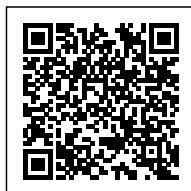


FINDING OPPORTUNITIES IN A CHANGING ECONOMY

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The economic crisis is accelerating changes to the ownership and structure of many of Portugal's largest companies to which market players must respond

The financial crisis is helping to accelerate changes in the Portuguese economy with accepted and established economic alliances and allegiances between businesses in a state of flux.

The challenge for investors and market players alike is however to determine what the sustainable new trends will be, says João Vieira de Almeida, Managing Partner of Lisbon-based Vieira de Almeida.

"There is a sense among many that the Portuguese economy has bottomed out but one clear outcome of the crisis already is that many established business norms have already been opened up to question – we are seeing changes in company structures, ownership and alliances. Nothing is now being taken for granted."

Developments can be felt particularly in the banking and finance arenas, but the process of restructuring many of Portugal's major manufacturing and services companies, as they have looked to adapt to the slower economy, has seen a lot of new investment opportunities emerge out of the recession, he says.

La crisis financiera está ayudando a acelerar los cambios en la economía portuguesa poniendo en duda alianzas históricas y creando un movimiento continuo en el mercado.

"Companies continue to divest non-core, but still viable, businesses. Many have also sought to detach themselves from the traditional banks or finance houses.

We are seeing a new spirit of independency. Established relationships have in some cases simply evaporated as there have been changes in control or a new generation of leadership taking over."

The likely development of a new Lisbon international airport, and connecting bridge across the River Tagus, as well as proposed fast rail links within the country and to the border mean that investors and operators are also adapting to project opportunities as they unfold.

"There is some debate about whether Portuguese companies will be able to capitalise on the scale of the opportunities being presented – a number are therefore looking at strategic tie-ups and collaborations, while there is also inevitably new international interest," says Vieira de Almeida.

But companies, as well as law firms, have to be careful not to be caught up in "gold rushes", he emphasises. "The difficult economic situation means that many businesses are looking for new opportunities, including perhaps outside of their traditional sectors, but we have to maintain a sense of cautious optimism."

For his own firm, he has already seen growing emphasis on disputes, projects, public law, transactional and IP expertise – with some of the practical applications being applied to clients' situations in Portugal also finding a much wider international application.

"We have been in a situation where a major multinational client has held up the work we have been doing for it here as a model to be copied around the world – the most challenging times demand that you engage in the most creative thinking."

His own firm is also looking to adapt to the changing economic market and will embark on a strategic review in the New Year to help determine and develop its own strategic plan for the coming years, he explains.

"We cannot sit idly by and watch the world change. Like our clients we have to determine where the new opportunities lie, what the challenges may be, and where the consistent client demand will come from. You have to accept that change will happen, embrace it and effect change on yourself also."

He continues to see a need for strong independent law firms in Portugal, and therefore the firm's goal – reflecting the changing reality of its clients – is to emerge out of the recession as well-placed as possible for the economic upturn when it comes.

"We have to believe that the Portuguese economy will continue to grow. That it will continue to attract new international investment and interest, and that we will be in the best position for when it does happen. We have to continue to plan for the future, whatever it looks like," says Vieira de Almeida.