



Porto and Northern Portugal

A magnet for investment

EY Attractiveness Survey 2019
Portugal Regional



Building a better
working world

Porto.

Why Porto and Northern Portugal

Porto and Northern Portugal economies have been on the upswing, and the region has been successfully making its case as a magnet for FDI.

More than **4.1%**

Gross domestic product (GDP) compound annual growth rate between 2014 and 2017

Northern Portugal has been growing at an accelerated pace over the past few years

131%

Coverage rate of imports by exports in 2018

Although the region is economically diverse, its qualified manufacturing industry makes it a net exporter of goods

39%

In 2018, Northern Portugal's share in the total Portuguese goods exports was 39%

Northern Portugal leads Portuguese goods exports

Porto and Northern Portugal economies have been steadily growing and attracting increasing levels of investment.

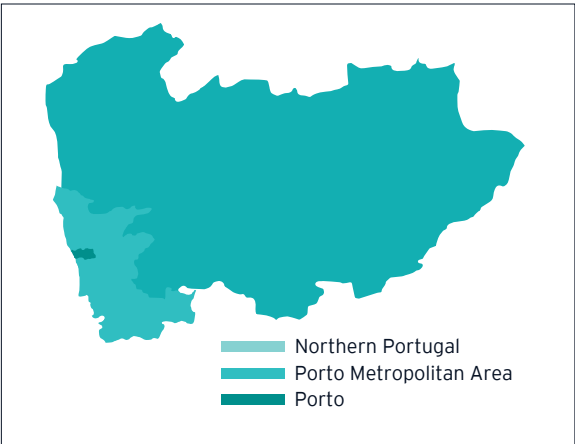
GDP has been growing twice as fast as the country as a whole and available data indicates that investor's confidence remains high.

Best Startup-Friendly City of Europe

World Excellence Award 2018
World Business Angels Investment Forum
Porto

FDI Strategy Awards 2018

Project Wins and Incentives
fDi Intelligence (2018)
Porto



Porto's and Northern Portugal's pillars of development and attractiveness:

Economy	Quality of life	Infrastructure	Talent
<ul style="list-style-type: none">▶Competitive and business-friendly environment▶Openness to innovation▶Thriving start-up ecosystem▶Highly qualified clusters (fashion and services centers)	<ul style="list-style-type: none">▶Safe, open, tolerant and welcoming place▶Excellent climate▶Low cost of living▶Vibrant and diverse culture▶Renown gastronomy	<ul style="list-style-type: none">▶Strategic location▶World-class infrastructure▶Good public transportation network▶Low office rental costs and high quality	<ul style="list-style-type: none">▶Highly qualified and flexible workforce▶High-quality universities, and research facilities and centers▶High language skills▶Competitive labor costs

Porto: a city on the move

Porto has been experiencing a particularly intense period of major dynamism and renewal, bringing further vitality and lifeblood to the region.

Real estate and urban rehabilitation

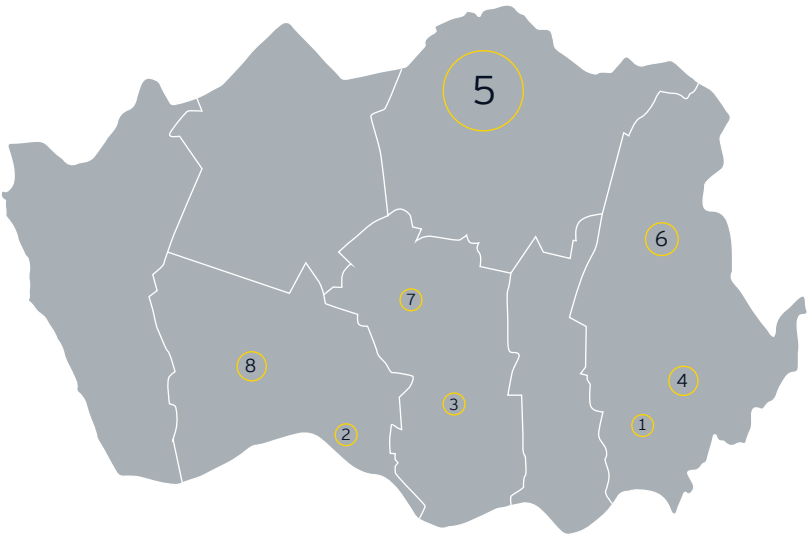
The city is experiencing an ongoing wave of major urban development and rehabilitation, both from private entrepreneurs (mostly FDI) and from large-scale projects emanating from City Hall.

International tourism is booming

13.2%

Guests in hotel establishments' compound annual growth rate between 2014 and 2017
International arrivals have been steadily growing, including in the off-season

Main development projects in the city of Porto



European Best Destination 2017
★ Porto ★

Porto chosen as European Best Destination in 2012, 2014 and 2017

- 1

Campanhã Intermodal Transport Terminal
Bus, train and metro terminal
- 2

Rosa Mota Pavilion
Multi-functional center
- 3

Bolhão Market
Rehabilitation of iconic market
- 4

Monte da Bela affordable housing project
New housing project
- 5

Porto Innovation District
Universities and R&D centers
- 6

Matadouro (former Slaughterhouse)
Reconversion to creative tech cluster
- 7

Quartel de Monte Pedral affordable housing project
Housing and a student residence
- 8

Lordelo do Ouro affordable housing project
Affordable housing project with over 170 apartments

FDI in Porto and Northern Portugal

After a particularly intense growth in 2017, FDI growth in Porto and Northern Portugal is realigning with the long-term trend, but growing faster than Portugal and the EU as a whole.

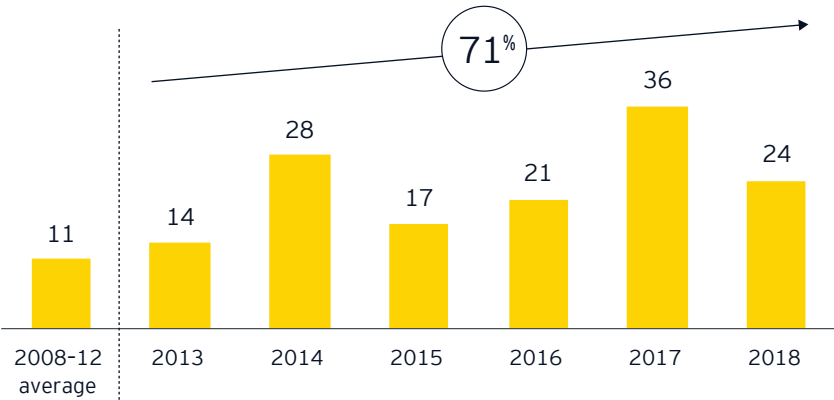
11.4%

Average yearly growth rate of FDI in Northern Portugal between 2013 and 2018

2,754

FDI jobs created in 2018
45% of total assessed for Portugal (6,100)

Number of FDI projects in Northern Portugal



Source: EY European Investment Monitor (EIM), 2019.

Long-term growth

Number of projects CAGR between 2008 and 2018

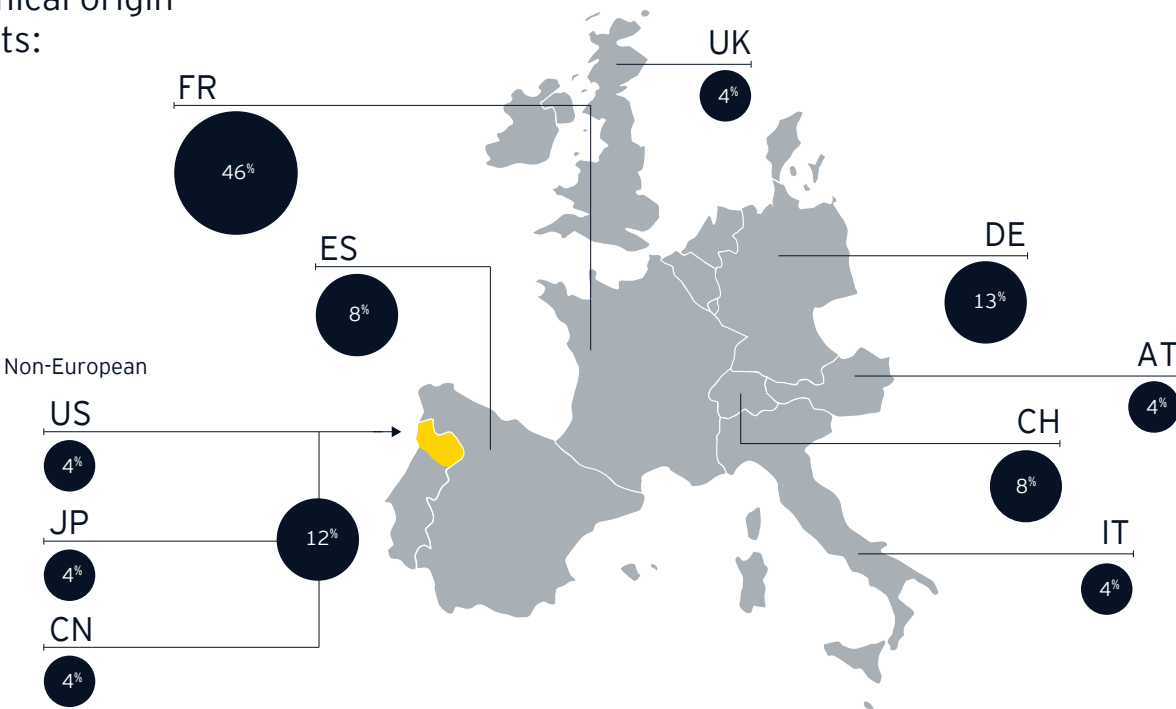


9.1%
Northern Portugal

6.6%
Portugal

5.3%
EU-28

Geographical origin of projects:



Attractiveness perception

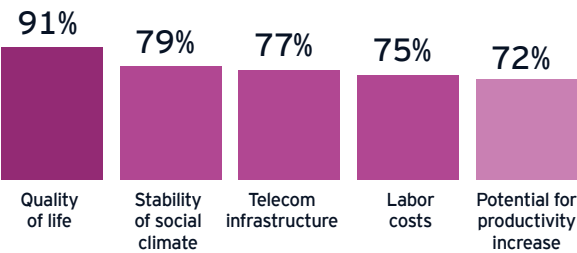
Investor's perception on Porto's and Northern Portugal's attractiveness reflect a high standing on key structural factors and investment intentions are on the rise.

81%

Average chance of Porto and Northern Portugal being considered attractive, by established investors, in any of the factors surveyed

Established investors are much more likely to have a positive perception of the region than non-established investors (81% vs. 51%)

Top five attractiveness factors:
(Percentage of respondents who find these regions attractive)



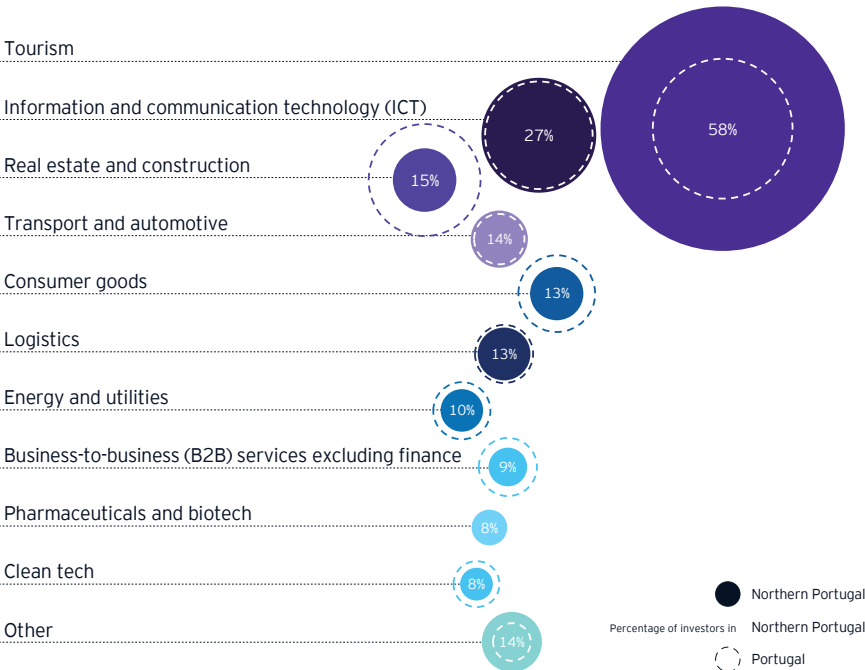
Factors leading investors to choose this region over other Portuguese regions:



With the investment in skills and infrastructure paying off, Porto and Northern Portugal are in a privileged position to have an increased appeal for international investors, especially in highly qualified and innovative activities.

Business sectors driving growth in Northern Portugal in the coming years

(Percentage of investors who mention each sector)



Amid growing geopolitical concerns and rising trade tensions leading to a decrease in investment intentions in Europe, Porto and Northern Portugal are standing strong. The region also has, on average, higher attractiveness perceptions than Portugal as a whole. The biggest differences in perceptions are related to the local political environment and the specific support and incentives offered by regional/municipal authorities.

Source: EY Attractiveness Survey 2019 (205 respondents; 117 established in Portugal; 88 not established in Portugal).

How can InvestPorto help?

InvestPorto, established by Porto City Council in 2015, acts as a one-stop shop for investors which provides support to relevant and strategic investments that take place in the Porto area during all the stages of the investment process.

InvestPorto assumes a facilitating and coordinating role among different stakeholders, focusing on:

- ▶ Promotion of Porto as a competitive, innovative and talented city
- ▶ Attraction of qualified investments that value talent
- ▶ Promotion of company reinvestment and growth

We are the pivot point in the municipality for all the investments that bring strategic interest and innovative character, enhancing the creation of qualified jobs and strengthen local economic structure in the city and the region.

InvestPorto articulates its activity with all relevant departments in the municipality, as well as with a wide range of external, public and private, national and international organizations.

The main areas of activity of InvestPorto include:

- ▶ **Investment attraction** - focusing on pre-investment, negotiation and attraction, through support to decision-making and promotion of the city/region and its competitive advantages
- ▶ **Aftercare** - focusing on post-investment and support to established companies, through investment consolidation and support to growth and reinvestment
- ▶ **Talent** - focusing on talent attraction and management, through promotion of initiatives for talent attraction and retention, aiming at attracting investment and retaining companies

Personalized services for investors and companies

- ▶ Information and business intelligence
- ▶ Personalized and tailor-made assistance
- ▶ Support to inter-institutional cooperation
- ▶ Business location search
- ▶ Talent attraction
- ▶ Aftercare service

InvestPorto contacts

+351 222 097 027

invest.porto@cm-porto.pt

investporto.pt

Invest Porto.





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EY contacts

Florbela Lima

Ernst & Young, S.A.

Partner, Strategy leader

+351 217 949 341

florbela.lima@pt.ey.com

Telma Franco

Ernst & Young, S.A.

Director and Press Relations, BMC

+351 217 912 292

telma.franco@pt.ey.com