

A LAND OF OPPORTUNITY - ROCA JUNYENT

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In the 10 years since Roca Junyent became the first Spanish law firm to open an office in Shanghai, the Chinese economy has changed, says Josep Herrero, Co-Managing Partner of the Asian Desk. And demand in China is offering up new opportunities for foreign investors.

In the beginning, the purpose of doing business in China was to manufacture there and then sell around the world, he explains. Then it became about producing and selling in China as well. "Now, with increasing Chinese consumer demand for European and South American products and resources, the trend is to advise Chinese companies who come to Spain, or Spanish companies who want to establish a joint venture with a Chinese company at home or in South America."

In contrast to the relatively secure wholly foreign-owned enterprise, the joint venture (JV) has been a quick, and historically risky, mode of entry into the Chinese market, says Herrero. However, given the changing economy, finding the right local partner requires a more sophisticated approach, and recognition that China is no longer doing business in the same way.

"In stark contrast to ten years ago, it's now difficult to find a Chinese JV partner, as they already have both the technology and the knowledge," he explains.

"It is now the Chinese that are viewing countries such as Spain as a 'bargain', with more companies

establishing a presence here.”

So with Chinese companies wanting to invest in Spain, and vice versa, law firms need to have both a Chinese workforce that can understand Spanish law, as well as staff able to assist Spanish clients in China.

The trick, says Herrero, is the ability to balance front offices either in China or Spain.