

## M&A deals and 'Golden Visas' boosting Portuguese economy

A healthier-looking domestic market means law firms will be reallocating their resources away from Lusophone Africa and towards opportunities in Portugal

M&A transactions and the 'Golden Visa' programme have been key factors in the improved economic outlook in Portugal, according to Caiado Guerreiro & Associados managing partner João Caiado Guerreiro.

"The market is looking healthy all-round and that is a good thing to have after so many years of crisis," he says. Caiado Guerreiro adds that he expects his firm – and many other firms in Portugal – to start redirecting resources away from work in Africa and towards work in the domestic market.

Caiado Guerreiro adds that the crisis shielded Portugal from competition from international law firms because the "bad news" about the economy meant such firms would not want to establish an office in the country. However, he acknowledges that the entry into the market of the auditing firms – as well as specialist technology law firms – is a possibility.

Caiado Guerreiro points out that technology remains an important part of the business of law firms, and not

just in terms of improving management and efficiency: "Technology changes the nature of how you work and leads to more integrated teams – firms don't just employ lawyers anymore but pharmacists for patent work, experts from the medical profession, engineers and so on, and these people can be integrated through technology."



Watch at Iberian Lawyer TV



## Law firms developing niche expertise to target untapped markets

Small and mid-sized law firms in Lisbon are developing strong expertise in niche industries in an attempt to tap into markets that have been neglected by larger outfits, according to Paulo de Moura Marques, founding partner at Abecasis, Azoia, Moura Marques & Associados (AAMM).

"It is a second degree of expertise, apart from the traditional areas of legal practice we know, and I have no doubt that it will be one of the major drivers of change in the local legal market in the years to come," says de Moura Marques. He adds that larger law firms are finding it difficult to continue with traditional systems of billing because clients are becoming more "results-oriented".

De Moura Marques says: "Over the years, law firms have structured their departments so that they could bill per hour. Nowadays, clients are instead imposing a results-based arrangement.

"As a result we are seeing two things.

Firstly, large law firms are struggling to maintain their per-hour billing system and are trying to retain their position by merging with other firms. Secondly, small and mid-sized firms with very specific industry expertise are doing rather well and are resisting bigger law firms' offers to join them."

De Moura Marques adds that the Portuguese market is "getting closer to the German model" with a wide range of mid-sized firms specialised in very specific industries.

Aside from the Lisbon market, de Moura Marques highlights the many opportunities available in other parts of the country. "The Algarve is a top destination for real estate investors wanting to get into the tourism and residential sectors," he says. "On the other hand, there are many foreign investors in specific industries, such as aeronautic and manufacturing, wanting to set up facilities in different cities across the country."



Paulo de Moura Marques