

AFRICAN ARBITRATION AND RESTRUCTURING WORK ON THE INCREASE - VDA VIEIRA DE ALMEIDA

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Lawyers report 100% increase in arbitration cases as well as growth in work related to the restructuring of international and state-owned companies

The falling global oil price has meant that Portuguese law firms operating in Africa are now taking on types of work that did not exist a few years ago – such as arbitration and restructuring – according to Rui Amendoeira, head of oil and gas at Vda Vieira de Almeida.

Firms operating in oil-producing countries such as Angola and Mozambique have experienced a spike in litigation and arbitration work, reports Amendoeira. “That’s related to the current economic crisis in those countries – there’s been more than a 100 per cent increase in arbitration just since the beginning of this year,” he explains. Cases range from disputes over government tax-collection drives to disputes involving joint ventures and litigation related to bankruptcies and defaults. Restructuring is also on the increase, according to Amendoeira. “There’s a lot of restructuring work happening for international and state-owned companies,” he says. “Three years ago there was no need to restructure anything.”

Meanwhile deal-making has declined. “We’ve seen less M&A in general, less transactions

happening," says Amendoeira. "We've also seen fewer big infrastructure projects being developed in the last few years, especially in the oil and gas sector because of the low oil price."

Amendoeira says the market has become more challenging in recent years, with clients driving down fees. "We have not increased our fees by more than 10 or 15 per cent over the last five years, which is well below what we see in other markets."

Without an oil price rise, Portuguese firms face limited opportunities in Africa, Amendoeira says. "For new firms, the barrier to entry to the market is high and any new entrants will arrive at the expense of incumbents," he adds. However, Africa is crucial for Portuguese firms with global ambitions:

"African markets offer the best, and in some cases the only, opportunity to do international work - unless you want to be confined to the domestic market, which is pretty small."