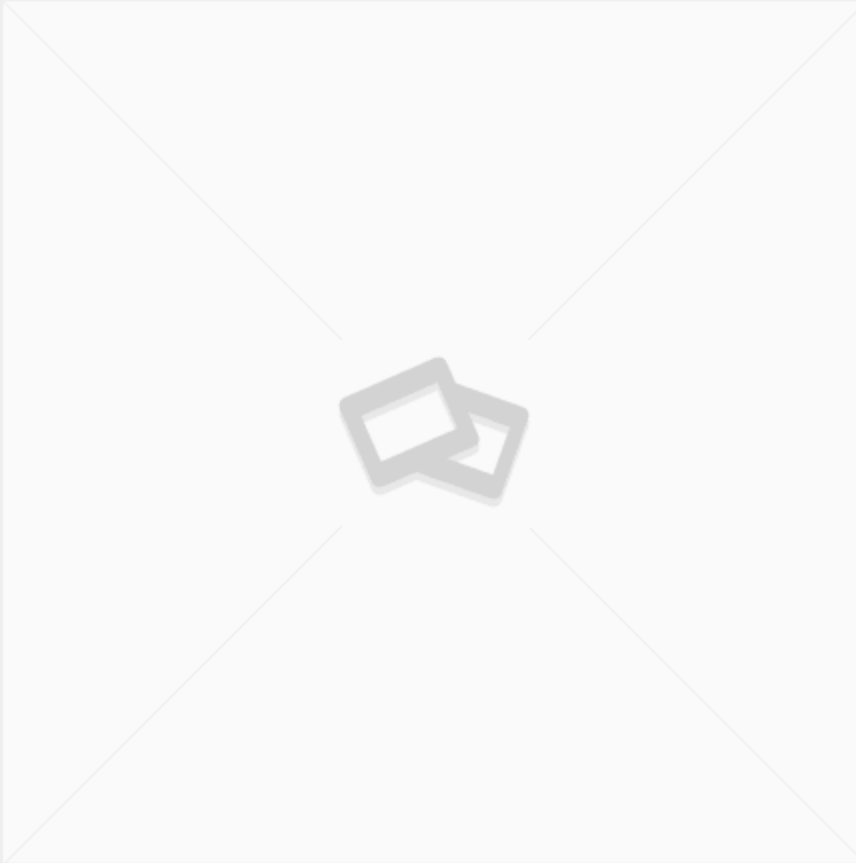


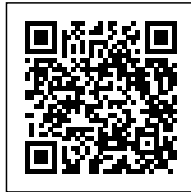
# SOME GOOD NEWS ☐ AT LAST!

*Posted on 27/02/2013*



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**For many, the word ‘crisis’ has become synonymous with every aspect of their daily lives, and never more so than in Spain and Portugal.**

Para muchos la palabra crisis se ha convertido en sinónimo de rutina, tanto en España como en Portugal. Sin embargo, la mayoría estamos saturados de tanto repetir la idea, aún conscientes de que las dificultades siguen “vivas y coleando”.

Pero hay algunos que hablan de indicadores económicos positivos en ciertas áreas de práctica jurídica que en el segundo trimestre pueden derivar en un incremento de la actividad. Por eso quizás en los próximos meses aún veamos ajustes, hasta que los signos se conviertan en un crecimiento real.

But the majority are saturated from constantly hearing about the ‘crisis/downturn/recession’, even though it is very much alive and kicking around them. We have become weighed down with the

'negative' and in desperate need of some positive news.

So look no further! Recent economic indicators suggest that, in 2013, some areas of legal will start to bounce back, as highlighted in this issue's News Focus (page 16). Key developments in the markets could lead to a rise in certain practice areas, which, by the summer, could mean a big increase in activity.

And while past years saw investors fleeing the markets, fresh money is finally coming in, experts say. US pension funds, for example, and other investors are starting to look at varied sectors that were hit by recession in which they can pick up low cost assets.

Real estate, however, is where the biggest opportunities are going to exist – but capital markets and banking come in a close second. So for law firms, it's time to jump on the train before it leaves the station and hopefully head towards an altogether more active destination.

Some sectors, however, will take longer to turn a corner. Litigation is on the rise, stemming in part from breaches of contractual obligations due to liquidity issues but also from bankruptcy, insolvency and restructuring proceedings. And conversely, for countries that do not have an established culture of turning to other forms of dispute resolution, arbitrations in Spain and Portugal are also on the up (see our Litigation & ADR Annual Report).

Rather than succumb to judicial proceedings that currently go on for years, with horrendously high costs, the Iberian market is slowly but surely opening up to the possibilities of ADR. And new rules and a push by the Government could see the practice really begin to take off, say lawyers.

Tax increases and reforms, however, continue choking markets that are already struggling with a lack of liquidity. 'Collection' is the name of the Government's game, say lawyers, but worse is an instability that stems from changing the rules while everyone is still playing the game (see our [Tax Annual Report](#)).

Portugal's legal profession faces a radical shake, which has lawyers up in arms, they say. A provision in the Troika bailout agreement, which no one paid much attention to at the time, is being kicked into high gear with the Government passing a regulation that is set to open up the professions to make them more competitive – legal very much included. This opens the doors to outside investors and the possibilities of multidisciplinary firms similar to the UK's alternative business structures (ABSs). The problem is that this law has to be implemented by the amendment of the Portuguese Bar's regulations – and its chairman has refused to do so, even threatening litigation against the Government.

Currently the profession is in the midst of a huge debate, arguing mostly against the perils of liberalisation, say lawyers – who admit they are typically a little adverse to change.

But in amongst continuing to struggle under the weight of taxes and two economies that are deep in recovery-mode, the good news is that the coming months could see some shake ups in the markets.

And there are definite signs pointing to a more positive 2013 – finally.