

Green shoots...

With the worst of the recession, predicted to be over and the grass shoots of many economies re emerging. ACQ talks to the experts about emerging from a downturn.



Avril McCammon



Dominik Gałkowski

Poland

ACQ talks to Mr. Dominik Gałkowski a partner at Kubas Kos Gaertner about how Poland emerged from a downturn.

"In Poland's situation, a question arises whether "a crisis" is a good definition for what we have witnessed in the economy since the end of 2008 and in the first half of 2009. Taking a look at the macroeconomic indicators, which in majority are better than the forecasts, it is possible to risk a statement that a notion of "a downturn" would prove more adequate. Poland shall probably be the only of the Central and Eastern European countries not to record a drop in the GDP, but a small increase thereof (according to the Central Statistical Office, the GDP increased by 1.1% in the second quarter of 2009)."

"There is an entire host of elements which are pointed to as the reasons for which Poland is in such a good a situation when compared to other countries of the region and the global economic situation in general. Firstly, the crisis reached Poland with a delay when compared to other countries and was, to an extent, of an indirect and consequential nature following the events in other countries of relevance for the Polish economy – i.e. importers of Polish goods or investors. The world crisis started with the financial crisis while the Polish market was only to a small degree encumbered with the elements which provided the basis for the overall failure of the financial system worldwide. In particular, it is necessary to emphasise the good condition of the Polish banks, subject to strict supervision (which previously had been criticised for stifling the development of the market, however, which, in an emergency, protected the Polish banks against more serious problems). This entails quite a healthy credit portfolio and regular credit servicing (especially as regards mortgages)."

"Also the eternal advantages of the Polish economy such as costs, workforce resources and quality, a large internal market (hence, the less export-dependent economy), access to the EU market as well as access to raw materials, and also, due to the good situation of the banking sector, access to financing helped to tone down the crisis."

"Listing the specific elements of Poland's competitive advantage, it is proper to point to, among others, the vast infrastructural investments initiated earlier (to a great degree co-financed from the EU resources) the completion of which in the times of the crisis has become (due to the drop in prices and the increased supply) even more profitable for contractors and cheaper for the state budget."

Ireland

ACQ talks to Avril McCammon, John McKee and Son IS Managing Partner at John McKee & Son, a firm that specialises in Banking, Insolvency, Property, Corporate and Litigation about Northern Ireland and its emergence from a down turn.

"We offer lawyers qualified in England, Republic of Ireland and Northern Ireland.

"Our computer system has bespoke software created

especially for our institutional clients facilitating information flow and speed of service.

"Over the last 12 months, buyers being very specific about what parts of a business they will take. More time is taken to do deals, due to length and depth of due diligence process and securing funding

"For 2009, and the rest of 2010, I think the recovery will be much slower in Northern Ireland. The rise in property prices here far outstripped the rest of the UK, and the crash has therefore been deeper.

Baltic States

The Baltic States have been hit hard by the recession and while substantial economic growth has not been predicted until 2011, there are signs that Estonia, Latvia and Lithuania are slowly recovering. The World Bank is predicting that Estonia will be next to join the euro, Latvia's economy is stabilizing and said to be "better than expected" at this point in the year and Lithuania's economy recorded the biggest upturn at 6.0% growth. ACQ speaks to Lauris Liepa, a founding partner managing partner at Liepa, Skopi a/ BORENIUS, attorneys at law, a Latvian law firm.

The firm specialises in general corporate, banking, tax advisory, real estate and dispute resolution work, however, senior professionals have accumulated experience also in restructuring and insolvency advisory services.

Lauris Liepa had successfully managed entire rehabilitation process of an insolvent bank; he had also represented two banking syndicates in restructuring of a major public bank with a subsequent sale to an international banking group.

"Before the downturn in the economy, the firm primarily did transaction service and corporate advisory work. Currently the firm specialises also in restructuring, dispute resolution and crisis advisory work. There are almost no assignments in relation to real estate investment and development.

"The Latvian economy has experienced serious lesson, similar to lessons, learnt in past by several other nations, who have been passionately engaged in the real estate market growth and hasted development. There is a clear understanding that countries of small size may build their economy only if there is effective, knowledge-based industry, relying on the skilled work force. Another important element in further development is based in location of Riga: strengthening of proper business ties with neighbouring countries and facilitating relationships between European regions."

"Lorenz also worked on a large on a large corporate restructuring project including a rightsizing scenario on the employment side and acted as the lead counsel on the acquisition by the Belgian affiliate of an international oil and gas company of the assets relating to a particular service line from another Belgian company." **ACQ**

DETAILS



Warszawa PL 00-609
Al. Armii Ludowej 26
Tel. + 48 22 321 83 00
fax + 48 22 321 83 02
warszawa@kubas.pl

John McKee & Son Solicitors
The Linenhall
32-38 Linenhall Street
Belfast, BT2 8BG
Tel: 028 90 232303
Fax: 028 90 230081
www.jmckee.co.uk

Lauris Liepa
Tel: +371 6 7201 811
Mobile: +371 2 9206 001
Fax: +371 6 7201 801
lauris.liepa@borenius.lv