

Will international firms **flee** Catalonia?

Most people answer the question of international firms leaving an independent Catalonia in purely economic terms. Yet, large firms never act in the same way as run-of-the-mill companies. To answer the question, we must first recognise how international companies act and, more importantly, how they think.

To cover the entire world, large companies define different trade regions according to geographical factors, such as population market size or logistics, among others. These regions sometimes match up with political areas (countries) but in some cases they do not.

Thus, we can find zones, such as Eastern European countries, Benelux or Scandinavian countries, or Iberian ones. Yes, Iberia. If we focus on the Iberian region, we realise that many international firms consider Spain, Portugal and Andorra as a whole. There are nearly 9,000 subsidiaries in Spain, with more than 3,000 based in Catalonia. As a recent survey by an international consulting firm states, some 16%

of subsidiaries based in Spain feature the name 'IBERIA'.

So, it is common to see subsidiaries based in Spain dealing with Portuguese and Andorran markets as well. Customers are coded in the ERP software of the company according to their country, and the system automatically applies the VAT rules, delivery terms, logistics, and every administrative issue. Therefore, for the staff, countries are just a centre code for ranking their clients, and therefore borders make no sense at all. In case the company wants to deliver in the market as a 'local company' they just need to set up a fiscal address for invoicing purposes, while the business is managed in the subsidiary.

So, how would an international firm act in the case of secession? The answer is as simple as "open a new centre code".

The company will not move all their structure away from the Iberian area, just because of a legal or fiscal change, which is how any secession of Catalonia would be considered internally. They would have no desire to face reallocating costs, nor to

change their workforce which knows the business and the company procedures. So, most international firms would continue to work as before and would just open a new centre code for the new country, whether the subsidiary was in Barcelona or Madrid, for example.

As far as international businesses are concerned, one advantage of Catalan secession would be that most large firms would open a new subsidiary in both countries. Therefore, those which were based in Catalonia would open new subsidiaries in other parts of Spain, and vice versa. Some of them would be just fiscal addresses, as mentioned above, but large companies would invest in new offices and staff and thus generate business and employment in both countries.

Of course, in the long term, company headquarters would have to decide if the existing location is the optimal one for delivering to the Iberian zone. But again, the criteria would not be the borders, but the geographical factors of population, market size, or logistics among others.

GALLERY

TERRY PARRIS writer

Perfection

Perfection could be said to be the "ind fatigable pursuit of the unattainable". Yet we go on trying.

We strive for perfection in our relationships, in partnerships and marriage, in art, architecture, writing ...

Even writers who have sold millions of 'best sellers', or musicians, who have won Grammy Awards – Silver or Golden – often lament that the initial idea or composition never quite achieved the excellence that they had imagined, or heard, in their minds.

Perfectionists are likely to be subject to stress or strain as they paint their murals on walls, or prepare the wood-be-perfect wedding flower arrangements. Most fall short of hitting the bull's-eye in archery, or in rifle-shooting, landing slightly to the left or right of the central target ... but the urge for perfection continues, as tantalising as a Willow-o'-the-Wisp on a foggy night, ever leading us forward.

Jan Struther (1901-1952), an English writer, wrote "She saw every personal relationship as a pair of intersecting circles ...

probably perfection is reached when the area of the two outer crescents, added together, is exactly equal to that of the leaf-shaped piece in the middle. On paper there must be some neat mathematical formula for arriving at this – in life, none!".

Yet there is perfection, but it tends to be something seen or experienced, not achieved: the delicate tracings on a butterfly's wing, the patterned colours on a cat's fur, a sunset in flaming glory, or a rainbow after rain. This is perfection, but unfortunately, nothing to do with us!

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"The commission considers that the Spanish authorities have a responsibility to look into the circumstances of this particular incident in Ceuta" Cecilia Malmstrom, EU Home Affairs Commissioner

The images of the Spanish Guardia Civil firing rubber bullets at immigrants who were trying to swim to Spain's North African enclave, Ceuta, from Morocco, shocked the entire world, not only the European Commission.