

Hogan Lovells, CEO of law firm, sees key role for Zuidas

Global law firms are engaged in both major mergers and divestment of offices in less centrally located countries. Should the Zuidas be worried? Miguel Zaldivar Jr, scion of a Cuban-Venezuelan family of lawyers and now CEO of global law firm Hogan Lovells, swears no: 'The Netherlands is high on our agenda.'

Miguel Zaldivar Jr. is the son of a prosecutor who had to flee Cuba after 1959, after the Castro revolution. Via Venezuela, where Miguel was born as a child in a marriage of two lawyers, he ended up in Miami. Since 2020, he has led Hogan Lovells, a 120-year-old law firm that has become one of the ten largest law firms in the world since the merger between the American Hogan & Hartson and the British Lovells in 2010, with 2600 lawyers around the world. Since 2010, Hogan Lovells has also been based in Amsterdam, on the Zuidas. Earlier this month, Zaldivar visited the Dutch office, which employs 140 people.

Why were you here?

My reason for visiting can be summed up on one word: success. I came to see for myself why things are going so well here. The reasons behind the success of our Amsterdam office include the active M&A market, the presence of the Unified Patent Court and the European Medicines Agency, among others. These are magnets for growth. The turnover here has doubled.'

Many of the major cases that Hogan Lovells' teams of lawyers do – Amsterdam managing partner Victor de Vlaam also confirms – are assignments for Dutch companies, private equity parties and technology and pharmaceutical and biotech groups that operate internationally. In the Netherlands, these are often large Dutch companies and PE parties that do M&A and financing or have a dispute in Europe, Asia or the US. These clients then call if they need legal help for such a project elsewhere in the world. Our colleagues in Singapore, Paris, the West Coast, etc., are indispensable and great to work with.

Hogan Lovells considered merging with the American Shearman & Sterling in 2023. Shearman merged with Allen & Overy. Do you nevertheless expect more large mergers of law firms in the long term?

'We pulled out of the deal with Shearman because I didn't think it would be good for us. We are not in the process of merging ourselves, but in general I do see room for more transatlantic mergers. There are European firms seeking access to the large American market, at the same time there are American firms seeking a global network, and for whom a merger with a European firm, especially with a presence in France, Italy, Spain, Benelux or London, or an Asian firm. This is more efficient than setting up an operation yourself. At the same time, we do look for opportunities, and if an opportunity arises to strengthen our position, we will consider it.'

Last week you announced the closure of offices in Johannesburg, Sydney and Warsaw. Several large international firms are making similar moves. What is the thinking behind this, and is Amsterdam safe?

"There's a lot of pressure on lateral salaries, and law firms don't print money. So strategically we focus on those locations where our clients have demand for our services. We must dare to be honest and critical about this, and be able to make firm decisions. Take Sydney, for example. There, the market is mature, and it would require a large investment to grow significantly. For Amsterdam, the competition for firms like ours is limited, I couldn't name five firms that have an integrated and strong firm that can boast a turnover of \$1.2 billion in the U.S. Dutch firms that help Dutch companies with Dutch business, those are not our main competitors. But if transactions or cases are legally complex and cross-border, then it's our sweet spot."

You have lived in Hong Kong for years and have a network in Latin America. You worked on many Sino-Latin American investments and transactions. Is Europe aware that its role on the world stage is becoming increasingly marginal? The world is falling apart into blocks, and the growth is not here.

'Between 2010 and 2020 I was in China, yes, and you saw many of the contracts for the development of infrastructure going to Chinese companies. Now the dust has settled from the financial crisis and I would say Europe is still extremely relevant. For the past few years, I have been working on the contracts for the construction of the new metro lines in Quito, Ecuador. It has just opened. The main financier is the European Investment Bank, the EPC contractors (builders) were mostly European. Moreover, the legal system in Europe is strong, so I am quite bullish about Europe's economic prospects. But a player has emerged, that's right, Asia, led by China.'

Are you staying in China? Your rivals Latham & Watkins, Weil Gotschal, Dentons and Sidley Austin, for example, are leaving because it is too complicated to do business or is no longer attractive.

'We are not leaving China, certainly not. We're very successful there, it's a lucrative market. Globalization has changed, but that makes us more relevant. Our clients are increasingly in need of help with different and sometimes contradictory laws and regulations. Last year was our best year ever, amidst geopolitical challenges, for a reason. All over the world, our clients have been able to identify changing laws and regulations as a result of elections and political shifts. 50% of global GDP will undergo decisive elections in 2024. Take the example of Mexico. The recent election results represent a significant political shift. This leads to questions among companies such as European car manufacturers, with factories there – you know that Mexico is de facto home to the factories of the US – about the implications. It was no different in Italy with the election of Meloni.'

Your office is in Washington, and your office is also involved in political lobbying in the United States. What do you think is a desirable outcome of the U.S. election?

'Unlike some other large firms that sometimes work for one of the presidential candidates, we do not take a position on the outcome of the election. But we know the election is expected to be quite close, and the two positions of the two candidates vary widely on areas of importance to our clients. For, one candidate wants to accelerate the energy

transition to sustainable fuels, the other wants more fracking and drilling for shale oil and gas. They are differ quite a bit in terms of tax plans. From my discussions with clients, they are not waiting to see who will win, but are simply pressing ahead with investment decisions and M&A transactions, preparing for both scenarios, and simply pricing in uncertainty.'

What's the biggest change you've seen in your office in terms of work?

Still AI. Artificial intelligence. We are and need to continue to be at the forefront of this technology as a global firm. AI offers an opportunity to dramatically change the way we deliver service to clients by enabling us to improve efficiencies, and spend our time providing deeper analysis.

Does this mean clients will then be billed for fewer hours and can ask for a lower bill?

Hah, hah, we'll see. We're certainly committed to delivering the highest quality service to our clients, and to doing so efficiently.