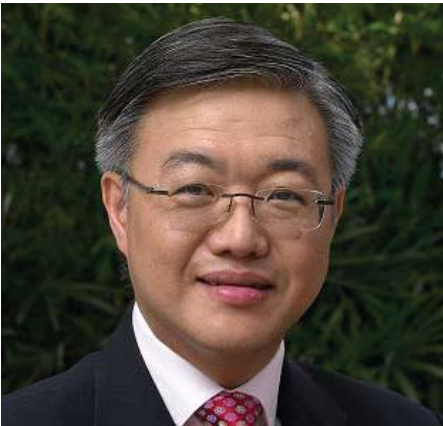




SINGAPORE

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- Uncertainty is the only certainty as law firms enter 2010
- Expected increases in operational costs mean firms must respond prudently
- Demand for specialised legal services such as IP will increase, insolvency & restructuring work will decrease



Uncertainty would appear to be the only certainty in the ever-changing global economic and financial climate as we enter 2010. Yet barring unforeseen circumstances, including a worsening of the global financial market, Singapore should be on a steady path of recovery. The recent forecast by the Ministry of Trade and Industry indicates 3-5% economic growth. The benchmark Straits Times index has risen to 2,791 points in December, in contrast with its mere 1,800 points when 2009 predictions were penned in this column last year.

Most law firms will need time to build up their pipeline of cases and will take a

cautious approach. Salary increases (even in deserving cases) and rise in office rentals will be contained and the overall business costs of operating a law firm will be manageable. There will be very little justification for law firms to increase their billing rate and recruitment drives from both the local and foreign law firms will be slow. However, specialised legal services including IPO, M&A and corporate finance and corporate governance and compliance work will pick up steadily. Arbitration work will also increase with strong support from the government. While corporate insolvency & restructuring work will dwindle, IP business will increase.