

THE BIG QUESTION: SEARCHING FOR INTERNATIONAL OPPORTUNITIES?

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The slowdown at home is pushing Iberian businesses to explore new opportunities abroad.

Are they looking to the usual suspects – like Latin America – or new parts of the world, and what role is there to play for their existing domestic law firms?

“We are now receiving requests from SMEs and bigger Spanish companies that are overcoming the crisis thanks to their, mainly export, business.

Less than 'exploring' new opportunities abroad, they are now promoting and developing their existing presence. In our case, we are assisting in strengthening companies' outbound business, with distribution agreements or the production of goods abroad – mainly in the former East European countries."

Joan Roca, Managing Partner, Roca Junyent

✖ "Some major Portuguese law firms are seeking to become international, probably for the wrong reasons and mostly without a proper evaluation of the risks involved. Their motivation should not be to compensate for a temporary loss of revenues in Portugal, as a result of the present crisis. We have carefully planned and actively developed our international policy for almost a decade – we are now contemplating diversifying into China and the Middle East – but success depends largely on medium and longer-term consistency, thus requiring substantial investment not only in financial resources, scarce in times of crisis, but also in the partners' time in each country."

Luís Sárraga Leal, Managing Partner, PLMJ

✖ "We see signs that Portuguese companies are heading to new destinations, such as French-speaking Africa and the Middle East. Portuguese law firms must find a role to play in this renewed international push. We have recently started operations in Gabon and plan to do the same later this year in the Republic of Congo. As regards the Middle East, we'll team up with our foreign local partners if and when opportunities materialise."

**Agostinho Pereira de Miranda, Chairman,
Miranda Correia Amendoeira & Associados**

"Yes, international expansion is very much in the minds of Spanish companies that need to balance their portfolios now that home markets are facing contraction. The leading Spanish companies have been doing this for some time now – Santander's investment in the US, Mexico and Brazil; Telefónica looking to consolidate in Brazil; BBVA bidding to gain a footprint in the UK; while the big constructors and concessions businesses are winning orders around the world. Other firms that are not facing debt issues are similarly ramping up their overseas sales drives – for example, Mango, Inditex, Gamesa and Indra.

Clearly those law firms with proven global networks stand to benefit most, especially those with a strong presence in the BRIC countries, where we are seeing a lot of Spanish interest. Those firms without such coverage will find it difficult to give their clients the advice they will need."

Ignacio Ojanguren, Madrid Managing Partner, Clifford Chance

"Yes, absolutely, in particular those companies that have activities in the infrastructure sector. The announcements recently made by the Spanish Government on the freeze of significant investments will mean businesses will have to go to foreign markets to keep reasonable levels of activity. South America is a natural market for Spanish companies but I also now see interest in the US and Canada and Europe, particularly within infrastructure. India seems to be another area of interest. Businesses like to use the Spanish office of international firms as their point of contact for the legal advice and I guess this will continue to be the case."

**Gonzalo Jiménez-Blanco,
Madrid Managing Partner, Ashurst**

✖ "Large Spanish companies have been looking to foreign markets for a few years. Some of them, the most healthy, have a large part of their revenues outside Spain – precisely why they may come out of the downturn in better shape. The most appropriate foreign markets depend on the nature of their business. Latin America has been popular but also Europe and North America. Infrastructure and construction companies have also looked to the Middle East and Eastern Europe. In this environment, a strong network to help companies with their investments anywhere with the

same (and high) level of quality is key. Domestic lawyers can be a very important part of the process, helping select lawyers where no network is available and making sure that assistance and quality is adequate."

Álvaro Sainz, Partner, Herbert Smith