

## Asia's Legal Demand Is Still On The Rise

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The underlying demand for infrastructure and the increasing wealth throughout Asia are likely to drive growth over the next 25 years. The demand for those areas appears almost endless, and will certainly continue to grow as the current crisis is sorted out. As a result, Asia's legal demand is still on the rise, and the possibilities for legal work in Asia appear almost limitless.

The sophistication and rapid growth of middle-class wealth in Asia is also providing more opportunities for the financial services industry to do more routine banking, as opposed to developed economies where they've come to the end of what they could do, since everyone has a bank or super account.

The combined demands of infrastructure and banking services are making Asia one of the most attractive legal markets in the world.

The Asian economies, with some exceptions, seem to be maintaining their growth and activity, and perhaps are more likely to rebound from the crisis, particularly in China and Hong Kong. Both of those economies are poised grow in the foreseeable future, with M&A and corporate transactions as areas that China is likely to need legal services in.

Australian, American and U.K. law firms are pushing further into the Asian market either by setting up offices or establishing joint ventures with local law firms. China has been recognized by many international firms as one of the most important market for growth. As a result, foreign firms continue to come into China, and the ones already doing well there are trying to expand. So far this year, 10 US firms have obtained licenses to open offices in China.

The entrance by international firms seems to be welcomed by general counsels in China, particularly general counsels in domestic companies. To them, international firms can expand the diversity of advisory services in China and better facilitate Chinese companies' international expansion.

As law firms look towards Asia in response to the downturn, it is likely that competition will become more heated in the short term. The perennial issues of profitability, fees, recruitment and retention of staff continue to be top concerns for law firms setting up shop in this area. In addition, as the market gets more crowded and competitive, managing partners of international firms' China offices are finding it increasingly challenging to make the cut. But as one of the few markets still poised for growth over the short and long-term, Asia remains a bet most law firms are willing to take, despite the many challenges.