

Middle East energy and infrastructure projects generating considerable legal work

With Spanish clients increasingly active in countries such as Saudi Arabia due to major construction projects, law firms in the region need an in-depth understanding of local culture

Energy and infrastructure projects in the Middle East are proving to be a rich source of legal work for some Spanish practices, according to Miguel Riaño, Hebert Smith Freehills' Madrid managing partner.

"We have been involved in many matters for Spanish clients in the Gulf, especially in energy and infrastructure," he says. "For example, we are advising the Haramain High-speed Rail Consortium – which includes Renfe, Talgo, Adif, OHL – on the \$10 billion contract for a high-speed railway between Medina and Mecca and have also been involved for Spanish companies on the Riyadh Metro project."

Cultural understanding

Riaño says that it is important that Spanish clients have access to law firms with the right cultural and legal understanding of the region, which is a considerably different proposition in terms of doing business than Latin

America or Europe.

As an example, most of the major energy and infrastructure projects – though often backed by international banks – will require Islamic finance skills, which differ from general project finance expertise.

Strategic changes

"If you want to do business in the region you have to know the business processes so you need a law firm that is comfortable with local matters such as permitting, disputes procedures and Islamic finance," Riaño adds.

"As Spanish groups continue to target Middle East investments, then they too will become more comfortable with these structures."

Even so, Riaño expects there to be some strategic changes on the part of international law firms in the region, with Dubai and Riyadh effectively becoming the hubs for major Gulf work: "Our firm will be concentrated in Dubai, with Riyadh also being a priority."



Miguel Riaño

Energy, infrastructure, finance and TMT sectors offer potential in Africa

The energy, infrastructure, finance and TMT sectors in Angola and Mozambique currently offer the most promising international opportunities for Portuguese firms, according to Vieira de Almeida (VdA) international relations manager João Mayer Moreira.

However, Mayer Moreira adds that finance-related work in Africa currently poses a number of challenges due to oil price fluctuations, for example. "I would highlight the challenges that finance currently presents in Africa, namely within the oil and gas sector where price variations add a particular dynamic to the financing of all related infrastructure," he says.

Lusophone Africa – as well as Francophone Africa – currently offer many opportunities for law firms to act for major oil and gas companies. It was with the objective of capitalising on such opportunities that VdA

recently recruited a team of six partners from Miranda, a firm that has significant experience in this market.

What are the biggest challenges law firms face when providing international legal services? "The main challenge is to provide clients with an adequate combination of teams," Mayer Moreira says. "This is not just about people, of course, but also about management – integration carries costs and technical challenges that can't be disregarded."

Mayer Moreira acknowledges that Brazilian law firms could potentially provide competition in African markets. However, he adds: "For the time being and according to what we have seen, Brazilian firms are still mainly focused on the domestic market. We have been working with a significant number of Brazilian clients in Africa, through our network, and it does not seem that our competition in this respect is coming from Brazil."



João Mayer Moreira