

## The Siren Call To Asia

*By: Vanessa Vidal*

This trend is spurred primarily by client needs, particularly in the busy area of international arbitration. Today, clients in China are requiring their foreign lawyers to have a presence on the ground in an effort to improve services and increase credibility. As a result, partners are relocating to key cities like Hong Kong and Shanghai to respond to client demands. Partners on the ground believe that they are able to better understand the issues that concern their clients, and provide them with a valuable picture of what's going on in the market.

While the focus on growth in China and the relocation of partners can hardly be described as a new phenomenon, there has been a shift in the practice areas targeted by international firms. Foreign law firms that used to focus on providing legal services in areas such as FDI, M&A and real estate, are now shifting to restructuring and arbitration.

In this current economic climate, the growth of restructuring practices is not surprising. What is interesting is the significant growth of international arbitration and dispute resolution in Asia. Two forces at play have contributed to this rise in international dispute resolution. First, as is traditional during most economic downturns, dispute resolution tends to rise as a counter-cyclical practice. Second, as the Asian markets matured and attracted vast amounts of foreign capital, an inevitable increase of complex disputes was created.

While the restructuring and dispute resolution practices have been garnering a great deal of attention, other transactional practice areas have been busy as well. Many international law firms have been boosting their capabilities in antitrust, competition and trade, private equity, capital markets, and securities in places like Hong Kong and Beijing.

Although partners from the struggling UK and U.S. economies are not flocking to Asia as large-scale restructuring in firms such as DLA Piper, Simmons & Simmons, and Allen & Overy have resulted in multiple redundancies, the push towards China and Hong Kong is still ongoing. While Asia is also suffering from the global economic crisis, it seems to be faring better in general. It may also recover more quickly than many of its western counterparts. So while I would not be booking my ticket to Hong Kong just yet, it might be a good idea to reserve one on standby.

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