

Nº24 • Quarterly

PORTUGAL ON THE MOVE

# Essential

## BUSINESS

### SWISS-PORTUGUESE RELATIONS

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### VALUING TOOLS

Affordable and easy business valuations

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CHRIS GRAEME

## Welcome to *Essential Business* Issue 24!

In this edition we continue to spotlight dynamic and innovative companies, starting with our cover story about two young and talented Fintech entrepreneurs, João Vaz Leite and António Gomes of Valuing Tools, who together have democratised the valuation of companies by developing a proprietary software tool that

can effectively and quickly come up with a valuation for your company at a fraction of the cost of the larger, well-established multinationals in the sector, as well as providing a comprehensive range of other financial advisory and consultancy services for micro and SMEs. We also focus on PropTech and two young entrepreneurial brothers, Tiago and Diego Slegers, who have realised there is a gap in the estate agency market, not for property listings sites, but rather a service aimed at house hunters with a software that allows them to specify what kind of properties they are looking for, where, and in what price range. The answer is Fortimty, the platform that prioritises property requests from clients, and not property listings.

Essential Business has also discovered a small Portuguese company achieving big orders in the realm of interior fit-outs in the hospitality sector, among others, and has already successfully internationalised. We are talking about IW Enterprise Portugal which provides a customised 360° master designer fit-out service with scores of projects involving bars, cafés, restaurants, shops, hotels, shopping centre kiosks, ocean liners, offices, private residences and catering establishments with a small but dedicated team led by the company's founder José Tavares.

It's hard to believe that this year is the 10th anniversary of the fall of Banco Espírito Santo, one of the oldest and most trusted high street banks in Portugal that had been in existence since the 1860s.

Our regular in-house contributor, David Sampson, who personally met and interviewed its former president Ricardo Salgado, traces the fall of the bank that shocked the nation, made international headlines, and almost brought down the entire banking system in Portugal. It is a story of over-leveraged lending, cover-ups, lies, corruption and swindles that ruined thousands of small investors, and a judicial case that has dragged on for a decade, leaving as many questions still unanswered as solved, in a case that gripped Portugal and is worthy of a Dynasty-style Netflix drama series.

Essential Business has been keen to discover more about Portugal's small but growing capital market sector ever since we interviewed the CEO of Euronext Lisbon, Isabel Ucha, and which was why we were happy to be invited to Portugal's first ever Capital Markets Day in June, which matched national and international investors with Portuguese companies, while highlighting the importance of looking at alternative investment and capital opportunities in this expanding but well-regulated market.

Last, but not least, we place the spotlight on one of Europe's most successful multinational companies, Sonae Sierra - part of the Sonae Group - which is famous for developing and managing innovative and stylish shopping centres. But that's not all they do, as *Essential Business* discovered at an American Club of Lisbon event in July.

These stories and much more in this issue of *Essential Business*. Enjoy!

Chris Graeme, Editor

### Estatuto editorial

A revista *Essential Business* pretende dar a conhecer à comunidade empresarial e internacional em Portugal e a quem visita o país em trabalho, para eventos profissionais ou para investimento, a realidade e atualidade sobre negócios em Portugal.

Enquanto temas relacionados com a imobiliária e o turismo são uma presença constante, a revista e os seus suportes digitais cobrem todas as áreas de negócio, incluindo a saúde, o retalho e as mais diversas indústrias.

A revista *Essential Business* assume o compromisso de assegurar o respeito pelos princípios deontológicos e pela ética profissional dos jornalistas, assim como pela boa-fé dos leitores.

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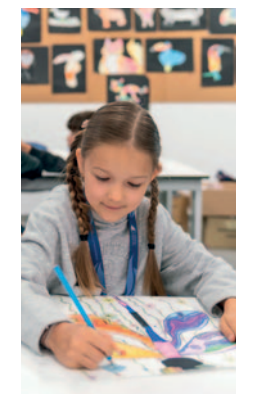
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# Valuing Tools

## Taking the headache out of buying, selling and valuing companies

Since founding Valuing Tools in 2021, consultants António Gomes and João Vaz Leite have helped hundreds of entrepreneurs value and add value to their companies using their experience in marketing, financial consultancy and cutting-edge technology. Essential Business discovers how the Portuguese duo have taken company valuation to the next level.

TEXT & PHOTOS CHRIS GRAEME

These days, finding a valuation service for small companies that is affordable and fast in a world dominated by large consultancies is quite a tall order.

Yet innovative and inspiring Portuguese fintech Valuing Tools can come up with a valuation at a fraction of the time and cost compared to the well-known multinationals.

It's a bold claim made by two high-flying young startup founders, António Gomes and João Vaz Leite, who joined forces in 2021 to figure out how to help Portuguese companies and potential national and international investors looking to buy into or buy up a company, to reach a fairly accurate market value assessment of a business.

"António contacted me with a great idea to use advanced technology to simplify and streamline the entire valuation process, which today is still largely dominated by the four big multinationals: Deloitte, E&Y, PwC and KPMG, and where valuation is largely confined to supporting their audit practices for medium and large companies," recalls João.

"We asked ourselves the question: where does that leave the micro and small businesses that make up around 95% of Portugal's companies' network,

which don't necessarily have tens of thousands of euros to shell out on a valuation?"

João, who describes António as a "walking financial whizz kid", says they had a light-bulb moment when they realised there was a solid business opportunity to create a valuations business for SMEs, combining all of their shared knowledge in financial services and marketing, but making it easier, cheaper and faster with cutting-edge technology. ValuingTools was born.

António has a sold background in investment, capital management, mergers and acquisitions, business valuation and financial analysis, having worked in José Maria da Fonseca, Oxy Capital and Baker Tilly Portugal, while João has a background in management, advertising and marketing consultancy and ran his own agency. It was the perfect marriage of minds.

Inspired by the idea, João came up with a budget to start the business. "We set up the company ValuingTools and began researching what the market was looking for," he recalls.

João noticed that there seemed to be few, if any, smaller companies that, by using advanced technology, could value

micro-, small- and medium-size companies at a cost-effective rate, offering a complete range of financial consultancy services at a fraction of the time.

### IT'S ALL IN THE ALGORITHMS

The tool supports the entire valuation process for any type of company, from a self-employed car mechanic with his own business with a turnover of €100,000 per annum, to larger SMEs with a turnover of up to €500 million, and come up with a preliminary value from as little as €975.

The data is then filtered and organised through a proprietary tool before a qualitative analysis is made based on the company's profile and history, as well as data, such as the number of clients and suppliers it has, the profile of the key people and their roles in the organisation, and the competitiveness of the sector in which the company operates.

The process starts with a meeting with the client to get an in-depth understanding of the business operations. This is followed by creating a business plan that serves as the base of the valuation. The final phase is to produce a valuation report and then have a sign-off meeting with the client.



Valuing Tools co-founders and partners António Gomes and João Vaz Leite.



**“VALUATION IS DOMINATED BY THE BIG FOUR COMPANIES, BUT WE ASKED OURSELVES: WHERE DID THAT LEAVE THE OTHER 95% OF MICRO, SMALL AND MEDIUM-SIZE COMPANIES THAT MAKE UP PORTUGAL’S COMPANIES NETWORK?” ANTÓNIO GOMES, CO-FOUNDER AND MANAGING PARTNER, VALUING TOOLS.**

Using a unique mix of algorithms and a vast experience in their respective financial areas, the Valuing Tools duo can also enhance the entire company’s valuation process with a range of customised services.

#### A LACK OF AMBITION

Through extensive research João and António discovered that small Portuguese business owners often lack ambition compared to counterparts in other countries like the US or UK.

“We decided to create content, devise tools and answer questions as to why it is important for an entrepreneur to have their company valued, even if they are not in fact planning to sell it.”

“We came across entrepreneurs who told us that they wanted to value their companies because they wanted to sell them and retire. The Portuguese entrepreneur typically doesn’t want to create assets. They build their companies, buy their houses and cars, and typically sell the company with the aim of living on the proceeds for the rest of their lives,” says António.

António explains that it doesn’t always occur to some small Portuguese businesses to think about why it might be important to get a business valuation for reasons other than selling up. “We advise valuation for many reasons, such as business expansion plans. For example, in cases where the founders want to attract venture capital funds to grow, or merge with another company to gain scale.

And if they do, they don’t always realise that, today, an extensive and objective financial assessment beforehand is crucial. Company owners need to play a strong hand of cards to negotiate with potential investors who are considering buying or investing in the company.

There are lots of other reasons why company owners should have their businesses valued at fairly regular intervals; from assessing if the organisation is running a profit, deciding the best future exit strategy for one or more partners, changing the status of the business’s ownership, considering a merger or an acquisition, a buyout caused by a divorce or business partnership split, to a business and financial assets assessment for a retirement plan and eventual inheritance or trust fund.

António points out that a large percentage of businesses in Portugal are not strictly companies employing staff, but rather individual self-employed businesses, often in the liberal professions; the self-employed accountant, the plumber, the builder, the small private mortgage broker, the car mechanic, the coffee kiosk owner, and so on.

“Business valuation through some of the larger firms is expensive for small businesses and can be a lengthy process but, through these software tools, we’ve succeeded in creating a competitive and affordable advantage that relies on efficiency and automation of some processes, while at the same time delivering a tailored product,” explains João.

#### A REALISTIC UNDERSTANDING OF THE MARKET

One problem business owners often have when considering how much their businesses are worth is that their own economic perception and the perception of the market can differ widely.

“There are two different perceptions business owners have: an economic perception and an operational and organisational perception. However, often the duo encounter serious problems in the way the company is organised and



António Gomes and João Vaz Leite, founders and co-partners Valuing Tools.

operated, which reveals a lack of understanding. In other words, chaotic and poor corporate governance, which in Portugal is a pernicious issue,” says António.

Another issue is that owners’ opinions about the value of their businesses are often subjective and influenced by emotions informed by the hard work and effort they’ve put into these businesses over years, and they value accordingly.

The problem here is that there is often a gulf between their expectations and the real market value, because

prospective investors or buyers value with a cold and analytical head, basing what they think the business is worth on a broad sweep of financial and non-financial factors that, when taken together, paint a better picture of its financial sustainability, risk profile, uniqueness (or lack of), the way it is managed, and its long-term prospects.

#### BUILDING ASSET VALUE

João and António say company founders don’t always have the mindset

that they have an asset rather than just a profession or work that can be developed and nurtured to eventually sell.

In other words, they are not making the most out of the business by thinking long-term on how they can grow and capitalise on the asset, so that when they do sell it or a share of it, the company will be worth more than just the annual turnover and client portfolio.

“When founders start up a company in the UK or US, they already have a strategic eye to the future and create

possible exit scenarios, whereas in Portugal that simply isn’t the case with all entrepreneurs.

“Here it’s a question of education and changing mindsets by encouraging companies to seek the advice and support of specific business growth entities, such as the Portuguese Management Association, venture capital companies and business angels, or financial advisory consultants such as Valuing Tools.”

When valuing a company, the duo takes several essential steps in their



**“WE DECIDED TO CREATE CONTENT, DEVISE TOOLS AND ANSWER QUESTIONS AS TO WHY IT IS IMPORTANT FOR AN ENTREPRENEUR TO HAVE THEIR COMPANY VALUED EVEN IF THEY ARE NOT IN FACT PLANNING TO SELL IT.” ANTÓNIO GOMES, CO-FOUNDER AND MANAGING PARTNER, VALUING TOOLS.**



João Vaz Leite and António Gomes, founders and co-partners Valuing Tools.

process which, in addition to valuing the company, involves preparing an in-depth document dossier to present the company, creating a strategy to enhance its attractiveness for future investors or buyers which they also help identify, creating a marketing and negotiation strategy for the company, conducting the due diligence, providing support with closing the deal and, finally, helping the company owner(s) to effect a smooth transition to the new owners, partners, or shareholders.

#### **PORTUGAL'S CORPORATE LITERACY PROBLEM**

António Gomes explains that the problem of realistic and objective perception also ties in with a second issue in Portugal – poor corporate financial literacy and governance, whereby the nation's companies frequently lack structures.

“Sound corporate governance and financial literacy in the way companies are run are vital for the economic development of the country,” says António.

For companies, this means knowing how to effectively manage financial resources, including investment, credit, the distribution of dividends, project management and evaluation, and risk management. “Corporate financial literacy and the ability to understand concepts and technological tools should be a vital part in decision-making and how companies are managed and operated,” he adds.

“Very often in Portugal, the shareholder occupies the same role as a CEO,

and in most cases this is a really serious handicap, particularly in family-owned businesses. Without a corporate governance structure, these companies will find it hard to grow, and since most businesses lack this, Portugal's companies network can't really evolve,” he stresses.

In fact, a study carried out by the Universidade Católica Portuguesa in 2019 revealed that the level of corporate financial literacy in Portugal is low compared to other European countries.

The study looked at how much Portuguese managers knew about capital structure, the cost of capital, dividend policy, company valuation and risk management. The results showed that Portuguese managers often have difficulties or lack confidence in applying theoretical concepts of good corporate management in practice.

#### **A CLUTCH OF SERVICES**

Valuing Tools helps companies to manage their financial assets and resources by equipping them with the tools, strategies and services they need to add value and grow. It helps business owners make better and more informed decisions and have a more realistic expectation of the real value of their companies, helping them to enhance the strengths of the business for an eventual optimal sale.

So how does it do this in terms of the services it offers? Valuing Tools not only offers company valuations, but also consultancy on company mergers and acquisitions and the business as a whole, the purchasing and sale of companies, financial consulting and advice on the entire company sales process.

Valuing Tools, despite only being in the market for three years, has already managed to clock up a portfolio of around 150 companies per annum from all different sectors, many of them micro and small companies, but also several larger mid-cap companies with turnovers of over €10 million.

#### **SIX STEPS TO SUCCESS**

What makes the difference between traditional company valuation consultancies and Valuing Tools is the use of its technology software, which, by using innovative technology, automates the en-

tire process from start to finish in a rapid and intuitive way across six basic steps.

**Step 1** is adjudication. This means ascertaining the client's needs so that the final report and recommendations will be useful for the company to meet its end objectives, be that a sale or other goal.

**Step 2** is gathering. Collating all the accounts information required to begin a preliminary analysis.

**Step 3** is setting up a meeting with the client and using the preliminary analysis to validate some assumptions and collect other information required to carry out the project.

**Step 4** involves preparing and producing a report which is then reviewed by a third-party member of the team.

**Step 5** delivers the final report with the estimated valuation of the company.

**Step 6** involves clearing up any doubts that may later exist about the valuation, the findings of the report, and how conclusions were reached, including the methodologies used, and if, at some time in the future, a fresh report might be needed based on new, additional factors.

“We have the experience to carry out valuations in any business activity sector, consolidating this experience with an academic background which enables us to apply best practices, consistency, and rigour combined with value-added financial consultancy services and cutting-edge automated technology,” says António, who is certified by the Chartered Financial Analyst Institute (CFAI).

In conclusion, by engaging in a serious conversation with these two fintech entrepreneurs, João and António at Valuing Tools can guide business owners to maximise their business value and navigate the successful sale and transition of their companies. ■

**“CORPORATE FINANCIAL LITERACY AND THE ABILITY TO UNDERSTAND CONCEPTS AND TECHNOLOGICAL TOOLS SHOULD BE A VITAL PART IN DECISION-MAKING IN HOW COMPANIES ARE MANAGED AND OPERATED,” ANTÓNIO GOMES, CO-FOUNDER AND MANAGING PARTNER, VALUING TOOLS.**



#### **VT LAUNCHES NEW SAAS TOOL**

At the end of September/start of October, Valuing Tools is to launch its new SaaS onto the market.

“The tool that we use internally will now be available to the market so that any company or organisation will be able to not only quickly and effectively make a valuation, but most of all can ensure that valuations in different companies, their subsidiaries and departments are done so uniformly.

These days, what often tends to happen with investment funds, consultancies and accounts departments is that each staff member does a valuation in their own way. With our APP and SaaS this problem is solved. We assure that there are uniform internal processes and valuations, regardless of the person who carries them out. We are already working with some clients on a beta phase, but we are already running a pre-sales campaign for companies and entities that are interested,” say João Vaz Leite and António Gomes.





José Tavares, Founder and Managing Director IW Enterprise.

# IW Enterprise Portugal

## The master designer interior fitters

How does an interior designer and master fitter like IW Enterprise Portugal manage to juggle 8-10 projects worth hundreds of thousands of euros at the same time, and retain an unbroken reputation of excellence in the market? According to its founder and managing director José Tavares, it's a question of experience and organisation.

TEXT **CHRIS GRAEME**  
PHOTOS **IW ENTERPRISE**

**W**hen refurbishing all the bedrooms of a hotel, you have two choices: close it for the period the works are undertaken and lose guests and money, or keep it open and try to fathom how you're going to do the works in a way that the guests hardly even know refurbishments are going on.

And that's exactly what IW Enterprise Portugal, a Portuguese 360° master fitters based in Várzea, Barcelos in Portugal's Minho region, has been doing to all the rooms at the Hotel Minho in Vila Nova de Cerveira to create a comfortable, family-orientated design concept with a €300,000 budget.

"The project came about after our participation in Decor Hotel at Porto's trade fair site Exponor in 2022. It was quite a challenge because we had to significantly transform the functional aesthetics of the hotel, and we created two types of model rooms: an innovative family room with bunk beds for children and standard twin rooms for couples and individuals," explains Managing Director of IW Enterprise Portugal, José Tavares.

The success of this project led to the Hotel Minho project, where the director of the establishment, João Paulo Cabral, had given one key instruction. "We have to keep the hotel open, and you have to carry out the work so that the guests hardly even know you're there."

José recalls: "Of course, we had to do the works during the day when most guests were not in the hotel, while the workmen had to use the rear entrances and the fire escape staircases to access the rooms and bring up the materials and pre-fabricated furnishings and fittings that we'd custom-manufactured at our factory. Out of sight and out of mind, so to speak."

The room refurbishment works were to be done in three phases over the three floors, with two completed and work on the final floor slated for January 2025.

IW Enterprise Portugal took inspiration for the decoration from several elements that had already existed in the rooms and public areas of the hotel, particularly from an impressive piece of furniture in the lounge area, employing oak wood and neutral colour tones throughout to create an elegant and light atmosphere.

### A VERTICALLY INTEGRATED 360° APPROACH

One aspect of IW Enterprise Portugal that sets this interior designer apart from some competitors is its 360° conception to completion approach.

"We sit down with the client, listen to their ideas, examine the interior space, work from detailed designs or even outline sketches and translate these into unique customised pieces of designer furniture and furnishings, taking care of every aspect of the project from the structural elements such as steel, carpentry, the pre-modulated fittings and fixtures made at our factory and assembled

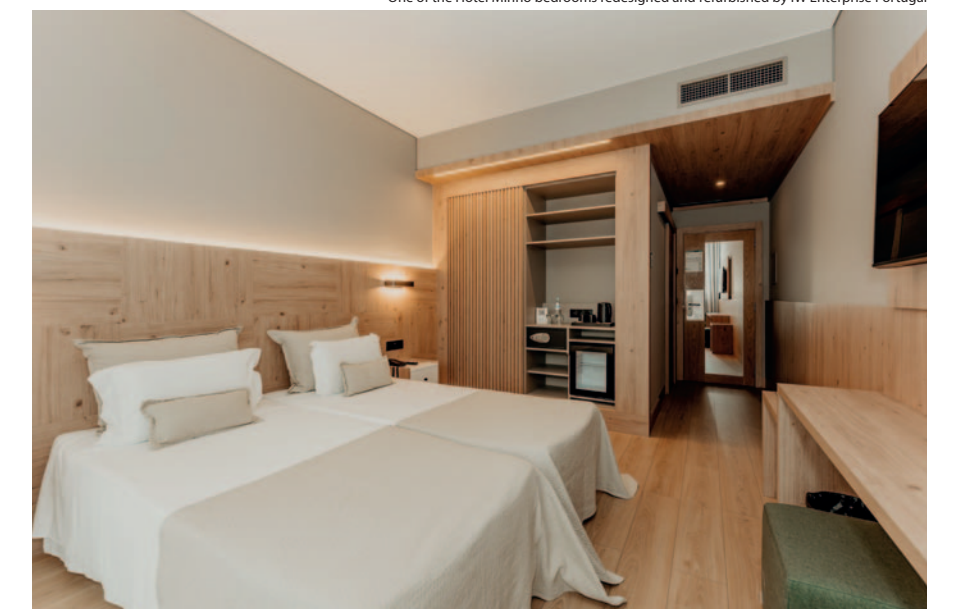
on site, to wooden floorings, carpets and soft furnishings and including the lighting and paint decorating," explains José Tavares.

### CONFIDENCE AND TRUST

One of the reasons why IW Enterprise Portugal has been so successful in the Portuguese and French markets since its founding 11 years ago, despite starting out during one of the worst financial crises and recessions since the 1930s and going from strength to strength in current economic headwinds, is the confidence that the company has inspired in its clients in all of the segments within

**"WE SIT DOWN WITH THE CLIENT, LISTEN TO THEIR IDEAS, EXAMINE THE INTERIOR SPACE, WORK FROM DETAILED DESIGNS OR EVEN OUTLINE SKETCHES AND TRANSLATE THESE INTO UNIQUE CUSTOMISED PIECES OF DESIGNER FURNITURE AND FURNISHINGS, TAKING CARE OF EVERY ASPECT OF THE PROJECT FROM THE STRUCTURAL ELEMENTS SUCH AS STEEL, CARPENTRY, THE PRE-MODULATED FITTINGS AND FIXTURES MADE AT OUR FACTORY AND ASSEMBLED ON SITE, TO WOODEN FLOORINGS, CARPETS AND SOFT FURNISHINGS AND INCLUDING THE LIGHTING AND PAINT DECORATING". JOSÉ TAVARES, FOUNDER AND MANAGING DIRECTOR, IW ENTERPRISE PORTUGAL.**

One of the Hotel Minho bedrooms redesigned and refurbished by IW Enterprise Portugal







Tavi Style Outlet Vila do Conde.

**“WE HAVE THE EXPERIENCE TO PREPARE, ORGANISE AND ANTICIPATE THE ORDER OF MANUFACTURE BEFORE A SPECIFIC ASSEMBLY PERIOD. IT’S A BIT LIKE BEING A GOOD CHEF IN A BUSY HOTEL KITCHEN THAT MUST RUN LIKE CLOCKWORK – YOU HAVE ALL THE ESSENTIAL INGREDIENTS READY AND PARTS OF THE RECIPE PRE-PREPARED, SO IN THE END YOU JUST COOK AND PRESENT, AND VOILÀ!” JOSÉ TAVARES, FOUNDER AND MANAGING DIRECTOR, IW ENTERPRISE PORTUGAL.**

Tavi Padaria da Foz, Porto.



which it operates, which include catering and hospitality, leisure and residential housing.

“Our clients are always delighted with the outcome of our projects. We’ve never had a major complaint or been taken to court in 11 years,” says José, who has a long experience working in various aspects of the business over 25 years and which is why he is in a unique position to be able to see and work all aspects of a project, from conception to completion, to provide a bespoke turnkey solution.

**COFFEE SHOPS AND PATISSERIES**

A particular area of IW Enterprise Portugal expertise is catering fit-outs, in particular creating warm and inviting interiors for coffee shops, patisseries and restaurants, forging close partnerships with emblematic names in Portugal such as the historic Versailles patisseries and Delta coffee shops.

“Whatever the client wants, we create across the entire chain, because we have our own in-house designers, engineers, metalworkers, plumbers, electricians, decorators and carpenters at our disposal at a company that currently employs around 30 craftsmen and specialists,” explains José Tavares.

IW Enterprise Portugal was behind the refits for Versailles patisseries in 2017 at Lisbon airport, the Delta Cafés coffee shop, and My Bistro in Setúbal also that year, and more recently the Café Esplanada in Braga in 2020, the Café Corcel in Porto, also 2020, and the Tavi coffee shop in Porto in 2021.

“Some of our clients, such as Versailles and Delta, we’ve been working with for years, and that’s because we show total flexibility, work to budget and complete the project on time. This is why we’ve been able to build up a level of confidence and trust that has brought repeat

work to the company because they know we’ll do a great job employing the latest technology to create fully integrated solutions,” he adds.

This last point is admirably demonstrated by the fact that IW Enterprise Portugal has built up such a position of trust with some long-standing clients that legal contracts have been quite dispensed with. “We’ve never delivered late or missed a deadline and thankfully we’ve never suffered a bill unpaid,” he remarks.

But while catering establishments are a particular strength for IW Enterprise Portugal, it also tackles projects for retail units, both high street stores and shopping centre units, creating clean, fresh and dynamic spaces for their clients, enhancing the space available.

In fact, IW Enterprise Portugal has built up a wide portfolio of retail space projects and kiosks for clients from opticians, watch jewellers and jewellers, to tobacconists and stationers, book sellers, perfumeries, beauty and cosmetics bars.

**CRUISE SHIPS**

As for overseas contracts, IW Enterprise Portugal has become a dab hand at fitting out food and beverage and retail interior spaces on cruise ships belonging to APEX Celebrity Cruises and MSC Cruises.

Sending teams over Saint-Nazaire in France, they fit out projects for MSC’s Bellissima in 2018 and, this year, the master fitters were selected to fit out MSC’s X34, one of the largest and most advanced cruise ships in the world.

“Being one of the largest and most technologically advanced ships in the world at 350 metres long, this isn’t just another run-of-the-mill project for us; this is a major fit-out undertaking, involving the manufacture and installation of fitted stainless steel heated and non-heated buffet and waiter service bar units for various parts of the ship in restaurants, bars and clubs in a €750,000 contract,” says José Tavares with a sense of pride.

IW will also provide and apply coatings on the retractable benches of a multipurpose room on board, which can be used as a cinema, theatre or ballroom. The adjustable countertops will be coated with dark blue lamicolour compact panelling, employing interchangeable U-shaped stainless-steel profiles in

an investment close to €50,000. “The wide range of materials we use for different catering furniture goes to show our versatility in the project,” José adds.

But that’s not all! In terms of decorating the shopping and entertainment areas, the Portuguese fitters will also be responsible for several projects in a €720,000 investment focusing on the ship’s Sports Bar, such as assembling show cases, decorating bar counter areas, mounting wall coverings, and making sofas to a specific design, all using mixed materials such as glass, laminates, stainless steel and fabrics.

“We have a valid contract to 2029 and must meet strict deadlines or else face hefty fines. The shipyard environment in France is highly regulated and requires the utmost competence. We’ve been consistently able to demonstrate and deliver excellence on time to the satisfaction of the client, which is why we already have two new ship projects; one for 2026 and the other for 2027 within the scheduled programme,” explains José Tavares.

**KIOSKS**

When it comes to modernising kiosks, cafés and beauty bars, often placed in busy commercial spaces such as shopping centres, hotels or airports, time is of the essence, and the client must minimise disruption as much for the managers of the commercial area as the clients themselves.

This is why IW Enterprise’s pre-fabricated approach, with all modulated

pieces made at its factory to be then assembled on site within a matter of hours, often overnight – and that includes all the electrical fittings and plumbing installation –, is so essential to the company’s success.

The company has designed and manufactured kiosks and retail bars for clients in Portugal, Angola, France and Cape Verde, including kiosks for Delta and Sical cafés.

**ORGANISATION**

José Tavares says his dedicated team of 30 employees is like family, and hardly anyone, once they’ve joined the company, ever wants to leave.

Nevertheless, the IW Enterprise Portugal proprietor admits funding skilled and hard-working staff when the company’s order books are full can be a challenge.

So just how does he manage to fulfil multiple orders for projects at the same time, short of being a juggler?

The answer lies in good organisation in terms of production at its 1,700-metre factory, so that most of the components can simply be assembled on site.

“We have enough experience to be able to prepare, organise and anticipate the order of manufacture before a specific assembly period. It’s a bit like being a good chef in a busy hotel kitchen that must run like clockwork – you have all the essential ingredients ready and parts of the recipe pre-prepared, so in the end you just cook and present, and voilà!” ■

José Tavares, CEO of IW Enterprise Portugal says his 30 employees are like “family”.





# Fortimy - The platform that promotes property requests, not properties!

The headaches from endless hours scrolling reams of property listings on scores of realtor sites are over, thanks to a truly unique real estate proposition from Fortimy, a startup from founder brothers Tiago and Diego Slegers, whose inspiring story is born from the ingenuity to solve very real problems.

TEXT **CHRIS GRAEME**  
PHOTOS **SUPPLIED**

**"I NOTICED THERE WAS A MAJOR GAP IN THE MARKET. IT WAS VERY EASY AND TRANSPARENT TO LOCATE PROPERTIES, BUT THERE WAS NOWHERE WE COULD GO TO FIND WHAT PEOPLE WANT TO BUY OR RENT".**  
**DIEGO SLETERS, CO-FOUNDER AND MANAGING PARTNER, FORTIMY.**

In 2021, enterprising brothers Diego and Tiago Slegers embarked on an adventure into residential real estate during the Covid-19 pandemic by founding Alti Estates, a real estate company that is fast becoming known for its excellence and service within Cascais, Sintra and Lisbon.

Instead of taking the advice of realtor friends in the business to start off small with regular €500,000 property listings, the duo decided to aim high and go for the luxury property segment. But with little experience selling high-end properties, how would demanding, often foreign High-Net-Worth Individuals (HNWI) even take them seriously with so few listings and clients?

"What you have to remember is that since we were starting out, we had no listings portfolio to speak of, or indeed any portfolio of luxury properties that we had sold to show prospective HNWI clients that we were experienced and had a good reputation in the market. All we had were our vision, our combined educational backgrounds and curriculums working in companies," recalls Diego Slegers.

"Through constant analysis of how the real estate sector works and how we were running our business and measuring Key Performance Indicators, I noticed there was a major gap in the market. It was very easy and transparent to locate properties,

but there was nowhere we could go to find property requests [what people want to buy or rent]."

The answer was Fortimy, a web portal (wholly separate from Alti Estates) where both individual buyers and estate agent professionals acting on behalf of their clients' requests can describe the kind of properties they are looking for. Agents can then browse through these property requests to see if they have any suitable listings on- or off-book.

This was an idea born out of the entrepreneurs' needs to swiftly and efficiently locate and match the right properties for their clients.

"It can be very time-consuming scrolling through scores of other platforms and ringing around contacts to see what listings they, or someone they knew, had," Diego recounts.

The pair had noticed that the majority of the real estate market was focused on representing sellers and not buyers, and even their websites were all about promoting properties.

Diego says that the reception to the idea has been "fantastic" from both consultants and brokers.

"We were at the Portugal Property Fair in May this year when we got a lot of interest and our stand was one of the busiest," he adds.

So far, Fortimy already had 30 people working on the project, and over 250

companies and around 2,000 property consultants signed up, with many deals already struck as a result of the portal.

"We believe Fortimy has solved a problem with a unique concept proposition that, as far as we know, doesn't exist anywhere else in the local property market in Portugal, because unlike traditional platforms, Fortimy gives priority to requests and not listings."

#### INNOVATIVE SOFTWARE

The duo developed a specific innovative software tool to help individuals and professionals amplify their reach, allowing their property requests to have greater visibility. By having this new visibility of property request, agencies can cut time, costs and speed transaction time.

With Fortimy, another great feature for estate agencies is that off-market sales prosper while the privacy and security of sellers are protected.

In the beginning, the process was not all plain sailing. "It took time for us to analyse and adjust our platform to the needs of our users, but we've done that, and from the feedback we've got, the platform is now meeting 90% of functional expectations."

The brothers say they have plans to eventually expand Fortimy to other countries, but for the time being will continue to develop their unique value proposition in Portugal. ■



Tiago and Diego Slegers (Left-Right), Founding partners, Fortimy.



# Sonae Sierra a finger in every pie

Mention Sonae Sierra and stylish modern shopping centres spring to mind. But the Sonae Group subsidiary engages in the entire commercial real estate sector, as *Essential Business* found at the American Club of Lisbon's 10th Real Estate Meetup in July.

TEXT CHRIS GRAEME

PHOTOS JOAQUIM MORGADO/SONAE SIERRA

When most people think of the Portuguese company Sonae Sierra, they invariably think of the company as European shopping centre developers that have designed a veritable array of light, lofty and colourful cathedrals to retail commerce.

What they don't often realise is that Sonae Sierra manages a diversified portfolio of businesses in retail, financial

services and real estate. In other words, there is hardly a real estate pie in Portugal and overseas in which Sonae Sierra doesn't have a finger.

Furthermore, Sierra is part of the larger Sonae Group, responsible for 1 in every 23 jobs in Portugal and contributing around 3.7% towards the national GDP.

Food retail, health and wellness certainly dominate Sonae's business opera-

tions, representing a 75% share of the group's activities under the company MC (Modelo and Continente).

In fact, MC is the market leader in Portugal, with a number of distinctive business segments: Continente (hypermarkets), Continente Modelo and Continente Bom Dia (convenience supermarkets), Meu Super (franchised supermarkets), Bagga (cafeterias/restaurants), Go Natural (healthy food supermarkets and restaurants), Make Notes and Note! (book shops/stationery), ZU (dog and cat products and services), Wells (health, well-being and eye care) and Dr. Well's (dental and aesthetic medicine clinics), and Worten (home electrical appliances). But MC is also responsible for retail properties management.

## SONAE SIERRA - AN INTEGRATED APPROACH TO REAL ESTATE

However, it is real estate that is an increasingly important part of the business operated under the company Sierra, which pursues an integrated approach, finding solid platforms from which it can create sound investments all around the world.

Sonae Sierra was set up in 1989 and is owned by Sonae SGPS Portugal (70%) and Grosvenor (UK) with 30%.

At the 10th Real Estate Meetup organised by the American Club of Lisbon and supported by property developers Eastbanc and auditors and financial services company Deloitte, held at the palatial setting of the Palácio da Rocha do Conde D'Óbidos on July 10,



Luis Mota Duarte, CFO, Sonae Sierra.



Colombo Shopping Centre and Offices, Lisbon.



Vasco da Gama Shopping Centre, Lisbon.

Luis Mota Duarte, CFO of Sonae Sierra, gave fascinating insights into Sierra's business operations.

Luis describes Sierra as asset managers and developers with investment management at the heart of its activities, in order to generate value in whichever asset class it owns or manages.

"Asset and property management is core, while development services are also an essential component to our business. We started off as shopping centre developers, which is why people today know us for this, but we are now fully vertically integrated, covering everything in the real estate value chain."

From a development point of view, Sierra invests a lot of capital, with around €4.9Bn invested in the past on developments, mostly in retail (shopping centres). But Sierra has shifted its strategy and today has a pipeline of around €700 million of capital to invest in promising areas – in both Spain and Portugal –, in residential, offices, logistics, and mixed-use developments.

"We don't mind investing money from our own balance sheet because investment and risk are in our DNA and the returns are also attractive," said Luis, adding that they "invest in partnerships to leverage gains".

Sonae Sierra also provides property management services and asset management for its own investors and third-party investors.

"We currently manage around €6Bn, mostly institutional money, but also family office and private individual investor

money through new products that we have been issuing and launching," Luis explained.

With 20 investment vehicles, all of a different nature, the application of funds can be directed to a specific segment or sector of real estate, or towards a specific type of return.

The company used to have a lot of retail assets in Germany, which it sold because the retail market is "not very attractive", but it does operate assets in the country and manages a lot of investment funds.

Sonae also exited the sports retail sector overall with the completion of the sale of its 30% stake in ISRG for €300m, generating a €168m capital gain.

## SONAE IN BRAZIL AND COLOMBIA

Sonae Sierra used to be quite active in the real estate market in Brazil through its subsidiary Sonae Sierra Brasil S.A and German investor Alexander Otto, where it developed and managed shopping centres all over the country including Campinas, São Paulo, Manaus, Minas Gerais and Goiás.

The company was listed on the Brazilian stock market. At its height, it owned nine shopping centres and managed others, collectively totalling 474,000 square metres of Gross Lettable Area (GLA), and 2,103 shops.

However, in 2019, Sierra Brasil merged with the shopping centre management company Aliance to form the largest shopping centre management company in Brazil.

In Colombia, Sierra is the controlling shareholder of the largest shopping centre operator and in 2019 opened the Jardín Plaza Cúcuta, the city's largest mall in a €52 million investment.

## INSTITUTIONAL - A PARTNER FOR BUSINESS AND THE COMMUNITY

Says Luis Mota Duarte: "Retail is still a big part of what we do, but institutionalism is something we try to convey since we are part of an institutional group with institutional governance and practices."

"The way we like to position ourselves is as a trusted and reliable partner for anyone who wants to invest in real estate, and what makes us different and should give investors confidence that they can trust us with their money is that we have the experience of many years, across many different countries [35] on all continents, except Australia."

"We are fully vertically integrated so we don't need to outsource competencies and, more importantly, when we spot an investment opportunity, we can bring a team around the table, study it and pursue it," he adds.

## ESG - A SOLID TRACK-RECORD

Luis Mota Duarte is confident that any mover and shaker in the Portuguese, and indeed European, real estate sector recognises the company's commitment to ESG (Environmental, Social and Governance) standards. "We started on our road to sustainability in 1997 and we have institutional investors who keep us on our toes," he said. "It's a 'must' as





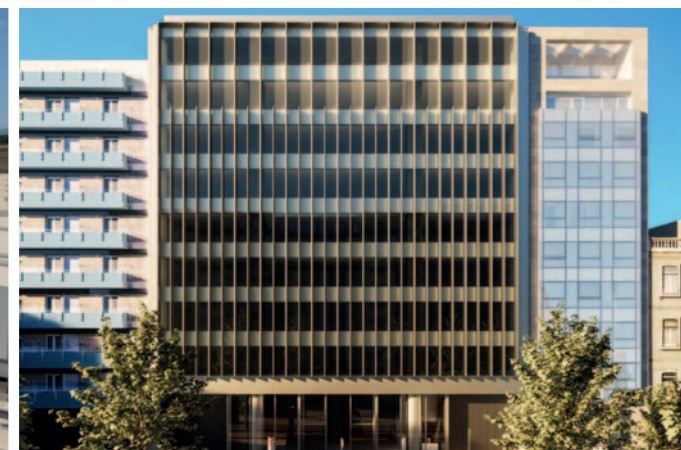
Viva Offices, Porto.



Campo Novo Office Complex, Lisbon.



Rainha Green Logistics Park, Azambuja (Sonae Sierra 1st tenant.)



República 5 - Mixed Use Refurbishment.

they will only invest in us if we have very good ESG.”

According to the company’s financial report for 2023, Sonae’s portfolio continued to be on track toward its 2032 emissions reduction target, with a decrease of 6% in emissions at the end of 2023.

Sonae’s retail businesses ensured that 58% of relevant commodities (timber, cattle, palm oil and soy) are deforestation-free (sourced from a non-risk country or certified), while 83% of total long-term credit facilities are already linked to Sustainable, Green or ESG performance.

All in all, Sierra’s solid performance across all its business areas resulted in a Direct Result and an Indirect Result of €63 million and €26 million, respectively, culminating in a Net Result of €89 million (+€58 million year-on-year). This contributed to a 9% year-on-year increase in the company’s Net Asset Value (NAV) as of the end of 2023 to €1.1Bn.

**SONAE SIERRA - AREAS OF OPERATION**

**HOTELS**

One of Sonae Sierra’s promising commercial real estate sectors is hospitality and hotels, with Sonae Capital earmarked to manage the operation. Sonae Sierra has recently formed a joint venture with PGIM Real Estate, the real estate arm of the US insurance giant Prudential, and will involve the acquisition of hotels in Spain and Portugal.

It is a partnership controlled by PGIM Real Estate (80%) in which Sierra holds 10%. The company vehicle

for this new business area includes the hotel operational management team from Iberian Hospitality Solutions (IHSP), led by Gonçalo Batalha, with a 10% shareholding.

The first acquisition of this Sonae Sierra/PGIM joint venture is a hotel project in the centre of Porto, with an opening planned this year.

Luís Mota Duarte also referenced other projects in Porto, Lisbon and the Algarve, calculating that this portfolio aims to have €150-€200 million under management within two years.

**SONAE SIERRA AND CTT**

In May 2023, Sonae Sierra and CTT announced that it had created an innovative investment vehicle, The Yield Portfolio, to manage Portugal’s private postal service CTT’s real estate assets. The vehicle covers around 400 logistics, retail and mixed-use properties across the country.

The operation initiates a long-term relationship between the two companies and a group of investors, and attests to Sierra’s ability to integrate its multiple strengths to build customised investment management solutions around the preferences of its partners, as well as its skills in raising capital, both among institutional investors and in family offices.

The real estate assets held by CTT will be integrated into this vehicle, with the intention that they will continue to be fully consolidated by CTT. The Yield Portfolio comprises 398 assets with over 240,000 square metres of total gross leasable area, with an agreed transaction valuation of €139 million. The portfolio

includes real estate assets of different types, namely retail, logistics, offices and others, in prime and secondary locations in Portugal, with 55% of its value concentrated in the districts of Lisbon and Porto.

**INVESTMENT MANAGEMENT**

Through Sonae Sierra, Sonae has clocked up 20 years of experience making customised and strategic investments in line with the requirements of its investors. In 2023, it had €7Bn of assets under management through various investment vehicles (20), as well as having €2.2Bn of managed debt assets.

Much of these assets under management involve the 29 shopping centres in Portugal and others around the world, but also over 100 other assets in geographies as diverse as Europe, South America, North Africa and Asia.

It partners with some of the biggest and best-known names in the investment and real estate market in Portugal and Germany, including such giants as apg, Allianz, AXA Investment Managers, Union Investment, bankinter, CBRE Investment Management, nuveen (TIAA), Madison International Realty, Ilmarinen and many others.

**RESIDENTIAL REAL ESTATE**

Sonae Sierra makes carefully curated investments in a broad range of real estate assets with over 35 years experience in the market.

These include investments in expanding, restructuring and refurbishing properties through a diversified portfolio of investment vehicles according to

sector, type and investment. One of these areas is residential.

In residential, Sonae Sierra offers a wide range of property services including leasing, property asset operations to ensure strong investment returns, custom-made property marketing and property administrative management.

**MIXED-USE ASSETS**

Another investment example is the Mixed-Use Real Estate segment, where it has €200 million invested through a Real Estate Investment Trust or SIGI (REIT in the UK).

Some of its mixed-use assets under management around the world include CityLife Shopping District in Milan, and Campo Novo, Centro Vasco da Gama and Centro Colombo in Lisbon.

**LOGISTIC ASSETS**

In the logistics sector it has €85 million invested in assets via Alternative Investment Funds (AIF), which includes instruments such as hedge funds. It manages a complete range of assets in the value chain, from depots, warehouses and data centres essential for urban areas.

MC, Sonae’s food retail arm, was also the first tenant at the Rainha Green Logistics Park owned by Aquila Capital in Azambuja, 40km north of Lisbon, in 2022.

**OFFICE ASSETS**

Sonae has €100 million invested in the commercial real estate offices segment also via Alternative Investment Funds.

In 2023, Sonae Sierra partnered with GFK to develop a sustainable office project in Porto in a €45 million investment, while in 2024, AXA IM joined forces with Sonae to partner in a new Lisbon office that will be located on top of the Centro Colombo shopping centre in Lisbon.

Some of the offices in its extensive portfolio include the flagship buildings VIVA offices in partnership with Grupo Ferreira in Porto, Campo Novo in Lisbon, Atrium Saldanha, Lisbon, and Torre Norte Colombo, also in Lisbon.

**FOOD AND NON-FOOD RETAIL**

In this segment, Sonae Sierra has €370 million invested via Spanish Real Estate Investment Trusts (SOCIMI). ORES Socimi was created in 2016 with

Bankinter to acquire and manage retail assets across the Iberian Peninsula.

Another good overseas example, this time in Germany, is the acquisition in 2023 by the Sierra German Food Retail Income Fund I of seven supermarkets in that country with an investment aim of €200 million, bringing the total number of assets in the fund to 12.

Luís Mota Duarte says that the German market is of high strategic importance to Sonae Sierra and is aligned with its investments management strategy in Europe. Over the past two years, the company has more than doubled the volume of assets managed outside of the shopping centres segment.

In 2023, Sonae Sierra made a tender offer on Musti, a leading pet care retailer and services provider in the Nordics, with total revenues of €426 million and an adjusted EBITDA of €74m in its 2023 fiscal year. Already in 2024, the consortium led by Sonae secured the control of Musti by reaching 80.65 % of its share capital (on a fully diluted basis).

**RETAIL MANAGEMENT**

Some of Sonae Sierra’s biggest investments (€2.9Bn) are and have been in the retail segment, particularly shopping centres in Greece, Portugal, Romania, Spain and Italy. Additionally, it also has assets in Brazil and Colombia. Overall, it manages a vast network of over 7,400 retail outlets.

In Portugal alone, shopping centre assets under management include Centro Colombo, CascaiShopping, MadeiraShopping, GaiaShopping, NorteShopping, and ViaCatarina Shopping. ■

José Rocha, Director, Investment and Strategy, Real Estate Developments.







David Sampson  
Inhouse Contributor

## The fall of BES: the origins of the problem – a culture of hiding losses and overspending

This year marks 10 years since the collapse of the Banco Espírito Santo banking empire. David Sampson reflects on what went wrong with Portugal's once most respected banking group.

In 2006, Ricardo Martorell and Henrique Granadeiro, two senior directors of the Espírito Santo Group's top holding company (GES) were asked to report urgently on the Group's financial situation. They reported that in ES Resources, the holding company for non-financial assets, there was a "high level of accumulated losses and the level of debt had grown so high that the financial charges were becoming unbearable". Despite the value of the assets being greater than the amount of the debt of any company, except for the airline Portugália in which it had a 99.8% stake, "GES would soon all disappear under the weight of systematically financing the losses".

They had found that, within the group, costs were out of control. There were "too many staff and a culture of overspending, with no professional management and too many family members and associates in the company". Financial control and management was awful with no clear lines of responsibility, no coordination between group companies, with a very complex company structure and 193 companies involved. The management was drowning in paper, bureaucracy and tax avoidance schemes.

The members of the Superior Board approved the report, but the president Antonio Ricciardi warned of the risk of forced sales of assets. He said that the reduction in staff should be done "with the greatest care in order not to tarnish the name of GES and to avoid any public awareness of the negative views about the group's financial situation".

It was estimated that ES Resources had debts of €2.3Bn and accumulated losses up to 2005 of €1Bn. The assets in Portugal alone, besides Portugália, included Tivoli hotels, Espírito Santo Travel, a number of real estate funds and development companies, the estates of Comporta and Reguengo, Espírito Santo Agropecuária, which included estates in South America, the spa of Monfortinho, the Vimeiro water company, Espírito Santo Saúde, and Escom, among others.

Well before the financial crisis of 2008, BES was warned in a report from PwC about the "enormous risk involved in the granting and extension of inappropriate credits" to companies in GES. By the end of 2000, the bank's exposure was already more than €800 million.

### PERSONAL EXPERIENCE IN THE REAL ESTATE SECTOR

As an editor and commentator on real estate in Portugal in the years leading up to 2008, I witnessed the overspending, the lack of financial control and often the poor behaviour of family

"WITHIN THE GROUP, COSTS WERE OUT OF CONTROL. THERE WERE TOO MANY STAFF AND A CULTURE OF OVERSPENDING, WITH NO PROFESSIONAL MANAGEMENT AND TOO MANY FAMILY MEMBERS AND ASSOCIATES IN THE COMPANY."



BES Presentation financial results. Photo: Chris Graeme.

members and associates. Campera Outlet Centre in Carregado and Beloura Shopping in Cascais were both financed and eventually bought by a property fund of ESAF, the Group's property fund arm. The building costs were so excessive that they became a common cause of comment, but they were all authorised by family members or associates, and the eventual costs were lost in the development costs of ESAF.

Unfortunately, the conduct of ESAF was not uncommon. No bank prior to 2008 wanted to show a loss on a property sale and it would transfer assets into a property fund it controlled at a value which avoided it showing any loss on the sale. The fund had by law to publish regular asset lists and valuations by 'independent valuers', but there was no control at that time of the valuers or their valuations.

### UNDECLARED INCOME

The scandals around BES and the behaviour of Ricardo Salgado personally, who was nicknamed 'O Dono disto Tudo' (the Owner of All This), increased over the years. The other family members were particularly shocked when it came out that Salgado had received a 'present' of €14 million from José Guilherme, a builder in Amadora.

Guilherme justified the gift on the grounds that he was grateful for Salgado's investment advice and his suggestion that he build in Angola where he had made enormous profits. In a parliamentary inquiry, Guilherme referred to Salgado as "an old friend".

The family and its associates were involved in bribes received in 2005 from a German consortium that won a tender from the Portuguese government to supply two submarines to the





Henrique Granadeiro. Photo: Lusa - João Relvas.



In February, 2015, three months after the Banco Espírito Santo crisis, the ex-president of Portugal Telecom, Zeinal Bava was called to a parliamentary inquiry over ruinous investments made by PT SGPS in Rioforte, an Espírito Santo Group company in February and April 2014. Photo: Chris Graeme.

Portuguese navy. It was discovered that €30 million had passed through a Swiss bank account to Escom, a GES company, which then passed the money to various accounts in the Bahamas and the Cayman Islands. In 2013, Salgado confessed in a meeting of the GES board that €5 million out of the €30 million had been received by each of five Espírito Santo family clans, and another €15 million had gone to the directors of Escom. There was another person who received part of the money from Escom whose name has never been revealed.

It was known since 2013 that Salgado had had to amend his tax returns in the years 2005, 2010 and 2012, and that he had benefited substantially from the tax amnesties granted by the government of José Sócrates. It only came out in 2020 that the total amount hidden in Swiss bank accounts and legalised by Salgado amounted to €34.1 million and on this he paid tax of €2.4 million.

**PAYMENTS FROM THE SACO AZUL (THE BLUE BAG)**

The other major scandal during the years prior to 2014 arose from the close links between BES and Portugal Telecom (PT). In 2006, the Sonae group made a takeover bid for PT, having got an assurance of neutrality from the incoming Prime Minister José Sócrates. PT was a money-making machine and a major source of financing for GES. Salgado did all he could to block the bid.

He was later accused of paying €25 million to the CEO of PT, Zeinal Bava, and €20 million to his successor Henrique Granadeiro.

After the bribes were discovered, Bava paid back €18.5 million, alleging he had received it on trust for the employees of PT, and Granadeiro alleged a verbal agreement to sell half of his vineyard in Arraiolos to Salgado. Even worse was the allegation, never proved, that Sócrates was also bribed with an initial payment of €6 million.

The one case of corruption for which Salgado has been convicted is that of Manuel Pinho, who was Minister of the Economy in the government of Sócrates. All the time that Pinho was a minister he continued to receive monthly payments out of Salgado's blue bag.

**TRYING TO SAVE THE SINKING SHIP**

In 2013, the pressure began to rise when it became clear that the losses in Espírito Santo International (ESI), the company which held the non-financial assets of GES, could no longer be hidden and the company would soon have to file for bankruptcy. Soon after, the Bank of Portugal (BoP) as supervisory authority obliged BES to increase its capital. It did so after deciding that a guarantee given by the government of Angola for the debt owed by the Bank's Angolan subsidiary was not effective for calculating the level of risk in BES, and secondly after discovering how substantial losses within the Group had been hidden over many years. The supervisor was concerned that the problems within the Group might affect the bank and wanted to increase the financial cushion.

**“AS AN EDITOR AND COMMENTATOR ON REAL ESTATE IN PORTUGAL IN THE YEARS LEADING UP TO 2008, I WITNESSED THE OVERSPENDING, THE LACK OF FINANCIAL CONTROL AND OFTEN THE POOR BEHAVIOUR OF FAMILY MEMBERS AND ASSOCIATES”.**

The BoP said that “the loans made by BES to ESI were at risk”, and that although ESI was not the responsibility of BES, it would have an impact on the reputation of BES.

The BoP also wanted to ring fence BES so that it would still be able to survive even if GES and other family companies all collapsed. When the raising of new capital was completed there were a few brief weeks of hope. Even as late as 21 July 2014 President Cavaco Silva was assuring the press that BES had sufficient reserves to cover all its exposure to the problem of the non financial GES companies.

Even the resignation from the BES board of Ricardo Salgado and of all other family members was not enough. Ten years later thousands of those who were led unknowingly to lend their savings to GES companies rather than to BES are still waiting for full compensation and the hearings of the cases against Ricardo Salgado and other BES directors have hardly begun. Ricardo Salgado has been diagnosed with Alzheimers and is just a shadow of the man who once dominated the Portuguese financial world.



Ex-Prime Minister, José Sócrates and Ex-President, Aníbal Cavaco Silva. Photo: Chris Graeme.

**BES - BONDED BY BLOOD AND FRIENDSHIP**

In 1993, I went to interview Ricardo Salgado in his office on the top floor of the Espírito Santo Bank building on Avenida de Liberdade in Lisbon. He had recently overseen the family taking back control of the bank after it was nationalised in 1975 and then privatised in 1992. I described then how the modern Espírito Santo Group was “much more than just a traditional Portuguese banking group”. Under ES International Holding Ltd, two holding companies had been formed: Espírito Santo Financial Holding in Luxembourg for the group's banking, insurance and fund management activities, and Espírito Santo Resources in Nassau, Bahamas, for its interests in agriculture, hotels and catering, real estate, and other non-financial concerns. These holding companies were further divided into branches and sub-branches that made the structure of GES even more complex than the family tree. The effective leaders of the group were the six members of the group's superior board who were “all tied together by blood relationships and long friendships”.

At the time of the privatisation, the government of Prime Minister Cavaco Silva was only too happy to clear the way for the family's return to Portugal and to make them pay for the privilege. In their years of absence from after 1975, the family built up a string of valuable connections. An example was the French bank Crédit Agricole. One of their directors, Bernard Brousse, told me the basis for their Relationship. “Crédit Agricole found the proposition of investing in Espírito Santo Bank interesting for two reasons: the fact that it came from Espírito Santo – a magical name with a great capacity for mobilising capital – and because it was limited risk for us. We could tell they were personally engaged as bankers, not just investors. In a very 19th-century manner, they place the accent on the personal angle of things.”

Ricardo Salgado, ex-President BES. Photo: Chris Graeme.







President of the ICPT, Manuel Ramalho & President of the Bial Foundation, Luís Portela.

## Let's raise our hats to the strange phenomena

As the Madonna song goes, “we’re living in a material world”. So when the former chairman of Portugal’s most successful and internationally well-known pharmaceutical company, Bial, addresses an International Club of Portugal business lunch, you’d expect the topic to be ‘Big Pharma Today’ or ‘The Economic Challenges Facing Portugal in 2024’. Instead, Luís Portela served up something truly out of this world.

TEXT **CHRIS GRAEME**  
PHOTOS **ICPT**

The last thing you’d imagine from the figurehead of a Portuguese pharmaceutical company spanning four generations, with two best-selling international drugs under its belt, is a talk about life after death, terminally ill patients receiving otherworldly visits from long dead friends and family members, and positive and negative energy.

And while there were no Doris Stokes-style fireside interventions with the dead from Luís Portela, chairman of Bial Foundation, at this ICPT lunch in May, his take on the nature of spirituality was refreshing, devoid of the black and white dogmas that so often characterise organised religion, and certainly struck a chord with the entrepreneurs sat at my table.

I must start off by saying that Luís Portela, who has written several books on spirituality, including *Ser Spiritual - Da Evidência à Ciência* (Being Spiritual - From the Evidence to the Science), in my case was preaching to the converted.

I can cite one example from my own family to which I was a witness. It takes me back to early February 1981. I was

“QUANTUM PHYSICS HAS OPENED A DOOR OF COMMUNICATION BETWEEN SCIENCE AND CONSCIOUSNESS THAT SHOWS KNOWLEDGE CAN DIFFER FROM THE CLASSIC STANDARD OF PRE-ESTABLISHED AND ACCEPTED SCIENTIFIC STUDY, AND THAT THERE ARE ENERGIES IN THE UNIVERSE, BOTH POSITIVE AND NEGATIVE, THAT ARE INTERLINKED, AND THAT OUR THOUGHTS CAN BE A FORM OF RADIATION.” CHAIRMAN OF THE BIAL FOUNDATION, LUÍS PORTELA.

just turned 15 and our mother lay dying of cancer, being tended to by my two elder sisters.

They had arranged together with my father on that first Sunday of the month to go to a local Catholic convent, where the nuns after mass would pray for the sick and dying. The service made a big impression on them; the scent of incense mixed with the waxy smell of candles ablaze mingled with an uplifting chorus of heavenly voices in full song.

Returning to the house, our mother had awoken from sleep and told them: “I had such a lovely dream and it seemed so real. There were nuns standing at the end of the bed holding candles. They were singing and what beautiful singing it was!”

My sisters looked at each other in unnerved silence. My mother had no idea they had gone to the convent. She had never even been told that she had a terminal cancer diagnosis, and indeed didn’t want to know.

Of course, the family doctor, when recounted this story, put it down to hallucinations caused by a ‘Brompton cocktail’ of morphine, cocaine and gin she was taking to “ease her on her way”. But to this day I have wondered, even more so when, in the small hours before her passing, she had sat bolt upright in bed and said: “Hello mummy, what are you doing here?” Her mother had died in 1975.

Returning to the presentation from Luís Portela, he believes that science and spirituality can co-exist. Some of the ideas expounded in his most successful book, now in its 31st edition, were conveyed during the lunch held at the Lisbon Marriott Hotel.

Yet for all this, Luís Portela is a man of science, a former researcher who initially trained to be a physician but had not practised medicine for 42 years, called on instead to run the family company as president in 1984 after the untimely death of his father António Portela, who had been at the helm since 1978.

At 14, he said that he had thought about being a Buddhist monk and certainly does not rule out life after death.

But how can a man so linked with biomedical and pharmaceutical sciences at the same time believe in a spiritual view so at odds with the conventional Catholic heaven-hell doctrines that are deeply rooted in Portuguese and so many other Latin societies?

Luís Portela started off by confirming his immense respect for all religions and faiths, but from the early age of 12 had started reading books about spirituality and pondering existential questions such as: Why are we here? Do we have a purpose? Does a universal god exist? Do we have just one life, or multiple lives?

While attracted to the Eastern spiritual philosophies of Asia and the process of the spiritual cleansing of karma, he thought that since he was in this school which is earth, it would make more sense to polish and purify his soul and earthly being in the more mundane human setting of the material world rather than living a monk’s existence in isolation.

Having retired as president from Bial in 2021 to be replaced by former banker António Horta Osório, Luís Portela has since dedicated himself to the Bial Foundation, created in 1994 together with the Council of Rectors of Portuguese

Universities. Its mission is to foster the scientific study of the human being from both physical and spiritual perspectives (Neuroscience and Parapsychology).

“In my opinion, the 20th century was fantastic in terms of scientific and technological innovation and development. We know a lot more today about our physical bodies and the world around us than we did 100 year ago,” he said.

“However, this scientific and technological knowledge has got people drunk on materialism. People live lives very focused on ‘having and appearances’ and this has caused obvious environmental, social, economic and financial imbalances,” he added.

Luís Portela believes that people are overly concerned with things of an entirely secondary importance rather than focusing on our being and values.

However — and this is surprising —, some European and US universities and investors in recent decades have been studying phenomena that are beyond the “material world”, and have chosen to investigate ideas that stem from antiquity; phenomena and ideas that the material and science-based world has largely turned its back on.

It was precisely why Luís set up the Bial Foundation to investigate these areas, and what has been discovered is relatively unknown. His best-selling books are largely focused on this research.

Luís Portela gave three examples of situations that until a few years ago were considered out of the box and inconceivable; ideas that the scientific world would not cover, but today are being studied in universities.



**“SCIENTIFIC AND TECHNOLOGICAL KNOWLEDGE HAS GOT PEOPLE DRUNK ON MATERIALISM. PEOPLE LIVE LIVES VERY FOCUSED ON ‘HAVING AND APPEARANCES’ AND THIS HAS CAUSED OBVIOUS ENVIRONMENTAL, SOCIAL, ECONOMIC AND FINANCIAL IMBALANCES.” CHAIRMAN OF THE BIAL FOUNDATION, LUÍS PORTELA.**

The first is telepathy, which 30 years ago was seen as weird and strange by the scientific world, yet today it is accepted on the basis of research done at different universities.

We have all had a call from someone we were thinking about just moments before. And while many people would put it down to mere coincidence, a researcher at Cambridge claimed to have found scientific evidence for the phenomenon of telephone telepathy.

Rupert Sheldrake of Trinity College, Cambridge asked volunteers, who claimed they had had experience of telephone telepathy, to give researchers the names and phone numbers of four friends or relatives. These people then phoned the volunteer at random. The volunteer was asked to guess the identity of the caller before picking up the phone.

"The hit rate was 45%, well above the 25% you would have expected," said Dr Sheldrake in 2006. "The odds against this being a chance effect are 1,000 billion to one."

However, when presenting the findings, Peter Atkins, a chemist at the University of Oxford, said that work in telepathy was a waste of time.

"In this case, there is absolutely no reason to suppose that telepathy is anything more than a fantasy," he said. "Whenever positive results have been reported in the past — and such reports are also feeble, down in the noise of chance —, close scrutiny has revealed conventional explanations." It is interesting nevertheless.

The second was near-death experiences where, for some minutes and, in some cases, hours, people showed no vital signs but "came back to life".

And there were terrible cases where people were presumed dead, were buried

and for some reason disinterred only for shocked observers to find scratch marks on the lid of their coffins. They had been buried alive.

It was of such concern in the 19th century — a period obsessed by death made fashionable by Gothic novels and Queen Victoria's inconsolable 11-year absence in mourning from British society after the death of her beloved Prince Albert — that some people insisted of being buried with a bell in case they came back to life underground!

"These cases exist and were not studied. Now they are being studied," explained the president of the Bial Foundation.

Other people who had accidents or serious illnesses, and were in situations of near death for some time, came back to report remarkably similar experiences of floating outside of their bodies, seeing procedures and items in a hospital operating theatre that they could not have possibly seen from that angle, even hearing actual conversations before going towards a light or passing through a tunnel and meeting long deceased relatives and friends.

These experiences were studied by Dr. Raymond Moody, American philosopher, psychiatrist, physician and author of the best-selling book *Life after Life* and who explored personal accounts of subjective phenomena encountered in near-death experiences, particularly those of people who have apparently died but been resuscitated. He widely published his views on what he termed near-death-experience psychology.

However, his research too was widely slammed by the established academic and scientific community. The philosopher Paul Kurtz has written that Moody's evidence for the Near Death Experience (NDE) is based on personal interviews

and anecdotal accounts, and there has been no statistical analysis of his data.

There also is the question of interpreting such data as has been published assuming that the factual matter is objectively correct; according to Kurtz, "there is no reliable evidence that people who report such experiences have died and returned, or that consciousness exists separate from the brain or body". The scientific jury may be out, but it's still intriguing.

The French singer Charles Aznavour was one who did believe in life after death after having a NDE himself in a vehicle accident. France's answer to Frank Sinatra eventually definitely died at the ripe old age of 94 in 2018, not that long after he performed in Lisbon for the last time.

And many more survivors of NDEs describe being shown their lives in flashback as a sort of end-of-term school report of how they had lived their lives, and which of the lessons they had chosen to learn before they came back to this earth in their last incarnation were learnt and those that weren't, before being sent back to "do something useful for humanity".

The third example was of reports of previous lives whereby children between the age of 3 and 7 (but sometimes adults too) describe their supposed past lives, in past times, in other cities and other countries.

This idea was highlighted by the successful 2021 Netflix documentary *Surviving Death*, which looked at near-death experiences and beliefs in life after death, and psychic mediumship, and was based on the 2017 book *Surviving Death* by journalist and paranormal enthusiast Leslie Kean.

Again, the book and the series were highly criticised for taking a non-critical



Luís Portela, Chairman, Bial Foundation.

view of the scientific value of anecdotal subjective personal reports. The show has also been slammed for presenting pseudoscientific parapsychology as science and has been accused of exploiting the plight of fearful and grieving vulnerable people. But the fact that we might not have the science to prove it yet does not necessarily make it untrue and delusional.

But whether you believe, fiercely disbelieve, or choose to have an open mind, yet still, in the lyrics of the Kate

Bush song "raise our hats to the strange phenomena", the essence of Luís Bial's message was not really this.

In Luís Bial's view, quantum physics has opened a door of communication between science and consciousness that show knowledge can differ from the classic standard of pre-established and accepted scientific study, and that there are energies in the universe, both positive and negative, that are interlinked and that our thoughts can be a form of radiation. "Positive thinking attracts positive people

and pessimistic, negative thinking attracts negative outcomes and people," he said.

And that at the end of the day, it is unconditional love and the universal values of honesty, loyalty, truth, humility, moderation, tolerance, respect and simplicity that we need to focus on; not just making money and amassing things for things' sake. And it is only through introspection and self-improvement and learning to love, both ourselves and others, can we really find meaning and purpose to our lives. ■





Le Monumental Façade.

# Le Monument a delicious 14-stop Art Deco voyage through Portugal's regions

Holidaying in Porto and fancy being immersed in 1920s and 1930s Deco glamour? Then the city's Le Monumental Palace hotel provides the perfect experience, together with a culinary journey across Portugal at its Michelin-star restaurant.

TEXT CHRIS GRAEME  
PHOTOS SUPPLIED



Le Monumental Hotel Interior Lobby.



Le Monumental Entrance.

May 8 was admittedly not the ideal day to visit Porto to discover the delights of a Michelin-star tasting menu by French chef Julien Montbabut at the recently inaugurated Le Monumental Palace hotel.

For starters, despite being a stone's throw from the place, we emerged from the city centre station onto streets quite literally mobbed by thousands of university students celebrating the last day of the traditional 'Queima das Fitas', which had run all that week, but was all the more packed because it was the 100th anniversary of this academic street parade.

The two main thoroughfares cutting through the city centre's main avenue Avenida dos Aliados had been fenced off to allow colourful floats to file past, from which hung half-sloshed singing students in top hats and dark gowns adorned with faculty badges.

Le Monumental Palace was tantalisingly within distance on the other side of the street, but no, we decided to be swept along like leaves on a current to the top of the avenue buried in the throng, and away from the hotel, until we reached the metro, purchased tickets to take us one stop in the opposite direction only to find out we could have simply used the metro underpass to access the hotel all along!

Which is why, on entering the lobby feeling exhausted and a tad stupid, there was immediate relief and a pleasant surprise. We were greeted with glasses of refreshing herbal tea, and while waiting

to be checked in by incredibly polite staff, I had the chance to soak up the atmosphere and look of the lobby and spacious restaurant glimpsed through the glass doors beyond.

#### A SILVER SCREEN ENTRANCE

Two 1930s classic silver screen films immediately spring to mind when describing the elegant Art Deco inspired décor: Grand Hotel, the 1932 romantic drama set in Berlin at the height of the Weimar Republic with Garbo ("I want to be alone"), and the 1934 ocean liner romance with Joan Crawford and Clark Gable, Chained. If you've seen either of these classic films, you'll get the gist of the overall look and flavour of the place, whose grey granite exterior affords no clue to the glamour that lies within.

Immediately we are whisked away to the cocktail bar, which also sports 1930s Deco elements and lighting that brings to mind the famous London 1920s' cocktail bar within the Brasserie Zédel in London's Piccadilly.

Here we meet Julien Montbabut, and in true Blue Peter fashion get to design our very own bottles of vinaigrette with a range of herbs, spices and flowers neatly arranged along the cocktail bar. It's our first stop to ease us into a gastronomic experience not to be hurried and certainly never forgotten.

In the best tradition of homemade pickles, we get the chance to confect our own salad dressings using different kinds of cider and wine vinegars before adding fruits of the forest and citrus, bamboo,

elderberry flowers, fennel, cloves, cinnamon, ginger, black peppers, and chilli pepper. The plan? To let all these ingredients infuse for eight months.

#### A VOYAGE OF DELICIOUS DISCOVERIES

We are led through to the elegant Le Monument restaurant to embark on a tasting menu that takes the diner on a 14-stop magical trip, from the north to the south of Portugal and across the seas to the islands of the Azores, and beyond to the sweet exotic flavours of Brazil – all, however, infused with an unmistakably French foundation, and paired with lovely Portuguese wines.

Our 'Journey around Portugal' begins with 'Feel Português' – puff bread with salt and olive oil; 'Awaken your Senses' pork with bamboo and lilies, would you believe; 'Água Viva' – trout and salmon from Cinfães, prepared with almonds, black garlic, drizzled with herb sauce; and journeys on to 'Pastoreiro' with grouper fish, pumpkin and cheese from Serra da Estrela; 'Classic' – spider crab, mustard dressing and yuzu; a locally inspired dish 'Matosinhos - My Favourite Market' with John Dory fish, white asparagus and pil-pil sauce; and finally arriving in Brazil in time for desserts and 'Da Joana' with Douro oranges and strawberries, Campari, and chocolate from Brazil. And there were many other culinary stops in between to delight the taste buds in an immersive gourmet experience that lasted at least three hours, but in the mist of wine-hazed conversation





Chefs Joana Thony Montbabut &amp; Julien Montbabut.

**“THE IDEA WAS TO CREATE A THEME OF A FOREIGNER COMING TO PORTUGAL WHO TRAVELS AROUND THE COUNTRY EXPERIENCING SURPRISING FOOD AND FINE WINES BASED ON FRESH INGREDIENTS FROM LOCAL MARKETS THAT SERVE AS THE BASE OF THESE CREATIVE DISHES.” CHEF JULIEN MONTBABUT.**

you somehow never wanted to arrive at your ultimate destination — bed!

#### A ROMANTIC ATLANTIC CROSSING

We retire at midnight to rooms that are accessed along corridors which, from their decoration, could be straight out of the SS Normandie or the SS Île de France. Gold and green carpets lead the way past a succession of glowing golden lampshades to the bedrooms in this mythical 1923 building that once served as offices during the tumultuous times of Portugal's First Republic.

The 1930s-style décor with graphical motifs, pastel and gold fabrics, dark lacquered furniture and Deco carpet designs contrast with the white marble shot through with mottled grey in bathrooms fitted with elegant historic chrome fixtures, lending a luxurious yet intimate feel of pure comfort.

#### PORTUGAL-INSPIRED CREATIONS WITH FRENCH FINESSE

In the morning over breakfast, with a startling array of buffet selections resplendent with a wide range of fresh fruits and meats coupled with freshly made-to-order omelettes with cheeses, cured hams and wild mushrooms, I get the chance to chat with Chef Julien Montbabut, who notched up experience in several French restaurants – all of them in Paris and all with Michelin stars –, including Pavillon Ledoyen, Jamin and Le Restaurant.

Chef Julien moved to Porto in 2018 when he became the resident chef at all of the hotel's kitchens, including Le Monument, which received its star in 2023.

He says that the culinary concept at Le Monument is French bourgeoisie, which is classic French cuisine or the

home cooking of middle-class families, as distinguished from elaborate restaurant cooking, haute cuisine, or cuisine from the traditional cooking of the regions, the peasantry, and the urban poor.

Covid-19 proved to be a significant challenge, but chef Julien used the time when the hotel was at a standstill to prepare the menus, find suppliers and contract staff. Now they have around 35 suppliers from the north to the south of Portugal including Madeira, the Azores and the Algarve.

“The idea was to create a theme of a foreigner coming to Portugal who travels around the country experiencing surprising food and fine wines based on fresh ingredients from local markets that serve as the base of these creative dishes.”

And it really was chef Julien's story, arriving in Portugal with his knowledge and menus from the restaurants he had worked in in Paris, not knowing where to buy anything, and in the beginning resorting to bringing in a lorry-load of produce from France every week.

Of course, that wasn't sustainable and didn't make sense. After all, he didn't want to live and work in a French bubble separated from the people and the tastes surrounding him. “When in Rome, do as the Romans do. You have to be open to new cultures, people, customs and flavours,” he says.

“From the starters to the desserts that make up the 14 culinary moments, we try to catch the essence of the flavours of Portugal with a French twist based on my culinary background,” he explains. In other words, mixing Portuguese flavours with French techniques.

Chef Julien says that just opening a French restaurant in the hotel wouldn't have made sense since there are already restaurants that do this very well. But on the other hand, not having a basic training or in-depth experience of Portuguese cuisine, he felt he didn't have the experience to offer this either. This is why the fusion of the two has worked so well, creating something unique, a surprising blend of both worlds, the success of which is the main reason why he secured a Michelin star after just four years.

He started young, having been brought up in a large family of five brothers and sisters. He used to spend hours with his mother, watching and helping her in the kitchen.

Inspired, Julien went on to study classic French cuisine at the prestigious Ferrandi school, where he was mentored by Gilbert Isaac, and then began his professional life as one of the chefs under Christian Le Squer at the three-Michelin-star Pavillon Ledoyen and later under Benoît Guichard at the two-star restaurant Jamin.

Julien then became a sous chef in 2008 at the one-star Le Restaurant before going on to Le Pavillon de la Grande Cascade, returning to Le Restaurant in 2011 as head chef.

#### A HUSBAND-AND-WIFE TEAM

Julien's charming wife Joana Thony Montbabut, who is the hotel's chef pâtissière, had worked for almost 10 years at L'Hotel in Paris, one of the most famous hotels in the French capital, nestled in the heart of the Left Bank amid the cultural riches and high fashion of St Germain-des-Prés.

Joana tells me that she had enjoyed cooking at home when growing up and had dreamed of being a dancer, but when the time came for her to choose a career, she decided she wanted to do something using her hands, like architecture or interior design.

However, she realised that cooking was very hands-on and went to cookery school. She later specialised in patisserie because it is artistic and creative, and because she could “play with colour, form and texture, and use moulds”. Joana also insists that French patisserie is her favourite “without a doubt” because it is more varied and harmonious.

“French sweets and desserts use different types of pastry and cream fillings, and lots of different fruits which make it very balanced.”

When it comes to Portuguese sweets, she likes custard tarts and cheesecake pastries ‘queijadas’ from the Azores, but she feels that the traditional Portuguese egg yolk and sugar-based convent sweets are “too sweet for my taste”.

That's not to make a criticism, but French cuisine, which often uses the same amount of sugar, by employing biscuit and crème makes desserts more smooth, silky and balanced in the mouth.

Both Joana and her husband have considered opening up a restaurant or even a cooking school one day, but say

that for now they have their hands full working at Le Monumental Palace hotel. But they admit that doing the same kind of cuisine that they do now would be very challenging without the support of a hotel behind them.

All in all, a stay in Le Monumental Palace is a beautiful and romantic experience that echoes facets of Portugal in the 1920s and 1930s; Art Deco-inspired interiors blending practical simplicity with rich gold and earthy tones that feel luxurious but never fussy or overdone.

As we gather in the lobby to await our transport, you can imagine elegant women in coats with high fur-trimmed collars, their faces framed with cloches, and men in Ulster overcoats, two-toned shoes and fedoras milling around. It's all wonderfully Agatha Christie, but the mystery will not be a body found in the hotel's Art Deco library with its books and sofas; the real mystery begins in the dining room where you can investigate the tastes, colours and textures of Portuguese flavours with that twist of French finesse. ■



Clorofila – Espargo verde de Guimarães, bacalhau fumado e gema de ovo.

**“FRENCH SWEETS AND DESSERTS USE DIFFERENT TYPES OF PASTRY AND CREAM FILLINGS, AND LOTS OF DIFFERENT FRUITS WHICH MAKE IT VERY BALANCED.” CHEF JOANA THONY MONTBABUT.**

Autóctone – Vitela maturada, couve-flor, cogumelo avinagrada.





# Kabuki

## Japanese haute cuisine with a Portuguese twist

If you like Japanese fine dining with a Portuguese and Mediterranean twist, *Essential Business* recommends Kabuki, a Michelin-star restaurant in the centre of Lisbon that won't disappoint.

TEXT CHRIS GRAEME  
PHOTOS SUPPLIED



Chef Sebastião Coutinho.

Portugal and Japan have always had close historic ties that stretch back to the mid-16th century, when Portuguese sailors first arrived in the country in 1543.

The Portuguese legacy in Japan includes a gastronomic heritage such as tempura or various sweet dishes like konpeito or the castella cakes from Nagasaki.

It is no surprise then that Japanese-inspired cuisine has continued to be popular in Portugal, even more so over the past 20 years when a plethora of Japanese restaurants serving up sushi, sashimi, ramen, yakitori, oden and sukiyaki have mushroomed in the country's main cities such as Lisbon and Porto.

I was invited to enjoy a fine Japanese luncheon experience at the Michelin-star restaurant Kabuki, in the Ritz Galleries running contiguous to the Ritz Four Seasons Hotel off Lisbon's central Marquês de Pombal; an area packed with five-star hotels, shops, restaurants and offices, and providing no lack of hungry tourists and office workers on a limited lunch hour who want to simply dine and dash.

The restaurant's name is somewhat a misnomer. There is no dish or cuisine called Kabuki which is, in fact, a classical form of Japanese theatre known for its heavily stylised performances and glamorous, highly decorated costumes.



Bento Box selection.

### A GOLDEN GLOW

The restaurant's interiors are anything but glamorous, elaborate or theatrical. Instead, severe and clean lines dominate the décor, dominated by wooden beams and slatted walls with furnishing and colour schemes that, while cosy for the evening, are predominantly brown, beige and somewhat dark and drab in the day, except for the bar area which has a golden glow enhanced by clever lighting, particularly behind the translucent marble bar.

This area, where you can enjoy a Japanese-inspired cocktail – I went for the Tokyo Blossom, an egg flip concoction laced with sake with lemony and flora overtones — while waiting to be shown through to your table next door, has interesting walls that tell different stories throughout the year. Indeed, it acts as an unofficial art gallery.

### WHERE ART MEETS ART

Thirteen works by the artist Tomek Sadurski graced the walls — the exhibition actually ended at the end of May —, part of a wider art concept aimed at offering diners a multi-sensory experience since food, with its blend of fragrance, colour, texture and taste, is art and the chef who designs and conceives it is clearly just as much an artist as the person who toils on the carefully created art pieces displayed on walls.

It was here I had the chance to learn more about the dining concept and the Spanish group Kabuki that has four restaurants in Spain – two in Madrid, one in Malaga and another on the island of Gran Canaria.

The group chose to partner with the Ritz Four Seasons for its first restaurant outside Spain; indeed, the company's strategy was to have restaurants within

hotels because it was a win-win situation for both the hotel and Kabuki.

The bulk of the clientele is Portuguese (60%), with hotel guests and tourists making up the remaining 40%.

The restaurant itself is not in or part of the hotel, but in the shopping gallery beneath offices which are managed by the hotel group.

In each location where the restaurants are there is an attempt to adapt the Japanese dishes and culinary techniques to local tastes and realities; in this case, Japanese cuisine with Portuguese flavours, but this is not to say it is fusion cuisine by definition.

"When Kabuki arrived here, we immediately realised that the Portuguese were looking for authentic classic Japanese Edomae sushi cuisine. So, we have options that have a more Portuguese twist and the classic to suit the purists,"





Ground floor dining room.



The Kikubari Bar.

**“I AM FASCINATED BY EVERYTHING JAPANESE, STARTING WITH THE CULTURE, THE IMPORTANCE THEY PLACE ON PRODUCTS AND THE ESSENCE OF THEM, UNLIKE FRENCH CUISINE WHICH TENDS TO BE FUSSY COMPARED TO JAPANESE CUISINE, WHICH IS VERY CLEAN. I LIKE TO DO INCREDIBLE DISHES BUT EMPLOYING SIMPLICITY.”**  
**CHEF SEBASTIÃO COUTINHO.**

Sashimi Moriawase.



explained Kabuki Director of Marketing, Marta Flores Seabra.

**THREE DIFFERENT SPACES**

The restaurant features three main spaces: the bar — where I sip my cocktail and munch on wasabi popcorn — called Kikubari; the restaurant Kabuki; and a private room reserved for unique experiences and private functions like international wine tastings.

Kabuki does around 20 covers at lunchtime, served in the upstairs restaurant which is flooded with natural light and looks on to the Parque Eduardo VII park. The restaurant has separate rooms for lunch and dinner. At night, the downstairs restaurant, which has a capacity for 50 diners, features a long bar with an open kitchen concept where clients can see their food freshly prepared in front of them.

Kabuki, which has already enjoyed much success in Madrid, opened in Lisbon during the Covid-19 pandemic in 2021 and quickly established a name for itself when the then chef Paulo Alves, who had already made a name for himself in the fine art of Japanese cuisine at Avenida SushiCafé, surprised with a menu that combined Japanese, Portuguese and Mediterranean concepts and flavours that clearly delighted those incognito Michelin mystery diners who awarded the eatery with its star.

And to keep the new-found name and fame clearly in the public’s consciousness, Kabuki began staging high-profile events such as Chefs on Fire, producing

special dinner menus with other local celebrity chefs like André Cruz (Feitoria) and Diogo Formiga (Encanto).

**A MICHELIN GOURMET EXPERIENCE**

Kabuki still retains the prestigious Michelin star this year thanks to the new chef Sebastião Coutinho – he had been sous chef under Paulo Alves –, who serves us up a lunch menu comprising starters, a main course and desserts designed for the busy person on the hoof.

Sushi was not on the menu that day for me, instead opting for the Bento Box for starters which is presented like a chocolate box; each compartment containing mouth-watering bite-size amuse bouche dainties which are as varied in their colours and textures as they are in their flavours.

This was followed by six dishes of ‘moments’, including Uzuzukuri of scallops with cumin sauce and Miso Shiru, a fermented soya soup with algae served in a charming ceramic bowl. For the main course — many are dominated by fish –, I selected the Moriawase with white fish, salmon and tuna. The meal was rounded off with a sweet touch from the traditional Japanese dessert Mochi. It is Chef Sebastião’s take on the traditional Japanese rice cake made of mochigome — a short-grain japonica glutinous rice, and sometimes other ingredients such as water, sugar, and cornstarch.

The steamed rice is pounded into paste and molded into the desired shape. In Japan, it is traditionally made in a

ceremony called mochitsuki. While eaten year-round, mochi is a traditional food for the Japanese New Year and is commonly sold and eaten during that time.

Some of my colleagues plumped for an amazing selection of nigiri, including belly of tuna with truffled quail eggs and a wagyu meat dish served with teriyaki sauce.

And if you are vegetarian, fear not: Kabuki has you covered with a dedicated vegan menu with vegetable tempura, Chinese cabbage, breaded tofu schnitzels, spicy avocado, and a rich tofu and chocolate cherry dessert.

The food is exciting, varied and creative, using locally caught fish and seafood, although there are meat dishes on the menu, such as Galician beef served with mushrooms, and steak tartare. But really, does anyone seriously spend from €45 upwards to €200 for an executive experience (including wine) on a fine Japanese dining experience and order beef?

Portuguese flavours are skilfully blended with some of the dishes to reflect the long-standing ties between the two countries’ culinary traditions, including a Bulhão Pato Usuzukuri or Scarlet Prawn Usuzukuri, Sardine Nigiri, Guindara No Miso and even Pastel de Nata Mochi are proof of this and have already become favourites with some of their regular diners.

**INCREDIBLE DISHES WITH SIMPLICITY**

The gourmet experience was completed with an opportunity to chat with Sebastião Coutinho, who has been fascinated by Japanese cuisine since he was kid and explains the concept of the menu to us.

Sebastião’s professional journey has always been in Portugal, although he has travelled around Japan, which fired his enthusiasm and spurred him to open his own restaurant in Oeiras.

Menus are changed annually, although more frequent adjustments are made according to the seasons and produce available.

The menus have been developed to suit all tastes, time requirements and pockets, including the executive menu for businesspeople who drop in for lunch; a tasting menu for those who want to try a wide selection of dishes and flavours but

keep it light; and a full à la carte menu for a totally immersive gourmet experience.

“Since I started working in kitchens, I have always worked with Japanese cuisine with a Portuguese touch, so Kabuki is the perfect experience for me,” says Sebastião, adding that he has mostly worked in Portugal but did do a spell in Nantucket in the USA.

“I am fascinated by everything Japanese, starting with the culture, the importance they place on products and the essence of them, unlike French cuisine which tends to be fussy compared to Japanese cuisine, which is very clean. I like to do incredible dishes but employing simplicity.”

Sebastião points out that it is almost impossible for any Japanese cuisine chef to 100% replicate the dishes as they

would be consumed in Japan because “you simply cannot get all the ingredients”, particularly some of the fish, which should be fresh and acquired the same day.

The chef says that the aspect of Kabuki-style Japanese cuisine has a long history, having started in Spain 20 years ago, but he places an emphasis on always trying to improve and keep the concept fresh and modern.

“We’ve only been in Portugal for two years and our goal is to make the cuisine more Portuguese, reflecting my personal touch so that, as time goes on, there will be clear differences between the style served in Madrid and here in Lisbon, and that is what will make us unique and special,” concludes Chef Sebastião Coutinho. ■

Sashimi Kabuki.







**Anna Mulock Houwer**  
Board Director | Advisor | Fuelling Growth & Innovation in Health

## Does the Portuguese mindset hurt business?

**Traditional Portuguese business mindsets may be hampering the country's capacity to grow and innovate argues consultant Ana Mulock Houwer**

Some of my Portuguese friends, known for their sarcasm, have teasingly accused me of 'drinking the Portuguese Koolade', suggesting that I naively romanticise and 'over-love' their country. While it's true that I find immense inspiration in Portugal (to the extent that I write poetry about it at [www.loveandlisbon.com](http://www.loveandlisbon.com)), I am a businessperson and thus interested in meaningful ventures and professional progress. While many business discussions with the Portuguese and 'expats' alike end up as animated debates about politics and the economy, some hint at the elusive 'Portuguese mindset' as a culprit for various business issues. I decided to dig into my own (three-year-long) experience and produce a subjective list of three mindset characteristics observed in my well-loved new home. Maybe my list explains why foreign executives running Portuguese businesses generally do not last long. Or why my entrepreneurial Portuguese friends often find doing business in their own country frustrating. Or perhaps why Portugal has not been as expansive towards the world as other small European countries like Denmark, Ireland or the Netherlands:

### HIERARCHY IS KING

Historically, Portuguese business culture has been more hierarchical and strict than elsewhere. Senior executives may still hold a supreme commander status, too often leading to parochial attitudes and hindering organisational talent. Decisions are usually deferred to the top rather than made organically throughout the organisation. There is a widespread caution in challenging the status quo and 'rocking the boat' (no matter how gently) as it may be a career-limiting move. This type of a hierarchical, top-down mindset

used to be prevalent in other parts of Europe too but underwent a complete change in the past decade or two, rendering Portuguese ways of working somewhat archaic in comparison.

### FEAR OF FAILURE

In Portuguese business culture, failure is habitually stigmatised rather than seen as a step towards success. There's a tendency to focus on a person's or project's weaknesses instead of strengths. This blame culture aims to prevent 'losing face' but instead negatively impacts business. When I challenge an opinion, I often feel the need to add disclaimers so it is not seen as a personal attack but a part of a normal business conversation. In a risk-avoidant culture, suggestions for improvement or change (especially those coming from 'below') may be ignored or seen as a direct challenge and therefore stifled.

### COMFORT ZONE

In my observations, Portuguese business culture is highly cautious and risk-averse. Bold thinking and fast moves are less accepted than in other parts of Europe and the US, contrasting sharply with the nation's history as proud discoverers and world explorers. This tight, measured, conservative style limits global growth vision and ambition. The extreme form of caution sometimes manifests itself as hyper-vigilance and suspiciousness which are counterproductive for collaborations and partnerships. I have witnessed 'zero-sum' perceptions that the business 'cake' is small, rather than seeing the potential to create a much bigger cake in collaboration with others.

You might conclude that points two and three derive from point one. Improving any

of these three areas could significantly boost business dynamism and innovation, allowing Portugal to lead more confidently. From conversations with Portuguese CEOs, it's clear that this traditional mindset is evolving (read: becoming less rigid and 'stuck') with the rise of the younger generation, the influx of foreigners, and the return of some of the dynamic and globally aware Portuguese executives and entrepreneurs from abroad.

Although I may face criticism for this post, it's worth the risk; I see it as a public service of sorts. Portuguese leaders and boards should spotlight mindset issues to drive innovation and create a better business environment. Business practices and ways of working need to be urgently modernised to embrace collaborative agility and risk-taking while normalising controlled failure as a natural part of the business journey. Encouraging risk-taking and innovation through entrepreneurial and international executive education and support programmes, hiring foreign and returning executives, showcasing best practices and de-formalising culture will go a long way, not only to driving innovation and competitiveness, but also creating a better, kinder, lighter business environment in which more people in Portugal can be winners.

Some laugh when I call Portugal the 'sleeping tiger of Europe', but I live here permanently and love this country. I want to see Portugal rise and claim its rightful place where it belongs – at the top.

*Anna Mulock Houwer is a Cascais-based consultant, non-executive director, and strategy advisor. Her professional focus is on fuelling growth and innovation in healthcare. Find more about Anna on LinkedIn.*



**Anne Brightman**  
CEO, the Brightman Group

## Portugal's foreign relocators – a sign of positive growth and change

**The influx of professional and wealthy foreigners to Portugal has many benefits that are being overlooked in the country's housing crisis debate, says Anne Brightman, CEO of Brightman Group.**

February 16, 2023 was a day I will never forget. It was on the eve of a series of seminars that my real estate company was organising in southern Florida to promote Portugal and the Golden Visa programmes.

Of my eight sponsors paying a premium to participate in the event at the acclaimed Coral Gables Biltmore Hotel and the Palm Beach Hilton, most were pitching these Golden Visa products.

That afternoon, one week before we were scheduled to leave for the US, Portugal's Prime Minister António Costa announced that the government would terminate the Golden Visa programme. The lack of coherent communication from responsible government officials afterward propelled Portugal's real estate market into short-term chaos.

Since 2012, residency through property acquisition programme has brought in €7 billion in government revenues and generated countless jobs, both direct and indirect. It was seen as the catalyst over the last decade for Portugal's booming real estate sector and the economy in general.

### THE NHR PROGRAMME

The NHR programme, which was finally announced to end on January 1, 2024, allowed foreigners to benefit from reduced tax rates for 10 years. The transition to the new tax regime has been complicated and has caused significant delays in the approval of applications.

This situation has been challenging for foreigners looking to move to Portugal and benefit from the favourable tax conditions previously offered under the NHR regime. The introduction of the new Incentivised Tax Status Program (ITS) is expected to replace the NHR with somewhat different and potentially less advantageous conditions. Since their inception, both the Golden Visa and

NHR programmes have been cornerstones in Portugal's economic revival. Designed to encourage international citizens to invest in Portugal, they have attracted foreign capital and stimulated economic growth leading to significant advancements in social welfare, infrastructure quality and cultural enrichment.

Foreign Investment has injected billions of euros into the Portuguese economy, revitalising various sectors, including real estate, tourism, tech startups and renewable energy. It has created thousands of jobs for Portuguese citizens, reducing unemployment rates and fostering a more robust economy.

While the big dilemma remains the lack of affordable housing for Portuguese citizens, the fact is that the vast majority of foreigners relocating to Portugal through the Golden Visa and NHR programmes were not seeking affordable housing. The investments through Golden Visas targeted a property segment that was not in short supply and did not directly compete with the housing needs of the average Portuguese citizen.

The demand for higher-end properties has increased values and spurred development projects, revitalised neglected areas and contributed to the renewal of decaying neighbourhoods in urban city centers.

### A MORE INCLUSIVE AND DIVERSE SOCIETY

There has been a significant increase in the number of international schools and universities that offer diverse opportunities for both local and expatriate families. The private healthcare sector has benefited from increased funding and international expertise. The influx of international residents has enriched the Portuguese cultural tapestry, fostering a more inclusive and diverse society.

Despite the advantages and benefits this foreign capital has brought with it, there is a

growing faction of the population that blames the housing crisis and overburdened public healthcare system on the non-tax-paying foreigners and that interprets the growing diversity as a loss of traditions and culture.

As a foreigner in Portugal, I have been on the receiving end of this negative attitude and am trying not to be too upset over the fact that after eight years of living in Portugal, having a company employing over 35 professionals with every team member making well above the minimum wage and paying 48% personal tax and 21% corporate tax to the government, I still do not have permanent residency, let alone citizenship.

The astronomical rent I pay for agencies, offices and housing is painful, but I recognise that it is a result of the growing pains of a burgeoning economy and that rapidly increasing rentals are a reflection of this economic growth.

This foreign influence is indeed changing the vibe of urban areas and sleepy fishing villages that have become trendy hangouts for an international posh crowd. However, those who enjoy the benefits of better wages, more jobs, better quality education and private healthcare would do well to remember that after the 10-year tax benefit period ends, these same foreigners are contributing alongside the Portuguese, and we all have the same goals – a better quality of life, decent wages, good healthcare, safety and an honest, well-run government.

*Anne Brightman is the founder and CEO of the award-winning Estoril-based luxury estate agency the Brightman Group that has revolutionised the real estate landscape in Greater Lisbon through comprehensive services such as property evaluations and restorations.*



# EDP - creating sustainable energy solutions to tackle climate change in the UK and US

As CEO of Portugal's EDP and EDPR, Miguel Stilwell d'Andrade is at the forefront of managing the multinational's energy transition. A major global energy player, EDP today employs around 13,000 people in 29 markets across Europe, North America, Latin America and the Asia-Pacific. The EDP CEO addressed a select group of British-Portuguese Chamber of Commerce members at the British ambassador's residence in Lisbon in June.

TEXT CHRIS GRAEME  
PHOTOS JOAQUIM MORGADO

Over the past 24 years, Miguel Stilwell d'Andrade has had a pivotal role in making Energias de Portugal Renováveis (EDPR) a global renewable energy leader through the scale of its renewable energy investments in Portugal and overseas, including, notably, in the UK, where EDPR is the largest and most significant Portuguese investor.

EDP's presence in the UK goes back to 2009 when EDPR entered its offshore wind sector. Fast-forwarding to the present, the company has become one of the most significant players in the UK's renewable energy sector.

EDPR is developing offshore wind projects through the company Ocean Winds, a 50/50 joint venture with French multinational Engie, with a total of four offshore wind farms (one of which is fully operational) and an increasing number of projects in onshore wind and battery storage sectors.

In 2009, Ocean Winds began the development of Scotland's biggest wind farm – 950MW Moray East in Moray Firth, which has been in operation since 2022, providing 40% of electricity demand in Scotland.

Through these investments, EDP is playing a critical part in the UK's clean

energy transition with the company's longstanding commitment to the UK being highly valued, more so since the country has some of the most ambitious climate targets in the world, with a commitment to net zero carbon emissions by 2050.

## AN INTERNATIONAL CASE STUDY

Miguel Stilwell d'Andrade is proud of the fact that EDP is a world case study in energy transition. Twenty years ago, EDP was producing 80% of its energy from thermal energy, largely meaning coal-fired power stations, and 20% from renewable sources such as hydroelectric power stations and wind and solar power. Today, 97% of the company's generation comes from renewable sources.

"We've done this in a very efficient and non-controversial way by closing down coal-fired power stations over time and investing heavily in renewables. Many people said it was not possible to switch to renewables so quickly, that it would take decades, but it is possible and is not as difficult as some make it out to be," he said.

"I have no doubts energy transition will happen. It's debatable how long it will take and if we can do it by 2050, but

it is absolutely urgent," he added, referring to the Paris Agreement in 2015 when 196 countries signed up to keeping global temperatures well below 2°C (3.6F) above pre-industrial times, while pursuing means to limit the increase to 1.5°C, as well as reviewing countries' contributions to cutting emissions every five years.

"This is something I believe in, and governments, companies, people and society collectively have a duty to do it, and it's one of the cornerstone commitments we have as a company when thinking about the future," explained Miguel Stilwell d'Andrade.

## A €25 MILLION INVESTMENT PLAN

Today, EDP's total emissions are 48% less than they were in 2015, and the company intends to reduce 90% of its absolute emissions by 2040.

To drive the energy transition, EDP has a €25 million investment plan to 2026, of which around €21 million (85%) will be in renewables, including wind, solar, green hydrogen, and battery energy storage technology.

Miguel Stilwell d'Andrade said that, as an engineer, he believes strongly in technological progress, and progress towards



CEO British-Portuguese Chamber of Commerce, Chris Barton, CEO EDP Renováveis, Miguel Stilwell d'Andrade and Rui Pedro Almeida, CEO and Managing Partner of Moneris.

efficiency has already occurred in more efficient solar panels and batteries.

The former investment banker points out that not so long ago, solar panels cost €400 per MW/h; today that figure has come down to €20 MW/h. Similar cost reductions have occurred with wind turbines and batteries.

However, the EDP CEO admits that transition has been "very tough" as it has

huge geopolitical impacts on the many economies that are still dependent on fossil fuels.

"This is not just energy transition, it is a revolution, and the impact is absolutely mind-blowing. There will be winners and losers, and we need to think very carefully about how we manage this, not just in the developed world, but in those economies that are going to be

heavily hit. But this is about the sustainability of the planet," he stressed.

## INDEPENDENCE AND AFFORDABILITY

Miguel Stilwell d'Andrade remarked that the UK and Europe have taken the lead in pushing for climate change, and that urgency is being forced by the fact that energy transition will offer greater



**“I HAVE NO DOUBTS ENERGY TRANSITION WILL HAPPEN. IT’S DEBATABLE HOW LONG IT WILL TAKE, BUT THIS IS SOMETHING I BELIEVE IN, AND GOVERNMENTS, COMPANIES, PEOPLE AND SOCIETY COLLECTIVELY HAVE A DUTY TO DO IT.”**

**MIGUEL STILWELL D’ANDRADE, CEO, EDPR.**

energy independence and make it more affordable.

The Ukraine War and the weaponisation of energy had made Europe more dependent on imports from the US, which today is probably the most energy-independent nation. Not only that, fossil fuels were price-volatile, with prices being driven up by geopolitical conflicts.

“Europe is not energy-independent, so the more energy-independent we can become, the better, and clearly we have a lot of wind and solar,” he remarked.

Another reason that energy independence is important is affordability. Renewables are more competitive than fossil fuels and prices are not volatile. Stilwell d’Andrade pointed out that once a wind farm or solar park has been set up, it is cost-effective and the energy will not cost any more in 20 or 30 years’ time than it does today. “The good thing is once it is installed, it’s free, and you’re not dependent on imports,” he said.

#### PHASING OUT COAL

Miguel Stilwell d’Andrade insists that he has no doubt that coal will be phased out in Europe, although there would still be coal-fired power stations in China and India, but that China was investing more money in renewables.

“Nuclear energy may be an option for some countries in certain situations,” he said, but certainly not in Portugal, while it is being phased out in Spain and Germany. “When you invest in nuclear, you have to have State backing since no private company will invest in nuclear.”

“It’s not the magical solution, and even if you were to build a nuclear power station today, it would not be ready until 2040,” he said, giving the example of the UK’s Hinkley Point C nuclear power plant which was expected to be completed by 2027 at a cost of £26Bn, but is now unlikely to be operational before

2030, with the overall cost revised to between £31Bn, according to French company EDF that is building the two new nuclear reactors.

Instead, Miguel Stilwell d’Andrade says that the future lies with either gas or renewables, or a combination of both.

#### CAPITAL INTENSIVE

One thing that has changed over the past couple of years is the economic and financial macro-environment. Energy transition projects require a lot of capital, numbering trillions of dollars, and the cost of capital has gone up.

According to the Harvard Business Review, for most of the last 15 years, capital had been cheap. Since 2009, the after-tax cost of borrowing for some large companies had been below the rate of inflation, making their debt in real terms cost-free. And for much of this time, the stock market moved steadily upward, consistent with historically low costs of equity. It was estimated that in early 2022, the weighted-average cost of capital (WACC) for the average company in the S&P 500 hovered below 6%.

All that changed in March 2022, when the world’s central banks began raising rates to curb rising inflation. Over the next 12 months, the US Federal Reserve increased its benchmark Fed Funds rate from 0.25% to 4.75%, and the yield on 10-year treasury notes climbed from 1.75% to almost 4%. Europe followed that lead.

“That was a problem for companies investing in deploying capital since we basically had free money for many years, and now it has gone up to what it was 20 or 30 years ago,” noted Stilwell d’Andrade.

And added: “This has certainly changed the capacity for companies to invest at precisely the time when we should be investing, but now it costs two to three times more.”

#### PROTECTIONISM IS BACK

Another issue linked to geopolitics is that protectionism is back, and anything to do with energy has become a national security issue, whether it involves China, the US or Europe.

China has developed its own value chain with investments in renewables, while the US introduced the Inflation Reduction Act 2022, which aims to curb inflation by printing and spending more money and investing in domestic energy production while promoting clean energy.

“Europe complained for years that the US wasn’t doing enough to invest in climate change measures, and when they did, the Europeans said it had gone too far and needed to scale down as it was making things hard for Europe,” Stilwell d’Andrade recalled.

“Not only has the US invested a lot in renewables, but it has also become more protectionist. This has brought a lot of investment into the US to build up the supply chain, with a lot of solar and turbine projects there.”

And added: “The US is finally, after many years, and after everyone said it was dependant on the Middle East for oil [resulting in conflicts], independent.”

The US equally didn’t want to become dependent on China for resources needed for energy transition.

“The US decided that it needed to be pragmatic and ensure that it was controlling the value chain to do that,” said Miguel Stilwell d’Andrade, who is on record for saying that the prospects for growth in the US renewables market are “very strong” for EDPR, a market to which it has dedicated around 40% of its total investment.

Europe, however, has taken a middle road. It wants energy transition, but its dependency on and its relationship with China is more ambiguous. Europe has not placed tariffs on Chinese imports of



CEO EDPR Renováveis, Miguel Stilwell d’Andrade.

solar cells like the US has (50% in 2024) or blocked Chinese imports from Chinese companies where, according to Human Rights Watch, there are forced labour concerns.

#### OWN PROJECT FOCUSED

In an interview with Bloomberg this year, the EDPR CEO said that the company was more focused on investing in its own projects rather than buying renewable energy assets.

EDPR has been in the US since 2007 and is now one of the main five operators in the sector there in wind farms, solar parks and battery energy storage.

The US is EDPR’s biggest market in terms of installed capacity and production. EDPR North America is based in Houston, Texas, and maintains offices and wind farms across the United States. The company currently operates 61 wind farms and 15 utility-scale solar parks across the country.

#### INCREASED ELECTRICITY DEMAND

Miguel Stilwell d’Andrade says the world is witnessing an increased demand for electricity driven by artificial intelligence (AI), in part because of the

**“MANY PEOPLE SAID IT WAS NOT POSSIBLE TO SWITCH TO RENEWABLES SO QUICKLY, THAT IT WOULD TAKE DECADES, BUT IT IS POSSIBLE AND IS NOT AS DIFFICULT AS SOME MAKE IT OUT TO BE.” MIGUEL STILWELL D’ANDRADE, CEO, EDPR.**

amount of chips being produced and sold by companies like Nvidia – one of the world’s leading producers in AI computing – and to supply the enormous amount of energy needed to supply data centres.

According to global law firm White & Case, data centres consume around 3% of the world’s electricity and is set to increase in the future as more data is stored and processed in data centres. In the drive towards greener data centres, the use of greener power has become one key strategy, with a notable rise of co-location

of data centres constructed with renewable energy-generating assets.

Currently, when they build a data centre, they need to buy green energy to offset emissions. The energy consumed has to be additional; it can’t be purchased from the existing system which would result in price inflation.

In other words, companies like Nvidia have to match their 100MW data centres with 100MW of additional renewable power.

“These data centres are exploding in numbers, and what we’re seeing is not like anything in the past where companies like EDP got enquiries asking whether they had enough capacity and connection in the network for a new data centre. Now it’s ‘do you have projects that you can build to provide us with energy?’”

Summing up, Miguel Stilwell d’Andrade said that these were exciting times to be in energy, despite the challenges of licensing and permitting, but stressed that the sector did not need more legislation. He pointed to the challenge of the sheer time it has been taking to get EU legislation transposed to member state level. “We don’t need a lot of rhetoric. We need execution.” ■



# Revitalising Portugal's capital markets

The challenge of energising Portugal's capital markets, attracting capital, and encouraging more companies to list on the stock market topped the agenda at Portugal's 1st Capital Markets Day held in June.

TEXT AND PHOTOS CHRIS GRAEME



Carlos Freire (AON), Paulo Olavo Cunha (VdA), Miguel Athayde Marques (AEM), Isabel Ucha (Euronext), Sofia Karayianni (Euronext), Matilde Azevedo Perez (AEM), Abel Sequeira Ferreira (AEM), Pedro Cassiano Santos (VdA), André Francisquinho (Euronext).

Portugal Capital Markets Day 2024 did not come completely out of the blue. It has a legacy from the period 2007-2012, when Portuguese companies and equity funds regularly had contacts with the global investment community at

an event called Portuguese Day at the New York Stock Exchange (NYSE).

Although abandoned during the Great Financial Crisis, it was an important milestone moment that raised awareness among capital market inves-

tors to growth and investment opportunities in Portugal.

This was the forerunner of the 1st Capital Markets Day in Portugal, which gathered together investors from several markets including the US, France, Spain,

Belgium, Netherlands, Portugal and India, many of which attended in person or remotely, and gave Portugal's capital market the chance to present all of its listed companies on the Portuguese stock market as a whole, rather than individually.

## A REMARKABLE ATTENDANCE

The two-day event was divided into two parts – one on June 24 between investors and Portuguese companies, and the conference 'Invest in Portugal – Insights on an Economy in Transformation' on June 25, when the Lisbon Católica University report 'Structural Trends Shaping the Portuguese Economy and Growth' was presented by the report's coordinator, economist Professor Ricardo Reis.

Day one featured 20 Portuguese issuers (Companies listed on Euronext Lisbon), whose CEOs and directors held around 100 face-to-face meetings with the representatives of around 50 institutional investors from the seven countries including Portugal, and the level of satisfaction from both sides was, in the words of Miguel Athayde Marques, Chairman of the AEM (Portuguese Issuers Association), "remarkable".

The first day also involved the participation of the Minister of the Economy, Pedro Reis, and the Chairman of the Portuguese Securities Market Commission (CMVM), Luís Laginha da Sousa.

In his opening speech, Miguel Athayde Marques said that it was time to "care about Portuguese capital in the Portuguese economy. Our growth has been anaemic for too long. The challenge for us is to make our economy grow at a significant pace, to keep converging with the most dynamic regions of the European Union".

"We have concentrated for all these years on another factor that influences the economy, the labour market, but that is not enough, and somehow capital has been overlooked. We cannot achieve growth, which is the major challenge of our economy, without our economy and our companies growing," said the AEM President.

And added: "For our companies to grow, capital is absolutely essential, and that is the ultimate reason we have

**"IT'S TIME TO CARE ABOUT PORTUGUESE CAPITAL IN THE PORTUGUESE ECONOMY. OUR GROWTH HAS BEEN ANAEMIC FOR TOO LONG. THE CHALLENGE IS TO MAKE OUR ECONOMY GROW AT A SIGNIFICANT PACE, TO KEEP CONVERGING WITH THE MOST DYNAMIC REGIONS OF THE EUROPEAN UNION." MIGUEL ATHAYDE MARQUES, CHAIRMAN OF THE AEM.**

started Capital Markets Day, to see if we can energise this movement which has the support of the current Portuguese government."

## CONNECTING PORTUGAL'S COMPANIES TO GLOBAL CAPITAL MARKETS

The CEO of Euronext Lisbon, Isabel Ucha, explained that Euronext had decided to organise the event on the 10th anniversary of its IPO (Initial Public Offer). In 2024, European investors took over Euronext from its previous US owners.

Since then, as she pointed out, Euronext had been building the principal market infrastructure in Europe to the benefit of Europe's economies, listed companies and investors.

With its integration in eight markets and present in 18 countries, Euronext was "now delivering a fully integrated value chain, including listing, trading, clearing, settlement and custody solutions".

This integrated chain covered a variety of asset classes, not just stocks and bonds, but also derivatives, foreign exchange, commodities and energy products.

However, Isabel Ucha said it remained committed to its main roots; connecting local economies to the global capital markets.

"Portugal Capital Markets Day is exactly about this – connecting our

Portuguese companies and economy to global capital markets and local and global investors," she said.

The Euronext CEO said that, looking forward, the Portuguese market would continue to grow as a central location for developing Euronext in Europe.

Euronext Portugal has 330 employees – both in Lisbon and Porto – spread through different kinds of services like exchange services, but also services to the rest of Europe like the Central Securities Depository (CSD), IT services, and an Inter-Finance Service Centre.

Euronext Lisbon, Ucha informed, would also be moving to a new premises in 2025, with a target of 420 employees, becoming the second-most important location for Euronext after Italy.

In November, Euronext will announce its strategic three-year plan and "our ambition is to deliver the next generation of European integration to 2027 and shape capital markets for future generations".

## A STRUCTURAL REFORM PROGRAMME

The Minister of Finance and State, Professor Joaquim Miranda Sarmento, explained current government policy in "How will Economic Policy support Foreign Investment?".

The minister said that the prospects for the Portuguese economy for the next few years were "relatively positive", expecting a "no-policy change scenario" economic growth above 2%, and that the government (if it survives) has a strong structural reform programme for the next years.

"That programme will address the weaknesses of Portugal's low productivity and competitiveness, with several key objectives: increase our potential GDP from 2% to 3% in the medium term, getting the economy to grow more than it has over the past two decades.

"That will allow us to increase investment (both private and public), to create more jobs and better salaries, and to keep our public finances balanced," he said.

"Portugal still has low levels of productivity and competitiveness, and over the past 25 years economic growth has only been 0.7% on average.





Miguel Athayde Marques, President, AEM & Isabel Ucha, CEO Euronext Lisbon.

“And with the good prospects for the next few years, we should not forget the weaknesses in the Portuguese economy and why we need structural reforms to overcome those weaknesses,” he went on.

These reforms meant reducing bureaucracy and red tape on firms, increasing competition in several sectors of the economy, and allowing regulatory bodies to have more independence.

It also meant reforming Portugal’s tax system which is “complex and unstable”,

with high levels of compliance costs, lengthy litigation in courts, and income and corporate taxes.

**SIMPLIFYING THE TAX SYSTEM AND PROVIDING INCENTIVES**

The government intends, he said, to simplify the tax system, provide more resources to firms by lowering corporate tax from 21% to 15%, giving more resources to families by lowering income tax (between 0.25% and 1.5%) and improving the tax justice system so that when

firms litigate against the tax authorities, the cases won’t take so long to settle as they do now.

Joaquim Miranda Sarmento said the government planned to make reforms to the labour market. “The labour market in Portugal is very rigid for those who are already in the market, with high levels of insecurity for those entering the market.”

The current government also aims to change its economic justice procedures, making bankruptcy processes faster and simpler, and easier and less time-consuming for companies to settle debt lawsuits in the courts, while reducing the costs for firms when they have to litigate against others.

The Minister of Finance added that the government aimed to address three problems that Portuguese companies faced: low levels of capital (since Portuguese firms were highly in debt) so as to increase the capitalisation of firms.

The government also aims to address the problem of scale; Portuguese firms tend to be small, which reduces the value of scale and the opportunity for increasing growth by using scaleup opportunities.

**ENCOURAGING FDI AND INTERNATIONALISATION**

The government also wants to increase the internationalisation of Portuguese firms by providing them with incentives to invest more on exporting.

“We expect to attract more Foreign Direct Investment, particularly in new areas of technology, renewable energy, climate transition, digitalisation, and through other types of services,” said Joaquim Miranda Sarmento, adding the importance of keeping public finances balanced with surpluses on the fiscal account for the coming years, which would allow Portugal to continue to reduce its public debt (currently below 100% of GDP), while keeping public finances sustainable.

“We forecast that in 2028, when this government leaves, office debt will be around 80% of GDP,” he said.

The minister explained that the government would create more favourable tax conditions for investors to invest in debt (both government savings and treasury bonds), create more tax benefits for innovative startup firms, R&D, and export-oriented companies.

**PORTUGAL’S CAPITAL MARKET MILESTONES**

Giving a brief overview of Portugal’s capital market milestones over the past 10 years, Abel Sequeira Ferreira, Executive Director of the AEM, delivered a speech on ‘Unlocking Potential: the Transformation of Portugal’s Capital Market’.

He said that a decade ago it had been clear that change was necessary to create a more robust Portuguese market, capable of meeting the financing needs of companies.

The number of listed companies and market capitalisation of companies had been declining since the beginning of the century.

The securities market regulator CMVM, Euronext Lisbon, the funds association and the issuers association – all relevant actors in the market – recognised the problem and all started working to address this challenge.

AEM launched the discussion with its 2013 report with recommendations for strengthening the Portuguese market by focusing on four main areas: market structures, law and regulation, savings and investment mechanisms, and capital market taxation.

The report, he said, served as the blueprint for the discussions, and in 2016, after a year of close collaboration with key stakeholders, the then government published its capitalised programme emphasising company capitalisation and introducing new measures such as

Minister of Finances, Joaquim Miranda Sarmento.



tax incentives to reinforce equity capital, expansion of the tax reduction regime for retainment and reinvestment profits, introducing small- and mid-cap concepts and regimes for securities investment companies to promote the economy, and the launch of a company training programme for the capital market.

**CREATING A BETTER MARKET**

Initiatives to create a better market have made significant progress since 2018, bringing together crucial elements for a better market.

In 2020 there was a breakthrough. Following the initiative by CMVM, the OECD presented its Capital Market Review for Portugal.

The review identified three factors for creating a successful stock exchange listing environment built around five ideas. Promoting access to equity capital to the stock market, creating an enabling environment for corporate growth, facilitating market-based long-term debt financing, increasing the participation of traditional institutional investors, and increasing the availability of alternative financing.

The review was then followed by a report from the Internal Capital Market Taskforce Revitalisation which expanded on the OECD recommendations and formed the basis of subsequent initiatives, including the much-needed review of the Securities Code.

The rules became simpler, more stable and transparent. “We fine-tuned the transposition of European directives, like the shareholder directives and transparency directive, eliminating most of the ‘gold plating’ in the code,” he said.

And added: “We amended offer regimes for takeovers and introduced innovative mechanisms such as the new multiple voting rule based on a proposal from the AEM, promoting financing through public issuers of capital by companies, especially family offices, without the need to change control structures.”

Initiatives included a more market-orientated roadmap, electronic one-stop-shop portals, a market-for-growth sandbox for simulating company experiences in the market, an annual circular with notes for issuers and asset managers, and regular risk outlooks, all showing the regulator’s commitment to market development.

“There were four Euronext initiatives: the new PSI Index replaced the PSI-20; a bold and risky but necessary move to enhance our main index credibility.”

It launched its Elite programme in Portugal, already benefiting many companies by connecting them with capital; the Tech Leaders programme composed of 110+ high-growth and leading companies, each meeting a specific set of criteria to qualify, and the Elite and World Trade Centre Lisbon – an international academy to help Portuguese companies grow.

**A MAJOR BREAKTHROUGH ON TAX**

To start completing its agenda for Portugal’s commitment, the various institutions needed the tax measures it had been pressing governments for since 2013. Finally, in June, the Portuguese parliament approved some of these tax measures designed to provide companies with the right conditions to obtain capital to gain scale, develop new products, increase productivity, and expand sales domestically and overseas, creating better jobs.

“We can always ask for more, and we will certainly continue to do so, but this government’s initiative is of the utmost importance. We all know how challenging it is to introduce new laws and beneficial tax measures for investors and companies.

“The government succeeded, and the parliament approved them by a substantial and expressive majority. This is a true and major breakthrough,” concluded Abel Sequeira Ferreira, Executive Director of the AEM. ■

Economist Professor Ricardo Reis, Lisbon Católica University.





# Renova Black the sexiest toilet paper on earth

**In 2005, a relatively unknown Portuguese tissue paper producer took a bold gamble that could have flushed the company's fortunes down the pan. The gamble paid off, and Renova became a household name worldwide.**

TEXT CHRIS GRAEME

**T**hey say that black never goes out of style. And as every woman knows, that little black cocktail dress mixed with a few essential primary-coloured accessories is a staple in every wardrobe when lost for time to buy something new for that special event.

But can that maxim really extend to items of personal hygiene? Apparently it can. Today, you can buy black organic tampons and no-one would raise an eyebrow. That liberating freedom of choice

is largely thanks to a hitherto not well-known tissue paper company from Portugal called Renova, which exploded onto the international scene in 2006 after coming up with a bold, daring and potentially suicidal marketing plan for its toiletries division.

When rivals such as the British brand Andrex (Scottex in Portugal), producing soft, quilted, snow-white toilet paper marketed with the traditional and beloved golden retriever puppies chasing feathers

and frolicking with the under fives, seemed to have cornered the market with fluffy and cuddly, Renova did exactly the opposite and put the cat among the pigeons by introducing black toilet paper.

What were the marketing team at Renova thinking? I mean, black is hardly a godly colour, if black is a colour at all. This could only appeal, after all, to the 'adult' stores industry, hiding coyly somewhere on the shelves between black sheets and rubber wear. Not so.



The President of Renova, Paulo Miguel Pereira da Silva, reminisced on the risqué decision at an annual dinner organised by the French Chamber of Commerce and Industry (CCILF) for several chambers of commerce on the occasion of the 'International Dinner and Forum' at the Sana Malhoa Hotel in Lisbon earlier this year.

#### THE SHOCK OF THE NEW

Paulo Miguel Pereira da Silva, stumbled upon the idea when thinking about spectacle and how it relates to consumer products while attending a trade show in Las Vegas. "It came to me that black was an intuitive colour because it signals 'avant-guard creative work'."

In terms of design, he told the New York Times, black means "irreverence and the core nature of art" which, in the words of the famous Australian art critic Robert Hughes, is 'the shock of the new'.

He stressed that the new product was neither just a product, an object, or a communication tool, but a combination of the three. He also admitted in the article that when he stocked the bathrooms at party functions, the guests tended to pinch the rolls.

Not everybody thought it was a good idea. THE US design theorist Henry Petroski thought that 'shock' and 'bathroom' are an "unhappy couple", at least combined outside a nightclub setting.

He thought that most people who used the bathroom wanted something comfy and reassuring. "They want calm and solitude" not "distraction". And there certainly was the danger of conjuring a sense of being off set at the filming of a remake of Rosemary's Baby.

#### A LOVE OF EXPERIMENTING

Yet despite the initial misgivings from design, hospitality and retail leaders in the United States, Renova managed to pull off the high-risk strategy and it became a success. Today, Renova is a household name and forever synonymous with black toilet paper, even though the company produces toilet rolls in all of the colours of the rainbow, as well as kitchen rolls and tissues.

"I have a passion, and it is one of the reasons why I have stayed at Renova all these years: it is that I like people, which



President of Renova, Paulo Pereira da Silva.

**"I THINK WE HAVE EXCELLENT AND MOTIVATED PEOPLE HERE IN PORTUGAL WITH ENORMOUS CAPACITIES TO DO THINGS." PAULO MIGUEL PEREIRA DA SILVA, PRESIDENT, RENOVA.**



## Essential Companies

for me was a big discovery,” said Paulo Miguel Pereira da Silva, who had studied in the small northern city of Abrantes before taking a degree in physics in Switzerland, because “I liked understanding how the world and the universe works”.

The Renova president then decided to do a spell of work experience in industry and has continued in his experiments and experiences ever since.

Paulo Miguel Pereira da Silva pointed out that one of the experiences he had never had as an adolescent was being “part of groups” and discovered when he started work that he really enjoyed working with and coaching people.

“I think we have excellent and motivated people here in Portugal with enormous capacities to do things.”

For 12 years in the 1980s and 1990s, he worked as an engineer on the day-to-day organisation and running of the factories – the company at that time had two mills – and then was suddenly thrust into the limelight as president and had to deal with the commercial and marketing side of the business as well.

### AN INTERNATIONALISATION STRATEGY

In 1989, Renova started its first modern cross-category line of product (Renova Class) with a view to internationalisation.

The first step came in 1990 when the company opened operations in Spain, Renova España SA. Towards the end of the decade, Renova launched the first toilet paper in the world integrating micro-droplets of smoothing cream (“Renova Fresh&Clean”).

“We had begun our internationalisation strategy and it hadn’t been going so well,” he recalled. In 2002, Renova France began operations in that country, launching its innovative ‘Fresh&Clean’ toilet paper that became the company’s main driver in that market. Within two years, the company expanded into Belgium and Luxembourg, opening Renova Belgium in 2004.

He recalls: “It was a very difficult process; we started in Spain and then the natural move in terms of markets was France, where the French retailers were important [France was and is famous for its hypermarkets], and Renova managed to build a presence among these large retailers.”



### MAJOR BRANDING REFORM

In 1995, the company launched a major branding reform with all products starting to take the brand name Renova.

Paulo Miguel Pereira da Silva wanted to focus on the brand and take it to the world. Creating and building a brand is a slow process with a medium- to long-term investment, but the brand is important because it is what makes the product different and stand out from competitors.

“We defined the brand as the most important thing for Renova’s development and everything we had to do needed to be anchored around the brand. In Portugal we didn’t have great resources, but we did have talented people. We had to come up with a brand for our products that made them different,” explained Paulo Miguel Pereira da Silva.

A brand, he says, is something intangible, fictional, can represent values, innovations, dreams and aspirations. “We are really good in Portugal at producing things very efficiently – robotised assembly lines, factories, mass-manufactured goods –, but not so good with brands; we tended to come up with brands for third parties who then sold them on and the value stayed with them.”

### RENOVA BLACK

It was the development of black toilet paper, however, that really catapulted the Renova brand onto the international

stage, where today it exports to 90 countries worldwide.

It became known to a wider public (outside of Portugal) through an advertising campaign (first launched in 2002) that made use of sex appeal to sell toilet paper – something other companies didn’t dare to do before.

In 2013, Renova’s production director, Mário Lopes, told Tissue Magazine: “Our strategy is through innovation. We want to increasingly sell unusual tissue products internationally; we are already known as the ‘black toilet paper company’ and this brings a lot of visibility to the brand.”

The campaign, using photos made by the French photographer François Rousseau, received special attention of the French magazine Photo, which promoted a photographic contest inspired by it (and sponsored by the company). This was backed up with the slogan “the sexiest toilet paper on earth”.

“It was an innovation that had to do with creating a new product, a commodity that everyone uses but people were ashamed to buy, yet ended up becoming an iconic product that was no longer banal but different.”

And apart from worldwide fame with an article in the New York Times, the Renova Black innovation brought something else, equally if not more important to the company and the one-time physics student who dreamt of coming up with one small innovation that would make a difference – respect from industry and legitimacy from the world.

“Before Renova Black, when I went to meet the potential buyers of a large Spanish retailer, I had to explain who we were, what we did and the brands that we had. Now, even in South Korea, if I say that I’m from Renova and we produce black toilet paper, I have a passport to enter their market.”

As the President of the Portuguese Industrial Federation (CIP) Armindo Monteiro - also a guest speaker at the event - said, “It showed how a company was able to produce a brand and build it from a country that did not really have a tradition of brand-building in this area; from a product that being disposable does not bring added value or a superior technology, yet turn it into one that is internationally famous and in terms of quality is among the best in the world.” ■



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# Making Lisbon proud! ULIS celebrates 4th anniversary



Chitra Stern, CEO, Owner, Founder of Martinhal Resorts and United Lisbon International School (ULIS) with Dr. José Azcue, Headmaster (ULIS); Martin Harris, Executive Director (ULIS); Seema Lodi, Hotel Director, Martinhal Lisbon Oriente & Martinhal Residences; and Roman Stern, founder CEO, Owner, Founder of Elegant Group.

**The United Lisbon International School (ULIS) celebrated its 4th anniversary in June with a cocktail party and cultural entertainment for around 150 guests at the Terrace restaurant in the Martinhal Lisbon Oriente & Residences in Lisbon's Parque das Nações.**

TEXT **CHRIS GRAEME**  
PHOTOS **MARTINHAL GROUP**

The event also marked the first anniversary of this innovative hotel and branded residences, which within one year of opening has become one of the top 15 family hotels in the world.

The occasion included colourful masked Japanese Taiko ritual dancing from Kaori Shiozawa, Middle Eastern belly dancing by Al Badawi, and uptempo jazz tunes from Blueberry Moon. The evening included a finger buffet with food from the Middle and Far East and South-East Asia.

ULIS and Martinhal Group founder and managing partner Chitra Stern said the event was to celebrate a few of their latest milestone projects in Lisbon.

Chitra and Roman Stern have been in Portugal since 2001 and started their luxury family beach resort Martinhal Sagres in the Algarve in 2010.

Further acquisitions followed, with properties in Quinta do Lago, Quinta da Marinha (since sold) and Lisbon's Chiado.

Fast-forwarding to 2017, the Sterns began three very important projects: the future Martinhal Oriente serviced apartments, the AGEAS Lisbon headquarters, and the United Lisbon International School (ULIS).

Despite Covid-19, the Sterns opened ULIS in 2020, handed over the AGEAS office building in 2022, and opened Martinhal Oriente in 2023.

"We made it! It was quite a time, but really defined us as entrepreneurs and as a group," said Chitra Stern.

#### A WORLD-CLASS INTERNATIONAL SCHOOL

ULIS – a Dukes Education School – and the EDU Hub project were born of a dream to create a first-class private international school in the East of Lisbon.

"This area of Lisbon really needed an international school to cater to foreign direct investors to move here, as well as the Portuguese families in the area who needed a high-quality IB international school," she explained.

"Here we are in 2024 with the first cohort of students having just graduated, the first 'United Lisbonites', and I promise you that we do not take this trust lightly. We will do Lisbon proud and do our utmost to make our contribution to

**"HERE WE ARE IN 2024 WITH THE FIRST COHORT OF STUDENTS HAVING JUST GRADUATED, THE FIRST 'UNITED LISBONITES', AND I PROMISE YOU THAT WE DO NOT TAKE THIS TRUST LIGHTLY. WE WILL DO LISBON PROUD AND DO OUR UTMOST TO MAKE OUR CONTRIBUTION TO THE ECONOMIC GROWTH, SOCIAL FABRIC AND INNOVATION OF THIS CITY," CHITRA STERN, FOUNDER UNITED LISBON INTERNATIONAL SCHOOL (ULIS).**

the economic growth, social fabric and innovation of this city," Chitra affirmed.

Since opening its doors in September 2020, ULIS now has more than 630 students and 80 teachers across 53 nationalities.

The school delivers English-language academic programmes from Early Child-



hood (from 3 years old) to grade 12 (IB DP).

It provides education by seamlessly integrating technology into the learning environment with light-filled classrooms, state-of-the-art science laboratories, art rooms, a technology maker space and a modern library.

United Lisbon is connected to a variety of outside institutions to ensure enriching experiences for after-school activities and boasts 65,000 sqm (6,500m<sup>2</sup>) of outdoor play and sports areas.

It also connects the children to the ecosystem of education through shadowing projects, internships and entrepreneurship experiences.

#### A GROWING LUXURY FAMILY HOTEL GROUP

The Martinhal Oriente Residences, which opened in June 2023, is the Martinhal Group's fifth property in Portugal.

An innovative hotel and branded residences in Lisbon's modern Park of Nations (Parque das Nações) neighbourhood, it was built during the tough Covid-19 times.

Through 14 floors, Martinhal Lisbon Oriente combines a high-end selection of 82 touristic and residential apartments for leisure and business travellers on the first four floors, while the Martinhal Residences has 70 luxurious residential units, from floor 5-14, for those who want to indulge in a five-star service in their everyday lives.

Both the hotel and residences (combined in the same building by award-winning Portuguese architect Eduardo Capinha Lopes) have a 24-hour reception, heated indoor and outdoor pools, a lovely bar lounge, a versatile workspace, enticing play spaces and Kids Club for children, amazing contemporary art works and installations throughout by Portuguese artists, and the sophisticated Terrace restaurant providing unique food experiences.

Word has it that the Sterns are not stopping there and already have another project in mind, but so far the project is firmly under wraps. We'll have to wait for the latest instalment in the Sterns' remarkable entrepreneurial journey in Portugal. ■





Maria João Ricou, Senior Partner, Cuatrecasas, Maria José Campos, Executive Board Member and COO at Millennium BCP, Vera Pinto Pereira, Executive Board Member, EDP Group and CEO EDP Comercial, António Martins da Costa, President AmCham, and Rui Gonçalves, Partner and Head of Consulting Technology, KPMG Portugal.

# Millennium BCP Innovating to change

Portugal's banks are embracing new smart technologies to innovate, better serve their clients and deal with fraud and cybersecurity threats. Maria José Campos, Executive Board Member and COO at Millennium BCP, explained how the bank was rising to the challenges and opportunities that new technologies like Generative AI have created at an event organised by the American Chamber of Commerce in Portugal (AmCham).

TEXT **CHRIS GRAEME**  
PHOTOS **RENATA SCHIAVON**

**B**ank clients expect more from their brands today. Whether clients are interacting with their banks in person, on their mobile phones through dedicated banking applications, or on a desktop, laptop computer or tablet, banks are cre-

ating better digital experiences to meet customer expectations and compete with mobile-first startups.

Most banks have digital transformation strategies, but the Portuguese bank Millennium BCP has been investing in

this and smart technologies for at least a decade, embarking on a true digital business transformation.

Maria José Campos, Executive Board Member and COO at Millennium BCP, was invited by the American Chamber of

Commerce in Portugal (AmCham) to explain the bank's strategy for digital transformation and technological innovation at the most recent Fireside Chat – 'Conversations on Change with Innovative Companies and Inspiring People', in a talk moderated by Maria João Ricou, Senior Partner at Cuatrecasas Portugal, which hosted the event held in June. So, what are the main challenges facing Portugal's banking sector?

#### FOUR CHALLENGES – GROWTH, PRODUCTIVITY, AGILITY AND RISK

Maria José Campos says that technology has had a fundamental role in the banking sector for decades. Most people recall the investments that BCP made from its founding in 1985, which gave it a competitive advantage at the time and which has been sustained for several years.

Today, the challenges are quite different. "I would say these challenges have four dimensions: the first is growth and relevance, the second is productivity, the third is agility, and the fourth is risk and resilience, the latter two not so often mentioned," she says.

"The question is how we can grow sustainably within a context that is completely different today when our relationship with our clients is essentially based on the digital experience," explains the Millennium BCP COO.

To give some idea, Maria José Campos says: "In 2018, only 29% of our clients used our app. Today, over 60% use it, and the intensity of use is high with clients who on average use the app 32 times per month, while 80% of sales/payments from deposits are made through digital channels. This in fact shows the potential that we have to integrate partner services and create new revenue streams."

#### PERSONALISED SERVICES

On the other hand, many other sectors, which have also in the meantime digitalised, are integrating these technologies and financial functions in their daily business dealings, such as payments and credits integrations.

"We are seeing personalisation by incorporating all these technologies, in-

cluding Generative AI, in communication and experiences that need to be personalised and anticipate the clients' needs both when they interact through the app with us, and in terms of products."

For example, four years ago, the bank launched an insurance product with an on-off capacity according to clients' needs. In other words, they can "switch it on" or "switch it off" so that it is activated only on the days when they need cover.

"We have some digital products and we've worked with fintechs on developing them to innovate in this area, but we've been using it for personal loans for years, and the capacity that we have today means that these personal loans can be adapted throughout their life to meet the personal needs of the client. This opened up a lot of room to innovate and employ these technologies," says the Millennium board director.

And adds: "In addition, the bank can also integrate specific personalised offers to further meet our clients' needs, and on the other hand check personal vantage scores and integrate credit journeys on third-party platforms".

Credit journeys, by the way, for those not initiated into the wonderful world of 'banklish' means you can check your VantageScore 3.0 credit score as often as you'd like with no impact to your credit.

As for productivity, in recent years, Millennium bank has done "extraordinary work", particularly in customer-facing processes. "Five years ago, the banking sector generally didn't have automated and prominent credit processes for the client, today this issue is resolved."

#### THE USE OF ROBOTISATION

Another example of innovation is robotisation and the elimination of manual tasks, thereby freeing up staff to do tasks that are of greater added value in other areas.

"There is still a lot of paper and manual processes, but this will change with Generative AI. For example, using it to create an insolvency or credit report in the period of a morning," explains Maria José Campos.

The COO emphasises that this has not arisen from a logic of replacement (meaning shedding jobs), but rather taking the opportunity to reinvent using some of the possibilities that these new technologies afford.

#### SMART TECHNOLOGIES

Smart technologies like character recognition, natural language processing and deep learning models are also being employed, for example, in documents validation and formalising contracts.

Technology enables new opportunities to be explored and swiftly reacted to. "Through new software, we will quickly be able to create new frameworks to meet new requirements and opportunities and even mitigate risks as they arise," she says.

Just one example of agility providing a competitive edge arose during the Covid-19 crisis when, in a very short period of time, Millennium applied a process to the contracting of Covid-19 credit lines in which the bank was a leader in the national banking sphere, and of which "we are very proud".

The bank went from one moment to the next contracting thousands of credits in a day whereas in the past it would have been a few hundred a month.

#### CYBER SECURITY CHALLENGES

Several challenges are posed by cyber and hacking threats that the bank must be in the vanguard to prevent and counter them.

"Every day it seems we hear of cases where client and staff databases have been compromised. We have made a big investment over time in data protection and defence, but even so, no defence system is 100% secure and safe."

For example, in October 2022, Millennium BCP fell victim to an IT attack, which meant clients couldn't access the application and the site. Luckily, on that occasion, the culprits failed to gain access to client data.

"Hacking will happen, but when it does, we resolve these attacks as swiftly as possible," concludes Maria José Campos, Executive Board Member and COO at Millennium BCP. ■



# Portugal and Switzerland a flourishing relationship built on shared communities and quality exports

Relations between Switzerland and Portugal have a rich tradition, partly due to the 260,000 Portuguese nationals living in Switzerland. The Portuguese community is the third-largest foreign community in the country, while the Swiss business and residential community in Portugal is growing. Essential Business talks to the Swiss Ambassador to Portugal, Denis Knobel.

TEXT AND PHOTOS CHRIS GRAEME  
ADDITIONAL PHOTOS CCISP

According to statistics from Swiss Abroad for 2021, 5,379 Swiss nationals were living in Portugal at the end of that year. However, this number has increased since the end of the COVID-19 pandemic, with more than 7,000 Swiss nationals now residing in Portugal.

Since 2015, trade between the two countries has grown by nearly 50%. As Ambassador Denis Knobel says: “The trade development is positive and growing on both sides, with a trade surplus on the Portuguese side regarding exports to Switzerland, which by 2022 stood at €110 million, with a combined trade of 2.3Bn Swiss francs, or €2.3Bn, and 1.3Bn Swiss francs in services.”

Services have been growing with the boom in the IT sector and the investment in service centres in Portugal. Many Swiss companies are coming here and opening IT branch offices, and this has been growing with a lot of requests at the chamber.

Since the Great Recession and the COVID-19 epidemic, Swiss companies that are noted for their quality have remained resilient and resisted interna-

tional global shocks. After years of offshoring, some companies are even now returning, while Switzerland is exporting more pharmaceuticals (+50%), chemicals, machines and watches.

Denis Knobel explains that Switzerland's pharma industry, much of it based in Basel, dominates the country's exports, both to Portugal and worldwide, and that tendency is getting stronger.

“Switzerland was always very export-oriented, and we have a very small market. If we want to do business, we have to export. We were compelled to engage in foreign trade and be competitive, meaning, as a small market, we had to specialise in certain segments.

“We don't produce cars in Switzerland, as there is competition from France, Germany and Italy, but we do produce certain car components and, of course, watches, and we do well in areas where we bring added value through reliability and quality,” he adds.

This is a strategy that Portugal, also a small market, is opting for more and more. The cheap textile manufacturers in the 1990s in Portugal did not survive

unless they aimed for niche and quality products. Portugal is increasingly adopting the Swiss way, too.

And the balance of Portugal's exports to Switzerland is growing, currently worth around €100-€110 million, and includes textiles and clothes (+20%), agricultural products, foodstuffs, car components and machinery.

## ECONOMY AND BUREAUCRACY

Ambassador Knobel points out that of every two francs of Switzerland's GDP, one franc is earned abroad. “Switzerland is a very open market and is among the countries with a record number of world trade agreements.”

However, he says there are always opportunities for closer and increasing trade ties between the two countries.

“Portugal is a country where we could have more contacts and exchange. Trade is steadily growing, and we see companies from Switzerland contacting us for support.

“One of the services we offer these potential customers is assistance with navigating Portuguese bureaucracy.



Swiss ambassador to Portugal, Denis Knobel.



**“PORTUGAL IS A COUNTRY WHERE WE COULD HAVE MORE CONTACTS AND EXCHANGE. TRADE IS STEADILY GROWING, AND WE SEE COMPANIES FROM SWITZERLAND CONTACTING US FOR SUPPORT.” DENIS KNOBEL, SWISS AMBASSADOR TO PORTUGAL.**

Switzerland has to sell products at higher prices because the exporter is producing in Swiss francs. However, the reliability of the Swiss economy is quite extraordinary and unique,” he says.

And continues: “Being export-oriented is the best way to be competitive, and for decades, Swiss companies have been trained to be internationally competitive.”

The ambassador says that youth unemployment is high in Portugal, although decreasing.

“This does not happen in Switzerland because we have a dual education system—a unique blend of classroom instruction and on-the-job training. Students split their time between attending vocational schools and working in companies, gaining both theoretical knowledge and practical skills simultaneously. These advantages make the Swiss economy very resilient,” he explains, suggesting that such a system might benefit Portugal too.

And expands: “What is important now in Europe is not just the bilateral trade between countries. It is increasingly difficult to identify what is a Swiss or Portuguese product, as different components are manufactured in various countries.

“On a regional level, we see a division of labour with a production chain, where parts come from different locations and regions and are assembled elsewhere. This is the potential I see between Switzerland and Portugal.”

“When I was Ambassador in Slovenia, we had more than €11Bn in trade between two very small countries. This was because large factories and groups were part of international production and distribution of labor within the group. What is important is to be part of this production chain, not just focusing on bilateral trade and promotion,” adds Ambassador Knobel.

“We have seen this in the chip industry, which wants to develop to be more independent from China and Taiwan, so a final chip goes around the world in the

value chain to become a final product. Switzerland also has great companies in these areas, but they only contribute one step out of 10. Therefore, we must define what is Swiss-made,” he insists.

Denis Knobel explains that, in Switzerland, there is a very clear law defining what it means to be “Swiss Made”. For example, TX Media Group has parts developed in Serbia and parts in Portugal, with teams from around the world.

Switzerland, he points out, is a “high-quality precision manufacturer that excels in innovation”.

“Growth today is driven by innovation, and we are able to achieve that. We have a strong connection between research academies and the private sector. For example, the computer mouse was developed in Lausanne by Logitech, a Swiss company.”

#### INVESTMENTS

Switzerland is the ninth-largest investor in Portugal in terms of companies. Among other investments, Switzerland has significant investments in

Swiss President Viola Amherd and President of Portugal, Marcelo Rebelo de Sousa.



the energy sector, such as solar and wind parks. A recent example is the Pessegueiro Solar Park near Palmela from the Swiss energy company EKZ.

And one of the biggest Swiss investments in the tourism sector was made by the Martinhal Group. In addition to hotel and residential developments, Martinhal also launched an international school four years ago. In fact, overall, Swiss FDI has created over 10,000 jobs in Portugal.

“We have a certain reputation as investors. Swiss companies don’t invest only because of lower salaries, and we don’t easily change countries due to increases in production costs. For instance, many big international companies moved from Indonesia because of rising salaries. This is not the Swiss way,” the ambassador emphasises.

Ambassador Knobel admits that Swiss investors are prudent and proceed step-by-step, but once they are here, they remain.

“Instead of global trade with Asia, we could develop stronger ties between Switzerland and Portugal because it is closer and more reliable, with lower transport costs.

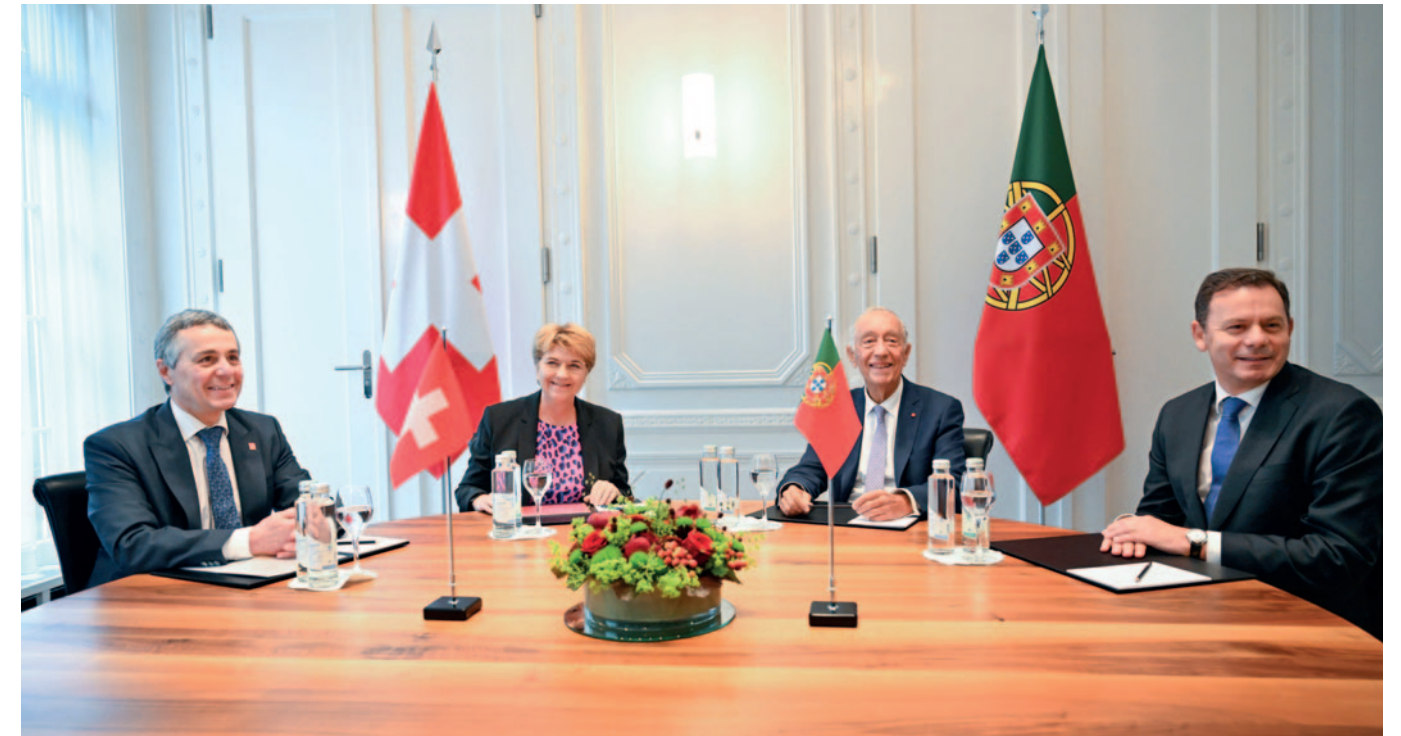
“What is needed is predictability, based on a consistent legal framework. Nestlé, Zurich, SGS, and other big Swiss companies have been here for many decades, which shows how investment from Switzerland is for the long term,” he points out.

This has to do with the mentality. “We don’t go after quick fixes. I would invest right now in all the benefits that Portugal has to offer because it’s the best time to do it,” Denis Knobel urges.

#### SWISS AND PORTUGUESE COMMUNITIES

According to recent statistics, 260,000 Portuguese nationals are living in Switzerland, forming the third-largest foreign community in the country.

In some Swiss villages, such as Täsch near Zermatt, where many Portuguese



The visit of Presidente of Portugal, Marcelo Rebelo de Sousa and Portuguese PM Luis Montenegro to Switzerland for talks with the Swiss President Viola Amherd and the Minister of the Federal Department of Foreign Affairs, Ignazio Cassis on the occasion of the Portuguese president’s visit to the Portuguese diaspora in June, 2024.

work in the tourism industry, there are so many Portuguese residents that the municipality had to integrate the local Swiss residents into the Portuguese community with special activities.

The second and third generations retain Portuguese names but have a Swiss mindset and speak the Swiss national languages.

And the importance of the Portuguese community in Switzerland was underscored in 2017 by the Swiss President Doris Leuthard who, during a State visit to Portugal, expressed the hope on a tour of the Champalimaud Foundation that the Portuguese community would “remain in Switzerland”.

As Denis Knobel emphasises: “The Portuguese community is very much appreciated in Switzerland. This type of successful integration is a positive aspect of migration. It’s truly a win-win situation.

“It’s becoming circular. Switzerland launched special integration programmes, which is why it benefited from this migration,” he says, pointing out that remittances from the Portuguese community in Switzerland to Portugal now amount to over €1Bn, second only to France. “Portugal also benefits in this regard from this relationship.”

On the other hand, the Swiss business and residential communities have also flourished in Portugal.

The increase in the Swiss national population from 3,000 to over 7,000 in just a few years is a result of the “attractiveness of Portuguese investment attraction policies”, says the ambassador.

Denis Knobel says that Portugal has also become very popular now in Switzerland, both for tourism and among students.

Also, the fact that Lisbon ranks high in IT and outsourcing and has a vibrant startup ecosystem is proving to be an attractive draw for Swiss professionals and small companies.

“The Web Summit provided a boost for the entire startup community, including Swiss tech startups, as did the visa and fiscal incentives for investors,” remarks the ambassador.

#### OUTREACH EVENTS

The Swiss ambassador to Portugal, Denis Knobel, says that the Swiss Embassy pursues long-term goals to engage with the Swiss community in Portugal.

“As mentioned, we have a rapidly growing Swiss community. For this reason, we are further developing our services and opening new honorary consulates.

“We want to be more accessible and present for the Swiss community, providing focused information for the retired population. Currently, we have consulates in the Algarve, Porto, Lisbon and Madeira, and we will open a new one in the Azores in September 2024,” he informs.

“We want the Swiss community and businesses to know we are available if they need to reach out to us, particularly retired people. Therefore, we will be visiting different regions, like the Algarve, and holding outreach events,” the ambassador adds.

And continues: “When visiting Swiss companies here, I see that they don’t have many problems operating in Portugal. I have been in other countries where there were lots of complications and problems over fiscal areas, but here the message is quite positive.”

Denis Knobel says that he has noticed that existing Swiss companies are investing and reinvesting in Portugal.

“On the political side, we would like to enhance the bilateral ties more, have more visiting delegations, particularly within the framework of the EU and EU capitals. This should help to promote solutions between Bern and Brussels,” concludes the Swiss ambassador to Portugal, Denis Knobel. ■



# The CCISP

## An outstanding example of a modern and relevant chamber of commerce

During the COVID-19 pandemic, the Swiss-Portugal Chamber of Commerce & Industry (CCISP) began to modernise and reorganise its internal structures. Essential Business talks to CCISP General Secretary Dr. Gregor Zemp about adopting a fully flexible model better able to adapt to and meet fresh challenges and opportunities.

TEXT AND PHOTOS CHRIS GRAEME  
ADDITIONAL PHOTOS CCISP

Since taking the helm at the Swiss-Portugal Chamber of Commerce & Industry (CCISP) in 2010, General Secretary Gregor Zemp has seen a lot of changes.

For a start, there has been a considerable uptick in the number of Swiss companies operating in Portugal – an estimated 150 – and even more business professionals, particularly in the technology and services areas.

### A GROWING SWISS TECH AND SERVICES STARTUP COMMUNITY

“Services have been growing with the boom in the IT sector and the investment in service centres in Portugal. Many Swiss companies are coming here and opening IT branch offices, and this has been growing, with a lot of requests for advice and assistance at the chamber,” says Gregor, who has been with the chamber for 14 years.

The growing IT startup community in Portugal includes a number of startups with Swiss DNA, such as Sherpany (software), Nezasa (a Business travel platform) and Leonteq (a securities fintech).

And, naturally, the CCISP counts a number of large Swiss and other big-name European companies operating in

Portugal among its members, including multi-national names like Zurich (insurance), Novartis (pharmaceuticals), Roche (pharmaceuticals), Nestlé (foodstuffs), SGS (inspection and certification), ABB (automation and electrification tech), Hilti (construction industry tools and software), Adecco (human resources recruitment and training), SIKA (construction and auto industry chemicals), Schindler (elevators and escalators), MSC (a cruise line), and several companies from the watch industry.

In 2017, to facilitate contacts and networking and to attract Swiss tech companies to Portugal, the CCISP organised one of its biggest and most ambitious events ever – #Swisstech Night – during the first Web Summit held in Lisbon, and the event is now a regular annual fixture with the number of companies and professionals attending growing ever since.

“For this event, we invite the Swiss business community and startups. At the first event, which we organised spontaneously in just two weeks, we had 150 people at the Swiss Club in Lisbon. Over time, we have adapted and improved the event format. Last year, we had around 40 startups and their representatives, totalling 300 people,” says Greg.

### MODERNISING THE CCISP

After the COVID-19 pandemic, the CCISP reset its strategy to improve and update services offered to the Swiss business community in Portugal, making it more relevant to the expectation and needs of modern companies.

“We started off by asking a very fundamental question: Why does a chamber of commerce exist? It was an important question to ask in order to ascertain if we were still relevant or if we had become obsolete over time,” explains Gregor Zemp.

“Nowadays, companies can find all the information they need on the internet. Therefore, there is no point in our Chamber being a pure information supplier as we were 30 years ago. Now, tools like ChatGPT can explain the steps for starting a company in Portugal, whereas years ago, the chamber would have provided that information,” explains the CCISP General Secretary.

Nevertheless, as Gregor Zemp points out, the high number of requests they receive shows that they are still relevant.

“This is because we have a large personal contact network and know who the reliable partners are. We help by providing personalised quality information.”

The CCISP is modernising through further digitalisation, a new website with integrated AI features (e.g., avatars describing how to do things rather than chamber staff spending hours on the phone and writing emails answering such questions), and by using more AI tools for marketing and communication. These activities have become cheaper as the CCISP now generates more content itself with such tools.

“When it comes to setting up a business, we know the contacts and the reliable partners on the ground. That is where the chamber can be crucial and make a difference.”

### NEARSHORING OPPORTUNITIES FOR SWISS COMPANIES IN PORTUGAL

Gregor Zemp says that Swiss companies that were more quality-orientated resisted the trend to offshore all or part of their production to South-East Asia and the Far East in the 1990s and first decade of the 21st century. However, with increasing logistics and supply costs and ongoing geopolitical tensions, some companies that did are now nearshoring back to Europe.

“When I started at the CCISP, Portugal was just not on the radar for Swiss people, and even less so for Swiss companies, but now it is. Swiss companies have problems with keeping costs down; they need alternatives, and many of them don’t want to be in Asia anymore. Portugal is an excellent alternative,” he explains.

At the same time Switzerland is exporting more pharmaceuticals (+50%), chemicals, machinery, and watches.

Concentrating on niche products, he says, has always been a successful strategy for Swiss companies. “This is a strategy that Portugal, also a small market, is increasingly opting for. “The cheap textile manufacturers in the 1990s in Portugal did not survive unless they aimed for niche and quality products. Portugal is increasingly adopting the Swiss way, too.”

Gregor Zemp says that now is the time for Portugal and Portuguese companies to promote themselves in Switzerland, and that Portuguese overseas trade and investment entities and business associations should analyse which are the “right channels to position Portuguese companies and products in the Swiss market”.



Gregor Zemp, General Secretary at the Swiss-Portuguese Chamber of Commerce and Industry (CCISP), Swiss ambassador to Portugal, Denis Knobel, and António Alberto Martins Bico, President, CCISP.

“WHEN IT COMES TO SETTING UP A BUSINESS, WE KNOW THE CONTACTS AND THE RELIABLE PARTNERS ON THE GROUND. THAT IS WHERE THE CHAMBER CAN BE CRUCIAL AND MAKE A DIFFERENCE.”  
GREGOR ZEMP, GENERAL SECRETARY OF THE CCISP.



**“SETTING UP A SWISS BUSINESS IN PORTUGAL HAS BECOME EASIER, BUT IT DEPENDS ON WHERE IN THE COUNTRY, BECAUSE A LARGE PORTION OF THE SUCCESS OF SUCH A PROJECT DEPENDS ON INDIVIDUAL MUNICIPALITIES.” GREGOR ZEMP, GENERAL SECRETARY OF CCISP.**

### FACT-FINDING TRIPS

Inversely, when a Swiss company is thinking of setting up in Portugal, it mandates the CCISP for a fact-finding trip (FFT).

“Many of these companies knew nothing about Portugal and now have a setup with over 200 employees already. This is something that I find very satisfying.”

Setting up a Swiss business in Portugal, Greg says, has become easier, but it depends on where in the country, because a large portion of the success of such a project depends on individual municipalities.

“Some are 'top' and some are 'flop'. Regardless of whether it's run by a left, centre or right political party, it really depends on the mayor and his team. This is one of the key factors when doing company setup projects—how cooperative, efficient and fast are the local municipalities?”

“We had a situation where a watch company needed to produce watch straps and needed premises that were partly office and partly workshop with a lot of natural light and a high ceiling, but not quite a factory. We couldn't find something for them, so they built it in a green-field operation,” the CCISP General Secretary explains, adding that most Swiss industrial companies are in the centre and the north of Portugal, with agriculture and tourism companies more in the south.

“Although we get some financial support from the Swiss government, we generate the most important parts of our funding through the services we provide and invoice to companies, as well as from our membership fees.”

As for the services, “we operate like a consultancy, and regarding the membership fees, we have different membership plans that you can find on our website, [www.swiss-chamber.pt](http://www.swiss-chamber.pt)”, concludes Gregor Zemp, General Secretary of the Swiss-Portugal Chamber of Commerce & Industry (CCISP). ■

### SWITZERLAND AND PORTUGAL - LONG-ESTABLISHED TIES

The Swiss Chamber of Commerce and Industry in Portugal (Câmara de Comércio e Indústria Suíça em Portugal, CCISP) was founded in 1987 in the presence of Mário Soares, who was the President of Portugal at the time, and a Swiss Federal Councillor.

Mário Soares had a special relationship with Switzerland. Before he founded the Portuguese Socialist Party (Partido Socialista) in exile in Germany, he had been one of the founding members of the forerunner of the PS party, the Portuguese Socialist Action (Acção Socialista Portuguesa - ASP), which had been formed in 1964 in Geneva.

After the Carnation Revolution, leading Swiss companies in Portugal sought a common business platform to enhance their networking and exchange experiences.

The links between the two countries, however, date back much further. There are some references, albeit unclear, of Swiss mercenaries fighting alongside the Portuguese at the Battle of Alcácer Quibir (also known as the “Battle of Three Kings”) in Morocco. This battle has been described as “the greatest military disaster the Portuguese ever suffered in the course of their overseas expansion”.

In later centuries, Portugal recognised Swiss neutrality in 1815 at the Congress of Vienna at the end of the Napoleonic Wars.

At this time, consular relations were established between the two countries. Switzerland opened a consulate in Lisbon in 1817, which was upgraded to a consulate general in 1874, following the negotiation of the first commercial treaty in 1873. In turn, Portugal established its own consulate in Switzerland in 1855 in Geneva.

The treaty was cemented when the Portuguese King Dom Luís authorised the dispatch of the first ambassador to Switzerland (Special Envoy Plenipotentiary, Júlio Augusto Ferreira, Viscount of Santa Isabel) on December 6, 1873. The rest, as they say, is history.

However, this first formal agreement was not signed until 10 years later, in 1873. Last year, the two countries celebrated the 150th anniversary of that agreement.

A Portuguese legation was established in Bern in 1892 and was later upgraded to an embassy in 1959.

Initially, the focus was primarily on trade and business, but a consular convention, which included the extradition of criminals, was signed in 1883.

Later, at the request of Portugal, Switzerland was asked to help settle a dispute between Portugal and Great Britain through arbitration at a court in Bern over the Lourenço Marques railroad affair (also known as The Delagoa Affair or the British Ultimatum), which took place between 1891 and 1900.

Switzerland was also one of the first countries to officially recognise the First Portuguese Republic in 1910, even before France.

In the 20th century, a Swiss diplomatic chancery was established in the Portuguese capital in 1936 and was upgraded to a legation in 1945 and then to an embassy in 1959. Portugal first established a consulate in Switzerland in 1855 in Geneva. A Portuguese legation was set up in Bern in 1892 and was replaced by an embassy in 1959.

# DIAMONDS



VILA VITA