

Allen & Overy leads lawyers' scramble for Africa

July 20, 2011 6:53 pm
By Caroline Binham

Allen & Overy has become the first of Britain's so-called "magic circle" law firms to open an office in Africa after launching in Morocco.

The London-based firm has pipped to the post its rival, Clifford Chance, in establishing a presence in the north African country after hiring two lawyers from the Casablanca office of French firm Gide Loyrette Nouel.

Law firms are leading a new scramble for Africa as they position themselves to win deals stemming from China's thirst for natural resources in the continent. Until now South Africa has been the focal point of interest, with Norton Rose announcing a merger with local firm Deneys Reitz last November.

"I'm definitely not looking at this as a race to be planting flags in any one country," Wim Dejonghe, A&O's managing partner, told the Financial Times. "This is about clients and deal flow. Morocco fits nicely with our Spanish, French and Middle Eastern practices."

While a pro-democracy movement has taken root in the country, Morocco's uprising has not been on the scale of those in other North African nations. A referendum was passed on July 1 allowing for more power to be devolved from the king to parliament. Mr Dejonghe said he was optimistic that the relative stability of Morocco would attract more work to the country.

"This is another sign of a firm being pragmatic and going where they see growth opportunities. If that is not in Western markets, they have to turn to more exotic locations," said Tony Williams, a former managing partner of Clifford Chance who now heads Jomati, a legal consultancy.

While it was reported in April that Clifford Chance was interested in opening in Morocco, the magic circle – the UK's four biggest and most profitable firms – has thus far been content to advise on African deals from other offices.

"Africa is such a complex and big place there are questions on whether just one or two offices allows you to service the whole of the continent," said Mr Williams. "But you don't necessarily want offices in lots of places. What you want is access to the deal flow."

A&O has advised on £12bn worth of mergers and acquisitions since 2009, Mr Dejonghe said, including Shell's \$1bn disposal of assets to Vitol and Helios Investment Partners. Its lawyers have advised clients such as TAQA and Societe Generale on work in north Africa.

Morocco is the second launch in as many weeks for A&O after it announced earlier this month that it would be opening an office in Washington DC.

Source: www.ft.com