

# Brazil, Angola and China are the source of new investments in Portugal

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Nearly half of foreign direct investment in Portugal in 2014 originated in Brazil, Angola and China, contributing to an increasing interconnection between these economies, according to official data.

The latest data from the Bank of Portugal on foreign investment in the country in 2014, the best year in the recent past in terms of foreign capital entry, showed that Brazil was responsible for 28.5 percent of the investment, and took a clear first place in the investment ranking.

The investment originating in Angola accounted for 9.5 percent of the total and investment from China was 8.8 percent of the total, with the three countries together making up 47 percent of total FDI in the period.

Investment from Brazil has focused on buying large Portuguese companies such as the acquisition of cement maker Cimpor by Camargo Corrêa, and the creation of root companies such as a factory for aircraft components by Embraer, whose capacity is being strengthened.

Angola has made investments in banking (Millennium bcp, BPI, BIC), telecommunications (NOS), media (Global Media) and, more recently, in construction and in industry (Efacec).

As for China, there were notable investments in the power sector in Energias de Portugal (EDP), Redes Energéticas Nacionais (REN), in healthcare, insurance and investment banking (BESI), at a time when Fosun International is negotiating the purchase of Novo Banco, which would be the biggest ever Chinese investment in Portugal.

Daily financial newspaper Jornal de Negócios reported that first half a year the trend of growth in investment from Brazil, Angola and Portugal in China, continued despite the difficulties in these countries, especially the first two.

As a demonstration of the growing interdependence of these economies, the situation in Angola has caused concern in Portugal, with a fall in exports to this market and reduced business of Portuguese companies operating there, some of which recorded difficulties in paying wages.

As for the weight of Brazil, Angola and China in the overall amount of foreign direct investment in Portugal, the trend is growing, but in total is still modest, and a long way from the Netherlands (23.6 percent), where the shareholding management companies of some major Portuguese companies are headquartered, Spain (23.6 percent) and Luxembourg (21.5 percent).

Despite the recent sale of telecommunications operator PT by Brazilian telecom operator Oi, Brazil comes high on the list, below the UK and France with 2.3 percent of the investment amount, Angola with 1.7 percent and China with only 0.7 percent.

Taking into account the investment during the crisis period, after 2008, by the first half of this year, Angola went from 107 million euros invested to 1.721 billion euros, and China from 1.7 million euros to 706 million euros, with what were by far the most significant increases. (macauhub/AO/BR/CN/PT)