

BUSINESS SERVICES

PORTUGAL



CCP

CONFEDERAÇÃO
DO COMÉRCIO E SERVIÇOS
PORTUGAL



FÓRUM DOS SERVIÇOS
Para uma especialização inteligente
da economia portuguesa

É O VENTO QUE ME LEVA.
O VENTO LUSITANO.
É ESTE SOPRO HUMANO
UNIVERSAL
QUE ENFUNA A INQUIETAÇÃO DE PORTUGAL.
É ESTA FÚRIA DE LOUCURA MANSA
QUE TUDO ALCANÇA

PORTUGAL

SEM ALCANÇAR.
QUE VAI DE CÉU EM CÉU,
DE MAR EM MAR,
ATÉ NUNCA CHEGAR.
E ESTA TENTAÇÃO DE ME ENCONTRAR
MAIS RICO DE AMARGURA
NAS PAUSAS DA VENTURA
DE ME PROCURAR...

MIGUEL TORGA
WRITER | POET

REFLECTION ON THE GLOBALISED ECONOMY

The Fórum dos Serviços para uma Especialização Inteligente da Economia Portuguesa (Services Forum for an Intelligent Specialisation of the Portuguese Economy) was created from an initiative by the Confederação do Comércio e Serviços de Portugal (CCP - Portuguese Commerce & Services Confederation), and is made up of associations, companies and individuals. Its purpose is to foster the study, reflection and debate about the services sector, with particular emphasis on the role it can play in the globalised economy of the 21st century, as well as in the Portuguese economy. Operating for almost a year, the Services Forum promotes initiatives that drive the creation of outbound-oriented services clusters and platforms, fostering inter-company cooperation, the development of emerging services and the creation of new value added products and concepts. For the 2015/2016 period, the Forum is focused on maximising its potential as a platform to join the forces that drive the services sector. In particular, the Forum strives to promote an analysis of the multiple realities involved in operating in this sector and the current prospects for its evolution, while also aligning strategic global orientations and presenting proposals for important public policies.

The results obtained from the recent study “The contribution of Services to Portuguese exports and the attraction of non-residents”, conducted for the Forum by Augusto Mateus & Associados, are especially significant to explain the important strategic role services play in economic growth and in the Portuguese economy’s global export effort. Three main fields associated with different services activities have been the subject of systematic accompaniment by dedicated work groups in the Services Forum: Business Services; Logistics and Infrastructures associated with Connectivity; Territory-based Services, which target mostly Individuals. This publication is the result of the work carried out by the Business Services Work Group. It aims to serve as a new instrument that raises awareness about the sector and the main companies in Portugal, disseminate the new dynamics and business opportunities among potential investors and, on the whole, present the best Portugal has to offer.

ANA VIEIRA

General Secretary
Fórum dos Serviços



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COMPETITIVE EDGE

The growing weight of the services sector in the Portuguese economy is a well-known fact that is widely confirmed by official statistics, and the sector accounts for two thirds of the current employment and three quarters of the wealth generated by the Portuguese economy*. Among the various sectors that make up Services, shared services centres stand out which, aside from helping drive economic growth and employment, show significant growth potential, both in terms of the functions carried out by these centres that are rising in the service delivery value chain, and in terms of a growing tendency to provide services to external clients, which may reinforce the autonomy of these centres within their own group. At the same time, the location factor may also evolve, on the one hand displaying greater geographic dispersal of the centres' location and, on the other, placing greater emphasis on the proximity factor. The decision to invest in Portugal, especially involving large enterprises, which is usually the case, shall undoubtedly be based on an objective analysis of a combination of indicators that are widely known and compared on an international level, placing Portugal in a privileged position compared with potential competitors. However, that analysis also involves a more subjective component, associated with an image of the country that, today, seems removed from reality. Labour issues, which carry significant weight in shared services activities, are a good example of that. Portugal is systematically pointed as a country that is poorly positioned in terms of labour flexibility. However, the rapid adjustment carried out by companies since 2009 – an adjustment that far outweighs the drop in economic activity – does not corroborate that rigidity and warrants a greater effort from public agencies to acknowledge the labour reforms that have been implemented over time, particularly the most recent ones.

At a time when several instruments that will constitute the new cycle of structural funds 'Portugal 2020' are being finalised, it is crucial that we understand how these instruments may help drive the development of the services sector in general, and of shared services centres in particular, bearing in mind that these sectors benefitted very little from the funds included in previous support frameworks.

Despite the relevance of these issues to companies who plan to set up here, Portugal offers characteristics that make this a prime destination for these enterprises, such as price stability and cost competitiveness, the quality of infrastructures and the availability of human capital in the technology and science fields **, as well as other important factors like safety, political stability and the climate. It is within this context that, through this publication, we highlight the competitive advantages Portugal offers in comparison with other countries, while also showing how we can diminish the constraints that still exist in a scenario of inevitably scarce financial resources.

JOÃO VIEIRA LOPES

João Vieira Lopes
Chairman of the Portuguese Commerce &
Services Confederation (CCP)



* Study "The contribution of Services to Portuguese exports and the attraction of non-residents", Augusto Mateus e Associados, 2014.

** EY's Attractiveness Survey PORTUGAL 2014

BACK IN BUSINESS

Business services are seen as the main driver of a knowledge-based economy. In fact, the labour-intensive nature of business services has attracted interest for a long time, mainly concerning its potential to generate new jobs in the future.

The recent increase in the demand for business services and a growing outsourcing trend, show that many companies are increasingly using service providers for their noncore activities, especially offshoring (a particular form of outsourcing). This offshoring occurrence was made possible by the rise in liberal services, categorised in economic literature as “modern services”, which are somehow similar to “manufacturing goods”, in the sense that they can be digitally stored and easily traded.

The conclusion must be that “business services” are now, more than ever, playing an increasingly important role in the makeover of trade and investment arrangements, and in fostering the creation and development of value chains. And where does Portugal stand in the current scenario of the business services sector?

According to the latest data available, there are more than 100 000 companies operating in the business services sector, employing 312 000 people, with a total turnover of nearly 14 billion euros and an estimated GVA (gross value added) of 6.83 billion euros. Computing and related activities, accounting, auditing and consultancy, architecture and engineering were accountable for 68.8% of the total of services concentrated in the business services sector (in terms of GVA, accounting, auditing and consultancy activities were responsible for 28.9% of total value added in the business services sector), whereas computing and related activities represent 9.5% of the business sector companies and represented 25.2% of the total value added in the sector.

Indeed, over the last years, many activities within the scope of business services have become outsourced to external suppliers, or offshored/nearshored to various locations. Outsourcing is particularly evident in the subset of technology and other business services based in skilled work (for example shared services). Currently, shared services are increasingly important to attract foreign direct investment (FDI) and have strongly contributed

to GDP growth in economies that prove to be suitable destinations to set up business services.

Portugal has the potential to become the preferred destination of new shared service centres for companies operating in Europe and Africa, considering our time zone, a highly qualified and linguistically competent human capital, but also due to the quality of Portuguese infrastructures and strategic reforms in both the labour market and fiscal system. We are also implementing a Strategy for Competitiveness in the Commerce, Services, and Food & Beverages Sectors in order to eliminate excessive restrictions, red tape costs and bureaucratic barriers to economic activity, thereby ensuring that entry and exit costs are kept as low as possible.

These reforms are crucial to strengthen our economic recovery and restore our country’s international credibility, and the outcomes have been acknowledged by many international institutions. For instance, the Global Competitiveness Index 2014–2015, by the World Economic Forum, has shown that the Portuguese economy has become more competitive and attractive to inward flows of FDI, rising 15 positions and ranking Portugal in 36th place out of the 144 worldwide economies analysed. Furthermore, we are in 4th place in the quality of business schools, 5th place in the number of days to start a business, 8th place in the availability and quality of scientists and engineers, and 12th place in the quality of overall infrastructures. More recently, Gartner’s Leading Offshore Services Locations 2015 elected Portugal as the 5th best country for captive or outsourced IT and business process services!

All these results give us the confidence and determination to continue our ambitious reform program. We believe this is the right path and the right time to invest in Portugal. We’re back in business.

ANTÓNIO PIRES DE LIMA
Minister of the Economy





WHY PORTUGAL?



A STRATEGIC LOCATION



Official name

Portuguese Republic



Area

92 thousand sq km



Population

10.39 million inhabitants



Population Density

113.1 inhabitants/sq km (2013)



Capital

Lisbon



Population residing in the metropolitan area of Lisbon

2.8 million inhabitants

Census 2011



Time zone

UTC/GMT

same as UK or Ireland

Portugal is located on the Iberian Peninsula, on the western coast of Europe. The country shares its border with Spain, to the east and north, and with the Atlantic, to the west and south. The country also includes two autonomous regions in the Atlantic Ocean: the archipelagos of the Azores (nine islands) and Madeira (two inhabited islands). It stands as a strategic location between three continents: Europe, America, on the other side of the Ocean, and Africa.

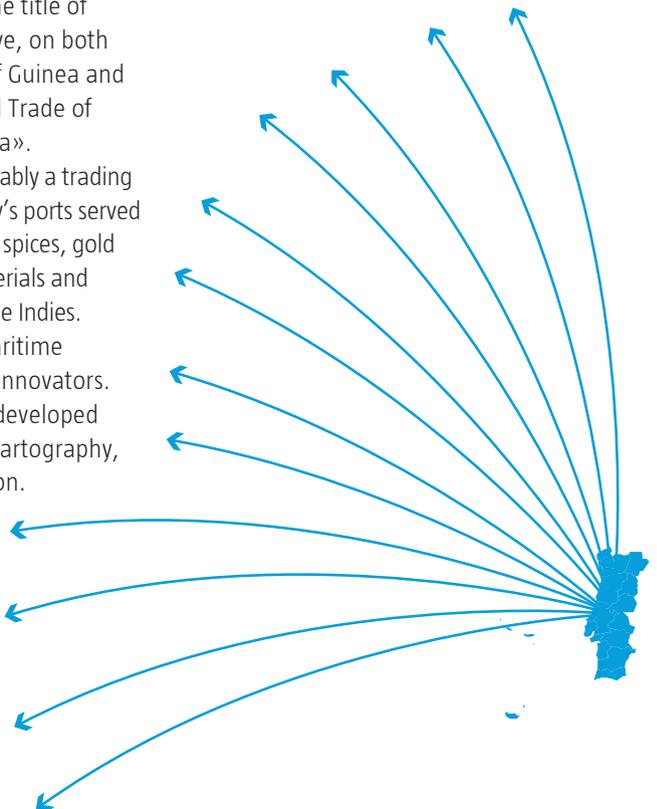
Going back in history, Portugal was founded in 1143 during the Christian Reconquest. The country's first kings conquered territories, achieved independence and stabilised the borders until the end of the 13th century. Lacking territory at home to expand the realm, the country sought new worlds overseas. In 1415, Portugal began its maritime expansion, which reached its climax in the 16th century. At the time, and to illustrate the size of the empire when it was at its height, the Portuguese monarch held the title of «King of Portugal and the Algarve, on both sides of the sea of Africa, Lord of Guinea and of the Conquest, Navigation and Trade of Ethiopia, Arabia, Persia and India».

At that time, Portugal was undeniably a trading hub on a global scale. The country's ports served as the European point of entry for spices, gold and silk, as well as other raw materials and products from Brazil, Africa and the Indies. Like today, during the age of maritime discovery, the Portuguese were innovators. Throughout the centuries, they developed technologies, nautical science, cartography, astronomy and naval construction.

The maritime expansion, reported by Luís Vaz de Camões in his epic poem «The Lusiads», helped the Portuguese language evolve to become the official language in eight countries: the Portuguese Republic and seven other territories that have since achieved independence from Portugal.

The diaspora extends across every continent. There are Portuguese communities in France, Spain, the USA, Canada, Brazil, the UK, Switzerland, Luxembourg, Venezuela, Angola and South Africa.

At home, the capital, Lisbon, is only a two-hour drive from Porto (the second-largest city) and the tourist region of the Algarve, in the southern part of the country. By plane, Lisbon is only an hour away from Madrid, 2½ hours from Paris and three hours from Munich. The Portuguese ports provide regular connections to Asia, Africa and the east and western coasts of the Americas.



CLOSE TO GREENWICH



Geographical coordinates
38° 42' N 9° 10' O



Part of the European Union since
1986



The official currency is the Euro (€),
 common to most countries
 in the European Union

FLIGHTS TO EVERY CONTINENT

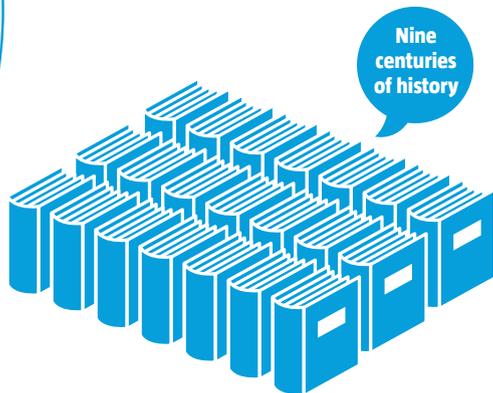
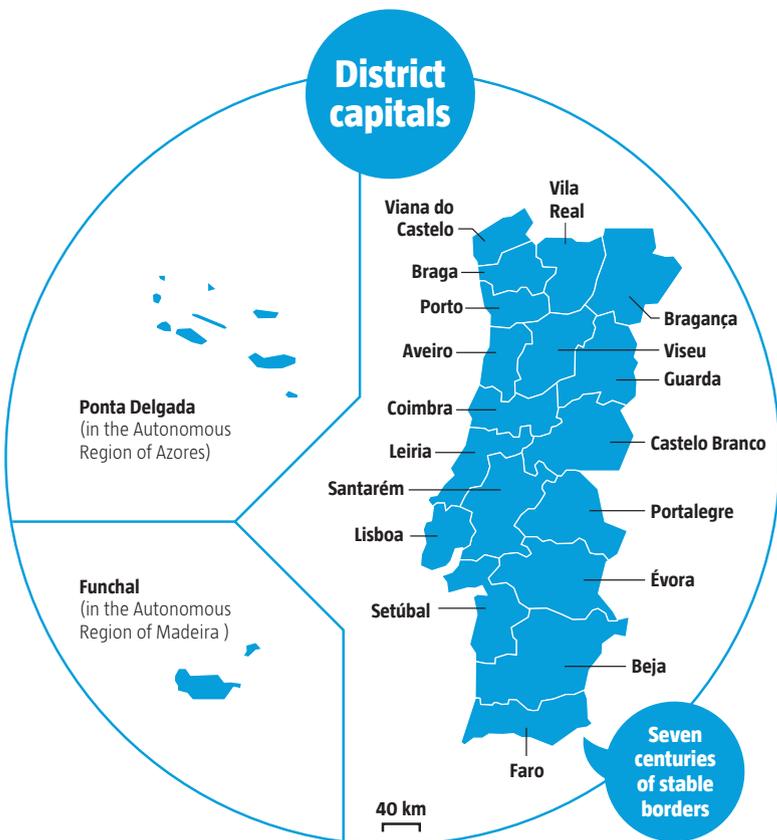
This country's privileged location places it at the centre of the world. By air, sea or land, goods and services can be dispatched to any part of the globe. In Portugal's continental region, there are three international airports, and the Azores and Madeira archipelagos in the Atlantic offer seven other airports. 32 million passengers travel through the country's airports every year. Those managed by ANA serve approximately 60 regular airlines, connecting the country to 150 destinations all over the world. The main airlines operating in Portugal are TAP Portugal, Ryanair, Easyjet, Sata and Transavia. The principal destinations are London, Paris, Lisbon, Madrid and Frankfurt.

CARGO AND TRANSPORT REACH RECORD HIGHS

The cargo handled by continental Portugal's seven principal ports in 2014 reached a volume of approximately 82.7 million tons, the highest annual result ever attained, according to the Port Administrations. The Mobility and Land Transport Institute (IMT), who compiles this information, states that this volume represents a 4.2% growth compared with the previous year, which had in turn held the previous record. Over the past four years, the volume of cargo handled increased 27.3%. The main ports that contributed to this growth were Setúbal, Aveiro and Leixões, which registered variations of 15%, 13.5% and 5.3%, respectively, according to the IMT. Sines and Leixões represent 67% of the total cargo handled in Portuguese ports.

In total, approximately 250 million people all over the world speak Portuguese: in Europe, Africa, America and Asia. And most Portuguese are fluent in at least one other language, and can easily understand at least one more.

Currently, Portugal is a parliamentary democracy, based on the respect for rights, freedoms and guarantees consecrated in the Constitution. The sovereign powers are distributed between the President of the Republic, Parliament, the Government and the Courts.



**BY THE SEA,
CLOSE TO AMERICA**



Only a three-hour difference from Brazil and Argentina, and two hours from Latvia



It is the European country closest to the American continent

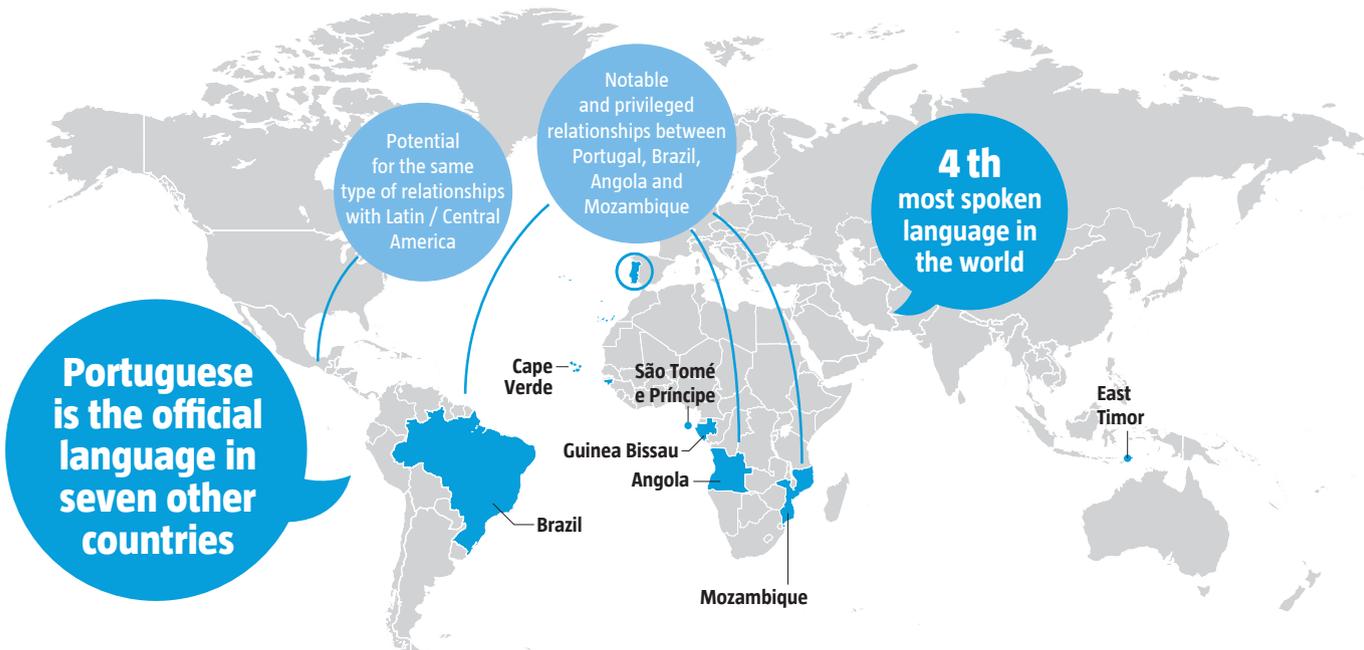
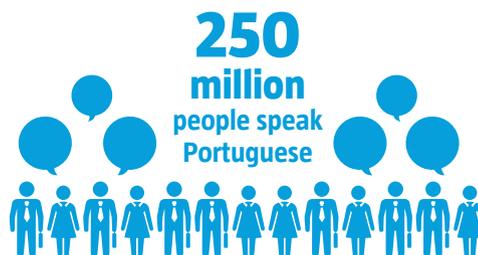
MODERATE CLIMATE

Portugal's continental region is close to the Greenwich meridian which, by convention, divides the earth into east and west and serves as a reference to establish time zones. Portugal runs on the GMT time zone. Between the last Sunday in March and the last Sunday in October, the country observes the summer daylight-saving time (GMT+1).

To the west, Portugal is only three time zones from Brazil or Argentina. To the east, the difference is, for example, two hours from Riga (Latvia). This central position makes it easy to conduct business with American countries, as well as countries in the Near East and Africa. Added to Portugal's unique strategic location is the fact that it has been a part of the European Union since 1986, of the Schengen area since 1991, and is one of the founding countries of the Euro Zone (1999).

A moderate climate and plenty of sunshine are

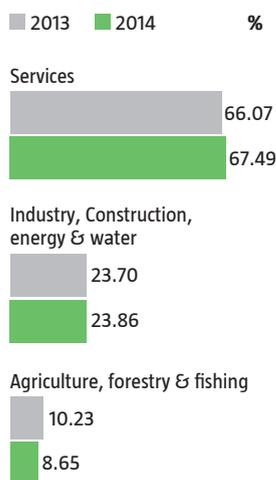
also part of Portugal's attractive features: the country enjoys 220 days of sunshine each year. It isn't a coincidence that poets herald the country's luminosity. Average temperatures vary from 22°C between May and October and 15°C in the winter. The rain is concentrated during the winter months. Tourism is another one of the country's strong points. Beaches, mountains, 900 years of culture, and golf are just some of Portugal's main attractions. The investment in luxury tourist developments started to rise at the end of the 20th century and continued into the beginning of the 21st century.



Sources INE - Instituto Nacional de Estatística; Banco de Portugal & AMECO (Annual macroeconomic database), Pordata, AICEP – Portugal Global, Associação Portuguesa de Geógrafos, CCP Services Forum; Observatório das Migrações; Ministry of the Economy, Ministry of Finance, Camões - Cooperation Institute & Language

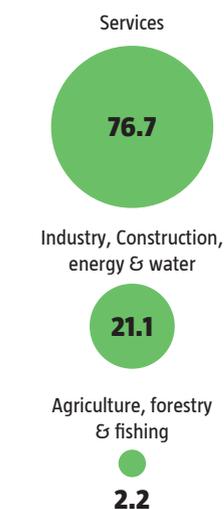
PORTUGAL: THE BEST OF MANY WORLDS

EMPLOYMENT SERVICES REPRESENT ALMOST 66.1% OF WORKERS



Sources INE, ES-4Q2014

PORTUGUESE GVA 2014 (%)



Sources INE, Preliminary Annual NA -4Q2014 (Basis 2011)

Portugal has approximately 10.39 million inhabitants, half of which are still in an economically active age. Notwithstanding the crisis, the Gross Domestic Product (GDP) surpasses 174 billion euros (+0.9%), approximately 16 300 euros per capita, according to estimates in the Portuguese National Accounts. Banco de Portugal expects the average annual rate of change of the GDP to be 1.5% in 2015 and 1.6% in 2016, slightly higher than the forecast for the Euro Zone. The stability achieved by joining the European Union and, subsequently after joining the Euro Zone, has enabled the country to expand and globalise its economic activities. In Portugal, the services sector has been gaining ground in the corporate fabric, in line with the tendency observed in Europe throughout the past decades.

Employment increased by 1.4% in 2014 in all business sectors, after dropping 2.9% the previous year.

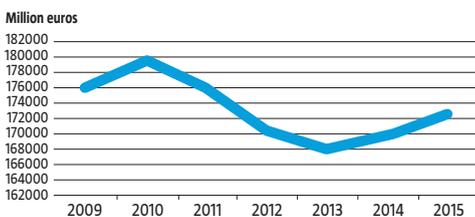
In 2014, services represented 76.7% of the Portuguese Gross Value Added (GVA), employing approximately 66.1% of the working population. The primary sector contributed to only 2.2% of the GVA and 10.2% of employment, and the secondary sector represented 21.1% of the GVA and 23.7% of employment.

Some of the fields that present the greatest increase are activities associated with Information Technologies and Telecommunications, the automotive and auto supplier industry, as well as the electronics, energy and pharmaceutical sectors.

INFRASTRUCTURES

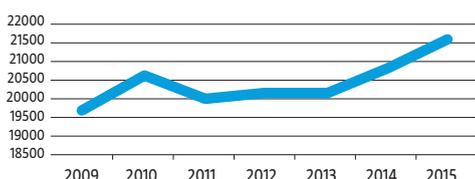
The infrastructures in Portugal evolved substantially after the country entered the European Union in 1986. According to AICEP - Portugal Global, currently, the road network includes motorways (AE), main roads (IP), secondary routes (IC), as well as national and municipal roads. In 2012, that network reached 14 284 km, with more than a fifth (close to 3000 km) representing motorways. The railways also connect the country's entire continental area. There are approximately 2500 km of rail connections from north to south and east to west.

GDP AT MARKET PRICES



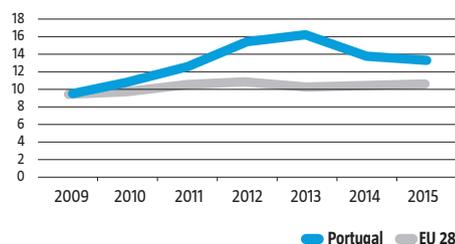
Sources Up to 2014: INE, Preliminary National Accounts - 4Q2014; 2015: EC Winter Forecast Jan. 2015

GDP PER CAPITA PPP



Sources INE, National Accounts and Population Forecasts and Banco de Portugal, in AICEP - Portugal Global's country Data, December 2014

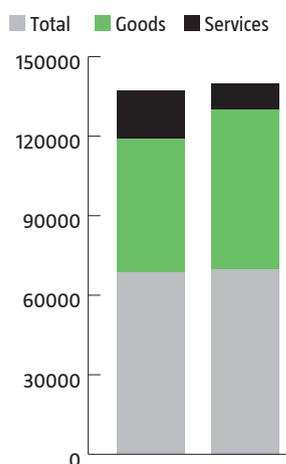
UNEMPLOYMENT RATE



Sources Up to 2014: INE, Employment Survey 2015: 2015-EC, Winter Forecast-Jan2015; EU28: Eurostat, WinterForecast Jan2015

EXTERNAL BALANCE OF GOODS & SERVICES 2014

PROPORTION OF EXPORTS OF HIGH TECHNOLOGY GOODS: 3,37%



Sources INE, Preliminary Annual NA-4Q2014 (Basis 2011) Values: million euros

Reaching Portugal by air is possible through one of its three main international airports located in Lisbon, Porto and Faro, and which provide connections to most of the world. The islands that make up the Autonomous Regions offer 11 airports that provide connections between the territory's different points. Portugal's connection to the sea is attested by the size of its maritime infrastructures. The continental territory has nine principal ports: Viana do Castelo and Leixões (north), Aveiro and Figueira da Foz (centre), Lisbon and Setúbal (Lisbon region), Sines in Alentejo, and Faro and Portimão (Algarve). In the Azores, there are five main ports and Madeira has three. Most of the ports are used for trade. The majority of goods is transported from Sines, Leixões and Lisbon. Lisbon and Leixões also have infrastructures to ensure passenger traffic.

SOCIOECONOMIC DATA

- Currency: euro (€) – divided into 100 cents
- EUR = 1.3285 USD (Annual average Exchange Rate in 2014)
- Population in 2014: 10.39 million *
- Active population: 5.23 million (2014)
- Elderly people per 100 youths: 133.5
- % of the population with higher education: 15%
- Permanent emigrants 2013: 53 786 *

* forecast

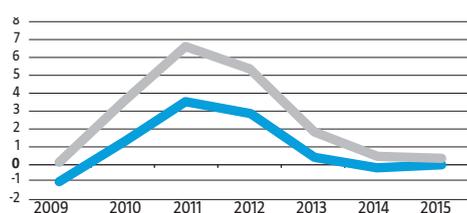
NOTEWORTHY POSITIONS

- 25th Position in the "World Bank Ease of Doing Business Rank 2015" (out of 189 countries)
- ITIF Broadband Ranking: 7th fastest speed; 9th lowest price
- ATM machines per 1000 inhabitants: 12.4 (2013)
- Access to next generation telecommunications: 84.4% (EU average: 61.8%)

CORPORATE MARKET

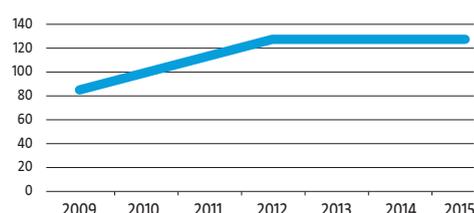
- Companies: 1 055 813
- Mostly foreign companies: 5 089
- Economic climate index: 0.3% (National Accounts - January 2015)
- Turnover of companies: 325.9 billion euros (2012)
- Company startups: 12.5%
- Survival rate of companies started 2 years ago: 48.47%

ANNUAL VARIATION IHCP (%)



Sources Eurostat, IHPC; 2015: EC, Winter Forecast Jan. 2015

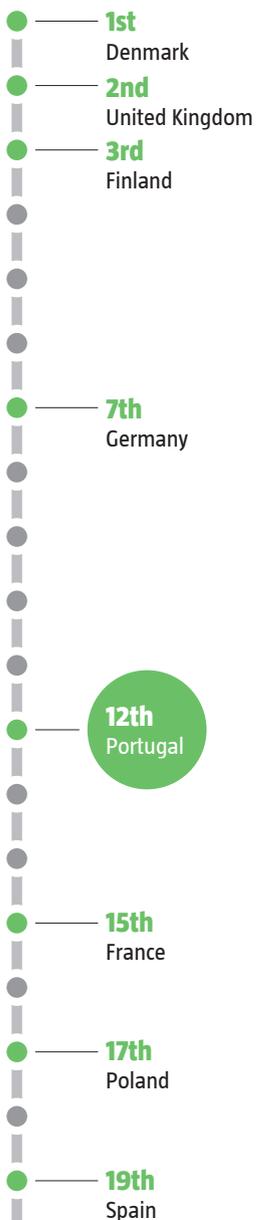
PUBLIC DEBT (% OF GDP)



Sources INE, Banco de Portugal, European Commission

PORTUGAL EXCELLENT LOCATION

ATTRACTIVENESS BETTER THAN POLAND OR SPAIN



Source Macedo Vitorino e Associados

When multinational companies look for a country to invest in the Business Services sector in Europe, one of the destinations considered is Portugal. More than a single motivation, companies see countless advantages in this choice. Aside from the traditional reasons of sunshine and luminosity, factors also involved in choosing a destination include the infrastructure, social climate and the technological infrastructures that enable a company to begin its operation easily.

STRENGTHS FOR ESTABLISHING OPERATIONS IN PORTUGAL

More than 40 companies have chosen Portugal to establish their Business Services competence centres. In total, these companies employ about 40 thousand people.

When choosing this location, companies compare Portugal with other destinations and find that it is indeed a privileged place to set up their nearshore operations.

COMPETENT HUMAN CAPITAL

One of the aspects that stands out the most regards the qualification of the human capital, from national engineers to graduates from Portuguese universities and polytechnic institutes. Almost 81 thousand students completed their degrees in 2013, according to the Ministry of Education. Over the last decades, partnerships between national and international universities have helped many students take advantage of the chance to study abroad for a certain period of time which, aside from all the other skills they acquire

from international schools, makes them extremely proficient in building multicultural relationships. 5 000 Portuguese students in leading universities leave every year to study abroad. Regardless of their academic experience outside Portugal, the Portuguese have a natural ability to interact with other nationalities and cultures.

Throughout the years, Portuguese universities have established partnerships with international teaching institutions to provide leading programs, namely with MIT, Harvard Medical School, University of Texas, in Austin, Fraunhofer and Carnegie Mellon.

The Portuguese are also versatile and adapt easily to new environments, as well as displaying an above-average ability for language skills. Many Portuguese start learning languages in pre-school. Currently, 80% of students in secondary school study English and 63% study French. Aside from the mandatory curriculum, international schools also teach other languages such as German, Spanish or Mandarin.

REASONS TO CHOOSE PORTUGAL

- › RISING EXPORTS;
- › EASY TO DO BUSINESS, NAMELY: LAND REGISTRATION, INVESTOR PROTECTION AND FULFILMENT OF CONTRACTS
- › SHRINKING BUREAUCRACY. YOU CAN CREATE AN “ON THE SPOT FIRM” IN FEW DAYS
- › MATURE LEGAL AND FISCAL SYSTEM, INCLUDING LAWS REGARDING INTELLECTUAL PROPERTY
- › FAVOURABLE SOCIOECONOMIC FRAMEWORK FOR BUSINESS DEVELOPMENT, DUE TO SOCIAL STABILITY
- › LAWS PROTECTING THE SECURITY AND PRIVACY OF DATA AND INTELLECTUAL PROPERTY ARE IN LINE WITH THOSE ENFORCED IN THE EUROPEAN UNION
- › THE PORTUGUESE GOVERNMENT SUPPORTS AND ENCOURAGES THE INVESTMENT AND ESTABLISHMENT OF FOREIGN COMPANIES IN PORTUGAL THROUGH PACKS OF INCENTIVES
- › STATE OF THE ART TELECOMMUNICATIONS AND OTHER INFRASTRUCTURES
- › MULTIPLE EXAMPLES OF SUCCESSFUL INVESTMENT IN SEVERAL SECTORS. NEARSHORE IS JUST ONE OF THEM!

UNEMPLOYMENT: AN OPPORTUNITY

The current high unemployment rate (13.9% in 2014, according to INE), particularly among young people (34.8%), a consequence of the economic and financial crisis the country is experiencing, helps make qualified professionals in the IT fields readily available, part of whom are recent graduates, but others with extensive professional experience.

The Portuguese economy is considered highly competitive. For example, regarding the cost of operations, the relationship between the qualification of the workforce and salary costs is very favourable. Labour legislation is also considered an advantage. These factors bear on the competitiveness and efficiency of production costs, particularly in terms of annual productivity gains.

Regarding infrastructures, Portugal has been evolving. Good road and rail networks, as well as one of the most developed telecommunications networks in the world. Approximately 98%

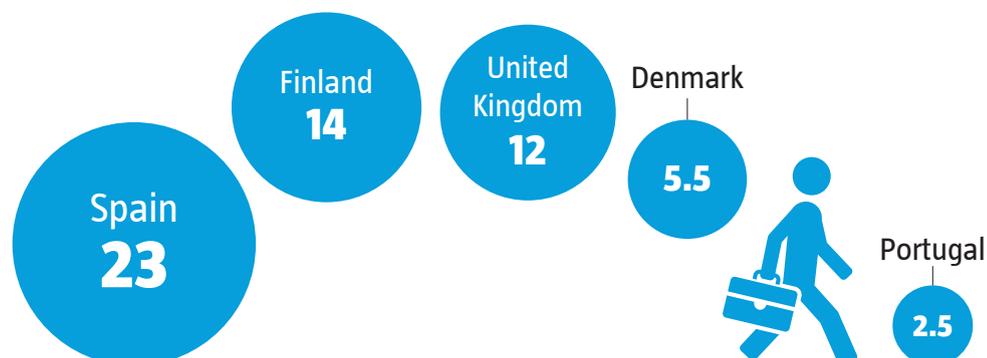
of the territory has 3G coverage. The space available for installing outsourcing services infrastructures, although scarce in some locations, presents an extremely competitive price per square metre. Constructing new buildings specifically to accommodate service centres has also been a reality.

In addition to the social, political and economic stability highlighted by several of the multinationals contacted by us, there is also the location between three continents and with reasonable time zone differences from dozens of countries. Portugal is aligned with the United Kingdom, located very close to the Greenwich Meridian and the main financial markets, both in Europe and on other continents.

According to data cited by the firm Macedo Vitorino e Associados, Portugal ranks 12th in

DAYS TO OPEN A BUSINESS

THANKS TO SIMPLIFICATION OF THE ADMINISTRATIVE PROCESS, OPENING A COMPANY IN PORTUGAL NOW TAKES ONLY 2.5 DAYS, ACCORDING TO A SURVEY BY DUN & BRADSTREET PUBLISHED IN 2014. THIS REPORT REVEALS THAT, RIGHT BESIDE US, IN SPAIN, CREATING A COMPANY TAKES ABOUT 23 DAYS. IN DENMARK IT TAKES 5.5 DAYS, 12 IN THE UNITED KINGDOM AND 14 IN FINLAND



Source Dun & Bradstreet

**COMPETITIVENESS
PORTUGAL ROSE 15
POSITIONS-IN-THIS INDEX**



Source The Global Competitiveness Index 2014–2015, World Economic Forum, September 2014 (144 economies)

the most attractive places to do business in Europe and is the 31st most attractive place to do business in the world.

The economic and financial crisis that Portugal is currently emerging from forced the country to find growth alternatives. The volume of exports is rising and, in December 2014 alone, grew 4.9% compared with the same month the year before, although it did slow down somewhat in the previous months. Currently, Portugal's main export destinations are mostly in Europe, as well as Angola. In the information compiled by Banco de Portugal, from 2009 to 2013, the exports of goods and services registered annual growth rates of 9.6% and 2.3%, respectively. The global data for last year's international trade activity in the services field is still unavailable. In 2013, the exports of goods and services increased 6.8% compared with the previous year and imports grew moderately by 1.5%, summarises AICEP – Portugal Global, the body that promotes the international expansion of Portuguese companies.

This tendency brought about a positive trade balance in goods and services for 2013, reversing the negative tendency recorded in the last decade. At the moment, we are still awaiting publication of the data regarding the services trade in 2014. As for merchandise, the exports of goods grew 1.9% in 2014 compared with the previous year (+4.5%) and imports increased 3.2% (+9.9% in 2013). Portugal exported 48.18 billion euros worth of goods and imported 58.7 billion euros worth in 2014.

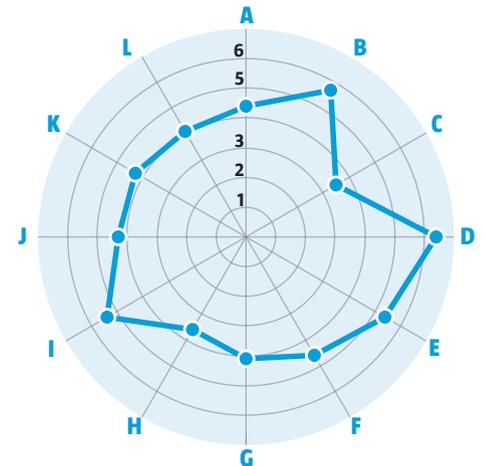
The trade balance for merchandise remained at a deficit in 2014, although at much smaller levels than between 2005 and 2010, when the coverage ratio was above 60%. In 2014, that rate was 82% and had been 83.1% in the previous year.

BECAUSE...

Portugal should be on your company's radar when looking for the ideal place to set up Business Services delivery infrastructures. The labour laws are as rigid as those in Continental Europe, in line with the legal framework applied in Germany or the Netherlands, according to the information analysis published by Dun & Bradstreet in 2014.

GLOBAL COMPETITIVENESS INDEX

PORTUGAL IS THE 36TH MOST COMPETITIVE ECONOMY IN THE WORLD



A Institutions **B** Infrastructure **C** Macroeconomic environment **D** Health and primary education **E** Higher education and training **F** Goods market place **G** Labour market efficiency **H** Financial market development **I** Technological readiness **J** Market Size **K** Business sophistication **L** Innovation

Source The Global Competitiveness Index 2014–2015, World Economic Forum, September 2014 (144 economies)

CLIMBING THE COMPETITIVENESS RANKING

The World Economic Forum publishes the Global Competitiveness Report every year. In the 2014-2015 edition, presented in September 2014, Portugal rose to 36th position, ranking in 51st place in the previous edition. According to the World Economic Forum, in Europe, «several countries that were severely hit by the economic crisis, such as Spain (35th), Portugal and Greece (81st), have made significant strides to improve the functioning of their markets and the allocation of productive resources ».

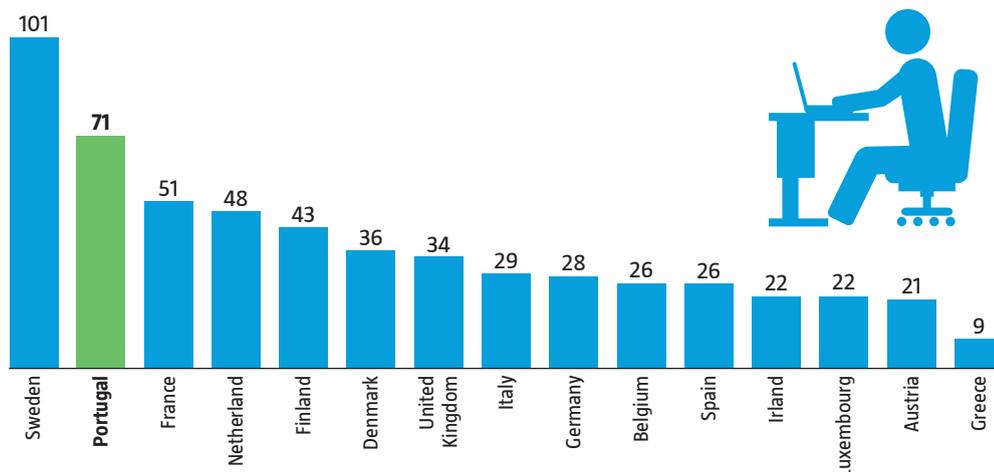
Portugal is especially well positioned in the infrastructure pillar (17th position), health & primary education (24th), higher education & training (24th) technological readiness (26th) and innovation (28th).

SUPERFAST INFRASTRUCTURE

If, according to the World Economic Forum, Portugal is well ranked at 17th position in the infrastructure pillar, regarding the speed of broadband connections, Portugal classifies even better.

According to the OECD, Portugal has the 4th fastest broadband in the world and the 2nd fastest in the 27 European Union countries. The same source states that Portugal comes in 13th for the most competitive broadband prices in the world and in 8th in EU 27.

REPORTED AVERAGE HIGH-SPEED DOWNLOAD



Source OECD Values: mbps

An aerial photograph of a coastal town in Portugal during sunset. The sun is low on the horizon, casting a warm orange glow over the scene. The town is built on a hillside, with colorful buildings and red-tiled roofs. A river flows through the town, and a bridge with tram tracks is visible in the foreground. The text "SHARED SERVICES IN PORTUGAL" is overlaid in the center of the image.

SHARED SERVICES IN PORTUGAL



PORTUGAL: FOREIGN INVESTORS ARE COMING TO TOWN

We have been witnessing a huge transformation of the IT based services ecosystem in Portugal throughout the last few years. Transnational services are being provided from Portugal to all corners of the world, and global stakeholders – analysts and investors – have repeatedly assessed our country as one of the few leading developed-market nearshore locations ‘fully equipped’ to deliver. And foreign investors are coming to town.

What does Portugal have to offer, though? Well, companies are finding highly skilled, mature professionals available, with a proficiency for foreign languages and a state of the art infrastructure, along with social and political stability and both legislative and regulatory security and maturity. Plus, government support at national and regional levels is in place and the academic and scientific systems are partnering with businesses.

And a lot more is yet to come. Key issues for the transformation of the country and development of the services sector are being addressed by all relevant national stakeholders, with people and talent at the top of the list.

The Associação Portugal Outsourcing is fully committed to the National Coalition for Digital Jobs, a project that focuses on establishing the right strategies to train, qualify and re-qualify professionals to feed the market needs and anticipated global growth. The goal is to make Portugal even more competitive!

Portugal Outsourcing, an industry association founded in 2008, has always been fully committed to promoting the ICT based services delivered by Portuguese players and attracting new investment. As a founding member of Fórum dos Serviços, we hope this publication will be read by the ICT global community and remain at your disposal for whatever support you may need.

GUILHERME RAMOS PEREIRA

General Secretary APO/
Board Member Fórum dos Serviços



guilherme.ramos.pereira@portugaloutsourcing.pt
www.portugaloutsourcing.pt



WHAT ARE BUSINESS SERVICES?

CONTACT CENTRES AND BACK OFFICE THE SERVICES INVOLVING CONTACT CENTRE AND BACK-OFFICE SUPPORT ARE PART OF THE RANGE OF OUTSOURCING SOLUTIONS OFFERED, FREEING UP COMPANY RESOURCES TO FOCUS ON CORE ACTIVITIES. THE EVOLUTION OF TECHNOLOGY HAS DRIVEN OUTSOURCING ACTIVITIES FOR FIRST- AND SECOND-LINE CUSTOMER CONTACT, WITH SEVERAL LEVELS OF COMPLEXITY, FROM GENERAL INFORMATION TO HIGHLY SPECIALISED TECHNICAL SUPPORT. CONTACT CENTRE AND BACK-OFFICE SERVICES CAN RANGE FROM FROM GENERAL INFORMATION TO HIGHLY SPECIALISED TECHNICAL SUPPORT, FOR EXAMPLE REGARDING HARDWARE AND SOFTWARE OR SALES ACTIVITIES (INBOUND AND OUTBOUND). THE TRADITIONAL CALL CENTRE HAS EVOLVED INTO MULTI-CHANNEL CONTACT CENTRES, AMONG WHICH VOICE AND WRITTEN CHANNELS PREDOMINATE, ESPECIALLY VIA E-MAIL. MOST COMPANIES USE CONTACT CENTRES BECAUSE THEY HAVE NEITHER THE SCALE, THE TOOLS, NOR THE SKILLS TO MANAGE THESE OPERATIONS EFFICIENTLY. THEREFORE, THEY CHOOSE TO OUTSOURCE THIS STRATEGIC INFORMATION AND CUSTOMER SUPPORT SERVICE TO GUARANTEE IT IS HANDLED BY SPECIALISED FIRMS. IN ORDER TO ENSURE THE QUALITY OF THE SERVICE DELIVERED IS IN LINE WITH THE HIRING COMPANY'S IMAGE, THE OUTSOURCER AND CLIENT ESTABLISH SERVICE LEVEL AGREEMENTS (SLA)

Business Support Services (BSS) are multifaceted. Regardless of the type and complexity of the service provided, they can take place within the same business group (insourcing) or between different business groups (outsourcing).⁽¹⁾ In either case, as explained by Deloitte, BSS can be delivered within the same country (onshoring) or from facilities in other countries (offshoring), as depicted in the table below. The range of services delivered is broad and includes subcontracting experts to execute crosscutting tasks that are typically not the companies' core activities. These can be relatively standardised services, such as providing support in back-office, accounting, human resources, IT, sales and marketing, and can extend to knowledge-based services for analysis and decision-making or Research & Development. As an example, contact centres are one of the forms of outsourcing that has evolved the most over recent years. The adoption of information and communications technologies has enabled contact centres to deliver advanced technical support solutions often described as knowledge based services. BSS can be delivered by other companies or

business units within the same organisation. Regardless of their nature, the success of providing Business Services often depends on at least one IT service. To ensure the quality of the service, stringent Service Level Agreements (SLA) are defined, which include the objective, quality and responsibilities of each business partner and, naturally, the operation's start date.

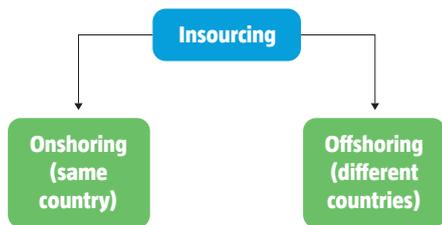
SHARED SERVICES CENTRES

Shared services are a set of business operations shared by several business areas and that are centralised into a single business unit in an enterprise or group of enterprises. This centralisation is cost efficient because it concentrates into a single point back-office operations that are used by many divisions in the same organisation, eliminating redundancies. Currently, most companies, including smaller companies, use the shared services model to address financial, human resources and IT needs. When provided within a business group, the shared services are cost and profit centres, and some use reversal systems to charge the divisions to whom they provide services, on a per-use, quarterly or annual basis. Other companies choose to absorb the costs of shared services as part of the operating costs.

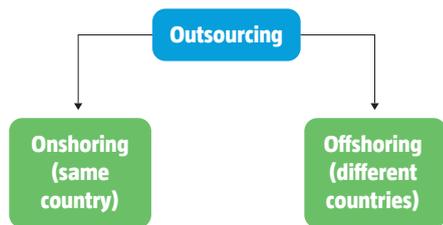
(1) Shared Services Centres - Get the Global Picture, Deloitte, 2014

TYPE OF STRUCTURE/ORGANISATION

Same business group



Different business group



Source Deloitte (2014)

R&D CENTRES
RESEARCH AND
DEVELOPMENT (R&D), ALSO
KNOWN IN EUROPE AS
RESEARCH AND TECHNICAL
DEVELOPMENT (RTD),
IS A GENERAL TERM
FOR ACTIVITIES THAT
DRIVE CORPORATE OR
GOVERNMENTAL INNOVATION

THE ACTIVITIES CLASSIFIED AS
R&D DIFFER FROM COMPANY
TO COMPANY, BUT CAN BE
PLACED INTO TWO PRIMARY
MODELS. IN ONE MODEL, THE
R&D DEPARTMENT CAN BE
STAFFED BY ENGINEERS AND
DEDICATED TO DEVELOPING
NEW PRODUCTS, WHILE THE
OTHER CAN BE COMPRISED
OF INDUSTRIAL SCIENTISTS
WHOSE PURPOSE IS TO
APPLY SCIENTIFIC OR
TECHNOLOGICAL RESEARCH
TO FUTURE PRODUCT
DEVELOPMENT

IN EITHER CASE, R&D STANDS
OUT FROM MOST CORPORATE
ACTIVITIES IN THAT IT DOES
NOT AIM TO GENERATE AN
IMMEDIATE PROFIT, AND
GENERALLY INVOLVES RISKS
AND AN UNCERTAIN RETURN
ON INVESTMENT

The allocation of tasks that are necessary, but not directly related to the principal mission of different departments in the organisation, frees up the limited resources of these departments to pursue their core objectives, without neglecting other tasks that must be executed.

Technology has been the catalyst that drives shared services in organisations, since it can be expensive to purchase, maintain and train employees in this particular field.

OUTSOURCING

Using outsourcing to optimise company's non-core operations and to transform operations is an argument that has been gaining popularity. The outsourcers usually specialise in certain processes or technologies, in which they invest constantly. Therefore, the client can have access to quality services without added investment. The more the service providers invest, more knowledge and scale they acquire, and they can pass the advantages of that economy of scale on to their clients.

Thus, an outsourcer/client interdependence is established that ensures the investment and/or cost reduction for both sides.

In most organisations, these processes, although not a core part of their business, are essential to their operation. Processes include services such as the management of human resources or information systems. In these cases, and depending on the complexity and sensitivity of the operations and information to be managed, companies may decide to hand these tasks over to specialised internal departments (insourcing) or to subcontract external companies (outsourcing).

Depending on the type of services and skills to be externalised, the choice lies in Business Process Outsourcing (BPO) or Information Technology Outsourcing (ITO), since the operational environment is virtually the same, as explained by Alsbridge's information comparing BPO and ITO.

ITO aims to reduce operational costs in the IT budget and access specialised labour. In comparison with BPO, the services involved are more mature and easily definable for third parties.

BPO aims to improve overall business performance, efficiency and productivity. This type of outsourcing has many more variations than ITO, but involves less capital investment.

When an organisation decides to externalise tasks, it must take into account that transitioning business processes is typically more difficult than transferring IT to third parties. Entering a client's BPO environment implies changes within an organisation and redesigning its processes, while ITO is more straightforward. Consequently, the pricing mechanisms for BPO are also more complex. Due to the nature of the services provided, BPO suppliers require more support and approval from the client.

It is easier to forecast the price and growth needs in IT outsourcing than with business process outsourcing. As an example, ITO transactions often include metrics that determine when it will be necessary to add MIPS (millions of instructions per second) or DASDs (direct-access storage device). However, it is less simple to determine when it will be necessary to hire a new employee, even if part-time, in a BPO transaction. The amount of calls to a help-desk in BPO transactions usually rises during the transition phase, therefore this should be duly budgeted beforehand.

The SLAs for BPO transactions are harder to define, because they may never have been measured or may be completely different from any other business process previously outsourced.

BUSINESS SERVICES DESTINATION: COUNTRY

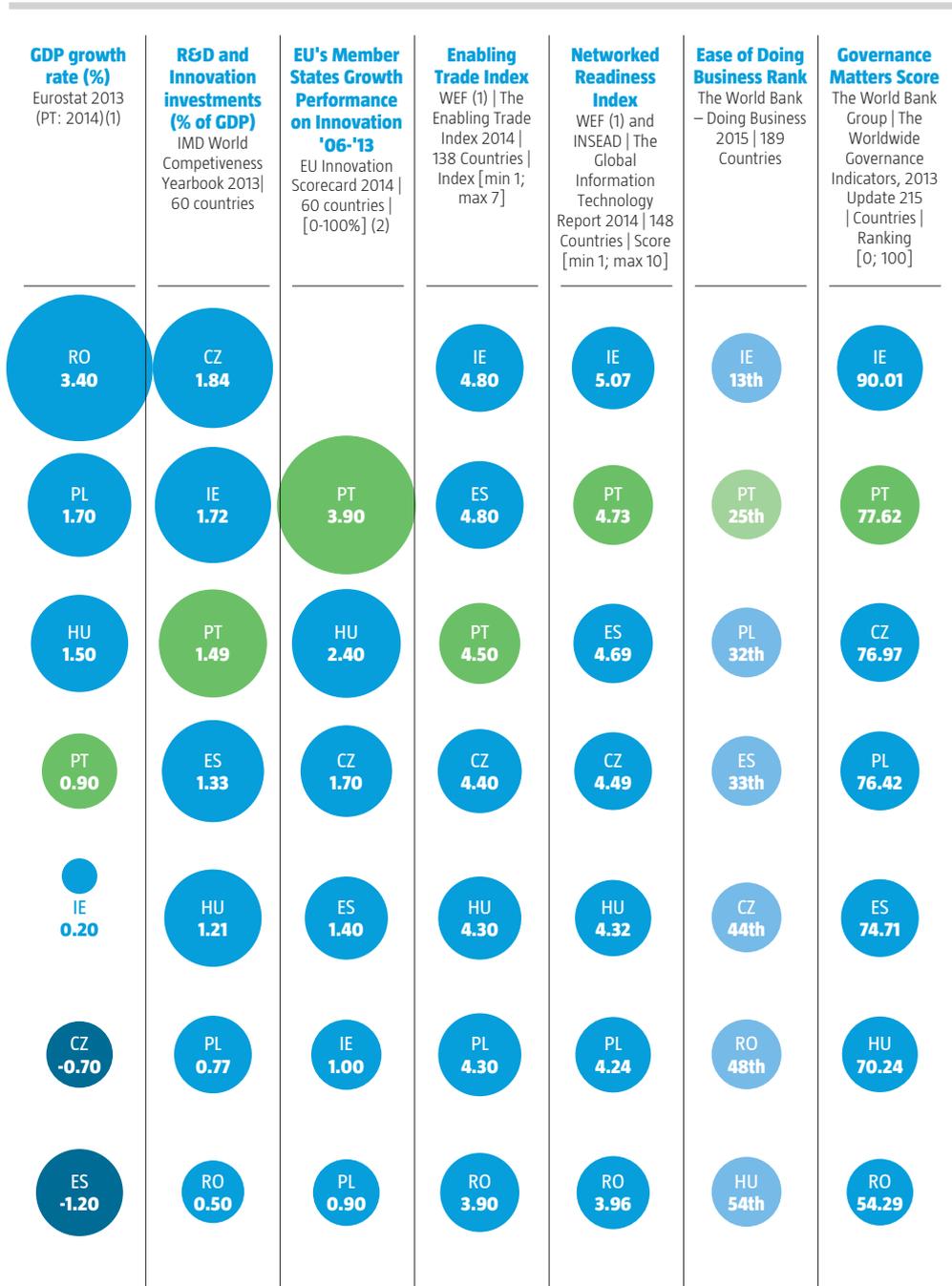
WHY DID YOU CHOOSE TO PROVIDE YOUR SERVICES FROM PORTUGAL?

“MOSTLY DUE TO THE NATIONAL ANCHOR PROJECTS THAT LEVERAGE INTERNATIONAL EXPANSION
GUIVE CHAFAI, head of marketing, Alcatel-Lucent Portugal

“PORTUGAL IS RELIABLE AND COMPETENT
JOÃO LOPES, country manager Atos IT Solutions and Services Portugal

“CONSIDERING THE UNIQUE CONDITIONS PORTUGAL OFFERS TO ATTRACT INVESTMENT TO NEARSHORE CENTRES, WE HAVE BEEN EXPORTING COMPETENCES FROM PORTUGAL TO OTHER COUNTRIES FOR SEVERAL YEARS, AND HELP PLACE PORTUGAL ON THE MAP AS A PRIME NEARSHORE CENTRE
ANTÓNIO RAPOSO DE LIMA, chairman, IBM Portugal

“SIBS PROCESSOS IS A COMPANY THAT IS 100% PORTUGUESE WHICH PREFERS TO PROVIDE SERVICES FROM PORTUGAL. OUR HUMAN CAPITAL IS FULLY QUALIFIED TO PROVIDE BPO & BTO SERVICES, SUPPORTED BY THE USE OF REAL-TIME CONTROL AND PRODUCTION MANAGEMENT TOOLS
SÉRGIO MORAES, managing director, SIBS Processos



Sources Associação Portugal Outsourcing (1) No 2014 data available for ES, CZ, IE, HU, PL and RO Values from 2014 edition; * = % change to previous year. (2) No data available for Romania



PORTUGAL IS ALREADY ON THE RADAR OF BUSINESS SERVICES

DID YOU KNOW...

- › HUMAN CAPITAL ISSUES REMAIN THE MOST IMPORTANT FACTORS IN SELECTING A LOCATION FOR A SSC
- › SIGNIFICANT INCREASE IN THE IMPORTANCE OF THE PROXIMITY TO HEADQUARTERS OR TO CURRENT OPERATIONS, PROVING THE IMPORTANCE OF NEARSHORING

Source "Global Shared Services Survey", Deloitte Consulting LLP, 2011 & 2013.

Does Portugal have the potential to become one of the best destinations to base shared services and value-added centres? This question is posed by Deloitte in the study «Shared Services Centre. Get the Global Picture».

We can confirm that Portugal is already on the radar, especially for outsourcing services delivered to foreign markets, namely Business Process Outsourcing (BPO) and Information Technology Outsourcing (ITO). In comparison with other markets, the overall business environment and economic stability, the infrastructures offered by the country, the quality and maturity of the existing resources and an affordable cost structure, place Portugal on the short-list of locations for enterprises to establish their shared services centres, particularly European multinationals. The country's regulatory framework is also considered an advantage.

Confirming this tendency, in its study "Leading Offshore Services Locations in EMEA, 2015: Nearshore Increases Despite Geopolitical Concerns", Gartner included Portugal in the top seven developed countries for technology-based services delivery in the Europe, Middle East and Africa (EMEA) region, for the fifth consecutive year, with countries like Ireland, Israel, Northern Ireland, Scotland, Spain and Wales.⁽¹⁾

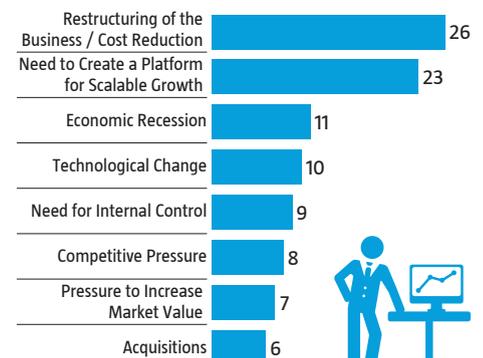
WHY DO COMPANIES DECIDE TO IMPLEMENT SHARED BUSINESS SERVICES?

Data collected by the Associação Portugal Outsourcing (Portugal Outsourcing Association), member of the Fórum dos Serviços (Services Forum), features business restructuring or cost reduction (26%) at the top of the motivations. This is followed by the need to create a platform for sustainable growth (23%). Portugal offers the conditions to satisfy these needs since it has the ideal conditions to be a Business Services Destination.

Compared with other European economies, Portugal combines, within a single country, a privileged location between three continents, political and economic stability, state of the art telecommunications and transport infrastructures, qualified human capital, more favourable salary and fiscal policies, as well as multiple competitive investment and hiring incentives.

Due to all of the above, Portugal must be considered an option when an enterprise is choosing a location to create or move its shared services, competence or research and development centres. Portugal features qualified and available professionals and the salary policies are quite attractive.

MAIN MOTIVATIONS TO IMPLEMENT A SSC % OF COMPANIES

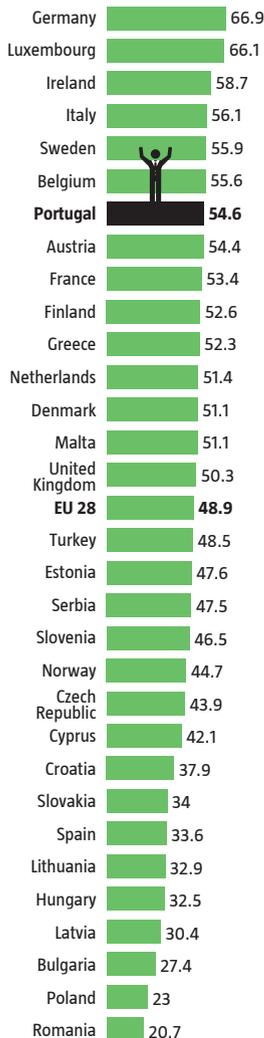


(1) Gartner's "Leading Offshore Services Locations in EMEA, 2015: Nearshore Increases Despite Geopolitical Concerns"; Published: 5 December 2014; Analysts: Ian Marriott, Gianluca Tramacere, Susanne Matson.

Source Global Shared Services Survey, Deloitte Consulting LPP, 2013

PORTUGAL IS ONE OF THE MOST INNOVATIVE COUNTRIES IN EUROPE

THE COMMUNITY INNOVATION SURVEY 2012, BY EUROSTAT, ANALYSES INNOVATION BOTH IN PRODUCTS AND PROCESSES, AND ORGANISATIONAL AND MARKETING ENTERPRISES



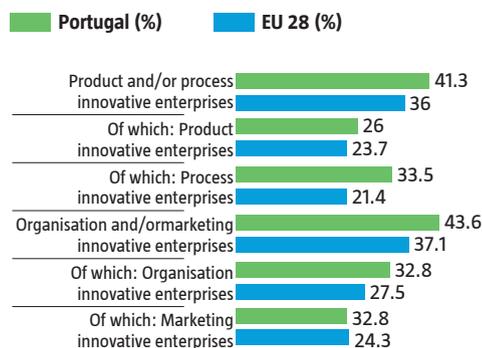
Source Eurostat 2010-2012, January 2015

INNOVATION COUNTRY

The Community Innovation Survey 2012, Eurostat’s latest study on innovation, highlights Portugal as one of the most innovative countries in the European Union. In 2010-2012, 54.6% of Portuguese companies with more than 10 employees were considered innovative. The average for EU 28 was 48.9%. Innovation in Europe reached a record high in 2008-2010 (52.8%), a time when more than 60% of companies in this country were considered innovative. Portugal occupies the seventh position behind countries such as Germany, Luxembourg and Ireland. Eurostat analyses innovation both in products and processes, and organisational and marketing enterprises.

INNOVATION ACTIVITIES IN PORTUGAL

Innovation activities, 2010-2012

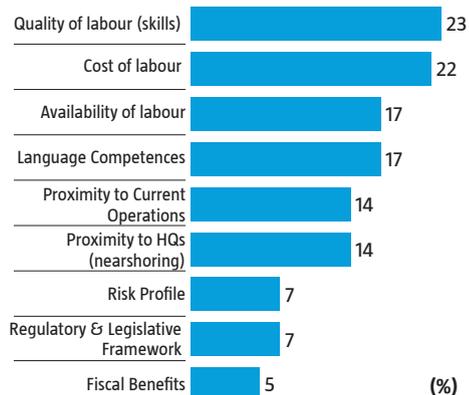


Source Associação Portugal Outsourcing

RESEARCH & DEVELOPMENT

1.4% of the Portuguese GDP is invested in research and development (2013) and 4.1% of the Gross Value Added originates from the ICT sector (2011), according to the OECD. The number of researchers in Portugal has increased greatly in the last decade. Currently, there are approximately 120 thousand researchers in Portugal. The number of patents originating in Portugal has been growing, although it is still below the OECD average. The OECD uses the Triadic patent family methodology to compare different countries. A triadic patent family is a set of patents registered in various countries to protect the same invention, accepted by three certifying entities: the European Patent Office (EPO), the Japan Patent Office (JPO) and the United States Patent and Trademark Office (USPTO). The triadic patent families are attributed to the country of residence of the inventor and to the date when the patent was first registered.

MOST IMPORTANT DECISION FACTORS



Source Associação Portugal Outsourcing

DID YOU KNOW...

- › THE COMMUNITY INNOVATION SURVEY 2012, EUROSTAT'S LATEST STUDY ON INNOVATION, HIGHLIGHTS PORTUGAL AS ONE OF THE MOST INNOVATIVE COUNTRIES IN THE EUROPEAN UNION
- › IN 2010-2012, 54.6% OF PORTUGUESE COMPANIES WITH MORE THAN 10 EMPLOYEES WERE CONSIDERED INNOVATIVE
- › THE AVERAGE FOR EU 28 WAS 48.9%. INNOVATION IN EUROPE REACHED A RECORD HIGH IN 2008-2010 (52.8%), A TIME WHEN MORE THAN 60% OF COMPANIES IN THIS COUNTRY WERE CONSIDERED INNOVATIVE
- › PORTUGAL OCCUPIES THE SEVENTH POSITION BEHIND COUNTRIES SUCH AS GERMANY, LUXEMBOURG AND IRELAND
- › EUROSTAT ANALYSES INNOVATION BOTH IN PRODUCTS AND PROCESSES, AND ORGANISATIONAL AND MARKETING ENTERPRISES

Source Eurostat 2010-2012, January 2015

PORTUGAL VS SPAIN, IRELAND, POLAND AND THE CZECH REPUBLIC

DELOITTE COMPARED SIX ASPECTS OF COMPETITIVENESS IN FIVE COUNTRIES: PORTUGAL, SPAIN, IRELAND, POLAND AND THE CZECH REPUBLIC. BASED ON A COMPARISON OF THE VARIABLES LABOUR QUALIFICATION, TECHNOLOGICAL READINESS, LABOUR COSTS, DIRECT AND INDIRECT TAXES, INFRASTRUCTURE AND REGULATION, THE CONSULTANCY CONCLUDED THAT:

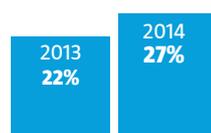


Source Deloitte Consulting, 2014

PORTUGAL ATTRACTIVENESS



Plans to expand operations next year

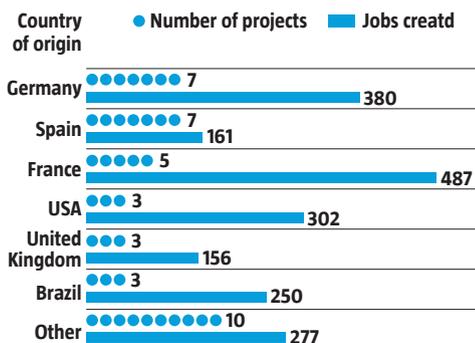


Foreign direct investment (fdi)

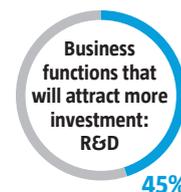


Origin of FDI

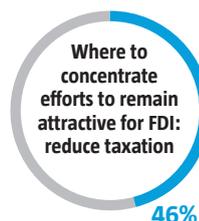
Country of origin of FDI projects:



Key sectors and business functions:



Improving attractiveness:



Source Source EY's Attractiveness survey Portugal 2014

REASONS FOR INVESTING IN PORTUGAL

WHY DID YOU CHOOSE TO PROVIDE YOUR SERVICES FROM PORTUGAL?



THE MAIN FACTORS THAT WEIGHED IN THE DECISION WERE THE EXPERIENCE ALTRAN PORTUGAL ALREADY HAD WITH NATIONAL AND INTERNATIONAL PROJECTS AND THE QUALITY OF THE HIGH NUMBER OF ENGINEERS

CÉLIA REIS, Managing Director, Altran Portugal



THE FACTOR THAT CONFIRMED OUR CHOICE WAS MAINLY THE QUALITY OF THE PORTUGUESE LABOUR MARKET, AS WELL AS THE RECOGNISED HIGH LEVEL OF TRAINING AND COMMAND OF FOREIGN LANGUAGES

CARLOS SOARES, Site Director, Armatis Lc



THE AVAILABILITY OF HUMAN CAPITAL WITH BASIC TRAINING, FLEXIBILITY AND PROFICIENCY IN THE LANGUAGES USED WITHIN THE GEOGRAPHIC SPHERE, AS WELL AS THE COST-EFFICIENCY RATIO, WERE DETERMINING FACTORS TO START OPERATING IN PORTUGAL

NUNO VASCONCELOS, Business Development, Geoban Portugal



PROXIMITY TO PARIS AND TO MOST EUROPEAN CENTRES WHERE WE OPERATE

TBC, BNP Paribas Securities Services

Outsourcing in Portugal represents approximately 1% of the national GDP. The market is worth about 1.3 billion dollars, according to data by Portugal Outsourcing, an association that aims to facilitate business and promote the country as a nearshore destination, both internationally and among national public entities. The information collected enables us to estimate that there are more than a hundred Business Services operating from Portugal, employing almost 40 000 FTE – Full Time Equivalent in Portugal.

Portugal offers all of the necessary conditions to accommodate every type of nearshore services centre. And, as the data collected for this guide confirms, it is already on the global map, as well as on the radar of multinational companies. The main reason is the availability of qualified human capital at a competitive salary level below the wages offered in other destinations, such as Ireland and Poland.

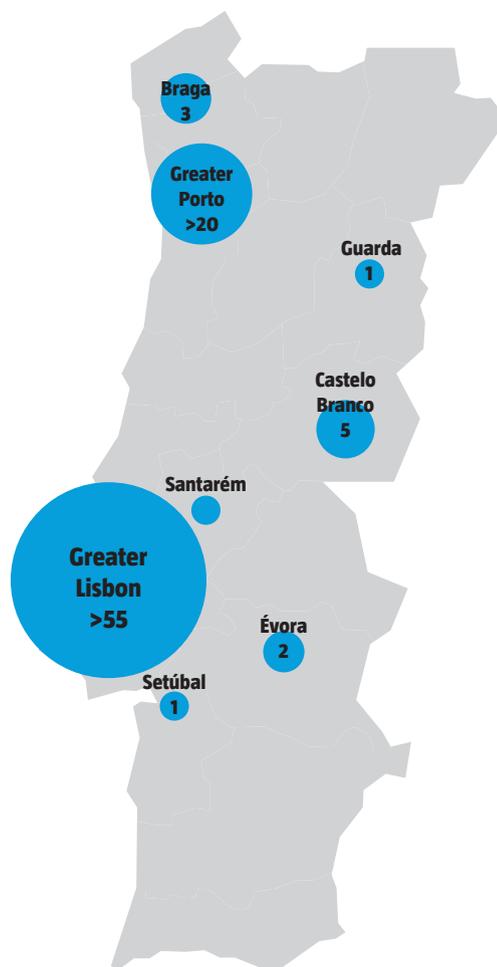
In 2015, Unit4 is investing in a new global delivery centre in Lisbon. The British embassy and the Euroscript Group chose Portugal as the location for their shared services centres, according to information by Fórum dos Serviços.

Throughout the year, new centres will be launched and others expanded. Concentrix is due to open a second centre, in Matosinhos, in the second quarter of this year. Microsoft is reinforcing competences in its services centre for Azure, with an additional 50 employees, and Cisco is investing in two new competence centres in Oeiras. Bosch is hiring 120 more people for the Braga centre. The most recent competence centre at Siemens, a company that employs a total of approximately 700 FTE in Portugal, was attained by the subsidiary at the end of last year and the group intends to hire 150 people throughout this year. In Oeiras, MSG Life, a company in the multinational MSG Group, will hire 10 people for the development centre for insurance software solutions, which delivers

to the North American and German markets. The real estate consulting firm Cushman & Wakefield has been approached to identify opportunities for office spaces in Portugal. The crisis may have postponed some investment, but interest remains and is getting stronger.

THE PLACE TO BE THERE ARE MORE THAN A HUNDRED BUSINESS SERVICES SITES OPERATING FROM PORTUGAL

SSC in Portugal >100 FTE: About 40 000



Source: Answers to the survey sent specifically for the preparation of this guide.



CAPGEMINI'S DECISION TOOK INTO ACCOUNT THE QUALITY OF THE TECHNICAL SKILLS IN ENGINEERING AND IT OF PORTUGUESE PROFESSIONALS FROM LEADING UNIVERSITIES, SUCH AS UNIVERSIDADE DE ÉVORA.

JORGE MARTINS, CEO,
 Capgemini Portugal



CELFOCUS IS A JOINT-VENTURE BETWEEN NOVABASE AND VODAFONE PORTUGAL. THIS ASSOCIATION ENABLED CELFOCUS TO CREATE AND DEVELOP SPECIALISED TELECOMMUNICATIONS SKILLS IN PORTUGAL AND APPLY THESE IN THE MARKET THROUGH VODAFONE PORTUGAL.

HENRIQUE CRAVO, Head Of
 Managed Services, Celfocus



THE DIFFERENTIATING FACTORS AND THE QUALITY OF OUR OPERATION POSITIONED US AS A CREDIBLE ALTERNATIVE TO TRADITIONAL OFFSHORE DESTINATIONS SUCH AS INDIA

JOSÉ CARLOS GONÇALVES,
 Senior Vice President, Cgi
 Southern Europe



COLLAB IS PART OF THE PORTUGUESE NOVABASE GROUP. FROM PORTUGAL WE CAN APPROACH CUSTOMERS IN ANY GEOGRAPHY WITH A DISTINCTIVE OFFER THAT IS HIGHLY COMPETITIVE

CARLOS VASCONCELOS, Vp
 Marketing, Collab

ATTRACTIVE HR QUALIFICATION

More than forty companies have chosen Portugal to set up their services platforms, as presented in the cases between pages 51 and 64. In this section, we summarise the main reasons presented by those organisations for installing BSC in this country.

And the company profiles couldn't be more diversified. From multinational enterprises that selected Portugal in the 1990s to Portuguese companies with international ambition (or not), the only common point is the location: Portugal. The panorama is varied. Companies of different sizes and operating in various sectors, creating their first centre or replicating know-how, working internally within a group of companies, or for external clients. The market is vast and diversified, as are the reasons that led these organisations to choose Portugal as their investment destination. Due to all of the examples presented, Portugal can now be considered a winning strategy. The offer includes nearshore and/or outsourcing centres, Shared Services Centres that provide IT outsourcing services (ITO), outsourcing services for business processing (BPO) or transformation, as well as centres for research and development or customer support.

These enterprises selected Portugal from a broad range of options, because they found this option credible, confirmed in practice by the theoretical studies and analyses provided by various market analysts for this Guide.

Portuguese companies whose market experience precedes the establishment of competence centres, as well as the multinationals, recognise the quality and skills of the human capital in general, and of engineers in particular, educated in Portuguese universities. Other aspects mentioned are the trust companies can place in employees and their capacity to build versatile teams, which often include technicians specialised in networks and hardware or software development. Investors also highlight the capacity

for innovation engraved in the Portuguese DNA. Aside from the technical skills, companies also guarantee that the language skills and proficiency in foreign languages are a Portuguese asset. This capability, along with the capacity to attract foreign labour, including young technology professionals, to Portugal, increases the capacity to communicate abroad.

Membership in the European Union, Euro Zone and on the Euronext stock market, are advantages especially underlined by Europe-based companies. Aside from the proximity issues (nearshore), the European location offers other advantages, such as sharing legal issues among member states, namely regarding data protection.

Good telecommunications and transport infrastructures are also mentioned by companies that invested in competence centres in Portugal. The relatively low operating costs are also valued. Companies highlight the relationship between management costs and the quality of the services delivered, emphasising the extremely competitive quality/price ratio of qualified human capital. The heads of multinational enterprises, especially those with headquarters in European countries, also mention the cultural affinity of the Portuguese with their corporate cultures, unlike in other locations such as India. Portuguese companies see competence centres on national soil as a facilitator for international expansion strategies, helping develop their business abroad. The sense of safety, stable social and political climate, as well as flexible labour laws, are qualities Portugal also offers.

PORTUGAL: A WINNING STRATEGY

WHY DID YOU CHOOSE TO PROVIDE YOUR SERVICES FROM PORTUGAL?



EXTREMELY HIGH LEVEL OF TECHNICAL PROFICIENCY COUPLED WITH EXTENSIVE EXPERIENCE AND EXPERTISE IN NETWORKING

PAT DIPIETRO, CEO, **Coriant**



WE DECIDED TO BASE OUR SERVICES IN PORTUGAL DUE TO THE ABILITY TO PROVIDE A HIGH LEVEL OF PRODUCTIVITY WITH VERY COMPETITIVE PRICING

MIGUEL TEIXEIRA, CEO, **Everis Portugal**



THE PORTUGUESE SUBSIDIARY SHOWED THAT ITS WORKFORCE HAD THE NECESSARY SKILLS, QUALIFICATION AND CERTIFICATION, TO ESTABLISH A DEDICATED SERVICE CENTRE IN THE COUNTRY

NUNO SANTOS, Managing Director, **Gfi Portugal**



THROUGH THE PROCESS OF DELIVERING SERVICES TO SEVERAL GEOGRAPHIES, IDENTIFYING PORTUGAL AS THE PRINCIPAL LOCATION CAME ABOUT NATURALLY

VASCO MENDES DE ALMEIDA, Director Of Technological Solutions & Outsourcing, **Indra**



QUALITY/PRICE RATIO (SALARIES)

PEDRO TEIXEIRA, Head Of Human Resources, **Tsed**

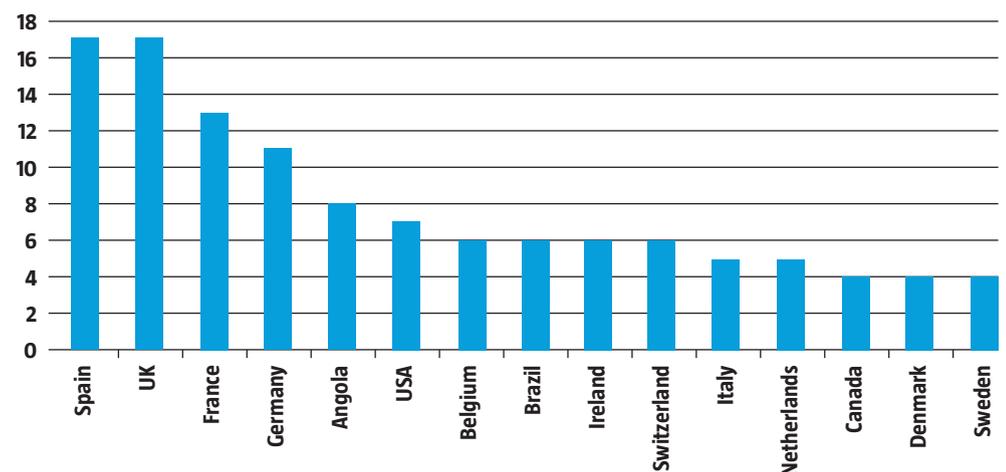
More than forty companies rose to the challenge presented by the Confederação de Comércio e Serviços de Portugal (Portuguese Commerce & Services Confederation) and the Services Forum, to answer a brief set of questions that, altogether, provide a firsthand account of the interest Portugal raises and the greatest advantages it offers. Without being too in-depth, the information was collected during the months of February and March. 54 enterprises were consulted, of which 41 responded to the survey on time.

Altogether, these companies operate in Portugal through more than a hundred shared services, IT or BPO outsourcing centres, as well as research and development centres, among others, centralised in a single location or distributed across several sites. Most of the business services models already have examples operating in Portugal.

Spread all across the country, these centres employ almost 40 000 people (FTE – Full Time Equivalent), many of whom are highly qualified, providing diversified and value added

services to countries all over the world. From Lisbon, Porto and other locations, the quality of services delivered from Portugal reaches Africa, Asia, Europe, the Middle East, Pacific, North and South America. As an example and to mention only one of the oldest cases, Siemens currently has 16 competence centres in Portugal. This multinational company provides a wide range of technological and business support services from Alfragide and Freixeiro (Matosinhos, in the Porto region), to Siemens companies in approximately 200 countries distributed across five continents. Over 50 destinations are identified in the survey answers. Due to their proximity, aside from Portugal, Spain and the UK are the destinations mentioned most often, followed closely by France and Germany. On other continents, Angola, USA, Canada and Brazil are among the countries where the centres in Portugal deliver the most services. More than thirty languages are used in the shared services centres in Portugal. English, Portuguese, Spanish and French are the

SOME OF THE COUNTRIES SERVED



Source: Answers to the survey sent specifically for the preparation of this guide.

“
LISBON IS AN EXCELLENT HUB FOR EUROPEAN MULTILANGUAGE SERVICE DELIVERY
 THOMAS GRIMM, Managing Director, [Livingbrands Portugal](#)

“
THE COSTS, THE SKILL SET, THE TIME ZONE AND THE CAPACITY TO DEAL WITH DIFFERENT CULTURES
 NÉLIA CÂMARA, Head Of Lisbon Rsc And Joana Pereira, Head Of Prt, [Mercer Portugal](#)

SOME OF THE LANGUAGES USED

English

Spanish

French

German

Italian

Dutch

Russian

Swedish

Norwegian

Polish



languages mentioned most often. However, a relatively high percentage of centres provides services in Dutch, Russian, Swedish, Norwegian and Polish as well. Some of the centres also use languages such as Mandarin, Romanian, Serbian, Slovenian, Hindi, Slovak, Slovakian, Thai and Ukrainian.

DIVERSIFIED SERVICES

Less than half the centres deliver only one type of shared service. The remainder provide at least two different types, such as BPO and ITO or BPO and R&D.

Most centres located in Portugal deliver Information Technology Outsourcing services, followed by Business Process Outsourcing. SSC generally occupy the third position. R&D and competence centres are beginning to have a significant presence.

The greater Lisbon area (approximately half of the centres) and greater Porto area (almost a quarter) are in the highest demand. But other districts such as Braga, Setúbal, Évora, Castelo Branco, Santarém, Guarda and Tomar are also among destinations chosen by outsourcing service providers. (More information on pages 70 & 71).

“
THE COMPANY IS PORTUGUESE
 JOANA LEAL, Executive Manager, [Prime It](#)

“
PORTUGAL OFFERS PRIME CONDITIONS TO DEVELOP INTERNATIONAL SERVICE PLATFORMS
[Randstad Portugal](#)

“
THE CHOICE OF PORTUGAL IS DUE TO TEAMS THAT ARE HIGHLY QUALIFIED IN THEIR FIELDS, A COUNTRY WITH THE RIGHT SYSTEMIC CONDITIONS, AND A TRACK RECORD OF SEVERAL SUCCESSFUL COMPETENCE CENTRES
[Siemens Communication Department](#)

“
PORTUGAL STOOD OUT DUE TO THE GEOGRAPHIC LOCATION, WHICH IS CENTRAL TO THE COUNTRIES WHERE THE SOLVAY GROUP OPERATES
 JORDI PUJOL, Sbs Managing Director Portugal And MARIANA COSTA, Sbs Communication, [Solvay Business Services Portugal](#)

“
PORTUGUESE CLIENTS, COST AND QUALITY OF THE SERVICE
 JOSÉ MANUEL DE OLIVEIRA HENRIQUES, Managing Director, [Tecnocom Portugal](#)

“
QUALIFIED POPULATION, FLUENT IN FOREIGN LANGUAGES, FLEXIBLE LABOUR LAWS; AND EASY TO ATTRACT FOREIGN LABOUR
 JOÃO CARDOSO, CEO, [Teleperformance Portugal](#)

“
PORTUGAL CAME AT THE TOP OF THE LIST BESIDE COUNTRIES LIKE POLAND AND BULGARIA
 GONÇALO LEITÃO, Executive Vice-President, [Unit4](#)

“
DUE TO THE BEST COST POSITION IN BUSINESS CASE, TO THE REASONABLE PAYBACK TIME, TO THE AVAILABILITY OF QUALIFIED PERSONNEL WITH ENGLISH AND GERMAN LANGUAGE SKILLS
 JOANA MARQUES, head of [Infineon Technologies Shared Service Center in Porto](#)

“
THE CHOICE OF LISBON WAS INFLUENCED BY THE PRESENCE OF SUCCESS FACTORS: COMPETITIVE SALARIES, QUALIFIED HUMAN CAPITAL AVAILABLE, WITH GOOD IT KNOWLEDGE
 PEDRO QUINTELA, Managing Director, [Xerox Portugal](#)

“
PT PORTUGAL IS BASED IN PORTUGAL. PT INFRASTRUCTURES, RESOURCES AND CUSTOMERS ARE ALSO LOCATED IN PORTUGAL.
[Pt Portugal](#)

“
DUE TO THE CAPACITY OF THE PORTUGUESE SUBSIDIARY TO ATTRACT THIS INVESTMENT INTO THE COUNTRY
 PATRÍCIA FERNANDES, Director Of Central Marketing, Public Relations And Communication, [Microsoft Portugal](#)

QUALITY EDUCATION AND QUALIFIED HUMAN CAPITAL

DID YOU KNOW... UNIVERSITY OF COIMBRA IS ONE OF THE OLDEST UNIVERSITIES STILL OPERATING? THE SCHOOL WAS CREATED ON MARCH 1ST 1290 BY KING DINIS

STUDENT MOBILITY, CULTURAL OPENNESS AND TOP SCHOOLS JOINING THE EUROPEAN UNION ENABLED THE DEVELOPMENT OF STUDENT MOBILITY. PROGRAMS LIKE ERASMUS HAVE EXHIBITED A POSITIVE PERFORMANCE SINCE THEIR INTRODUCTION

ERASMUS STUDENT MOBILITY:
 › **INBOUND: 8087 (+6.6%)**
 › **OUTBOUND: 5269 (+4.7%)**

DID YOU KNOW... UNIVERSITY STUDENTS IN THE EXCHANGE NETWORK CONSIDER LISBON A SAFE CITY? 86% FEEL SAFE AND WELL TREATED IN THE COUNTRY'S CAPITAL

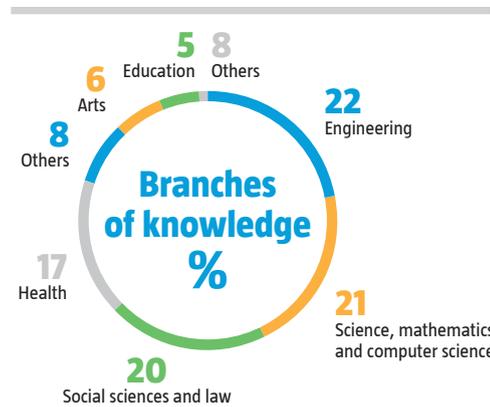
Portugal currently has a strong workforce, with a high level of academic training in multiple fields of knowledge, particularly in Business Management and Engineering. Despite the high level of qualifications and strong motivation of Portuguese professionals, salaries are quite competitive compared with other countries in the European Community. 40% of the population can carry a conversation in at least one foreign language and approximately a quarter of the Portuguese people speak at least two foreign languages. The most spoken languages in Portugal are English, French and Spanish, optional or mandatory disciplines throughout most of a student's compulsory education. Scientific production, research and development are also fields that have received the focus of both educational institutions and companies in the labour market. Currently, almost half (43%) of university students are enrolled in courses in technology fields.

QUALIFICATIONS

According to Eurostat, there are 87 thousand university graduates in Portugal, a quarter of which in the fields of science, technology, engineering and mathematics. 27% of Portuguese people between the ages of 25 and 34 speak at least two foreign languages.

A TRADITION IN HIGHER EDUCATION

The first Portuguese university dates back to the end of the 13th century, when King Dinis, the sixth Portuguese monarch, decided to found the first college, in Coimbra. At the end of the 20th century, higher education received a great boost. Public and private universities and polytechnic institutes grew, as did the number of students. Inclusion in the European Union also helped reinforce student mobility between European universities and those outside the EU, through programs like ERASMUS.



Source INE 2014 (2012/13 data)

WORLD CLASS PROGRAMS

PORTUGUESE UNIVERSITIES HAVE ESTABLISHED PARTNERSHIP PROGRAMS WITH RECOGNISED TEACHING INSTITUTIONS WORLDWIDE, IN VARIOUS FIELDS OF KNOWLEDGE:

- › CARNEGIE MELLON
- › FRAUNHOFER
- › HARVARD MEDICAL SCHOOL
- › MIT
- › UNIVERSITY OF TEXAS

INTEGRATION

PORTUGAL IS RANKED # 2 OUT OF 31 COUNTRIES IN THE MIGRANT INTEGRATION POLICY INDEX III 2011, EUROPEAN COMMISSION

CONFIRMED QUALITY

24TH BEST OVERALL HIGHER EDUCATION SYSTEM IN THE WORLD

8TH BEST HIGHER EDUCATION SYSTEM IN THE WORLD, ADJUSTED FOR THE COUNTRY'S LEVEL OF ECONOMIC DEVELOPMENT

Source U21 Rankings of National Higher Education Systems 2013

TOP BUSINESS SCHOOLS

25TH CATÓLICA LISBON SCHOOL OF BUSINESS AND ECONOMICS

28TH NOVA SCHOOL OF BUSINESS AND ECONOMICS

59TH PORTO BUSINESS SCHOOL

Source Financial Times (2014)

Portuguese students have a good command of the English language and a good level of academic qualifications, are flexible and have the capacity to solve new problems, and are committed to their work.

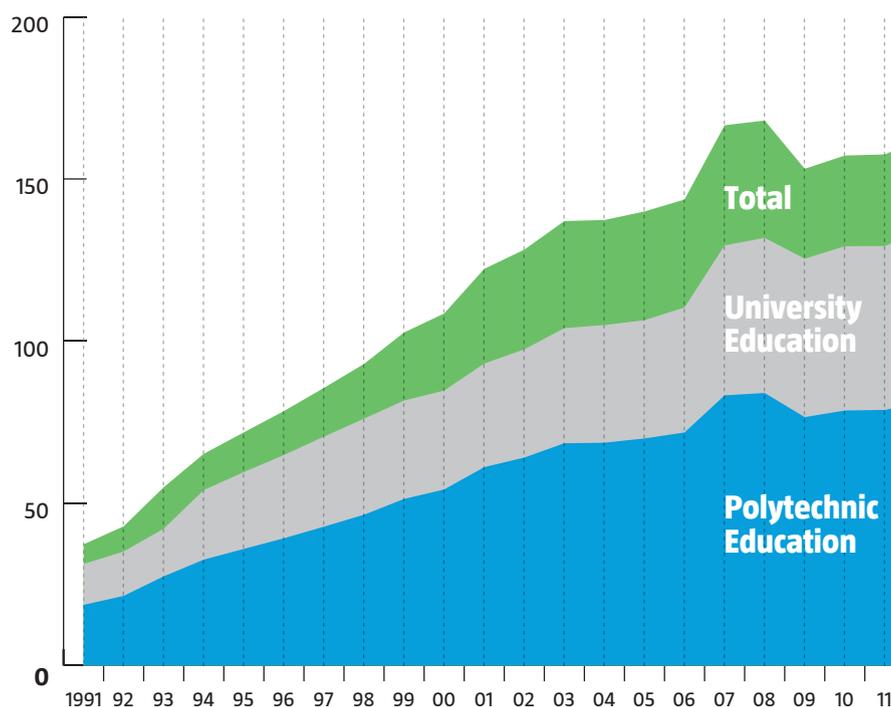
Portugal is the fifth European country with the most doctorates in science and technology per 1000 inhabitants (between the ages of 20 and 29).

Enrolment in higher education has undeniably increased in the past two decades. However, it has fallen since 2011. «Despite the recent drop, the number of total students today

symbolises a remarkable change in the panorama of education in Portugal that, in the mid-1960s had only about 25 000 students in higher education and in 1980 had just over 80 000 students», the Council of Deans of Portuguese Universities explains on its official website.

It should be noted that the number of graduates has not stopped rising. Approximately 80 thousand students graduate in Portugal each year.

HIGHER EDUCATION GRADUATES: TOTAL AND BY TYPE OF EDUCATION



Source Pordata - DGEEC/MEC - DIMAS/RAIDES

GREAT CAPACITY TO SPEAK FOREIGN LANGUAGES

As a rule, the Portuguese have a great capacity to learn foreign languages. Teaching foreign languages is encouraged in many schools, beginning in pre-school.

It is now compulsory for children to learn English in primary school, while 80% of secondary school students learn English and 63% learn French.

Aside from their regular education, 20% of the more qualified workforce obtains foreign language certificates from specialised language schools.

PRINCIPAL ORIGINS OF FOREIGN LANGUAGE RESIDENTS

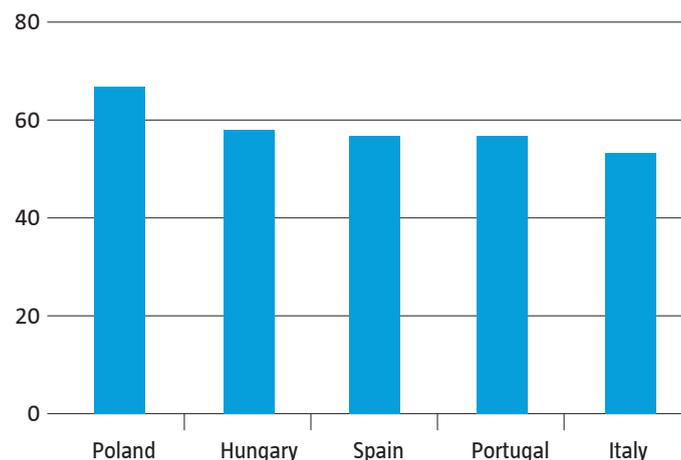
Approximately 400 thousand foreign citizens live in Portugal, most from official Portuguese-speaking countries (41.9%). The largest migrant communities are Ukrainian and Romanian who, along with the Moldavian community, represent a fifth of foreign language residents in Portugal. The Chinese population is one of the few that has been growing in Portugal. In 2013 it occupied the 6th position.

THE PORTUGUESE LANGUAGE

- 250 million Portuguese speakers represent about 3.7% of the world's population and hold approximately 4% of the total wealth;
- The eight Portuguese-speaking countries in the world occupy an area of 10.8 million square kilometres, approximately 7.25% of the land surface of the earth. All of them have large offshore platforms;
- Portuguese is the world's fourth most spoken language.
- Portuguese is the most spoken language in the Southern Hemisphere;
- Portuguese is the third most used language on Facebook and has registered the highest growth rate.

Source: Potencial Económico da Língua Portuguesa/ Camões - Instituto de Cooperação e da Língua.

ENGLISH PROFICIENCY



Portugal has a high level of English proficiency

21st out of 63 countries worldwide

18th out of 24 European countries

BUSINESS SERVICES

DESTINATION: COMPETENCES

WHY DID YOU CHOOSE TO PROVIDE YOUR SERVICES FROM PORTUGAL?

“THE EXCELLENT RESULTS OF OUR PROFESSIONALS WAS THE MAIN FACTOR THAT INFLUENCED THE CREATION OF THIS CENTRE IN LISBON.

SUSANA MATA, managing director, **Accenture Delivery Center in Lisbon**

“AVAILABILITY OF PROFESSIONALS WITH THE NECESSARY TECHNICAL SKILLS. PROXIMITY OF THE TIME ZONE WITH MOST EUROPEAN COUNTRIES, AS WELL AS BRAZIL AND POPULATION WITH THE NECESSARY PROFICIENCY IN LANGUAGES.

PAULA ADRIÃO, managing director, **Accenture Operations in Portugal**.

“DUE TO THE ABILITY TO BUILD VERSATILE, MOTIVATED AND QUALIFIED TEAMS THAT SPEAK SEVERAL LANGUAGES.

CARLOS BARROS, managing director, **Fujitsu Portugal**

“CISCO'S CHOICE TO OPEN THIS CENTRE IN PORTUGAL WAS BASED MAINLY ON THE AVAILABILITY OF QUALIFIED STAFF, THE COMMAND OF FOREIGN LANGUAGES, THE EXISTING TELECOMMUNICATIONS INFRASTRUCTURES AND OTHER FACTORS THAT CHARACTERISE THE PORTUGUESE, SUCH AS HOSPITALITY

NUNO VARANDAS, director of Operations Centres, **Cisco Portugal**

Labour Regulations IMD World Competitiveness Yearbook 2014 60 Countries Ranking [0;10]	Quality of Education System The Global Competitiveness Report 2014-2015 144 Countries (1)	Availability of Scientists & Engineers The Global Competitiveness Report 2014-2015 144 Countries (1)	Language skills IMD World Competitiveness Yearbook 2014 60 Countries Ranking [0;10]	English Proficiency TOEFL (IBT) TOEFL 2013 Score [0;120]	Local Availability of Specialised Research & Training Services The Global Competitiveness Report 2014-2015 144 Countries (1)	Public expenditure on education (% of GDP) IMD World Competitiveness Yearbook 2014 60 Countries
IE 6.68			PT 7.17	IE 96		PT 5.7
HU 6.12	IE 5th	PT 8th	PL 6.82	PT 95	PT 24th	PL 5.5
PT 5.14	PT 40th	ES 11th	RO 6.73	HU 92	IE 25th	IE 5.2
CZ 4.83	CZ 77th	IE 15th	CZ 5.31	RO 91	CZ 27th	HU 4.8
PL 4.69	PL 79th	CZ 55th	IE 5.04	CZ 91	PL 31th	CZ 4.8
ES 4.25	ES 88th	HU 56th	HU 3.08	PL 90	ES 35th	ES 4.5
RO 3.75	HU 96th	PL 62th	ES 3.05	ES 89	HU 85th	RO 3.0

Source Associação Portugal Outsourcing (1) No data available for Romania

ADVANCED TELECOMMUNICATIONS INFRASTRUCTURE

DID YOU KNOW...
THERE ARE CURRENTLY 19 MILLION MOBILE PHONE SUBSCRIBERS IN PORTUGAL, ALMOST TWO PER INHABITANT, ACCORDING TO DATA COLLECTED FROM ANACOM BY PORDATA?

The communications systems in Portugal are among the most advanced in the world. The Portuguese are early adopters and like to try out new technology. The country's relatively small size ends up being an asset for conducting countless pilot experiments.

In 2012, Portugal had the 4th highest reported broadband speed and occupied the 7th position for reported prices per megabit per second, also in broadband, according to the OECD.

FIXED BROADBAND CONTINUES TO RISE

Households with fixed broadband connections represent a great percentage of the total. Nonetheless, Portugal presents one of the highest growth rates of broadband penetration in family homes.

62.3%
of households have internet access at home (2013)

85.6%
of companies had fixed broadband connection in 2011 (June 2012)

66.7%
of households have access to a desktop or laptop computer, or other mobile device (2013)

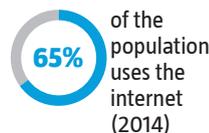
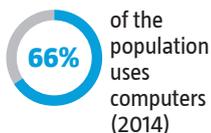
PORTUGAL HAS AS AN ENVIABLE TELECOMMUNICATIONS NETWORK, WHICH IS STILL GROWING

24.1
fixed broadband connections per 100 inhabitants

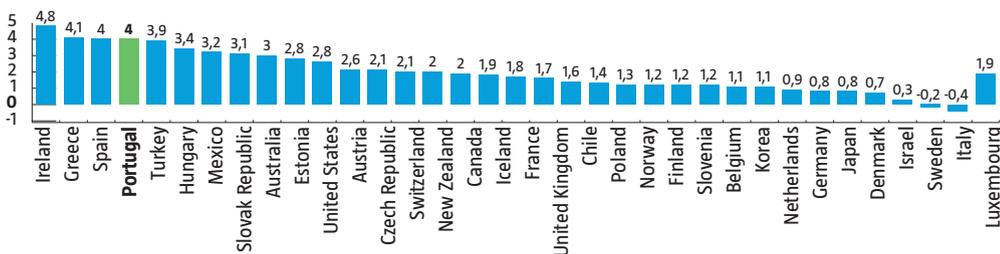
18.14%
fixed broadband subscriptions are fibre-based, which is above the OECD average (**16.65%**)

2.52 million
fixed broadband subscriptions

Fibre connections presented a growth of **26.52%** from 2012 to 2013



OECD fixed (wired) broadband penetration (per 100 inhabitants) percentage increase June 2013 - Dec. 2013, by country



Source INE/Pordata, OECD, Eurostat (June 2012)

BUSINESS SERVICES

DESTINATION: INFRASTRUCTURE

WHY DID YOU CHOOSE TO PROVIDE YOUR SERVICES FROM PORTUGAL?



QUALITY OF THE HUMAN CAPITAL, PRICE COMPETITIVENESS AND TECHNOLOGICAL QUALITY

Benedita Miranda, CEO, **Action Portugal**



WE HAVE COMBINED THE BEST CONDITIONS IN PORTUGAL (MODERN AND ADVANCE INFRASTRUCTURES FOR COMMUNICATIONS SYSTEMS, QUALIFIED AND SPECIALISED PROFESSIONALS WITH MULTILINGUAL SKILLS, AND LOWER COSTS THAN IN THE REST OF EUROPE) TO DELIVER OUR SERVICES TO MULTINATIONAL ORGANISATIONS

Horácio Negrão, BPS Leading Partner, **Deloitte Portugal**



NOVABASE IS A LEADING PORTUGUESE COMPANY IN THE NATIONAL MARKET. WE BELIEVE PORTUGAL OFFERS PRIME CONDITIONS TO EXPORT TECHNOLOGICALLY BASED SERVICES WHERE THE QUALITY OF OUR PROFESSIONALS AND THE CAPACITY FOR INNOVATION, MAKE A DIFFERENCE

Hugo Faria, head of brand ignition, **Novabase**



RAPID IMPLEMENTATION OF THE ACTUAL SERVICE CENTRES, TEAM TRAINING AND A GOOD COST/BENEFIT RATIO

Francisco Santana Ramos, CEO, **Reditus**

Communications Technology meets Business Needs IMD World Competitiveness Yearbook 2014 60 Countries (1)	Internet Bandwidth Speed (per internet user kbps) IMD World Competitiveness Yearbook 2014 60 Countries (1)	Availability of Latest Technologies in Your Country The Global Information Technology Report 2014 148 Countries Raking [0-148] (1)	Investment in Telecoms (% of GDP) IMD World Competitiveness Yearbook 2014 60 Countries [0 -100%] (1)	Intellectual property protection World Economic Forum The Global Competitiveness Report 2013-2014 148 Countries Ranking [1-7]	Quality of overall infrastructure World Economic Forum The Global Competitiveness Report 2013-2014 148 Countries Ranking [1-7]	e-Government Rank United Nations Global E-Government Survey 2014 193 Countries Ranking [0-100]
PT 14th	PT 10th	PT 15th	HU 0.53	IE 5.4	PT 6.1	ES 12th
CZ 24th	CZ 14th	IE 30th	PT 0.47	PT 4.5	ES 6.0	IE 22nd
ES 30th	IE 21st	ES 33th	PL 0.40	ES 4.0	IE 5.2	PT 37th
HU 33rd	ES 23rd	CZ 53th	CZ 0.38	HU 3.9	CZ 5.1	HU 39th
PL 39th	PL 29th	HU 57th	IS 0.38	CZ 3.8	HU 4.9	CZ 53rd
IE 42nd	HU 51th	PL 102nd	ES 0.35	PL 3.7	PL 4.0	PL 42nd
				RO 2.9	RO 3.4	RO 64th

Source Associação Portugal Outsourcing (1) No data available for Romania



INCENTIVES & INVESTMENT

PORTUGAL IS THE RIGHT PLACE TO INVEST

“

IN THE LAST WORLD ECONOMIC FORUM COMPETITIVENESS REPORT, PORTUGAL ROSE 15 POSITIONS, AND NOW STANDS AS THE 36TH MOST COMPETITIVE COUNTRY IN THE WORLD

“

WE INVITE ALL COMPANIES WHO WISH TO SET UP THEIR BUSINESS SUPPORT SERVICES ABROAD, TO DO IT IN PORTUGAL

Portugal has been correcting structural imbalances, such as the external and public accounts, and has been improving its competitiveness.

In the last World Economic Forum Competitiveness report, Portugal rose 15 positions and now stands as the 36th most competitive country in the world (out of 144). In addition, the World Bank's 'Doing Business' report ranks Portugal 25th among 189 countries.

This results from the implementation of more than 500 measures and structural reforms over the last years. The labour market reform, which increased flexibility, amendments to the judicial system in order to make justice swift and credible for investors, and the steps the country has taken in simplifying its Public Administration (according to the World Bank, Portugal is the easiest EU country to start a business online and requires only one procedure to register a property), are only three examples among many others. Another one is the recent corporate tax reform, which came into effect in 2014 and aims to implement one of the most favourable tax regimes in Europe by 2018, with a corporate income tax rate of about 17% (31.5% in 2013). The country is clearly on track to create one of the world's most competitive and business-friendly environments.

In some industries, like business services, which are increasing, we are already one of the best destinations worldwide.

If we look at the main reasons companies search for to set up their operations, our offer is very attractive: talent availability from a world-class science and university

system (we have three Portuguese Business Schools among Europe's best, according to the Financial Times ranking) at competitive costs, strong language skills, a customer service mindset, strategic location, high quality ICT infrastructure, competitive grants and incentives (e.g. for job creation, innovation and startup companies), and other intangible aspects such as hospitality, easy integration of foreigners and the image of being a pleasant and safe country to live in, are some of our competitive and distinctive attractiveness factors.

We invite all companies who wish to set up their Business Support Services abroad, to do it here, in Portugal. Portugal is the right place to invest, and this is the right time to do it. Aicep, the Portuguese Trade and Investment Agency, is a one-stop investment shop. A true facilitator (we are in the World Top 10 of Investment Agencies that better respond to investor requests, according to the World Bank). Approach us. We will do everything that can be done in order to help you in every phase of your investment process.

MIGUEL FRASQUILHO

Chairman, AICEP Portugal Global



THE TAX ENVIRONMENT IN PORTUGAL

HIGHLIGHTS

› PORTUGAL IMPLEMENTED A MAJOR CORPORATE INCOME TAX (CIT) REFORM (LAW 2/2014) IN ORDER TO PLACE THE PORTUGUESE TAX SYSTEM ON AN INTERNATIONAL PLAYING FIELD

› THE CIT REFORM FORESEES THE PROGRESSIVE REDUCTION OF CIT RATES TO, AT LEAST, 19% UNTIL 2016, AND THE MUNICIPAL AND STATE SURCHARGES SHOULD BE PHASED OUT IN 2018

› PORTUGAL HAS SIGNED 61 DOUBLE TAX TREATIES TO AVOID DOUBLE TAXATION ON INCOME AND CURRENTLY PRESENTS AN INTERESTING TREATY NETWORK

Source: EY

Consulting firm EY summarises the most important aspects of corporate income tax reforms that experts agree should bring a significant boost to investment in Portugal. A growing number of companies are choosing Portugal to invest in the centralisation of business functions in the form of Shared Services Centres (SSC).

MAJOR CORPORATE INCOME TAX REFORM

The key driver supporting the selection of new SSC locations is, in most cases, cost competitiveness, including tax issues. In 2014, Portugal implemented a major Corporate Income Tax (CIT) reform (Law 2/2014) in order to place the Portuguese tax system on an international playing field. The CIT reform includes several changes that aim to boost Portugal's attractiveness to investment, including new SSC projects, in the upcoming years.

In 2015, CIT in Portugal is levied at a rate of 21% on the taxable profit of SSC, increased

by a municipal surcharge of up to 1.5% (depending on the municipalities) and a state surcharge between 3% and 7%. Consequently, the maximum combined rate of the CIT and surcharges on companies is 29.5% (only applicable to taxable income above 35 million euros). However, the CIT reform foresees the progressive reduction of CIT rates to, at least, 19% until 2016, and the municipal and state surcharges should be phased out in 2018. Therefore, SSC may benefit from a more favourable tax environment in Portugal in the near future, as depicted in the table below. Moreover, the current CIT Code foresees that tax losses may be carried forward for 12 years.

Projected scenario	2014	2015	2016	2017	2018
Standard Tax Rate (%)	23	21	19	19	19
Additional – Municipal Surtax (0% to 1.5%)	1.5	1.5	1.5	1.5	0
Additional – State Surtax (%) - 1.5M€ to 7.5M€ of taxable income	3	3	3	0	0
Additional – State Surtax (%) - 7.5M€ to 35M€ of taxable income	2	2	2	2	0
Upper marginal rate (%)	31.5	29.5	25.5	22.5	19

Source: EY

DID YOU KNOW...

- › A SSC LOCATED IN PORTUGAL MAY BENEFIT FROM THE DEDUCTION OF FOREIGN-SOURCE INCOME TAXATION OVER THE SSC'S TAX LIABILITY
- › THE CIT REFORM INTRODUCED A VERY FAVOURABLE PARTICIPATION EXEMPTION REGIME WHEREBY A 100% DIVIDENDS-RECEIVED DEDUCTION IS GRANTED FOR DIVIDENDS RECEIVED FROM SUBSIDIARIES IN OTHER COUNTRIES
- › PORTUGAL OFFERS AN UNPRECEDENTED TAX ARBITRATION PROCEDURE WHEREBY TAX PAYERS MAY SETTLE THEIR DISPUTES WITH THE PORTUGUESE TAX AUTHORITIES WITHIN NO MORE THAN ONE YEAR, IN MOST CASES

Source EY

DOUBLE TAX TREATIES

An additional advantage is the wide range of double tax treaties available in Portugal, which enable SSC to avoid or reduce withholding taxation on the payment of services, royalties, interest or dividends to non-residents. Over the years, Portugal has signed 61 double tax treaties to avoid double taxation on income and currently presents an interesting treaty network. Considering the income inflows, a SSC located in Portugal may also benefit from the deduction of foreign-source income taxation over the SSC's tax liability, with a five-year carry forward period, and up to the amount of CIT attributable to the net foreign income (on a per-country basis).

This more beneficial Portuguese tax framework has placed the country on a competitive level with other European countries in the taxation item. We present below a table with a comparison between Portugal and other European countries, in respect to several tax indicators for 2015.

TAXATION ON DIVIDENDS, INTEREST AND ROYALTIES

Portugal imposes withholding taxation on the payment of dividends, interest, royalties or certain services and commissions, paid by companies to non-resident entities (e.g., group related entities). Most of these outflows are subject to withholding tax at the rate of 25% on the gross amount paid. However, this taxation, as foreseen by domestic regulations, may be eliminated or reduced under the rules established in the 61 existing DTT between Portugal and other countries.

	Portugal	Hungary	Ireland	Italy	Poland	Spain
Corporate Income Tax Rate (%)	21	19	12.5	27.5	19	28
Additional surcharges	Yes	No	No	Yes	No	No
Carry forward of tax losses (years)	12	Unlimited	Unlimited	Unlimited	5	18
Limitations to the use of tax losses against taxable income	yes	No	No	yes	yes	yes
Foreign tax relief	Yes	Yes	Yes	Yes	Yes	Yes

Source EY

DID YOU KNOW...

› **THE EUROPEAN COURT OF JUSTICE RULED THAT PORTUGUESE ARBITRAL TRIBUNALS DEALING WITH TAXATION ISSUES MAY BE CONSIDERED A COURT OR TRIBUNAL FOR THE PURPOSES OF ARTICLE 267 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION**

› **IA MORE STREAMLINED RELATIONSHIP WITH THE TAX AUTHORITIES, WHERE ALL FILINGS ARE CONDUCTED ELECTRONICALLY**

› **THERE IS AN INCREASING NUMBER OF CONTACTS FROM COMPANIES INTERESTED IN LOCATING SSC IN PORTUGAL**

Source EY

The CIT Reform introduced a very favourable participation exemption regime whereby a 100% dividends-received deduction is granted for dividends received from subsidiaries in other countries, except tax havens, provided certain conditions are met (e.g.: minimum 5% shareholding for a 24 month period). A withholding tax exemption also applies to dividends distributed to EU and EEA parent companies and to companies residing in treaty countries with tax cooperation agreements, owning (directly, or directly and indirectly through eligible companies) at least 5% of a Portuguese subsidiary for more than two years, provided certain conditions are met.

TAX ARBITRATION

Additionally, Portugal offers an unprecedented tax arbitration procedure whereby tax payers may settle their disputes with the Portuguese Tax Authorities within no more than one year, in most cases. The European Court of Justice ruled that Portuguese arbitral tribunals dealing with taxation issues may be considered a court or tribunal for the purposes of Article 267 of the Treaty on the Functioning of the European Union.

STREAMLINED RELATIONSHIP

Extensive eGovernment investments have resulted in a more streamlined relationship with the tax authorities, where all filings are conducted electronically. This advantage also applies to other areas, such as the possibility to create a new company in one day, and/or to update or record formal acts of commercial registry online with a 50% cost reduction and no need for physical presence. This also allows companies to submit financial and accounting information required by public bodies by submitting a single form, available online.

RECORD ATTRACTIVENESS

The 2014 edition of EY's Attractiveness Survey on Portugal includes a record-high result for the perception of the country's investment attractiveness by foreign investors. The recent tax and labour law reforms, coupled with other business-oriented measures, are likely to improve that result and are already leading to an increase in the number of contacts from companies interested in locating SSC in Portugal.

Disclaimer: This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Activity sector, investment location and other project characteristics may limit, totally or partially, the eligibility for incentives schemes. Please refer to your advisors for specific advice.

INCENTIVES APPLICABLE TO SHARED SERVICES CENTRES

HIGHLIGHTS

EMPLOYMENT INCENTIVES

- › EMPLOYMENT INTERNSHIP
- › EMPLOYMENT STIMULATION
- › EXEMPTION FROM SOCIAL SECURITY CONTRIBUTIONS
- › NON-HABITUAL RESIDENT TAX REGIME
- › NET JOB CREATION

The attractiveness of Portugal for Shared Services Centres (SSC) is driven by the portfolio of incentives that aim to support the implementation of such projects. EY highlights the incentives for job creation, training and investment performed in innovation and Research & Development (R&D). In the following paragraphs, we describe the most important aspects of the incentives that are expected to impact SSC business.

1. EMPLOYMENT INCENTIVES

EMPLOYMENT INTERNSHIPS

SSC taking interns who were previously unemployed, are eligible for a financial incentive that can extend up to 12 months and cover such costs as the trainee subsidy, a meal allowance and work insurance. The maximum incentive per trainee can go up to 656.15 euros per month (for highly-qualified trainees).

EMPLOYMENT STIMULATION

Companies hiring through permanent employment contracts are eligible for a financial incentive of 5 533 euros per job created, over a period of 12 months. The new hires must come from a situation of unemployment and must receive at least 50 hours of training, either on-the-job or from a certified entity. Fixed-term contracts are also eligible but the incentives are lower. The stimulation must result in a net increase in total employment and may be applied to the hiring of interns supported by the employment internships program.

EXEMPTION FROM SOCIAL SECURITY CONTRIBUTIONS

This incentive is available to SSC that hire young professionals looking for their first job (aged 16 to 30) or professionals coming from long-term unemployment. The employer/SSC is exempt from social security contributions (23.75%) for eligible employees, for a period of up to 36 months.

NON-HABITUAL RESIDENT TAX REGIME

This regime is available to individuals who move to Portugal and have not qualified as tax residents in the previous 5 years. This system is extremely beneficial for SSC foreign employees and is applicable for a period of 10 years. However, it is not automatic, and requires submission of a request to the Portuguese Tax Authorities. The regime comprises two main benefits:

- Tax exemptions applicable to most foreign source income even if, in some cases, such income is not taxed abroad;
- Liability of income derived from “high added-value” activities to a special tax rate of 20% (plus current extraordinary surcharge of 3.5%) without any cap on income earned. The “high added-value” activities are listed by the Portuguese tax authorities.

NET JOB CREATION

A tax incentive that increases by 50% the deductible costs with the eligible employees of the SSC, for a maximum period of 5 years. The incentive requires net job creation for young people (over 16 and under 35) or long-term unemployed professionals hired with open-ended employment contracts. The maximum annual increase in deductible costs, per net job created, represents 14 times the minimum wage (currently 505 euros).

FINANCIAL INCENTIVES

- › INITIAL INVESTMENT
- › TRAINING
- › RESEARCH AND DEVELOPMENT

Source EY

2. FINANCIAL INCENTIVES FOR INITIAL INVESTMENT, TRAINING AND R&D

In the 2014-2020 period, Portugal will receive a total of 25 billion euros of EU funding, to be allocated to public and private projects that are in line with the Europe 2020 Intelligent, Sustainable and Inclusive growth agenda. SSC projects that contribute to employment and compete in international markets could therefore be eligible for the incentives schemes being set up under the global Portugal 2020 umbrella. The final regulations have already started to be implemented and the process is expected to be completed in the first semester of 2015. These incentives schemes will cover such areas as:

- Initial investment, defined either as the acquisition of equipment or the salary costs of the initial two years of operations;
- Training, covering the expenses of trainers and trainees, incurred in training initiatives to reconvert, update and improve.

The incentives will normally take the form of an interest-free loan, which can be partially converted into a cash-grant depending on the performance of the project. Aid intensities could vary, depending on the project's characteristics and location, whereby the maximum applicable aid intensity must comply with EU limits (for most regions in Portugal, this limit is the equivalent of a 25% cash grant incentive).

Research and Development (R&D) activities are also eligible for incentives. Expenses involving personnel costs, relevant instruments and equipment, and additional general costs deriving from the R&D activities, could be supported through direct cash grants, ranging from 25% to 75% of eligible expenses.

3. TAX INCENTIVES

The new Investment Tax Code specifically foresees the possibility of SSC to benefit from two similar tax regimes that support new investments: the Contractual Tax Benefit (BFC) and the Investment Assistance Tax System (RFAI).

Both the regimes establish tax credits for investments in (i) Tangible fixed assets that are purchased new (with the exception of land, light passenger vehicles, furniture and decoration items) and (ii) investment in intangible assets. The tax credit comprises a CIT deduction of 10% to 25% of the eligible investment, and exemption or reduction of the real estate property tax, the real estate transfer tax and stamp tax associated with the investments. The investments must contribute to job creation and the total tax incentives granted may not exceed the value resulting from application of the maximum ceilings applicable to regional investments for the 2014-2020 period.

R&D activities could be eligible under the SIFIDE program, one of the most competitive in this area, which consists of a tax credit amounting to 32.5% of expenses incurred during the current tax year, plus an additional 50% of the incremental expenses from that period, in comparison to the simple average of the two previous tax years, with a limit of 1.5 million euros.

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LABOUR LEGISLATION: HIRING, MANAGEMENT & INCENTIVES

Portugal has introduced a set of reforms, namely in the labour market, to simplify administrative processes, facilitating the relationship between companies and citizens, and the State. In this sense, the hiring process in Portugal has become easier. The law firm VdA collected and summarised the main legal and judicial issues considered in the Labour Law for companies who intend to begin operating and recruiting in Portugal.

Find out about the hiring models available in Portugal, the mechanisms for work management and the hiring incentives in place, many of which were conceived to foster job creation in Portugal, and which will enable your company to implement a shared services centre, a business services or IT outsourcing centre, or even a research & development centre.

HIRING MODELS

TYPES OF CONTRACTS FOR SPECIFIC

RECRUITMENT NEEDS:

- › FIXED-TERM CONTRACT
- › TEMPORARY
- › MULTIPLE EMPLOYERS
- › COMMISSION OF SERVICE
- › TELEWORKING

WORK MANAGEMENT MECHANISMS

FLEXIBILITY IN THE MANAGEMENT OF HUMAN RESOURCES:

- › WORKING TIMES
- › WORKPLACE
- › POSITIONS

1. HIRING MODELS

Types of contracts for specific recruitment needs

- a. Fixed-term contract** Satisfies temporary needs, beginning of employment or new activity, and hiring of person seeking first job or long-term unemployed person.
- b. Temporary employment** Satisfies temporary needs through worker provided by temporary employment agency.
- c. Multiple employers** Providing work to several employers, simultaneously and under the same employment contract.
- d. Commission of service** For certain management or senior positions and the respective secretarial staff, with flexibility to terminate the contract.
- e. Teleworking** Working from outside the company, using information and communication technologies.

2. WORK MANAGEMENT MECHANISMS

Flexibility in the management of human resources

a. Working times

The possibility to concentrate working hours up to three / four days (concentrated schedules), respond to cases of activities that are discontinuous or of variable intensity (intermittent employment), increase the number of regular working hours per day or week (adaptability and hour bank systems) and exemption from working times or maximum limits of the normal working period (exclusion from working times).

b. Workplace

The ability to transfer workers to other workplaces, on a temporary or definitive basis.

c. Positions

Determining the hired activity in broad terms, including other positions that may be related or functionally associated, giving the company the ability to assign the worker temporary duties not included in that activity.

HIRING INCENTIVES

- › EMPLOYMENT INCENTIVE MEASURE
- › INTERNSHIP EMPLOYMENT MEASURE
- › EMPLOYMENT STIMULATION MEASURE

3. HIRING INCENTIVES**a. Employment incentive measure**

Scope Employment contracts entered into after 1 October 2012, very short-term contracts.

Benefit 1% of the worker's monthly salary, until 30 September 2015 (or until the end of the contract, if before that date).

b. Internship employment measure

Scope Internships to introduce young workers into the labour market or for the vocational retraining of unemployed persons.

Benefit Cost shared by IEFP – Instituto de Emprego e Formação Profissional (Portuguese employment and training institute):

- I. Internship grant (65% to 95% of the value of the grant);
 - II. Meal allowance (4.27 euros / day);
 - III. Transport allowance (up to 41.92 euros / month, in specified cases);
- Premium for insurance against work accidents (13.82 euros / month).

c. Employment stimulation measure

Scope: Hiring of unemployed persons registered at the IEFP, with an open-ended or fixed term contract with a term of six months or more.

Benefit: Financial support in the amount of:

- I. $1.1 \times \text{SSI}^{(*)} \times 12$ (currently 5 533.70 euros), for open-ended contracts
- II. 80% of the SSI x half the number of months of the term of the contract, up to a maximum of six months (currently 2 012.25 euros), for fixed term contracts. This support is calculated using 100% of the SSI when hiring specific types of unemployed persons, such as young workers under the age of 30, long-term unemployed persons or unemployed workers over the age of 45.

(*) SSI is the Social Support Index. This value serves as the basis for calculating welfare payments. It is established by the government every year. In 2015 it stands at 419.22 euros.

HIGH UNEMPLOYMENT: BIG OPPORTUNITY

DID YOU KNOW...

- › LESS FOUR PUBLIC HOLIDAYS SINCE 2013
- › OVERTIME PAY REDUCED BY 50% AND EMPLOYEES ARE NOT ENTITLED TO RECEIVE TIME OFF IN LIEU
- › NEW RULES FOR LAYOFF TO REDUCE DEADLINES
- › THE HOUR BANK SYSTEM DURING PRODUCTION PEAKS CAN BE NEGOTIATED DIRECTLY WITH THE WORKERS
- › DISMISSAL FOR INADEQUACY TO WORK IS NOW POSSIBLE
- › COMPENSATION FOR DISMISSAL DECREASES TO THE AVERAGE EUROPEAN UNION LEVEL (12-18 DAYS);
- › TRIAL PERIOD - 15 TO 240 DAYS ACCORDING TO JOB SPECIFICATIONS

Source AICEP

Due to the economic and financial crisis, as well as international intervention, unemployment in 2013 reached a record high of 16.2%, particularly among youths under the age of 25 where it attained 38.1%.

According to the most recent data from INE (National Statistics Institute), in 2014, the unemployment rate dropped to 13.9% and was 34.8% among youths. Approximately 10% of the unemployed population has higher education.

According to information collected by AICEP, in August 2014, there was qualified human capital available in the fields of Civil and Construction engineering, Electronics and

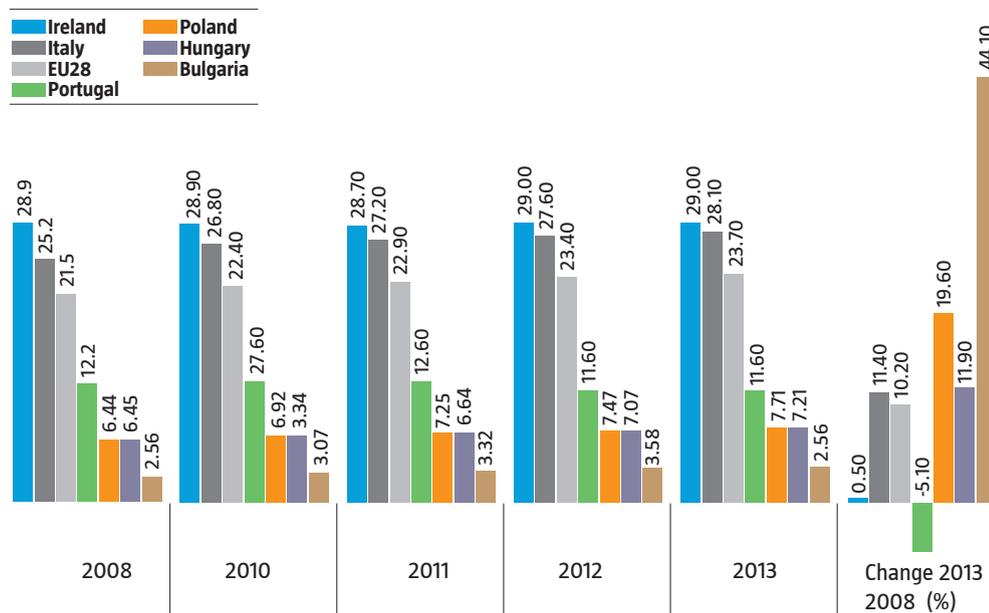
Telecommunications, Mechanics, Chemistry and Electricity, and Environmental Studies.

IN 2014, LABOUR COSTS IN PORTUGAL MAINTAINED A DOWNWARD TENDENCY

The Labour Cost Index fell 8.8% in the last quarter of 2014 compared with the same period in the previous year, after rising slightly in the preceding quarter, according to INE.

The two main components in the cost of labour are wage costs and other associated costs (such as per actual hour worked). The former decreased by 9.7%, while the latter dropped 5.8% compared with the same period in the year before.

SALARIES IN EUROPE



Source Eurostat. Values for Bulgaria, Hungary & Poland, converted on 3 march 2015

SALARIES IN PORTUGAL

OUTSOURCER REMUNERATION MODEL

Per request resolved

3

Other

6

Per quality objectives

9

Per request

12

Per cost of employee

12

Per call

29

Per hour

29

Source Randstad

Salaries in Portugal are competitive. The human capital is qualified. Education in Portugal is internationally recognised and many of the most prestigious international higher education institutions have partnerships with national schools in the fields of management, engineering and technologies. Many newly graduated young Portuguese professionals have emigrated in recent years, a trend that may remain. This tendency is corroborated by the consulting firm Hays, which states that «79% of qualified professionals admit they would consider working abroad», many of whom are trained in the technological fields.

In contrast, Portuguese people working abroad want to return. According to Hays, 75% of the expatriates consulted admit they intend to return, and 36% of those consider doing so within the next two years. These are young people who used the past few years to acquire professional experience, as well as language and cultural skills, also broadening their informal contact networks.

At the same time, the high unemployment rate in Portugal, particularly among young people, and the amount of graduates seeking their first job, means there is a readily available pool of highly qualified professionals while the first signs of economic recovery emerge.

And there are opportunities all over the country. According to Hays, 70% of employers intend to recruit this year, an «indicator that an extremely dynamic period lies ahead for the Portuguese labour market». And Portugal needs and wants to attract and retain talent.

Young people want: a good work environment, an interesting salary offer and a career plan. Portugal is addressing the issue of attracting talent on several fronts. Within the European Commission's activities, Portugal has joined the Grand Coalition for Digital Jobs, which aims to oppose the lack of digital competences in Europe and fill work positions in the Information and Communications Technology fields in every economic sector.

In Portugal, the Coligação Nacional para o Emprego Digital (CDNJobs-National Coalition for Digital Jobs) is promoted by the Fundação para a Ciência e a Tecnologia (FCT-Foundation for Science & Technology) and by the Calouste Gulbenkian Foundation (*).

The goal of the national coalition is to keep talent in the technological sector in Portugal, as well as to requalify and recycle qualifications among Portuguese talent and attract generators of digital jobs to the country.

Globally, the Grand Coalition for Digital Jobs aims to address the high level of unemployment in Europe, which contrasts with the lack of ICT professionals. This scenario emphasises the incongruity between the supply and demand for human capital in the rapidly developing technologies market. If nothing is done, the European Commission warns that Europe may need 900 thousand ICT professionals in 2020, thereby compromising the continent's digital growth potential and competitiveness.

(* This initiative was joined by the Associação Portuguesa para o Desenvolvimento das Comunicações (APDC-Portuguese Association for Communications Development), Associação Portugal Outsourcing, Pólo de Competitividade das Tecnologias de Informação, Comunicação e Electrónica (TICE-PT-Centre for IT, Communications & Electronic Competitiveness), Instituto de Emprego e Formação Profissional (IEFP-Employment & Vocational Training Institute), Direcção Geral de Ensino Superior (DGES-Directorate General for Higher Education), Agência Nacional para a Qualificação e o Ensino Profissional (ANEQ-National Agency for Qualification & Vocational Education), Associação Empresários pela Inclusão (EPIS-Association of Entrepreneurs for Social Inclusion), European Centre for Women and Technology (ECWT), Confederação Empresarial de Portugal (CIP-Confederation of Portuguese Business) and the Associação Empresarial de Portugal (AEP-Portuguese Entrepreneurial Association).

DID YOU KNOW...

- › COMPARED WITH 2012, THE AVERAGE WAGE FOR CONTACT CENTRE OPERATORS DROPPED 5% IN 2013, TO 683 EUROS
- › COMPARED WITH 2012, IN 2013 THE AVERAGE WAGE FOR SUPERVISORS DECREASED APPROXIMATELY 1% TO 1012 EUROS
- › IN TERMS OF OUTSOURCING, THE PRINCIPAL REMUNERATION MODELS OPERATE PER HOUR (29%) AND PER CALL (29%), FOLLOWED BY REMUNERATION PER EMPLOYEE (12%) AND PER REQUEST (12%)

Source Associação Portuguesa de Contact Centers/Randstad

DID YOU KNOW...

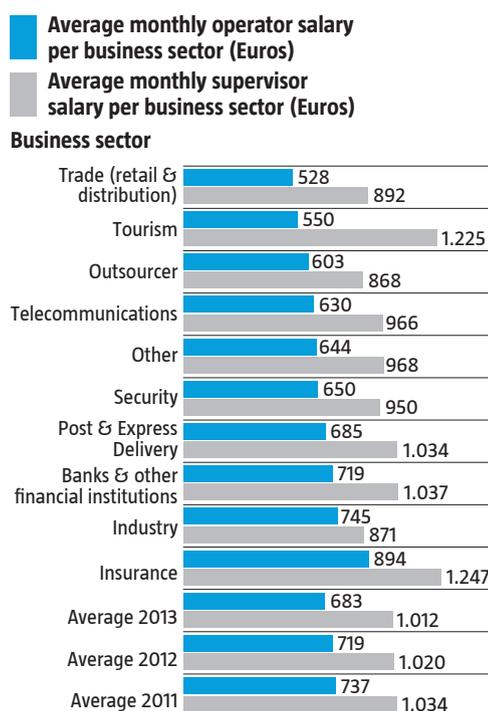
- › SEVEN OUT OF TEN WORKING PROFESSIONALS CONSIDER THE POSSIBILITY OF CHANGING JOBS IN 2015. PROSPECTS FOR CAREER ADVANCEMENT (69%), MORE INTERESTING PROJECTS (68%) AND A BETTER PAY PACKET (60%) ARE AMONG MOTIVATIONS FOR JOB CHANGE
- › THE REASONS THAT MOST INFLUENCE THE RETURN TO PORTUGAL ARE THE DESIRE TO LIVE IN PORTUGAL (61%) OR AN INTERESTING OR INNOVATIVE PROJECT (58%)

Source Hays

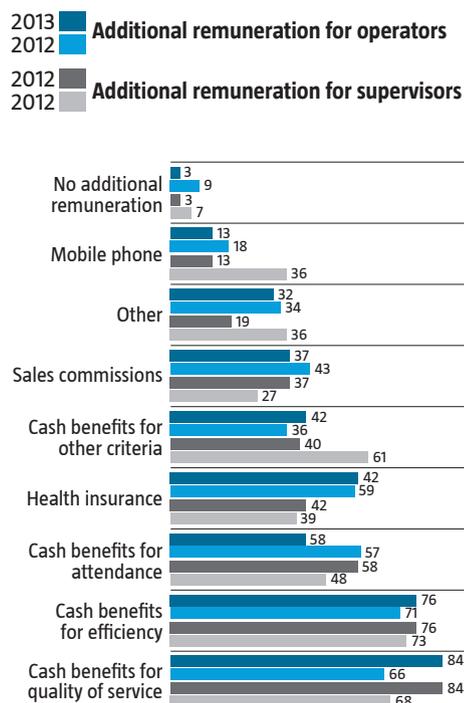
In another respect, the Portuguese government is developing solutions to support migrant populations, among which we highlight the Plano Estratégico para as Migrações migration strategic plan (2015-2020), which «identifies and coordinates the current challenges in terms of integration, inclusion, attraction and return» of Portuguese emigrants. This package includes measures such as the Programa Valorização do Empreendedorismo Emigrante (VEM-Emigrant Entrepreneurship Support Program) and incentives to hire unemployed emigrants. This strategic plan will be sustained by the Portugal 2020 partnership agreement between Portugal and the European Commission. Portugal 2020 brings together the five European

Structural Investment Funds (ERDF, Cohesion Fund, ESF, EAFRD and EFF) and defines the programming principles that establish the policy for economic, social and territorial development in Portugal between 2014 and 2020. According to recent data by Eurostat, on average, salaries in Portugal dropped 5.10% over the past years and the average salary in Portugal is below the average wages paid in the European Union. Despite the remuneration value surpassing other countries such as Poland, Hungary and Bulgaria, we must note that the salaries in these destinations have been displaying a dramatic upward tendency – which is not happening in Portugal.

AVERAGE SALARIES



Source Randstad



AVERAGE SALARIES FOR INFORMATION TECHNOLOGY PROFILES

Account Manager (equipment & hardware)

Experience	Lisbon	Porto
2 to 5 years	21000	19000
> 5 years	28000	25000

Account Manager (solutions & services)

Up to 2 years	25000	23000
3 to 5 years	27000	26000
> 5 years	32000	32000

Database Administrator

Up to 2 years	25000	21000
3 to 5 years	35000	28000
> 5 years	40000	33600

Systems Administrator

Up to 2 years	20000	19000
3 to 5 years	25000	23000
> 5 years	28000	28000

Programmer Analyst

Up to 2 years	21000	16800
3 to 5 years	25000	21000
> 5 years	30000	28000

Solutions Architect

Up to 2 years	34000	25200
3 to 5 years	38000	30800
> 5 years	40000	35000

Business Developer

Up to 2 years	31000	21000
3 to 5 years	35000	28000
> 5 years	37000	35000

BI Consultant

Up to 2 years	21000	20000
3 to 5 years	30000	26000
> 5 years	35000	30000

ERP Consultant

Up to 2 years	24000	19600
3 to 5 years	28000	25000
> 5 years	30000	28000

Functional Consultant

Up to 2 years	21000	19600
3 to 5 years	28500	23800

Security Consultant

Up to 2 years	24000	21000
3 to 5 years	33000	28000
> 5 years	40000	32000

Web Designer

Up to 2 years	17000	14000
3 to 5 years	20000	18200

Sales Manager

Up to 2 years	40000	35000
3 to 5 years	45000	40000
> 5 years	60000	50000

IT Manager

3 to 5 years	40000	35000
> 5 years	45000	40000
> 10 years	60000	50000

Technical Director

3 to 5 years	50000	50000
> 5 years	65000	60000
> 10 years	70000	65000

Pre-sales Engineer

Up to 2 years	23000	21000
3 to 5 years	32000	28000
> 5 years	40000	35000

Applications Manager

Up to 2 years	20000	19000
3 to 5 years	24000	22000
> 5 years	28000	25000

Project Manager

Up to 2 years	30000	25000
3 to 5 years	37000	31000
> 5 years	39000	37000

Project/Implementation Manager

Up to 2 years	35000	30000
3 to 5 years	45000	40000
> 5 years	55000	50000

Communications Network Manager

Up to 2 years	21000	19000
3 to 5 years	28000	24000
> 5 years	36000	29000



Technical Project Manager

Up to 2 years	40000	30000
3 to 5 years	45000	40000
> 5 years	60000	45000

Internal Sales

Up to 2 years	20000	17000
3 to 5 years	26000	21000

Key Account Manager

Up to 2 years	35000	30000
3 to 5 years	40000	38000
> 5 years	52000	45000

Business Unit Manager

Up to 2 years	50000	45000
3 to 5 years	65000	50000
> 5 years	75000	60000

Programmer

Up to 2 years	23000	17500
3 to 5 years	26000	23000

Web Programmer

Up to 2 years	20000	16800
3 to 5 years	23000	19600

Mobile Programmer

Up to 2 years	23000	21000
3 to 5 years	30000	28000

Team Leader

Up to 2 years	29000	28000
3 to 5 years	33000	32000

IT Technician/Helpdesk

Up to 2 years	16000	14000
3 to 5 years	22000	19000

Network Technician

Up to 2 years	18000	16100
3 to 5 years	23000	19600

TELECOMMUNICATIONS

Account Manager

Up to 2 years	26000	22000
3 to 5 years	32000	29000
> 5 years	37000	34000

Sales Manager

Up to 2 years	55000	50000
3 to 5 years	63000	55000

Network Operations Engineer

Up to 2 years	23000	20000
3 to 5 years	29000	24000
> 10 years	35000	30000

Network Planning Engineer

Up to 2 years	22000	20000
3 to 5 years	30000	28000
> 10 years	35000	32000

Pre-sales Engineer

Up to 2 years	25000	21000
3 to 5 years	29000	26000
> 5 years	34000	30000

Technical Support Engineer

Up to 2 years	21000	19000
3 to 5 years	27000	23000

Telecommunications Engineer

Up to 2 years	23000	21000
3 to 5 years	27000	24000

Project Manager

Up to 2 years	32000	28000
3 to 5 years	38000	34000
> 5 years	43000	38000

Network Manager

Up to 2 years	21000	19000
3 to 5 years	26000	23000
> 5 years	31000	28000

Business Unit Manager

Up to 2 years	42000	38000
3 to 5 years	50000	45000
> 5 years	55000	50000

RISING COMPETITIVENESS

THE RIGHT PLACE TO INVEST

ACCORDING TO DELOITTE CONSULTING, PORTUGAL IS THE COUNTRY IN THE SECOND BEST POSITION TO ACCOMMODATE SHARED SERVICES CENTRES. THE STUDY 'SHARED SERVICES CENTRE - GET THE GLOBAL PICTURE' STATES THAT THE COUNTRY'S DIFFERENTIATING FACTOR IS COST OF LABOUR. DELOITTE HIGHLIGHTS THAT, OF THE ECONOMIES ANALYSED, PORTUGAL IS THE COUNTRY THAT OFFERS THE MOST COMPETITIVE RELATIONSHIP BETWEEN GROSS SALARIES AND THE COST PER EMPLOYEE. IN THE STUDY, PORTUGAL OCCUPIES THE SECOND POSITION, AFTER IRELAND, REGARDING INDIRECT TAXATION. HOWEVER, IT IS THE MOST COMPETITIVE COUNTRY IN TERMS OF OFFICE RENTS

Companies choose to use Shared Services Centres when they need to restructure their business or create a platform for sustainable growth.

However, the decision is not made at any price. The cost of labour is one of the main decisive factors, but without compromising the quality or availability of human capital in the fields where they intend to centralise or outsource. Portugal presents undeniable advantages in this area, which is corroborated by more than forty enterprises that have already chosen Portugal to establish their global competence centres, their Business Processes Outsourcing and IT Outsourcing operations, research and development centres and contact centres.

In the Global Competitiveness Index 2014-2015, Portugal is considered one of the 37 Innovation-driven countries, along with economies like Australia, Estonia, Japan, Norway, Spain, Switzerland and the USA. Portugal is the 36th most competitive economy in the world, according to this analysis of 144 countries conducted by the World Economic Forum.

The WEF included Portugal in the group of countries that is adopting and implementing the necessary reforms to become more competitive. The organisation commends the ambitious program this country has taken on, and which is already bearing fruit, especially in the tradable goods market (44th position). The WEF also highlights the transformations that have made it easier to start a business (5th position) and the flexibility of the labour market.

In 2014, the IMD World Competiveness Center named Portugal the 43rd most competitive economy on the planet, rising three positions since the study performed the previous year.

Portugal also has one of the most talented

populations in the world. The country occupies the 33rd position in the IMD World Talent Ranking, also regarding 2014. The cost of living in Portugal is relatively low compared with other countries on a global scale. According to the IMD World Talent Ranking, the cost of living in Portugal (18th lowest) is substantially lower than in Brazil (48th position), the Netherlands (43rd) and Spain (29th).

FOREIGN DIRECT INVESTMENT

In 2012, the number of foreign investment projects decreased approximately 16%, explains a study by Deloitte (Shared Services Centre - Get the global picture, 2014). Portugal also registered a reduction, but the drop (8.9%) was less pronounced than the global average. Altogether, Portugal totalled a FDI above 39.3 billion euros. Globally, investment projects initiated before increased from 11% in 2008 to 23%, which reflects the focus on reinforcing investment in existing locations. Financial and business services, and the Information and Communication Technologies sector represent approximately 44% of the FDI projects.



BUSINESS SERVICES DESTINATION: COSTS

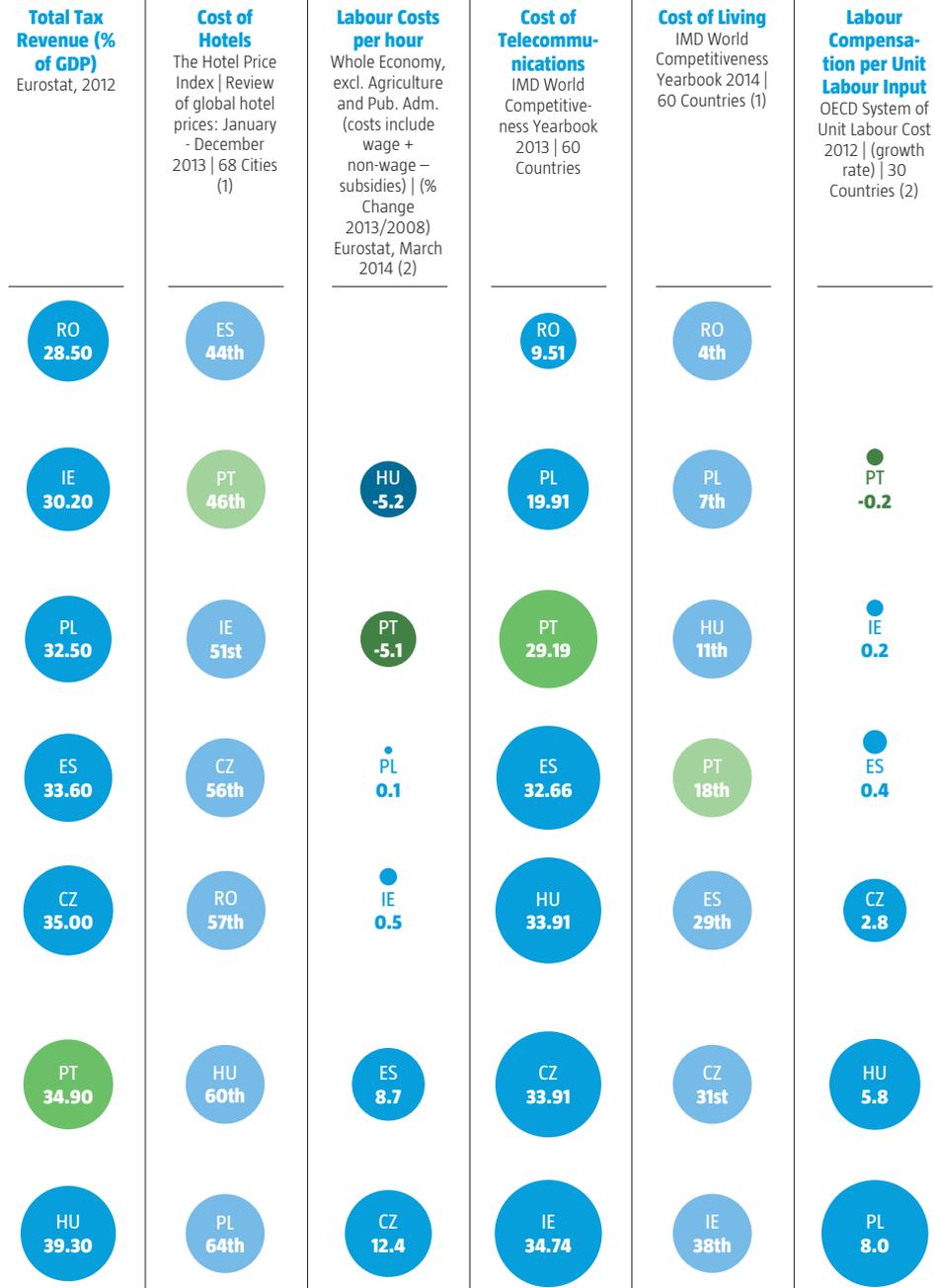
WHY DID YOU CHOOSE TO PROVIDE YOUR SERVICES FROM PORTUGAL?

“FOREIGN INVESTMENT IS STRONGLY SUPPORTED BY THE PORTUGUESE GOVERNMENT, WITH AN ESTABLISHED SET OF INCENTIVES
 AHMED ABOULEZZ, country leader, [Concentrix Services](#)

“QUALIFIED, CREATIVE AND COMMITTED IT PROFESSIONALS; COMPETITIVE QUALITY/PRICE RATIO, COMPARED WITH EUROPEAN COMPETITORS
 LUIS ANDRADE SILVA, director of IT consulting, [Glinttt](#)

“DUE TO THE EXPERTISE AND KNOW-HOW IN SPECIFIC COMPETENCES AND INDUSTRIES THAT SET PORTUGAL APART, AND DUE TO THE COMPETITIVE COST MODEL COMPARED WITH OTHER COUNTRIES
 MANUEL MARIA CORREIA, country manager, [HP Enterprise Services Portugal](#)

“THE BALANCE OF DIFFERENTIATING FACTORS LIKE COMPETITIVE COSTS, WHEN COMPARED WITH OTHER EU COUNTRIES; AVAILABILITY OF QUALIFIED ENGINEERS AND IT INFRASTRUCTURES
 KRISTJAN HAAVIK, managing director, [Silveroak Internet Services Portugal](#)



Source Associação Portugal Outsourcing (1) Priciest come last in the ranking/index | (2) No data available for Romania



PORTUGAL, A WINNING STRATEGY

COMPANY NAME

ACCENTURE

BEGINNING OF ACTIVITY (PORTUGAL)

1990

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

TECHNOLOGY & BPO

TYPE OF SERVICES PROVIDED

TECHNOLOGY: ACCENTURE DELIVERY CENTER IN LISBON - consulting services for Information Systems (implementation and maintenance); implementation of HR Management Systems in SaaS technologies, implementation of Field Force Management Systems and in Toll Charge Systems * **BPO** - Procurement & Supply Management, Finance & Accounting, Contact Center, Claims Management, Human Resources, Customer Service, Mortgage Credit Treatment, Document Management

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

>300 people (Technology) * 400 (BPO)

NO. OF CLIENTS

> 50 (Technology) * 17 (BPO)

LANGUAGES USED

Portuguese & English. Has the ability to deliver services in Spanish & French (Technology) * Portuguese, Spanish, English, French, Swedish, Polish, Russian & Italian (BPO)

COUNTRIES SERVED

> 30 countries. Europe - 43%; Africa - 18%; America (Brazil: 18% USA: 11%) (Technology) * 14 (BPO)

DESCRIPTION OF THE CENTRE IN PORTUGAL

DELIVERY CENTER IN LISBON: to maintain the capacity to innovate and create specialised skills that enable us to differentiate our offer in the market and within the network of Accenture centres * **OPERATIONS CENTRE IN LISBON:** designed to deliver outsourcing services to clients, and has all of the necessary technical and functional infrastructures as well as the requested confidentiality requirements.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

AVAILABILITY OF PROFESSIONALS WITH THE NECESSARY SKILLS TO PROVIDE SERVICES IN THE VARIOUS INDUSTRIES, POSITIONS AND WITHIN A VARIED SET OF LANGUAGES (BPO)

2

OUR MEMBERSHIP IN THE EUROPEAN COMMUNITY, ALONG WITH THE NATURAL CAPACITY OF THE PORTUGUESE TO EASILY ADAPT TO DIFFERENT CULTURES, ENABLES US TO BE VERY FLEXIBLE IN DELIVERING NEARSHORE SERVICES, WHICH IS NOT EASY TO FIND IN OTHER COUNTRIES (TECHNOLOGY)

3

QUALITY OF THE INFRASTRUCTURES AND EASY ACCESS FROM MOST EUROPEAN COUNTRIES

RESPONDENT, POSITION

SUSANA MATA, managing director of the Accenture Delivery Center in Lisbon (Technology);
PAULA ADRIÃO, managing director of Accenture Operations in Portugal (BPO)

COMPANY NAME

ACTION PORTUGAL (SITEL)

BEGINNING OF ACTIVITY (PORTUGAL)

1992

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

BPO

TYPE OF SERVICES PROVIDED

Business Process Outsourcing

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

830

NO. OF CLIENTS

14

LANGUAGES USED

Portuguese, English, French, Italian, Spanish, German, Dutch, Greek, Russian, Ukrainian, Danish, Swedish, Finnish & Norwegian

COUNTRIES SERVED

Portugal, USA, Canada, France, Brazil, Spain, Netherlands, Greece, Denmark, Sweden, Finland, Norway, Russia, Ukraine, Germany

DESCRIPTION OF THE CENTRE IN PORTUGAL

Sitel has two Communications Centres in Parque das Nações and Saldanha. This North American company is a market leader in the international Call & Contact Centre sector, with more than 26 years of history delivering outsourcing solutions from over 108 national, nearshore and offshore contact centres, in 23 countries in North America, South America, Europe, Africa and Asia-Pacific.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1**QUALITY OF THE HUMAN RESOURCES****2****PRICE COMPETITIVENESS****3****TECHNOLOGICAL QUALITY**

RESPONDENT, POSITION

BENEDITA MIRANDA, CEO, Action Portugal

COMPANY NAME

ALCATEL-LUCENT PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1932

NO. OF CENTRES IN PORTUGAL

3

LOCATION OF CENTRE/S

CASCAIS

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

COMPETENCE CENTRES

TYPE OF SERVICES PROVIDED

Product Specification * **NETWORK PLANNING & OPTIMISATION** of 2nd, 3rd and 4th Generation Networks on a global level * **TECHNICAL EXPERTISE CENTER:** 2+ Support level for all of Alcatel-Lucent's GSM/GPRS networks worldwide * **REGIONAL NETWORK OPERATION CENTER** for Portugal, Spain and Portuguese or Spanish speaking countries

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

120

NO. OF CLIENTS

> 60

LANGUAGES USED

English, Spanish, Portuguese & French

COUNTRIES SERVED

More than 50 countries worldwide

DESCRIPTION OF THE CENTRE IN PORTUGAL

COMPETENCE CENTRE FOR WIRELESS PROFESSIONAL SERVICES: experience delivering professional services in the planning, design and optimisation of mobile networks. Participates in R&D activities. * **GSM TECHNICAL EXPERTISE CENTRE (TEC):** competence centre which executes level 3 support for GSM products installed in more than 140 networks worldwide. Collaborates with the R&D teams. * **IBERIAN REGIONAL NETWORK OPERATIONS CENTRE (RNOC IBERIA):** competence centre that handles the Monitoring and Operation of Telecommunications Networks.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1**COMPETENCE AND MOTIVATION OF THE TEAMS****2**

PROFICIENCY FOR LANGUAGES AND CREATING RELATIONSHIPS

3

NATIONAL ANCHOR PROJECTS THAT LEVERAGE INTERNATIONAL EXPANSION

RESPONDENT, POSITION

GUIVE CHAFAI, head of marketing, Alcatel-Lucent Portugal

COMPANY NAME

ALTRAN PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1998

NO. OF CENTRES IN PORTUGAL

3

LOCATION OF CENTRE/S

LISBON, FUNDÃO & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

NEARSHORE CENTRE

TYPE OF SERVICES PROVIDED

Information Technology, Telecom Engineering, Intelligent Systems

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

150 (Nearshore)

NO. OF CLIENTS

20

LANGUAGES USED

English, Portuguese, French & German

COUNTRIES SERVED

France, Belgium, Germany, USA, Spain, UK, Switzerland

DESCRIPTION OF THE CENTRE IN PORTUGAL

Portugal is the Altran group's Nearshore centre that focuses on the development of Information Systems and Telecom Engineering. Most of the projects developed in this competence centre (mainly located in Fundão) have multinational companies as their final customer. Through this initiative, the group increased the volume of the services exported and offers employees the opportunity to acquire knowledge in various technological domains and with greater Breadth.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1**THE EXCELLENT QUALITY OF UNIVERSITIES IN PORTUGAL****2****PORTUGAL'S GEOGRAPHIC PROXIMITY TO MOST EUROPEAN COUNTRIES, BUT ALSO TO THE USA****3****CULTURAL AFFINITY AND EASY INTER-PERSONAL RELATIONS**

RESPONDENT, POSITION

CÉLIA REIS, managing director, Altran Portugal

COMPANY NAME

ARMATIS LC PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2012

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

BPO

TYPE OF SERVICES PROVIDED

Inbound, outbound

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

645

NO. OF CLIENTS

4

LANGUAGES USED

French & Portuguese. Can deliver service in Spanish & English

COUNTRIES SERVED

France

DESCRIPTION OF THE CENTRE IN PORTUGAL

Aimed for large companies in fields such as telecommunications, energy and insurance, among others, Armatis lc Portugal provides clients with a wide range of multimedia services via telephone, email and mail, as well as digital solutions. In our centre in Porto, we deliver both inbound and outbound solutions from an excellent international work environment.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1**THE RECOGNISED HIGH LEVEL OF TRAINING AND COMMAND OF FOREIGN LANGUAGES****2****QUALIFIED HUMAN CAPITAL AVAILABLE IN THE TECHNOLOGY FIELDS, AS WELL AS HIGH QUALITY UNIVERSITY AND POLYTECHNIC EDUCATIONAL NETWORK****3****THE PORTUGUESE HAVE A GREAT CAPACITY TO ADAPT AND WILLINGNESS TO WORK IN MULTICULTURAL ENVIRONMENTS**

RESPONDENT, POSITION

CARLOS SOARES, site director, Armatis lc

COMPANY NAME

ATOS IT SOLUTIONS AND SERVICES

BEGINNING OF ACTIVITY (PORTUGAL)

2011 AS ATOS (1999 AS SIEMENS)

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO & R&D

TYPE OF SERVICES PROVIDED

Consulting services, project management, PMO and software development & maintenance

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

130

NO. OF CLIENTS

5

LANGUAGES USED

English & German

COUNTRIES SERVED

Switzerland, UK, South America, Germany

DESCRIPTION OF THE CENTRE IN PORTUGAL

Atos Portugal's specialised centre carries out project management, PMO (continuous improvement) for Atos' multinational projects. The Portuguese are especially good at managing multidisciplinary teams in projects that involve countries from various continents.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1**EXPERTISE AT COMPETITIVE PRICES****2****PORTUGAL'S GEOGRAPHIC POSITION, CLIMATE AND TRANQUIL ENVIRONMENT****3****CAPACITY OF THE PORTUGUESE TO UNDERSTAND THE EUROPEAN, SOUTH-AMERICAN AND AFRICAN CULTURES**

RESPONDENT, POSITION

JOÃO LOPES; country manager Atos IT Solutions and Services Portugal

COMPANY NAME

BNP PARIBAS SECURITIES SERVICES

BEGINNING OF ACTIVITY (PORTUGAL)

2008

NO. OF CENTRES IN PORTUGAL

1 (2 BUILDINGS)

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC (INCLUDING BPO & ITO)

TYPE OF SERVICES PROVIDED

Banking operations; IT development & support

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

1155

NO. OF CLIENTS

NA

LANGUAGES USED

English, French, Italian, Spanish, German & Portuguese

COUNTRIES SERVED

Portugal, France, Belgium, Netherlands, UK, Luxembourg, Germany, Italy, Spain, Channel Islands, Switzerland, USA, Singapore, Brazil, Australia, China & India

DESCRIPTION OF THE CENTRE IN PORTUGAL

Securities Services Lisbon International Operations Centre plays a key role in Securities Services global servicing model, which includes local presence in 34 locations and covers more than 100 markets worldwide. The Lisbon Centre has been growing gradually. Goal: maintain sustainable growth and investment in Portugal.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

QUALITY OF THE HUMAN RESOURCES

2

QUALITY OF THE INFRASTRUCTURES

3

COST COMPETITIVENESS

RESPONDENT, POSITION

TBC, BNP Paribas Securities Services

COMPANY NAME

CAGGEMINI PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2014

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

ÉVORA

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

CRM COE (CENTRE OF EXCELLENCE)

TYPE OF SERVICES PROVIDED

Specialised technical services in applications development, testing, maintenance and evolution, based mainly on cloud technologies. In terms of research and development, the centre uses automation and engineering technologies, sustained by Caggemini's international experience and practices in these fields, to meet the high demand in the Portuguese market for technologies that support industrial modernisation and efficiency

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

20

NO. OF CLIENTS

> 30 (Financial Services, Retail, Telco, Public Sector, Utilities)

LANGUAGES USED

Portuguese, English & Spanish

COUNTRIES SERVED

Portugal, Spain, UK, Netherlands, Germany, Belgium & USA

DESCRIPTION OF THE CENTRE IN PORTUGAL

Évora's CoE is located within close geographic proximity to the main urban centres. The workforce has excellent technical training, is certified and highly motivated. CoE delivers Information Systems solutions that include specialised technical services in applications development, testing, maintenance and evolution and, in terms of research and development, using automation and engineering technologies.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

COMPETENCE AND QUALITY OF TEAMS. PROFESSIONALS THE ABILITY TO DEVELOP TECHNICAL SKILLS IN ENGINEERING AND IT

2

GEOGRAPHIC LOCATION, CULTURE AND LANGUAGE SKILLS. PORTUGAL HAS A UNIQUE LOCATION AND CULTURE

3

COMPETITIVE PRICES

RESPONDENT, POSITION

JORGE MARTINS, CEO, Caggemini Portugal

COMPANY NAME

CELFOCUS

BEGINNING OF ACTIVITY (PORTUGAL)

2000

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

CELFOCUS NEARSHORE CENTRES: ITO, R&D & SSC

TYPE OF SERVICES PROVIDED

Consulting services in the telecommunications market, involving the Development of IT & Networks Solutions and the respective Maintenance & Operation in production. Celfocus specialises in the technological domains of Customer Services, Billing, Order Management & Integration, Business Intelligence, Next Generation Intelligent Networks, Online and Enterprise Incentive Management

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

>500

NO. OF CLIENTS

18

LANGUAGES USED

Portuguese & English

COUNTRIES SERVED

Portugal, UK, Netherlands, Ireland, United Arab Emirates, Turkey, Ghana, Kenya & Angola

DESCRIPTION OF THE CENTRE IN PORTUGAL

The centre in Portugal is committed to specialised offers in the key fields of technology and telecommunications, and develops projects from the conception phase to their production. The centre's main goals are to increase the specialised capacity and know-how that sets Celfocus apart from other players in the international market. This strategy aims to foster the sustained growth of our business in leading markets in Europe and the Middle East.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

QUALITY AND AVAILABILITY OF SPECIALISED PROFESSIONALS IN THE TECHNOLOGY FIELDS

2

PORTUGAL IS CURRENTLY A LEADER IN INNOVATIVE TECHNOLOGICAL SOLUTIONS DEVELOPED FOR THE TELECOMMUNICATIONS FIELD

3

PRESENCE IN PORTUGAL OF LEADING TECHNOLOGICAL PARTNERS IN THE IT & NETWORKS FIELD

RESPONDENT, POSITION

HENRIQUE CRAVO, head of managed services, Celfocus

COMPANY NAME

CGI PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2013

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO, SSC & BPO

TYPE OF SERVICES PROVIDED

ITO Services relating to Service Desk, centralised Management and Remote Workstation, Systems and Database Administration, SAP Administration, Monitoring of systems in Continuous (24x7) or after-hours regime, Process Management. Applications Development & Maintenance Services, particularly in the following: Java, SAP, .Net, TIBCO, Liferay. Shared Services in Human Resources, Travel Management and Finance (Collection)

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

122 (should reach close to 240 by the end of the year)

NO. OF CLIENTS

22

LANGUAGES USED

Portuguese, Spanish, English, French, Finnish & Swedish (Danish & Norwegian implemented in 2015)

COUNTRIES SERVED

Spain, Finland, Denmark, France, UK, Sweden, Germany, Belgium & Canada

DESCRIPTION OF THE CENTRE IN PORTUGAL

CGI's Nearshore Services Centre (GDC) in Portugal based in Lisbon and Porto, has three main areas: 1) Infrastructure Management Services; 2) Applications Development & Maintenance Services 3) Shared Services.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

COMPETITIVENESS - PORTUGAL IS ONE OF THE COUNTRIES WITH THE BEST QUALITY/COST RATIOS IN THE SERVICES PROVIDED

2

GEO-POLITICAL LOCATION - PART OF THE EUROPEAN UNION AND THE SCHENGEN AREA, WITH EXCHANGE RATE STABILITY AND CONTROLLED INFLATION

3

SOCIAL STABILITY - PORTUGAL IS A COUNTRY WITHOUT CURRENT OR FORESEEABLE SOCIAL OR POLITICAL UPHEAVALS THAT COULD RISK SERVICE DELIVERY

RESPONDENT, POSITION

JOSÉ CARLOS GONÇALVES, senior vice president, CGI Southern Europe

COMPANY NAME

CISCO SYSTEMS PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1997

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

OEIRAS

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

BPO

TYPE OF SERVICES PROVIDED

Operations support to sales team; Support to sales and partners; Human Resources Support (Scheduling interviews with candidates, assistance in recruiting and selection)

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

200 (should reach close to 240 by the end of the year)

NO. OF CLIENTS

NA

LANGUAGES USED

Portuguese, English, Spanish, French, Italian, German, Dutch, Russian, Swedish & Polish). 35 nationalities in the office in Portugal

COUNTRIES SERVED

All European countries, Middle East, Africa & Russia.

DESCRIPTION OF THE CENTRE IN PORTUGAL

In 2007, Cisco decided to place its sales support operations centre for all of Europe, in Portugal (Hercules Centre). The current employees at Cisco's Centres of Excellence in Portugal are an average age of 30 years. There are 35 different nationalities and several languages are spoken in the office. Today, Cisco Portugal's reality is comprised of a platform of internationally recognised Centres of Excellence that provide support to Cisco's clients, partners and employees.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

QUALIFIED PROFESSIONALS

2

LANGUAGE SKILLS

3

ADVANCED TELECOMMUNICATIONS INFRASTRUCTURE

RESPONDENT, POSITION

NUNO VARANDAS - Director of Operations Centres, Cisco Portugal

COMPANY NAME

COLLAB

BEGINNING OF ACTIVITY (PORTUGAL)

2004

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

COLLAB NEARSHORE CENTRE ITO, R&D & SSC

TYPE OF SERVICES PROVIDED

Collab is a European multimedia contact centre provider fully based on IP architecture, with products based on On-Premises or Cloud models: 1) OneContact is an IP multimedia solution for large and medium enterprises. 2) OneWorkforce responds to operational challenges. 3) OnePBX is an IP Centrex platform, cloud oriented, providing telephone extensions without any hardware, ensuring convergence between fixed and mobile extensions

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

60

NO. OF CLIENTS

100 to 150, including clients on hosting model

LANGUAGES USED

Portuguese, English, Spanish & French (Products & documentation officially supported). Additional translation of products into: Russian, Turkish & Dutch

COUNTRIES SERVED

Network of partners in over 30 countries, including Portugal, Spain, England, Netherlands, Germany, Poland, Turkey, Bosnia-Herzegovina, Czech Republic, Russia, Philippines, Singapore, Malaysia, Angola, Mozambique, Tanzania, Kenya, South Africa, United Arab Emirates, Argentina, Colombia, Mexico, Peru, etc

DESCRIPTION OF THE CENTRE IN PORTUGAL

The centre in Portugal is dedicated to the R&D of our products, serving also as Tech Support and Professional Services Team Headquarters, working 24x7 for any geography. The specialised offers are designed in Portugal and exported to our network of partners in a premises based or Hosting/Cloud model. This strategy has guaranteed the sustained growth of Collab business and positioned us as innovators and challengers.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

EXCELLENT ACADEMIC / TECHNICAL TRAINING OF HUMAN CAPITAL

2

PORTUGAL IS AN ATTRACTIVE DESTINATION. IT OFFERS EXCELLENT INFRASTRUCTURES, A STABLE AND SECURE POLITICAL SYSTEM, EXTREMELY COST COMPETITIVE

3

TIME ZONE (GMT) MAKES US EXTREMELY COMPATIBLE WITH MANY OTHER COUNTRIES

RESPONDENT, POSITION

CARLOS VASCONCELOS, VP Marketing, Collab

COMPANY NAME

COMPANHIA IBM PORTUGUESA

BEGINNING OF ACTIVITY (PORTUGAL)

1938

NO. OF CENTRES IN PORTUGAL

5

LOCATION OF CENTRE/S

TOMAR, OEIRAS, BRAGA & LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

IT SERVICES IN THE APPLICATIONS & INFRASTRUCTURE FIELDS

TYPE OF SERVICES PROVIDED

Centre for Innovation & Technology (CENIT)/Centre for Delivery of Infrastructure Outsourcing/Business Transformation Outsourcing (BTO Centre)/Application Management Services (AMS Centre)/Cloud Centre

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

> 700

NO. OF CLIENTS

80 (one third are international)

LANGUAGES USED

Portuguese, English, French, Spanish & Polish

COUNTRIES SERVED

Angola, Denmark, Spain, USA, France, Greece, Ireland, Italy, Poland, UK & Romania

DESCRIPTION OF THE CENTRE IN PORTUGAL

CENIT CENTRE (Tomar) is a multi-client and multi-technology centre that delivers highly qualified software in applications services and maintenance, with a clear international orientation. * **IBM PORTUGAL'S COMMAND CENTRE FOR THE DELIVERY OF INFRASTRUCTURE OUTSOURCING** controls several thousand servers that support our clients' business in Portugal and other countries worldwide * **IBM BTO CENTRE** (Braga) delivers financial and accounting (F&A) and human resources services to European countries, in four languages. * **AMS CENTRE** carries out applications development and maintenance for various clients, with skills for the telco industry* **CLOUD CENTRE** (Lisbon) is part of a global network of 40 IBM centres.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

THE BEST SKILLS/TRAINING IN THE IT AND ENGINEERING FIELDS

2

PROFICIENCY TO SPEAK DIFFERENT LANGUAGES

3

GEOGRAPHIC LOCATION (NEARSHORE EUROPE), WITH SIMILAR TIME ZONE AND THE EUROPEAN CULTURE'S FLEXIBILITY

RESPONDENT, POSITION

ANTÓNIO RAPOSO DE LIMA, chairman, IBM Portugal

COMPANY NAME

CONCENTRIX SERVICES PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2014

NO. OF CENTRES IN PORTUGAL

1 & 2ND SITE TO OPEN IN Q2'15

LOCATION OF CENTRE/S

BRAGA & NEW SITE DUE TO OPEN IN MATOSINHOS

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

CONTACT CENTRE & BPO

TYPE OF SERVICES PROVIDED

Contact Centres & BPO

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

550

NO. OF CLIENTS

1

LANGUAGES USED

Portuguese, English, Spanish, French, Italian, German & Russian

COUNTRIES SERVED

Portugal, Spain, UK & France

DESCRIPTION OF THE CENTRE IN PORTUGAL

A multitalented and highly skilled pool of human capital with extensive professional experience in our CRM area. Our short-term objectives include being considered a strategic location for Concentrix in Europe, to continue our business growth by attracting new clients and expanding the company in Portugal.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

EXCELLENT AND QUALIFIED WORK FORCE WITH MULTILINGUAL TALENT OFFER

2

WARM AND HOSPITABLE CULTURE. AFFINITY WITH EUROPEAN, AMERICAN AND LATIN CULTURES AND LANGUAGES

3

COMBINATION OF GOOD ACCESSES IN TERMS OF TRANSPORTATION, HIGHWAYS, CLOSE TO THE INTERNATIONAL AIRPORT AND EXCELLENT TELECOMMUNICATIONS AND ASSET INFRASTRUCTURE

RESPONDENT, POSITION

AHMED ABOULEZZ, country leader of Concentrix Services Portugal

COMPANY NAME

CORIANT

BEGINNING OF ACTIVITY (PORTUGAL)

2013 AS CORIANT (1996 AS THE SIEMEN'S OPTICAL NETWORKS SOLUTION CENTER)

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

AMADORA

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

R&D CENTRE

TYPE OF SERVICES PROVIDED

R&D, Product Management & Customer Service

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

NA

NO. OF CLIENTS

> 500 worldwide, including the world's largest Tier 1 service provider

LANGUAGES USED

Primarily Portuguese & English, but also Italian, German, Spanish, Hindi, Polish, Hungarian, Bulgarian & Mandarin.

COUNTRIES SERVED

70 sites in over 40 countries. Serves more than 100 countries

DESCRIPTION OF THE CENTRE IN PORTUGAL

The Coriant Portugal R&D Center supports Coriant's global mission of delivering innovative, dynamic networking solutions for a fast-changing business world. This R&D Center supports the development of a variety of products in the Coriant portfolio of SDN-enabled, edge-to-core transport solutions. Coriant products enable network operators to reduce operational complexity, improve utilisation of network resources, and create new revenue services.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

EXTREMELY HIGH AND BROAD LEVEL OF TECHNICAL KNOWLEDGE AND PROFICIENCY

2

EXCEPTIONAL R&D EXPERIENCE AND EXPERTISE IN OPTICAL NETWORKING

3

EXCELLENT LOCATION ON EUROPEAN CONTINENT WITH STRONG MULTI-CULTURAL CAPABILITIES AND EXPERIENCE

RESPONDENT, POSITION

PAT DIPIETRO, CEO, Coriant

COMPANY NAME

DELOITTE

BEGINNING OF ACTIVITY (PORTUGAL)

1990

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

BUSINESS PROCESS SOLUTIONS (BPS)

TYPE OF SERVICES PROVIDED

Finance & Accounting; Tax Compliance; Human Resources & Applications Management Services

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

400

NO. OF CLIENTS

300

LANGUAGES USED

Portuguese & English

COUNTRIES SERVED

Germany, Angola, Denmark, Spain, France, Portugal & UK

DESCRIPTION OF THE CENTRE IN PORTUGAL

A team of 400 professionals provides services in Finance & Accounting, Human Resources and Applications Management with customised solutions in outsourcing, co-sourcing, provision of experts or occasional support in specific projects. Our main goal is to drive the success of our clients' business.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

A COUNTRY WITH MODERN AND ADVANCED INFRASTRUCTURES FOR COMMUNICATIONS SYSTEMS

2

QUALIFIED AND SPECIALISED PROFESSIONALS WITH MULTILINGUAL SKILLS, EXPERIENCE IN MULTINATIONAL PROJECTS, AND THE FLEXIBILITY AND CAPACITY TO ADAPT

3

COSTS IN PORTUGAL ARE MUCH LOWER THAN IN THE REST OF EUROPE, WHICH ENABLES US TO OFFER VERY COMPETITIVE PRICES AND GUARANTEE THE HIGH QUALITY OF OUR SERVICES

RESPONDENT, POSITION

HORÁCIO NEGRÃO, BPS Leading Partner, Deloitte Portugal

COMPANY NAME

EVERIS

BEGINNING OF ACTIVITY (PORTUGAL)

1999

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC

TYPE OF SERVICES PROVIDED

Architecture design of complex solutions using Microsoft Sharepoint technology

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

15

NO. OF CLIENTS

13

LANGUAGES USED

English, Portuguese & Spanish

COUNTRIES SERVED

Portugal, Italy, Spain, United Kingdom & USA

DESCRIPTION OF THE CENTRE IN PORTUGAL

The Architectural Centre of Excellence was established in March 2014 by everis, and is made up of professionals with extensive technical knowledge and experience in the best practices involving new technological paradigms. everis' team, in this sector, is comprised of nationally and internationally recognised professionals who are currently influencing and promoting new trends in the technological and services market. This centre has participated in projects from a wide range of countries such as the USA, Spain, Colombia and Angola, representing an effort that makes up 25% of the CoE's total production hours.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

ABILITY TO PROVIDE A HIGH LEVEL OF PRODUCTIVITY WITH VERY COMPETITIVE PRICING, WITHOUT COMPROMISING ANY QUALITY

2

THE QUALITY OF THE SERVICES PROVIDED HAS CONSISTENTLY RECEIVED POSITIVE REVIEWS AND MADE PORTUGAL STAND OUT IN RANKINGS FOR DEVELOPING COMPANIES' BUSINESS

3

THE FLEXIBILITY AND ABILITY TO ADJUST TO THE SPECIFIC NEEDS OR CHANGES REQUIRED BY THE CUSTOMERS. PORTUGAL'S LOCATION AND CLIMATE, AS WELL AS THE COUNTRY'S TECHNOLOGICAL INFRASTRUCTURE

RESPONDENT, POSITION

MIGUEL TEIXEIRA, CEO, everis Portugal

COMPANY NAME

FUJITSU PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1977 (AS ICL)

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

COMPETENCE CENTRE (OUTSOURCING/NEARSHORE)

TYPE OF SERVICES PROVIDED

Essentially applications and IT infrastructures

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

>800

NO. OF CLIENTS

NA

LANGUAGES USED

17 different languages

COUNTRIES SERVED

More than 100 countries and to more than 300.000 people

DESCRIPTION OF THE CENTRE IN PORTUGAL

Fujitsu's Lisbon Competence Centre serves 300 thousand users in more than 100 countries and in 17 different languages, helping create more than 800 qualified jobs in our country.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

GREAT ABILITY TO RECEIVE MULTIPLE CULTURES AND LEARN TO EASILY COMMAND SEVERAL LANGUAGES

2

EXTREMELY STABLE AND EVOLVED TECHNOLOGY AND COMMUNICATIONS PLATFORM

3

GREAT CULTURAL ALIGNMENT AND TIME ZONE PROXIMITY

RESPONDENT, POSITION

CARLOS BARROS, managing director, Fujitsu Portugal

COMPANY NAME

GEOBAN

BEGINNING OF ACTIVITY (PORTUGAL)

2007

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

CARNAXIDE

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC & BPO - BACK OFFICE FOR BANKING OPERATIONS

TYPE OF SERVICES PROVIDED

BPO * Centre for Specialised Operations - "SSC" Back office for Banking Operations. * Process Efficiency & Optimisation - Time/Cost/Control * Consulting in optimisation and installation of End to End operational processes

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

Approximately 300

NO. OF CLIENTS

Approximately 15 clients

LANGUAGES USED

Predominantly Portuguese, English & Spanish

COUNTRIES SERVED

Portugal, Spain, UK & others

DESCRIPTION OF THE CENTRE IN PORTUGAL

This centre delivers specialised back office services and consulting in the various banking activities. It manages "E2E" processes, namely involving the optimisation of processes, maximising operational synergies, reducing response times, preserving/increasing control, thereby adding value to the business chain. In 2015, the company is due to expand the Global Services Centres to new geographies, as well as the services delivered to local banks.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

EXTREMELY VERSATILE HUMAN CAPITAL. HIGH LEVELS OF KNOWLEDGE AND FLEXIBILITY, ESPECIALLY THE CAPACITY FOR LEARNING, AS WELL AS THE PROFICIENCY IN FOREIGN LANGUAGES. EXCELLENT COST/EFFICIENCY RATIO

2

GEOGRAPHIC SITUATION WITH GMT TIME ZONE, FACILITATING SERVICES TO EUROPE AND THE AMERICAN CONTINENT, ALONG WITH AN ECONOMY THAT IS EXTREMELY OPEN TO THE OUTSIDE AND OFFERS COMPETITIVE COSTS

3

EXISTENCE OF LEADING TECHNOLOGY AND INNOVATION CENTRES ALL OVER THE COUNTRY, ENABLING THE OPTIMISATION OF WORKFLOWS THROUGH CUTTING EDGE TECHNOLOGY AT COMPETITIVE PRICES - SMART INVESTMENT

RESPONDENT, POSITION

NUNO VASCONCELOS, Business Development, Geoban Portugal

COMPANY NAME

GFI PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1999

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO & SSC

TYPE OF SERVICES PROVIDED

Nearshore services specialising in Microsoft technologies (.NET, Mobile, SharePoint & Business Intelligence), Mobility (W8, iOS & Android, Java, HTML5) & Innovation

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

50

NO. OF CLIENTS

NA

LANGUAGES USED

Portuguese, English, French & Spanish

COUNTRIES SERVED

France, Belgium & Portugal

DESCRIPTION OF THE CENTRE IN PORTUGAL

CGI's Nearshore Services Centre (GDC) in Portugal based in Lisbon and Porto, has three main areas: 1) Infrastructure Management Services 2) Applications Development & Maintenance Services 3) Shared Service. From here, CGI provides services to clients in Europe and North America, maximising on the competitiveness of Portuguese quality/cost ratio.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

TECHNICAL SKILLS

2

COMMAND OF LANGUAGES

3

QUALITY-PRICE RATIO

RESPONDENT, POSITION

NUNO SANTOS, managing director, GFI Portugal

COMPANY NAME

GLINTT

BEGINNING OF ACTIVITY (PORTUGAL)

2008 (1991 AS CONSISTE AND PARAREDE)

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO & BPO

TYPE OF SERVICES PROVIDED

Consulting services & computer programming

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

9

NO. OF CLIENTS

12

LANGUAGES USED

English, Spanish & French

COUNTRIES SERVED

Spain, UK, France, Angola & South America

DESCRIPTION OF THE CENTRE IN PORTUGAL

IT competence centre in SW Architecture, systems development, maintenance and integration. Multidisciplinary teams that range from development languages (JAVA; .NET; OutSystems) to BPM, ECM, CRM and Analytics competences, offering Capacity Lending, Service Model and Fixed Scope Model. Short-term goals: To increase the number of clients in our current geographies and provide services in a new European geography.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

QUALIFIED, CREATIVE AND COMMITTED IT PROFESSIONALS

2

COMPETITIVE QUALITY/PRICE RATIO, COMPARED WITH EUROPEAN COMPETITORS

3

EXCELLENT LANGUAGE SKILLS AND INNATE CAPACITY TO WORK EFFECTIVELY IN MULTICULTURAL ENVIRONMENTS

RESPONDENT, POSITION

LUIS ANDRADE SILVA, director of IT consulting, Glintt

COMPANY NAME

HP ENTERPRISE SERVICES

BEGINNING OF ACTIVITY (PORTUGAL)

2009 (PURCHASING EDS - ELECTRONIC DATA SYSTEMS)

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON & ÉVORA

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO, APPLICATION BUSINESS SERVICES INCLUDING AMS (APPS MAINTENANCE, DEVELOPMENT & CONSULTING) & BPO

TYPE OF SERVICES PROVIDED

Consulting, projects, applications development and applications & systems maintenance. Services delivered in Data Centre & Workloads, IT modernisation, Big Data & Analytics, Mobility and Security. Special focus on solutions for the Health and Telecommunications sectors

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

150

NO. OF CLIENTS

> 40

LANGUAGES USED

Portuguese & English

COUNTRIES SERVED

Portugal, Angola & Mozambique

DESCRIPTION OF THE CENTRE IN PORTUGAL

HP's Nearshoring services centres (two of which are in Portugal) support millions of people all over the world who trust HP technology. HP is the technology company that supports more than 100 securities and commodities exchanges all over the world, including the New York Stock Exchange, and 14 of the largest niche markets in the world. HP's intelligent software supports more than 100 million mobile phone subscribers.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

COVERING THE PRIVATE MARKET, SMALL & MEDIUM COMPANIES AND CORPORATE CLIENTS, HP HAS A MAJOR PRESENCE IN ALL MARKETS WHERE IT OPERATES

2

COST - PORTUGAL ENSURES A VERY ATTRACTIVE QUALITY/COST RATIO FOR SPECIALISED SERVICES OR HIGHER SKILL SETS

3

QUALITY OF LIFE AND COUNTRY/CITY'S APPEAL - PORTUGAL OFFERS GOOD QUALITY OF LIFE FOR EXPATS, AND THE CITIES ARE CONSIDERED AMONG THE BEST LOCATIONS TO IMPLEMENT COMPETENCE AND SHARED SERVICES CENTRES

RESPONDENT, POSITION

MANUEL MARIA CORREIA, country manager, HP Enterprise Services Portugal

COMPANY NAME

INFINEON TECHNOLOGIES SHARED SERVICE CENTRE

BEGINNING OF ACTIVITY (PORTUGAL)

2003

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

MAIA & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC

TYPE OF SERVICES PROVIDED

Accounting, Controlling, Purchasing, Human Resources, Logistics and Corporate Governance Services (Internal Audit, Export Control, Sustainability and Continuity Planning, IT Finance, Compliance)

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

160. Expected to grow to 180 FTE until end of 2015

NO. OF CLIENTS

35 legal entities

LANGUAGES USED

English & German

COUNTRIES SERVED

Mostly EU and America regions (Portugal, France, UK, Italy, Germany, Austria, Romania, Sweden, Hungary, USA & Brazil). Certain activities are conducted worldwide

DESCRIPTION OF THE CENTRE IN PORTUGAL

Infineon Technologies Shared Service Center (IFSSC) was originally established as a branch office of Infineon Technologies AG (IFAG) in Porto, in 2003, performing Finance & Accounting services. Today, IFSSC operates as an independent entity fully owned by IFAG, delivering services that have been extended to include other Business Administration activities. The team is comprised of young professionals who work in an international environment, where English is the official language and also offering services in German through a fully integrated SAP-based system.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

AVAILABILITY OF QUALIFIED AND MOTIVATED PROFESSIONALS WITH DEVELOPED LANGUAGE SKILLS, SEEKING ADDITIONAL EXPERIENCE

2

REDUCED AND STABLE PERSONNEL COSTS. WHEN COMPARED WITH OTHER EUROPEAN OR NORTH AMERICAN COUNTRIES, PORTUGAL (PORTO) IS VERY WELL PLACED IN TERMS OF COSTS

3

GOOD INFRASTRUCTURES, FROM TRANSPORTATION TO REAL ESTATE

RESPONDENT, POSITION

JOANA MARQUES, head of Infineon Technologies Shared Service Centre in Porto

COMPANY NAME

INDRA

BEGINNING OF ACTIVITY (PORTUGAL)

1997

NO. OF CENTRES IN PORTUGAL

3

LOCATION OF CENTRE/S

ALFRAGIDE & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

AM, ITO & BPO

TYPE OF SERVICES PROVIDED

APPLICATIONS MAINTENANCE: correction, evolution, prevention and user support * INFRASTRUCTURE OUTSOURCING: systems administration, cloud services, database administration * DOCUMENT MANAGEMENT: physical [digitalisation, archive] digital [electronic document processing, logical archive]; * OPERATIONAL BACK OFFICE: contacts, correspondence, hiring, invoicing, collection & debt management

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

420

NO. OF CLIENTS

800

LANGUAGES USED

Portuguese, Spanish, English & French

COUNTRIES SERVED

Portugal, Spain, Angola, Mozambique & Cape Verde

DESCRIPTION OF THE CENTRE IN PORTUGAL

In Portugal, Indra's activity is based on a strategy of value creation, with a comprehensive management offer that includes consulting, project development, solution integration and implementation, even IS and business process outsourcing, in the various markets where the company operates. In Portugal, we highlight the Centre for Competence and Development of BI and ERP, both for our own products and those of our partners, and the Port Management Competence Centre.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

KNOWLEDGE AND TECHNICAL CAPACITY: EDUCATION PROVIDED BY PORTUGUESE UNIVERSITIES AND THE PERCENTAGE OF BACHELOR AND MASTER'S DEGREES. GOOD TECHNOLOGICAL INFRASTRUCTURES AVAILABLE

2

RELATIONSHIP BETWEEN THE QUALITY OF THE WORK AND THE COST OF THAT WORK

3

UNIVERSAL ENGAGEMENT WITH OTHER CULTURES. IN TERMS OF BOTH THE CAPACITY FOR LINGUISTIC COMMUNICATION, AND THE TOLERANCE AND OPENNESS IN THE RELATIONSHIP WITH OTHER CULTURES

RESPONDENT, POSITION

VASCO MENDES DE ALMEIDA, director of technological solutions & outsourcing, Indra

COMPANY NAME

LIVINGBRANDS PORTUGAL (SELLBYTEL)

BEGINNING OF ACTIVITY (PORTUGAL)

2009

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

OEIRAS

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SALES & SERVICE CENTER (SSC)

TYPE OF SERVICES PROVIDED

Call center for technical support; Global Business Services (Business Operations); Sales Services for Europe & Africa

EMPLOYEES (FTE - FULL TIME EQUIVALENT)**470**

NO. OF CLIENTS

3

LANGUAGES USED

13 languages (English, French, German, Italian, Spanish, Portuguese, Dutch, Russian, Swedish, Flemish, Norwegian, Turkish & Arabic) / 42 nationalities

COUNTRIES SERVED

13 languages

DESCRIPTION OF THE CENTRE IN PORTUGAL

Livingbrands is an outsourcing expert that offers customised sales, services and support solutions to its customers. The company was incorporated in Portugal in November 2009, as part of SellbytelGroup. The activity is performed both in its own facilities and on the customer's premises. Short term objectives: attract more international companies to Lisbon and develop multilingual projects with Sellbytel as our business partner, in order to employ more highly skilled Portuguese and foreign professionals.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

AVAILABILITY OF TALENT AT A REASONABLE COST IN LISBON: MANY YOUNG, WELL EDUCATED EUROPEANS THAT EITHER RESIDE IN PORTUGAL AS NATIVE SPEAKERS OR THAT ARE PORTUGUESE NATIONALS WITH PROPER FOREIGN LANGUAGE SKILLS

2

ATTRACTIVE LOCATION: LISBON IS A TRENDY CITY THAT OFFERS NICE WEATHER, THE SEA, HOSPITALITY AND CHARM. THIS SETS LISBON APART FROM LOW COST LOCATIONS LIKE KRAKOW, BRNO, SOFIA, BUCAREST

3

EASY ACCESS TO LISBON: MANY AIRLINES FLY INTO LISBON FROM ALL OVER EUROPE AT CHEAP RATES

RESPONDENT, POSITION

THOMAS GRIMM, managing director, Livingbrands Portugal

COMPANY NAME

MERCER PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

RETIREMENT SERVICE CENTER (RSC): 2004
PERFORMANCE REPORTING TEAM (PRT): 2009

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC

TYPE OF SERVICES PROVIDED

RETIREMENT SERVICE CENTER (RSC): support the Retirement line of business performing actuarial valuations, accounting disclosures and individual transfer calculations and other administration services * **PERFORMANCE REPORTING TEAM (PRT):** a specialised centre that provides services such as performance monitoring, investment management, dynamic de-risking, wealth management and Lisbon analysts (support to UK consultants with direct contact with clients)

EMPLOYEES (FTE - FULL TIME EQUIVALENT)**116 (RSC) * 42 (PRT)**

NO. OF CLIENTS

1800 schemes supported (RSC) * 440 (PRT)

LANGUAGES USED

Portuguese, English, Spanish, German, Italian & French

COUNTRIES SERVED

Portugal, UK, Ireland, Germany, Sweden, Norway, Italy, Canada, Brazil (RSC) * UK, Portugal, Spain, Sweden, Norway, Ireland (PRT)

DESCRIPTION OF THE CENTRE IN PORTUGAL

The Lisbon RSC is split into 2 cost centres: a) the Valuation Team is a specialised team of Actuaries that perform funding and accounting valuations, accounting reporting, M&A, DB risk, Reporting & Preliminary slides; b) the Admin Team that performs individual benefit calculations, members statements, defined contribution accounts reconciliations; bank account reconciliation and share schemes account reconciliation. * PRT is a specialised team that carries out performance reporting; Core; Delegated; MWS; Liaison Managers/Mercer; Trustee Report & Accounts; Databank & GCDB update.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

COMPETITIVE COSTS: AMONG EU COUNTRIES, PORTUGAL IS PARTICULARLY COMPETITIVE

2

EDUCATION & LABOUR FORCE: HIGHER EDUCATION: QUALIFIED WORKFORCE AVAILABLE

3

LANGUAGE SKILLS: THE COUNTRY HAS MADE SEVERAL EFFORTS TOWARDS INCREASING THE FOREIGN LANGUAGES LEARNED AT SCHOOL

RESPONDENT, POSITION

NÉLIA CÂMARA, head of Lisbon RSC, and
JOANA PEREIRA, head of PRT, Mercer Portugal

COMPANY NAME

MICROSOFT PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1990

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON & PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC & R&D

TYPE OF SERVICES PROVIDED

1) The Microsoft Language Development Center (MLDC) is the first research & development centre in speech recognition and text synthesis technologies outside the USA * 2) The Center for International Support to corporate clients, specialised in Cloud technologies, specifically Office 365

EMPLOYEES (FTE - FULL TIME EQUIVALENT)**34 (MLDC) * 200 (CSS)**

NO. OF CLIENTS

> 100

LANGUAGES USED

Portuguese, English, French, Spanish, Italian, Dutch & German

COUNTRIES SERVED

Portugal and all countries in Western and Eastern Europe, Africa & the Middle East

DESCRIPTION OF THE CENTRE IN PORTUGAL

The service centre for international support specialised in Cloud technologies is a second line international telephone service, which is more specialised and demanding and that receives requests for assistance from corporate clients. It has been growing since opening in Portugal in December 2013, and should reach 250 people by the end of this year. The MLDC is one of five in Europe, and the first outside the USA dedicated to the computer development of natural language.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

THE EXTENSIVE CAPACITY OF OUR HUMAN CAPITAL, BOTH ON A TECHNICAL LEVEL AND IN THEIR COMMAND OF DIFFERENT LANGUAGES

2

EXCELLENT COMMUNICATIONS INFRASTRUCTURES, NAMELY IN TERMS OF 3 AND 4G BAND WIDTH, PROLIFERATION OF THE NETWORK OF WI-FI AND HOTSPOTS AND APTNESS OF THE PORTUGUESE TO USE THE LATEST TECHNOLOGICAL TRENDS AND GADGETS

3

A MODERATE CLIMATE, A SAFE COUNTRY AND A POPULATION THAT IS EXTREMELY CORDIAL AND INVITING TOWARD FOREIGNERS

RESPONDENT, POSITION

PATRICIA FERNANDES, director of Central Marketing, Public Relations and Communication, Microsoft Portugal

COMPANY NAME

NOVABASE

BEGINNING OF ACTIVITY (PORTUGAL)

1989

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO, BPO, APPLICATION DEVELOPMENT & MAINTENANCE (ADM) & APPLICATION OPERATIONS (AO)

TYPE OF SERVICES PROVIDED

Managed services for infrastructures and applications

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

350

NO. OF CLIENTS

< 100

LANGUAGES USED

Portuguese, English & Spanish

COUNTRIES SERVED

Europe, Middle East & Africa

DESCRIPTION OF THE CENTRE IN PORTUGAL

From the two centres we are operating, we highlight the Agile Center, which offers, on a 24x7 basis, remote services for the management, operation, monitoring and administration of ICT infrastructures. The BPO centre is modular and accommodates operations that require spaces above 4.000 sq m. Short-term goals: increasing our capacity to support the growth of our international nearshore business, and a continuous commitment to the innovation and quality of the services we deliver.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

THE COMBINATION OF SCIENTIFIC, TECHNICAL AND LANGUAGE SKILLS

2

WITH A HIGHLY QUALIFIED TALENT BASE THAT IS FLEXIBLE AND INNOVATION-ORIENTED

3

WITH UNIT LABOUR COSTS THAT ARE AS COMPETITIVE AS OTHER BETTER KNOWN OUTSOURCING DESTINATIONS

RESPONDENT, POSITION

HUGO FARIA, head of brand ignition, Novabase

COMPANY NAME

PRIMEIT CONSULTING

BEGINNING OF ACTIVITY (PORTUGAL)

2006

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

OUTSOURCING SERVICES & PROJECT MANAGEMENT

TYPE OF SERVICES PROVIDED

Outsourcing Services, Project Management

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

400

NO. OF CLIENTS

> 70

LANGUAGES USED

Portuguese, English & French

COUNTRIES SERVED

France & UK

DESCRIPTION OF THE CENTRE IN PORTUGAL

Located on Avenida 5 de Outubro, one of Lisbon's main avenues, PrimeIT's premises include more than 10 workrooms and an open space with approximately 20 work stations. Short-term goals: to hire about 50 new employees by the end of 2015, and to be recognised as one of the principal IT players in the national and international market.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

REDUCED BUREAUCRACY FOR BUSINESSES, AN INCREASE IN EXPORTS, AS WELL AS AN INCREASE IN THE INVESTMENT IN INFRASTRUCTURES (FACILITIES AND EQUIPMENT), WHICH PLACES PORTUGAL IN A MORE COMPETITIVE POSITION

2

ACADEMIC TRAINING: PORTUGAL HAS A NETWORK OF HIGH QUALITY UNIVERSITY AND POLYTECHNIC INSTITUTES ACROSS THE COUNTRY

3

THE PORTUGUESE HAVE A GREAT CAPACITY TO ADAPT TO MULTICULTURAL ENVIRONMENTS, AS WELL AS A STRONG SENSE OF RESPONSIBILITY AND AVAILABILITY. THE COUNTRY'S CLIMATE IS ALSO A DIFFERENTIATING FACTOR, OFFERING EXCELLENT WEATHER CONDITIONS

RESPONDENT, POSITION

JOANA LEAL, Executive Manager, Prime IT

COMPANY NAME

PT PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

NA

NO. OF CENTRES IN PORTUGAL

14

LOCATION OF CENTRE/S

LISBON, PORTO & COVILHÁ

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

MANAGED SERVICES PROVIDER (MSP), ITO, SSC, BPO & SERVICE DESK

TYPE OF SERVICES PROVIDED

Comprehensive, integrated Managed Services Provider that manages large contracts for Communication Services, IT, Data Centre and Cloud Services, DTM, Contact Centre & BPO

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

NA

NO. OF CLIENTS

NA

LANGUAGES USED

Portuguese, English, French, Spanish, German, Bulgarian, Czech, Croatian, Danish, Slovak, Slovenian, Estonian, Finnish, Flemish, Greek, Dutch, Hungarian, Italian, Latvian, Lithuanian, Norwegian, Polish, Romanian, Russian, Serbian, Swedish, Thai, Turkish

COUNTRIES SERVED

Through local partnerships, clients on 4 continents

DESCRIPTION OF THE CENTRE IN PORTUGAL

CSGRS - Supervision Centre and Network and Service Management - Based in Lisbon, supported by the Covilhã Data Centre. These centres employ approximately 500 people, performing supervisory and back office functions for the core fixed and mobile networks, as well as supervising the managed networks of business customers and supervising outsourcing services to corporate clients, in order to comply with the SLA for networks and services. * **CSO** - Outsourcing Support Center - provides Service Desk services under outsourcing contracts, which centralizes in a single point of service support requests to communications, IT, hardware, software and other customer infrastructures/services. **BPO** - Business Process Outsourcing and Contact Center (PT PRO). The main objective is to deliver cost-efficient and value-adding solutions.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

HUMAN RESOURCES: YOUNG PROFESSIONALS IN ARE HIGHLY QUALIFIED AND HAVE SUPERIOR TRAINING AND TECHNICAL EXPERTISE

2

INFRASTRUCTURES - GOOD LOCATION WITH HIGH QUALITY INFRASTRUCTURES.

3

TECHNOLOGY - INVESTMENT IN NEXT GENERATION NETWORKS, ONLINE SERVICES, CREATING A MORE FAVOURABLE ENVIRONMENT FOR THE DEVELOPMENT OF NEW BUSINESS

RESPONDENT, POSITION

PT Portugal

COMPANY NAME

RANDSTAD PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

NA

NO. OF CENTRES IN PORTUGAL

6

LOCATION OF CENTRE/S

LISBON (3), BRAGA (2) & PORTO (1)

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

HUMAN RESOURCES CONSULTING & BPO

TYPE OF SERVICES PROVIDED

Contact Centres * Inbound - Customer Service, Customer Management, Customer Care * Outbound - Sales, After Sales Follow Up, Campaigns, Retention, Collection, Surveys, Market Research * Back Office - Email Response, Chat, Data Entry, After Sales Management * 2nd Line Management - Complaint Management, Technical Support * Technical Assistance - Remote technical support to customers in the use of certain technologies or services * Retail

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

2000 (on premises) * 11 300 (total)

NO. OF CLIENTS

10 (on premises) * 77 (total)

LANGUAGES USED

Portuguese, English, French & Spanish

COUNTRIES SERVED

Portugal, UK, Ireland, France, Spain, Belgium, Switzerland, Italy & Brazil

DESCRIPTION OF THE CENTRE IN PORTUGAL

One of our centres located in Lisbon is situated on 3.300m², distributed across 3 floors, with 550 service stations equipped with technological solutions for the treatment of voice, video, text message and email interactions. It operates 24x7. Our Contact Centres are connected to a common network of shared services and were designed to deploy voice over IP with the best quality. In 2015 Randstad will increase the capacity of the Contact Centres infrastructure by a total of 540 new service stations, resulting from the expansion of two of our spaces.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

THE HUMAN RESOURCES AVAILABLE ARE CHARACTERISED BY THEIR FLEXIBILITY, VERSATILITY AND COMPETITIVE COSTS

2

DURING THE PAST TEN YEARS, PORTUGAL HAS MADE AN UNPARALLELED EFFORT TO MODERNISE ITS COMMUNICATIONS INFRASTRUCTURES. IT CURRENTLY HAS AN EXCELLENT ROAD, AIR AND MARITIME NETWORK.

3

STRATEGIC ACCESS TO OTHER MARKETS - THE COMBINATION OF PORTUGAL'S ECONOMIC OPENNESS TO OTHER MARKETS THROUGH ITS MEMBERSHIP IN THE EUROPEAN UNION AND ITS GEOGRAPHIC LOCATION, ESTABLISH THE COUNTRY AS AN IMPORTANT PLATFORM FOR THE GLOBAL MARKET

RESPONDENT, POSITION

Randstad Portugal

COMPANY NAME

REDITUS

BEGINNING OF ACTIVITY (PORTUGAL)

1966

NO. OF CENTRES IN PORTUGAL

10

LOCATION OF CENTRE/S

LISBON, ALFRAGIDE, MIRAFLORES, BENAVENTE, COVILHÃ, SEIA, PORTO, VILA DO CONDE

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO, SSC, BPO & OTHER

TYPE OF SERVICES PROVIDED

Managed Services, IT Maintenance, IT Outsourcing, Applications Management, Server Management, Database Management, Cloud Solutions, SAP, Specialised IT Resources, Customer Management, Financial Services Management, HR Management, Document Management, Management of Premises, Training & Others

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

> 3000

NO. OF CLIENTS

300

LANGUAGES USED

Portuguese, English, Spanish, French & Others

COUNTRIES SERVED

Spain, Switzerland, Brazil, Ivory Coast & Worldwide

DESCRIPTION OF THE CENTRE IN PORTUGAL

The Reditus Lisbon Innovation Center (RLIC) has a capacity for 600 work stations that can grow to accommodate 1250. Located in the centre of Lisbon, it benefits from the proximity to various services and transport networks, which is an asset for employees and clients. Equipped with the most advanced support technology for operatives and 24x7 security, it has biometric access control, natural light and acclimatisation in every area, fully equipped conference and training rooms, leisure and dining areas, employee lockers, handicap access and parking.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

THE TECHNOLOGY AND COMMUNICATIONS INFRASTRUCTURES IN PORTUGAL ARE READILY AVAILABLE, CURRENT AND HIGH QUALITY

2

GENERAL BUSINESS ENVIRONMENT AND POLITICAL STABILITY

3

AN ADVANCED EDUCATION SYSTEM THAT PROVIDES A GOOD BASE OF SKILLED HUMAN RESOURCES WHO ARE PROFICIENT IN LANGUAGES AND ICT

RESPONDENT, POSITION

FRANCISCO SANTANA RAMOS, CEO, Reditus

COMPANY NAME

SIBS PROCESSOS

BEGINNING OF ACTIVITY (PORTUGAL)

2002

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON/ALFRAGIDE & CASTELO BRANCO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

BPO & BUSINESS TRANSFORMATION OUTSOURCING (BTO)

TYPE OF SERVICES PROVIDED

Back Office and Front Office services in Banking, Insurance, Telco & Utilities

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

350 (Lisbon Centre/ Alfragide)
* 300 (Castelo Branco Centre)

NO. OF CLIENTS

30

LANGUAGES USED

Portuguese (mostly), Spanish, English & French

COUNTRIES SERVED

Portugal, Spain & Angola

DESCRIPTION OF THE CENTRE IN PORTUGAL

In Alfragide, we have a high capacity data centre set up for document dematerialisation and processing, which supports the services available on scalable proprietary platforms with service-oriented architecture and state of the art solutions. In our Castelo Branco processing centre, we have privileged infrastructures to provide front office customer services, which complements our offer of customer support back office services.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

DEVELOPED ABILITY TO OPTIMISE AND REENGINEER PROCESSES AND THE EVOLUTION OF SERVICES, GIVEN THE MATURITY OF THE SERVICES PROVIDED BY COMPANIES OPERATING IN THE DOMESTIC MARKET, BANK SERVICES, INSURANCE AND TELCO

2

QUALITY OF THE AVAILABLE HUMAN RESOURCES, NAMELY IN TERMS OF COMMITMENT, AVAILABILITY, PRODUCTIVITY AND VERSATILITY IN LANGUAGES

3

LOW COST OF PRODUCTION, INFRASTRUCTURES AND SERVICES

RESPONDENT, POSITION

SÉRGIO MORAES, managing director, SIBS Processos

COMPANY NAME

SIEMENS PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2005 (THE FIRST COMPETENCE CENTRE STARTED OPERATING IN FINANCIAL SERVICES)

NO. OF CENTRES IN PORTUGAL

16

LOCATION OF CENTRE/S

ALFRAGIDE & FREIXEIRO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC & OTHERS IN ENGINEERING, IN THE ENERGY, INFRASTRUCTURES, HEALTH & IT SECTORS

TYPE OF SERVICES PROVIDED

Global Service IT * Center for Instrumentation and Control Stations * eTicketing Center * The Service Center * Zone Hub Portugal * Capacity PlusTM/ Modular Airports * Centre in the field of renewable energy * Center for Information Systems and Clinical Consulting * Business Administration Support Center * Governance Accounting & Controlling * WeCare – Customer Management * Accounting & Finance * The Human Resources Center * The Governance Financing Center * Procurement & Logistics Center * Risk and Internal Control Center

EMPLOYEES (FTE - FULL TIME EQUIVALENT) > 700

NO. OF CLIENTS

30

LANGUAGES USED

20 languages spoken

COUNTRIES SERVED

200 countries on all five continents

DESCRIPTION OF THE CENTRE IN PORTUGAL

Siemens has 16 international competence centres in Portugal in the energy, infrastructures, health, IT and shared services sectors.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

PRIVILEGED GEOGRAPHIC LOCATION, A CULTURAL AND HISTORIC LEGACY AND THE LANGUAGE, MAKE PORTUGAL THE CONVERGENCE POINT BETWEEN EUROPE, SOUTH AMERICA AND AFRICA

2

PORTUGAL HAS A GOOD EDUCATION SYSTEM, WITH EXCELLENT UNIVERSITIES AND RESEARCH CENTRES AND, THEREFORE, GOOD RESEARCH AND TECHNICAL PROFESSIONALS. VAST AND HIGH QUALITY TRANSPORTATION NETWORK

3

PROFICIENCY IN SEVERAL LANGUAGES, THE FLEXIBILITY OF PORTUGUESE PROFESSIONALS, ALONG WITH THE SOCIETY'S CREATIVITY AND SERVICE CULTURE

RESPONDENT, POSITION

Siemens Communication Department

COMPANY NAME

SILVEROAK INTERNET SERVICES PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2002

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

IT CENTRE

TYPE OF SERVICES PROVIDED

Software Development**EMPLOYEES (FTE - FULL TIME EQUIVALENT) 245**

NO. OF CLIENTS

52

LANGUAGES USED

English & Portuguese

COUNTRIES SERVED

Germany, Luxembourg, Indonesia, Malaysia, Philippines, Vietnam & Singapore

DESCRIPTION OF THE CENTRE IN PORTUGAL

Software Development Centre of the Africa Internet Group (Nearshore). Expansion plan to reach 400 employees in 2015.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

COMPETITIVE COSTS (LABOUR, REAL ESTATE, ETC.), WHEN COMPARED WITH OTHER EU COUNTRIES

2

AVAILABILITY OF QUALIFIED ENGINEERS

3

GOOD GEOGRAPHIC LOCATION AND IT INFRASTRUCTURES (COMMUNICATIONS)

RESPONDENT, POSITION

KRISTJAN HAAVIK, managing director, Silveroak Internet Services Portugal

COMPANY NAME

SOLVAY BUSINESS SERVICES PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2005

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

CARNAXIDE

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC

TYPE OF SERVICES PROVIDED

Human resources services (salary payment, maintenance of org. charts, strategic HR processes), accounting and finance (payment accounts, collection, credit management), procurement services (supply management)

EMPLOYEES (FTE - FULL TIME EQUIVALENT) 320

NO. OF CLIENTS

20.000 clients; 40.000 paid employees; 50.000 suppliers

LANGUAGES USED

German, Spanish, French, Dutch, English, Italian & Portuguese

COUNTRIES SERVED

117 sites in 56 countries

DESCRIPTION OF THE CENTRE IN PORTUGAL

SBS delivers its services based on four End-to-End processes: Hire to Retire, Order to Cash, Procure to Pay & Record to Report, side by side with an Information Services support team. SBS is organised into local teams coordinated by 4 regional centres - in Lyon, Cranbury, São Paulo and Singapore - delivering its services from 3 Back-Office centres in Carnaxide, Curitiba and Bangkok. Short-term goals: to migrate new services and improve processes.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

QUALIFIED LABOUR

2

PROFICIENCY TO LEARN LANGUAGES

3

POSSIBILITY OF PARTNERSHIPS WITH NATIONAL AUTHORITIES (EX. IEFP)

RESPONDENT, POSITION

JORDI PUJOL, SBS Managing director Portugal and **MARIANA COSTA**, SBS Communication, Solvay Business Services Portugal

COMPANY NAME

TECNOCOM PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

2008 (THROUGH THE ACQUISITION OF GETRONICS)

NO. OF CENTRES IN PORTUGAL

2

LOCATION OF CENTRE/S

LISBON/MIRAFLORES

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

ITO & SSC

TYPE OF SERVICES PROVIDED

Application Management, Application Outsourcing, Infrastructure Outsourcing, Infrastructure Solutions, Application Solutions, Help-Desk, Field Services, Desktop Management

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

298

NO. OF CLIENTS

78

LANGUAGES USED

Portuguese, Spanish, English, German & Mandarin

COUNTRIES SERVED

6

DESCRIPTION OF THE CENTRE IN PORTUGAL

To be a provider with recognised reliability, resilience, focus on innovation and quality of service.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

**ATTITUDE AND INDIVIDUAL CAPACITY
OF THE PORTUGUESE PEOPLE**

2**PRODUCTIVITY****3**

**PROFICIENCY IN COMMUNICATING
IN FOREIGN LANGUAGES**

RESPONDENT, POSITION

JOSÉ MANUEL DE OLIVEIRA HENRIQUES, managing director, Tecnom Portugal

COMPANY NAME

TELEPERFORMANCE PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1994

NO. OF CENTRES IN PORTUGAL

6

LOCATION OF CENTRE/S

LISBON (4), SETÚBAL (1) & COVILHÃ (1)

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

SSC

TYPE OF SERVICES PROVIDED

Customer Experience Management * Customer Acquisition * Grows Customer Value * Technical Support * Market Surveys * Phone collection * e-Government solutions * Teleperformance's successful cases include municipal water and health services, as well as various public institutes

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

5000

NO. OF CLIENTS

115

LANGUAGES USED

28 languages: Arabic, Bulgarian, Croatian, Czech, Danish, Dutch, English, Finnish, Estonian, Flemish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Norwegian, Polish, Portuguese, Romanian, Russian, Serbian, Slovakian, Slovenian, Spanish, Swedish & Turkish

COUNTRIES SERVED

52

DESCRIPTION OF THE CENTRE IN PORTUGAL

Teleperformance Portugal celebrated 20 years in 2014 and is the largest independent company in Customer Experience and Contact Centre Management outsourcing in Portugal. It is also a leader in exporting Customer Experience Management services and shared services all over the world. The Group's goals for Portugal involve maintaining sustained growth.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

**FLEXIBLE LABOUR LAWS, LOW COST OF QUALIFIED
LABOUR COMPARED TO OTHER COUNTRIES IN THE EU,
COST OF LIVING, NUMBER OF WORK HOURS
AND EFFECTIVE WORKFORCE MANAGEMENT**

2

**IDEAL LOCATION FOR THE NATIONAL
AND INTERNATIONAL MARKET (OFFERING
NEARSHORING COST EFFICIENCY)**

3

**PORTUGAL IS A MULTILINGUAL HUB,
OFFERING NEARSHORE SOLUTIONS
FOR ALL EUROPEAN LANGUAGES**

RESPONDENT, POSITION

JOÃO CARDOSO, CEO, Teleperformance Portugal

COMPANY NAME

TSED (BLIP)

BEGINNING OF ACTIVITY (PORTUGAL)

2009

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

PORTO

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

COMPUTER APPLICATIONS DEVELOPMENT

TYPE OF SERVICES PROVIDED

Computer Applications Development

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

183

NO. OF CLIENTS

1

LANGUAGES USED

English

COUNTRIES SERVED

1

DESCRIPTION OF THE CENTRE IN PORTUGAL

Blip develops high-performance applications, with products delivered to all 5 continents. Operates in a market where the web browsing speed and experience are crucial to business success. Blip focuses on engineering high-performance Web Applications that aim to be simple and efficient, always developing our products with enthusiasm and passion. Blip is the web development company with the greatest growth in Porto, and one of the largest earners in its segment in the country.

WHAT DOES YOUR COMPANY CONSIDER THE THREE

FACTORS THAT DIFFERENTIATE PORTUGAL AS A

DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

**QUALITY OF THE PROFESSIONALS IN THE
FIELD OF INFORMATION TECHNOLOGIES**

2**QUALITY/PRICE RATIO (SALARIES)****3****CULTURAL FLEXIBILITY**

RESPONDENT, POSITION

PEDRO TEIXEIRA, Head of Human Resources, Tsed

COMPANY NAME

UNIT4

BEGINNING OF ACTIVITY (PORTUGAL)

2006

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

NEARSHORE CENTRE FOR GLOBAL SOFTWARE CONSULTING SERVICES

TYPE OF SERVICES PROVIDED

Implementation of corporate software solutions, namely Unit4 Agresso, Unit4 CODA & other ERP software

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

250

NO. OF CLIENTS

NA

LANGUAGES USED

Portuguese, Spanish, English, German, Norwegian & Swedish

COUNTRIES SERVED

Europe, Asia, Pacific & America

DESCRIPTION OF THE CENTRE IN PORTUGAL

UNIT4's Nearshore centre for global software consulting services in Lisbon aims to serve its clients worldwide, helping simplify the consumption of corporate cloud software and thereby help companies all over the world adopt the new paradigm easily and quickly. Part of the group's global growth strategy, through this network of centres that also includes two other centres in Spain and Poland, UNIT4 aims to deliver greater value to its clients.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

HUMAN RESOURCES: HIGH QUALITY OF PORTUGUESE HUMAN RESOURCES, NAMELY IN THE FIELDS OF ENGINEERING AND ECONOMICS, AS WELL AS THE LOCAL UNIVERSITIES' CAPACITY TO GENERATE NEW TALENT

2

PROFICIENCY OF THE PORTUGUESE TO COMMAND SEVERAL LANGUAGES AND THEIR WILLINGNESS TO TRAVEL

3

AN ATTRACTIVE LOCATION FOR FOREIGN YOUNG GRADUATES TO BEGIN THEIR CAREERS AND LATER RETURN TO THEIR COUNTRIES WITH EXPERIENCE

RESPONDENT, POSITION

GONÇALO LEITÃO, executive vice-president, Unit4

COMPANY NAME

XEROX PORTUGAL

BEGINNING OF ACTIVITY (PORTUGAL)

1965

NO. OF CENTRES IN PORTUGAL

1

LOCATION OF CENTRE/S

LISBON

TYPE OF CENTRE (ITO/SSC/BPO/R&D/OTHER)

MANAGED PRINT SERVICES DELIVERY CENTER (IT SERVICES)

TYPE OF SERVICES PROVIDED

The Xerox Global Delivery Center (GDC) in Lisbon performs print management outsourcing contracts. Xerox Managed Print Services clients are guaranteed the proactive and remote management of their installed printer park, freeing the customer from basic functions such as supply management or support needs to manage equipment and solutions

EMPLOYEES (FTE - FULL TIME EQUIVALENT)

250

NO. OF CLIENTS

15.000

LANGUAGES USED

Portuguese, Spanish, English, German, Italian, French, Dutch & Arabic

COUNTRIES SERVED

> 40 countries

DESCRIPTION OF THE CENTRE IN PORTUGAL

The Xerox Global Delivery Center (GDC) in Lisbon opened in May 2011 and is part of a network of Xerox centres set up in various locations around the world. This centre of excellence reinforced Xerox's capacity to perform global contracts for Managed Print Services, and will represent an economic benefit to the country of around 30 million euros within 10 years.

WHAT DOES YOUR COMPANY CONSIDER THE THREE FACTORS THAT DIFFERENTIATE PORTUGAL AS A DESTINATION FOR NEARSHORE/OUTSOURCING SERVICES?

1

THE QUALITY OF THE AVAILABLE HUMAN CAPITAL, ALONG WITH A COMPETITIVE COST/INVESTMENT RATIO

2

XEROX SEES PORTUGAL AS A HUB FOR THE DELIVERY OF THIS TYPE OF SERVICES FOR THE GROUP, DUE TO THE COMPETITIVE QUALITY/PRICE RATIO OF HUMAN RESOURCES

3

ABILITY TO DELIVER AN OUTSTANDING SERVICE AT COMPETITIVE COSTS

RESPONDENT, POSITION

PEDRO QUINTELA, managing director, Xerox Portugal

The companies listed in this pages are examples of shared services centers (SSC) operating in Portugal.

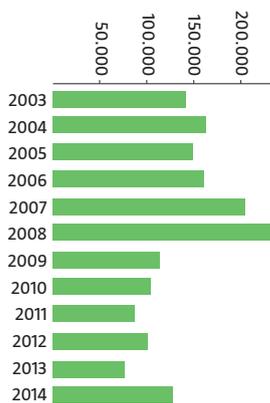
Disclaimer The list is not exhaustive it is a result of a query made to companies operating in Portugal, which provide, internally or in outsourcing, business process services, information technologies support services, research and development centers or other services from Portugal to the world.



REAL ESTATE

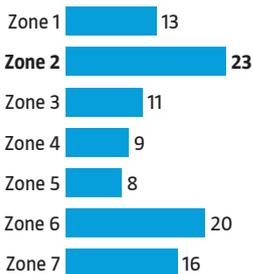
REAL ESTATE: OFFICE SPACE AT COMPETITIVE PRICES

OFFICES: EVOLUTION OF TAKE-UP



Source LPI

OFFICES: CURRENT GLA PER ZONE



Source Cushman & Wakefield

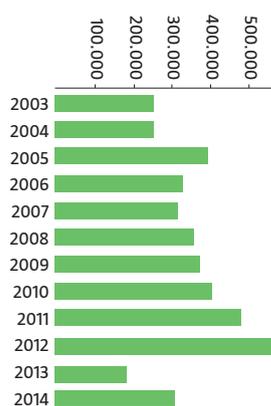
The office market in Lisbon is made up of approximately 4.6 million sq m distributed across six geographic zones, plus a 7th zone that combines office buildings in the remaining parts of the city. Cushman & Wakefield explains how the offices take-up is evolving. The prices are quite competitive in comparison when comparing with other capitals in Europe. Zone 1 and 2 comprise the capital's Central Business District and represent 36% of the total supply, approximately 1.7 million sq m. These are the market's most valued locations, normally occupied by companies in the financial and services sectors. Zone 3 is also located at the centre of the Lisbon municipality. Although it has a less central location, it offers excellent accesses to road networks and public transport, and represents 11% of the total stock. Zone 4 represents buildings located in the historic districts and has both less supply, constituting 9% of the total, and less demand.

Zone 5, Parque das Nações, is located on Lisbon's northern extremity and originated from the space occupied by the Expo 98 World Exhibition, and today epitomises the modernity of the city's office market. Zone 6 is the 'out-of-town' market, located outside the city's boundaries. It is the second largest district in the market in terms of supply, representing 20% of the total space. The average annual take-up volume in the city of Lisbon over the last 10 years is 140 000 sq m. At the beginning of this decade, the evolution of this indicator recorded a constant increase until 2008, the year that marked the highest demand registered in the office market in the greater Lisbon area, surpassing 240 000 sq m of office take-up. In 2009, the market started to show the effects of the crisis, experiencing consecutive drops until 2013. 2014 witnessed the recovery of the Lisbon office market, with almost 240 transactions carried out overall, totalling more than 126 500 sq m

OFFICES IN LISBON

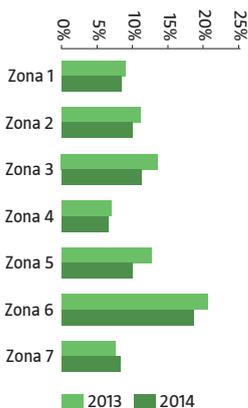


OFFICES: EVOLUTION OF SUPPLY



Source LPI

OFFICES: VACANCY RATE



Source Cushman & Wakefield

of space taken up and reflecting a positive evolution of 63% compared with the previous year, and of 30% compared with the average from the last five years.

The vacancy rate maintained a tendency that was the direct opposite of the trend exhibited in the take-up volume, rising in the years of crisis and dropping slightly as of 2013, due to a very cautious attitude among developers, who drastically reduced the development of new projects, focusing almost exclusively on non-speculative projects, in other words, guaranteed occupancies. Currently, this indicator stands at 11%, with Zones 6 and 3 registering the highest vacancy rates, of 18.7% and 11.2%, respectively. The Zones with the lowest vacancies are Zones 1 and 4, with 8.6% and 6.6%.

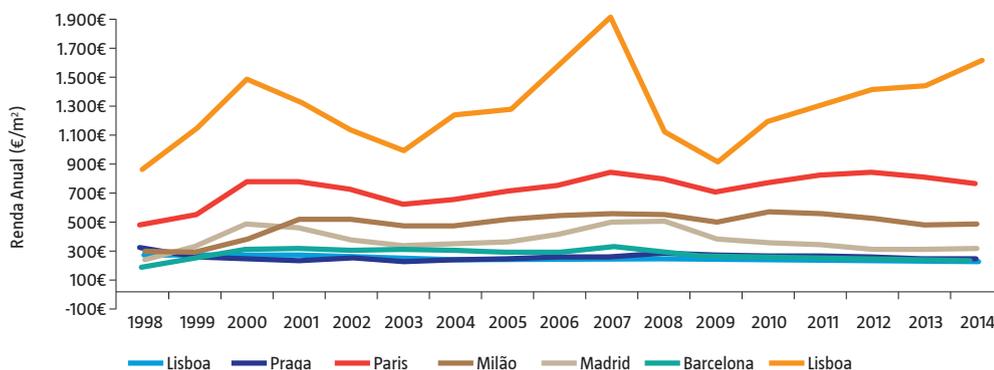
Regarding market prices, the rise in activity has produced a gradual decrease in the incentives offered by owners, which justifies the prime rent remaining the same in the greater Lisbon area compared with 2013, stabilising at 18.5 euros/sq m/month, as did the average rent, at 16 euros/sq m/month. The prime rent in zone 5 remained at 15 euros/sq m/month, while the average rent, due to the lower

quality of available spaces, dropped slightly to 13 euros/sq m/month. In the Western Corridor, the prices remained at 11 euros/sq m/month for prime rents and 8 euros/sq m/month for average rents. Regarding the competitiveness of Lisbon compared with other European cities, the Portuguese capital offers an excellent quality/price ratio compared with many European markets. Office buildings in Portugal guarantee quality levels and technical features that meet the most demanding needs of leading occupants, and rents are among the lowest in Europe, in line with Barcelona and below Prague, a market that is very similar to Lisbon both in terms of size and the quality of the real estate properties.

Prospects for the sector's evolution throughout 2015 are for the drive in demand to remain, while take-up is expected to stabilise.

The vacancy rate may experience a slight downward shift, since speculative construction should remain below pre-crisis levels. However, the clear signs of market recovery should motivate a short-term launch of new projects that had been long interrupted.

OFFICES: EUROPEAN ANNUAL PRIME RENTS - 1998/2014



Source Cushman & Wakefield



TODAY AND THE FUTURE

CITIES ATTRACT SHARED SERVICES CENTRES

HIGHLIGHTS
 AT BUSINESS CENTRES, SMALL COMPANIES OR STARTUPS CAN TAKE ADVANTAGE OF SHARED SERVICES WHICH THEY WOULD OTHERWISE NOT HAVE ACCESS TO. SECRETARIES AND/OR RECEPTIONISTS, CUTTING EDGE TELECOMMUNICATIONS INFRASTRUCTURES OR A PRESTIGIOUS ADDRESS

MUNICIPALITIES CAN PROVIDE FISCAL INCENTIVES AND OTHER TYPES OF SUPPORT TO ATTRACT INVESTMENT TO THEIR CITIES

There are 159 cities in Portugal, which house approximately 42% of the population. In other words, 4.5 million inhabitants are essentially concentrated in the country's seven largest cities: Lisbon, Porto, Vila Nova de Gaia, Amadora, Braga, Funchal and Coimbra. These cities each have a population of more than 100 thousand and, according to Census 2011 data, represent more than a third of the country's total city dwellers and 14% of the population. To aid development in their regions, local municipalities have multiplied their efforts to create focal points that attract population. Universities and business centres, as well as fiscal and financial support, have helped drive growth in some of these regions.

It is important to remember that most of Portugal's corporate fabric is made up of Small and Medium Enterprises. Many of these companies are led by young, qualified entrepreneurs seeking to develop their initiatives. The economic and financial crisis led to unprecedented unemployment in Portugal. This drove many young people to start their own business. It also enabled consolidated companies, financial and educational institutions, and the State to come together to create spaces for the development of innovative ideas, both through the municipalities and through central public institutes. New startups, many of technological origin, emerged in Portugal on a daily basis and took advantage of the business parks and incubators to develop.

BUSINESS PARKS & INCUBATORS

The purpose of business parks and incubators is to accommodate companies of all sizes, in all business sectors. Typically, business parks house companies that are already established, while incubators offer conditions for startups to create business plans and develop ideas that would otherwise never leave the drawing board.

ADVANTAGES OF INCUBATORS:

- Shared services and infrastructures enable economies of scale;
- Opportunity for symbioses among initiatives and networking with partners, as well as possible savings/additional investment;
- Mentoring networks that support the production and development of business plans, including analysis of economic-financial viability;
- Source of information regarding public incentives, financing solutions and/or support for international expansion;
- Counselling, consulting and support in applying for financial and/or internationalisation/export support;
- Typically central location, with access to an efficient transport network.

MUNICIPAL SUPPORT

Municipal representatives are aware of these opportunities, which also contribute to the development of their regions. By investing to convert former industrial areas or providing land for companies to set up, municipalities, both remote and in the large urban centres, aim to attract and retain resources. Business parks also offer conditions to support economic activity through, for example, connections with financial entities and other infrastructures. These infrastructures may include virtual offices or conference rooms, trade fairs and exhibitions. Associations also make a valuable contribution, facilitating communication between counterparts, acting as facilitators in the access to incentive packs, helping interpret these through teams of specialised consultants.

SHARED SERVICES CENTRES

MOST OF THE INVESTMENT IS CONCENTRATED IN THE LISBON AND PORTO REGIONS. CITIES WITH LOCAL UNIVERSITIES AND INITIATIVES ARE GAINING IMPORTANCE ON THE BUSINESS SERVICES MAP IN PORTUGAL

● Business Parks & Incubators

● Shared Services Centers



Porto Region
 (Porto, Vila Nova de Gaia, Matosinhos...)
 Adidas, Altran, Armatis LC, Celfocus, CGI Portugal, Concentrix (opening soon), Deloitte, Glintt, HB Fuller, Indra, Microsoft Portugal, Randstad Portugal, Reditus, Siemens, Silveroak Internet Services Portugal (Rocket Internet), Tsed (Blip), PT Portugal, Infineon

Lisbon Region
 (Lisbon, Alfragide, Amadora, Oeiras, Cascais, Carnaxide, Miraflares,...)
 Accenture, Action Portugal (Sitel), Alcatel-Lucent, Altran, Atos, Geoban, BNP Paribas Securities Services, Celfocus, Cisco Portugal, CGI Portugal, Collab, Embraer, Europcar, Coriant, Deloitte, Everis, GFI Portugal, Glintt, HP Enterprise Services, IBM, Indra, Living Brands Portugal (Sellbytel), Mercer Portugal, Microsoft Portugal, NetJets, Novabase, Nokia Solutions, Prime IT, PT Portugal, Randstad Portugal, Reditus, SAP SIBS Processos, Siemens, Solvay, Tecnocom, Teleperformance, Technip, Unit4, Vodafone, Xerox

Setúbal District
 Teleperformance

Aveiro
 Bosch
 Nokia Solutions

Braga District
 Bosch, Concentrix, IBM, Randstad Portugal

Hipercentro Business Centre, Porto

InovaGaia

Science and Technology Park of University of Porto (UpTec)

Casarão Business Park, Águeda

Fundão novação

Castelo Branco

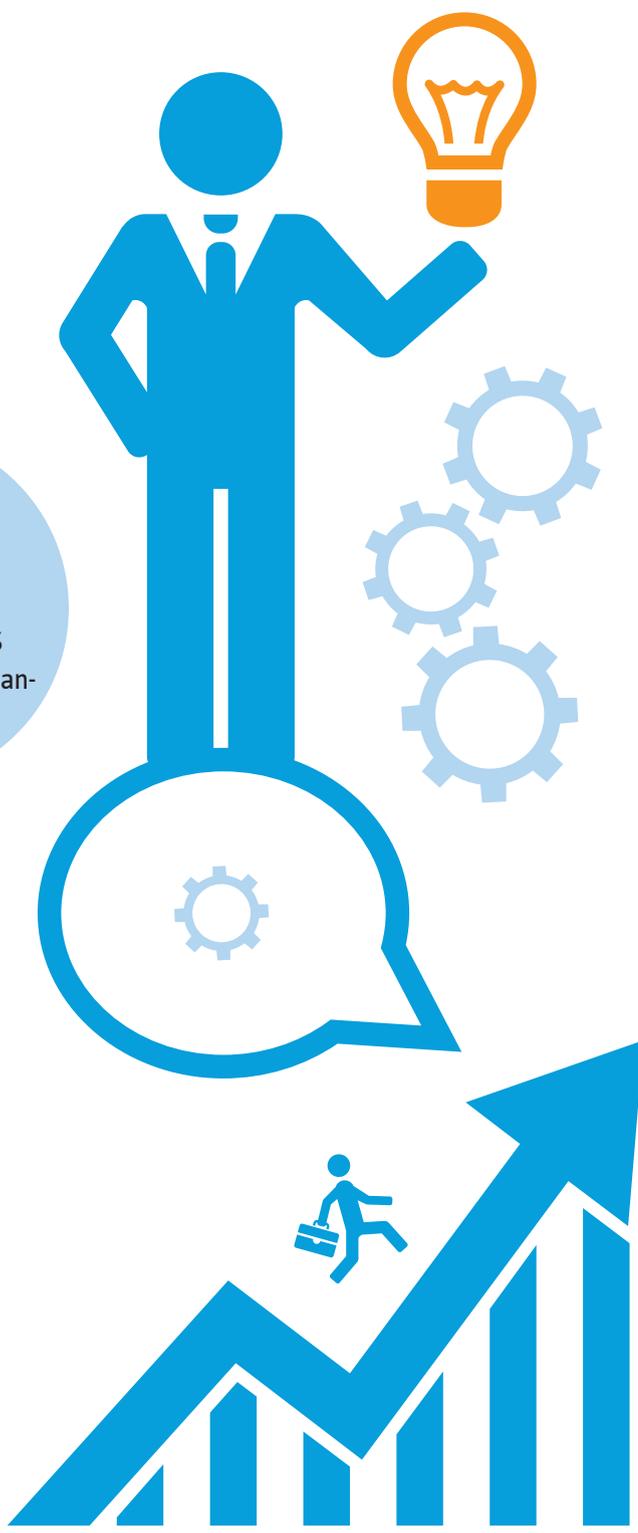
Villa Park, Amadora

Incubator Network in Lisbon

Novalmada, Almada

Municipal Business Parks Association, Tavira

Sources Universities: The Council of Deans of Portuguese Universities 2012/2013; Data by AICEP/Council of Deans of Portuguese Universities; Shared Services Companies: Information collected for this document & Associação Portugal Outsourcing

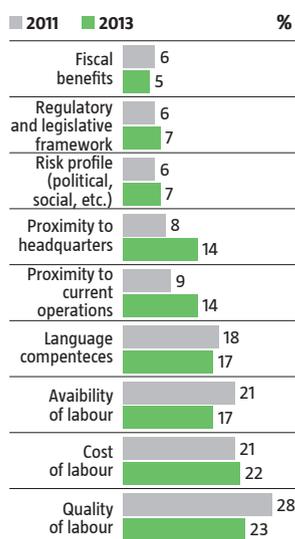


- No. of students enrolled
- R&D Centres
- Faculties

University	No. of students enrolled	R&D Centres	Faculties
University Minho	17994	32	11
University Porto	32166	60	15
University Lisbon	22143	54	11
University Nova	18550	41	9
University Technical	25574	55	7
University Católica	10341	23	16
University Aveiro	13939	16	20
University Coimbra	24087	40	12
University Évora	6707	12	5
University Algarve	8076	7	7

TODAY AND THE FUTURE

EVOLUTION OF THE MOST IMPORTANT FACTORS IN THE DECISION ABOUT SSC LOCATION



Sources Global Shared Services Survey, Deloitte Consulting LPP, 2013

BUSINESS SERVICE CENTRES IN 2015

- › EXPORTS CONTINUE TO SHOW CONTINUOUS GROWTH
- › HIGHER ECONOMIC ACTIVITY IS REFLECTED IN GDP GROWTH IN 2014, INVERTING THE CONTRACTION OF PREVIOUS YEARS
- › THE QUALITY OF INFRASTRUCTURES CONTINUES TO BE A COMPETITIVENESS FACTOR THAT IS HIGHLY VALUED BY FOREIGN INVESTORS

THE RIGHT DESTINATION IN WESTERN EUROPE

For the fifth consecutive year, Portugal is in the top seven developed countries for providing technology based services in the Europe, Middle East and Africa region, according to Gartner. (1)

The study in question states that Portugal is a destination that is increasingly considered by companies seeking a business opportunity, both in terms of hiring outsourcing services and installing their own operations.

Gartner anticipates that companies will take advantage of the availability, quality and maturity of the existing resources, the infrastructure offered by the country, the general business environment, as well as the political stability, in line with the European Union's regulatory framework.

VENI, VIDI, VICI

The consulting firm EY believes that Portugal is currently in a privileged position. The country has quality infrastructures, a young and qualified workforce, a safe environment and high standards for protecting investment. The firm's 2014 Attractiveness Survey states that all these factors enable investors to obtain high productivity levels while benefitting from competitive costs due to the current unemployment rate, which is exceptionally high, as well as low inflation.

Although investing in a new location is always risky, the EY survey claims that the first to take advantage of the situation will be better positioned to reap the benefits of their pioneering attitude.

The results of the 2014 Attractiveness Survey reveal that, if Portugal is an interesting destination now, it will be even more so in the future. Many multinational enterprises already established in the country confirm this tendency.

Portugal is part of the European Union and the Euro Zone. Thus it will benefit from the recovery of the entire region. At the same time, companies have been investing heavily in their own international expansion and in growing their exports, namely to South America, Africa and Asia, EY explains.

This internationalisation also extends to SME, which present interesting opportunities for partnerships, alliances and acquisitions.

Despite the challenges involved, the high unemployment rate and low inflation represent opportunities for international investment, EY emphasises.

BUSINESS SERVICE CENTRES IN 2015

- › SIGNIFICANT PROGRESS IN THE FLEXIBILITY OF LABOUR LAWS AND IN THE INCENTIVES AND GRANTS FRAMEWORK
- › AVAILABILITY OF THE WORKFORCE HAS INCREASED DESPITE THE EMIGRATION OF SOME YOUNG GRADUATES
- › REDUCTION IN UNIT LABOUR COSTS EQUATE PORTUGAL TO EASTERN EUROPEAN COUNTRIES
- › CORPORATE TAX MAY BE FURTHER DECREASED IN 2015
- › COMPANIES ARE REINFORCING THEIR FOCUS ON EXTERNAL MARKET AND EXPORTS, WITH VERY SIGNIFICANT RESULTS
- › ANTICIPATED RELIEF OF PERSONAL AND CORPORATE TAX BURDEN WILL ENCOURAGE MORE ECONOMIC ACTIVITY AND FOREIGN INVESTMENT
- › PORTUGUESE PUBLIC ADMINISTRATION'S ADOPTION OF OUTSOURCING MODELS AND SOLUTIONS IS A CHALLENGE FOR LOCAL SERVICE PROVIDERS
- › POLITICAL DECISIONS HAVE HELPED IMPROVE PORTUGAL'S COMPETITIVENESS AND ATTRACT FOREIGN INVESTMENT
- › THE SKILLS AND QUALITIES OF PORTUGAL'S TALENT BASE CONTINUE TO OUTPERFORM THE ARGUMENTS FOR OFFSHORE DESTINATIONS

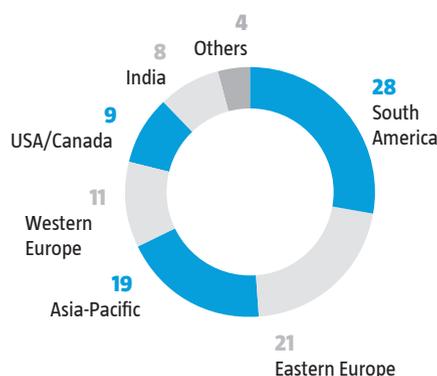
Source Associação Portugal Outsourcing

OPPORTUNITIES IDENTIFIED

Deloitte also analysed the shared services centres (SSC) market and identified opportunities that enterprises looking for new locations should be aware of:

- Growth of the nearshore market;
- Scarcity of qualified human capital in other countries where SSC are already established;
- Higher salaries in other countries that compete with Portugal;
- Cost reduction strategies continue to drive the expansion of SSC;
- Availability of structural funds under the Portugal 2020 Community Program.

FUTURE GEOGRAPHIC LOCATIONS



Sources Global Shared Services Survey, Deloitte Consulting LPP, 2013

WHY ENTERPRISES CHOOSE A CERTAIN OUTSOURCING SOLUTION AND/OR COUNTRY

Portugal has quality human capital and competitive salaries, while high unemployment among young people and qualified professionals creates a large and readily available worker pool. Good language skills are also an asset offered by Portugal.

In the future, the sector (95% of respondents) believes that SSC will continue to gain ground, adopting new functions and services with increasingly greater added value, turning to more intensive knowledge in order to fulfil new needs. This could be the case with research and development centres, a study conducted by Deloitte adds.

Most companies contacted believe that SSC will continue to occupy new geographies, reinforcing their geographic dispersal. Furthermore, Deloitte highlights that there is growing interest in the use of hybrid models that complement SSC with outsourcing. Considering the current geographic dispersion of shared services centres, half of the SSC created in the future will be set up in South America and Eastern Europe, with Brazil, Poland and India as the main destinations. In Eastern Europe, Poland is the most popular destination, followed by Hungary and Romania, according to Deloitte.

Portugal has the potential to become a preferred destination to attract value added services, Deloitte concludes.

WHAT CAN WE DO FOR YOU?

Portugal is an excellent location on Europe's west coast: we have strategic access to markets, competitive operating costs, proactive reforms, a network of modern infrastructures, a commitment to education and science, and flexible, dedicated and competent human capital.

VERY COMPETITIVE LABOUR COSTS

Portugal has a great location, consolidated expertise, advanced communication systems and low installation and running costs, namely, very competitive labour costs, when compared with other countries competing in this sector.

SKILLED AND TALENTED WORKFORCE

Portugal has a skilled and talented workforce and a high number of graduates, especially in fields such as Business and Management, which enables a Shared Services Centre in Portugal to access a wide range of competencies. Furthermore, Portuguese people are known for their second language skills.

INTERNATIONAL EXPERIENCE

We have extensive and international experience in leading or advising the implementation of Shared Services, designing and managing facilities, IT infrastructures and all the needs involved (simple & safe).

MANAGING CHANGE

Helping you find the right, qualified people to design and operate your processes, as well as creating the right indicators to measure process performance. We have the knowledge to facilitate the migration and standardisation of your activities.

WHAT CAN WE DO FOR YOU?

<http://www.lets-go-on.net/didyouknow.html>

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Letsgo-On is a cause-driven organisation. It must be financially sustainable and mission-oriented. Like an NGO, it has a mission, but like a business, it generates its own revenue to cover its costs.

APROVEITAR O TEMPO

APROVEITAR O TEMPO!

MAS O QUE É O TEMPO, QUE EU O APROVEITE?

APROVEITAR O TEMPO!

NENHUM DIA SEM LINHA...

O TRABALHO HONESTO E SUPERIOR...

O TRABALHO À VIRGÍLIO, À MÍLTON...

MAS É TÃO DIFÍCIL SER HONESTO OU SUPERIOR!

É TÃO POUCO PROVÁVEL SER MILTON OU SER VIRGÍLIO!

PORTUGAL

APROVEITAR O TEMPO!

TIRAR DA ALMA OS BOCADOS PRECISOS - NEM MAIS NEM MENOS -

PARA COM ELES JUNTAR OS CUBOS AJUSTADOS

QUE FAZEM GRAVURAS CERTAS NA HISTÓRIA

(E ESTÃO CERTAS TAMBÉM DO LADO DE BAIXO QUE SE NÃO VÊ)...

PÔR AS SENSações EM CASTELO DE CARTAS, POBRE CHINA DOS SERÕES,

E OS PENSAMENTOS EM DOMINÓ, IGUAL CONTRA IGUAL,

E A VONTADE EM CARAMBOLA DIFÍCIL.

IMAGENS DE JOGOS OU DE PACIÊNCIAS OU DE PASSATEMPOS -

IMAGENS DA VIDA, IMAGENS DAS VIDAS. IMAGENS DA VIDA.

ÁLVARO DE CAMPOS

POET | HETERONYM OF FERNANDO PESSOA

PORTUGAL: AN EXCELLENT LOCATION

We have the talent! We have the infrastructure! We have the skills!
We have highly proficient in foreign languages. 250 million people speak Portuguese in almost every time zone! You can open a business in just 2.5 days! Portugal is socially and politically stable. Dozens of companies have already chosen this country to establish their business services infrastructures. Portugal is waiting - we welcome your company!