

# OPTIMISTIC OUTLOOK FOR WORKFLOW IN AFRICA DESPITE DECLINE IN COMMODITIES PRICES - CAIADO GUERREIRO

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**The dramatic decline in commodities prices over the last few years has seen a downturn in work for Portuguese law firms in lusophone Africa. Despite this, João Caiado Guerreiro, partner at Caiado Guerreiro, remains optimistic about future prospects in what is a cyclical market.**

"If you've been working in Africa for as long as we have, these challenges are to be expected," says Caiado Guerreiro, whose firm has affiliated offices in Angola and Mozambique. "There was some irrational exuberance a couple of years back, particularly among Anglo Saxon investors," he adds. "Excitement was justifiable, but probably not to that extent – Africa is not for the short term, it's for the long term."

Investors taking a long-term perspective in countries such as Angola and Mozambique will have a sense of how far the two countries have come. "Governance has improved in the past 20 to 30 years," says Caiado Guerreiro. "They no longer want collective property, they no longer want Marxism, they are a lot more democratic than other countries," he adds. "If you look at Angola, there is going to be a peaceful transition of power, which is a rare thing in Africa. Those things are good for the future."

For Portuguese firms, the relative lack of competition from UK and US law firms also balances out the added risk that comes from operating in such jurisdictions. Beyond commodities and infrastructure, innovations in areas such as finance, telecoms and technology are also providing plenty of potential opportunities.

"Innovation will continue to happen in Africa," says Caiado Guerreiro. "In fintech, some of the most interesting products are coming out of Africa, such as the joining of finance with telecoms, which, for example, allows people to get loans over their phones."