

BUREAUCRACY IN AFRICA IS BIGGEST CHALLENGE - CUATRECASAS, GONÇALVES PEREIRA

Posted on 27/05/2015



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Bureaucracy is still the most challenging single factor when doing business in Africa, according to Rui Mayer, partner at Cuatrecasas, Gonçalves Pereira.

"Everything seems to take longer, be more difficult, and more expensive," he says. "This is partially due to the fact that the administration is often relatively small, some regulations are cumbersome, and procedures are mostly manual, although IT infrastructure is quickly making important inroads." Mayer adds that, as a consequence of these factors, the response from the relevant authorities is usually slow by European standards. "Another common complaint is about currency controls being overly restrictive," Mayer says. "However, we should recognise that the purpose of such restrictions, as well as rules regulating foreign investment, is really to incentivise the development of an internal market." In addition, Mayer points out that such restrictions are also designed to "retain in the country a larger share of the financial benefits of investments, under the shape of salaries and other costs, which otherwise would be exported."

Meanwhile, Mayer says that conditions for investors are improving in some respects. "In general, if

we forget the usual trouble spots, the region appears to be more stable and presents a lesser degree of political risk."

How are law firms operating in Africa adapting to the ever-changing needs of their clients?

"We are prioritising the development of the ability to provide local services, with local work teams, because that's what clients are requiring," says Mayer. "We are being driven to do so by the effect of local regulations that are aimed at concentrating costs and expenses in the relevant country – but we are maintaining a strong connection to our European offices to ensure quality and coherence, which we see as one of our greatest assets in the region."