INVESTORS TURN TO PORTUGAL TO STABILISE THEIR PORTFOLIOS - VIEIRA DE ALMEIDA & ASSOCIADOS
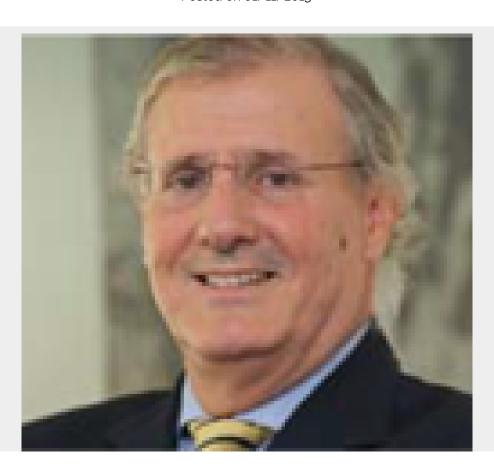
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Portugal's attractiveness to investors is increasing as it is viewed as a market that can bring greater stability to their portfolios, says Jorge Bleck, a corporate and M&A partner at Vieira de Almeida & Associados.

"Confidence is returning to Portugal and investors are moving away from emerging markets, such as Brazil, Russia and India," he explains. "In contrast, Portuguese assets may have lower rates of return but they are able to provide long-term stability and less risk since the country emerged from the Troika."

Bleck says this desire for stability has resulted in increased activity involving infrastructure funds, pension funds and private equity funds – especially in areas such as energy and financial services – as this type of investor is looking for investments to grow rather than simply making quick returns.

"In the case of energy, we've recently closed two renewable energy deals, and there are more funds looking at assets because Portugal has a stable regulatory and tariff framework," Bleck says. "Most of the transactions involve brownfield assets but, as more investments come in, I believe more new-

build projects may be commissioned because these funds have strong capital and access to funds."

Bleck also expects there to be more consolidation in the financial services sector, particularly in insurance and banking.

Bleck says there also needs to be political stability to complement the economic stability in order to ensure long-term growth. Following the recent general election, and the historic lack of collaboration between parties, the possibility of another election in a year or two creates a degree of uncertainty.

While Portugal is bouncing back, Africa remains an important market, according to Bleck. However, while Mozambique still offers significant opportunities, Angola has suffered greatly because of the slump in oil prices, he adds.