," he says.

With Spain accounting for nearly a third of sales - the same as the US, and slightly less than the UK - and with the premium gin market continuing to expand, Mr Rolls has rented an apartment in Barcelona and is planning further growth on the Iberian Peninsula, from Lisbon to hotels in the Balearic Islands

Mr Rolls compares the "traditional hard work" of marketing the product in the competitive British and North American markets with the good fortune of Fever-Tree's arrival in Spain at the end of 2006.

"Over here, we had the stars aligned. We landed with just the right product at just the right time," he says. "And it was Ferran Adrià who helped us find Marc." Officially, the premium gin market in Spain has been growing at 18 per cent a year, but the real growth in consumption of brands such as Hendrick's is "a lot faster"

Spain even has a historical connection with quinine, the crucial ingredient for tonic originally known as "Jesuit's powder" or "Jesuit's bark" when by Spanish colonists.

Victor Mallet

The cinchona or quinine tree – the fever-tree of the mixer brand - was named after the countess Ana del Chinchón, wife of the viceroy to Peru who was reputedly cured of malaria by the product in the 17th century. There is no connection with the African fever tree, so called because it grows near water and is therefore found in malarial areas.

Mr Rolls continues to explore the Spanish market from Barcelona and to study Spanish drinking habits.

"It's time for us to seize the moment. I spend time in Madrid, Alicante, Malaga, San Sebastián and I start to get a feeling for what's really happening," he says, acknowledging the risk that the premium gin craze will fade as quickly as it arrived. "We have not finished. We've had a fantastic start but there's still a lot to do."

Among the surprises for newcomers to Spain is the discovery that Spaniards usually drink gin and tonic after dinner as a digestif, not before a meal like the English. "It's very refreshing," says Mr Rolls. "It's sort of like having a sorbet."

Fira was officially designated by the government as a trade show centre in 1932, and went on to hold the first demonstration of television in Spain in July 1936 before being shut down throughout the Spanish Civil War.

Mr Cordón Barrenechea is particularly proud of Fira's ability to operate like a private-sector company despite being city-owned: "Our business



are an indicator of the changing state of the global economy: "We saw the mix of the countries change, depending on the economic performance of each country," he says.

"For example, we had a record this year at the Mobile World Congress for people coming from Asia, while we have fewer visitors coming from the US. Internationally focused events have remained strong, but more local events have suffered, as the Spanish market has obviously been hurt by the crisis.

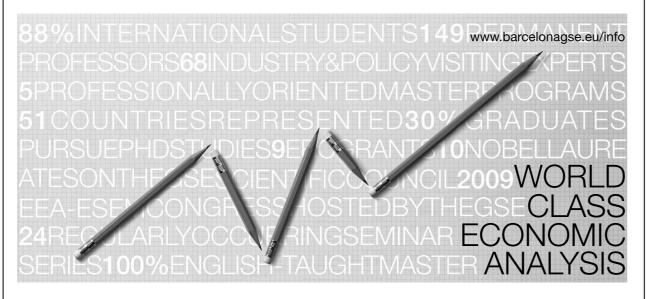
The result has been that Fira's business, while rooted in Barcelona, has become more international, with exhibitions, such as its Alimentaria food show, travelling to Latin America in recent years: "When the demand for our exhibitors is not ready in Europe, we are taking our exhibitors to events in local markets," he says. "This is something we have seen during these times. Fairs are very efficient ways of helping companies internationalise."

ADVISORY COUNCIL:

David Adjaye Enrique Alarcón

Stan Allen

Dominique Alba



ONE-YEAR MASTER PROGRAMS: Competition and Market Regulation · Economics · Economics of Science and Innovation · Finance · Health Economics and Policy · International Trade, Finance and Development Macroeconomic Policy and Financial Markets







UAB niversitat Autòn de Barcelona

BIArch

BARCELONA INSTITUTE OF ARCHITECTURE CX LA PEDRERA . PASSEIG DE GRÀCIA, 92. 08008 BARCELONA info@biarch.eu +34 93 542 19 07

BOARD OF

DIRECTORS:

PRESIDEN

Josep Lluís Mateo

The Barcelona Institute of Architecture is an institution for academic research, specialized practice and dissemination of contemporary architecture that promotes new ways of thinking and practicing architecture in face of technological, energy, and economic conditions in permanent change.

The Institute's academic core is the MBIArch Master in Architecture, a post-professional degree program aimed at individuals holding a professional degree in architecture that combines advanced theoretical and design-based research and production.

Innovative Curriculum **Dynamic Design Environment** Academic & Professional Focus **Outstanding International Faculty**

Trust of the Barcelona Institute Of Archi

Oriol Bohigas Joan Roig Manuel Castells lñaki Ábalos Yung Ho Chang Mónica Gili Josep Anton Acebillo Irina Korobina

Toni Gironès Qingyun Ma Glòria Moure Andreu Mas-Colell Agustí Obiol Marcel Meili Juan Navarro Baldeweg Ramon Prat Jorge García de la Cámara Josep Ramoneda Edward Soja Erwin Viray Riken Yamamoto

For more information, visit



Barcelona: Innovative & Creative Business

A literary hub built on rich history and skills

Publishing

Ángel Gurria-Quintana examines the city's role as a publishing centre

n 1860, a former labourer from the Catalan provinces founded a publishing company in Barcelona. José Espasa, who had worked demolishing the old city walls, would go on to print Spain's first encyclopedia. "From building to publishing: that has been the city's natural impulse," says the former mayor of Barcelona, Joan Clos.

Today, Barcelona is widely acknowledged as Spain's publishing hub. More than a hundred Spanish- and Catalanlanguage publishers huddle together in a city of 1.6m inhabitants, working closely with a rich pool of authors, translators, agents, designers, illustrators and booksellers.

Spain's publishing industry - the third largest in Europe after the United Kingdom and Germany - produces some 80,000 books a year. Barcelona accounts for 53 per cent of the output, while Madrid is responsible for 37 per cent. "Barcelona's cultural identity is inexplicable without its rich publishing sector," says Ferran Mascarell, Catalonia's Minister for Culture

While Madrid remains the main producer of text and reference books, Barcelona is the leading centre for fiction, design-oriented publications and comic books. Spain's two largest publishing conglomerates – Planeta and Random House Mondadori – have their headquarters in Barcelona. They share the market with well established independents created in the 1960s and 70s, such as Spanishlanguage publisher Tusquets or bilingual Acantilado/Quaderns Crema.

A new generation is adding to the Libros del Asteroide are just a few of pean" than the rest of the country.



the publishers that Barcelona-based fiction editor Anne Vial describes as "smart, inventive, resourceful, and looking for new ways in publishing".

These newcomers are part of a tradition that can be traced as far back as the 17th century. Local publishers like quoting from Miguel de Cervantes' Don Quixote, in which the eponymous hero visits a publisher in Barcelona who is printing an apocryphal version of Don Quixote; they discuss the merits of publishing works in translation.

The city's editorial tradition has much to do with what Jorge Herralde, founder of publisher Anagrama, calls "porosity". Closer to the French border than to Madrid, Barcelona has mix: Duomo, Blackie Books and always felt "more free, more Euro-

There also exists a tradition of people passing through Barcelona on their way to and from the Americas. In the 1960s, this link led to the emergence of the Latin American "boom' generation that included Colombia's Gabriel García Márquez and Peru's Mario Vargas Llosa, who spent many years in Barcelona.

It was, says Colombian novelist and Barcelona resident Juan Gabriel Vásquez, "a place where Latin American literature was well received and well read, and which at the time was much more open, more cosmopolitan than Madrid.'

Two names commonly associated with the international emergence of Latin America's best-known authors are Carmen Balcells, the formidable literary agent known as "la Mama Grande" to her clients, and publisher Carlos Barral, who in 1962 awarded the Biblioteca Breve literary prize to a then unknown Vargas Llosa.

The award, says Vásquez, Barral, "started a movement that took Latin American literature out of Latin America and put it at the centre of 20th century western culture". Other publishers, notably Anagrama and Tusquets, "allowed a breath of fresh air into Franco's stuffy Spain".

According to Enrique Vila-Matas, a local writer, the city, as a haunt for exiled writers, has become "a successor to Paris"

"Barcelona is an ideal city for writing," he says. "No one will distract you here if what you want to do is write. And it lacks the oppression of capital cities, where the presence

of power eats away at people's souls." The unique cohabitation of Catalanand Spanish-language publishing, an

occasional source of friction, is now commonly regarded as a boon to all sides: "The more recalcitrant anti-Spanish language sentiments are receding," says Valerie Miles, cofounder of the Spanish edition of Granta magazine and publishing director of Duomo Ediciones. "It's obvious that if the Spanish language publishers leave Barcelona, the city would lose a vibrant element in its

cultural tapestry.' The Spanish publishing industry has continued to report modest growth even amid the recent international downturn. But, as in all editorial centres around the world, Barcelona's publishing community now

Delicate book ecosystem: people browse on the Ramblas on Saint George's day when women traditionally give men a book as a gift

looks to the future with trepidation. Paula Canal, Anagrama's fiction editor, says the balance of Spain's "delicate book ecosystem" has so far depended on diversity among booksellers and independent publishers, and on fixed prices.

The system is now under pressure. The entrance of Amazon, the online retailer, into the Spanish market later this year is likely to transform the landscape and put small publishers and booksellers out of business. The sale of e-books remains minimal, but concerns are growing about the effect of piracy, as digital platforms become more common.

Josep Lluis Monreal, founder and president of Planeta, Spain's largest publishing group, seems undaunted. The rise of new technologies, he says, "confirms to me the good health of books and the excellent health of the publishing sector." Publishers, he believes, are simply creators of content: "Should we worry, then, about being offered the chance to present those contents through new platforms and transmit them through new channels? We ought to worry, instead, about being short-sighted and missing our train to the future.

In a recent essay Enrique Vila-Matas wrote: "Guessing the future of books in the face of an alleged digital threat is like speculating about how well vour favourite team will do on Sunday." But in his latest novel, Dublinesca, he is less flippant. Its protagonist is an independent Barcelonabased literary publisher on the brink of selling his business to a foreign conglomerate. "Sometimes," Vila-Matas writes, "he likes to think of himself as the last publisher.'

Barcelona's book people are surely hoping that this is not a taste of things to come.

Local textile tradition has gone global

Fashion retailing

Desigual is the latest brand to emerge from the

one item made by Desigual tant companies here," she – which means "unequal", says. "We have Mango, or "not the same" in Spanhere.

The success of Desigual, Ms Rilaño, who began which is fully owned by the building Modaes after a two partners and now career as a business jour-

Desigual and others all

The best business opportunities in Spain

city's streets, writes Miles Johnson

Manel Adell and Thomas Meyer got to know each other sailing across the Atlantic Ocean in a mutual friend's boat 19 years ago, as they took turns at the wheel.

It was 1992, the year that Barcelona thrust itself into the centre of the world's attention by hosting the Olympic Games. It was also a crucial year for Mr Meyer, a Swiss fashion designer living in Barcelona, as his fortunes started to improve. Four years earlier, Desi- concentrate on gual, his small fashion company, had been on the brink simple business of bankruptcy.

But the chance meeting between the pair on that ocean voyage was the spark have used Barcelona's that later helped transform Mr Meyer's fledgling fashion house into one of Spain's largest independent retailers, boasting shops from Thailand to New York.

"I want our brand to be like Madonna," says Mr Adell, who left a job at after the Atlantic trip to become a consultant at Desigual, eventually becoming its chief executive.

"We want to be a big name that can reinvent and refresh itself without ever losing its soul," he adds.

Sitting in a glass room in the company's open-plan one of its Barcelona headquarters, where the walls are adorned with haikus such as "what a larvae calls the end of the world, a master calls a butterfly", Mr Adell says that he believes his company can become as big as Nike.

Desigual's growth since Mr Adell and Mr Meyer Modaes, Barjoined forces in 2002 has indeed been rapid. The company's turnover, which clocked in at €8m in 2002, hit €435m in 2010.

Mr Adell expects this to rise to €600m this year – representing a faster rate of growth than was achieved at the same point in its his- allowing tory by Spain's Inditex, owner of the Zara brand and the world's biggest clothing retailer by sales.

The next step, he says, with barely a pause for breath, is to open stores in Brazil, and other developing markets, and to aim to have every wardrobe in the industry, and there world containing at least are lots of impor-

employs 3,000 across 30 countries, is the latest in a line of Barcelona-based their first store in the Catalan capital.

These heirs to Catalonia's once vast industrial textiles industry, which for centuwestern Europe before losing the business to the lower cost factories abroad,

Distance from financial centres makes it easier to models

vibrant streets and rich history of design to continue to attract young talent to the city, and to set global trends.

Mango, which opened its first shop on Barcelona's upmarket shopping street Passeig de Gràcia in 1984, Bang & Olufsen 10 years now has more than 1,300 shops in 100 countries, with turnover in 2009 hitting And, although €1.5bn. founded in Gali-

Inditex cia, naturally picked Barcelona as the location for flagship

stores. For Pilar Rilaño director of the Barcelona-based fashion news website celona's concentration of large and small fashion companies S. S. S. S. S. makes it an international hub for the industry, connected

businesses such as her own quickly to attract a following.

"Barcelona is a city with a lot of creativity and

nalist at Expansión, the Spanish newspaper, says that the smaller, more flexifashion retailers that have ble operational structure of conquered vast swathes of a website enables her to be the globe after opening more creative with business ideas than Spain's traditional media, the bulk of which is based in Madrid. Modaes was launched in 2009 with a total investment ries provided material for of €40,000 by its five partners, including Ms Rilaño, and has received further investment from private investors as the site's readership has grown. She is now starting to use the site to allow companies to advertise jobs for designers,

and to organise industry events and research. "If you have a newspaper with 100 people working there, you don't have the time to try new things," she says. "If you are a young business, you can do that.' Desigual's Mr Adell says that because Barcelona is far away from the financial centres of Madrid, and London, entrepreneurs can find it easier to concentrate on

simple business models. and organic growth. The fashion group, which inevitably finds itself courted by investment bankers keen to list it on the stock market, and private equity groups eager to buy into its growth, has no net debt. For Mr Adell, Desigual's Barcelona mind-

set has been integral to the culture of the company. "The balance between the emotions and the practical has always been good in Catalonia. The City [of London] is far away, so we have less of the financial mindset that can detach the numbers from the business,' always been based on being original, on differentiation. "I wouldn't say we are anti-es-

he

"The cul-

ture of our

company has

tablishment,

but we are defi-

Desigual's

culture is

based on

originality

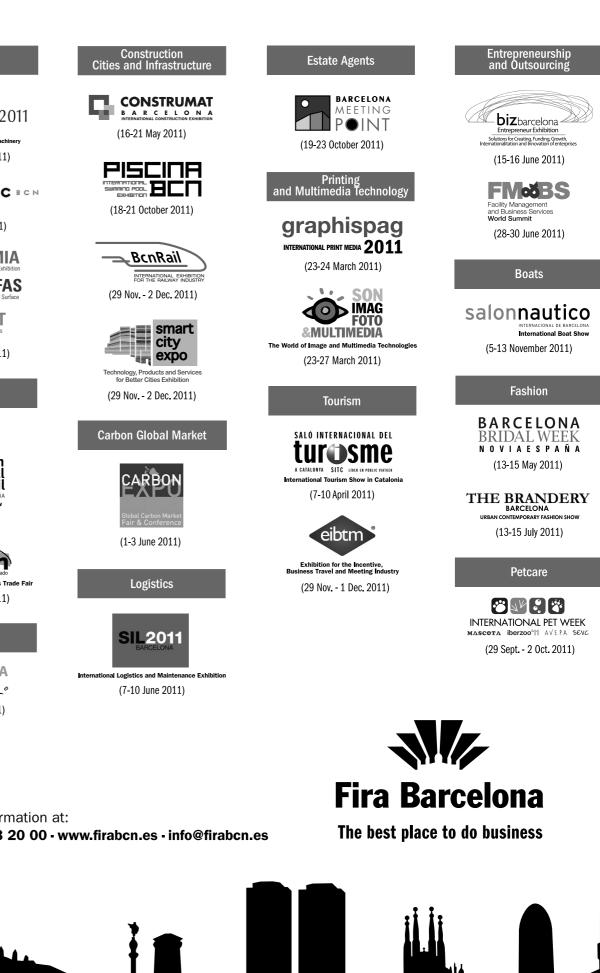
says.

ainst. main-stream." nitely against



Further information at: +34 93 233 20 00 · www.firabcn.es · info@firabcn.es

.....



Barcelona: Innovative & Creative Business

Interview

Ferran Adrià

Victor Mallet talks to the innovative chef whose world famous El Bulli restaurant shuts in July

Ferran Adrià knows how to keep gourmets guessing.

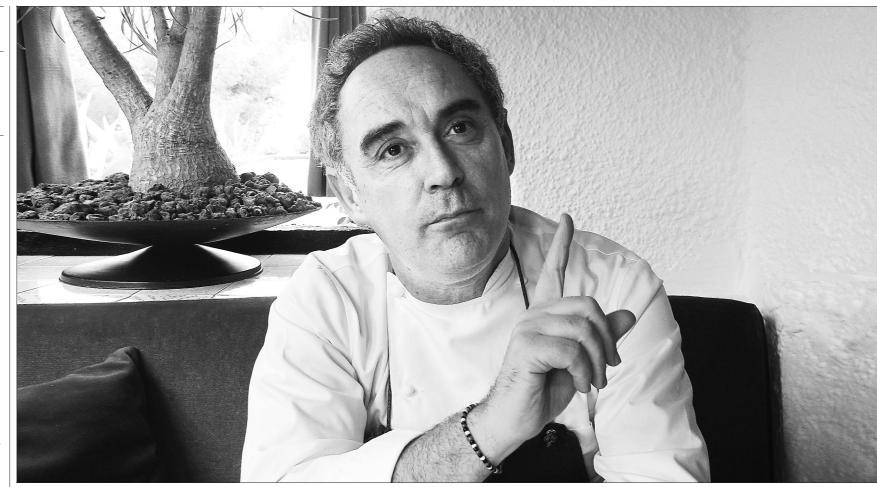
The chef and co-owner of El Bulli, the modest-looking restaurant in northern Catalonia that has been repeatedly judged the world's best place to dine, could have extended his franchise around the globe as other chefs have done and opened El Bullis in London, New York and Tokyo and elsewhere.

Instead - in an announcement that shocked the thousands who strive each year to secure a reservation at the 15-table, 50-seat restaurant - Mr Adrià declared in January last year that he was closing it for guests from the end of July this year and turning it into a kind of creative research laboratory.

This was typical of the restless Mr Adrià and his partner Juli Soler. They are innovative and creative not just in the kitchen but in the way they choose to run the business and the educational activities increasingly attached to it.

Rather like one of his famous foams - they included scrambled egg foam, and raspberry foam served with Szechuan pepper ice-cream - Mr Adrià and those around him are always bubbling with ideas. They have championed the application of scientific methods to cooking, both through ElBullitaller (the creative workshop) and by supporting Catalonia's Alicia (Alimentación y Ciencia) Foundation near the monastery at San Benet de Bages.

Among the latest initiatives are 41° and Tickets, a cocktail bar and a tapas bar opened by Ferran and his brother Albert in Barcelona, and Ferran's new role as a teacher at Harvard University, where he says he will talk not only about the science of cooking but



Reinventing the gourmet

also give classes in creativity. But he makes it clear in an interview at El Bulli, next to a quiet cove near Roses just south of the French border, that the most important project of the moment is the new foundation that will take over El Bulli after it shuts its doors as a restaurant in the summer. "I never said I was going to retire.

Every five or six years, we've transformed ourselves," he says. "We are rebuilding our whole corporate structure. Now the apex is the

foundation. I'm going to fulfil my dream. I have the chance to do it. Dreams are not supposed to come true, but in our case they do. He makes a comparison with Barcelona, his favourite - and generally victorious - football team. "I won for many years, but the system doesn't let you win all the time. The system could be tired of Ferran Adrià and El Bulli, so before the system gets tired of you, it's better to invent a new system." For Mr Adrià, a crucial aspect of

the research and development to be done at the foundation by the 30 or so people who will attend is that everything – successes, failures and near-misses – will be shared with the outside world. "Each day on the internet - that's the revolution we'll publish everything we've done, like a digital newspaper.

"It's as if Norman Foster said tomorrow he was going to close his studio, set up a foundation there, continue creating and share everything. I've had lots of luck in

life. I'm not a multimillionaire. I don't have Ferraris or yachts. I have a normal life.

'We'll have interns, but not only young people - let's say the head of a hotel kitchen in Thailand, in Bangkok, he could be 50 years old. If his dream is to create and he has never been able to do it, he can take a year's sabbatical, and if he's talented, he can come. Mr Adrià is not exactly modest,

but he says chefs are not rock stars, dislikes the egocentric traditions of a

Ferran Adrià: 'before the system gets tired of you, it's better to invent a new system Victor Mallet

once-secretive profession and does not claim that chefs are more important than, say, people who cure cancer. What he is serious about is creativity, whether artistic or scientific, and if possible not doing the same thing twice – or innovation, as it is known in the business world.

"In my case, creativity isn't work; it forms part of my life," he says, as a photographer shows him the latest image of one of his culinary creations for a forthcoming book. "My language, my way of expressing myself, is cooking.

"In 1984, when I arrived here, the words creativity and innovation were almost prohibited in kitchens, not just in Spain but around the world. Nouvelle cuisine, for example, was creative but cooking wasn't categorised as something that could be a creative discipline. Absurd, but that's the way it was. People saw it as something that didn't deserve the word creative.'

Mr Adrià says his cooking - which is sometimes criticised by more conventional chefs such as the late Santi Santamaría, also a Catalan, as pretentious and over-engineered - is influenced by his "feeling" for Catalonia, but also by the 100 days he has spent travelling in Japan. It is 6pm, and in a few hours El Bulli will be packed with diners eager to taste its newest creations.

The cost is high but not extreme about €250 per person if you include wine - and the owners have succumbed to the lure of some corporate bookings at €115,000 a time between May and July to help ensure financing for the foundation for the first eight to 10 years.

"My work now is to raise money for the foundation," says Mr Adrià. But he has not forgotten the importance of accessibility. He goes to the kitchen to taste the meal prepared for the staff - tomatoes with basil, paella with crabs and *flan* (crème caramel) - one of a series that will double up as a new book of family meals. The cost per head: $\in 3$.



A well constructed city by design

Architecture

Gaudí is not the only reason for the city's renown, forced the less wealthy and contemporary of London's migrant communities out to Gherkin, its iridescent the edges, central Barcelona sheath makes it the more continues to house a rich elegant of the two. Yet social mix.

ocial mix. more organic is the big, red Even the gothic quarter rubber welly of a tower by at its heart remains a tradi- Toyo Ito in the Plaza

15th and 16th June in Barcelona:



- Opportunities for investors.

- Internationalization chances.

- Innovative business points of view.

- And, of course, sunny.



Entrepreneur Exhibition

Solutions for creating, funding, growth, internationalization and innovation of enterprises

Partners











writes Edwin Heathcote

More than any other city, Barcelona is a paradigm of designed urbanity – an admired exemplar of how a city can reinvent itself as a desirable destination.

The question of how it has been done has been studied ad infinitum. Its genesis is usually attributed to the fall of the Franco regime and the subsequent revival of Catalan cultural identity combined with the city's hosting of the 1992 Olympic Games.

Since then, the awarding of the Games has been seen as an opportunity for regeneration and redesign, with decidedly mixed results: Athens and Beijing completely failed to capitalise on their Olympics infrastructure and emergence from a repressive regime has hardly made Moscow or Sofia design capitals. Neither of these factors is

enough. therefore, to explain the transformation. It is necessary to go further back to understand why the city has proved such fertile ground for reinvention.

The city is best known for one architect – Antoni Gaudí – the devout Catalan whose surreal, undulating works include La Pedrera, the Casa Battlo, the Parc Güell and the truly extraordinary Cathedral of the Sagrada Familia - which is still under construction.

Gaudí's works create surreal explosions of organic form and colour within an ordered whole which makes them all the more surprising. But it is the architect of that ordered whole, Ildefons Cerdà, the town planner who conceived the extension of the city beyond its Medieval centre as a grand grid. It was the scale of this

grid that allowed to city to develop at a density that is the envy of cities around the world.

It has proved able to accommodate a mix of uses within a tightly-defined urban area. It is this combination of density and intensity which has kept the city alive. Critically, the city can accommodate a social mix at its centre. While the centres of London, Paris, New York and now even Berlin have succumbed to also became an gentrification which has

tional Mediterranean barrio noisy, teeming and vibrant. Unlike many medieval city centres, it has not

been allowed to become a heritage tourist ghetto. If Barcelona has remained one of the world's most livable and best designed cities, it is not by accident.

Mayors, architects and urbanists have shown what can be done. The socialist municipality (notably under mayor Pasqual Maragall) led the way in revitalising a tired city through its neighbourhoods as well as through grand plans. In concentrating on infrastructure – social and cultural as well as utilitarian - the

city's fabric was revived. At its heart, the city remains a traditional

Mediterranean barrio

A combination of new social housing, health and community centres, market buildings and, perhaps most importantly, public space has transformed the city. Of course there is the

Ramblas, arguably the most successful mixed-use boulevard in any city anywhere, but there are dozens of other innovative examples. The Moll de la Fusta provides the broad, open, artstrewn waterfront to counterbalance the dense citycentre, as does the sophisticated restructuring and landscape of the Montjuic

hilltop, whilst the Jardí del Museu Can Framis has romantically enveloped a piece of the old industrial city.

Elsewhere, "starchitects" have been attracted to add to the city's skyline. Γi came Frank Gehry's huge harbourside fish sculp-

ture, a forerunner of the Bilbao Guggenheim.

French architect Jean Nouvel's Torre Agbar instant icon

Europa Architects of the Beijing

Bird's Nest stadium and London's Tate Modern, Herzog & De Meuron, built the vast, dark Barcelona Forum by the waterfront and Britain's David Chipperfield built the huge City of Justice in L'Hospitalet de Llobregat - both structures are ambitious but intimidating. Most recently there is British architect's Rogers Stirk Harbour and Partners' revivification of the city's bull ring, Las Arenas, a mixed use scheme that promises to revitalise a big chunk of the city when it opens later this year.

These blockbuster structures may suck up the attention, but it is the subtler public buildings that have made Barcelona such an exemplar of urbanism.

In recent years Josep Llinás's Jaume Fuster Library with its complex and generous canopy and the fragmented literal curtain wall enveloping the Sant Antoni district library by Aranda Pigem reinter pret public space and architecture in wonderful ways.

Then Enric Miralles and Benedetta Tagliabue's Santa Catarina Market with its wavy roof, a starburst of Gaudí-esque colour, resurrected the spirit of the city's greatest architect while revelling in its culture of food. A stroll through any of the city's big design stores, BD Barcelona or Vincon,

set in wonderful modernismo palaces reveals the depth of the city's design culture - as do the fashion labels it exports from De Sigual to Camper

Architecture, design and public space are still seen both as a form of political and democratic expression and are used to differentiate the fiercely independent Catalan city. That political drive seems to have survived the reflection of the immediate post-Franco era to create one of the world's few real design cities.

Gaudí: explosions of organic form and colour



Fira Barcelona

Montjuïc Venue

June 15-16 / 2011

www.bizbarcelona.com

bizbarcelona@firabcn.es