

aicep Portugal Global

Think Global Think Portugal

2015



Index

Why Portugal?

3

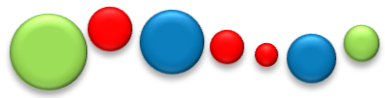
Prominent Industry Sectors

19



Why Portugal?



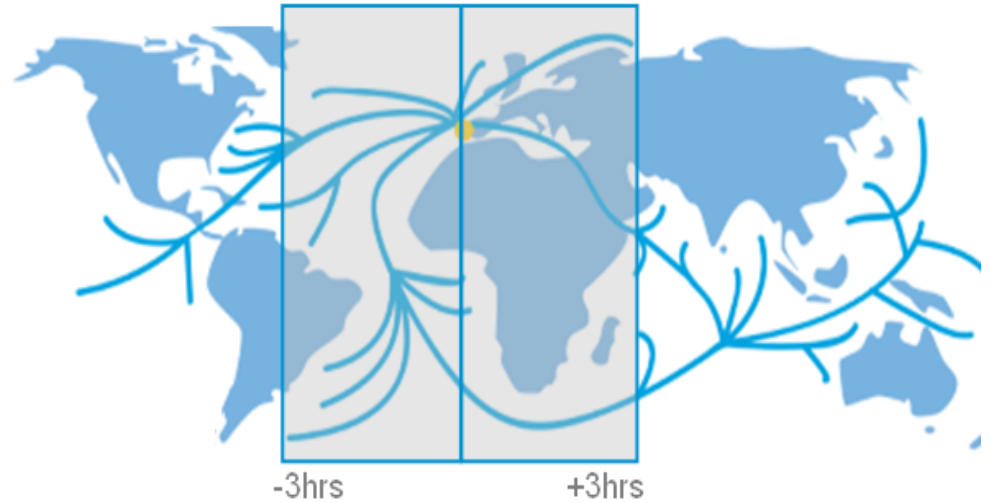


Why Portugal?



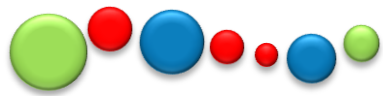
Strategic Location

- Nearest European country to the US and Canada;
- 3 hours difference from São Paulo and Moscow;
- Same time zone as UK and Ireland;
- 1 hour-difference from Central European Time.



At **West**, we provide a transatlantic bridge to the Americas. We have an open door to the Atlantic ocean being a strategic point for important international traffic canals.

At **East**, we are a privileged entry point for the EU as well as strategic platform into the African markets and Portuguese Speaking countries.



Why Portugal?



Open door to
broader markets

Portugal is a country member of the EU, sharing the common currency. Free trade, non-tariff barriers, free movements of labor and capital are among the main benefits.

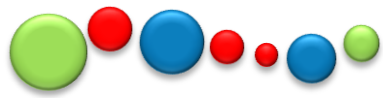


**500- MILLION
MARKET**

Portuguese is the 5th most widely spoken language in the world shared by the CPLP (Portuguese Speaking Countries Community) countries like Brazil (one of the BRIC countries), Angola (one of the fastest growing economies), Mozambique, Cape Verde, São Tomé and Príncipe, Guinea-Bissau and East Timor.



**250- MILLION
MARKET**



BROADBAND

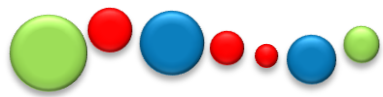
- Portugal ranks **#2** in growth rate of **wired broadband penetration** (per 100 inhabitants): 6,5% in Dec. 2012-2013 (3% in OECD countries).
- Percentage of **fibre connections in total broadband: 18,1%** in Dec 2013 (above OECD average 16,7%). Ranks **7th** among EU 28 countries.
- Annual growth of **fibre subscriptions: 26,5%** (OECD average 2012-2013: 14,6%).



FIBRE

- **94%** of **Central Public Administration** bodies have Internet connections with broadband ≥ 2 Mbits/s (2013).
- **95%** of the **businesses** use broadband connections (fixed technology 92% and mobile 66%) in 2014.
- Portugal is in the TOP 10 in Europe (ranks #8 in EU28), in **high-speed access to the Internet**, fixed-broadband subscriptions per 100 inhabitants in early 2013.





Why Portugal?



Highly developed infrastructure

Quality of overall infrastructure: **12th** among the best in the world

SEAPORTS



Quality of port infrastructure

23rd among the best in the world

ROADWAY



Quality of roads

2nd among the best in the world

AIRPORT



Quality of air transport

20th among the best in the world

RAILWAY



Quality of railroad infrastructure

23rd among the best in the world

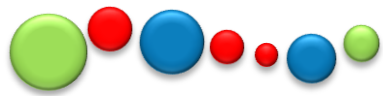
Source: World Economic Forum, Global Competitiveness Report 2014--2015; Total number of countries: 144, WEF



PORTUGAL 2014: TOP DESTINATION OF THE FUTURE FOR WATER-INTENSIVE INDUSTRIES



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Why Portugal?



Highly developed infrastructure

Deep-sea water port of SINES: Post-Panamax Vessels;
 Natural sea bottoms up to -28m ZH;
 Over 36 Million Tons in 2013 handled.
 The port of SINES was the world's **fastest growing container port** (+68% in 2013), according to *Container Management*.



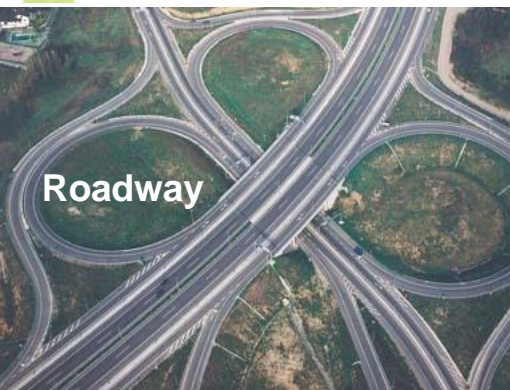
In motorway network density, **Portugal ranks 6th**, well above of OECD average.

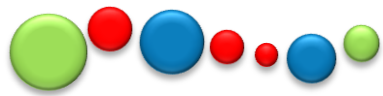
Recently launched, the Atlantic Corridor is a rail freight between **Portugal – Spain – France**. Extension to Germany is expected to be operational until November 2016.
www.corridor4.eu

According to the Airports Council International, the Oporto Airport was distinguished as the **3rd Best European Airport in 2013**.



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Why Portugal?



Cost Competitive

Eurostat, 2014 Q1
% change

Labour Cost % Change

Labour costs continued its downward trend

1.0



-1.4



OFFICE SPACE:

Lisbon is 19th less expensive city out of 67 cities (2013)

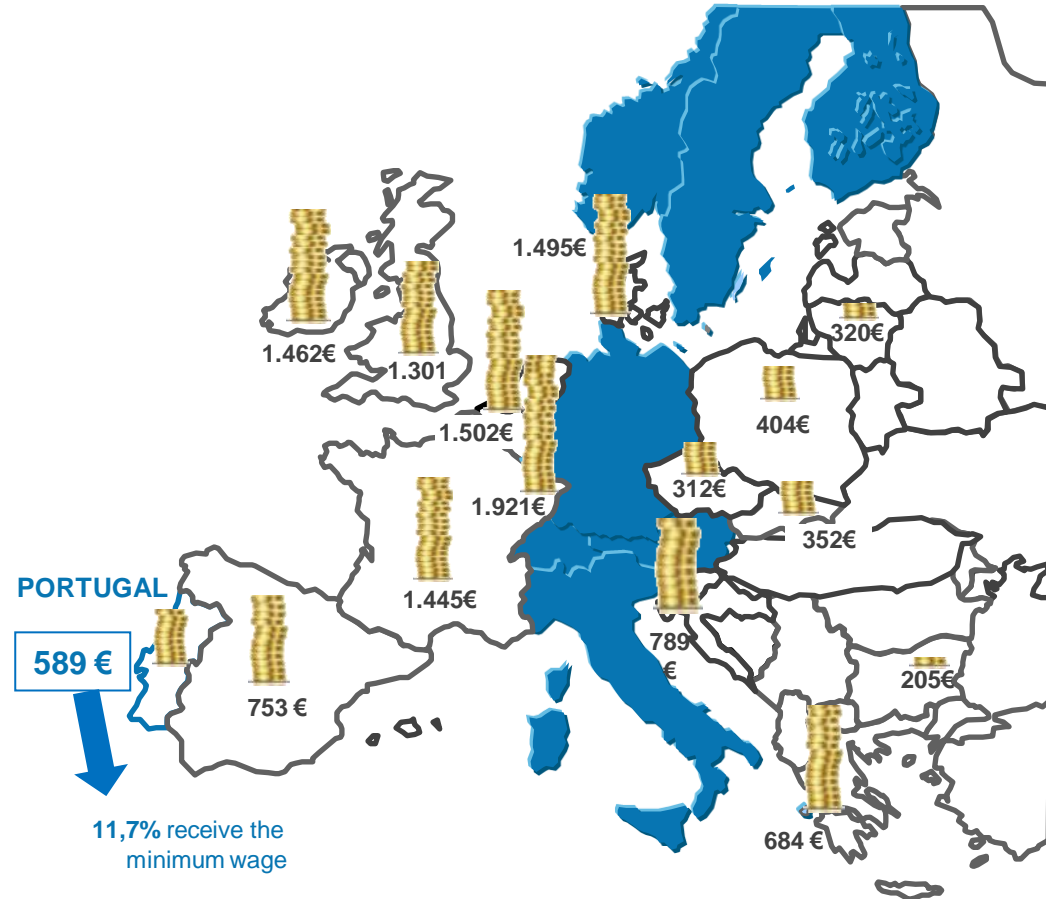


INDUSTRIAL SPACE:

Lisbon is 8th less expensive city out of 53 cities across the world (2011)

Source: Cushman & Wakefield

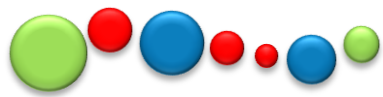
MINIMUM WAGES IN 2014



No statutory minimum wage

Source: Eurostat, 2014

Data as of 4th November in European Union.



Why Portugal?

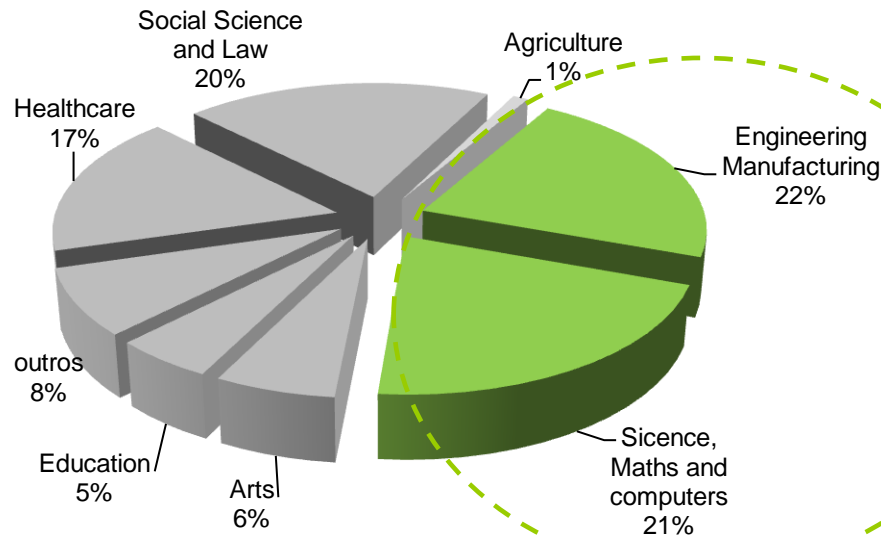
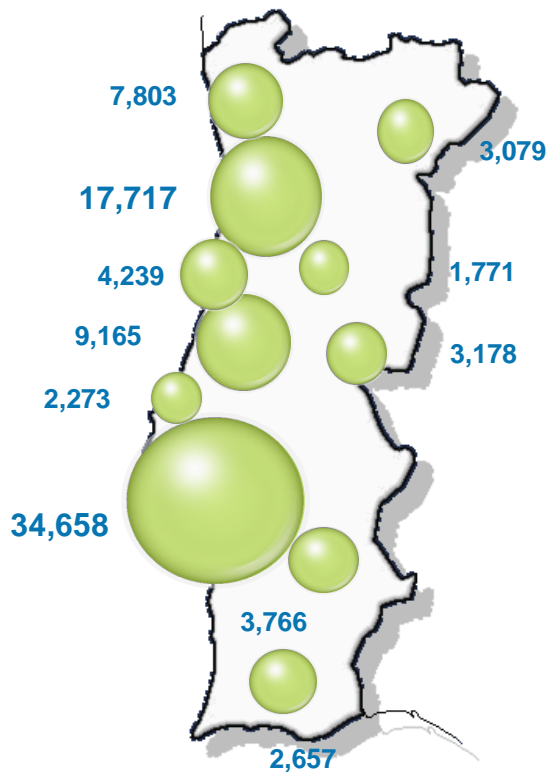


Highly talented workforce

Number of total graduates in the main regions in Portugal, 2011/2012

Students enrolled in higher education institutions by field of study, 2012/2013

Source: INE – Statistics of Portugal, 2014; Eurostat

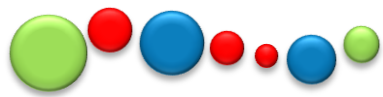


Math's, Science and Tech areas represent almost 43%

Portugal ranks #4 in total graduates per 1000 inh. (ISCED 5-6) in Mathematics, Science and Technology in EU 28 in 2012



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Why Portugal?



Highly talented workforce

Wide pool of multilingual skills: 61% of Portuguese know, at least, 1 foreign language



- **English learning is mandatory** from elementary school;
- Students enrolled in lower secondary level (Eurostat 2005-2012):
 - **86% learn English** (96% in EU28)
 - **57% learn French** (34% in EU28)
 - **22% learn Spanish** (12% in EU28)
- **78% of the students learn 2 or more foreign languages** (65% in EU28, 53% in France or 42% in Spain);

- ❑ **Mathematic performance above OECD:** 19.6%, PISA 2012 (OECD average of 14.8%);
- ❑ Portugal has the **9th highest score in English tests** (among EU28, TOEFL 2013);
- ❑ Quality of Management Schools: **Portugal ranks #4** (among 144 countries, GCR 2014-2015, WEF)
- ❑ International partnerships with World-class education institutions offering cutting-edge research and PhD and Master programs:

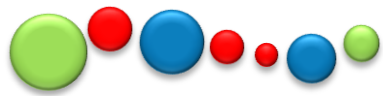


HARVARD
MEDICAL SCHOOL

**Carnegie
Mellon**

THE UNIVERSITY OF
TEXAS
AT AUSTIN

 **Fraunhofer**



Why Portugal?



Incentives & Grants

Forbes

Portugal as the 20th Best Country for Business 2013

TAX INCENTIVES

- Income tax: flat tax rate for expatriates of 20% (+3.5%) for a 10 years period.



JOB CREATION

“Estímulo Emprego” Program

- Unemployed for more than 6 or 3 months in certain cases;
- Support:

Fixed-term contracts:

EUR 335,38 x [n^o months of the contract x 50%] up to the limit: EUR 2.012,26;

EUR 419,22 x [n^o months of the contract x 50%], in certain cases up to the limit: EUR 2.515,32

Permanent contracts:

EUR 461,14 X 12 months = EUR 5.533,68

- Minimum duration 6 months;
- Net increase in total employment
- Cumulative with Social Contribution Exemptions

JOB CREATION

Internships

- Young people unemployed/ handicapped people;
- monthly support for up to 12 months (80% to 100% depending on number of employees):
- Work insurance and meal allowance included

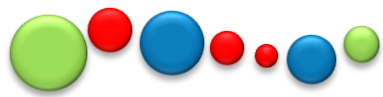
Exemption (for 36 months) of social contributions

- Young (first job) or long term unemployed people (> 12 months)
- Permanent labor contracts only.

CUSTOMIZED INCENTIVES PACKAGE

RECRUITMENT SERVICES FREE OF CHARGE





Why Portugal?



Business friendly environment



EASE OF DOING BUSINESS

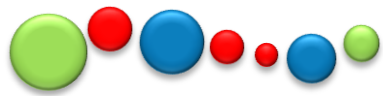
- **Ease of Doing Business Rank: # 25** (out of 189 countries, World Bank DB 2015)
- **Tax Reform:** Reduction of corporate income tax from 23% to **21% in 2015**;
- **Labour Reform:** increased the duration of fixed-term contracts, reduction of severance pay, new lay-off rules;
- **Time to set up a business: less than 1 hour**;
- Major public services are on-line and several legal obligations have been eliminated, simplified.

MULTI-CULTURAL

- Portugal is **TOP 4 in Cultural Openness** (IMD, 2013);
- Portugal is very **open to foreign cultures**: the availability of international schools, the safety record and quality of life attract expatriates;
- As a result Portugal **is ranked #2 in the Migrant Integration Policy Index 2011** (MIPEx III).



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Why Portugal?



FDI track record



“(...) With their outstanding expertise in precision engineering, our Portuguese colleagues have made a considerable contribution to Leica Camera’s success story.”

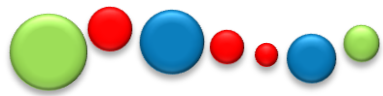
Andreas Kaufmann, Chairman of the Supervisory Board, Leica AG



“At HB Fuller, our expanding Portuguese team has quickly gained a reputation for professional expertise, high energy, quick learning and cross-functional teamwork. I am delighted by the quality of the people we can attract and how fast they have developed.”

Malcolm Grey, Finance Director EIMEA, H.B. Fuller Europe





Why Portugal?



AICEP Support



Single point of contact
in all phases: pre-
investment, incentives
negotiation, settling in
and after care

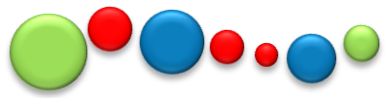
**Dynamic
approach**
focused on the
client or investor

Promoting a **direct negotiation** with companies, through which a tailored approach to incentives may be applied in order to define a global package that fully satisfies the investor's needs

Government
business entity,
flexible, **free of
charges** and
streamlined services



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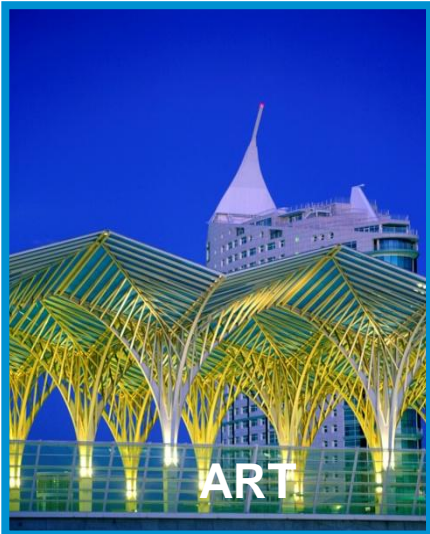


Why Portugal?



Quality of Life

- ☀ **Best European Country** (USA Today 2014)
- ☀ **8,3 Million Tourists** in 2013
- ☀ Travel & Tourism Competitiveness Report 2013: **Portugal is 20th** (out of 140)
- ☀ Average Temperature at 12:00am: **25°C (summer) and 16°C (winter)**
- ☀ Lisbon **2nd Best City to Invest** (Financial Times, 2014)
- ☀ Algarve **Best Place in the World to Retire** (FORBES “2014 Retire Overseas Index”)

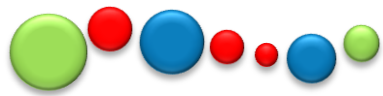


EUROPEAN TRAVELLERS CHOICE 2012



living in Portugal

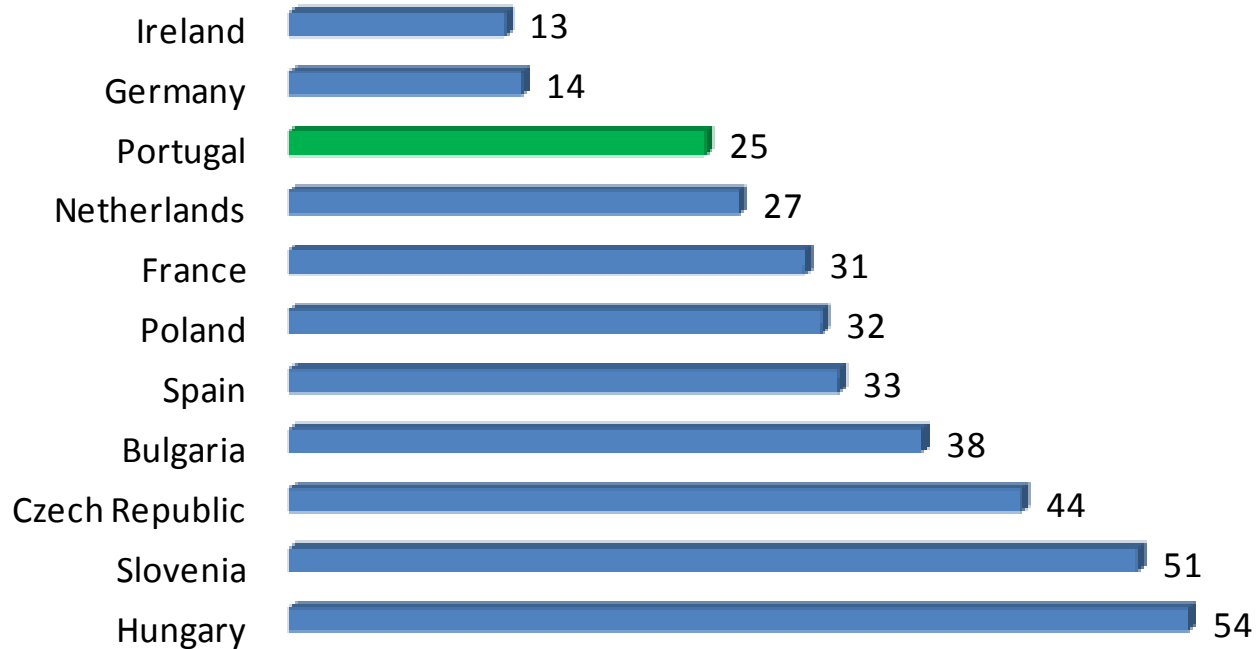
O website oficial para informação sobre compra de casa em Portugal

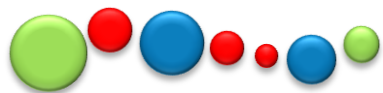


Why Portugal?

International Comparisons

EASE OF DOING BUSINESS RANK 2015

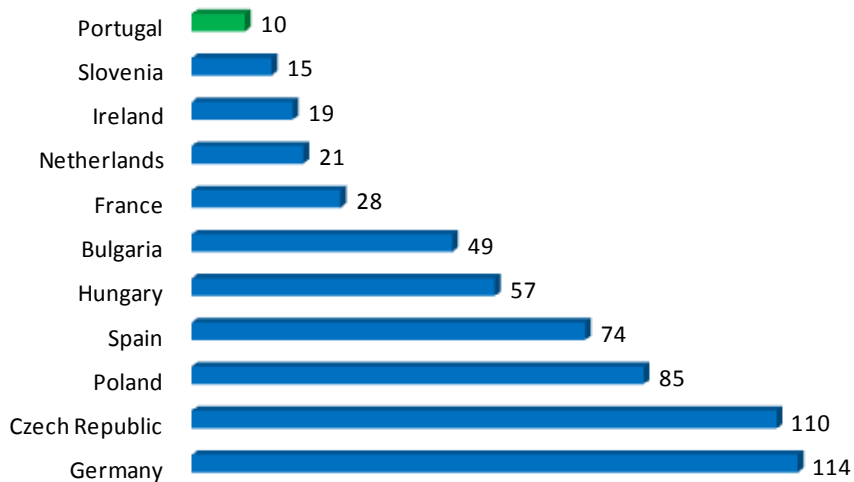




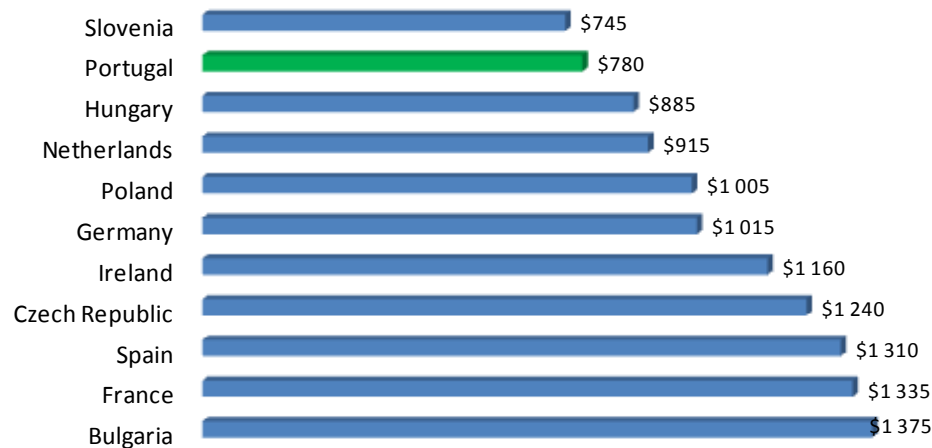
Why Portugal?

International Comparisons

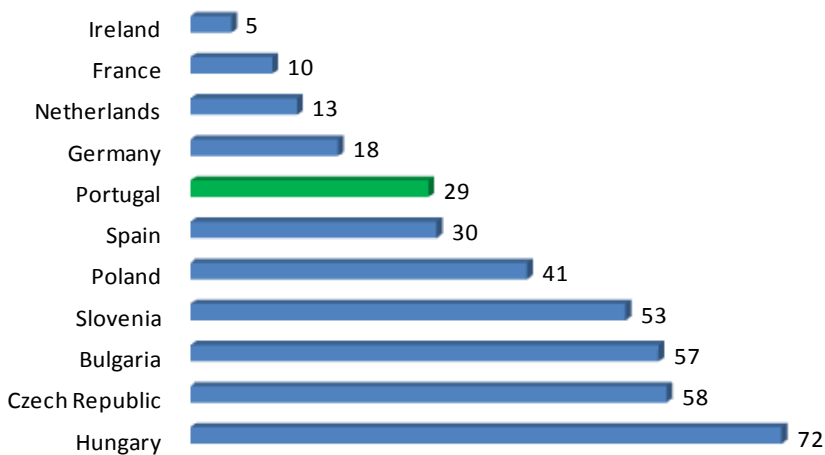
STARTING A BUSINESS RANK 2015



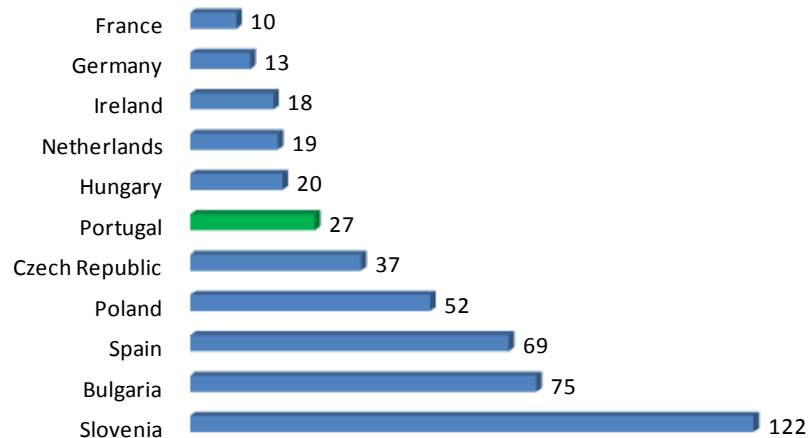
COST TO EXPORT (US\$ per container) 2015

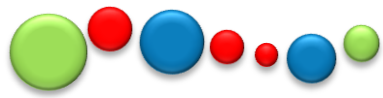


TRADING ACROSS BORDERS RANK 2015



ENFORCING CONTRACTS RANK 2015

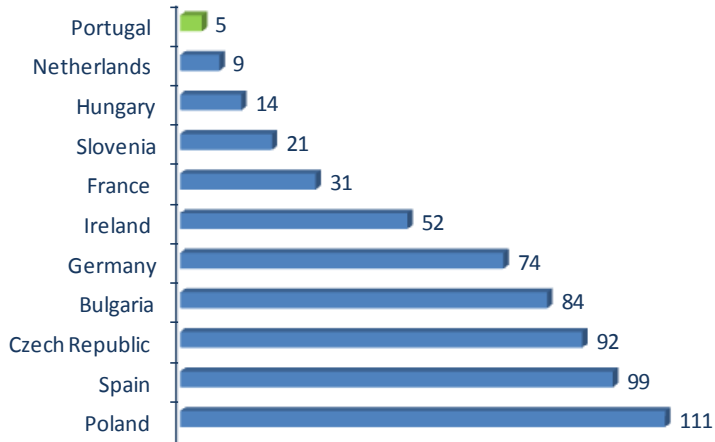




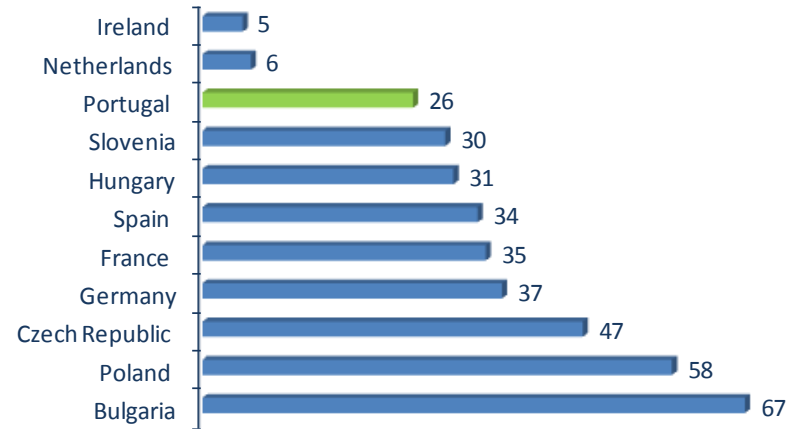
Why Portugal?

International Comparisons

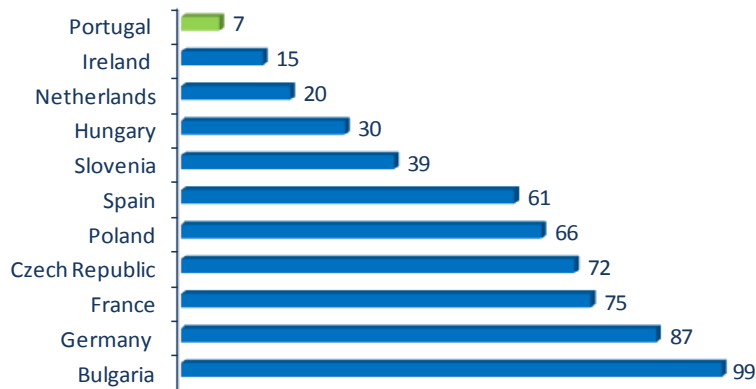
**N. OF DAYS TO START A BUSINESS RANK
2014-2015**



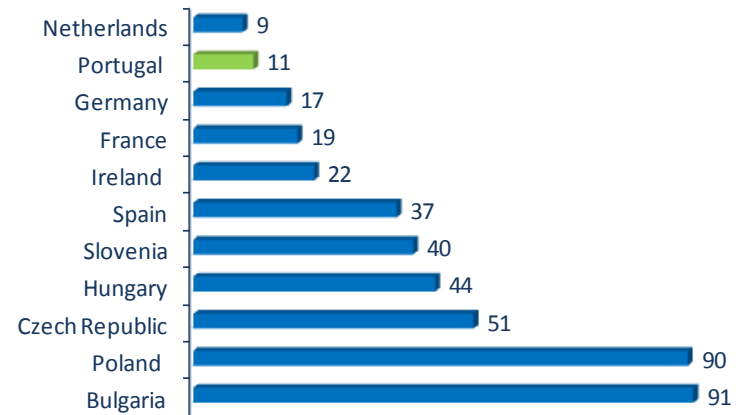
**BURDEN OF CUSTOMS PROCEDURES RANK
2014-2015**

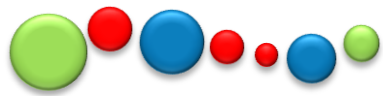


**PREVALENCE OF TRADE BARRIERS
RANK 2014-2015**



**AVAILABILITY OF LATEST TECHNOLOGIES
RANK 2014-2015**



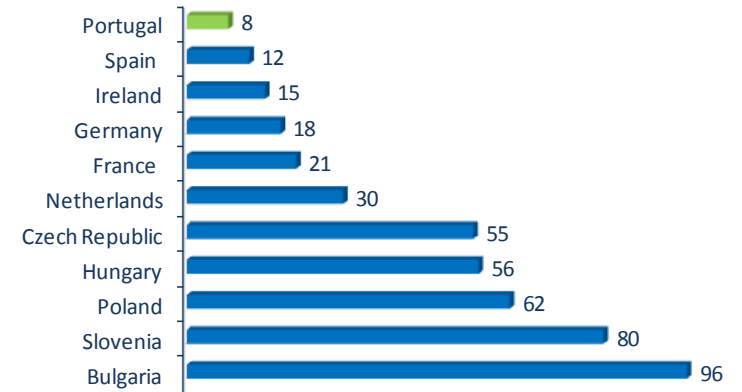
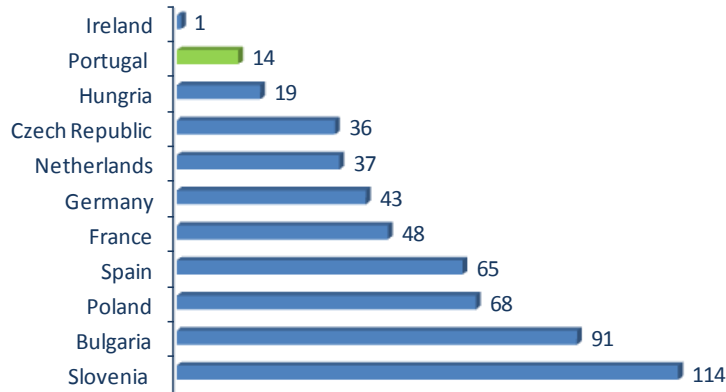


Why Portugal?

International Comparisons

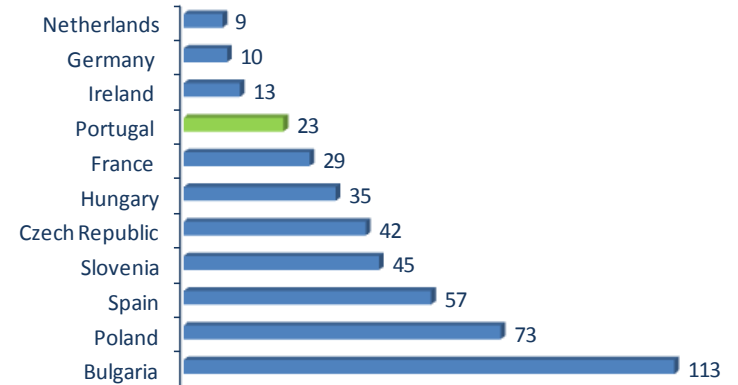
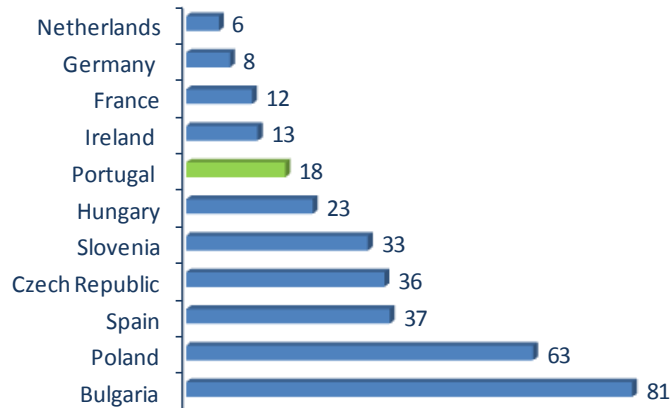
FDI AND TECHNOLOGY TRANSFER
RANK 2014-2015

AVAILABILITY OF SCIENTISTS & ENGINEERS
RANK 2014-2015



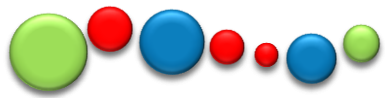
QUALITY OF SCIENTIFIC RESEARCH INSTITUTIONS
RANK 2014-2015

UNIVERSITY-INDUSTRY COLLABORATION IN R&D
RANK 2014-2015



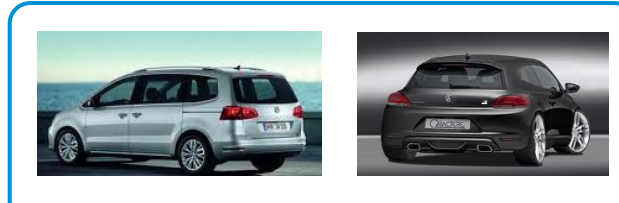
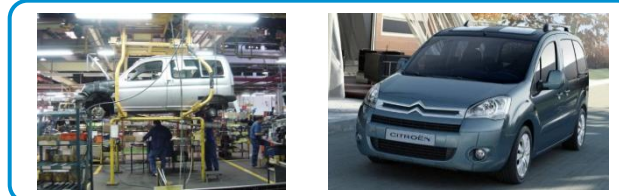
Prominent Industry Sectors





Prominent Sectors

Automotive Assembly

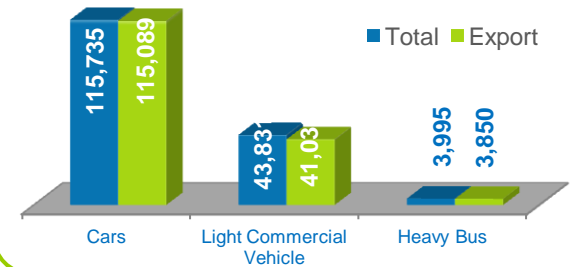


Key Figures

2012

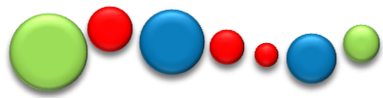
Nº Companies	5
Vehicles Produced	163,561
Exports (%)	97.8%

VEHICLES PRODUCTION IN PORTUGAL BY TYPE (2012)



VEHICLES PRODUCTION IN PORTUGAL BY OEM (2012)

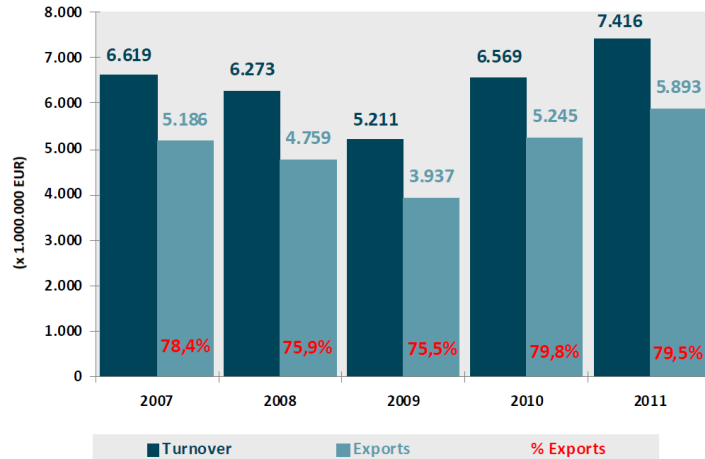




Prominent Sectors

Automotive Parts

TURNOVER AND EXPORTS



(X 1000.000 EUR)

- This industry grew 200% in the past 15 years;
- Main Customers are: BMW, Continental, Daimler, Delphi, Fiat, Ford, Johnson Controls, Lear, Mahle, Bosch, Visteon, Volkswagen, Toyota, TRW;
- 97% of the companies have already quality certification: ISO 9001 (66%) and ISO/TS 16949 (57%);
- Activity sectors include: electrical and electronic equipment (30%); interiors (24%); chassis, brakes, suspension, steering wheels and wheels (20%); engines and components (13%) and others.

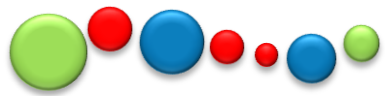
Key Figures

2012

Nº Companies	177
Turnover	7,102 M€
Exports (%)	80.5%
Employment (ap.)	41,000
Portuguese owned	48.6%

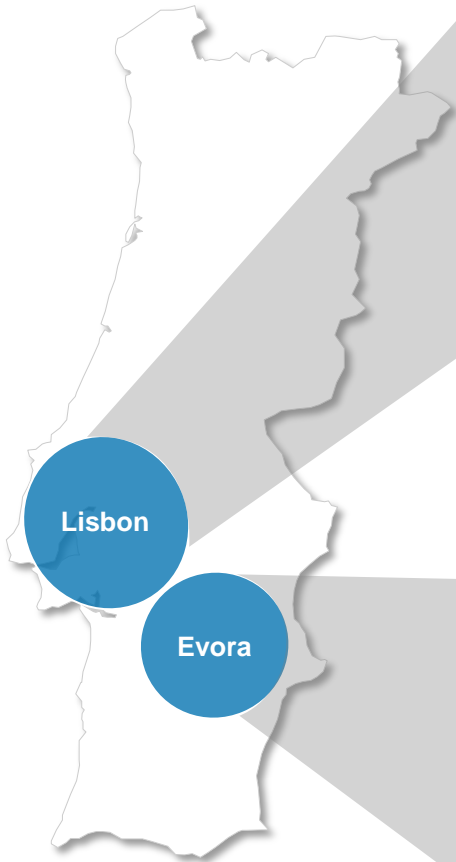
Reference players





Prominent Sectors

Aeronautic

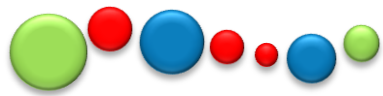


TAP MAINTENANCE & ENGINEERING



- EMBRAER chose Portugal to establish two new factories of excellence already in operation;
- New airport in Beja;
- Portugal is involved with several institutions and programmes focused on R&D for the Aeronautics sector, such as ESA – European Space Agency and the EASA – European Aviation Safety Agency;
- A wide range of aircraft components are manufactured in Portugal: around **140** innovative companies comprising **7,000** jobs and sales turnover of **680 M€**.





Prominent Sectors

ICT



ICT

- Industry Turnover: 14,000 Mln€
- Industry Value Added: 5,400 MI€
- ICT sector represents 4% of GDP
- Sector workforce: 77,792
- ~14.600 companies
- Main activities: hardware, software, Telecommunications, ERP, outsourcing, security, business process management, compliance.



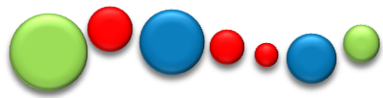
Via Verde is an automatic billing service that allows greater speed and convenience in the tolls payment, fuel filling stations and parking facilities and processes over 500,000 transactions per day

Reference players



The Portuguese Banking and Payments System - the **ATM** - is the most functional of Europe and it was developed by portuguese technology.





Prominent Sectors

Business Services

Breaking News

SHARED SERVICE CENTER AND BPO

- 450 companies;
- Turnover of € 1.3 billion - 1% of total GDP;
- Two-digit growth over the last 4 years and is expecting to keep this track on the coming years;
- Lisbon has been considered a hotspot for SSC's activities;
- Leading companies such as Adidas, Cisco, IBM and Siemens, just to name a few, have discovered already the country's potential in this field;
- Portugal is in the **TOP 11 countries as the best worldwide destination** to establish Outsourcing activities either in offshore or nearshore, according to Gartner Consulting, 2011

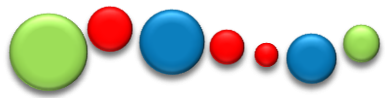


Altran, global leader in innovation and high-tech engineering, has opened an office in Fundao, for a Nearshore Delivery Center, focused in information systems, telecom network support and automotive diagnosis.



In 2012, Lusotechnip, Portuguese subsidiary of the French Group Technip, reinforces his bet by Lisbon, and opened a new engineering execution center and training Pole to serve Brazilian and Angolan markets, employing currently 110 persons.





Prominent Sectors



Pulp and Paper

Portugal is the 15th major worldwide pulp producer and the 6th biggest in Europe. When considering paper coils, which represents 64% of the Portuguese production, Portugal is 2nd place in Europe.



PULP

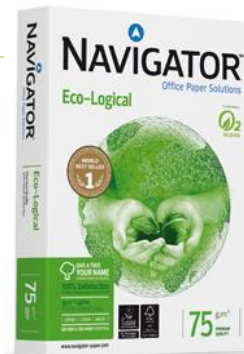
2011

- N^o companies 9
- Turnover (Million €) 1,241
- Exports 42,86%
- World's Portuguese share 1.5%
- Portuguese ranking as world supplier 17th

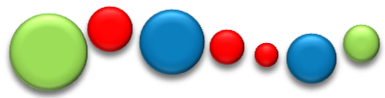
PAPER

2011

- N^o companies 486
- Turnover (Million €) 2,392
- Exports 65,6%
- World's Portuguese share 1.2%
- Portuguese ranking as world supplier 19th



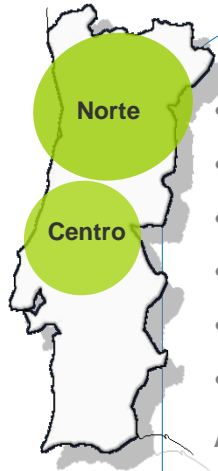
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Prominent Sectors



Metallurgical & Mechanical

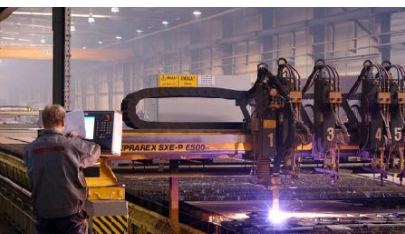


Norte

Centro

- €24,000 Million Turnover
- 37,000 companies
- 253,000 employees
- Value Added: €6,078 Million
- 37% total exports
- Main export markets: Germany, Spain, France, Angola, UK, Italy and USA.
- Main industries served: Automotive, household appliances, industrial maintenance, tooling, cleantech industry, agriculture and equipment for manufacturing.

Reference players





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