

The Multinational Law Firms – Friend or Foe?

PANEL DISCUSSION

MODERATOR

Thierry Koenig, Director, *ENSAfrica (Mauritus)*

PANELISTS

Shahira Khaled, Senior Attorney, *Al Kamel Law Office*

Antonio Vicente Marques, Managing Partner, *AVM Advogados*

Richard Omwela, Partner, *Hamilton, Harrison & Mathews*


Koos Pretorius, Director, *ENSAfrica*



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africa's largest law firm

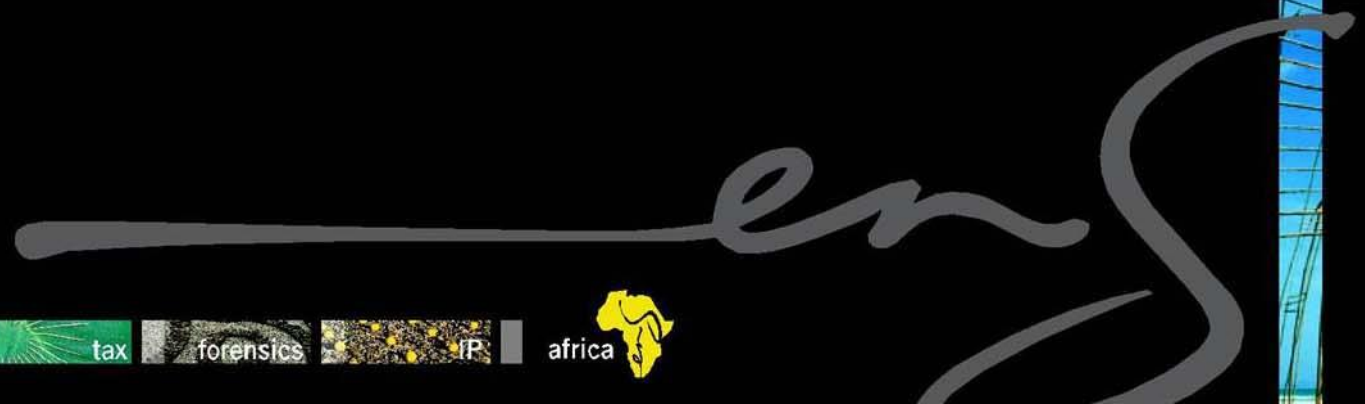




WSG Africa & Middle East Regional Meeting
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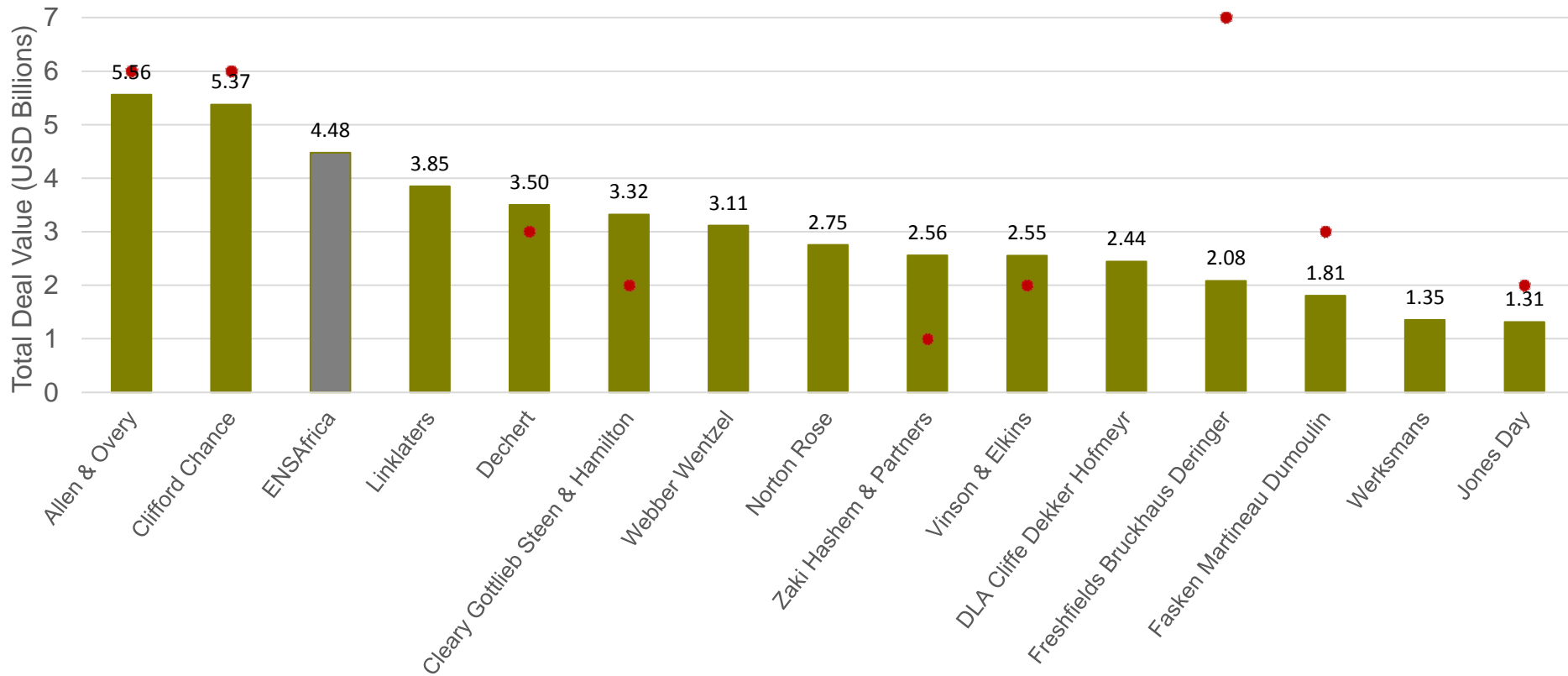
Panel Discussion – The Multinational Law
Firms – Friend or Foe?

Koos Pretorius



legal spend in Africa

African M&A legal advisor league table 2012

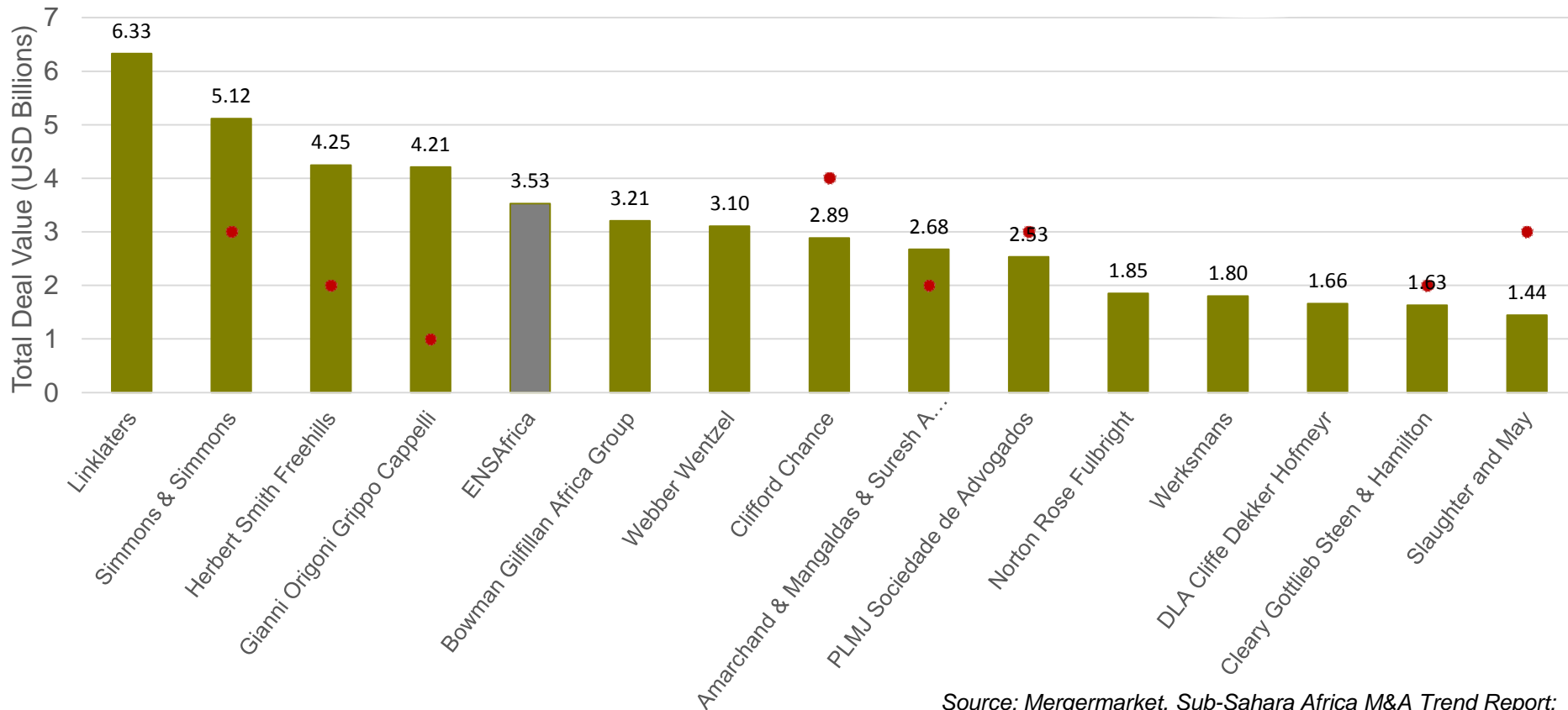


Source: Mergermarket. African M&A Roundup 2012; Legal advisor league table by value



legal spend in Africa

Sub-Sahara Africa M&A legal advisor league table 2013: Total deal value



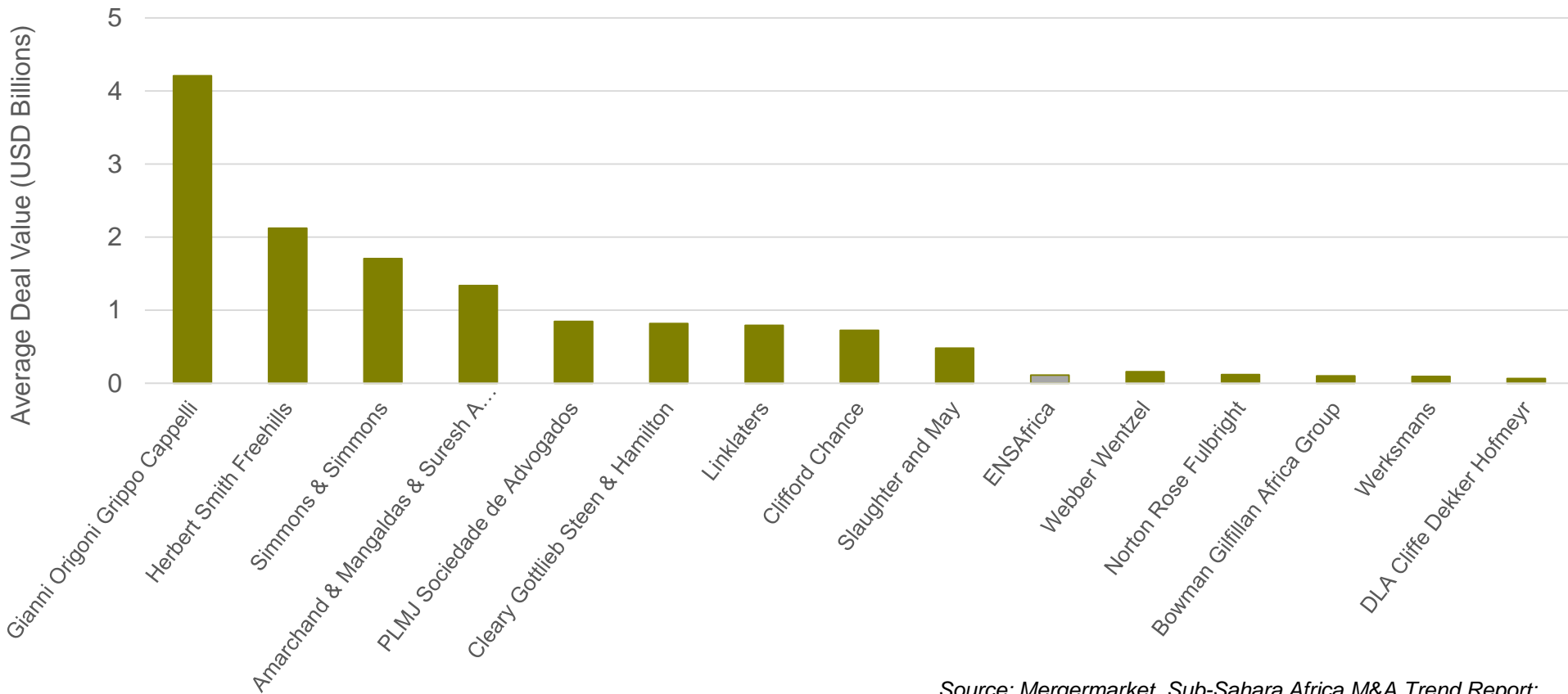
Source: Mergermarket. Sub-Sahara Africa M&A Trend Report: 2013; Legal advisor league table by value



legal spend in Africa



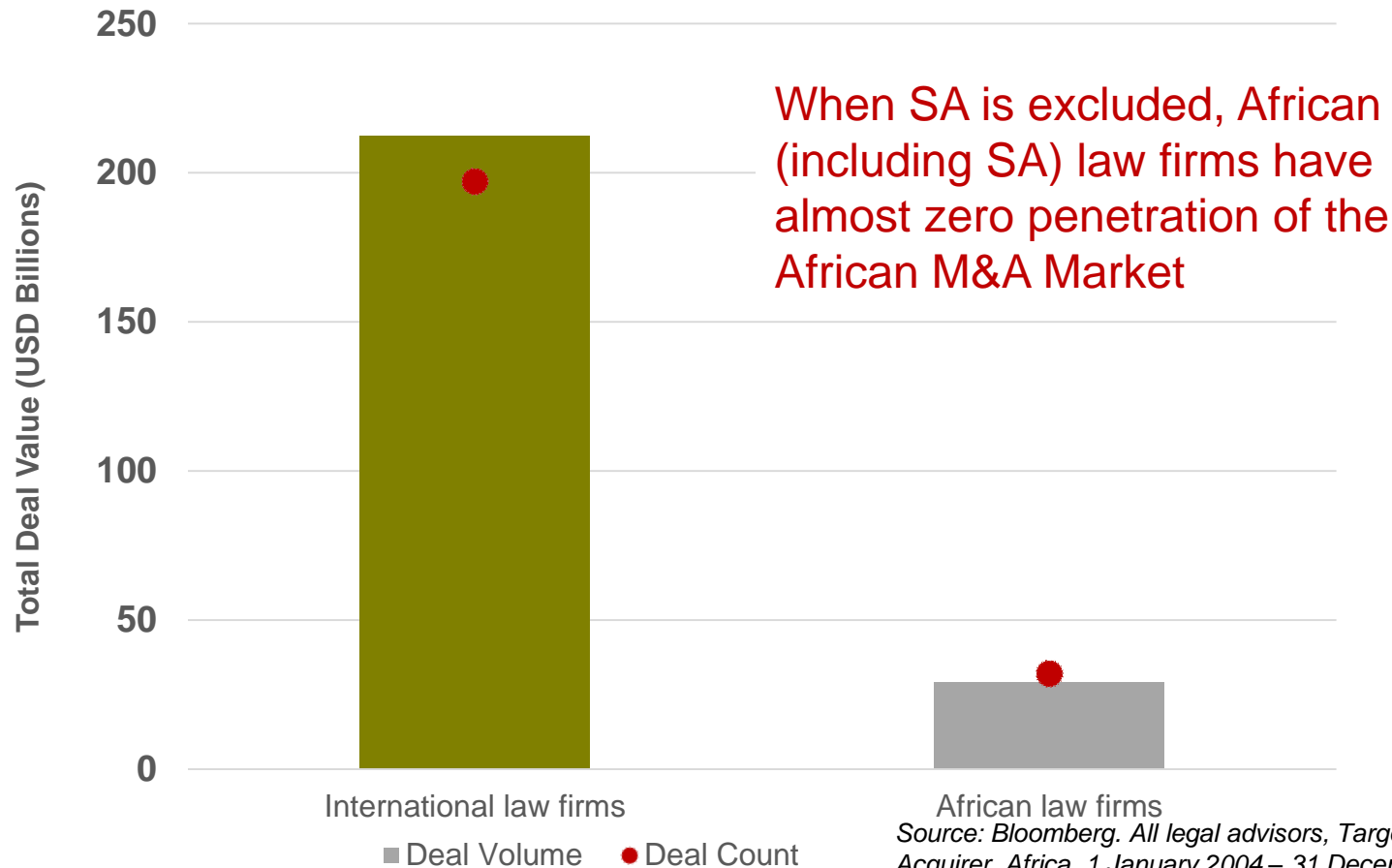
Sub-Sahara Africa M&A legal advisor league table 2013: average deal value



Source: Mergermarket. Sub-Sahara Africa M&A Trend Report: 2013; Legal advisor league table by value

legal spend in Africa

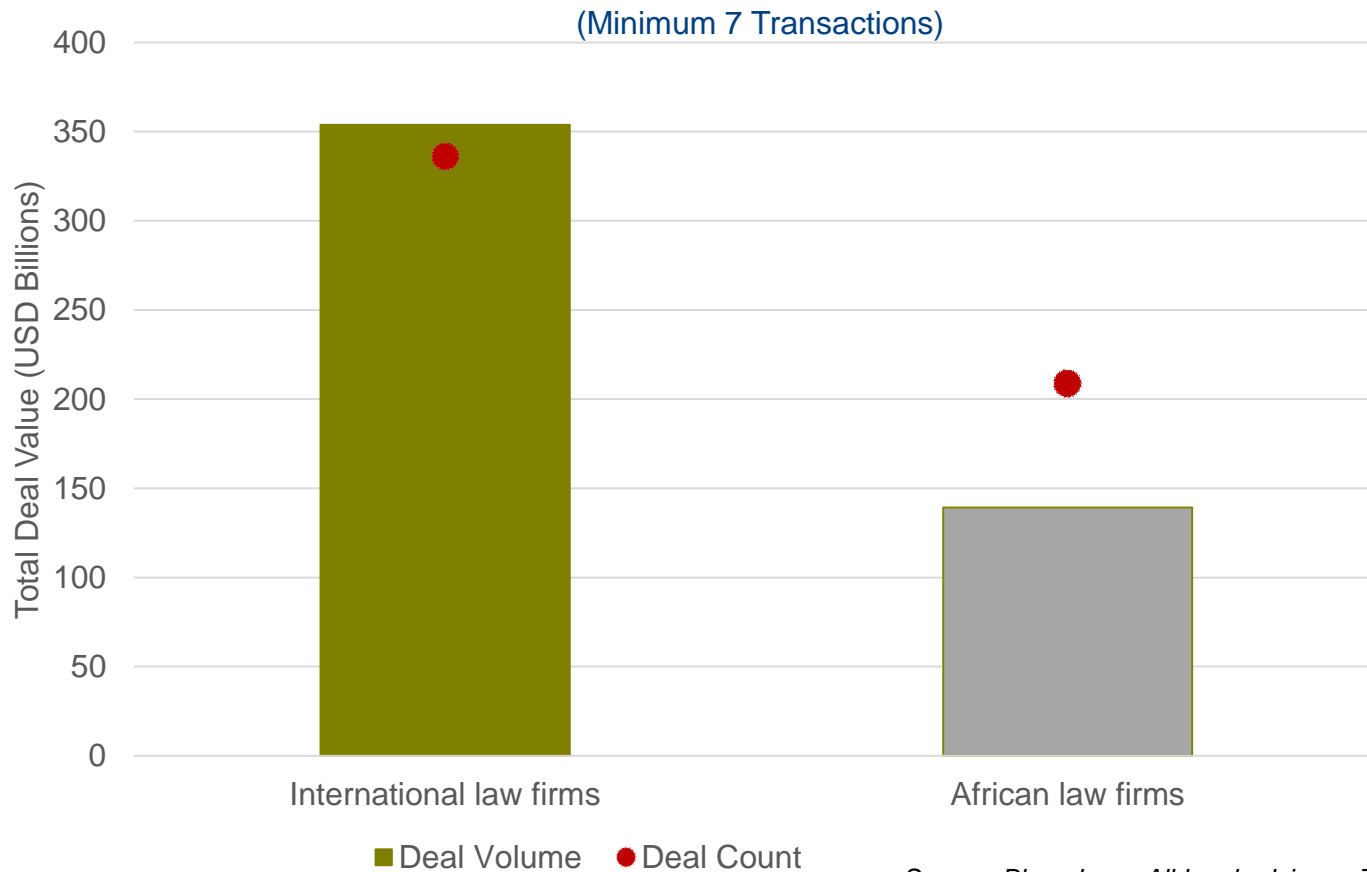
Top ranked law firms for total deal value, Africa (excluding South Africa) Jan 2004 – Dec 2013, deals > 50 Million (USD)
(Minimum 3 Transactions)



Source: Bloomberg. All legal advisors, Target or Seller or Acquirer, Africa, 1 January 2004 – 31 December 2013; Deal Size > \$50 million, merged firms include legacy firms

legal spend in Africa

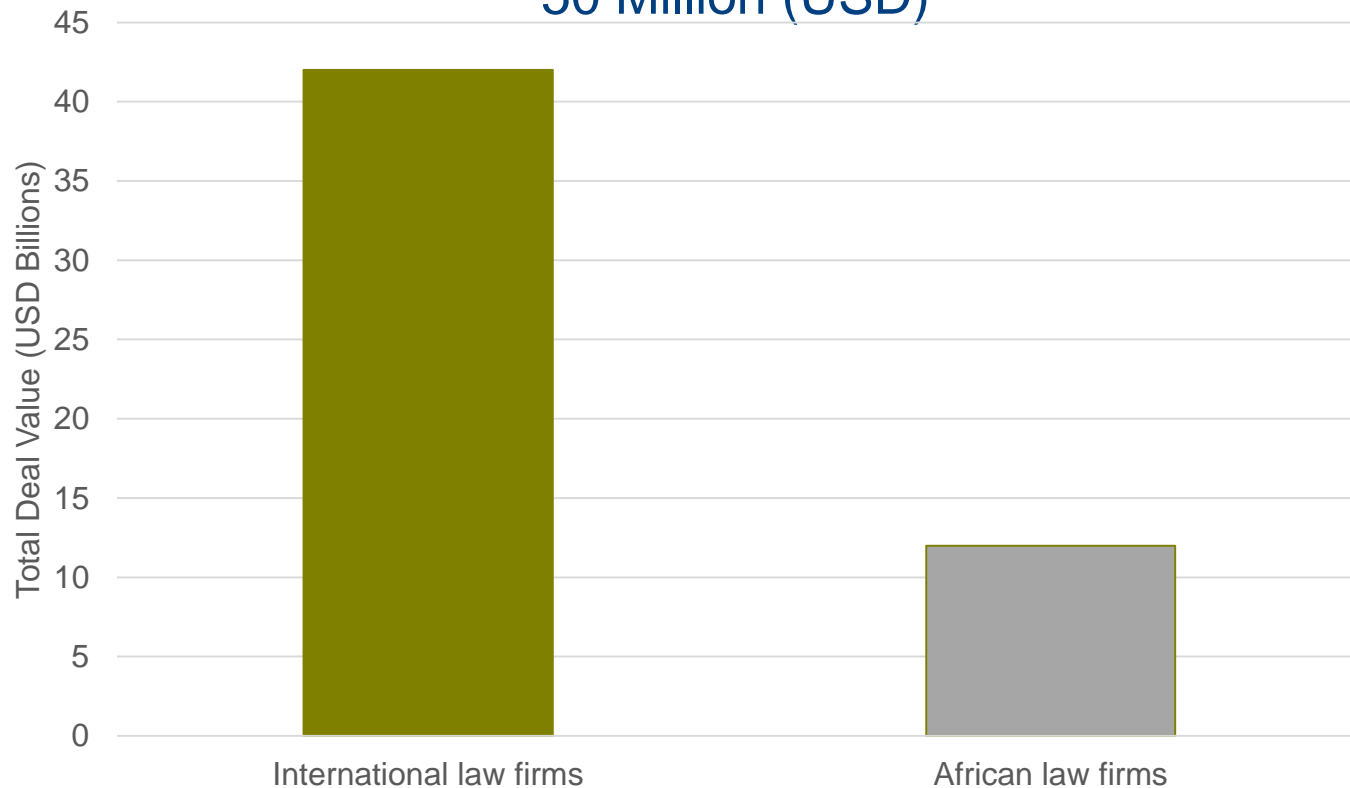
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legal spend in Africa

Top ranked law firms by deal count for capital markets (debt), Africa (excluding South Africa) Jan 2004 – Jan 2014, Deals > 50 Million (USD)

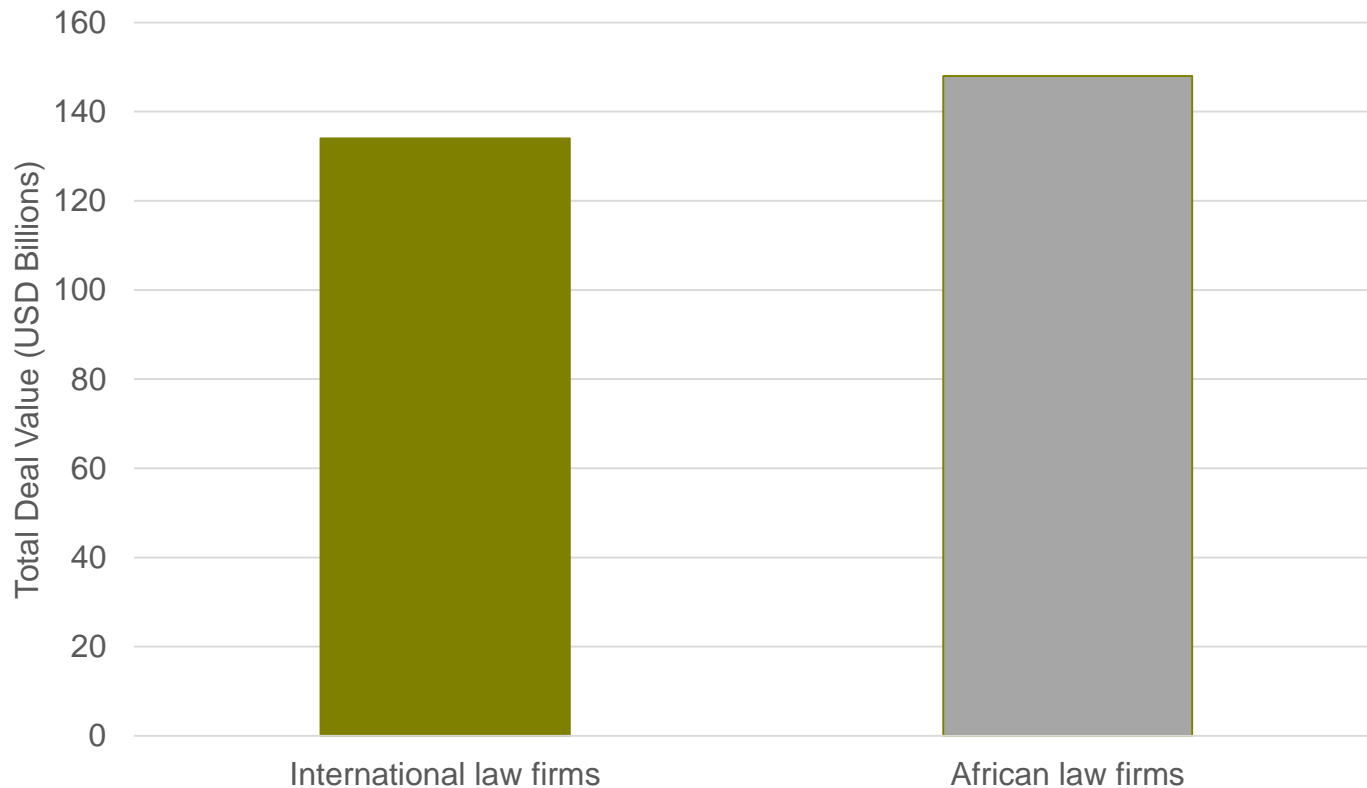


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legal spend in Africa

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thank you



level 3 BBBEE: AA rating

WSG 2014 Africa/Middle East Regional Meeting

Cape Town, South Africa
February 7th, 2014

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al Kamel law

MULTINATIONAL LAW FIRMS FRIENDS OR FOE?

- *The answer to this question depends on certain factors part of which are as follows:*
 - (a) Governance for market entry;
 - (b) Size and vision of local firms; and
 - (c) Presence: local firms vs. multinational firms.

EXAMPLE: EGYPT

- Prohibition to provide legal services;
- The number of Local Firms top MN Firms;
- Local Firms' affordable rates;
- Compliance and thorough conflict check are issues; and
- Current political situation is a setback for MN Firms.

ADVANTAGES

- Quality of work;
- Raising the bar for local firms' rates; and
- Potential business opportunities to new clients.

DISADVANTAGES

- Competition;
- Taking over of good calibers; and
- Raising the bar for lawyers' salaries.

**MULTINATIONAL FIRMS CAN BE OUR
FRIENDS AS LONG AS THEY PLAY BY OUR
RULES**

THANK YOU

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MULTINATIONAL LAW FIRMS – FRIEND OR
FOE?

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HH&M
HAMILTON HARRISON & MATHEWS

- *Historically Large Multinational Law Firms have operated from the major World Capitals including London, Washington, New York, Paris etc., branching out to Asia, South America and other jurisdictions as client demand dictated.*
- *Demand for legal services has largely been client driven with the Multinational Firm following their clients so to speak as business grew and the need for Legal services grew.*
- How have the Multinational Firms been operating in Africa and the Middle East? Depending on the laws in each jurisdiction,
 - **Through Associations, either branded or unbranded**
 - **Joint Ventures**
 - **Mergers and Acquisitions**
 - **Green Fields**

WHAT THEN HAS CHANGED?

- The re discovery of the potential for growth in Africa
- Infrastructure including Rail, Roads, Ports, Airports, Oil pipelines, Schools stadia
- Potential Energy. Oil, Gas, Tourism.
- The need for the Multinational Firms to follow their clients into Africa.
- The practice in Africa has changed.
- African law Firms are no longer prepared to give opinions in their jurisdictions. They are equal partners and are prepared to hold out on their own
- African Firms have capacity and can maneuver the local terrain better, they understand the environment better.

FRIEND

If the realization that we have capacity and can work together we will be friends. The issue will be the format of how we structure the working relationship, Partnership, Joint Venture, Merger, Acquisition? It will not be business as usual. We have to agree the terms of engagement.

FOE

They decide to set up shop in direct competition in our jurisdictions we will have to compete for work

THANK YOU

HH & M
HAMILTON HARRISON & MATHEWS



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The Multinational Law Firms – Friend or Foe?

Presented by António Vicente Marques

Will global elite firms grow presence in Africa?

- Joint venture structures, etc.
- Regulatory barriers to entry. Some jurisdictions remain problematic for entry.
- Foreign law applicable to aspects of bigger projects. Provides opportunity for entry, as clients want their main or usual lawyers on the project.

Does expansion of global elite pose a threat?

- Multinationals reluctant to establish full service offering in local jurisdiction.
- Participation by multinationals also informs local culture and legislation (regulations).
- International exposure facilitates skills transfer in local market.

How should local and regional law firms respond to the expansion?

- International influence/investment can aid local firms.
- Angolan legal market more open and greater international involvement in this market.
- Mozambican Bar remains reluctant to open up to foreign lawyers and law firms.
- Many African countries are becoming global economic players and this presents expansion opportunities to local (African) legal market.

Are local/regional firms able to successfully compete for top-end/highly profitable legal work on continent?

- Not many local/regional firms have sufficient scale and scope of services to secure elite work.
- But consolidation in local legal markets results in increased scale/scope of services.
- Natural resources boom will benefit those firms which have invested strategically in their African practices.
- Will lead to a bumper decade in energy, mining, infrastructure (projects) and finance



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CAPE TOWN, SOUTH AFRICA

7 February 2014

