

Consolidating Brand UK

INTERVIEW WITH CHRIS DOTTIE

CHAIRMAN, BRITISH CHAMBER OF COMMERCE, SPAIN



CHRIS DOTTIE is the Chairman of the British Chamber of Commerce in Spain. He is also the Managing Director of Hays in Spain. Dottie joined Hays in 1996 and has worked for the group in the UK and Portugal, opening the Lisbon, Barcelona and Valencia offices before assuming his Managing Director's role. He is a graduate of the *École Supérieure des Sciences Commerciales d'Angers*, *Ashridge Business School* and the *International Institute for Management Development* in Lausanne.

How significant is the commercial relationship between Britain and Spain? How has it changed in recent years, and which sectors have enjoyed the most notable success?

I think the British links with Spain in terms of commerce have grown fairly consistently over the past hundred years. The British Chamber of Commerce was founded in 1908 in Barcelona and is one of the most historic in the world.

Despite various conflicts over the years there's never been a bad commercial relationship, and since Spain became a democratic country in the 1970s, and joined what is now the European Union in the 1980s, there has been consistent bilateral trade between the two countries. Obviously, the recession of the past few years has hit Spain very hard, but even through those difficult times the UK has continued to be one of the country's strongest commercial partners.

In terms of sectors there are a few which stand out in particular. The first is industrial engineering, particularly automotive manufacturing, in which both Spain and the UK are world leaders, which has created a lot of synergies and trade between the two countries. We have also seen impressive growth in recent years in IT, particularly start-ups, for which Barcelona and London have both become notable hubs. Added to which you have the underlying sectors which have been successful for many years, such as the pharmaceutical and chemical industries, plus the food and drinks sector, with agricultural produce being a key Spanish export to the UK.

In terms of UK investments in Spain, there have been some very large investments that distort the figures somewhat, such as in tobacco or aviation, but essentially the key sectors are industrial engineering and Information Technology (IT).

Which regions of the country are the most important centres of activity for UK companies?

Generally speaking, the industrial engineering is largely based in the north, in the Basque Country, with Madrid being a key centre for services. Barcelona has good language skills and is very attractive to international talent, so there are a lot of shared service centres there. Essentially, we see the greatest success in IT where the private sector works closely with the education sector, so Barcelona is one example. There is also a technology park in Andalusia, just outside Malaga, where there are 400 companies based on tech start-ups that work closely with the University there, and Valencia has also done well at attracting this sort of activity.

How are British products and services perceived in Spain, particularly since the referendum last year?

For the most part, tremendously well. The British accent is always considered a sign of great knowledge, which is why I still have a strong English accent after 15 years of living here – although this tends towards a Scouse accent if I'm talking about football! There is no doubt that Made in Britain is seen as a mark of quality, particularly in the wealthier areas of the country and the

capital, with items such as Brompton Bikes and Burberry coats being particularly desirable.

The general perception here, particularly in business, is that the British way of working is very serious, very professional, very compliant, very ethical, and there is a strong emphasis on quality. The UK has never been seen as particularly cheap, but it is seen as being at the top end



The British Chamber of Commerce's Spring Cocktail party, held at the Residence of the British Ambassador in Madrid

of pretty much every sector in which the country has a visible presence.

Britain is also seen as a gateway to the world, with many Spaniards studying in the UK for a year or two to develop their English language skills and prepare themselves for an international career.

Has that perception changed significantly over the past year? I would say the jury is still out, rather than there being a negative feeling as such. There is certainly a degree of bewilderment – the Spanish didn't expect Brexit, and don't understand the reasons for it – but I think it's more of a 'wait and see' attitude, rather than real damage to the brand. I do think that it is something that we have got to be conscious of, though, and all British companies and institutions in Spain need to work together to make sure that the UK's reputation here is preserved and consolidated.

There is a perception on the British side that Spain will be one of the UK's strongest allies and advocates in the Brexit negotiations. What is your own view?

I believe that Spain is very aligned with the UK on a great many issues. It doesn't agree with the decision to leave the EU – it's very saddened by it – but it has very close connections with the UK on a multitude of levels. For example, whereas Poland might be very focused on the residential rights of Polish workers in the UK, or Germany very focused on its automotive exports, the links between Spain and the UK are numerous and very consolidated. 18 million British tourists visited Spain last year, there are between 300,000 and 900,000 Brits living in Spain – plus a great many Spaniards in the UK – and we share a similar outlook in terms of trade. Spain, like the UK, is an open trading nation within the European Union. It's interested in global relationships. It has strong links to Latin America, as the UK has to North America. And Spain and the UK have worked together very closely on a great many issues within the EU, such as the single digital market.

So, I think there is a lot of goodwill in Spain to try and make sure that the negotiations are as successful as possible for the EU, but also for the UK. There's no sense of wanting to punish or do damage to the UK. Having said that, the future of the European Union is very, very important to the Spanish, so they will not break away

from the EU position. My main concern is that Spain does not currently have a proactive mentality about involvement in Europe and doesn't feel that that this negotiation is a strong Spanish responsibility. When we asked our members whether they thought Spain would play a leading role in this negotiation or take a back seat, two-thirds said they thought Spain would take a back seat – and that will be negative for everybody.

I really hope that the Spanish government feels that it has an opportunity and a responsibility in this regard, because with the UK leaving the European Union, Spain is going to be one of the most important players in the EU – it is likely to move from being a net benefactor to a net donor in financial terms. So, a lot of our members, a lot of British businesses here, are really hoping that Spain has the confidence, the interest and the sense of responsibility to play a leading role, rather than waiting to see what the French, the Germans and Brussels decide to do.

How important is this month's State Visit from a business perspective? What outcomes are you hoping to see from it?

I think it's a huge confidence-builder. It's really important. As I said earlier, it is very important that the British community here consolidates its reputation, and using the power of a State Visit, with serious investment from the government, companies and the involvement of the Royal Family really shows that the UK isn't going anywhere. It hasn't suddenly changed. Yes, things are going to be slightly more complicated over the next couple of years, but we're still friends and partners.

My expectation is that the conversation will move past Brexit. Obviously Britain's withdrawal has to be negotiated successfully, but once that's done we have get into the detail of how we get certain sectors moving again, how we share best practice, how we do business in the new environment and gain momentum again, rather than being paralysed with uncertainty. E

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Official launch and presentation of the Chamber's 'Barometer on the Climate and Outlook for British Investment in Spain', measuring the value of UK investment in the country, in November 2016. The panelists pictured include, from left to right, Marc López (Savills), Paul Cook (OneOcean Port Vell), Ángel Mateos (BT), Luis Pardo (Sage) and Andreu Vilà (Banco Sabadell)