

LUSOPHONE AFRICA: A REGION WHERE HIGH RETURNS HAVE A LOCAL FLAVOUR

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The main concerns of clients investing in Mozambique include regulatory requirements, as well as tax and environmental issues, according to lawyers speaking at a recent event on investing in Africa hosted by Iberian Lawyer.

Around 70 delegates attending the Agenda Africa forum in collaboration with Chatham House in London also discussed clients' worries about estate interests, arbitration rights, and clarity in transactional clauses when making such investments in the country, which is experiencing an increase in merger and acquisition activity.

The event – entitled 'Lusophone Africa One step forward and two steps back? Mozambique's success in the balance' – included a panel of experts from law firms such as Clifford Chance, Cuatrecasas, Gonçalves Pereira, DLA Piper, Hogan Lovells, Miranda, Vieira de Almeida, and Vinson & Elkins.

One of the key concerns for international companies is the impact of procurement rules and the Bribery Act, delegates

heard.

Merger and acquisition activity in Mozambique spiked in 2013 with seven deals valued at US \$9.6bn, according to Mergermarket, the highest value on record.

Event attendees also heard that the legal services market in the country is changing and lawyers want to develop ways to offer services by working with local providers that are becoming more sophisticated in the way they operate. Based on that, investment in Mozambique will only work if there is a return for the local community.

Speakers also explained that there had been a series of changes in regulation over the last few months and that, as it is a relatively new democracy, investors should not be over optimistic because there are still weak institutions in the country. The elections in October will be important for current investors.

Looking at the future, while there are significant opportunities in the agribusiness sector, experts mentioned that it poses the challenge of transferring land to foreign investors, which requires high levels of cooperation with local farmers.

Some organisations that contributed in the success of the event at Chatham House in London included: Acritas, Eaglestone Advisory, Equus Petroleum, ISFIN, Helios Investment Partners, Highland African Mining, Redstone Consultants, Sasol Petroleum International, Standard Chartered Bank, and Vale Mozambique.

To see more information about the [event and pictures click here](#)