

BUSINESSES IN PORTUGAL 'SHOULD CONSIDER MERGING TO BOOST COMPETITIVENESS' - PBBR

Posted on 10/01/2017



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Portuguese companies need to start embracing the idea of consolidation if they want to become major players in a global industry, according to Alexandre Jardim, partner at pbbr in Portugal.

"Right now everyone is thrilled as the real estate, insurance, tourism and banking sectors in Portugal have had a lot of interest from foreign investors, which has meant there has been a lot of M&A going on," Jardim says. "The trouble is that we are seeing our country's assets being sold and not being extended and this is concerning." Jardim says that while there is plenty in the way of foreign acquisitions, there is a distinct lack of domestic mergers or consolidation, other than that being done for "leveraging or restructuring purposes".

Jardim attributes this trend to what he considers a national mentality that's not geared towards the idea of consolidation. "I understand that consolidation is of no interest to Portuguese entrepreneurs or start-ups as they're all about their own ideas and need to be allowed to get on and do their work," he says. "But what about relevant Portuguese companies within electricity, telecoms, tourism, construction or agriculture? What I'd like to see in the coming year is for these industry players to merge in order to create major players in their specific sector." However, Jardim says that it is a

cultural tendency in Portugal "not to get together to achieve".

Jardim believes that, through joining forces, these companies will be able to play an increasingly significant role, not only in Portugal but in Europe and Portuguese-speaking countries. "And if we developed our companies instead of selling them, the talent would stay here instead of going to London, Paris or Barcelona," he adds.