

LEGAL BUSINESS



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INTO THE LUSOPHONE: THE EURO ELITE IN AFRICA

While Francophone and Anglophone Africa remain more open markets for global elite firms, in Lusophone Africa it is tougher for non-Portuguese players to make progress as the larger market leaders in Lisbon make bigger commitments to former colonial territories.

‘The international firms in our jurisdictions don’t seem to be looking to expand,’ says Vieira de Almeida (VdA) senior oil and gas consultant Rui Amendoeira. ‘In fact, they often use VdA as local counsel.’

Of the Portuguese firms active on the continent, VdA has the deepest roots. The firm’s structure sees its partners cover Angola, Cape Verde, Cameroon, Chad, Congo, DRC, Gabon, Guinea Bissau, Equatorial Guinea, Mozambique and São Tomé and Príncipe. Besides an office in East Timor, all of VdA’s international presence is on the African continent.

Because of this, a vast majority – approximately 95% – of the firm’s international revenue comes from Africa, while overall its non-Portuguese work makes up one third of total revenue. ‘The firm has two main goals,’ Amendoeira says. ‘To consolidate in Lusophone Africa, especially Angola. And to expand our presence in Francophone Africa.’

Over the last 18 months VdA has made no Africa-related lateral hires. That said, the firm has acted on significant matters, including assisting a joint ministry of finance and oil industry working group in successfully settling a longstanding – over ten years – dispute over petroleum taxes in Angola. VdA also has a goal of exporting its Portuguese banking practice to Africa, while 2017 was a record year for the firm’s revenues from the continent. Growth in 2018, however, is expected to be less eye-catching.

Portuguese rival Miranda, meanwhile, has a presence in all the countries VdA does, after announcing a new alliance with CDI Counsel in Côte d’Ivoire, while the firm is expected to announce a new partnership in 2019. Miranda also secured a role advising the Permanent Joint Technical Commission as international counsel in the structuring of a \$1.5bn, 600MW bi-national hydro power plant to be built in the Cunene river basin.

Raposo Bernardo similarly has a presence in Angola, Cape Verde, Guinea-Bissau, Mozambique, São Tomé and Príncipe. Though unlike its Lisbon-based competitors, the firm adopts a strict policy of only opening under its own name and not forming exclusive alliances. It managed to resist political and economic turbulence within the countries it operates as revenue from Africa continues to grow, currently contributing around 30% of the firm’s revenue. ‘Our way of operating is to have our own offices on the continent,’ says Raposo Bernardo’s Joana Andrade Correia. ‘To have a business in Africa, you have to be there with local lawyers because they understand their own country.’

The Portuguese players are looking to consolidate their hold on jurisdictions such as Angola and Mozambique but unpredictable commodity cycles remain a concern. Angola is Africa’s second-largest oil producer, making foreign investment in energy a steady stream of work for firms active in the jurisdiction, but the country will need to diversify its economy if it is to avoid being beholden to the whims of fluctuating commodity prices. ‘The economy in most countries



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is dependent on oil, and the last four or five years prices have gone down and countries have suffered,’ Amendoeira points out. ‘Now it is recovering. So the question is: is that recovery sustainable, or will it crash again? We cannot control that, we can only prepare.’

Meanwhile, France’s Gide Loyrette Nouel has 28 lawyers operating from its offices in Casablanca, Algiers, Tunis and Cairo, of which four are partners. However, most of the firm’s work on the continent takes place in sub-Saharan Africa, operating through its Paris hub, and there is no inclination to expand further on the continent after its 2018 Cairo opening. Aggregating all of its Africa work, Gide produced €20m worth of deals over the last three years, despite a slowdown in matters coming from Tunisia. Meanwhile, as a member of Lex Mundi, the firm enjoys a close working relationship with South African firm Bowmans.

The Cairo offering came as Gide looked to develop its ties in the Mediterranean basin and the Middle East. ‘We study very closely possible other openings for the firm,’ says projects partner John Crothers. ‘But for now, we have not found a market deep enough to justify opening in it.’

European independents are as married to their strategies as the global elite firms. However, Portuguese players enjoy a more ingrained presence on the continent than any other nationality. There is perhaps a sense that firms like VdA take Africa more seriously (unsurprising, given the breakdown of its international distribution) than firms operating in the Anglophone territories. However things stand, the opportunities and challenges remain the same.