

Why invest in Portugal?

Portugal has matured in recent years. And it is continuing to do so. In response to the severe recession in the first half of the decade, which hit Portugal's economy particularly hard, the country managed make the necessary sacrifices and then, more importantly, to simplify and adapt, making itself more efficient. It focused on some strategic areas and key aspects of the competitiveness of its economy to become more coherent and more mature as a market.

PORTUGAL IS MORE MATURE NOW.

And the results are clear for all to see: the socio-economic indicators, recognition from the international financial markets and the evermore frequent high rankings in various international classifications (relating to various aspects of social, economic and administrative life) clearly show that Portugal is an increasingly dynamic, accessible market and, as a result, more attractive for foreign investment.

In early 2018, the French edition of Forbes magazine used the title 'Le Portugal, la nouvelle destination pour investir' (Portugal, the new destination for investment) in an article highlighting aspects such as the young, well-qualified population, the competitive values of the real estate market, the culture, quality of life and, of course, the pleasant climate. However, other arguments are often put forward, such as the stable social climate, labor costs, the favorable business environment and the telecommunications, transport and logistics infrastructure.

PORTUGAL IS MORE ORGANIZED TOO



There are no restrictions on the entry of foreign capital and there is a principle of non-discrimination regarding nationality. Hence, Portugal does not require investors to have national partners and does not lay down any restrictions on the distribution of profits or dividends abroad.

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Subject to the same rules as domestic investment, foreign investment does not require special registration or

In addition, it is now extremely easy to start a business (it can be done in less than an hour) and the government provides an online toolkit that has made life much simpler for businesses and citizens with the automation of an increasingly extensive range of operations. There is also the Simplex program, which has been responsible in recent years for simplifying and dematerializing hundreds of administrative and tax procedures.

From automatic IRS declarations to access to the social security portal and monthly pay declarations, to more specific areas such as the Single Environmental Permit system (where all environmental licensing procedures can be found), the Electronic Waste Monitoring Guide, or the registration and management of animals in livestock facilities) are just some examples of the many simplified processes now available online.

There have also been improvements to the tax system. The Investment Tax Code, as amended by the State Budget for 2019, provided for a general increase in the measures envisaged, in particular as regards the maximum amounts or percentages of investment values accepted for tax deductions, or in the increase of certain markups on amounts invested for tax benefits.



PORTUGAL IS ALSO BETTER PREPARED

Ranked 13th in the infrastructure pillar of the World Economic Forum's Global Competitiveness Report for 2017-2018, Portugal has another particularly valuable asset when it comes to attracting foreign investment. We just have to look at its

ROAD INFRASTRUCTURE.

The quality of Portuguese roads is ranked the 4th best in the world and the country comes 6th place in terms of density of the highway network, well above the average of OECD countries.



MARITIME INFRASTRUCTURE:

Ranked the 25th best country in the world, in addition to the major ports of Lisbon and Leixões (Porto), it includes the deepwater port of Sines. The latter has the capacity for post-Panamax class vessels, and has seen record growth in its activity over recent years. There are also several smaller ports, which can accommodate local maritime traffic.

AIR TRANSPORT:

The four international airports (Porto, **Lisbon**, Beja and Faro) are well distributed geographically, so people travelling to the country can join any part of the country via a road link in under 3 hours. In addition, Funchal (Madeira), Terceira and S. Miguel (Azores) also have international airports.

RAIL INFRASTRUCTURE:

Ranked 25th in the world in terms of quality, the rail network includes a comprehensive along the densely populated coastline, plus several cross-country links to the interior. The Atlantic Corridor, a railway line linking Portugal, Spain, France and Germany, was inaugurated recently. Through centralized management of capacity allocation, traffic and customer relations, it has considerably improved the competitiveness of this mode of transport, in particular for freight.



TELECOMMUNICATIONS:

Portugal has one of the best telecommunications networks in Europe, with full mobile coverage across the country and very extensive coverage of the optical fiber network. Wi-Fi access is widely available in urban areas, especially in the vast majority of retail areas, even in small towns.

PORTUGAL IS WELL LOCATED

With direct air links to the main European cities, most of which are less than two and a half hours away, Portugal is well placed in Europe. There are many low-cost airlines ensuring affordable connections and frequent flights. Portugal is also the ideal link between Europe, Africa and America.

Portugal is an increasingly frequent destination for business meetings and major international events, in fields as diverse as culture, sport and technology, and is now a popular destination for large multinationals setting up shared service centers and European skills centers. Today, there are more than 100 of them, providing more than 50,000 jobs.

PORTUGAL IS A SAFE COUNTRY



Portugal ranked 4th out of 163 countries surveyed in the 2018 Global Peace Index, considered the worldwide benchmark for assessing global peace and security (source: Institute for Economics & Peace).

Then there is the quality of life, the rich cultural heritage, the magnificent landscapes and white sandy beaches, the national gastronomy and confectionery, the extraordinary climate and the international influence made possible by the Portuguese language, spoken by more than 250 million people on almost all continents: Europe, Africa, America and Asia.

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In addition, the Portuguese market today offers a privileged ecosystem for foreign investment, with undeniable competitive advantages and an extremely welcoming global environment.

In the next issue of Forest Time, I will talk about investing in Portuguese forests, something you see less often in publications on Portugal, but which may well surprise you!

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