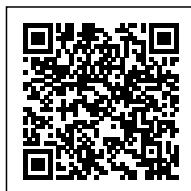


NEW SECTORS OPEN UP FOR LAW FIRMS IN AFRICA

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Opportunities for lawyers in the African banking and finance, agriculture and tourism sectors are beginning to emerge

Although the story of the law firms' interest in Africa during the last five years has focused on one sector in two countries – energy in Angola and Mozambique – other industries such as banking and finance, agriculture, and tourism, are starting to appear on their radar.

The vast oil and gas reserves combined with multi-billion dollar investments has seen both countries as the destinations of choice. Although other jurisdictions with lucrative energy reserves – such as Guinea-Bissau and Equatorial Guinea – are gaining interest, the evolution of the market in Angola and Mozambique is being closely watched by lawyers on the ground.

“Angola is a country very well known for its natural resources, especially diamonds and petroleum,” remarks Vitor Marques da Cruz from MC&A Asesores. “However, the climate and land conditions of this country also makes it very fertile for investments in the areas of agriculture, forestry and fisheries; sectors which may also count on special incentives and benefits granted by the Angolan

Government."

Paula Duarte Rocha from MLC says it is a similar scenario in Mozambique in that natural resources have been the main interest of foreign investors in mining, oil, natural gas, renewable energy and hydroelectricity but she sees room for growth: "Agriculture and agro-industry, hotels and tourism, fisheries and aquaculture, transport and communications, banking and insurance, public works and construction, services and power generation are currently the most thriving economic sectors." Recent non-energy deals in Angola saw Banco BIC Angola back a \$24.5m maize production project in Kwanza Sul province and Portuguese drinks company Unicers pledge to construct a brewery in Angola in the next few years.

There were also reports that Angola may eventually have a rail link to Mozambique via the North West Rail Company's \$500m proposed rail line from Chingola in Zambia to Lumwana in Solwezi, which could be joined to Benguela railroad in Angola. There is also the \$1.2bn project to expand Angola's Commercial Port of Lobito to boost trade.

Rui Mayer from Cuatrecasas, Gonçalves Pereira sees the last two as possible bridges to other countries for the energy sector too: "For mining, Zambia and the Democratic Republic of Congo would be obvious points of interest, namely once the Benguela Railway and the Port of Lobito become fully operational – although in the latter case the political risk is high."

Diversifying the market is also on the agenda in Cape Verde and Sao Tome, although as island economies they function quite differently. There are investments in primary sectors of the economy, notably agriculture and fishing, both subsistence and commercial.

Local experts point to opportunities that may arise for other investments, especially connected to services in tourism and the financial sector, as well as investments in water, electricity, health, ports, airports and the education sector.

"The secondary sector of the economy practically does not exist in these countries," explains Júlio Martins Júnior from Raposo Bernardo. "All of manufacturing, processing, and construction lies within the secondary sector, include metal working and smelting, automobile production, textile production, chemical and engineering industries, aerospace manufacturing, energy utilities, engineering, breweries and bottlers, construction, and shipbuilding – they are usually found in mainland countries."

See our Special Focus: Lusophone Africa on page 51.

- Africa offers a wide range of opportunities for investors and has a rapidly developing legal market that is becoming increasingly sophisticated, attendees at a recent event in London – hosted by Iberian Lawyer – were told. Visit www.iberianlawyer.com, for more information about 'Lusophone Africa: One step forward and two steps back?'