

## East Timor: Open for investment



With a booming economy, the country provides numerous opportunities for investors and an open door to foreign lawyers



Barbara Godinho Correia

Con una economía en auge el Timor Oriental ofrece numerosas oportunidades para los inversores y una puerta abierta a los abogados extranjeros, según Barbara Godinho Correia de PLMJ. El Gobierno tiene un Plan Estratégico de desarrollo vigente hasta el 2030 con muchas oportunidades en varios sectores.

As one of the world's largest oil producers, East Timor has an oil fund that will help to build and finance much of the country's infrastructure investment, says Barbara Godinho Correia, Head of the East Timor region at PLMJ. The firm aims to operate in this region shortly through GLTL – a local independent office.

"The Government also has a Strategic Development Plan (SDP) identifying the national strategy and the public investment plan from now until 2030," she explains, "which identify many opportunities for international investors."

The first phase of the Plan, until 2015, will prioritise infrastructures – roads, seaports, the new Airport of Dili (the capital city), and improving the health, education, power & petroleum and tourism sectors, which are described as priority areas to develop.

Under the SPD, the Government has already issued tenders, with the support of the International Finance Corporation (IFC) and the World Bank, including the

new Dili airport and the Tibarbay-port.

Whilst East Timor offers vast opportunities, investors and law firms face the challenge that the business environment needs to be improved on several fronts including the need to reform laws, says Godinho Correia. "The Government, however, is making huge efforts at developing and improving the country's systems to increase its competitiveness as a region."

One interesting point is that the country's Bar Association has limited restrictions in respect of foreign lawyers practicing there. "The law currently provides for a transitional period until 2015, during which senior level civil jurisdiction lawyers can apply for registration with the local Bar Association," she explains.

Law firms looking to operate in this region should therefore be quick to take advantage of this transitional period, she says, if they want to use their own lawyers.

## China: A land of opportunity



Josep Herrero

Con la creciente demanda de recursos procedentes de Europa y de Sudamérica por parte de los consumidores chinos, la tendencia es asesorar a las empresas chinas que llegan a España o a las empresas españolas que quieren asociarse con una compañía china en nuestro país, comenta Josep Herrero de Roca Junyent.

In the 10 years since Roca Junyent became the first Spanish law firm to open an office in Shanghai, the Chinese economy has changed, says Josep Herrero, Co-Managing Partner of the Asian Desk. And demand in China is offering up new opportunities for foreign investors.

In the beginning, the purpose of doing business in China was to manufacture there and then sell around the world, he explains. Then it became about producing and selling in China as well. "Now, with increasing Chinese consumer demand for European and South American products and resources, the trend is to advise Chinese companies who come to Spain, or Spanish companies who want to establish a joint venture with a Chinese company at home or in South America."

In contrast to the relatively secure wholly foreign-owned enterprise, the joint venture (JV) has been a quick, and historically risky, mode of entry into the Chinese market, says Herrero.

However, given the changing economy, finding the right local partner requires a more sophisticated approach, and recognition that China is no longer doing business in the same way.

"In stark contrast to ten years ago, it's now difficult to find a Chinese JV partner, as they already have both the technology and the knowledge," he explains.

"It is now the Chinese that are viewing countries such as Spain as a 'bargain', with more companies establishing a presence here."

So with Chinese companies wanting to invest in Spain, and vice versa, law firms need to have both a Chinese workforce that can understand Spanish law, as well as staff able to assist Spanish clients in China.

The trick, says Herrero, is the ability to balance front offices either in China or Spain.