

Iberian hub is China's bridge to the world

Warm Sino-Portuguese bilateral relations show renewed vigor for exchange and partnership

A beautiful country situated on the farthest corner of southwest Europe, Portugal is one of the continent's oldest states.

Enjoying 1,793 kilometers of coastline on both the Atlantic and the Mediterranean, and a temperate climate, the country is best-known for its superb tourism, excellent hospitality, food, wine and quality of life. And, with the paradise islands of Madeira and the Azores, two thriving cities — Lisbon, the capital, and Porto — and the beach strip of the Algarve, Portugal has long celebrated a niche among sun-seekers looking for a place to live or stay.

What is not perhaps so well known is the country's innovative prowess in the areas of energy, finance, technology and industry and the wealth of expertise that exists among its 10.7 million population.

Portugal has become a diversified, primarily service-based economy since it joined the European Community — the EU's predecessor—in 1986, with key areas of the economy now privatized.

It qualified for the Economic and Monetary Union (EMU) in 1998 and began circulating the euro on January 1, 2002.

Although the economy grew by more than the EU average for much of the 1990s, it fell back between 2001-2008, and contracted 2.6 percent in 2009, before growing 1 percent in 2010.

Gross domestic product per capita now stands at roughly two-thirds of the EU-27 average.

Strategic advantages

Because of its location, Portugal is ideal for those looking to supply European markets or expand their businesses to other parts of the world, thanks to state of the art logistical and communications infrastructures.

As well as excellent connections to major cities by air, land, sea, road and rail, Portugal also offers some of the most advanced telecommunications in the world.

available to advise on the best location for particular projects.

Current priorities

After attempting to implement a series of austerity measures in January this year to reduce the budget deficit from 9.3 percent of GDP in 2009 to 4.6 percent in 2011, which included a 5 percent salary cut in the public sector, and a 2 percent increase in VAT (value added tax), the government was forced to ask for financial aid from the European Union and the International Monetary Fund.

José Sócrates stood down as prime minister on March 23, and ratings agency Fitch has estimated Portugal needs 60 billion euro (\$85 billion) in funding to stay afloat through to the end of 2013.

In the meantime, the government, led by President Aníbal Cavaco Silva, has prioritized boosting exports primarily in automotive industry equipment, machinery, minerals, fuels, metals, chemicals, plastic and rubber, and implementing labor market reforms in order to raise growth and increase Portugal's competitiveness in Europe and beyond.

Historic ties with China

With a strategic world location, Portugal is superbly placed for investors needing a platform from which to do business with Europe, Africa and the Americas.

Its links with the Portuguese-speaking (Lusophone) countries of Angola, Brazil, Mozambique, East Timor, Cape Verde, Principe Tome and China's Macao special administrative region offer particular benefits for Chinese investors wishing to have a presence in Africa, Asia and South America.

The Portuguese have enjoyed a long and fruitful relationship with Asia. Indeed, as the first Europeans to establish a presence and start commercial and diplomatic relations in the territories that today correspond to India, Sri Lanka, Thailand, Malay-



Vice President, Portuguese-Chinese Chamber of Commerce and Industry, Ilídio António de Ayala Seródio

markets, especially the Lusophone African countries.

In addition, Portugal holds unique skills in the fields of health management, infrastructure construction — particularly dams, railways and hospitals — and hotel management and tourism, all of which can help China as it expands its reach and opens itself up to the rest of the world.

Celebrating this common past and establishing partnerships for the future is a winning strategy that pundits believe will guarantee a further five hundred years of successful relations for China and Portugal.

Official visit bears fruit

Portugal's trading relationship with China was officially cemented in 2005, when the countries signed a trade and cooperation agreement, and strengthened again in November last year, when China's President Hu Jintao made an official visit to Lisbon.

Speaking at a meeting with Portuguese President Aníbal Cavaco Silva, President Hu Jintao announced that China and Portugal need to make efforts to boost their strategic partnership to bet-



The maritime control tower, Lisbon.

PROVIDED TO CHINA DAILY

two countries in 2005 "a milestone in China-Portugal relations," adding that he wished both sides to further achieve the potential to enhance trade and investment with each other, and expand pragmatic cooperation in various fields.

President Silva also paid tribute to China's impressive economic development and praised its successful hosting of the Shanghai Expo.

Speaking shortly after the visit, caretaker Prime Minister José Sócrates said: "This visit was positive on two levels: it will increase Chinese investment in Portugal and also increase our business relationship in several areas in which we are competitive: port infrastructure, information and communications technology (ICT), tourism, industrial and banking sectors. "We have signed cooperation agreements that will certainly bear fruit.

"But the most interesting thing we found was that China's relationship with Portugal would radiate throughout the world: in the European Union, and in the Portuguese-speaking countries in South America, Africa and Asia."

Using its platform as intermediary, the Portuguese government appointed a forum in 2003 in Macao to develop trade policies between Portuguese-speaking countries. The agreements signed between Portugal and China are good evidence of the will of the Chinese to trust in Portugal's economic development."

Leader in e-government

As the EU's leader in e-government, Portugal has proven the maturity of its technological prowess.

It exports more technology than it imports and is one of the fastest countries in the world in which to buy a house and register a business:

its Empresa na Hora, or "Company in one hour" initiative has made it extremely competitive in terms of business friendliness.

These factors alone make Portugal an attractive prospect in view of its business environment and the modernization of a business sector that wants to compete in sophisticated global economic activity.

The Macao Forum

The countries also share a link through Macao, which has maintained certain elements of its European heritage, including the Portuguese language.

Macao has traditionally played a relevant role for the approach of the Portuguese and Chinese business community. Since 1992, the Portuguese-Chinese Chamber of Commerce and Industry (CCIL-C) has had a branch office in the territory and signed several collaborations agreements, including the Macao Trade and Investment Promotion Institute (IPIM), Macao Chamber of Commerce, World Trade Center and the Macao Young Entrepreneur Association.

The Macao special administrative region (SAR) government supports and encourages the CCIL-C delegation to play a leading role in sustaining a network of Portuguese interests in the SAR and the Chinese mainland.

Following a ministerial meeting between China and the Lusophone countries held in Macao last November, Manuel Amante da Rosa, deputy secretary-general of the Permanent Secretariat of the Forum for Economic and Trade Cooperation between China and Portuguese-Speaking Countries (known as the "Macao Forum"), observed that the new agreement would have "a

wider scope".

Media, culture and the financial sector are the new areas in which China and the Portuguese-speaking countries will attempt to cooperate during the next three years.

Chamber of commerce

The Portuguese-Chinese Chamber of Commerce and Industry has been instrumental in building trade relationships between Portuguese companies and China, providing its associates contacts and relationships and strategic consulting to strengthen trade relations.

To implement this, CCIL-C has formed institutional relations in China with the China Council for the Promotion of International Trade, All-China Federation of Industries and Commerce, Chinamex, IPIM, Macao Forum, and has signed several cooperation agreements with many other Chinese official institutions.

Ilídio António de Ayala Seródio, vice president of CCIL-C, notes how members are spread across all sectors, including power, contractors, engineering/environment consultants, banks/financial institutions, airlines and investment companies, to name a few.

"Portuguese imports from China reached \$1.65 billion compared with exports which reached \$483.5 million," he said. "Trading between China and the Lusophone countries accelerated 50 percent in the first 11 months of 2010, over the same period in 2009, totalling \$8.9 billion."

In 2010, Portugal's import and export figures to China showed an increase of 32.4 percent and 60.7 percent respectively. By November 2010, trade between the two countries amounted to \$2.9 billion, 38 percent more than in the same period in 2009.

Trading between China and Portuguese-speaking countries accelerated 50 percent in the first 11 months of 2010 over the same period in 2009, totalling \$8.9 billion.

ILÍDIO ANTÓNIO DE AYALA SERÓDIO

VICE PRESIDENT OF PORTUGUESE-CHINESE CHAMBER OF COMMERCE AND INDUSTRY

The country's highly skilled and talented workforce is also attractive for businesses choosing to set up there, with the universities and colleges providing a healthy supply of trained professionals and vocational workers every year.

Portugal is an innovative country with an enabling economic environment.

A wide range of services are available to investors online and through chambers of commerce and investment agencies, with professionals and business tools

sia and Japan, it is still possible to find descendants in those areas with Portuguese surnames.

Portugal's relations with China began in 1513 in Macao, which was a key city for trading with Japan and for silver, gold and silk route traffic.

Macao continued to be a contact point between China and Portugal, before it was returned to Chinese sovereignty in 1999.

Building on these five centuries of familiarity and cooperation is therefore beneficial for both China and Portugal, as the Asian giant expands its industrial activity and enters new

ter benefit their peoples.

The Chinese President outlined a four point proposal that called on the two sides to strengthen mutual political trust and strategic cooperation by bolstering high-level exchanges and broadening communication between governments, legislatures, and political parties of the two groups.

He also called on the two countries to step up people exchanges and double bilateral trade by 2015. President Silva, for his part, agreed with Hu's proposals, calling for the establishment of a comprehensive strategic partnership between the

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Internationalization is the key to growth

China's burgeoning middle class and demand for expertise spell opportunity for savvy Portuguese companies

With a relatively small population, the most innovative companies have internationalization as their watchword. As André de Quiroga, the dynamic director of PGQ, a consultancy that specializes in institutional relations, internationalization, strategies of communications and image said: "China and Portugal can keep benefiting each other in all areas of industrial activity."

Portugal is also making waves in the fields of technology and energy. Renewable energy in Portugal was the source of 45 percent of the country's electricity generation in 2010 — an increase of 28 percent in five years, showing considerable leadership in this field.

Up to 2010, the government's main energy priorities focused on the introduction of natural gas, which will gradually replace oil and coal, and the liberalization of the energy market. For the current decade, however, its efforts will center on energy efficiency and the increased use of renewables, with one company taking prime responsibility: Redes Energéticas Nacionais (REN).

As the national power transmitter and operator of the national high pressure natural gas transmission network, REN has been investing



Director of PGQ Consultores André de Quiroga

sive opportunity for investors to see the country's energy sector as one of the most promising businesses in the coming decades.

As the world moves towards renewable energies, REN becomes even more attractive as a partner, as more than half of Portugal's electricity production comes from renewable sources.

"Wind production is already well developed, but Portugal is also taking

REN into a world leader in the integration of renewable sources in energy production, said: "Portugal has proved to be an attractive country for foreign investors and especially non-European foreign investors."

"REN has already had conversations with our peers in China, State Grid Corp and found that despite our countries being geographically distant, we share common concerns and interests, such as efficiency in our investments, achieving high levels of quality of energy supply and improving the integration of renewable energy in the national networks to ensure a secure energy supply."

"We also identified mutual areas of interest in developing business in the same areas of the world, especially in emerging economies. For REN, China is also a potential supplier of relevant equipment for the development of our energy infrastructure. These are some of the potential agreements that we can conclude with the Chinese and the cooperation agreement signed between the two countries is a very strong first step."

The country is also holding its own in beverage production, with Unicer - Bebidas de Portugal at a high level

TV, press and sponsorship of sports and music events, and targeting the Lisbon area.

Unicer's Board Member, António Vaz Branco, said: "We are strategically controlled by the Viacer Group, whose 20-year relationship with Carlsberg plays a vital role in the Unicer's development. We benefit from the skills, assets and knowledge of Carlsberg in critical areas, such as production and logistics, marketing and innovation."

"When we started our internationalization program 10 years ago, it was very important for us to have vision and strategy. Portugal has a small population, and a small market, so we need to look elsewhere. The first step was to approach Portuguese speaking countries, and now we are exporting to more than 50 countries around the world and growing at around 20 percent a year."

"In 2000, we exported 20 million liters from Portugal; nowadays we are exporting more than 200 million. We now have 75 percent of the export market. Our main buyer is Angola and we will obviously keep tapping the African markets. We also have two distributors in Macao, two in Hong Kong and four in Chinese mainland."

Although it is early days, Branco believes that as purchasing power increases in China, so will its demand for world beers.

"This is the trend we want to exploit," he said. "Our products have the required success attributes for the market; a distinctive origin and excellence in quality."

China will also be very important to Innovnano, a technology-driven specialized company that produces a wide range of nanomaterials through a unique, patented process. "We are not there yet," said André de Albuquerque, CEO, "but there is a lot of investigation within the Chinese universities and it is therefore a market of great potential. We are having talks



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Lisbon Justice Campus in Portugal.

with distributors. It's a start.

"Innovnano is in a good position. We have been working in the sector for many years so we already have knowledge. The source of our competitive advantage is a technological one. It is a unique process that we developed that allows us to produce a broad range of nanomaterials. We have huge flexibility."

In the meantime, ISQ, a technological firm with 40 years of history, has been recording excellent growth despite the recession. Chairman J.M. Dias Miranda said: "ISQ can offer expertise in industrial security, innovation and quality, which is something China needs. Portugal is at the top in terms of innovation, technology and development, and that is acknowledged internationally. What Portugal is missing is an industrial base and investment in transactional products. Foreign

investment is needed."

Finally, as it celebrates the opening of new offices in Beijing, architecture and urban planning firm Saraiva and Associados is looking forward to working with its Chinese clients on exciting new developments.

Having worked alongside Chinese contractors in Brazil and numerous African countries, the 15-year-old company is looking forward to what founder and CEO Miguel Saraiva says has been a giant step in the firm's history.

"What separates us from the rest is a bit of character," he says. "We try to be conceptual but at the same time understand the function of what we are building and why we are building it. We adapt easily to the local market, where we have our know-how and are very serious about our work."

China and Portugal can keep benefiting each other in all areas of industrial activity.

ANDRÉ DE QUIROGA
DIRECTOR OF PGQ CONSULTORES

heavily in technology and human resources to make sure Portugal's power grid stays at the forefront of European and global innovations, winning a 45-year concession in 2008 and so a promising and sustainable future.

As one of the few companies in the world that manages electricity and natural gas networks, REN has been called Portugal's "energy highway." Its current privatization drive is a mas-

its first steps in solar and wave energy production," Rui Cartaxo, CEO of REN said. "We have been awarded a concession to develop an offshore infrastructure prepared to receive innovation projects in wave energy. Besides direct investments, there are also opportunities to buy stakes in Portuguese energy companies, such as EDP, REN or GALP during the privatization stage."

Cartaxo, who wants to transform

in beer sales with 41 percent of total volume.

With 44 percent of the company owned by well-known brand Carlsberg and 56 percent belonging to Portuguese holding company, Viacer, Unicer has a great advantage in the premium beer segment and non-alcoholic beer, which underpins the company's leadership. It is investing massively in advertising and promotion including outdoors,

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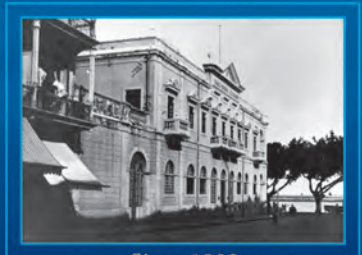
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Banking and legal partnerships are thriving

Portugal's China-based financial and legal firms can help businesses expand to new territory

Portugal's banking and finance sector gained importance in the 1990s, as the economy shifted to focus on services.

Following the gradual but thorough privatization of state banks that had begun in the late 1980s, Caixa Geral de Depósitos remained the only State-controlled financial services firm in 2000, and the government continues to rule out its privatization for the time being.

In recent years, the Portuguese government has had to implement successive measures to shore up the banks and big business from the crisis.

In late 2008, it approved state guarantees worth 20 billion euro (\$21.3 billion) to avert a banking crisis, and shortly after, announced a package of over 4 billion would be available to banks to help resolve problems arising from a lack of liquidity in the system.

As a consequence of the global financial crisis, Portugal's leading banks are now focusing on improving relations with both corporate clients and individuals, as well as consolidating overseas expansion as a means to boost ailing profit margins.

The major players are Banif, Banco Espírito Santo, CGD, Millennium BCP, BPI and The Crédito Agrícola Group.

Rodolfo Lavrador, a board member of Caixa Geral de Depósitos (CGD) and chairman of the Banco Nacional Ultramarino (BNU) outlined his view on Portugal's current financial challenges.

"First, it is important to know that Portugal's financial system was not exposed to the same instruments that caused the global financial crisis of 2008," he said.

"It is not, for example, feeling the burst of the real estate bubble that was felt in some important markets. Non-performing loans also do not suggest any abnormal indicator.

"The current crisis should be



Board Member of Caixa Geral de Depósitos, and Chairman of Banco Nacional Ultramarino, Rodolfo Lavrador

understood in terms of an adjustment to the Euro Zone. The Euro is much more than a monetary process; it is also a political process that should promote cooperation and social progress between countries with common borders but different cultures."

As the esteemed chairman notes: "There is a change in the international geostrategic system with the transfer of economic and political power to the emerging countries. It is clear that the financial system follows this trend.

"Despite this, CGD was voted safest bank in the world in 2009 by Global Finance, and ended 2010 with a Tier 1 close to 9 percent."

Portugal's caretaker Prime Minister José Sócrates announcement in May that up to 15 percent of Portugal's 78-billion-euro rescue package would be used to stabilize the country's banks, with up to 12 billion euro injected into lenders that fail to achieve new higher capital ratios over the next 18 months under their own steam, brought some relief.

Under the terms of the European Union-International Monetary Fund

bail out deal, banks that fail to hit a 9 percent core tier one capital ratio, a measure of financial strength, by the end of the year, and 10 percent by the end of 2012, will be recapitalized with government money.

Innovation is key

For CGD, it is business as usual. Investment in research and development has always been a vital part of the bank's strategy, Lavrador asserts, and he intends to keep products and services at high quality levels.

"The 2010 EU Industrial R&D Investment Scoreboard, released in October last year, presents information on the top 1,000 EU companies and 1,000 non-EU companies investing in R&D in 2009. CGD is in 262nd position," he said proudly.

"We have always tried to promote this attitude through our clients, promoting a forward-looking attitude and the importance of investment in innovative products and services. The results have been extremely positive."

And, he says, ties with China are bound to prosper.

"China is witnessing a high growth rate. Consumer spending is up, and there is a growing middle class. As such, many Portuguese businesses are going to China to set up joint ventures with Chinese companies. These companies will need a bank to do business with in China.

"There is also new tourism and new technologies which make it interesting for SMEs to do business in China. China then benefits because there is increased trade, flow and investment, which obviously adds to the growth of their economy."

Wholly owned by CGD, the Banco Nacional Ultramarino is a perfect example of smooth-running Sino-Portuguese relations.

In operation in Macao for more than 100 years, the bank enjoyed a jump in profits of 25 percent last year, on the back of Macao's booming economy.

"It is a good moment for BNU," Lavrador says. "It is recording strong growth. Macao SAR government is promoting economic activity in the region, which has heightened business and trade there, which means more activity for the bank.

"BNU is an excellent example of the relationship of both countries. BNU can be a guide to Portuguese companies that want to invest in China and its Macao special administrative region.

"It can also be a reference to identify investment opportunities in the Portuguese-speaking world in countries like Brazil, Angola, Mozambique, Cape Verde, and East Timor — just a few where Portugal has excellent commercial relations and trade. In fact, trade between Brazil, Angola and China has been rising significantly.

"In terms of goals, we want to extend our presence in the region, not only in Macao, but in Asia as a whole. It is a dynamic economy and it is vital that we are there. We have to stay involved, because there are many things to do."

Artur Santos, CEO of BNU, takes up the story:

"Macao has handled the new investment in tourism very well," he said. "Several hotels and resorts have been built there in recent years, and I think Cotai will be the area where growth will be the most rapid in the future. Macao could become a

new hotels and integrated resorts, as well as projects related to transport infrastructure and utilities.

BNU is also supporting the investment plans of local businesses in Macao and in their relationship with Chinese mainland and Portuguese-speaking countries.

"We will continue to improve our offering of retail banking products and the high standard of service we provide to our customers," Santos says. "We will also continue to improve our distribution channels, namely the online distribution channel, making more products and services available through the Internet."

A window to investment

Diversification is at the core of BNU's personal financial management and a critical factor in influencing the growth of its investors' wealth.

Among its wide choice of investments are: Share trading in the Hong Kong stock market (available through BOOM.com or at BNU branches); A wide range of mutual funds; Investing online through BOOM.com, the website of a securities company incorporated in Hong Kong; and AHL Diversified, an alternative form of investment.

By investing in mutual funds offered through BNU, investors gain access to markets and financial instruments that allow them to



CEO of BNU Artur Santos

gal and Spain, and also New York, London, Brussels, Paris, Luanda, Maputo, São Paulo, Casablanca and now Shanghai.

Last year, Cuatrecasas was named Best Iberian Firm of 2009, by the UK's Financial Times. "We concentrate on assisting companies on all matters related to company law, such as criminal, environmental, or tax matters among other issues and our typical firms are the strong Iberian firms that want to succeed worldwide.

"Our offices in Shanghai were opened because we felt our clients

China is witnessing a high growth rate. Consumer spending is up, and there is a growing middle class. As such, many Portuguese businesses are going to China to set up joint ventures with Chinese companies.

RODOLFO LAVRADOR
CHAIRMAN OF THE BANCO NACIONAL ULTRAMARINO (BNU)

tourism and entertainment center not just for China, but also for other countries in Asia."

BNU has played a key role in Macao's development. In September last year, a new agreement was signed between BNU and the local government extending the contract for the issuing of bank notes for another 10 years, until October 2020.

On the commercial side, it has been involved in the financing of

diversify their investment portfolio. They also benefit from management expertise and low investment fees.

Legal enterprises

Meanwhile, Portuguese born and bred, Manuel Castelo Branco is the managing partner of one of the biggest law firms worldwide. Cuatrecasas Gonçalves Pereira (Cuatrecasas) now has 960 lawyers and 27 offices worldwide, in Portu-

wanted to go and make business there by either installing their companies or having commercial relations with China. We felt we needed to follow them and be there in the market," Castelo said.

"Now, our office in Shanghai is a strong window through which the local Chinese can look to our firm and say we are their partners for investment in any country that we have a base in."

Energy knows no borders. Neither does REN.

REN is one of the few companies in the world that integrates and jointly manages electricity and natural gas networks.

Portugal is one of the world leaders in renewable energy production, having 50 percent of its electricity production coming from renewable sources. In a country where wind, solar, hydro and wave energy are abundant, REN has developed specialized skills in the integration of renewable sources in energy systems.

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Transport paves the way to lucrative ventures

Portugal's dynamic engineering know-how could help China break new markets

With a road network of 68,732 kilometers, of which almost 3,000 kms are part of a system of 44 freeways, one of the longest bridges in Europe — the magnificent, 17-km-long Vasco da Gama Bridge in Lisbon — excellent ports and three international airports, Portugal has one of the most sophisticated infrastructures in southern Europe.

Although it was one of the first countries in the world to build a freeway, as far back as 1944, it was only at the beginning of the 1980s that freeway construction was implemented on a large scale.

With airports located near the principal cities of Lisbon, Porto and Faro, the country is extremely well connected, with Lisbon's geographical position in particular making it a stopover for many foreign airlines.

TAP Portugal is the flagship carrier and there are many other domestic airlines providing services in and out of the country. In order to cope with demand, the government is building a new airport outside Lisbon, in Alcochete, to replace the Lisbon Portela Airport.

The national airport author-

train speeds greater than 120 km/h.

The railway network is managed by REFER while the transport of passengers and goods are the responsibility of Caminhos de Ferro Portugueses, both public companies.

Increasing competitiveness

To increase competitiveness and trade effectiveness further, major transport development is high on the government's agenda.

As Minister of Public Works, Transport and Communications, António Mendonça, explains:

"Competitiveness is defined as the ability to create the best conditions for economic activity in the Portuguese area with the most efficient cost and competitiveness in the international arena by enhancing the country's geostrategic position.

"Portugal sits on the western edge of Europe, and if we look at the global economy, we are also a central position in the context of coordination with America, with Africa and even the Far East.

"With the widening of the Panama Canal, which will allow larger ships to pass, the links between the Ori-

structure, and expanding our port surroundings through the development of transport links to the country and abroad.

"We are focusing now and in the future on an integrated rail, road and airport network. The new airport planned for Lisbon will give coherence to these efforts.

"Logistics also plays an important role in this field and we have plans to construct logistic platforms to improve exports conditions, the circulation of goods and businesses interests. All these plans and improvements will present us to international and global business in an attractive way.

"It is extremely important that international companies appear eager to take advantage of our geostrategic position, to settle here and export, using our ports as an opportunity of transshipment and access to other ports. There is a whole range of facilities we can offer.

"China is one of our priorities, primarily because we have historical links with them. Five hundred years ago, the Portuguese were the first to arrive and set up in Macao,



Bridge over the Zambezi River at the city of Tete.

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percent in the first half of 2010, with the number of passengers increasing by 13 percent.

According to President António Guilhermino Rodrigues, this is down to increased investment in Lisbon airport, which has been enjoying growth of an average of 6 percent year-on-year over the past ten years, and Porto and Faro airports.

"We have also developed a strategy related to tourism to boost airport marketing through the inflow of new routes and a system of incentives and promotion, which allowed us to have an increase in traffic between 2005 and 2010 of about 30 percent.

"We have been making investments to adapt Lisbon airport to meet the needs to its main customers, and also expanding the national carrier TAP, which represents more than 50 percent of the traffic from Lisbon. We are focusing on turning the airport into a hub.

"We are also trying to adapt our various airports to meet the needs of the low-cost operators."

An internationally minded operation, ANA enjoys a joint venture with China for Macau Airport, which it has managed since 1994, and several partnerships with the Civil Aviation Authority of China.

"We wish to replicate this success in other areas of China and are currently establishing contacts in order to sign a memorandum of agreement to have partners for our future entry of business in China in innovative airport solutions," Rodrigues said.

Unsurprisingly, the ambitious organization has won numerous awards for innovation, quality and architecture over the years.

with this project and with a base in East Timor, we hope to attract Chinese partners in order to increase our revenues and tighten the social and economic ties we have with China."

As well as aviation, EA is also involved with tour operations in travel agencies and hotels. Metello believes this makes it a very interesting proposition for Chinese investment.

"We are very well located and could become a hub between China, South America and Africa," he says. "We are already well connected with Brazil, and with some Portuguese-speaking African countries and regions. With the strong connections we already enjoy with these continents, we could be the perfect partner."

The company has also won respect in the industry for managing to achieve reciprocity with the US, despite being a small airline.

"That achievement gave us visibility and credibility worldwide, and this is how we want to be maintained: small and controlled," Metello said.

Also innovative, EA is considering developing a low cost long haul airline and entering new markets, particularly the BRIC economies.

"We are ready to invest in regions like South America and East Timor, in order to keep competitive. Eighty percent of our tourists currently come from Europe, so we have to look for different partners.

"Considering the growth of China worldwide in terms of transporting people and cargo, we could develop mutual synergies where we integrate our know-how with China's demands to mutual benefit.

A private company, owned by two major groups — one specializing in finance, the other in construction — the company designs, finances, builds and operates highways and transportation infrastructures.

Although it was incorporated five years ago, Ascendi launched its first finance project in Portugal in 1996. Today, it has 17 concessions handling operations and management for it, and a network of around 3,000 km of highways and roads under its management. It operates in Europe (Portugal and Spain), Latin America and Africa.

Know-how needed

As Gonçalo Moura Martins, Ascendi's chairman and CEO, observes: "Today, globalization is more than competitiveness between companies; it is about competitiveness between countries. So when a country has a gap in infrastructure, to fill that gap it is very important to invest a lot, and fast. And that needs the help of the private sector, and of course, the know-how.

"The know-how is what these emerging economies need, and investors from China and India, for example, have the liquidity that Europe is currently lacking. Ascendi has the brand and the network; we can show service, capability and experience.

"We want to be a sustainable financial company and be very focused on our strategy which is to grow in other markets.

"It is especially important to keep growing in Latin America and Africa. We are also interested in India, which needs to fill

The emerging China is a country with remarkable growth rates and dynamic, interesting and attractive markets, hence my recent visit to China at the invitation of my Chinese counterpart.

ANTÓNIO MENDON

MINISTER OF PUBLIC WORKS, TRANSPORT AND COMMUNICATIONS.

ity group Aeroportos de Portugal (ANA) manages the country's most important airports, at Lisbon, Faro, Porto, Funchal (Madeira), and Ponta Delgada (Azores).

Portugal also boasts a national railway system that extends throughout the country and into Spain, which is supported and administered by Comboios de Portugal.

Rail passengers and goods are transported along 2,791 km of railway lines, of which 1,430 kms are electrified and about 900 km allow

ent and Europe will be facilitated, and Portugal is a natural stop in this route.

"We must appreciate this and promote the positioning of our ports with exceptional conditions in the port sector and magnificent harbors. Having a private port like the Port of Sines on the direct route of the ships passing the Panama Canal is significant.

"Our priorities are developing our strategic positioning, valuing our ports, development of port infra-

and secondly, the emerging China is a country with remarkable growth rates and dynamic, interesting and attractive markets.

"Hence my recent visit to China at the invitation of my Chinese counterpart, with the aim of discussing ways to cooperate and present what Portugal has to offer."

Growth in airports

One of Portugal's most successful companies, Aeroportos de Portugal (ANA) experienced growth of 23

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EuroAtlantic's main focus now is to help Portugal's ex-colonies through joint ventures, so our goal is not only to invest in these airlines but to manage them.

TOMAZ METELLO
CHAIRMAN AND CEO, EUROATLANTIC AIRWAYS

EuroAtlantic Airways

Specialized in leasing and charter solutions, EuroAtlantic Airways is the proud owner of eight 767 300s, and a Tristar 500, which it bought from TAP in 1993 to start its long-haul ventures.

The following year, the private company had \$10 million in revenues; today it has \$150 million.

As Chairman and CEO of EuroAtlantic Airways (EA) Tomaz Metello said:

"The airline has developed a lot since we started out; our main focus nowadays is to help Portugal's ex-colonies through joint ventures so our goal is not only to invest but also to help manage these airlines.

"We have started STP airlines, from São Tomé e Príncipe, our next line will fly to Guinea Bissau in about one month, and we are very excited about our newest project, in East Timor: Timor-Leste Airlines.

"We are getting closer to China

"We are also looking to renew our fleet, turning our existing passenger stock into freight and buying new passenger aircraft. We want to walk steadily and consistently, looking at the costs everyday. We have a very healthy cashflow, a very healthy company and I believe we are one of the few airlines in the world that have made a profit from day one. I am extremely proud of the team that built this into a solid business."

The company, one of the top-500 in Europe, is looking to go public next year to increase its equity and buy new aircraft. "We see the potential and have a very positive view of what is going to happen in the future worldwide," Metello said.

Success stories

Ascendi is another Portuguese company recording excellent success in the transport sector.

its infrastructure gap. They plan to build 20 new km of highway per day over the next five years, which is amazing.

"Only a dozen companies in the world could meet that requirement, and Ascendi is one of them."

With Chinese collaboration, Martins believes there could be some very lucrative ventures undertaken.

"China is a vital commercial ally for all countries, but I think it can play a more specific role in all emerging markets as it is one of the leaders of globalization.

"Transport infrastructures are important to China because they help facilitate international trade. I also think China would do well to put some finishing and assembly bases in Europe; that would help them meet the requirements needed to sell to the products here."

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