



AICEP

Portugal Trade & Invest

WHY INVEST IN PORTUGAL?

2025

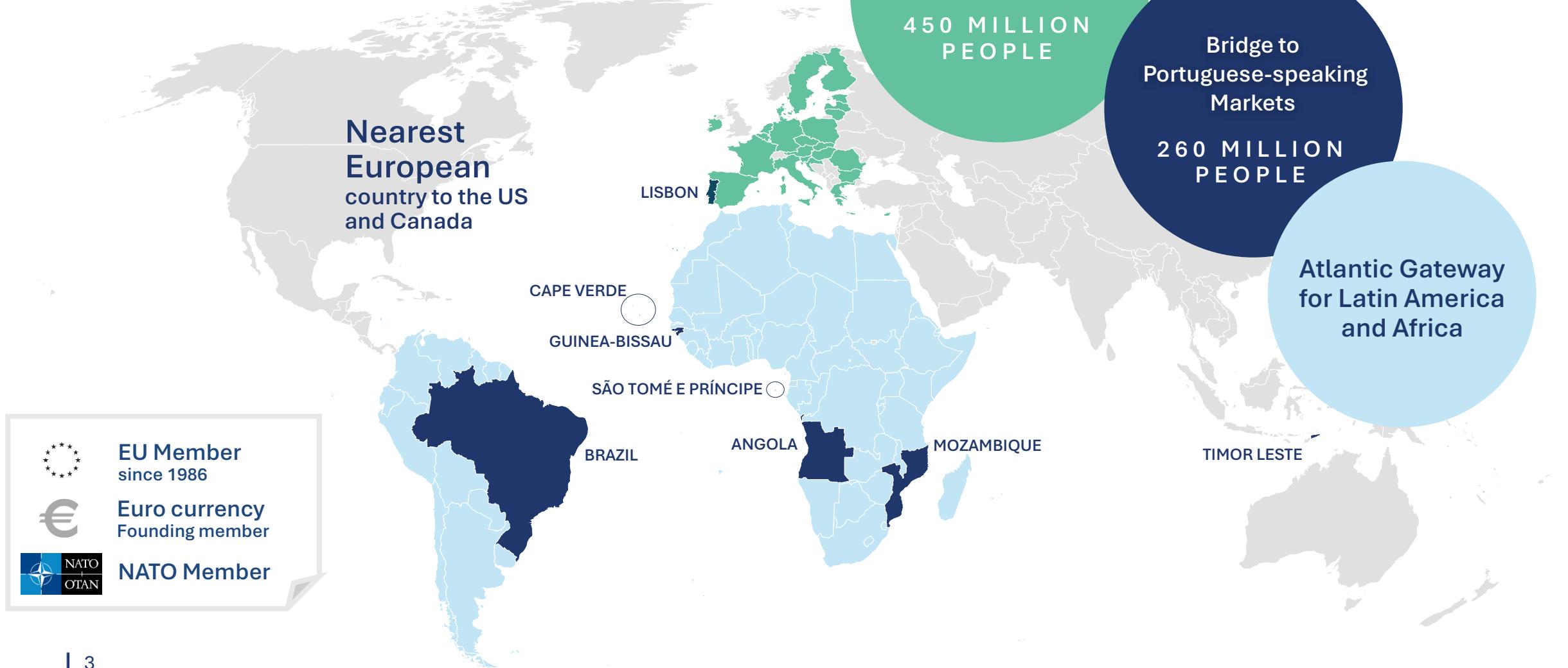


- 1. PORTUGAL – WHERE WE STAND IN THE WORLD**
- 2. WHAT MAKES PORTUGAL A UNIQUE INVESTMENT LOCATION**
- 3. KEY SECTORS & AICEP SUPPORT**



STRATEGIC LOCATION

A STRATEGIC LOCATION IN EUROPE



STABILITY

A SAFE, LOW RISK LOCATION



GLOBAL PEACE INDEX 2024

163 COUNTRIES | Institute for Economics & Peace

7



POLITICAL STABILITY & ABSENCE OF VIOLENCE / TERRORISM 2022

214 COUNTRIES | The World Bank

19



INFORM GLOBAL RISK INDEX 2024

DRMKC - European Commission Disaster Risk Management
Knowledge Centre

VERY LOW
RISK



RULE OF LAW INDEX 2024

142 COUNTRIES | World Justice Project

28

#20

ABSENCE OF CORRUPTION

STABILITY

SOLID FINANCIAL PERFORMANCE



PORUGAL REGAINED ITS "A" CREDIT RATING

In 2024, Portugal received an **"A"** rating from all four ECB* recognized Rating Agencies (after 13 years).

- Moody's: **A3**
- S&P: **A**
- Fitch: **A-**
- DBRS Morningstar: **A (high)**



A LOW-RISK COUNTRY FOR ESG PRACTICES

In 2023, Portugal ranked **7th** out of 183 countries in the **ESG Index**, reflecting a low risk across ESG key areas.

Source: IGCP, Ratings, February, 28th 2025; Risk Watch Initiative, ESG Index 2023; Allianz Trade, 2024

*European Central Bank

RISK OF NON-PAYMENT BY COMPANIES

Q1 2025 – Allianz Trade

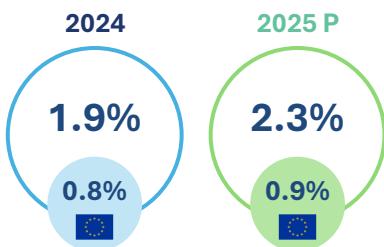
- Low risk
- Medium risk
- Sensitive risk
- High risk



ECONOMIC OVERVIEW

KEY DATA

GDP GROWTH



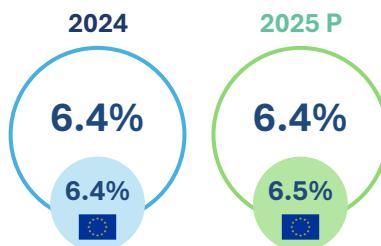
EXPORTS GROWTH



INFLATION



UNEMPLOYMENT



EXPORTS

In 2024, exports represented 46.6% of GDP, an increase of 6.8 percentage points since 2014.



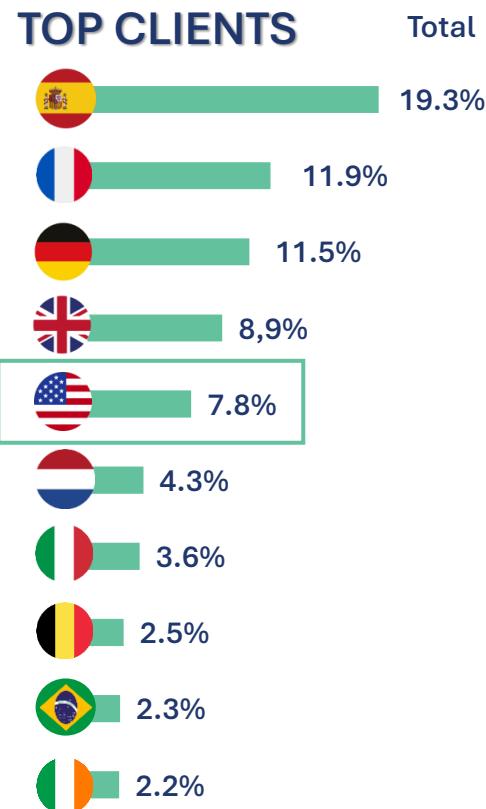
FOREIGN DIRECT INVESTMENT

By the end of 2024, the FDI stock reached €200.3 billion, representing 71% of GDP. This marks a 74% increase in the FDI stock since the end of 2014, with its share of GDP rising by 13.8 percentage points.

Source: Bank of Portugal (projections for Portugal updated on March 20th 2025; projections for Euro Area updated on March 6th 2025);

EXPORTS

GOOD & SERVICES 2024



MAIN EXPORTS	% Total	Δ% 23/24
TRAVEL	20.8%	+8.8%
MACHINERY, APPLIANCES	8.9%	-0.7%
TRANSPORT	7.9%	+1.8%
MOTOR VEHICLES, OTHER TRANSP. EQUIP	7.6%	-1.4%
OTHER BUSINESS SERVICES*	7.6%	+17.6%
AGRICULTURE	4.9%	+10.8%
COMMON METALS	4.9%	-0.2%
CHEMICALS PRODUCTS	4.4%	+13.8%
MINERAL FUELS	4.2%	+10.5%
PLASTIC, RUBBER PRODUCTS	4.1%	+1.7%

*Research & Development services; Consulting services in management and other technical areas; Technical services, trade-related and other services provided by companies.

DID YOU KNOW?

From 2015 to 2023, exports of services boomed. Telecommunications, Computer & Information Services: +247%

Source: INE – Statistics of Portugal, Bank of Portugal (BdP)

GLOBAL RECOGNITION

OPEN FOR INVESTMENT



2023
OECD FDI
RESTRICTIVENESS
INDICATOR

#4

4th most open country for FDI
Out of 104 countries

OECD International Direct Investment Statistics: OECD
FDI regulatory restrictiveness index



2023
TOP DESTINATION FOR FDI
IN EUROPE

#7

+40% than in 2019

EY European Investment Monitor 2024



2023
TOP DESTINATION FOR FDI
IN EUROPE

#9

#10 in 2022

FT, FDI Report 2024



2025
FDI CONFIDENCE INDEX
(WORLDWIDE)

#18

Kearney, The 2025 FDI Confidence Index
“The top 25 countries”

FOREIGN DIRECT INVESTMENT

EY EUROPE ATTRACTIVENESS SURVEY



7 TOP DESTINATION FOR FDI IN
EUROPE 2023

221 FDI projects
identified by EY in 2023

84% of investors plan to set up or
expand operations in Portugal

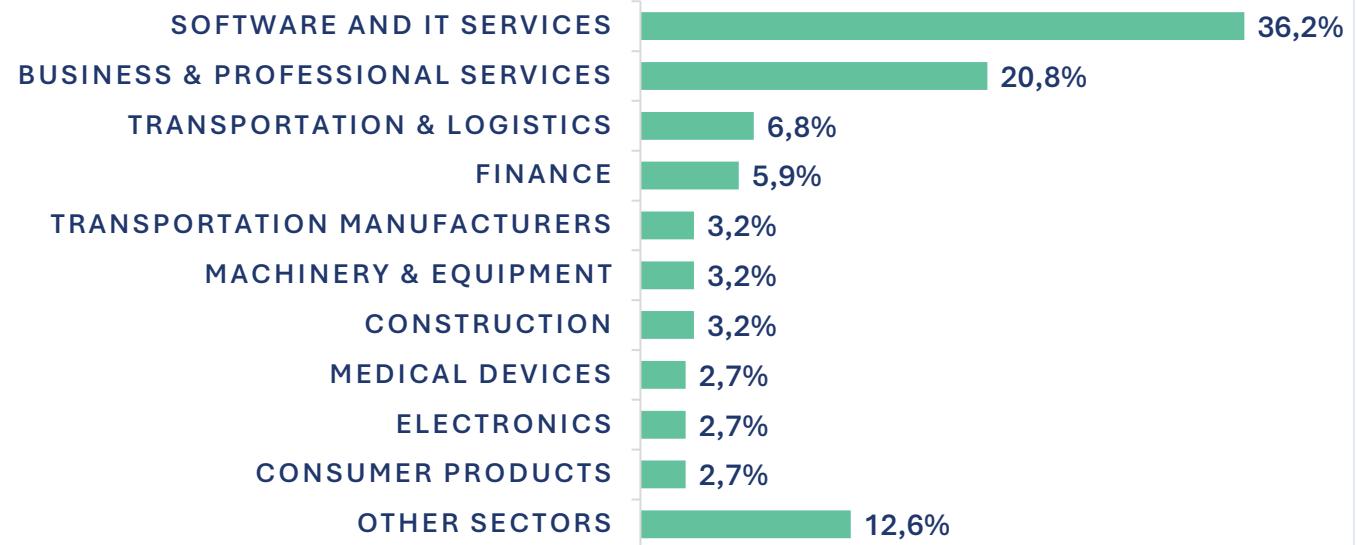
TOP INVESTORS

- #1 USA
- #2 FRANCE
- #3 GERMANY
- #4 SPAIN
- #5 UK

DRIVERS OF ATTRACTIVENESS

- △ SKILLS AND AVAILABILITY OF WORKFORCE
- △ LEVEL OF TECHNOLOGY ADOPTION
- △ TAX ENVIRONMENT

MAIN SECTORS



FOREIGN INVESTMENT

DIGITAL ECONOMY, EXAMPLES



BOSCH

R&D Center for smart integration solutions for entertainment, navigation, telematics and driver assistance, in Braga.



Launched a Tech to develop solutions for Evs, Autonomous Driving and Cybersecurity, in Porto.



**Critical
Techworks**

JV between BMW Group and Critical Software for a mobility-tech Hub - software for BMW future driving machines.

**DAIMLER
TRUCK**

Daimler Trucks & Buses creates a global connectivity services for a sustainable future of transportation, in Lisbon.

Mercedes-Benz **.IO**

Hub for Mercedes-Benz Digital Transformation in Lisbon and Braga.



**VOLKSWAGEN
DIGITAL SOLUTIONS**

Automotive Software Development Center in Lisbon and Porto.



Microsoft

Announced an AI Innovation Factory in Lisbon, together with **Accenture**, **Avanade** and Unicorn Factory Lisboa.



ITERABLE

Announced a software development team in Lisbon.



Vestas

R&D capabilities with new engineering design centre and cybersecurity, in Porto.



SYNOPSYS[®]

Announced a €25M expansion of its Engineering and chips design centers, which employ +700.



CLOUDFLARE

Opened a technology center in Lisbon for engineering, security, customer support and research to support EMEA operations.

FOREIGN INVESTMENT

RECENT INDUSTRIAL INVESTMENT – NEW & EXPANSION, EXAMPLES

- 
BorgWarner Automotive components - electric motors, inverters and battery management systems
- 
Amkor Technology Semiconductor Assembly and Test
- 
AIRBUS Aero structures assembly unit for A320, A350 models
- 
Lufthansa Technik Production and Maintenance of Aircraft components and engines
- 
CSWIND Wind towers and offshore wind power foundations
- 

HORSE PEBS (Power Electronics Box) for hybrid electric vehicles and plug-in hybrid electric vehicles
- 
DENSO Components for the automotive industry
- 
REPSOL Recyclable polymer materials



Lufthansa Technik

“Lufthansa Technik worked for several months to find the ideal location. (...) Important criteria for the choice of location were (...) **the stable political framework** conditions, (...) the **good infrastructure** and the **attractive labor market**.”

Harald Gloy, COO,
Lufthansa Technik, 2024

BorgWarner

“Europe is a very important manufacturing base for global automakers. Our newest plant is **strategically located** to serve our customers with localized production and to meet growing demand for electrification products”

Tony Allen, President and General Manager Europe, 2021

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TALENT

OUR KEY ASSET



IMD WORLD
TALENT RANKING
#25

Source: IMD World Talent Report 2024, 67 countries



INSEAD GLOBAL
TALENT
COMPETITIVENESS
#27

Source: The Global Talent Competitiveness Index
2023, 134 countries

LANGUAGE
SKILLS
#9

UNIVERSITY
EDUCATION
#17

GRADUATES
IN SCIENCES
#17

BUSINESS
MASTERS
EDUCATION
#18

HIGH-LEVEL
SKILLS
#26

DIGITAL
SKILLS
#23

Vestas

"The choice of Portugal was due to the extraordinary technical skills, supported by the quality of local academic institutions, particularly in Engineering, highlighting its proximity to the labour market, proficiency in English, good international access, and proximity to the time zone with Denmark."

Pedro Pastilha,
Vestas Technology Centre
Porto Director, 2024

TALENT

OUR KEY ASSET

2023

SHARE OF UNIVERSITY
STUDENTS ENROLLED IN
STEM DEGREES

~30%

2023 / 24

FOREIGN STUDENTS IN
HIGHER EDUCATION

16%

EY European Investment Monitor 2024

2024

VERY-HIGH ENGLISH
PROFICIENCY
EF ENGLISH PROFICIENCY
INDEX

#6

Source: EF - Education First

2024

Nº PORTUGUESE
UNIVERSITIES WORLD'S
BEST
SHANGHAI RANKING

6

Universities of Aveiro; Coimbra; Minho; Porto; Lisbon
(ULisbon and NOVA University).



SUCCESSFUL CORPORATE / UNIVERSITY PARTNERSHIPS

“Within the Group, Portugal is increasingly a benchmark with a clear formula for success: Invented in Portugal and Made in Portugal with Portuguese Talents.”

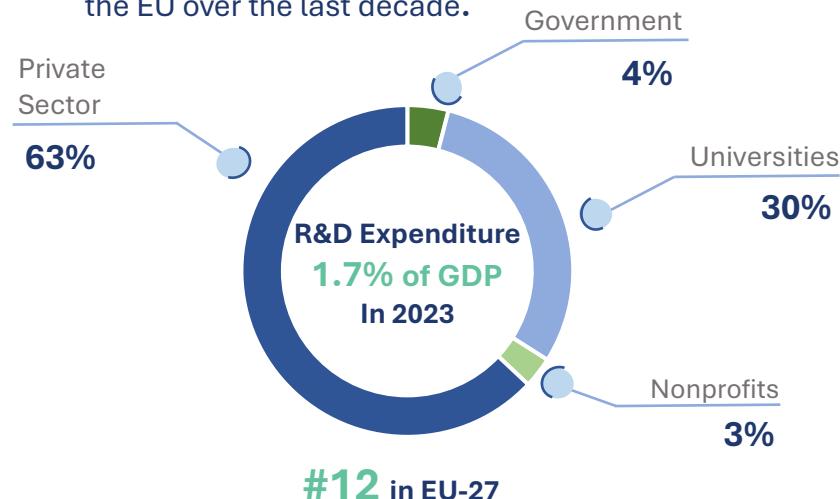
- Javier González Pareja, President Bosch Group Spain / Portugal, 2022

INNOVATION

A BOOMING ECOSYSTEM

R&D EXPENDITURE

 National R&D expenditure has risen by 34% since 2019, with Portugal having the **fifth-largest increase** in the EU over the last decade.



R&D INTENSITY 2023
(1.7% OF GDP)

Source: DGEEC and Eurostat

R&D PERSONNEL

 **52%** of all employees in R&D are employed in the **Private Sector**.

50% of all **Researchers** are employed by the **Universities**.

Source: DGEEC and Eurostat

~11,67 **Researchers**
9,43 EU-27 Average
(per million population, 2023)

PATENT APPLICATION

 **+38%** Patent Applications in 2024 compared to 2020
+4,8% from 2023 EU-27 Average -0,4% from 2023

MAIN AREAS: **Computer Technology | Medical Technology | Pharmaceuticals**

~1.729 International Scientific Co-publication
1.279 EU-27 Average
(per million population, 2023)

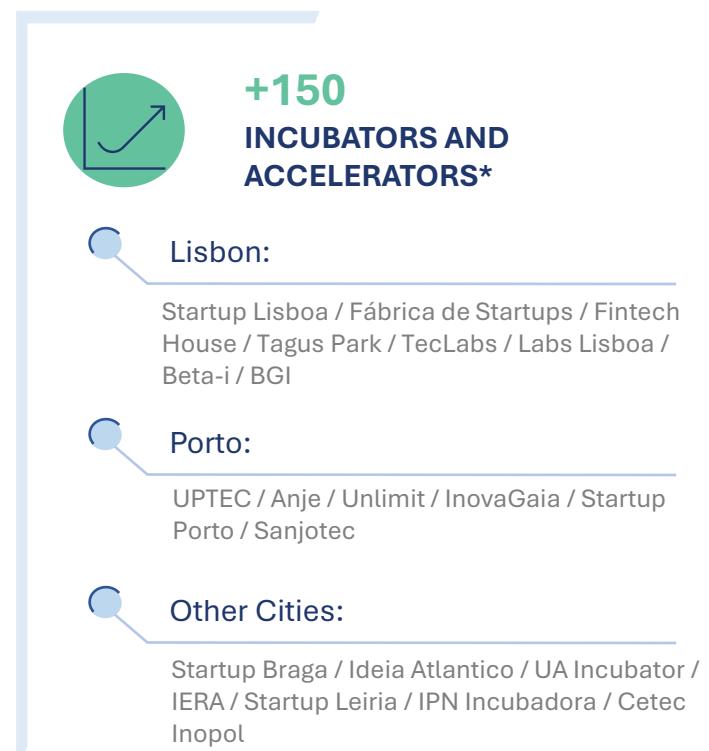
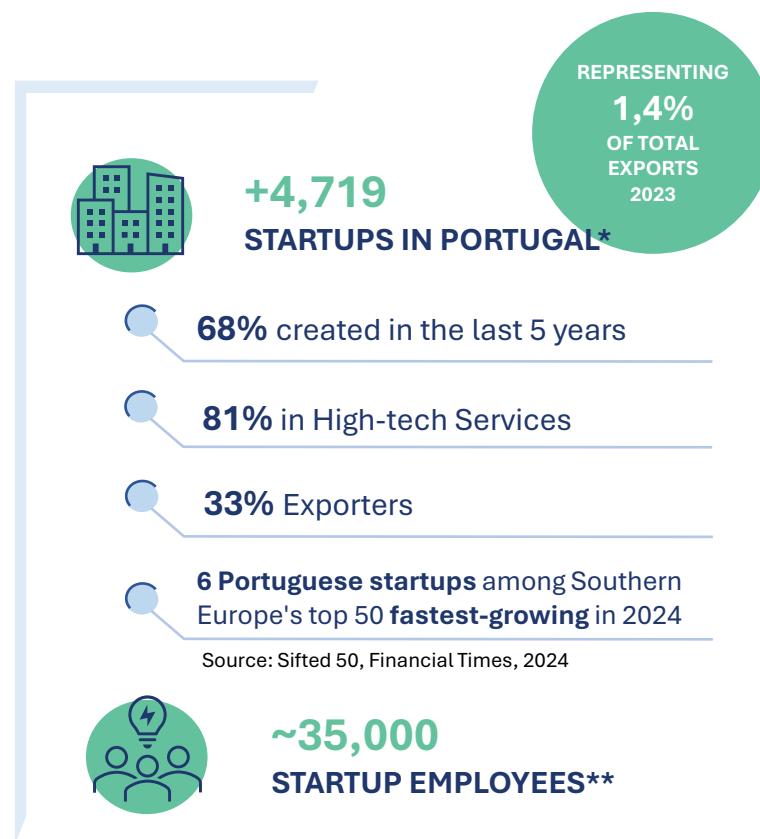
Sources: European Patent Office, 2024; European Innovation Scoreboard 2023



In 2023, **Lisbon** was considered the **#1 European Capital of Innovation**

STARTUP ECOSYSTEM

FUELING INNOVATION AND GROWTH



INFRASTRUCTURE

GLOBAL CONNECTIVITY



#21
IN THE WORLD WITH BETTER
INFRASTRUCTURES

Global Competitiveness Report 2019 (141 countries)

Flights: Weekly frequency

Winter schedule

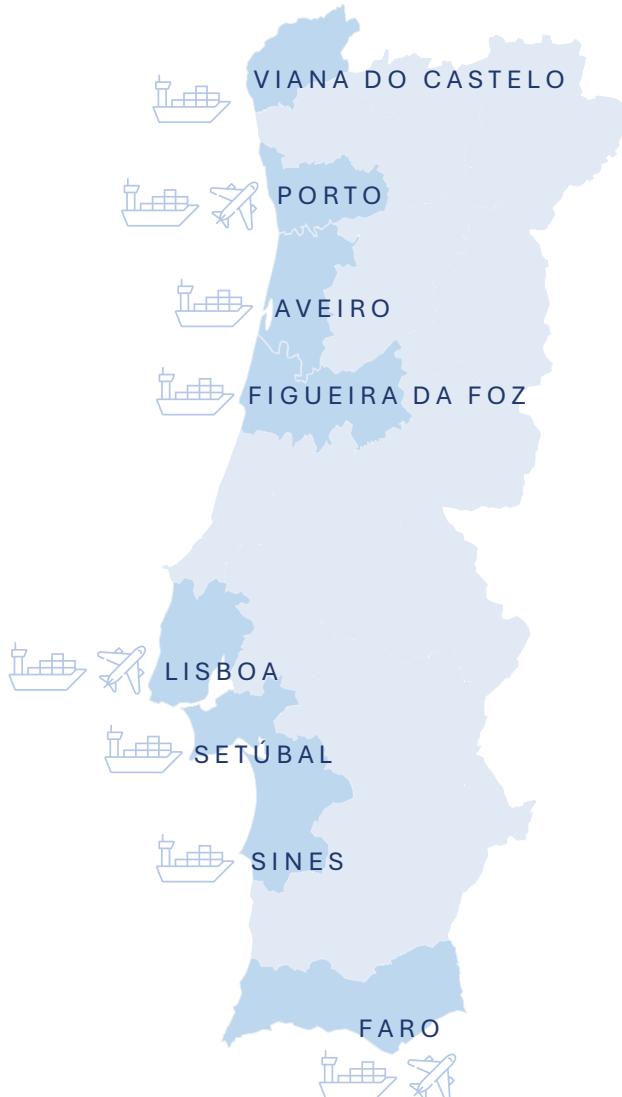
FROM PORTO

82 DESTINATIONS
with direct flights

FROM LISBON

132 DESTINATIONS
with direct flights

Source: ANA/VINCI Airports of Portugal, December 2024



Cargo Transported in 2023

83.4 MILLION TONS OF GOODS

WITH **SINES PORT** HANDLING **51.6%** OF
THE CARGO

IN THE FIRST HALF OF 2024, **SINES** GREW
25 % (YoY), MAKING IT THE **14th**
CONTAINER PORT IN THE EU

TOP CARGO DESTINATIONS (VOLUME)

- USA
- SPAIN
- NETHERLANDS
- UK

Sources: Pordata and AMT, 2023

INFRASTRUCTURE

COMMUNICATIONS & BROADBAND



5G COVERAGE
EU AVERAGE: 89.3%
DESI 2024



FIBRE COVERAGE
EU AVERAGE: 64%
DESI 2024

#3

COMMUNICATIONS TECHNOLOGY

67 COUNTRIES

IMD World Digital Competitiveness Report 2024

#26

INFRASTRUCTURE RANKING

67 COUNTRIES

IMD World Competitiveness Ranking 2024

#4

TIER 1: ROLE-MODELLING

CYBERSECURITY

194 COUNTRIES

ITU Global Cybersecurity Index 2024



PORUGAL SERVES AS A MAJOR GATEWAY IN EUROPE, BOASTING 17 SUBMARINE CABLES (20 BY 2026), CONNECTING TO SOUTH AMERICA, AFRICA, THE MIDDLE EAST AND ASIA.

GREEN ENERGY

TOWARDS A SUSTAINABLE FUTURE

2024

ELECTRICITY
CONSUMPTION FROM
RENEWABLE SOURCES IN
PORTUGAL

71%

28% HYDRO
27% WIND

Source: REN

2023

TOTAL
RENEWABLE ENERGY
CAPACITY

#11

18 415 MW
+7,6% YoY

Source: IRENA 2024, Europe 29 countries

2024

CLIMATE CHANGE
PERFORMANCE
INDEX
(WORLDWIDE)

#15

Source: CCPI 2024, 67 countries

COMPETITIVENESS

LOWEST WHOLESALE
ELECTRICITY
PRICE
(EUROPE 2024)

#4

Source: Ember Climate, OMIE



IN 2021 PORTUGAL BECAME THE FOURTH EU MEMBER STATE TO GO COAL-FREE.
The closing of the two coal fired power plants, allowed the reduction of CO2
emissions by **73%**.

APRIL
2024

€13,3 / MWh
Iberian Market

LOWEST
PRICE SINCE
2014

QUALITY OF LIFE

A GREAT PLACE TO LIVE IN



Europe's Leading Destination 2023



Portugal is known for its friendly and welcoming people

The **15th Most Welcoming Country for Expats** and the **7th World's Best Country for Quality of Life**

Source: InterNations, Expat Insider 2024



World's Best Country to Travel to 2024



Portugal offers an affordable cost of living

We rank **15th in the Cost of Living Index** among 43 European Countries

Source: Numbeo, 2023



Portugal is successfully fighting climatic and environmental problems

The **5th Best Climate Protection Performance** among EU countries

Source: Climate Change Performance Index 2024



Europe's Leading Destination 2022



Portugal boasts some of the best weather in Europe

We have **2,799 hours of sunshine per year** and a **annual average temperature of 21°C**



World's Leading Destination 2019

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KEY SECTORS

MOBILITY



- ✓ Iberian Peninsula is **the 2nd largest automotive cluster in Europe**
- ✓ **95%** of the vehicles assembled in Europe have **components produced in Portugal**.
- ✓ Companies like Mercedes, BMW, Volkswagen, Bosch, Continental all have **Engineering Hubs in Portugal**.
- ✓ Portugal has **the largest lithium reserves in Europe**.



GREEN TECHNOLOGIES



- ✓ Hydro and wind energy are the primary sources of renewables – **over 80% of generation from renewable sources in 2024**.
- ✓ Upcoming **Offshore Wind Auction**
- ✓ Portugal's Ports play a crucial role in facilitating the **import and export of renewable energy components**
- ✓ **Dedicated Incentives' Scheme** for production of Batteries, Solar Panels, Wind Turbines, Heat-pumps, Electrolysers, equipment for Carbon Capture Usage and Storage; as well as for its key components and production or recovery of critical raw materials.



AEROSPACE



- ✓ Portugal's aerospace industry is rapidly growing, leveraging its **location, skilled workforce, and innovation** to become a key player in Europe's supply chain.
- ✓ Manufacturers are significantly involved in the design and production phases of **launching systems, airplanes, satellites, components, systemS development and MRO activities**.
- ✓ Actively participating in **R&D programs from the European Space Agency and the European Union Aviation Safety Agency**.



KEY SECTORS

BUSINESS SERVICES



- ✓ Highly skilled, multilingual talent pool
- ✓ 14% annual growth in the number of Centres since 2015
- ✓ Competitive operational costs
- ✓ Low-risk location, a preferred destination for expats
- ✓ Growing foreign students and residents population



LIFE SCIENCES



- ✓ Highly skilled talent pool and a renowned network of research bodies and Academia
- ✓ A rapid growing number of digital health and Biotech startups
- ✓ A steady growth in the number of Clinical Trials
- ✓ A preferred Hub of Services for Pharmaceutical companies



DIGITAL ECONOMY



- ✓ A major connectivity Hub: 17 submarine cables (20 by 2026)
- ✓ Data Centres: combination of a strategic location, access to water for cooling and competitive green electricity costs
- ✓ A preferred Hub for International Technology development teams: 65% of Centres within Software and IT
- ✓ 3rd highest rate of engineering graduates in Europe



INVESTMENT SUPPORT

ATTRACTIVE INCENTIVES



PRODUCTIVE INVESTMENT

CASH GRANTS

TAX INCENTIVES

DEDICATED SCHEME FOR
MANUFACTURING OF GREEN
TECHNOLOGIES

RESEARCH & DEVELOPMENT

CASH GRANTS

TAX INCENTIVES

R&D INVESTMENT FUNDS

JOB CREATION

GRANTS

SOCIAL SECURITY
TAX REDUCTION

ACCESS TO INCENTIVES CONDITIONAL TO COMPANY DIMENSION, INVESTMENT AMOUNT, AND LOCATION.

CHOOSE PORTUGAL!

Portugal is one of the **preferred destinations in Europe** for foreign direct investment. With a stable economy, **export-based and fueled by technology**.

An **innovation-driven** country! A solid, dynamic network of **R&D** entities and Universities **supporting all levels of Industry**.

A **gateway into Europe** and a springboard to **Portuguese-speaking countries** in America and Africa, highly connected and with **low lead times for delivery**.
Portugal is the **7th safest country** in the world



A solid network of companies and R&D institutions with **sound capabilities** currently working with and **supplying the automotive and aerospace** major players.

Portugal has the **3rd highest rate of Engineering graduates** in Europe and the **6th highest level of English proficiency** among non-native speakers.

AICEP is your one stop shop to **connect** with local players and stakeholders, **source** from Portugal and **invest** in the country.



AICEP

Portugal Trade & Invest

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