



Lisbon is one of Europe's most beautiful and cosmopolitan capitals, with the historic and bustling Rossio Square a leading attraction

## Portugal reboots its economy with sustainability drive

The pandemic has failed to derail the resilient Iberian country's plans for an innovation-based economy and carbon neutrality by 2050

Prior to the COVID-19 outbreak and subsequent series of stringent lockdowns, Portugal's resilient and fast-growing economy had been performing exceptionally well. This success was illustrated by the first government surplus in more than four decades and the record amount of foreign direct investment (FDI) that had flowed into scores of major projects, especially in the lucrative real estate and tourism sectors.

With the financial and social shockwaves triggered by the pandemic continuing to reverberate across the majority of leading economies, Portugal has—like many other countries—allocated significant sums of money on initiatives to protect people's livelihoods via job retention programs. The business-friendly government of Prime Minister António Luís Santos da Costa has received plenty of praise for the way it has handled the unprecedented crisis, and as vaccines begin to limit the severity of the effects of COVID-19 and lower transmission rates, attention has turned to strategies that will enable the proud nation to rebound strongly.

Officials have embraced the blueprint of an innovation-based economy and new opportunities arising in sustainability and the circular economy as the country of 10.2 million people targets carbon neutrality by 2050. By concentrating on initiatives like digitalization and the green economy, Portugal is setting out its stall for a more sustainable future, one in which harmful emissions are eliminated, and industry supply chains become focused on resilience, flexibility and agility, rather than just cost and speed.

"We were the first country in the whole world to commit to being carbon neutral by 2050," says João Pedro Matos Fernandes, Portugal's Minister of Environment and Energy Transition. "Our plan for 2030 is one of the most

ambitious in Europe as we will reduce our emissions by 50 percent, and 80 percent of the electricity consumed by 2030 will come from renewable sources. We are also working with European countries to establish the European Climate Law. Climate change and sustainable issues will be key during our Presidency of the EU. In addition, we work a lot with African countries that speak Portuguese."

### Innovation at the heart of the economy and government policy

The approval of the ground-breaking technological and business innovation strategy for Portugal 2018-2030 shows the government's commitment to using innovation as the engine of the country's economic growth and stimulating higher levels of productivity.

Jorge Portugal, General Manager of COTEC—the leading Portuguese business association for the promotion of innovation and technological cooperation—says the nation is striving to transform its industrial capability by being more digital and designing products with sustainable supply chains. "This means there is a conscious effort in reusing raw materials and being efficient in the way the raw materials are explored," he explains.

"This is also tied into the design of products for use over a long period of time and to become smarter in terms of maintenance and lifecycle. Building our competitive capabilities on innovation is a consensus across our country. We are an average sized nation, with a very open economy that is very exposed to external competition. We need to invest in industrial renewal, in improving the quality of our products, our technical competence and the value to consumers so as to compete globally."

**"We were the first country in the whole world to commit to being carbon neutral by 2050."**

João Pedro Matos Fernandes  
Minister of Environment and Energy Transition

With the pandemic disrupting many traditional distribution channels and supply chains, business leaders will increasingly look at several indicators rather than just focus on the lowest cost, says João Alves, Managing Partner of EY Portugal. "Portugal will come through because of our location. We are a gateway to 250 million Portuguese speaking people. We are in the middle of the Americas and Europe and a seafaring nation with a good fleet and ports. We have many companies with very established distribution channels and supply chains. People will be looking for resilience, quality and responsiveness going forward," he states confidently.

# Real estate sector lays foundations for solid growth

As a key contributor to national economic health, the real estate is helping to propel and promote sustainability through many projects

Despite the dark clouds cast over the national economy by the COVID-19 storm, Portugal's real estate sector is a beacon of hope for the public and the private sectors given its strategic importance to fiscal well-being through its 15 percent contribution to Gross Domestic Product (GDP).

Construction activity and property sales continued throughout the initial and later phases of the pandemic, and all the measures previously available in Portugal for investors remained open. They include the lauded Golden Visa Program; an award-winning initiative that allows people who invest at least €500,000 in Portuguese real estate and visit for at least two weeks every two years, to gain residency permits for themselves and close family members. Together, such factors mean the market is well positioned to bounce back and optimise the opportunities created by the post-vaccination program.

“On the one hand, international real estate investors as well as foreign citizens living in Portugal, attracted by foreign investment programs such as the Golden Visa Program and the RNH—Regime for Non-Habitual Tax Residents—have helped attract foreign investment to Portugal worth more than €25 billion between 2014 and 2019,” comments Bruno Bobone, President of the Portuguese Chamber of Commerce and Industry. “On the other hand, the real estate market and the national real estate investment sector have already demonstrated they can attract wealth and capital to our country while generating a contagion effect to the other sectors of activity, starting in tourism and then including trade, industry and construction, until the total recovery of the economy.”

**“Real estate is at the very top of the economic pyramid in Portugal and will be the sector to reignite the whole economy.”**

Hugo Santos Ferreira, Executive Vice President, APPII

This upbeat view of the sector's prospects is echoed by other leading market players, with industry participants confident a steady growth trajectory will be realized in areas including residential, tourism, retail and commercial real estate. “Investors can expect a good return on their assets here, as we have been growing as a sector non-stop since the economic crisis,” states Hugo Santos Ferreira, Executive Vice President of industry investment group Associação Portuguesa de Promotores e Investidores Imobiliários (APPII).

“Real estate is at the very top of the economic pyramid in Portugal and will be the sector to reignite the whole economy. APPII is one of the main gateways for foreign investment in Portugal.” The executive notes construction sustainability is no longer just a valuable selling point, but is now a necessity and a



Lisbon blends centuries of tradition with modern transport links

condition for doing more and better business in Europe and elsewhere. Energy efficient designs and better quality construction are becoming requirements and a condition for such business, with the pandemic accelerating this trend.

“We are very much aware of the new standard across Europe and want to adhere to measures outlined in the European Green Deal,” he adds. “One of the measures we want to implement in the new Golden Visa Program is to link real estate and energy efficiency via new technology. We want the Golden Visa to be a SMART Visa which attracts investment to the efforts being made to decarbonize the country. This is a very specific and concrete example of how the construction and real estate sectors are aligning to tackle these pertinent challenges. A good majority of new projects put forward in all asset classes have measures to mitigate the carbon footprint and improve the environment.”

## Residential, commercial and industrial real estate ripe for development

Although established only six years ago, Avenue has quickly become the benchmark in the national real estate market for the development and management of residential and office projects in the prime zones of Lisbon and Oporto. The award-winning company has adopted a special focus on urban rehabilitation and regeneration, developing projects in iconic buildings and properties in privileged areas. This tailored approach, which to date has covered 12 projects with a combined investment of more than €600 million, contributes to the sustainable growth of cities and the development of environmentally-friendly mobility, thus helping reduce energy usage and cutting carbon emissions.

“The first project we developed was Liberdade 203, a 12,500 square meter project right in the center of Lisbon,” states Aniceto Viegas, Avenue's General Manager. “We then moved on to Liberdade 40, keeping the same strategy of high end residential with a high street retail component. Then we developed in Chiado—one of the most sought after locations for high end residential—where we developed Orpheu XI and The Cordon, and finally in the Liberdade area, Mulberry Hill and 266 Liberdade—Diário de Notícias. Lisbon is a new and important destination in Europe. Our customer base is 40 percent Portuguese, 40 percent Brazilian and 20 percent other nationalities.”

Construction sustainability is not just a trend, but a necessity. Energy efficient designs, self-sustained buildings and better quality construction are becoming requirements and conditions for better business in Portugal and elsewhere. With sustainability at its core, Nhood is a mixed real estate company that aims to create vibrant, multi-functional community spaces in managed locations with high quality services, while taking into account the impact on people, biodiversity, and the planet. “Portugal has an enormous capacity for adaptation and innovation. We are thinking that in Portugal we can develop a new vision of urban life,” states Séverine Boutel Bodard CEO of Nhood Por-



Exclusive, sustainable and award-winning designs lure investors

tugal. “We are here not only to create, but to revitalize and transform real estate assets. Alongside our clients, we have a combined €500 million of projects in the pipeline for the next five years in 15 cities right across the country.”

A leading real estate asset management company with a diversified portfolio of assets under management, such as residential buildings, offices, logistics, and shopping centers, Widerproperty has a strong presence throughout Portugal. “We had a very dynamic residential sector even in 2020, which continued into this year,” says CEO, Luís Loureiro. “The market had many ongoing opportunities as there is an effective bet by international promoters on quality projects, at all levels, from the location to the management team, but with good expectations in terms of rate of growth and brand positioning. House prices have not fallen, investor interest has remained, we have lowered the pace of new projects started, but the pipeline leaves us with good expectations.”

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Aniceto Viegas, General Manager, Avenue

According to industry expert José António Pinheiro Teixeira, CEO of RAR Imobiliária, once the pandemic is under control, most real estate developers will recover the time lost, complete ongoing projects and start new ones. “Now, more than ever the home and the workspace are under review. The crisis has brought new requirements. People are in need of extra space, like large terraces and open-plan living rooms. We work in the premium segment, so prime locations are important, however, the proximity between the workplace, home and leisure activities is much more important for our clientele. This lends to a more sustainable way of living.”

Hakan Kodal, Chairman of OptylonKrea, an investment management and real estate development entity, is very impressed by Portugal's rich potential: “Portugal is not just a tourism country, but is attracting a lot of startups and international investors. Portugal will attract a larger international community, including high-net-worth individuals, as it is a great place to be.” Colleague and CEO, Charles Wanecq, agrees: “Portugal still needs to build significant amounts of housing, since people are requesting better standard real estate.”

This opinion is shared by others. “In our niche market, clients are buying ‘life projects’, which have a residential asset included,” says Francisco Quintela, co-founder of upscale real estate provider Quintela + Penalva | Knight Frank. “Portugal will be at the center of investors' focus,” adds co-founder, Carlos Penalva. “We are a hub and a doorway to nine Portuguese-speaking markets.”

## Powering Portugal's performance and socioeconomic development are a string of favorable factors



Portugal has a population of nearly **10.2 million** citizens, according to official data



Portugal has over **35,000** square miles of territory, including the **Azores** and the island of **Madeira**



Portugal's **Golden Visa Program** is one of the most successful of its kind and a strong magnet for FDI



Portugal's lengthy coastline and strategic location make it a **leading maritime gateway**



Real estate and construction are seen as the leading post COVID-19 growth driver in **Portugal**



The number of FDI projects in **Portugal** more than **tripled** between 2015 and 2019, notes EY



Investment in **Portuguese** real estate reached **€26 billion** in 2019, having doubled in four years



OECD data shows that in 2018 the cumulative stock of FDI inflows to **Portugal** amounted to almost **62% of GDP**



In the coveted **Doing Business Index 2020**, **Portugal** took 39th place out of the 90 countries assessed



**Portugal** ranked in 34th place (out of 140) in the **WEF's Global Competitiveness Index 4.0 2019**

# Golden Visa Program is magnet for major foreign investment

Approaching its tenth anniversary, the program continues to draw a huge amount of interest and FDI

By any measurement, Portugal's Golden Visa Program has been a runaway success since its launch in 2012, with nearly €650 million invested in property in 2020 via nearly 1,200 successful applications. While that figure was down slightly on 2019, the initiative's popularity has seen it modified to concentrate on promoting investment in rural and low-density areas, rather than just the main conurbations of Lisbon and Porto.

Leading figures in Portuguese real estate are quick to highlight the country's many tangible and intangible unique assets, such as it being one of the world's safest countries, with excellent weather and a broad mix of cultures and communities that add to the relaxed, metropolitan and cosmopolitan feel. In addition, Portugal is ranked second in Europe in the early adopters and/or fast-track adopters of ultra-fast broadband, and eighth out of 30 European countries in the Digitalization Index, highlights João Alves, Managing Partner at EY Portugal. The country also continues to invest in people, with the nation placed 12th out of 100 in the English Proficiency Index, and 28th out of 128 nations in the Global Talent Competitive Index.

"In recent years people have started to realize that in comparison to other European countries, Portugal is still a hidden gem that has not yet garnered the attention it deserves," states Tomas Suter, Partner and Senior Advisor, MEXTO, a growing residential real estate company. "We started our investments and activities in Portugal almost four years ago and are here to stay. Our main goal is design, and we create and build unique and different projects, apartments and living spaces for our clients."

**"Portugal has a lot of key advantages that have not yet been completely exploited."**

João Mário Pimentel de Andrade  
CEO, Grupo FUTURE Portugal

Despite its increasing popularity, word of the warm welcome extended to international tourists, business travelers and foreign investors has still to reach all four corners of the world, says João Mário Pimentel de Andrade, CEO, Grupo FUTURE Portugal. The senior executive expands on this point: "We are a safe country, have good food and wine, are friendly and foreigners do not feel alienated in any way when they visit. We have a lot of key advantages that have not yet been completely exploited. We are not offering the best that Portugal can offer. Over the past few years, a lot of international funds and real estate companies have come to Portugal and made huge investments. However, we still need to improve what we offer."

Turning to his company's growing presence and activities in the real estate sector, he highlights its hands-on, different approach that has won it a



Portugal offers residents and visitors a wealth of attractions

series of customers and awards. "Grupo FUTURE always tries to teach the market," he explains. "We are not a normal engineering consultancy, waiting for our clients to ask us about their projects. Firstly, we try to bring in international investors to Portugal. Secondly, we try to provide them with a vision, explaining to them why they should come and invest in Portugal. We try to bring investors and then persuade them to build products dedicated to certain types of people. We are proactive in terms of our business approach and have disruptive concepts."

While the success of the Golden Visa Program cannot be understated when it comes to boosting FDI and injecting much-needed capital into Portuguese real estate, leading figures in the sector believe some key modifications are now needed. José Cardoso Botelho, CEO, Vanguard Properties, is calling for the minimum investment amount to be raised and for applicants to transfer a further €25,000 to a new Science and Technology fund.

"We think the program needs a facelift," he says. "One of the measures we are proposing is a change of name, possibly to SMART Visa. This is because in a country like Portugal, what we need are smart investors and smart money. People who willing to come to live and invest in new ideas Also, we feel new investors should only be allowed to buy properties with B-rated energy certificates or higher, which is in line with government policy on energy efficiency in real estate. We also believe the applicant could keep the basic upfront €500,000 investment during the mandatory investment application period of five years, on the condition the property is rented out below market price for that period, which is the duration of the visa.

"Another relevant aspect is the program's statistics only reflect the initial upfront investment and not any further investments in business or property made further down the line. There is no way of knowing the exact amount of investment that may arrive indirectly from the Golden Visa Program as international investors also buy into industries and hotel establishments, for example," he concludes.



Fertile soils and sunny climate are ideal conditions for vineyards



Fine Portuguese wines grace dinner tables around the world

# Innovation supports internationalization

Portugal's open stance on business and trade is found in many sectors, including its famous wine industry

**One of Portugal's best known attributes and exports is its excellent wine, with many of its leading vineyards able to trace their roots back hundreds of years to the Roman Empire. Boasting an enormous diversity of terroirs and more than 300 native grapes, wine is in the country's DNA and is a great source of national pride through its role as a brand ambassador.**

"Portugal's wine sector is present throughout our history, our cultural environment, economy and society, both in the interior and the litoral region," states Bernardo Gouvêa, President, Instituto da Vinha e do Vinho (IVV) [Institute of Vine and Wine]. "Portugal is the European country with the most ancient physical frontier. It is the only wine country whose two most important wine regions are associated with its main urban centers, Lisbon and Porto. This makes wine a center of our social and cultural life. In terms of our agricultural sector, it is one of our most important areas through exports all over the world."

The business of wine is based on continued process optimization, technological evolution, performance improvement, creation of new products, consolidation and the conquest of new export markets and long term planning. According to the head of IVV, annual exports of Portuguese wine totaled almost €2 billion in 2020. "We export nearly 50 percent of our annual production, about 6.5 million hectolitres" Gouvêa continues. "In 2020, we grew our exports by three percent year-on-year, which was very impressive given the circumstances of COVID-19. I very much believe in a V-shaped recovery post-pandemic. We will be ready to explore the maximum potential in wine tourism for a global audience. All the entities in the government and the private sector expect us to recover very quickly."

Founded in 1870 when António Alves de Amorim built his first cork stopper factory in Vila Nova de Gaia and created the embryo of what has become the world's biggest cork transformation group, Corticeira Amorim mixes rich tradition with innovation. "Digitalization for us is not only 4.0 or data collection, but the potential to implement artificial intelligence (AI)

in the technology upgrade in our critical manufacturing processes," says its CEO, António Amorim. "On the sustainability side, one tonne of cork produced by the forest, retains up to 73 tonnes of CO<sub>2</sub>, which is unique from a sustainability standpoint. When that happens, people who use cork for their wine bottles will have cork helping the carbon footprint of their wine bottle. We have been investing in R&D, creating pilot projects with new technology, challenging universities in Portugal and advising schools on how they can use cork combined with other materials to replace traditional synthetic materials."

This innovative approach to satisfying the needs of a global customer base is music to the ears of Eurico Brilhante Dias, Portugal's Secretary of State for Internationalization. In early 2021, he and other officials approved the 2030 Economic Internationalization Programme which sets out the priorities for the Portuguese economy's internationalization, attraction of FDI, and the strengthening of the country's direct investment abroad.

"In 2019, our trade investment agency recorded a record €1 billion in new contracts," reveals Brilhante Dias. "Portugal is earning greater FDI market share every year. The same dynamic is also seen in our exports, which have grown significantly. Our products and services are more internationally recognized, based on quality, design, fashion, environmental concern and differentiation. The pandemic did not destroy these factors. Our economy and enterprises are open and ready to give the world excellence."

## Portugal's innovative streak shines



Portugal recently launched a cutting-edge AI framework



Portugal offers attractive tax credits in R&D



Lisbon is a hub for innovation-driven startups



Ranked 31st in Global Innovation Index

# Carbon neutrality is catalyst for green energy transition

Portugal is spearheading the global battle against climate change and winning plenty of plaudits

The 2050 Carbon Neutrality Roadmap for Portugal (RNC2050) is a comprehensive and ambitious blueprint that will drastically reduce carbon emissions over the next three decades through alternative, low-carbon development paths, and has won praise domestically and internationally.

The highly-detailed roadmap is concentrated on the four sectors identified as mainly responsible for greenhouse gas (GHG) emissions and carbon sequestration. The quartet comprises energy, transportation and mobility, waste, and agriculture, forests and land use. “We have a strong commitment to the growth of the economy in a neutral way of producing emissions and in the recovery of natural resources,” says João Pedro Matos Fernandes, Minister of Environment and Energy Transition. “Our main efforts will be in the distribution sector as players in this market are key to the reduction of the use of plastic and shorter logistics chains for production and consumption.”

According to Filipe Meirinho, President of the National Entity for the Energy Sector (ENSE), Portugal is at the vanguard when it comes to transitioning its energy to more renewable sources, which is necessary for the national economy and wider global community. “Once we become totally independent from an energy needs standpoint, we stand to gain not only a stronger economy, but also avoid the damage to the environment,” he says.

Infrastructure development is poised to play a very important role in the decarbonization and digitalization of the economy over the next 30 years. Total financing under the European Fund for Strategic Investments (EFSI) in Portugal is €3.8 billion and is set to trigger €13.2 billion in additional investments, notes Jorge Delgado, Secretary of State for Infrastructure. “We are making public transport more efficient and reducing the amount of vehicles on the roads to improve citizens’ quality of life and reduce our carbon footprint. We also want to electrify all our railway lines over the next decade, so green energy will power all of our rail infrastructure.”

## Portugal’s path to carbon neutrality will be a sustainable investment platform



**Carbon neutrality in Portugal** implies reducing GHG emissions by more **85%** versus 2005



It also requires **agricultural and forestry** carbon sequestration capacity of around **13 million tonnes**



Portugal is one of 19 nations to have signed up to the multilateral initiative **2050 Pathways** to curb GHG emissions



Portugal ranked **4th greenest** country in Europe in a high-profile survey recently organized



**Decarbonization of buildings and industry** will be most intense in 2030-2050



Portugal is committed to decarbonization via renewable energies

Just a short drive south of Lisbon, the Port of Sines is Portugal’s leading seaport in terms of cargo handled and a key conduit for the import of energy products, such as crude, derivatives and LNG, while containerized cargo represents around 52 percent of total national throughput. “To ensure that we comply with the challenge of the nationwide decarbonization drive, we are committed to finding new businesses for the dry bulks terminal,” explains José Luis Cacho, President of the Ports of Sines and the Algarve Authority. “Due to the halt on the handling of coal, we are also focused on agro-business as well.”

**“We are strongly committed to economic growth and the recovery of natural resources.”**

João Pedro Matos Fernandes  
Minister of Environment and Energy Transition

Construction and public works giant MCA Group is focusing its expansion strategy on the diversification and internationalization of its business areas, particularly those on the African continent. “We want to keep developing projects in countries where we currently operate. We will continue to bet on Lusophone, Francophone and Anglophone Africa, as well as Mexico and other countries in South America,” says President and CEO, Manuel Couto Alves. “It is with this determination we will fulfill our motto: ‘Go Beyond.’”

# Decarbonization and climate action as national priorities

**João Pedro Matos Fernandes, Minister of Environment and Energy Transition,** highlights the way towards carbon neutrality for Portugal by 2050



In your opinion, what were the key elements that allowed Portugal to tackle the pandemic so effectively in its initial stages?

We have dealt with this crisis since the very first moment and we have prioritized the importance of health and human life. We have learnt from science and we have made our decisions quickly. In some cases, we have done this in a faster way than other countries and so now we are in a good position to begin opening the economy in a smart way. We want to normalize the situation in Portugal as much as possible, even if we know that we must be very careful in the future.

As a European leader in renewable energy, Portugal is committed to tackling climate change and energy efficiency. Your country has established the ambitious goal to go carbon neutral by 2050. What are the short and mid-term strategic objectives of your ministry to ensure that the energy sector is in a position to support the economic recovery while also addressing the social and business demand for reliable, clean and affordable energy?

We are the first country in the world to commit to being carbon neutral by 2050 and even if we have three decades between now and 2050, we assume that the next decade will be the most important. Our plan for 2030 is one of the most ambitious in the whole of Europe. We will reduce our emissions by 50 percent and 80 percent of the electricity consumed by 2030 will come from renewable sources. 2019 was a year where Portugal experienced significant economic growth, much higher than the European average. We have decoupled the growth of the economy and emissions. It is possible to have economic growth while still reducing emissions.

**“We have no doubt that climate and sustainability issues will be a key of the upcoming Portuguese presidency of the European Union.”**

João Pedro Matos Fernandes  
Minister of Environment and Energy Transition

We are very enthusiastic with the propositions from the European Commission because most of the investments aimed at fighting climate change. We must act on energy production and electricity production. When we talk specifically about Portugal, we are lucky enough to have water, wind and sun in abundance to produce 100 percent of electricity coming from these natural and renewable sources. We have set a world record in the lowest price of energy production coming from solar.

What is the ministry’s agenda with reference to regional and international cooperation on climate change and climate issues?

We know that we are world leaders in this transformation, but it only gives us responsibility. We are working with other European countries to make the European Climate Law. We have no doubt that climate and sustainability issues will be a key of the upcoming Portuguese presidency of the European Union. We also work closely with African countries and others that speak Portuguese. We have an environmental fund together with the community of Portuguese-speaking countries worldwide (CPLP) including an important budget for cooperation projects in science areas.

What are some of Portugal’s most attractive Investment opportunities linked to the environment and the circular economy? What are the types of incentives and specific initiatives to support private investors?

When we talk about energy transition, we talk about big companies in Portugal. When we talk about the circular economy, we talk about industrial sectors. We also are aiming big efforts to the distribution sector. Responsible consumers are many times unable to pick the best option from a sustainable standpoint.

When we talk about responsible consumption, consumers do not have the freedom they need to have, and producers could think the same way. Big distribution companies are key for the reduction of the use of plastic and to have short logistic chains for production and consumption. Thus, distribution companies are in the perfect place to push producers and do it differently.

What would be your final message of optimism and reassurance about Portugal for our readers of Newsweek?

We have a vision and strong commitment to the growth of the economy in a neutral way of producing emissions and recovery of natural resources. This vision existed before the pandemic crisis.

At the same time, we have a strong commitment to society. We were missing financial support to pursue this change and make it faster. When we look to the proposal of the European Commission, I have no doubt that Portugal will have enough funding to make this change.

All those who want to relocate to Portugal for personal reasons should know we have a strong health system here. When we look at other European countries with a higher GDP per capita than Portugal, we are pleased to see our health system has remained strong and effective in comparison. We are in a great position for all those who want to come live or just to visit Portugal. At the same time, all those who want to invest in the green economy are most welcome.

# Transitioning from fossil fuels to cleaner energy

**Filipe Meirinho, President, ENSE,** breaks down the importance for Portugal to become fully independent in meeting its energy needs



**In your opinion, what were the key elements that allowed for Portugal to tackle the pandemic so effectively in the early stages?**

I think that the Portuguese government had all the required resources and information to follow up on the development of the pandemic and implement the necessary steps to combat the spread effectively. It was the rapid action of the government that enabled us to evade a catastrophe from a public health standpoint. There was also a concerted effort to communicate these measures to the wider public in a transparent and informative manner.

**Could you provide us with an overview of the current energy sector of Portugal?**

As I often say, “The stone age did not end because we ran out of stones.” The end of an era of using fossil fuels should not end because we have run out of reserves. It is true that in Portugal we still continue to import a lot of fossil fuels, due to the fact that we do not have any of our own reserves, thus our oil and derivative products are 100 percent imported. Having said that, Portugal is at the vanguard when it comes to transitioning our energy to renewable sources, which is necessary for our economy and the economy of our partners and wider global community. Once we become fully independent to meet our own energy needs, we stand to gain not only through a stronger economy but also by avoiding the damage being done to the environment that surrounds us.

**“As I often say, ‘the stone age did not end because we ran out of stones’. The end of an era of using fossil fuels should not end because we have run out of reserves.”**  
 Filipe Meirinho, President, ENSE

**What are some of Portugal’s most attractive investment opportunities linked to the environment and the circle economy? What are the types of incentives and specific initiatives to support private investors?**

When Portugal started the path to energy transition it was mainly the government putting the larger sum of investment in new projects and infrastructure to support that change. Now the scenario has evolved and continues to change as there are legislative penalties placed upon investments in traditional and non-renewable sources. As Portugal gears up to create innovative legislation to promote a circular economy, the right sources of finance need to also be considered with input from the financial sector and private investors. The quicker industries can substitute their usage of natural gas to hydrogen the more of an edge we will gain

economically. Business leaders have not surprisingly taken a positive approach to this change, without much direct imposing from government.

**How would you describe the key commercial aspects of the oil sector in Portugal?**

Portugal imports 100 percent of the petroleum that is refined and consumed. Up until 2018, Portugal had projects focused on exploration in some of our offshore areas. They were conducted by multinationals and recently by our national oil and gas company in conjunction with a major player from Italy. Today there is a project of prospection and research for natural gas, conducted by an Australian company that specializes in onshore prospection. Other than this, the trend is to concentrate all efforts in the direction of renewables. Unless there is a major shift in paradigm, I do not see there being any feasible exploration for oil in Portugal’s territorial waters.

**How has ENSE adapted its operations to face the current global economic situation?**

ENSE never stopped its activity during the lockdown period. We maintained the teams that managed our supply chain and kept our equipment safe and constantly disinfected. We have reduced the number of workers who come into our offices and have found ways to promote a work-from-home strategy. We have instituted temporary moratoriums of fees paid by the operators and we have always remained cautious in working closely with the smaller operators for there to not be a shortage of product. The recuperation in demand for petroleum in June has already been very positive and we have witnessed an increase in consumption and usage of private cars, given that people were not willing to take the risk in public transport. We rarely have traffic in Lisbon in July and we have certainly noticed a change in behavior.

**What would be your final message of optimism and reassurance about Portugal and the rebooting of its economy towards our readers of Newsweek?**

I am convinced that Portugal will be a case study in regards to how it tackled the pandemic initially but also the way that our economy is recovering. People should know that Portugal is the third-safest place on earth, only behind Iceland and New Zealand. We have a consolidated democracy and our culture of right to free speech and the press is well documented. Several years ago Portugal made a bet on a boost in education specialized in engineering, robotics, IT and renewable energy production. We are a country in the position to readily welcome the future and its new technological paradigms.

# Awaiting the end of the pandemic with sheer optimism

**Jorge Delgado, Secretary of State for Infrastructure,** highlights the importance of viewing challenges as opportunities in order to evolve



**Could you provide us with an overview of the port, air and rail logistics in Portugal as it relates to its strategic and commercial importance for the country?**

New airports are currently being discussed in Portugal, as we are thinking of building a new airport in Montijo to compliment Portela. In terms of ports we have competent infrastructure at the moment, with our largest, Port in Sines, and others in Matozinhos and Leixões. There are plans currently underway towards expansion as well as the improvement of links with the railways and the ports. In terms of roads infrastructure, we will soon complete a highway that already exists, the A26 that begins in Sines going through Grândola.

We have made a big investment in these areas, so much so that we admit that we may have neglected the expansion on railway infrastructure for a few years. However, we are trying to recover the time lost with a big plan of investment—Ferrovia 2020—that is ongoing as well as with another big list of railway investments that are part of our National Plan of Investments 2030 (PNI2030). Last but not least, these large investments in railways will be open for international tenders. According to the public contract code, as this kind of investments are related with significant national value, they must be available for international companies.

**“We want to make all of the train lines electric, so within the next ten years we will have green energy powering all of our railways’ infrastructure.”**  
 Jorge Delgado, Secretary of State for Infrastructure

**What role will future infrastructure developments play in the decarbonization and digitalization of the Portuguese economy?**

We have divided this in mainly two large ministries, which are the environment ministry, that also encompassed the energy sector, and our ministry for infrastructure and housing. We know that one of the biggest contributors to climate change is the transport sector, so it is within our focus. It is not only a question of environment and sustainability, but it is also of quality of life and freedom of people. These days, mobility is something that appears as important as having a home to live in or access to education. The equality of opportunities go hand in hand with equality of mobility. The way to solve that is by making public transport more efficient, reducing the number of individual vehicles on the road. In this way we improve the citizens quality of life and reduce our carbon footprint.

We are improving the quality of our railway lines, constructing more of them so people have the option to use them more than their vehicles. We want to make all of the train lines electric, so within the next ten years we will have green energy powering all of our railways’ infrastructure.

**Total financing under the European Fund for Strategic Investments (EFSI) in Portugal amounts to €3.8 billion and is set to trigger €13.2 billion in additional investments. As it stands, what are Portugal’s most attractive investment opportunities linked to infrastructure and transport in general?**

We will be able to go forward with our plans when the decision by the European Commission for the Recovery and Resilience Plan is concluded. This plan will fill in the gaps of our missing links in infrastructure. In addition, it will tackle some missing regional links that make transport more equitable for those who live outside the larger cities or missing links related with the industrial and enterprise areas. We also want to improve the cross-border connections between Portugal and Spain. These are the main road connection objectives.

On the other hand, if our railway lines are old, our trains are older. We have trains with more than 50, 60 and 70 years, like those in operation in the Cascais line. For a start, we started working on a plan of recovery for all old trains. We had a lot of trains stopped for a long time that we want to recover. That is why we have invested in a new factory for maintenance and recovering an important part of this old fleet. This is only an intermediate situation, because what we really need is a big number of new trains. We currently have a public tender open for 22 new trains. We are also planning to buy 62 new urban trains and 55 regional and interregional trains. This is an amount of investment of more than €700 million.

**In order to conclude, could you please share with the global readers of Newsweek a message of optimism and reassurance about Portugal and the rebooting of its economy?**

We passed a difficult crisis in 2010 and 2012, but since 2016 we have started recovering our economy. For the first time, in 2019 we had positive results in terms of government deficit, so it seems that, as a country, we are working in the right direction. All investors, from inside or outside of our country, are now looking at Portugal with respect and confidence.

This crisis is a global crisis so I believe that this confidence will remain and as long as we can control the COVID-19 pandemic. We will start from the same point we were at six months ago and grow even quicker as a country in all social and economic dimensions.

# Pulling through an unprecedentedly challenging year

**Eurico Brilhante Dias, Secretary of State for Internationalization, aspires to see a robust Portuguese society in the imminent future**



**What in your opinion, were the key elements that allowed for Portugal to tackle the COVID-19 crisis so effectively?**

The Portuguese people have complied with all the measures we have taken thus far and the feeling of solidarity has been amazing. The response of our health care system was quite effective. Images from the grave situation Italy and Spain were in, the measures taken earlier and the fantastic response of the Portuguese people were three pillars that enabled an adequate response to the pandemic.

**How do you see the Portuguese brand being interpreted by the wider world now and what are the main strategies being put in place by Portugal to reinforce its significance?**

We have four features that are being recognized internationally. The first one is that Portugal is a country with political and economic stability, in that sense it is a safe country because it is stable. Our macroeconomic policies are giving investors a feeling that Portugal is taking all the steps to maintain macroeconomic stability within the eurozone. Secondly, Portugal is a safe country, where people can live in a peaceful and inclusive way, enjoying an extraordinary life quality. Thirdly, we have human resources with a combination of capabilities and competitive cost. We are not a cheap country when you compare with other countries, but a country where our human resources are adding value to processes and products. Finally, an aspect that is interesting is how Portugal is being seen as a country where you can develop your business into partnerships and startups. The impact of hosting Web Summit for more than a decade is changing the way foreigners perceive Portugal as a tech hub. Lisbon, Porto, Braga and Coimbra are Portuguese cities that are nowadays investing a lot in order to develop startup ecosystems.

**“Our macroeconomic policies are giving investors a feeling that Portugal is taking all the steps to maintain macroeconomic stability within the eurozone.”**

Eurico Brilhante Dias, Secretary of State for Internationalization

**The approval of the technological and business innovation strategy for Portugal 2018-2030 shows the government’s commitment in using innovation as the engine of the country’s economic growth, stimulating higher levels of productivity. What are the main pillars to this strategy?**

Digital transformation is crucial and one of its effects is the transformation

of business models. We are investing a lot in communications. 5G is a priority and the work to install fiber optic across the country is underway. We try to keep promoting the startup ecosystem to be more innovative and create new businesses with novel business models.

**How would you describe the impact of the convergence of the circular bio economy and digital transformation 4.0?**

We have a fantastic opportunity in our hands, because Portugal is becoming part of wider value chains. Large companies, like Google, Microsoft, Cisco, Mercedes and BMW, have selected Lisbon and Porto as good locations to invest in engineering and share service centers. We are developing more sustainable processes in Portugal, through the investments we are doing in green energy, our hydrogen strategy, or the plans on solar, wind and hydro energy.

**In which key areas of the economy should Portugal focus its resources to elevate its position within the European Union?**

Portugal has been considered an ‘strong innovator’ in the 2020 European Innovation Scoreboard, published in last June. Portugal is now the 12th most innovative country in Europe, going up 6 positions in one year. Between 2012 and 2019, our country had moved from a position of 84 percent to 105 percent of the EU average. In 2019, Portugal showed the highest positive difference to the EU in Total Entrepreneurial Activity, FDI net inflows and enterprise births. Even during the pandemic many companies selected Portugal as a location to invest. We received a large influx of inquires in the automotive sector, pharmaceuticals and the footwear industry. These inquiries would only be made by businesses, if they determined that our location is the most effective for their operation.

**What would be your final message of optimism and reassurance about Portugal for our readers of Newsweek?**

During the last two years, we have beaten all the records in terms of attracting FDI. In 2019, our trade investment agency set a record of €1 billion only in new contracts. When we look at global FDI reports, Portugal is earning market share every single year. The same dynamic has been noticed in terms of Portuguese exports. In 12 years, we have raised our percentage of exports on GDP from 28 percent to 44 percent, which means that our products and services are more internationally recognized, based on quality, design, fashion, environmental concern and differentiation. The COVID-19 crisis did not destroy these factors. Our economy, our enterprises are open and ready to give the world excellent products and services.

# Establishing infrastructure for the future of Portugal

**Hugo Santos Mendes, Deputy Minister for Communications, foresees a market consolidation at the end of the pandemic**



**How would you sum up the key logistics assets that Portugal boasts that make it a competitive EU member state?**

In the last decade Portugal has increasingly structured its economy around exports, both goods and services and we eventually became a more modern and open economy. This structural change has been putting healthy pressure on our infrastructure. The Portuguese government and sector stakeholders, in the last few years, have been prioritizing railways and ports in our investment plans.

Portugal has a peculiar condition, because it is in the periphery of Europe, but also in a strategic position when you look at the shipping routes from East and the Americas towards Europe. Port of Sines has definitely got potential to play a more relevant role in transatlantic connections. We are determined to provide the conditions for this to happen and we are making important contacts with other stakeholders to join forces with these strategic partners. We also have several ongoing projected investments in railway connection, improving the international corridors that connect us to Europe. The high-performance railway will provide this backbone to consolidate the metropolitan Atlantic seaboard as one of the most important economic regions in the whole Iberian peninsula, making it a privileged connection between Europe and the rest of the world. This means smaller distances, higher speed and increased frequency in all modes of transport. Longer and heavier trains will be crucial for Portugal’s development. There is also the current investment and the planned investment in the railways that is stated in the National Investment Programme 2030. These major investments are planned to increase the airport capacity in the Lisbon region.

**“I think Portugal in the context of EU membership has proven that the country can manage to overcome the hardships of the last economic decade.”**

Hugo Santos Mendes, Deputy Minister for Communications

**What role will future infrastructure developments play in the decarbonization and digitalization of the Portuguese economy?**

We have to underline right away that this area of government will play an important role in the development of the economy. To begin with, we are completing the electrification of the railway network. In the coming years we will have better trains and a better performing rail network. We are connecting all our main urban centers by train to close some existing gaps in the network, and this will significantly reduce the need for less sustainable transportation and increase the value and competitiveness of our multimodal infrastructure. Invest-

ment will also be done in logistics completing and upgrading the procedures and software deployment associated with the Unique Logistic Window and the Unique Port Window that soon will be available in all our main ports. We are enabling our ports to provide onshore power supply and we are developing the concept of Green Ports, favoring partners that are aligned with business plans that support decarbonization.

**As it stands, what are Portugal’s most attractive investment opportunities linked to infrastructure and transport in general?**

The newest terminal at the Port of Sines, Vasco da Gama Terminal, is a project that immediately comes to mind as an opportunity to invest. Interested investors can present their bids for the international tender until April 2021. We also have significant investments in Leixões and Oporto. There is also the national rail plan that we are launching which will promote the construction of high-speed rail connecting Lisbon and Oporto and Oporto and Vigo, which depends also on Spanish investment. This is the single most significant investment opportunity connected to the rail network. Furthermore, very important is the New Lisbon Area Airport, that will probably be developed in Montijo. We are working with ANA to expand Lisbon’s airport capacity south of the river. Finally, we can also highlight the tenders for 5G spectrum licenses which are being made available by our regulator, Anacom.

**Many governments are reassessing their strategies for a more long-term strategic outlook. How do you envision this will affect the Portuguese strategy for infrastructure and transport?**

Portugal will always have an interest in being a trading nation, since it is the only way to mitigate the shortcoming of having a small domestic market and being a peripheral region if we consider only ourselves from a Eurocentric point of view. I do not want to downplay the uncertainty of the near future, but I believe that most of the investment plans and strategic goals that our government has should be sufficiently robust and economically sustainable when we look at the Portuguese context.

**What would be your final message of optimism and reassurance about Portugal for our readers of Newsweek?**

I think Portugal in the context of EU membership has proven that the country can manage to overcome the hardships of the last economic decade. We are actively sponsoring support for our business ecosystem in order to reach the other side with minimum negative impact. We hope that we convert this crisis into an opportunity in the future.

# An innovative outlier overcoming all obstacles

**Jorge Portugal, General Manager, COTEC, underlines the importance of Portugal's innovation capabilities moving toward the future**



**What in your opinion, were the key elements that allowed for Portugal to tackle this COVID-19 crisis so effectively?**

The pandemic was managed in three phases. Firstly, we locked down very quickly and that prevented the spread, reducing the potential number of people in the ICU's. The second phase was the gradual loosening of restrictions in specific areas of the economy with due diligence, in line with the European guidelines. The third phase is to manage the prevalence of the virus at this moment.

**The approval of the technological and business innovation strategy for Portugal 2018-2030 shows the government's commitment to using innovation as the engine of the country's economic growth, stimulating higher levels of productivity. Could you please elaborate on what are the main pillars to this strategy?**

Building our competitive capabilities on innovation as a country is a consensus across our country. We need to invest in industrial renewal, in improving the quality of our products and our technical competence and the value to consumers in order to compete globally.

If you look at our level of exports you see that, in 2010, we only exported 29 percent of what we produced compared now to 44 percent, anticipating to achieve 50 percent. We understood that we needed our products and services to be better than the competition, so we had to invest in innovation. Another part of the formula that our businesses adopted successfully was to produce in smaller batches with a focus on quality, flexibility, specialization and service.

**“Technology is a key driver of this transformation, but also new business models. This is the bio digital circular transition and Portugal is very much part of it.”**

Jorge Portugal, General Manager, COTEC

This year we received very good news that we became strong innovators in a report from the European Innovation Scoreboard. In 2021, our main challenge is to use our strong scientific ecosystem, including a wide range of areas where our universities and research technology centers have a strong presence, to help companies find better solutions and new knowledge to solve business problems. The challenge is to be more efficient in transforming innovation inputs into innovation outputs, which means profitable economic growth. In 2016, we launched the National Strategy for Digitisation of Industry to increase the value of our manufacturing and production output. The point is you have to scale up

now and continue all public and private investments. Lastly, public and private corporations, particularly in terms of executing symbiotic policies, allowed us to assess the phenomenon of innovation in our country based on independent metrics.

**How important is it for companies to reinvent themselves for the digital age? What can you tell us about the impact of the convergence of the circular bio economy and digital transformation 4.0?**

There is a conscious effort in reusing raw materials and being efficient in the way they explore those raw materials. This also tied into the design of products to be able to be used over a long period of time and to become smarter in terms of maintenance and lifecycle. This coupled with the focus on companies being responsible for the entire lifecycle of the product, even handling the end of life of the product in order that the material may be injected back into the economy. That is the only way in the longer term that we can cope with an increasing number of consumers in the market and to cope with a finite amount of natural resources. Technology is a key driver of this transformation, but also new business models. This is the bio digital circular transition and Portugal is very much part of it.

**How will the shock of COVID-19 ignite change in companies' focus and organizational structure in the future?**

Our Honorary President and the President of Portugal recognized the need to reinforce the core of industrial activities in European economies, in particular Portugal, not only because we will need to keep strategic autonomy, as we have seen was a problem for Europe in sourcing PPE equipment during this pandemic. This is especially important in areas like aerospace, railway technology, machinery, agriculture and biotech. We need the capability to take this technological development to markets, which required a strong partnership between businesses and the scientific sector. It is very important that the European strategy is inclusive in terms of regions and the kind of companies that we support. Especially SMEs, which are the core of European capability to grow and to create jobs and innovation.

**What would be your final message about Portugal for our readers?**

We live in a competitive environment where everyone is looking at the other to see what they are doing the best to emulate this. We need to look at our innovation capability, because it is a long-term predictor of what you will be doing in the future. Change management in companies and governments should also be high on the list of priorities as nowadays things move ahead at a blistering pace.

# Reigniting the national economy through real estate

**Hugo Santos Ferreira, Executive Vice President, APPII, shares his optimism for the Portuguese international presence in the post COVID-19 era**



**How would you sum up the key ingredients that Portugal boasts that make it such a competitive destination for real estate investors?**

We have been able to show our ability to learn from other European countries that were first hit with the pandemic. This allowed us to mitigate the harsh effects using quick consolidated measures. We have continued construction activity and selling properties right across the pandemic. The real estate sector in Portugal today represents 15 percent of total GDP, making us a strategic sector for the economy. If we combine the construction and real estate, we contribute to 17.4 percent of total GDP. All the measures that were once available in Portugal for investors are still up and running, especially the Golden Visa Program. Investors can expect a good return on their assets here as we have been growing as a sector, non-stop since the economic crisis.

**“To highlight how successful this platform has been I must highlight the fact that 50 percent of our members are foreign investors, funds and private equity from all over the world.”**

Hugo Santos Ferreira, Executive Vice President, APPII

**At the start of the year, APPII designed and proposed a package of exceptional measures for the government and relevant authorities to review. How has this manifesto been received by the authorities?**

There were nine measures stated in the manifesto, one of which was the fact that many administrative processes that once required face to face interaction can now be done virtually, speeding up the administrative processes associated with real estate purchases. To clarify the importance of this program, since its inception it has garnered more than €5 billion of real estate investment. In 2019, it reached €700 million of investment and €85 million for the government. The real estate sector since the end of the economic crisis reached more than €130 billion in investments and the sector has grown more than 20 percent per year continually. Foreign investments since 2014 have reached as much as €30 billion in the real estate sector.

All the programs that currently exist also need to be realigned with Pan-European initiatives like the European Green Deal and the Europe Next Generation initiative, which is one of the main initiatives we are going to do before the relaunching of the Golden Visa Program. We also want to see how we can use these programs to steer investment into other sectors of the economy, because as it stands, 90-97 percent of investment through the Golden Visa Program is destined to real estate.

**Energy efficient designs and higher quality construction are becoming requirements and a condition in this business. How has the sector responded to these challenges? What is the importance of sustainability in real estate projects?**

We are very much aware of the new standard across Europe and want to adhere to measures outlined in the European Green Deal. One of the measures we want to implement in the new Golden Visa Program is to link real estate and energy efficiency via new technology. We want the Golden Visa to be a SMART Visa, attracting investments towards the efforts being made to decarbonize the country. A good majority of new projects being put forward in all asset classes have measures to significantly mitigate the carbon footprint and further protect the environment.

**We have seen that APPII has launched a new website to strengthen the real estate investment and promotion market in Portugal, bridging member companies with international players that intend to enter the national real estate market. Could you share more regarding this dynamic? How will this happen across the platform and what is the recent feedback you are getting from both players?**

APPII is one of the main gateways for foreign investment in Portugal and, since 1991, one of our objectives was to facilitate foreign direct investment. Since the beginning of the time of discovery Portugal has been across the globe discovering the world, however only since 2014 has the world rediscovered Portugal in terms of a destination to invest and live. To highlight how successful this platform has been I must highlight the fact that 50 percent of our members are foreign investors, funds and private equity from all over the world. Through this program what we try to do is create synergies between these foreign investors with our local members. 85 percent of the foreign investors wants to work with a local established partner and we are the central point for them to find the right stakeholders within the construction and real estate industry.

**With your 30th anniversary coming up in 2021, what would you say are the higher-level strategic objectives for APPII in the coming decade?**

Our idea for the future is to continue improving on what we have already achieved. Our target is to consolidate the association to be the main entity representing the real estate sector in the country, not only for investors, but also for the Portuguese authorities and local players. On the other hand, our goal is to be able to explain in an objective way that the real estate sector is the most strategic sector for economic growth. Real estate is at the top of the economic pyramid and we will be the sector to reignite the whole economy.

# Building a better and greener future for the world

**Manuel Couto Alves, President and CEO, MCA Group,** reveals how the leading construction firm has evolved to support innovative sustainability



Could you describe the group's evolution and the values you have instilled that have driven the group toward an innovative and sustainable future?

MCA Group is a truly global business, in tune with today's challenges and with a strong brand of projects. In recent years the world has developed a different sensitivity to the green economy, environmental sustainability and renewable energies. MCA Group wants to contribute to building a sustainable future, as we want to be part of the solution by developing projects with private and public entities. Summing up our history, present and future, what stands out is that we always work with ambition and innovation.

MCA Group's flagship projects include Puerta Mayor in Spain and the Douro Marina in Portugal. What made these particular projects such a success?

These two projects were very important for MCA Group's learning curve and new business models. Only by bringing together an experienced team was it possible to successfully complete the Portuguese city of Oporto's Douro Marina, which we carried out on a development, engineering, construction, project financing, operation and maintenance basis.

It was a demanding maritime project involving a large internal team, which allowed us to train the group to develop its operations and achieve the correct environmental certifications. Our Puerta Mayor project has become a major reference point in Southern Europe and we have gone on to complete similar operations in other areas of Spain.

**"The MCA Group's intrinsic values are ambition, rigor, cohesion, innovation and sustainability. It was with these values in mind that we defined this strategic bet."**  
Manuel Couto Alves, President and CEO, MCA Group

What geographic regions do you see new growth coming from in the next decade?

The group's strategy is to consolidate the markets where we have greater representation, such as Portugal, Spain and Angola. We are currently in a transition phase with projects and are waiting for better socioeconomic conditions in order to mitigate the risks in Mozambique, São Tomé and Príncipe. The new countries in which we are betting on gradual growth, and which have passed to the 'introduction' phase with technical and administrative structures in place, are Uganda, Kenya, Cameroon, Mexico and Germany, via Austria, where we have finished the first phase of acclimatizing to the market.

Could you share with us your vision and MCA's ambitions within the African energy sector?

Fortunately, world governments, including African governments, have an increased awareness of the need to bet on a rapid implementation that increases the production capacity of renewable energy, where mainly solar is mostly desired on the African continent. This is currently extremely difficult in less developed regions where there are asymmetries at various levels to achieve goals of social, educational, economic and environmental progress without access to energy. The truth is that when nations have access to energy based on fossil and imported energy sources, it has a high economic and environmental cost in the long term. African countries who have this awareness, increasingly look to us to help them create conditions for success in implementing similar projects.

The MCA Group's intrinsic values are ambition, rigor, cohesion, innovation and sustainability. It was with these values in mind that we defined this strategic bet. Despite the various difficulties that we face every day, due to the reality of the pandemic that we all face, we have managed to have the capacity to strengthen ourselves and invest seriously in this sector, with a lot of resources and equity.

This bet is having very positive results and I believe that we are already a very competent and competitive player for public and private customers in the development, design, procurement, construction, financial structuring and the maintenance service of solar photovoltaic plants on the African continent. We are betting a lot on the development of supporting systems in peripheral mini networks outside of the public infrastructure, in order to be able to promote the development of communities outside of urban centers. The years of construction and development experience we have on the African continent give us confidence to design a bright future.

This program that we are implementing in Angola is an excellent example of how a country, through its public energy entities created a coherent national plan which success-fully made this investment highly competitive, allowing us to achieve the lowest levelized cost of energy in the region.

Leaving behind one of the most challenging years in modern history, what are the main priorities that are on MCA's agenda for 2021 and beyond?

The challenge has been enormous, with a lot of effort and dedication in order to be able to react to all the obstacles and setbacks caused by the pandemic, but I can consider that we are where we wanted to be, with confidence in the work developed and in all the teams of the MCA Group.

In 2021, we are focused on a set of projects, some ongoing and others to start. I would like to highlight the beginning of the important modernization project of around 43 km of the West Railway line, in Portugal, where we are part



of a Portuguese-Spanish consortium. I should also highlight the construction of several road infrastructures in Portugal, Angola and in several countries in East Africa.

Another major priority for 2021 is the completion of pilot industrial investment in the production of advanced biofuels in Portugal, while consolidating our position in Austria, Germany and Poland in the EPC projects of advanced industries of converting residual biomass into green biofuels.

Last but not least, we want to invest heavily in the healthcare sector in Portugal and in developing countries, which has become strategic for the future of our group. We understand that once the strategy has been defined, we will be updating management teams and integrating a new, capable and motivated workforce. The future will bring a greater accountability of staff who have greater autonomy but maintaining the spirit of personal and institutional responsibility.

We want to know more about the MCA Group's corporate responsibility projects, especially during the pandemic. Could you tell us more about the MCA-CIM Respond Covid-19 project, where the group concentrated its efforts and whether there are new initiatives on the horizon?

In 2020, as part of the fight against COVID-19, we developed various corporate social responsibility projects in Portugal and Angola. We made several donations of materials and services in both countries, for example, to the Hospital de São João in Portugal and to the National Institute for Health Research in Angola, among others. We created the Medical Council of the MCA Group, which offers telemedicine support and advice to several countries, taking advantage of the experience of medical personnel in Portugal.

**"The years of construction and development experience we have on the African continent give us confidence to design a bright future."**  
Manuel Couto Alves, President and CEO, MCA Group

Social responsibility is a strong pillar within our group. There are several examples of support for the communities where we operate in. New ways of collaborating and supporting communities are emerging due to new needs, which will make us continue to develop solutions for the challenges we are facing.

### An international group determined to 'GO EVEN FURTHER'

 The Group was founded in <b>1998</b> , venturing in <b>Portuguese-speaking Africa</b> in 2006	 As of <b>2021</b> , the Group has more than <b>2.000</b> employees	 <b>MCA Group</b> is currently present in more than <b>15</b> geographic markets across <b>3</b> continents	 <b>MCA</b> operates in <b>12</b> different sectors including <b>38</b> business participations	 <b>MCA</b> is one of the first groups with <b>ISO 9001</b> and <b>18001</b> certifications in <b>sub-Saharan Africa</b>
 Over the last decade, <b>MCA Group</b> has realized services and projects of <b>€1.75 billion</b>	 <b>MCA Group's</b> solar project in <b>Angola</b> is a <b>€523 million</b> operation	 This project is the largest renewable energy intervention program in <b>sub-Saharan Africa</b>	 <b>MCA Solar Angola</b> entails <b>7</b> photovoltaic plants with a total capacity of <b>370MW</b>	 <b>MCA's</b> solar project will benefit more than <b>1.2 million</b> families in <b>Angola</b>

# Maintaining a strong momentum to reach new highs

**José Cardoso Botelho, CEO, Vanguard Properties,** shares their groundbreaking philosophy aiming to redefine the role of a world-class real estate developer



How would you sum up the key ingredients that Portugal boasts that make it such a competitive destination for real estate investors?

There are a few factors that are well known, such as a warm climate, a kind, hospitable people, the gastronomy, fine infrastructures, quality of life and security, which is increasingly important today due to global uncertainties. On the other hand, Portugal is not a very expensive country to live in. Real estate is still considerably cheaper in comparison to most European capitals and Portuguese people welcome foreigners.

Evidently, there is always a correlation between growth in tourism and investment. Together with the quality of our projects that we are developing, all this adds up to an attractive and unbeatable package.

At the start of the year APPII designed and proposed a package of exceptional measures for the government and relevant authorities to review. How has this manifesto been received by the authorities?

I think they have been well received, given that the proposals are very smart and constructive. The government has already given some support to the sector. The fact that construction was not affected by the lockdown imposed by the pandemic was really crucial. It is one of the few sectors where 'it is business as usual'. We are in constant contact with the APPII and suggesting ideas about how to best move the sector forward.

**“BREEAM is a world-leading sustainability certification scheme and our projects are the first in Portugal to achieve the necessary standards in their respective segments.”**

José Cardoso Botelho, CEO, Vanguard Properties

What would be your message of continuity or stability to international investors who have been or are now interested in investing in Portuguese real estate?

First, there are plans to keep the existing investment programs, which brings in a lot of investment. These are crucial, because we are attracting a lot of people outside Europe. Secondly, fiscal stability is expected, as taxes will not be rising in the near future.

Construction sustainability is no longer just a flag, but a necessity and a condition for doing more and better business. Energy efficient designs and a better-quality construction are becoming requirements and a condition for

the business. How has the sector responded to these challenges and what do you see is the importance of sustainability in real estate projects?

In our core business values we promote sustainability and art. Currently three of our projects, Whiteshell and Bayline in the Algarve and the Infinity Tower in Lisbon, have BREEAM certificates. BREEAM is a world-leading sustainability certification scheme and our projects are the first in Portugal to achieve the necessary standards in their respective segments. We want to be proactive and go above and beyond what the law requires. According to our philosophy, taking as an example our projects in Comporta, an area of outstanding natural beauty which is extremely sensitive from an ecological point of view, we, at Vanguard Properties, are developing a pioneering sustainability program, which will be overseen by a highly specialized team of international specialists.

However, our strategy goes beyond strictly environmental issues. It is crucial to understand the impact that our buildings have on the different stakeholders, including the community and the wellbeing of our clients. That is why one of the main features that most of our buildings provide are outstanding amenities and services, including gyms, private pools, spas and 24-hour concierge.

How has this legislation and other similar business friendly government measures impacted Vanguard's success?

Most of the people we talk to do not even mention the Golden Visa Program to begin with, but over time we have seen some of our best customers applying for the scheme. Portugal is in an ideal position to be the 'new Switzerland'. We must be smart and competitive, providing stable legislation, reducing taxation to attract capital and talent as well as promoting investment and new jobs.

There is now a greater importance of the role that technology and Smart building design will play in living spaces in the not-too-distant future. What does Vanguard Properties envision in its strategy beyond the next decade?

Regarding the future our strategy is to employ technology and urban planning in our projects. We have a strong policy on sustainability, and to achieve it we equip our buildings with the latest energy and water saving technology. We are aware of the impact our projects have on cities and communities, and to implement best practices towards a sustainable city, we work closely with our architects and their urban planning departments.

Vanguard is entering new frontiers with its recent announcement of your new property management brand. Could you please discuss the strategy behind the recently launched Up Stay brand? Could you also detail to us the most exciting current projects Vanguard is working on?



There are a few complaints from foreign clients that they felt that there are not enough services available. We decided that it would be appropriate to offer these. To provide a complete service, we decided not to partner with lots of other companies, but rather create a partnership with Up Stay and Amazing Evolution, two companies focused on management and hospitality consulting areas. Together, these two companies will manage our hotels which are planned for our Comporta project and also Foz do Tejo and Algarve. These companies will also run our existing and future tourist and residential condominiums and operate the concierge service.

Vanguard has been able to make respectable progress in the real estate sector reaching international recognition through its projects. How would you describe the company's first steps on the global stage?

We launched our brand in March 2017. We feel very strongly about the brand name—Vanguard—because it really does represent everything we stand for in terms of values. We wanted to use it internationally, when we discovered that it had already been registered by the second largest fund in the world. We did not give up and convinced them to let us use the name and they accepted providing that we would not use it in any financial markets whatsoever.

Since then we have been working hard promoting the brand and also the products linked to it which had to be top quality. We have been investing in promoting the brand not only on social media but also in other different media and through philanthropic activities.

Vanguard Properties has shown itself able to continue its success despite

turbulence. What can you share with our readers regarding any upcoming projects that are in the pipeline?

I would like to offer more insight into our project at Comporta. We are talking about the purchase of the two largest and best prime real estate plots of land in the area. It is an amazing place and quite unique, especially for Europe.

Even worldwide it is one of a kind in terms of the surrounding environment and its beauty which comprises 40 kilometers of pristine beach and a very well protected environment. This project will be a first in Portugal in that it is the first concept designed to be sustainable from scratch.

**“We feel very strongly about our brand name—Vanguard—because it really does represent everything we stand for in terms of values.”**

José Cardoso Botelho, CEO, Vanguard Properties

That policy of sustainability includes not only our resorts and nature but also the people living in the pre-existing community who we care about and want to support as much as possible. We are going to develop schools, a lot of sports activities, amazing hotels and residential and health care services.

To illustrate the point, we have been following what has been covered in the press over the last four years and it is truly astonishing. We discovered that around five thousand articles have been published about Comporta around the world and that has to mean something.

## Portugal shifting real estate paradigms in the 21st century



The real estate sector boasts a **15%** contribution to the country's GDP



In the **CONSTRUIR 2020 Awards, Castilho 203**, was voted the **Best Residential Building** in its category



In just **3 years**, Vanguard Properties has invested more than **€3 million** in social causes



**Authorization for Residency through Investment**, also known as **Golden Visa**, was launched in **October 2012**



**ARI** has attracted more than **€5.5 billion**, of which **€5 billion** was from property purchases

# Making a historical difference for Portugal

**João Alves, Managing Partner, EY,** declares that Portugal is open for business, with the assistance of one of the best in the sector



**What in your opinion, were the key elements that allowed for Portugal to tackle the COVID-19 crisis so effectively?**

Portugal has come through the last few years with very solid fundamentals. Exports remained resilient, even after the economic downturn, and the government posted a budget surplus for the first time in 40 years just prior to COVID-19. We were quick off the mark in addressing issues for the first wave, and having done that, our health system stood the test. In any case, we have to continue to work over the coming months.

**How important is it for companies to reinvent themselves for the digital age and what can you tell us about the impact of the convergence of the circular bio-economy and digital transformation 4.0 on your business?**

It is quite clear that digitalization has effectively saved our lives through this pandemic. It has enabled us to keep working as we are at this very moment, and thereby ensuring business continuity. The pandemic and the consequences thereof have also indicated that some very enshrined business dogmas were put to the test. Going forward, business leaders will be looking at a few more indicators, rather than just the lowest cost. As we go forward, AI for example, will continue to drive innovation, development for products and services, as well as professional competence development. This is a tool set that we now have, and I think we will hold onto going forward.

**“I think we have got what really matters—safety, a welcoming open-arms environment and a country that invests in technology and its people.”**

João Alves, Managing Partner, EY

EY has invested significantly in technology. We are able to continue to serve our clients from the office if need be, from home or from the client’s premises. We have our systems talking to our clients’ systems in order to extract information to keep on working. Our business has continued unaffected and we are on budget for our year without any discount due to the pandemic. I can even say that our productivity levels are up on the previous year.

**Could you please highlight the key legislative changes in Portugal that have given it an edge in doing business and attracting its foreign investment flows?**

Looking at our 2020 EY Attractiveness Survey, where we highlighted the five

top criteria that investors looked at for their selection process in Portugal, quality of life comes first. Quality of life is, amongst others, the ability that companies have to convince and to attract their top people to relocate to Portugal. We have a stable social system, without a history of social unrest. We have an excellent telecommunications and logistics infrastructure system in place and, at the same time, there is also potential for further gains in productivity in the local market. We are not a competitive country tax-wise, and our potential investors say that changes to tax legislation is third on their most wanted list. I feel that we have taken care of the individual but we have not taken care of the companies. I believe that there is space for differentiated tax treatment for entities or groups that decide to relocate their decision centers to Portugal.

**In April 2019, you wrote a series of predictions for the irreversible effects that the COVID-19 has had for the business ecosystem. Approaching the end of the pandemic, are there any other factors that you would like to highlight will most likely occur?**

Our relationship with work will change irreversibly. We are very fortunate that we can work almost exclusively through digital means. I envisage that in the future, what our day requires of us will determine where we will do certain tasks. The proverbial situation of a person going into the office for seven hours with headphones on and then getting up at the end of the day is mindless—there is no need for that person to have spent an hour or more in traffic. Going forward we will enjoy more freedom to determine how we will work. There are many reasons for which we will continue to come to the office, but working solo on a project is not one of them. From that all sorts of needs emerge. We will need continued investment in technology, which has clearly been our saving grace.

**What would be your final message of optimism and security about Portugal and the resumption of its economy for our readers of Newsweek?**

Portugal is a country which is proud of what it is and what it has done over the last few decades. It is the safest country in the EU and the third-safest country in the world, according to the Global Peace Index. Portugal will continue to be a forward-looking country. We are second in Europe in the early adopters or fast track adopters of ultra-fast broadband and eighth out of 30 European countries in the Digitalization Index. Most of all, Portugal will continue to invest in people. Out of 100 countries, Portugal comes out in 12th position in the English Proficiency Index and 28th out of 128 countries in the Global Talent Competitive Index. I think we have got what really matters—safety, a welcoming open-arms environment and a country that invests in technology and its people.

How can a resilient Portugal become a platform for sustainable investment in the future?

Read  
EY Attractiveness Survey - Portugal  
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The better the world works.

# A vast history intertwined with luxury

**José António Teixeira, CEO, RAR Imobiliária**, guides us through the company's multiple, past and current, acclaimed projects



Could you please provide us your overview of the current state of the real estate sector in Portugal?

2021 is going to be a challenging year with all the consequences that the pandemic will bring to the economy, companies and the labor market. However, the fact that real estate prices have remained stable, even with a slight growth, shows the resilience of the activity in this sector. We believe that, as soon as this pandemic is under control, most of the real estate developers will recover the time lost, completing ongoing projects and starting new ones.

After 33 years in the Portuguese market, can you give us a walkthrough of some of your most emblematic projects to date, and the scope and scale of your consistent drive to innovate in the market?

RAR Imobiliária began its path 33 years ago with two large projects, one in Lisbon and another one in Estoril. After that we developed emblematic buildings in Porto and Matosinhos. One of them, the first large scale urban regeneration project at the historical center of Porto, Unesco world heritage, was awarded as the Best National Project of the Year. Another one, Edifício do Parque, was named the Best National Project of the Year for its sustainability features. Currently, in its final stage of construction, we have our project Quinta do Paço Lumiar, a project where we have worked with Pritzker Prize winning architect Eduardo Souto de Moura. We have also started marketing Novo Parque in Matosinhos, the construction for which will start in the first quarter of this year.

**“Beyond the guarantee of a good investment and the technical construction quality of our buildings, we want to build true places of happiness.”**

José António Teixeira, CEO, RAR Imobiliária

The architect for your upcoming project Novo Parque promises to be disruptive and seeks to apply new trends. Could you give us an insight into these groundbreaking trends and how they will influence the company's future projects?

The pandemic has brought new requirements as the home becomes seen more as the safe space that must have private flexible-use compartments. People are in need of extra space, large terraces and open-plan living rooms. We work in the premium segment of the real estate market, so, for us, prime locations are important. However, we must now take into consideration that, in the selection process of locations, the proximity between workplace, home and leisure activities

is key for our clientele. This leads to a more sustainable way of living, thus further increasing one's quality of life. In this project, we will test the market by presenting six disruptive apartments, undermining social and private connections. Hybrid and connected spaces are being created, providing unexpected interactions through a game of opacity and transparency, enabling spaces to open or close according to the needs or wishes of those who inhabit them.

Although the higher-end buyer is your typical client, does RAR Imobiliária have ambitions to get involved with developments for the middle class?

For us, it has been a strategic choice since the start of our company that we only work on residential projects in the premium market segment. We buy plots of land in prime locations which forces us to build at the highest standards, reason why the company is certified in quality, sustainability and research, development and innovation

The Design Factory\* business unit within the company provides an integrated and personalized service that is unmatched in the industry. What have been the highlights and key advantages of integrating this function into your business model?

The Design Factory\*, the creative department of RAR Imobiliária, represents a strategic commitment to design and innovation, leveraging the real estate business in permanent search for new solutions and concepts of living. Homes must respond not only to spaces' functional purposes, but also satisfy emotional identification for those who inhabit them. Trend surveys carried out by a multifunctional team has enabled Design Factory\* to develop distinctive solutions, founded in the culture of contemporary living, not only to support the company's core business, but also in the development of interior design and decoration projects for our clients.

How does RAR Imobiliária envision its strategy beyond the next decade?

With the financial soundness of one of the most important Portuguese economic group of companies and more than half a century of history, RAR Imobiliária wants to continue improving its position, establishing links and strong references with all stakeholders. We will continue investing in the development of architectural designs founded on the culture of contemporary living. Beyond the guarantee of a good investment and the technical construction quality of our buildings, we want to build true places of happiness. RAR Imobiliária does not sell homes or apartments, but places gathering distinctive features, where our clients can feel good. This is what we call: “The art of living RAR.”

“NEVER HAS THE HOUSE HAD SUCH AN IMPORTANT ROLE. HOME, A PLACE OF HAPPINESS AND PROTECTION, HAS TO BE CAPABLE OF ADAPTING TO THE NEEDS OF THOSE WHO LIVE THERE NOWADAYS.”

José António Teixeira



Situated near Matosinhos waterfront, Novo Parque has 73 - 1, 2, 3, 4 bedroom apartments across two buildings. The location allows enjoyment of wide natural surroundings that are close to the sea and City Park, Oporto's most important green area.



**QUINTA DO PAÇO LUMIAR**

[www.rarimobiliaria.pt](http://www.rarimobiliaria.pt)

Quinta do Paço Lumiar in Lisbon is a residential condominium designed by Eduardo Souto de Moura, winner of the 2011 Pritzker prize. It offers 3- and 4-bedroom courtyard houses with several outdoor spaces, ensuring a sense of privacy and intimacy.

# More than an agent, your partners in property

**Francisco Quintela & Carlos Penalva, Founders, Quintela + Penalva | Knight Frank, highlight the company's absolute focus on each client's needs**



**How would you sum up the key ingredients that Portugal boasts that make it such a competitive destination for real estate investors?**

When I do my presentations to potential clients, I like to compare what you can buy in Portugal for a €1 million compared to other prime places across the world. In Portugal you can buy 234 square meters, in Madrid 190 and in Paris 90. The Golden Visa and NHR programs also played a large role in bringing people with significant funds to invest into Portugal. Portugal is the third safest country in the world, and was considered the best place to live for expats.

Another aspect that allowed for the rapid development of the real estate market here was the proliferation of short-term rentals as well as the fact that low-cost airlines allowed for travel to and from Portugal at a very accessible price. On top of that there were a few developments by the Portuguese government in the way that they promoted the country as being business and tourist-friendly, as well as a safe place to live.

Besides the obvious financial incentive to invest in real estate in Portugal,

**“We are 100 percent focused on each client. We have a specialized department that is dedicated to concierge and relocation services that are personalized for each client.”**

Francisco Quintela and Carlos Penalva, Founders Quintela + Penalva | Knight Frank

the global pandemic has reminded people of the benefits of the simple life. Portugal caters for a healthy and fun lifestyle better than most countries, boasting an authenticity and simplicity long lost in other parts of the world. While the Portuguese are the world's historic explorers, we always come home. It seems the world has now understood why, arriving from all corners of the globe, whether for a season, for digital nomads, or a lifetime, for those looking for the best option for second homes or relocation.

As a 100 percent Portuguese company, we take pride in our country and contacts and rejoice in making sure foreigners are as happy here as we are.

We joined forces with the world's leading independent real estate consulting firm, Knight Frank, becoming Quintela + Penalva | Knight Frank this February. This marked another milestone of increased interest, amid a global pandemic no less, not only from British expats but from clients from any of their 57 other territories. Interestingly, Americans and British are the two nationalities that have shown the most growth with us in 2020, investing ever more in Portuguese real estate. We look forward to welcoming all those who

are passionate for Portugal!

**Could you give us a thorough overview of the services you offer in this area of real estate?**

We are 100 percent focused on each client. We have a specialized department that is dedicated in concierge and relocation services that are personalized for each client. Many of our clients are already expecting that when they buy their home, added services should be offered as part of the package. They want a handy-man, a personal shopper and someone to point them in the right direction when handling the bureaucracy that exists here. Our clients are always kept up to date with restaurant openings, exhibition openings and private clubs. We also want to add to these services to offer a 360-degree level of services to accompany the client's lifestyle.

We have a property management department for landlords looking to let their properties as well as legal, administrative and all manner of departments destined to support clients with every aspect of their property needs.

**What is the company's perspective on the future for Portugal in general and how is the company preparing strategically?**

I think that Portugal will be ever more in the centre of investors' focus. We are a hub and a doorway to nine Portuguese-speaking markets that are growing. Portugal has a footprint in all of the continents and is the second oldest nation with the same defined borders in the world.

Portugal poses to be a powerhouse of touristic services associated with real estate. The trend in the last ten years was large investments in the metropolitan area in Lisbon, which at this moment is increasing and spreading out because of the price increase. I think that anywhere where there is an opportunity for tourism there will be development, the same can be said about Chiado and Gerês in the north of the country.

**Could you provide us with a final message to the readers of Newsweek?**

Portugal is already a reference for investment within Europe. It has a huge potential for growth and is a country that has strong diplomatic relationships with most countries across the globe. We are always open to receive investors and we are ever more aware of what investors want from our jurisdiction. Here, at Quintela + Penalva | Knight Frank, we are open to receive investors guaranteeing the maximum quality of service. When someone approaches us, they should know that we are not here to try and make a profit from them, but we are more interested in creating a relationship that endures into the future. We have construction companies that are working with us since the very first project we did with them. Start as you intend to continue!

# Renovating one of Portugal's most historic sectors

**Bernardo Gouvêa, President, Instituto da Vinha e do Vinho (IVV), remains optimistic about Portuguese wine exports in the COVID-19 aftermath**



**What makes Portugal's wine industry unique when compared to other countries in both the old and new worlds?**

Portuguese wine is certainly one of the most resilient aspects of our economic and social system. Portugal has an enormous diversity of terroirs and more than 300 native grapes. The wine sector in Portugal is present all over our history, our cultural environment, economy and society, both in the interior and the litoral region. In terms of our agricultural sector, it is one of our most important areas through its exports all over the world.

**“The wine sector in Portugal is present all over our history, our cultural environment, economy and society, both in the interior and the litoral region.”**

Bernardo Gouvêa, President, Instituto da Vinha e do Vinho

**You have set yourself a target to get 90 percent of production into the regulated system. How close is Portugal to reaching this goal and what are the main challenges being faced?**

The situation is different from region to region. There are regions which have nowadays about 90 percent of their production as an indication of geo-

graphic location (IGP) or a denomination of origin (PDO). There are others having only 50 or 60 percent of their production is such way. Aligning with the priorities of the European Commission, we think that consumers require much more knowledge nowadays about their products, particularly when it comes to the authenticity of wine. The wine regions, through PDO and IGP, need to have more resources to put more incentives toward achieve this target. We are joining efforts with those entities, private companies and cooperatives to achieve this. It is crucial to defend our diversity, because those characteristics can be very attractive for consumers, not only in Portugal but all over the world.

**What is the current outlook for the Portuguese wine industry?**

The wine sector contributes around €1.9 billion toward the economy of Portugal. Our industry is very fragmented, as about 75 percent of the operators have less than 2 hectares of vineyards, but we also have important players with global presence. The main regions in Portugal are the Douro e Porto region and the Alentejo region. Douro e Porto region is a very traditional one and the Alentejo region is a new region with much more dynamic kinds of wine. The main export markets are France, the U.S., Brazil, the U.K. and some Northern European countries. We export nearly 50 percent of our annual production, about 6.5 million hectoliters. In 2020, we estimate growth of 3 percent in our exports, which is impressive given the circumstances of COVID-19.



# Redeveloping Portugal with a modern touch

Aniceto Viegas, General Manager, AVENUE, explains that the company's purpose is always to anticipate and fulfil market demands



How would you sum up the key ingredients that Portugal boasts that make it such a competitive destination for real estate investors?

Since 2013, Portugal emerged on the world map, which was the first step in communicating a different narrative about the country and promoting the positive aspects of the Portuguese market. Safety, quality of real estate and, finally, the Portuguese lifestyle, are the three main aspects constituting Portugal's contemporary international image. This different approach brought more and more foreign investments, which we are highly dependent on, because we do not have the capacity to develop the country solely by ourselves.

Could you please give us an overview of the inception story for AVENUE and the company's most recent developments targeting the middle class?

Between 2015 and 2017, we mostly invested in the city centre of Lisbon and Porto in the high-end residential and high-street retail. In this strategy, the first project that we have developed was Liberdade 203, which is a 12,500 square meter project right in the centre of the city of Lisbon. After this we moved onto Liberdade 40, keeping the same strategy of high-end residential with a high-street retail component. Then we developed in Chiado, since it is one of the most sought location for high end residential, where we developed Orpheu XI and The Cordon; in the Amoreiras area, the Mulberry Hill and, finally, the 266 Liberdade – Diário de Notícias, in Liberdade area. Recently, we were able to complete the development of this last one, in which we have sold 70 percent of the apartments and we expect to achieve all the sales in the second quarter.

**“Safety, quality of real estate and, finally, the Portuguese lifestyle, are the three main aspects constituting Portugal's contemporary international image.”**

Aniceto Viegas, General Manager, AVENUE

We have also refurbished the former headquarter of a newspaper in Porto that we named Aliados 107. From 2017 to 2018, we noticed that the market had a growing demand for offices. This is why we have decided to enlarge our investment scope to the office segment, acquiring a large land close to the Oriente train station in Parque das Nações. We are talking about a consolidated office area, a large offer of public transport and 70,000 square meters of office spaces allowing to develop a unique concept with large external green areas. The commercial strategy is to lease and then to sell the office buildings to insti-

tutional investors focused in acquiring yielding assets. We have also started to invest more in Porto. We have two others developments that are not currently referred in our portfolio which is another development in the city centre of Porto with 30,000 square meters, named Bonjardim. Plus, another high end residential in Lisbon with approximately 12,000 square meters. We have also purchased a property in the city center, in the Campo Grande zone, at the end of the last year.

What is AVENUE's perspective on the future for Portugal in general and how is the company preparing strategically?

Nowadays Lisbon is a new important destination in Europe. If we look at our customer base, 40 percent are Portuguese, 40 percent are Brazilian and 20 percent from other places. We consider that we will be able to attract other nationalities, Europeans in general due to the proximity of Lisbon to any other capital in Europe. We are also close to the American continent which is a very strategic aspect. As it stands there are not many Americans coming to invest in Portugal but we are seeing the numbers rise steadily.

- Since 2015, AVENUE has invested **€325 million** equity over **13 projects** in Portugal
- Out of those projects, **12** are in the residential segment and **1** in office development
- AVENUE is building a **12,000** square-meter greenfield development in **Porto** with **98** residential units

AVENUE is part of the group of 20 companies that recently joined the Business Mobility Pact for the city of Lisbon. Can you tell us more about this initiative and how does Avenue envisions implementing these concepts into its operations?

The first good example that we have is our new office development Exeo in Parque das Nações in Lisbon, where we are building very close to a metro and train station which incentivizes the residents to use public transport. In addition, we have implemented all the appropriate measures in terms of energy efficiency through on-site energy production. Primarily we focus on water recovery systems, which will provide more than 80 percent of the needs of irrigation for the external green areas of Exeo.

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# A unique natural material tackling climate change

**António Alves de Amorim, CEO, Corticeira Amorim, underlines the many technical and sustainable advantages of using cork in diverse applications**



As CEO of Corticeira Amorim, the world's largest producer of cork products, you have witnessed the effects of COVID-19 in your business. What, in your opinion, are the key elements that have allowed Portugal to tackle this crisis effectively?

Portuguese people are known for their ability to improvise, which is what we did at the earliest stages of the pandemic. As a company, we have been impacted like everybody else. We are a business-to-business company so most of our customers were affected this year in various industries worldwide.

However, we were not much affected thanks to two reasons. Firstly, we depend on exports, which represent 95 percent of our turnover. Secondly, we have a worldwide network of sales companies in the most important countries for our business that always operate very closely to our local clients. That proximity is crucial at the critical phase of this pandemic. We have quite a large spread and international presence that dilutes our risk. As a company that has been in business for a while, our advice is to never depend on one product, one market or one currency.

**“Corticeira Amorim tries to bring all available technical and sustainable advantages, in order to enhance the use of circular-economy products.”**

António Alves de Amorim, CEO, Corticeira Amorim

What impact is digital transformation and Industry 4.0 having on Corticeira Amorim's business and on the country?

For us, it is clear that Industry 4.0 is certainly at the top of our priorities. That has coincided with the implementation of the SAP system in the whole of our manufacturing and sales departments. Digitalization for us is not only 4.0 or data collection, it is the potential to implement artificial intelligence in the technology upgrade of our critical manufacturing processes.

Portugal has never been strong in industry, so we have an even more important role to play in this re-industrialization phase of Europe, in attracting interesting international investment for people to take advantage of the talent that we have here. What is next is shaping this new generation to be more ambitious and with a view to have a purpose in life that is more than just having a job. If we do that, I think that the future of our country will be very positive.

The cork business involves a permanent struggle for process optimization, technological evolution, performance improvement, the creation

of new products, the consolidation and conquest of markets, and very long-term planning. What is the current position of global cork industry and how positive are you about its future?

I think that we have never been as positive as we are now, firstly because I think that cork has proved that it has a wide variety of applications and that it is the best performing product. When you are talking about the most-used application for cork, it is closures for wines, sparkling beverages and spirits, in which cork is taking market share away from alternative closures because it is a better-performing closure.

There is a second factor, which is the sustainability factor. One metric ton of cork produced by the forest retains up to 73 metric tons of CO<sub>2</sub>. This is unique from a sustainability standpoint. Corticeira Amorim tries to bring all available technical and sustainable advantages, in order to enhance the use of circular-economy products. If you put all byproducts and residue in the right hands, I am sure that we can create value, ethical use and wellbeing for the client. Our company has been recognized as being very outspoken about this and I think that cork will stride positively in markets going forward.

To offset global changes like climate change, I think we need to do two things. The first is to stop using products that are polluting and start using natural materials. The second is investing in carbon sinks: namely by planting more cork oaks. If we use more of these natural materials, we are going to be forced to plant more trees. We can plant more trees and increase the forests' capture of CO<sub>2</sub>.

Last but not least, we have been investing in R&D. We create pilot plans with new technology, challenging universities and design schools in Portugal on how they can use cork combined with other materials to replace traditional synthetic materials. We used to use recycled rubber in artificial grass pitches, but today we are putting down cork granules, as they do not release any toxins and, at the same time, they allow the temperature of those pitches to reach lower temperatures compared to rubber. We always think about how to best communicate the true value and advantages of cork, so they are known worldwide.

As a company celebrating its 150th anniversary this year, what would your final message be for the global readers of Newsweek?

We have a feeling of pride and success about this very long history. What is a common factor for the four generations of our family, and for the thousands of people that have worked and are working in our company today, is a true passion for what we do and for cork. Never stop believing in your true motivation and always show passion in everything you do.

# Challenging innovation with confidence

**Luís Loureiro, CEO, Widerproperty, highlights the fact that quality of projects and services in the real estate market is paramount**

Real estate investors have been a driving force of the Portuguese economy in recent years. Could you provide us your overview of the current state of the real estate sector in Portugal?

We live with the expectation of how we are going to get out of the pandemic, but with the certainty that we will have very important challenges. The impact of the end of the financing moratoriums will test the resilience of the economy and the capacity of banks, the resumption of activity will still be preceded by a few months of social distance, and there are natural doubts about the resistance of prices in the various segments. However, we are also characterized by strong resilience, and it will be with this quality that we will resume the path of success that we built until the first-quarter of 2020, continuing to attract international investors and providing projects with added value.

After six years in the Portuguese market, can you give us a walkthrough in regards to your most emblematic projects to date and the scope and scale of your 360 degrees management approach to your operations?

Widerproperty fulfilled its objectives, as a startup, made a successful path using a differentiating approach to overcome the real estate crisis. In a first cycle of activity, Widerproperty worked a lot with the portfolios of national banks, recovering assets in order to increase its valuation, the complete turn-around and then guaranteeing its sale, namely residential, logistical, tourist assets and shopping centers, or land without building permits for which we guarantee workable projects and which we sell. In a second cycle, we increased the weight of institutional and international clients, with specific assets or portfolios, in two dimensions, investment and divestment, always with the objective of guaranteeing all services to our clients.

What would be your message of continuity or stability to international investors who have been or are now interested in investing in Portuguese real estate?

At Widerproperty, we are analyzing several investment possibilities with international players in which we can take over management. The sooner we manage to get out of the pandemic the sooner we will regain normality, admittedly with some new assumptions and adjustments at various levels, but we will continue to provide very interesting returns, superior to many other investment destinations to which we add the country's differentiating factors. The challenge is that they resume with us, as soon as possible, where we were in March 2020, believe in the management capacity of local partners and in the quality of Portuguese managers. We will be committed to developing effective opportunities, we are worth for the value we create for investors in real estate projects.

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# Bringing in the new age of real estate

**Hakan Kodal, Chairman, Charles Wanecq, CEO, and William Tonnard, President & COO, Optylon Krea, vouch for the Portuguese real estate market**



Given that you are present in various markets besides Portugal, why do you think Portugal is such a competitive destination for real estate investors?

CW: After the 2011 European debt crisis, the Portuguese deficit was reaching 125 percent of GDP, with an undervalued real estate market and high taxation compared to other European counterparts.

The government created some incentives to attract immediate individual investments, such as the Golden Visa Program, where a non-European can benefit from a European visa if they invest €350,000 in Portuguese Venture Capital Fund or make a €500,000 unlevered investment in real estate. They also created the non-habitual resident tax regime where notable non-Portuguese residents could benefit from highly competitive tax incentives, if they settle in Portugal.

This was an impressive success, which brought the Portuguese unemployment rate down from 16 percent to 6 percent in 3 years. The real estate index benefited from a residual growth of 30 percent improving the banks' capital structures. This resurgence attracted a lot of companies and foreigners into Portugal, in a phenomenon we still witness today.

The focus of your group has been on creating a pan-Mediterranean real estate development and investment management presence with several vehicles to promote value-added opportunities. After six years in the Portuguese market, can you give us a walkthrough in regards to your most emblematic companies, sub-companies and projects to date?

WT: From the very beginning, we acquired a building with strategic location, in the area of Baixa-Chiado, which is part of the historical centre of the city. Overall we acquired about 17,000 square meters in this area including an iconic building of about 8,000 square meters with the aim to perform deep refurbishment keeping only the historical facades. Our latest project, which is today our biggest in Portugal, is called Lisbon Square. This is a 40,000 square meters mixed-use development in the trendy neighborhood of Alcântara, which is expected to be launched in the near future.

On the other side, we have also developed short-term rental activity, which is called LovelyStay, where we have welcomed in five years more than 100,000 guests to date. LovelyStay is employing more than 40 people between Lisbon, Porto and the Algarve. That is another company of our group, which we have been developing quite extensively in Portugal over the last five years. Thirdly, we have also pioneered in the private equity and venture capital business, attracting also international investors through the Golden Visa Program, not only looking for real estate but also private equity. We closed 2020 with more than €52 million of equity in a fund dedicated to investment in Portuguese companies,

which we will deploy in 2021.

HK: We started developing single buildings, which now became part of the international chain. Now, we are bringing the Prima Collection brand of serviced apartments, which was born from our very first buildings in Lisbon, to reach its fifth location in Lisbon. Prima Collection, born in Lisbon, will be expanding to Spain, Greece, hopefully, to Turkey and Italy. As a result, Prima Collection will be a brand made in Portugal, but expanding throughout the Mediterranean.

Looking forward, we are planning to release two or three more projects in the coming two years, under our Prima Collection brand. The total development value of these projects should be over €300 million. We are an award-winning company, either in design, project development or investment management. Hopefully, our projects from Portugal will get us more international awards.

**“We are ready for both commercial and residential areas. There is an abundance of opportunities in the real estate market and we believe that we can leverage that.”**  
William Tonnard, President and COO, Optylon Krea

You have written a riveting article detailing the post pandemic economic scenario and why Portugal is a safe place for high-net-worth individuals to invest on the rebound. Can you explain your reasons behind this bullish view of the rebound of the Portuguese economic activity?

HK: Portugal started to be discovered four or five years ago, when we started investing here, because it was very cheap. We are slowly noticing the growth, as Portugal becomes more and more self-sustainable as a country, not being dependent solely on tourism. Portugal is not just a tourism country, attracting a lot of startups and international investors. I think that this is why we believe that the country will attract more and more an international community including high-net-worth individuals, as it is a great place to be.

This influx of all the international people wanting to live and work here in Portugal has caused a chronic scarcity of supply for housing. How do you see the marketplace in the next five years? When and where will there be interesting opportunities?

WT: The price has gone up quite significantly, but we still see a lot of growth potential. It may be at a slower pace of growth, but we are still going to see a positive outlook overall. In addition, this massive influx of high net worth

international individuals coming to Portugal is driving the price up. All of these people, deciding to come here to start out, they want all to be in the same area of the city, the city center.

Eventually, there will be some more country side areas that will be more appreciated in the coming year. We are ready for both commercial and residential areas. There is an abundance of opportunities in the real estate market and we believe that we can leverage that. In general, I believe that Southern Europe will benefit from that.

HK: Two years ago we decided to invest in our international network, gaining access to such opportunities. This way, we established a huge network of clients and investors, reaching at this point significant numbers. On another note, we are investing in the content and technology to make our investors' equity as attractive as we can. We are spending much of our time directly communicating with our clientele. Real estate is not a development business anymore, it is an investment and services business. We need to help our clients in their search for an ideal investment and that is why our Prima Collection brand is more important than ever.

We are investing in the hospitality business, in the management business, in the digital business and in the fund management business. Those four areas are not related to the construction and development businesses. In other words, construction will not become part of our business, but we will probably help other developers and other real estate companies, through partnerships with them, providing value added services and a distribution channel. This, alongside technology, is the area where we aim to grow in, and not only in Portugal. Our vision is to become the number one company in this segment of the market in investment migration and investment management business in the next decade in the Mediterranean zone.

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# Tapping into Portugal's immense potential

**Séverine Boutel Bodard, CEO, Nhood,** shares with us the company's vision for urban development under the 15-minute concept



How would you sum up the key ingredients that Portugal boasts to make it such a competitive destination for commercial real estate investors?

For our company, Portugal has an enormous capacity for adaptation and innovation. We can develop a new vision of urban life in Portugal. Our aim is to work on urban life and the concept of the 15-minute cities, a famous concept that is really fitting Portugal. The 15-minute city concept refers to the fact that everything is close to you in less than a 15-minute walk. Portugal is bringing this opportunity forward and we have still a huge potential of transformation of the cities. We can bring in Portugal new ways of living, by regenerating and transforming existing space. I also support that the city should not only be reliant on tourism. The best interest for Portugal is to create live cities, not only for tourists, but for its permanent residents as well. Something that also reflects on our company and its DNA, is the fact that we need to bring something to the citizen and the country.

**“We can develop a new vision of urban life in Portugal. Our aim is to work on urban life and the concept of the 15-minute cities, a famous concept that is really fitting Portugal.”**  
Séverine Boutel Bodard, CEO, Nhood

Since your appointment as CEO of Nhood Portugal, what can you tell us when it comes to doing business in the environment of Portugal? What are some key insights from your experience in the fast-paced Chinese market that can be applied on Portugal?

You cannot directly compare those two markets and countries, as China is a unique phenomenon. However, we can see that there is a big concern both in China and Portugal about the environment, as both realize that there is a need for change and the time to act is now. That is the thinking I want to cultivate further in Portugal. When you are in China, you have to keep in mind that everything is going so fast. This is something I try to bring to my team from the very first day. As most people were used to working in traditional markets, we had to shake nearly everything up. Somehow, COVID-19 came to prove us right in that regard. Now digital is everywhere. As COVID-19 has brought this acceleration of digitalization, it has brought many companies before a jump that was projected to require 5 to 10 years into the future rather than today.

You have made an ambitious investment and management plan amounting to more than €500 million until 2025. Can you discuss this new com-

pany in more detail? What is planned with this investment across these next 5 years?

For this program, we are bringing together all the traditional scope of real estate. The idea is to bring solutions for our public and private partners. This project is co-created with them aiming at the transformation of the neighborhoods and the cities. We want to bring into life some spaces in the city. We are here not only to create, but also revitalize and transform real estate assets. Always in these ideas we take into account our new urban vision and the evolution of the current ways of living. Alongside our clients, we have projects of total worth of €500 million in the pipeline for the next 5 years, covering nearly 15 cities from North to South of Portugal. This entails different types of projects, from commercial to residential and offices and other real estate, as we always try to grant this mixture a certain atmosphere.

Can you tell us how sustainability parameters throughout the group's different operations are and comment on new initiatives in particular?

I would say that the triple positive impact is the main pillar for our company. When we talk about the triple positive impact, it means we do not put profit against people. We cannot support any longer this polluting situation and we need to act as soon as possible on creating a better environment. It is not too late, but it is certainly a time to act. Transformation of assets and a turn towards sustainability is a must-do, not something that is just nice to get started.

What goes hand in hand with sustainability is the use of technology and innovation. Do you think that this is part of Portugal's DNA going forward, as well as one your company's pillars?

For me innovation and technology are everywhere. Again, they are more than a pillar, they are a must-do. We have to encourage municipalities to accelerate changes towards that direction whenever that is possible. Technology is the one responsible for bringing new solutions to clients. To bring the best for our clients, digitalization is indispensable.

What would be your final message for our readers of Newsweek?

Nhood is a beautiful project, through a company with a real purpose. When we say that we want to create generate active communities and sustainable cities we have to do it all together. We need to share this vision that we all can act together for a brighter future in urban life. We must work the real state assets with mixed use perspective, answer to the new living mood under the 15-minute concept and generate positive impact. With this we will be bringing real benefits to the citizens life.



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- DEVELOPMENT AND PROMOTION

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# Renovating a sector with disruptive concepts

**João Mário Pimentel de Andrade, CEO, Grupo FUTURE,** believes that it is time to bring fundamental changes in the civil engineering industry



**How would you sum up the key ingredients that Portugal boasts to make it such a competitive destination for real estate and engineering groups, such as Grupo FUTURE?**

Although in the past and recent years we have been registering a lot of investments, foreign and national, in the sector, our potential is much bigger. Our local market is small, just like our population. We have a very strategic position in Europe and our conditions are perfect for many people around the world. Our health system is robust and our climate is one of the best in Europe. To live in Portugal is cheap, compared to some of the other European countries. We are a safe and friendly country, with foreigners not feeling alienated in any way when they visit us.

We have a lot of key advantages that have not yet been completely exploited. We are not offering the best that Portugal can offer. Over the past 4 years, a lot of international funds and real estate companies are coming to Portugal making huge investments. We still need to have a national strategy that highlights our advantages and promotes them properly. This would allow us to prepare real estate products that meet the needs of the people we are trying to attract to our country, rather than just creating projects to be used by ourselves. We ought to prepare specific products for all those sources of people that want to live here. For example, I think that Portugal is the perfect chance for multinational companies to set their R&D departments.

**“With all the technology that we have available, it does not make sense for a building to not be completely managed by IT platforms.”**

João Mário Pimentel de Andrade, CEO, Grupo FUTURE

**Grupo FUTURE brings a lot of international experience and you are a reference in the industry. Are you implementing a specific strategy to cater for different markets? Could you introduce the company and describe some of its main areas of competence?**

We are not a normal engineering consultant company, waiting for our clients to ask us about their projects. First, we try to bring in international investors to Portugal. Second, we try to provide them with a vision, explaining to them why they should come and invest in Portugal. We are proactive in terms of our business approach, with some quite disruptive concepts. We integrate digital solutions and we care a lot about sustainability. These are two of the three main strategic pillars of our Group. We are integrating sustainability and digital

solutions, into classical engineering.

On a broader spectrum, we think that all infrastructure should have artificial intelligence incorporated in order to be environmentally sustainable and achieve high levels of operational efficiency. With all the technology that we have available, it does not make sense for a building to not be completely managed by IT platforms. We do not want to reduce the amount of people working, but we wish to make it more effective. We can be more effective in terms of electricity, saving our energy through our buildings, we can manage water resources more efficiently and we can have less of an impact on nature, by providing better solutions for our buildings and infrastructure projects. This is possible nowadays, using IT solutions, with classical engineering. Everything can have AI incorporated and operate in a much more efficient way that they are doing now.

**How do you think people are adapting to that?**

The market is receiving this very well, as we show to our clients that they can reduce significantly their investment as well as operation costs. They believe in our concept, either as private clients or even governments from some countries. In my opinion, by the end of this decade we will not have engineering companies like we have now. We either control our evolution ourselves, as pioneers, or we let this untapped potential to be claimed by other companies. If an engineering consultant group like ours steps forward towards this transformation, we will evolve and keep all the knowledge and the essence of engineering.

For example, we are developing now a platform that will change the supervision of construction. Nowadays this area is ridiculously old-fashioned, as, now, investors get reports by the supervisors on what progress was made over the past month. We are creating a platform, that started in February as two pilot projects in Portugal and Brazil, where our clients will know what is happening in the moment. That platform will have AI incorporated. We can have a lot of information for the clients, as all players in one construction will be connected in one platform, communicating through it automatically. This will allow us to provide a much better service to our clients. They will be able to see what is happening at any given moment, following the work situation, on its multiple dimensions, from their phone or computer. We have supervised construction all over the world and in various types of projects, including hospitals, that require more than two years to be built.

Last but not least, this means that we will be sending our experts away for two years controlling only one project. With this platform, our experts could be controlling multiple sites at the same time. This way we will be more competitive, the client will be much better served.

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# A hidden gem for residential real estate investors

**Tomas Suter, Partner and Senior Advisor, MEXTO,** introduces a company creating luxury living spaces in stunning locations for its clients



Could you sum up the key ingredients that Portugal boasts, which make it such a competitive destination for real estate investors?

It is well known that, since 2014, the real estate market in Portugal has been very interesting, dynamic and unique in some ways. It is the second-safest country in the world, which in my opinion is a huge benefit, especially in the times we are all living in today.

Portugal, especially Lisbon, has become more international in recent years with the opening of more hotels, restaurants and services that are on a level that suits their international clientele's needs in terms of quality. In addition, we have fantastic weather throughout the year and are located centrally in Europe, so the country is very accessible from almost all European Union member states. Portugal offers several interesting programs, such as its Golden Visa permanent residency scheme and non-habitual resident tax regime, which attract international investors and capital.

**“Whenever possible, we also work with Portuguese suppliers, especially with our newest project O’Living, as it is a project for the Portuguese by the Portuguese.”**  
Tomas Suter, Partner and Senior Advisor, MEXTO

With its new project in Olivais, a district in the east of Lisbon, MEXTO is effectively serving the underserved middle class. What are the long-term business prospects of this national segment?

O’Living is our most recent project that we are just launching at this very moment. It is a development we have made in collaboration with the architect firm Saraiva and Associates and, from the start, we aimed to promote this project to the Portuguese national market. This is a market with prosperous potential that needs special attention from developers. We feel that we have an obligation toward the Portuguese people. From the feedback we have received since the announcement of the launch we feel exactly that this market is still underserved and there is a lot of demand to satisfy. We are happy to see that O’Living is fitting the market’s need and we are convinced it offers a very interesting opportunity for both Portuguese and international clients.

MEXTO has partnered with Germany’s Jung Technologies for its smart home solutions and with Italy’s SCIC for the best finishes in kitchen design. How much importance does MEXTO put on finding the right suppliers during the refurbishment process?

Our goal was always to design luxury projects for people not to just to invest in but to actually live in—to create homes and not just investment opportunities. A lot of things are sold and promoted as ‘luxury’, but they lack the finishes and quality that international clients would expect. This is central to our offering and that is why we value the right partnerships. This is where we at MEXTO can make a difference.

In the end, people will always compare the quality of the finishes at the luxury level. Jung Technologies and SCIC are just two examples, where MEXTO is working with international top-level brands to provide a unique level of quality to the future owners of the apartments. Whenever possible, we also work with Portuguese suppliers, especially with our newest project O’Living, as it is a project for the Portuguese by the Portuguese.

**There is now a greater emphasis on the role that technology and smart building design will play in living spaces in the not-too-distant future. How does MEXTO’s strategy for the future reflect this?**

It is important for urban planners to take these things into consideration. It is also very important to have project development plans that address other, wider plans for a city’s ecosystem, in order to create an optimized living space for all city residents. It is an obligation for us as investors and developers to take this into consideration when we are designing and planning our projects. In terms of technology and smart building design, MEXTO makes all efforts to implement the latest trends in our developments, making them ready for the near future and possible changes that we might experience in our everyday life.

**What would be your final message for our readers of Newsweek?**

We, at MEXTO, are very happy to be part of the players in the Portuguese residential real estate market. We believe that we can offer something different in terms of quality and design to our clients, working with the best international brands and suppliers. We bring a vast experience in different markets and use it in our investments here in Portugal. On the other hand, we do not just want to serve the international markets, but also to provide answers to the increasing demand in the national market, while using local products. The dynamic of the market, especially when it comes to new investments, has been affected slightly by the pandemic, however we are keeping our eyes open and are analyzing several projects right now. We know that next year there will be very interesting opportunities and also more interesting projects to come. MEXTO started its investments and activities in Portugal almost four years ago and is here to stay. Our main goal is to design, create and build unique and different projects, apartments and living spaces for our clients.



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# Answering global challenges with innovation

**António Carlos Fernandes, CEO, Grupo Casais,** reveals how the group uses sustainable practices to have a positive impact on the world



**Why do you think Portugal is such a competitive destination for real estate investors at the moment?**

Portugal has been a hidden gem within the real estate world. We have quite a history as a country, so people are also now more interested in learning about that and our culture. Tourism is on the rise and I think that the country's Golden Visa Program has played an interesting role as it has mapped the country for others that were not yet aware of us. That has started a process of word of mouth where people started to enjoy our key advantages and, in the age of social media, this has further propelled that effect.

**“If we are changing nature, we should change it in a way that leaves it better than it was and the impact on the environment around the project site should be thought of in the long term.”**

António Carlos Fernandes, CEO, Grupo Casais

**The company has previously stated that it expects to grow in Portugal, strengthen its presence in the Persian Gulf and the U.S., and enter the Ghanaian market. Could you give our readers an overview of Grupo Casais' internationalization strategy?**

We have been an international operator for 25 of the 60 years of our activity. Our approach for our international business today is clearly focused on risk management strategy. We are present in several economic blocks in the Middle East, Africa, Europe, the U.S. and Latin America. Until 2008, we were 70 percent domestic. After the financial crisis at that time, we shifted and became 70 percent active in the international market. We are still growing in our domestic market, as we expect that—even this year—we will see a growth rate of almost double of what we experienced in 2019. Approaching new markets, like the U.S., there will always be a boost in infrastructure spending. We are also looking at Europe, our domestic market and to increase turnover in countries that we are already active in. Furthermore, we are looking at the Middle East as a market, which we expect will be hit by the price of oil. On the other hand, we have seen that it is a region that has been building up capacity to hold more residents.

**Grupo Casais is a highly experienced reference point for the industry in the area of project management. Could you describe some of the services it offers that lie behind its sustained success?**

As a 60-year-old construction company, we have assets and know-how in the real estate area. One of the things that distinguishes us from other companies

in Portugal is that there is no other company in the country with our type of organization. We also have second-tier subcontracting levels within our group. We have a lot of flexibility in the way we perform our internationalization. This is key for the model that we have been building over the last two decades.

We also differentiate on our know-how on how to manage a construction site. We have in-house professionals that know about different aspects of mechanical, electrical and plumbing engineering. It is easy for us to develop new products and solutions that are truly integrated. I think that clients see this advantage in getting us on board and discussing how we can best contribute to their challenges.

In 2000, one of the things that we invested in was our enterprise resource planning system, in order to have a top-level view on cost control and management. In that year, we were the 35th largest company in Portugal. By 2010, we were the 13th and now we are the 3rd largest. We are now not only managing those areas of specialty, but actually integrating everything and approaching our clients in a more collaborative way. We set expectations at an early stage and we bring in our experience before they fully develop the projects.

**Grupo Casais is responsible for bringing the CREE system to Portugal, which is based on a natural renewable raw material for prefabricating individual standardized components. Could you tell us more about this innovative technology and its benefits?**

The CREE system allows for the modularization of construction to occur in a sustainable manner. If we are changing nature, we should change it in a way that leaves it better than it was and the impact on the environment around the project site should be thought of in the long term. The CREE system takes advantage of a material that boasts carbon-trapping capabilities, so we are trapping carbon in the building while working with this process. This wood is then reusable 20 or 50 years after the completion of a project, because it is part of standardized modules that you can disassemble and give a new life.

**What do you believe will be the biggest challenges for your sector in the future?**

I think that climate change is the biggest global challenge moving forward. When we look at real estate and construction, we have a very large role to play and I think our positioning is key for the future of society. It is not only about the climate, it is also about the wellbeing of people, as we are living through a very demanding time. As a company, we are only a small part of the general formula of the economic and social landscape, but we are totally committed to doing our best toward the United Nations Sustainable Development Goals.

# Using an adverse situation to fuel progress

**José Luis Cacho, President, Port of Sines,** suggests that the port sector is, apart from a pillar of resilience, a potential driving force for the economy



**Could you provide us with an overview of the port logistics and maritime sector in Portugal, as they relate to great strategic and commercial importance for the country?**

Portugal benefits from a geo-strategic location within the cross of the main maritime routes North-South and East-West, thus allowing the country to be the hub par excellence connecting the Atlantic and the Mediterranean traffic, the North of Europe and Africa. In this scope, Sines plays a key role, being the unique deep-water port in the country, offering capacity for the handling of the biggest vessels operating nowadays, in all types of cargo.

**The Port of Sines is the country's leading port in terms of total throughput, handling 50 percent of Portugal's total volumes of cargo, while in containerized cargo particularly, Sines' share goes up to 56 percent. What are the short and mid-term strategic objectives of APS to ensure that the maritime sector is in a position to support the economic recovery?**

Despite the pandemic crisis, the Port of Sines has been operating round-the-clock, at 100 percent. Sines is Portugal's leading port in terms of cargo handling, being the main supplier in energetic products, not only crude and derivatives but also in LNG, while containerized cargo represents around 52 percent of the country's total throughput. In order to comply with the challenges of the decarbonization, we have been committed to find new businesses for the Dry Bulks Terminal, due to the cease on the handling of coal. We have been focused in the agro-business, which might be an option.

**“Today, the ever more globalized market demands us to be quicker, smoother and smarter. All the logistic chain must be agile and constraints free.”**

José Luis Cacho, President, Port of Sines

**The only LNG Terminal in the country is located at the Port of Sines, being responsible for nearly 90 percent of Portugal's needs. What is your view on the role decarbonization and digitalization play in the port's infrastructure?**

Ports are increasingly complex 'entities'. Some of them are important energy, industrial and 'blue economy' clusters, along with their core activity of handling passengers and cargo, while acting as a connecting agent between the sea and the hinterland.

Moreover, the 'transformation' of ports into true hubs of innovation and

digitalization is growing. In addition, we must not forget the key role of port communities in solving various constraints, whether they are bottlenecks in the hinterland, social or environmental issues.

The Port of Sines has been leading the way toward technological development in the Portuguese port sector. In 2008, Sines headed the development of the JUP – Port Single Window, which has paid a tremendous contribution to ports' efficiency. Portuguese ports are paperless, offering smooth, quick, safe and efficient operations. In 2013, the Port of Sines started to implement the platform that has led to what is the JUL Logistic Single Window nowadays.

Being a strategic national project, the JUL broadens the scope of the JUP along the logistic chain, comprising land means of transport, thus allowing all the players to interact. Today, the port goes far beyond its terminals and quays, spreading its influence along the hinterland and the foreland. Digitalization and innovation are more and more key competitiveness factors, whereas operational efficiency is no longer enough.

Today, the ever more globalized market demands us to be quicker, smoother and smarter. All the logistic chain must be agile and constraints free. Today's markets demand instant, efficient and innovative responses. It is up to us to be creative, reinvent solutions and develop the skills to provide a proper, efficient, sustainable and competitive response.

In what concerns decarbonization, Sines is, since the beginning of its history, an energetic port, with crude and coal representing more than 60 percent of the total cargo handled. Today, these volumes have been decreasing and we are working on new business opportunities for these terminals.

**As it stands, what are Portugal's most attractive investment opportunities linked to maritime and transport infrastructure?**

Regarding new investment opportunities, we must also enhance the tremendous advantage of being jointly located with an industrial and logistic area (ZILS), with wide business opportunities over 2,200 available hectares. Port and ZILS have been engaged in the promotion of this privileged strategic location, excellently served by road and rail connections.

**How has APS adapted its operations to face the current global economic situation?**

I think it was natural to adapt ourselves, because all of the port community and regional authorities have been closely working together, under the orientations of the health authority, thriving to keep the port fully operational. We worked, as usual, as a team. That is the most important part for us.



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