

# Emerging, Dynamic Markets

BY ROBERT ATTAI, JUNE GUEST EDITOR



**Robert Attai** is a partner in the Denver office of Husch Blackwell, LLP. His practice is global in nature and focuses on domestic and international corporate and partnership matters, public and private equity financings, acquisitions, and joint ventures. Attai has established concessions, joint ventures, and corporate partnership structures for activities throughout the world and has operated in more than 40 countries. With a breadth of experience spanning strategic, financial, and operational levels, he has counseled clients through transactions valued in excess of \$5 billion in various industry sectors.

**W**ith so much attention often focused on the world's largest economies and on smaller economies experiencing the largest problems in terms of debt crisis management, bailouts, strikes, and unemployment, we wanted to focus in this issue of the *Journal of Corporate Renewal* on some of the emerging and most dynamic markets of the day. Those markets are restructuring their approach to distressed companies and credit to create a more certain and more productive framework to address the management of turnaround opportunities in the private sector.

In this edition, we explore five exciting areas, with articles from experts in:

- Latin America
- The United Arab Emirates, Saudi Arabia, and Kuwait
- Israel
- China and some of its emerging market neighbors
- United States (to address cross-border issues that impact creditors globally)

In the last few years, countries have turned at least some attention to the importance of their insolvency systems and how best to foster the productive resolution of disputes over limited assets of a business, the efficiency of those systems, and the role of judicial and legislative agencies in promoting successful results. Recent events in the Middle East resulted in a similar trend. Government officials are seeking to strengthen existing systems and procedures, as they learn that reforms are increasingly necessary to preserve businesses, strengthen creditors' rights, and improve the local climate to attract and promote investment.

There are many attributes of what we might characterize as the "best" insolvency procedures, and interested parties do not often agree on which

characteristics should be favored. Due to widespread disagreement as to the best approach, individual countries and regions approach the matter differently.

There are ongoing philosophical differences among jurisdictions over the objectives of insolvency law, the rights and powers of creditors and debtor companies, and the interests of broader stakeholders, including those of national governments, in protecting employees and achieving economic stability. In addition, corporate rescue efforts can be limited by cross-border obstacles and by the active role of government in the process and, therefore, in the results.

Reforms do not have to be limited to legislation. Reform can take place by increasing the capacity of courts to handle the increasing volume of cases, training government actors to better understand the issues and how to resolve them, and increasing the number of trained professionals to participate in the process.

The consequences of the global financial crisis starting in 2008, the Arab Awakening/Arab Spring, and other events disrupted economic activity worldwide, drying up market liquidity and impacting the ability of regional borrowers to meet their short- and medium-term debt obligations. The reduction in the availability of external finance, declining asset values, falling profitability, political and economic unrest, and maturing short- and medium-term debt obligations pushed an increasing number of businesses into a position of financial uncertainty.

We explore, on a region-by-region basis, the legislative modifications to the law of insolvency that make it more likely that companies will be able to successfully avoid bankruptcy or enter bankruptcy and exit stronger. ■