

OPENING UP PORTUGAL'S ECONOMY TO NEW INVESTMENT - VIEIRA DE ALMEIDA

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International investment is being encouraged as the Portuguese Government puts up for sale many of its public company holdings

"The divestments that are proposed in the energy, transport and financial services sectors, mean that significant shareholdings or even full ownership of a number of leading companies is now a real possibility. In many instances there is little or no domestic alternative and so foreign investor interest is being encouraged."

The Government's privatisation programme is now gaining momentum with deadlines that in many cases demand a sale by the end of the year, but such developments open up opportunities beyond Portugal's borders, he believes.

"What we sense is that for a number of companies the attraction of Portugal is a real one, albeit only part of a wider picture. The country also offers a platform for investment across Europe."

Companies from traditional and new investment markets are already assessing opportunities, he senses. "We see interest emerging from across Europe but also from expanding markets such as Brazil and Angola. Some of this may just be posturing but there are opportunities for businesses to

build or expand a domestic Portuguese presence which may then take them across Iberia and elsewhere in the EU."

Brazil is particularly emerging as a major investor, notes Vieira de Almeida. The three-way battle for control of Portugal's largest public cement company Cimpor last year, in which the firm was involved, was an all-Brazilian affair.

"That deal shows the degree of appetite that exists for the right business or assets and we expect further to come. But the flow is clearly now two-way. A foothold in Portugal is also seen as an increasingly important first step to investing in Brazil."