

## Business in Portugal

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### Introduction

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Portugal is currently the UK's 13th largest export market in the EU and 29th worldwide, with sales of goods of £1.8bn in 2011. Links between the two countries have always been strong and bilateral trade is worth around £3bn. It presents unique business opportunities across different sectors, striving to keep up with its European partners and further develop its international trade. With a population of 10.6m and a GDP of € 170.928million (2011), Portugal has an important trading tradition and strong commercial links to the UK.

The opportunities for business in Portugal are not just in Portugal itself, but also in the rest of Iberia, and potentially in Portuguese speaking markets such as Angola and Brazil. In addition Portugal is currently benefiting from a major injection of EU funding to bring its infrastructure up to the standards of other EU countries.

## Life Science sector in Portugal

**While the Portuguese National Healthcare System (SNS) faces major restructuring, opportunities arise for suppliers of cost saving solutions, with local players very open to international partnerships.**

### Market overview

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Life Sciences / Healthcare have a growing importance in Portugal's economy. For instance, exports of pharmaceutical products and medical devices have grown from €335 million in 2005 up to €730 million in 2011. If we consider medical, personalised medicine and Ambient Assisted Living services exports total more than €1 billion.

25% of national research funds go to Life Sciences and related fields. R&D based companies, namely biotechnology ones, have known a boom during the last decade that was not sustained as they were relying on state controlled venture capital only. A reform of state venture capital provision (€600 million) has enabled the launch of a new fund to support start-ups.

Companies, academia, R&D, and Government bodies are part of the Health Cluster Portugal, established in 2008. Currently approximately 130 members are involved, embracing the whole spectrum of life sciences in the country. Pharmaceutical and biotechnology companies had a turnover of €1.25 billion in 2011, while medical devices and services accounted for €570 million.

Public and private healthcare providers are trying to integrate their offer looking at attracting more and more medical tourism to Portugal. The Health Cluster and relevant Government bodies are working with these players aiming at establishing a single Portuguese offer in this area. Within Europe the UK is one of the main target markets for this given the number of British citizens residing in the country and visiting every year.

Champalimaud Foundation – Following the €500 million inherited from the Portuguese entrepreneur António Champalimaud, the Champalimaud Centre for the Unknown was officially opened in October 2010. It's a medical research centre that put Lisbon at the forefront of advances against cancer as well as in neuroscience.

### Key opportunities

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UK expertise in life sciences is highly regarded in Portugal with local players very open to international partnerships and R&D collaborations. While the Portuguese Government implements measures aimed at the sustainability of the National Healthcare System (SNS), opportunities arise for suppliers of cost saving solutions, such as:

- technologies and medical devices
- personalised medicine
- assisted living



There are many links with British companies, universities, and R&D institutions. It is common to find PhDs who got their degrees in the UK now running their businesses in areas like biotechnology. With a focus on oncology, and to some extent also neuroscience, the Champalimaud Foundation is at the forefront of R&D in the country.

#### *Platform to Angola*

Portuguese distributors of medical devices and other ranges of healthcare products are selling into Angola (2nd market for Portuguese healthcare exports – 16.6%) and relevant British suppliers may step into the African market using this route. This also offers training opportunities as staff in Angola need to get familiar with the use of new technologies and devices.

Pharmaceutical companies are also more and more active in Angola and trying to persuade the country to adopt relevant regulation based on the Portuguese issued by INFARMED.

Angola is also a target market as Portugal tries to integrate its medical tourism offer. Brazil and Mozambique as other Portuguese speaking markets, can also be on the horizon when partnering with a Portuguese company as this may be active in one or more of those countries.

#### Getting into the market

Public procurement is a key route into the Portuguese public healthcare system. A local partner / distributor will be essential for a UK company looking at bidding within relevant tenders. It will also be important to supply private healthcare players as he can keep regular contact with customers. Moreover, when appointing a local partner a British company should bear in mind the possibility of using an agreement with a Portuguese company to supply other Portuguese speaking markets, such as Angola, Brazil, and Mozambique.

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