

AFRICAN LEGAL MARKET WORTH \$1.1 BILLION IN LEGAL FEES, SAYS SURVEY

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Client survey shows average partner fees are \$500 per hour and that law firms could gain competitive advantage by entering markets such as Angola and Mozambique

The African legal market is potentially worth \$1.1 billion per year in legal fees, according to new research.

A study carried out by legal research provider Acritas found that multinational companies had legal advice requirements in more than 30 African jurisdictions.

The research – which analysed the legal service requirements of 138 in-house counsel at multinational companies – also found that, while typical spend is around \$100,000 per year, some organisations are spending \$1 million per year on legal advice.

With regard to legal fees, respondents said that the rates paid for partners varied considerably, particularly between local and international firms, but the average was almost \$500 per hour.

The report, entitled 'Demand in Africa: The Multinational Opportunity', concluded that, while there was considerable market speculation about law firms opening offices in South Africa, firms seeking a competitive advantage over their rivals would be better served exploring opportunities in other countries, such as Mozambique and Angola.

"There is much talk in the market about firms planning to open offices in South Africa," the report says. "However our data suggests that firms eager to steal a march on their competitors may do well to look beyond that jurisdiction – other attractive markets include Egypt, Morocco, Mozambique, Ghana, Tanzania, Tunisia, Algeria and Angola." The report also said that the biggest challenge for in-house legal teams in Africa was finding the right firm with which to work. "This is why clients are turning to international law firms for the larger proportion of their work as they know they will receive guaranteed service standards."

José María Segovia, senior partner at Uría Menéndez, has highlighted the "magnificent prospects" that exist in countries such as Angola and Mozambique (see our Global Report on page 29). "These countries are also investing heavily in Europe and Asia, thus providing Spanish and Portuguese firms with the scope to work on both inbound and outbound transactions," he says.

Similarly, Linklaters Portugal managing partner Pedro Siza Vieira says there is huge potential for growth in Lusophone Africa. He adds: "Naturally Portuguese lawyers have a massive advantage, not just because of the language but also due to the fact that legal systems in those countries are very similar to the Portuguese one."

F. Castelo Branco & Associados partner Pedro Guimarães says: "Both Angola and Mozambique are growing economies with growth rates not seen in Europe for decades and this is clearly an opportunity for lawyers."