

CHINESE INVESTORS TO BEGIN TARGETING ALTERNATIVE PORTUGUESE ASSETS - CUATRECASAS, GONÇALVES PEREIRA

Posted on 12/07/2016



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Portugal's reputation as a leading destination for Chinese investment will be sustained in the coming years, though the type of assets acquired is expected to change, according to Cuatrecasas, Gonçalves Pereira partner Gonçalo Bastos Lopes.

Highlighting data that shows Portugal was ranked fourth among European nations in terms of the amount of Chinese direct investment received during the period 2004-2014, Bastos Lopes says that the interest from China is due to a combination of factors. "Portugal has attractive assets in sectors that are of strategic importance to Chinese investors – most of the investors have been large state-owned or privately owned companies that have taken shareholdings and stakes in large Portuguese companies, notably in the energy and insurance sectors," he adds. "Investment in real estate was also significant and was boosted by the so-called 'Golden Visa' regime".

Bastos Lopes says Portugal's longstanding historical relationship with China, which culminated with the handover of Macau in 1999, played an important role in the building of strong commercial links between the two countries. Significant deals in recent years that demonstrate Chinese investors' strong interest in Portuguese assets include: China Three Gorges acquisition of a 21 per cent stake in

power company EDP – Energias de Portugal; State Grid's acquisition of a 25 per cent stake in REN – Redes Energéticas Nacionais; and Fosun's acquisition of an 80 per cent stake in Portuguese insurer Caixa Seguros.

However, Bastos Lopes says, in future, smaller Chinese investors will also start making acquisitions in Portugal, with a greater focus on renewable energy, tourism, the food industry, science and technology, and real estate.