

# PORTUGAL AS AN INTERNATIONAL INVESTMENT PLATFORM - FRANCO CAIADO GUERREIRO & ASSOCIADOS

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João Caiado Guerreiro

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The domestic downturn is pushing Portuguese companies to new markets and encouraging international businesses to capitalise on Lisbon's links to Africa and Latin America

La recesión en Portugal está empujando a las empresas a explorar nuevos mercados y a sacar partido de los vínculos de Lisboa con África y Latinoamérica, opina João Caiado Guerreiro, Socio Director de Franco Caiado Guerreiro & Associados.

The major issue impacting the Portuguese economy is liquidity, say experts. The inability of businesses to access finance is impacting across all sectors and companies of all sizes. Inevitably therefore Portuguese companies and lawyers are looking abroad for new opportunities, says João Caiado Guerreiro, Managing Partner of Franco Caiado Guerreiro & Associados.

"Even many of Portugal's largest public companies are beginning to report challenges in raising new

finance – loans collateralised against their share capital are in some cases 'underwater', their share price having dropped below the value of the finance they borrowed against it."

Portuguese banks want ever stronger guarantees and are restricting financing, meaning that businesses are reassessing their operations, to determine what is core, what may be divested, and where the new growth lies, he says.

The current state of affairs is not however "an equal opportunities" crisis, believes Caiado Guerreiro. "We see a greater number of businesses expanding to Angola, Mozambique and Brazil and capitalising on the tremendous growth being seen there."

Those companies that internationalised early have an advantage but he sees opportunities not only for Portuguese companies. "Maintaining a purely domestic focus is no longer an option for most medium-size and large businesses, and Portugal combined with Angola and Mozambique presents a market with a combined GDP of over €230bn – Lisbon's ability to act as an investment gateway is attracting greater international interest."

He reports that investors are now instructing the firm for operations in Africa and Brazil without any Portuguese element. "Clients that have proved happy with the service we've given them domestically now want to exploit our knowledge in these markets. They see the relevance of Portugal from a cultural, legal and business perspective. They want us to present them with an alternative international platform," says João Caiado.