



Euromontana

“Opportunities offered by New Information and
Communication Technologies”

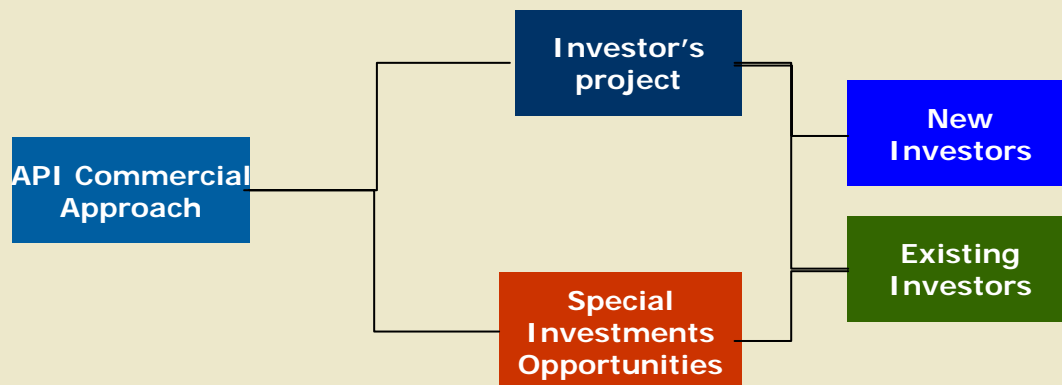
Chaves, September 14th

API – Invest in Portugal Agency

API's Mission

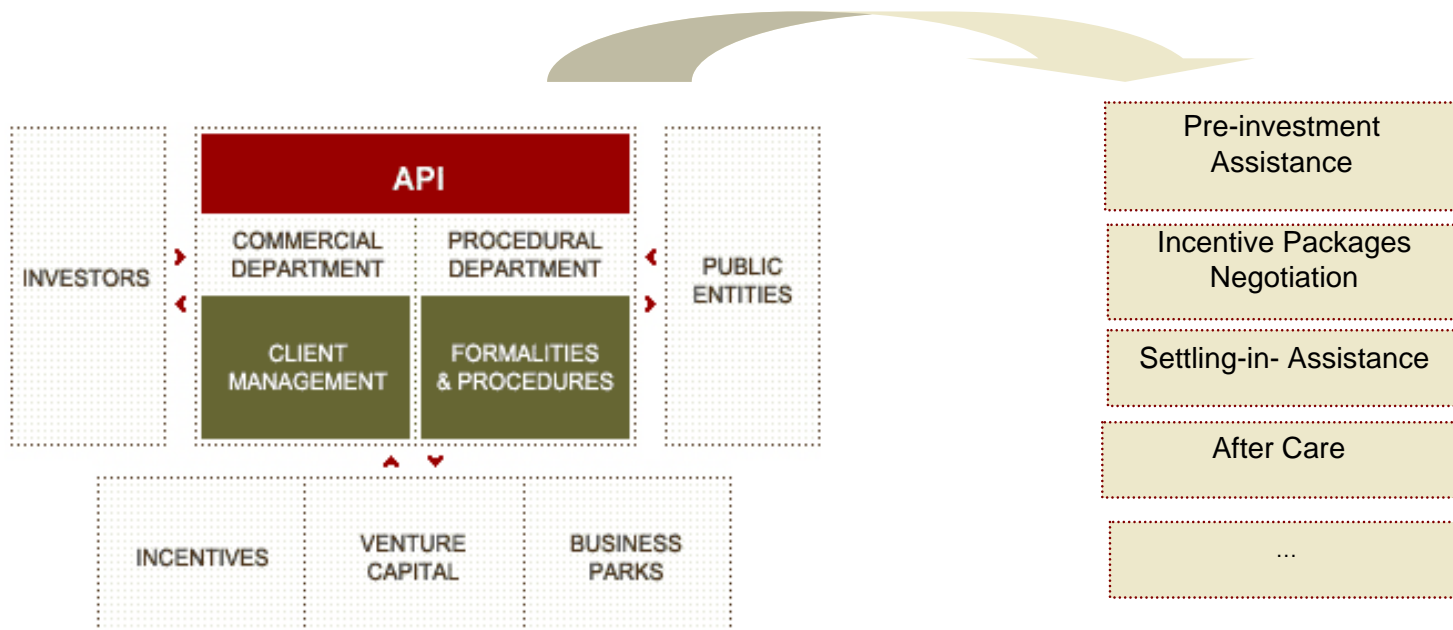
- The Portuguese Investment Agency (API) was created for the purpose of promoting investment in Portugal, both national and foreign origin, corporate and non-corporate, and from all sectors.
- Our aim is to enhance Portugal's attractiveness as an investment location and attract far more projects, from new and existing investors, and also higher value-adding initiatives. We are committed to supporting the existing investors to strengthen their corporate wide role.
- API supports projects involving tradable goods and services, generating high value added outcomes and that leverage on endogenous resources and capabilities.

Investments Opportunities



API – A Single Point of Contact

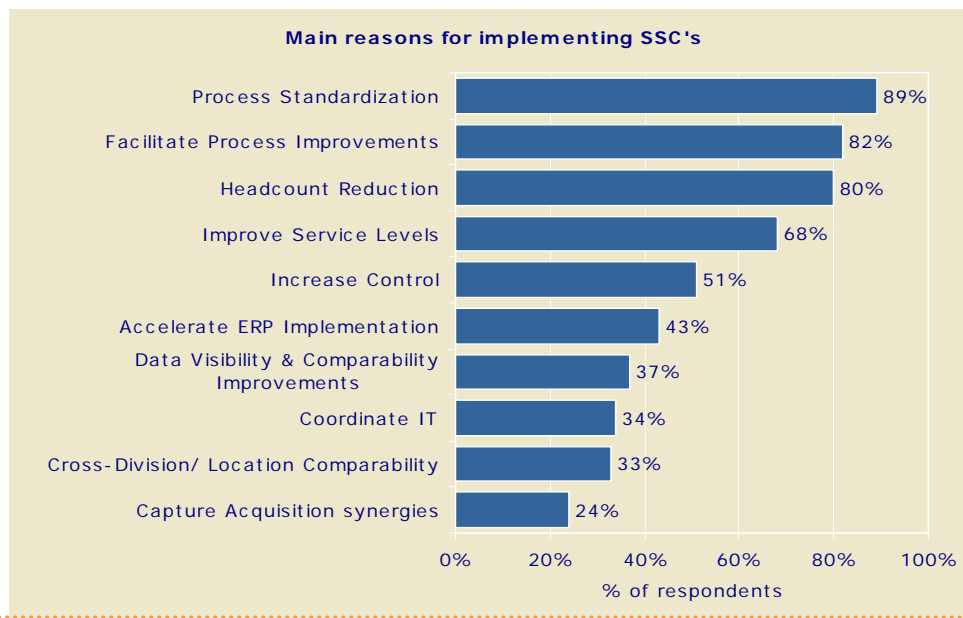
**API as single point of contact
For better support!**



Investing in Shared Services Centres

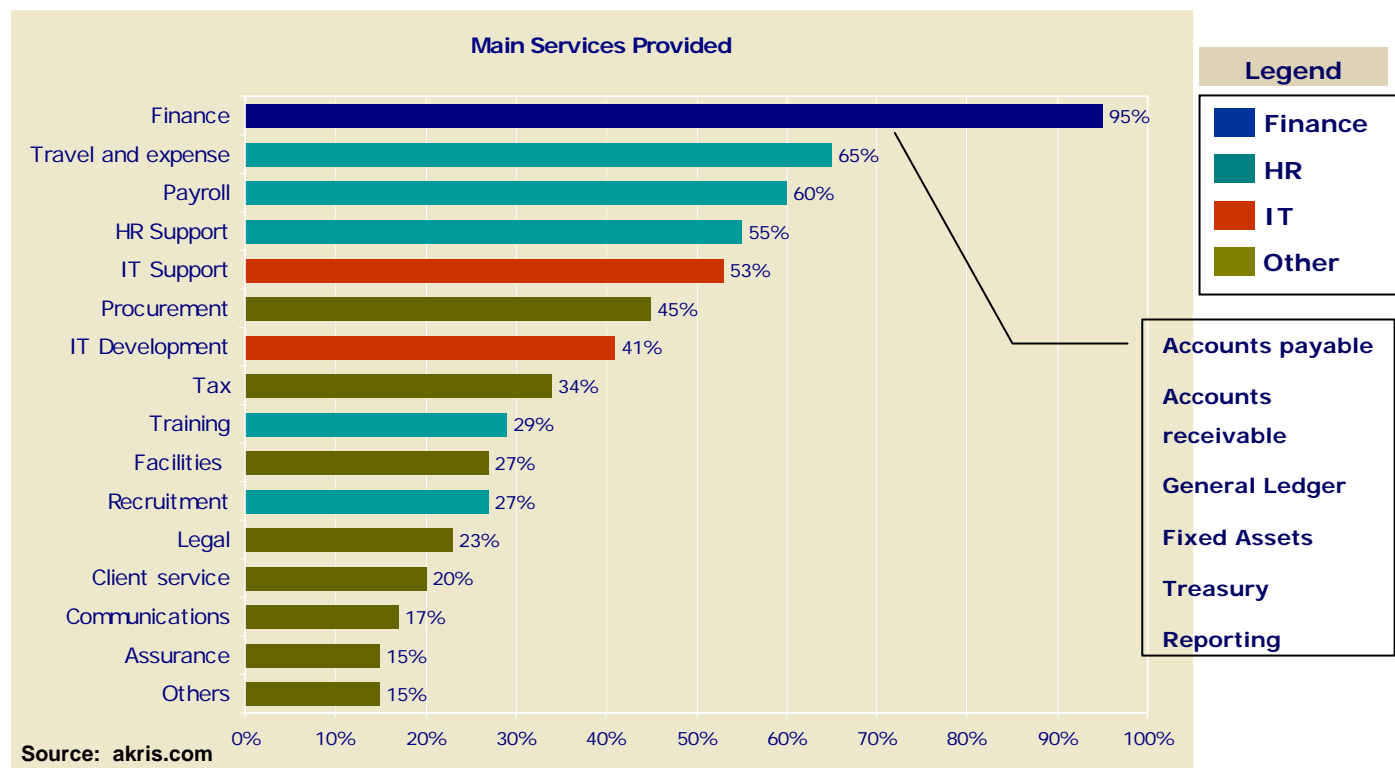
Shared Service Centre trends (SSC)

- Many organizations over the world have adopted the concept of SSC:
 - 80% of Fortune 500 companies have now implemented SSC's:
 - American Express, General Electric, Coca-Cola, Pfizer, Exxon Mobil, Apple Computer, Hewlett-Packard, New York Times, General Motors, ...
 - 90% of those who have not yet implemented SSC's intend to do so in the following years;
- As cost reduction is one of the major drivers, the main motivations for implementation are process standardisation and quality improvement.



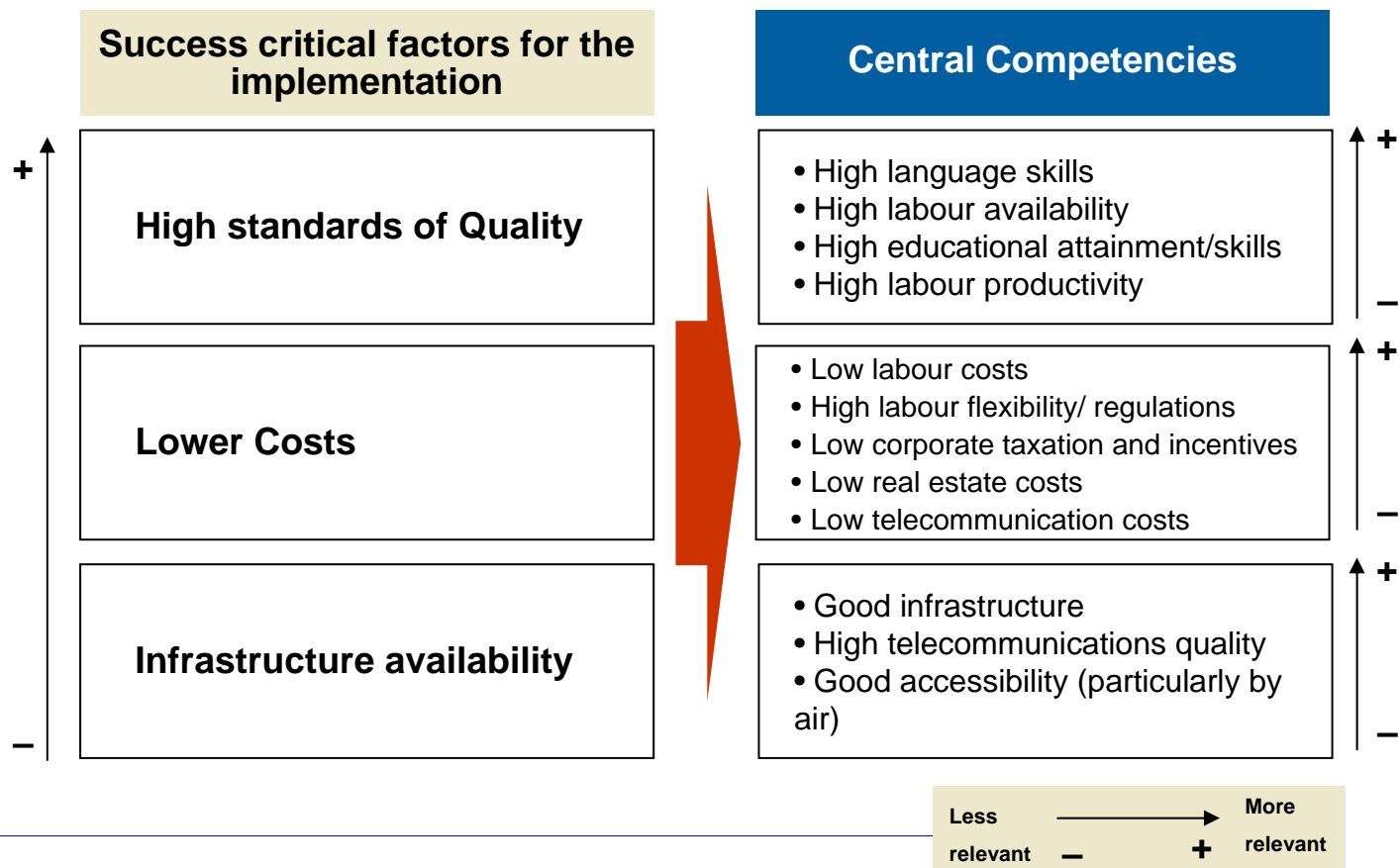
Shared Service Centre trends (SSC)

- The companies that have implemented SSC's provide a broad scope of services. As common transactional processes are already present in most SSC's, more qualified processes are moving into the Shared Business Model.



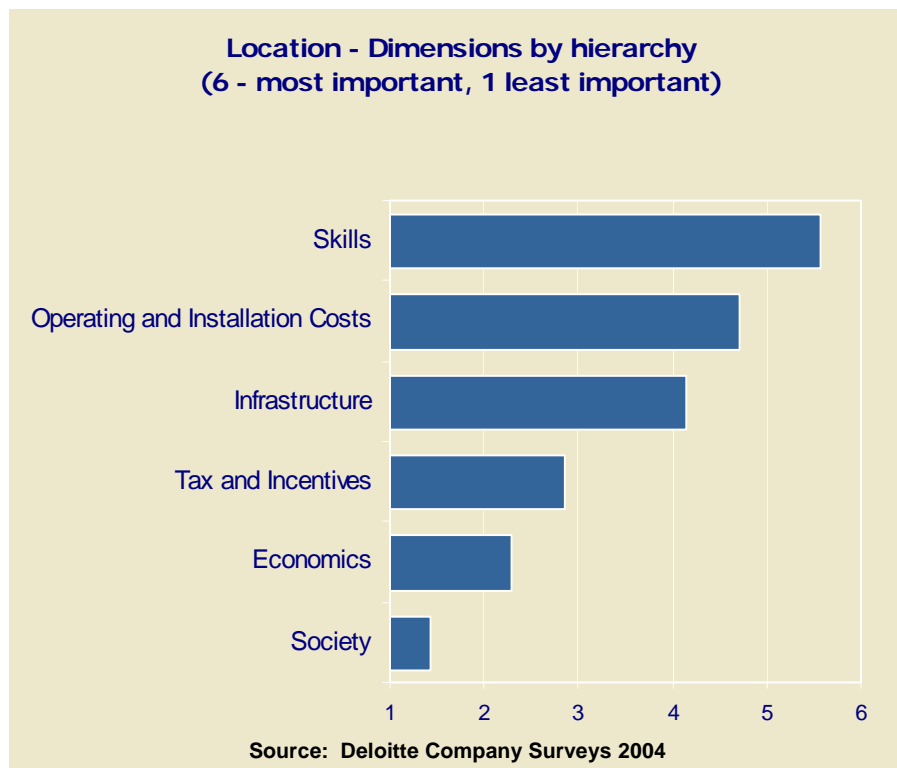
Shared Service Centre trends (SSC)

- **The successful location for a SSC has to demonstrate key strengths in all critical success factors.**



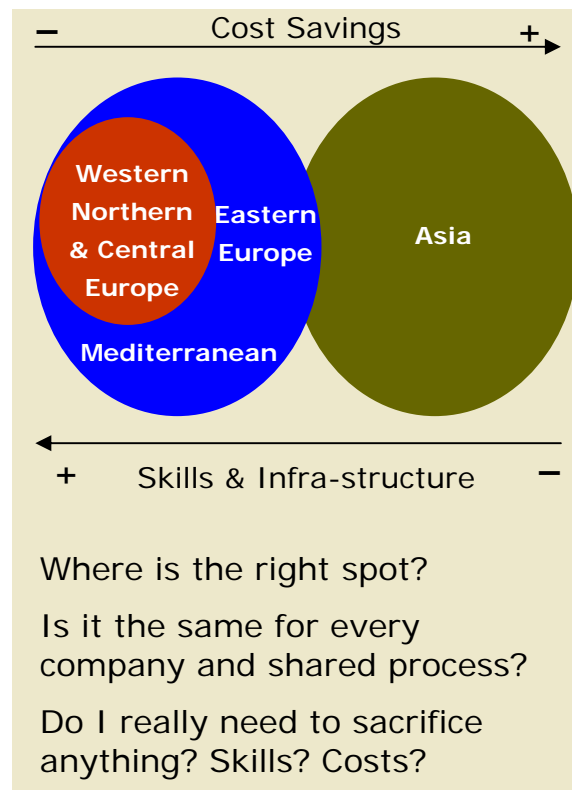
Shared Service Centre trends (SSC)

- The two main ranking location factors are skills availability and operation costs.



Shared Service Centre trends (SSC)

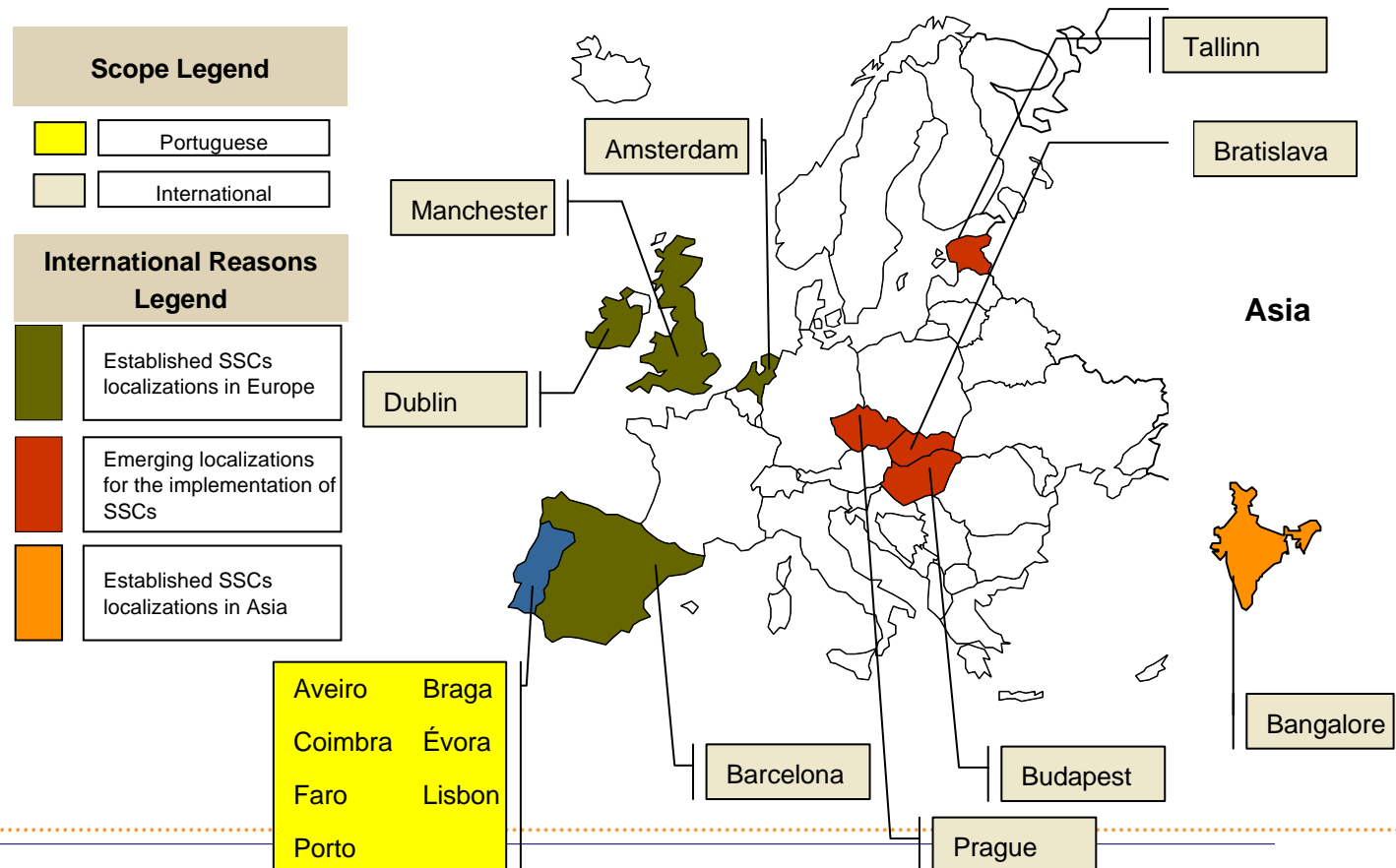
- Companies are striving to cut down administrative costs and geographical and cultural barriers fade, the challenge is to find a location with the appropriate mixture of cost, skills and infrastructure for their shared processes.



- European Mountains, Mediterranean and Eastern European Countries can positioning themselves to serve European Operations with lower costs without sacrificing risk, skills, infrastructure and convenience

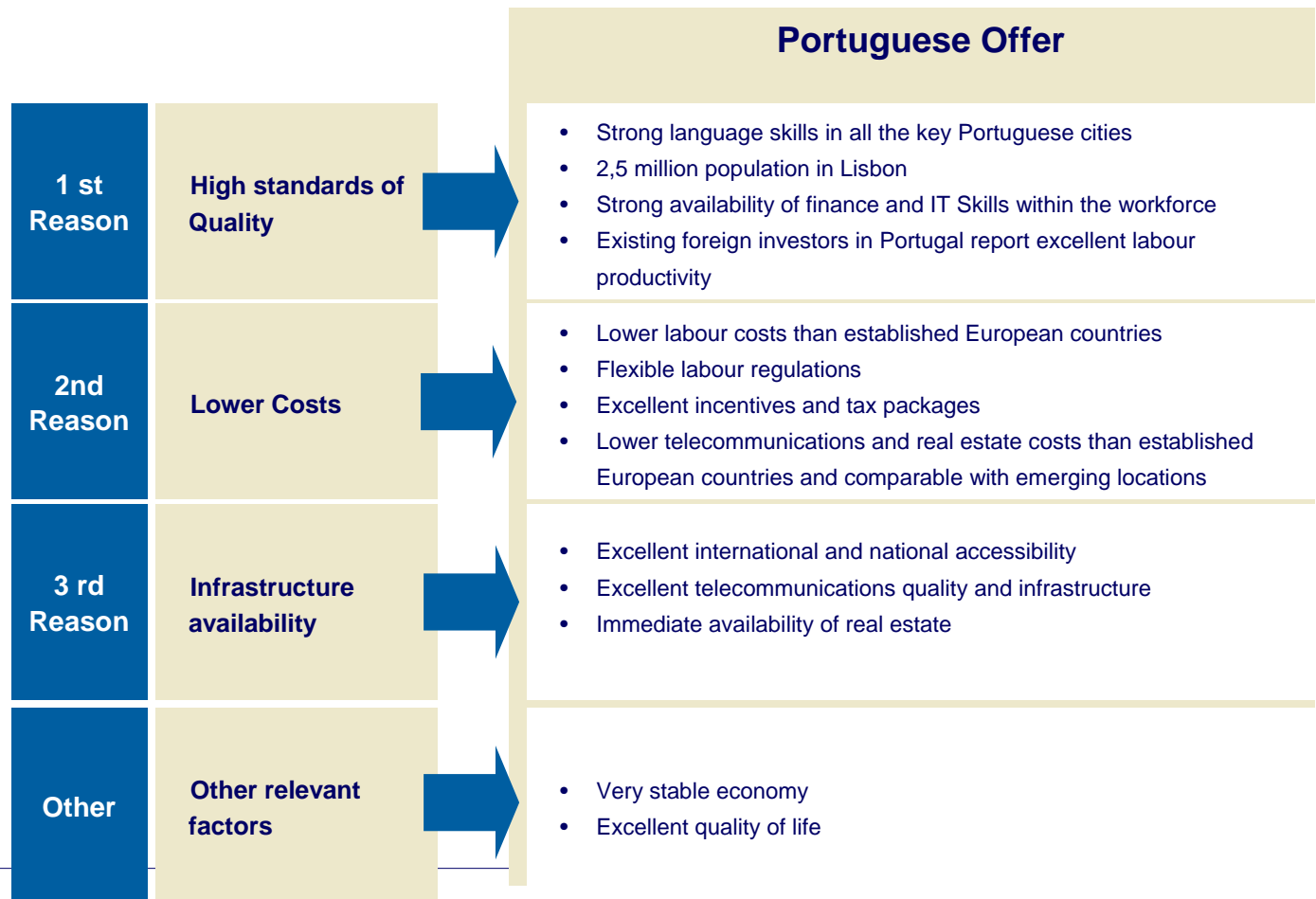
Reasons to choose Portugal

- In order to determine the attractiveness of Portugal, the study compared Lisbon to established locations in Europe and Asia and with emerging locations in Europe.



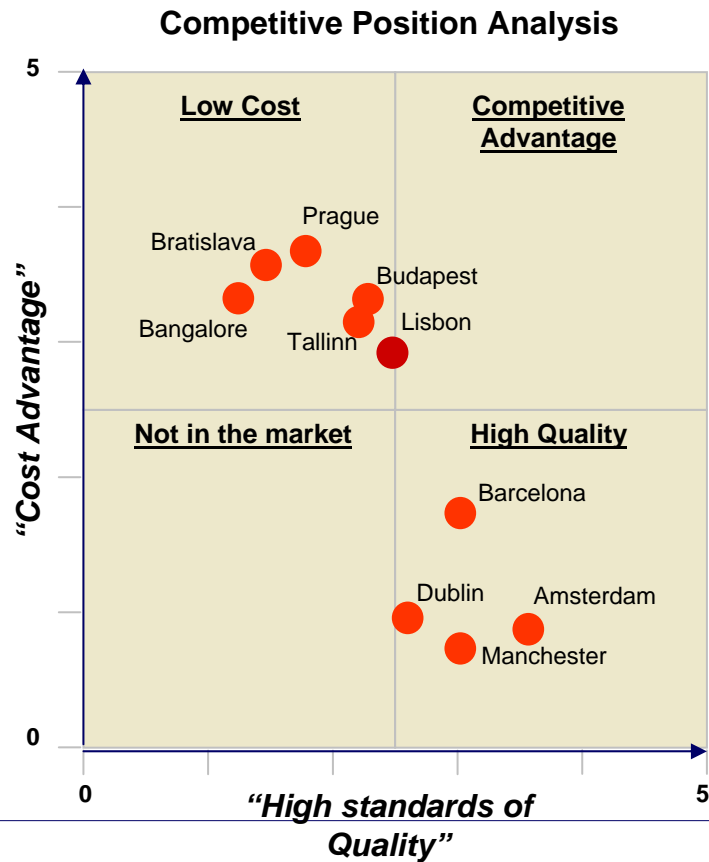
Reasons to choose Portugal: Overview

- Portugal offers a cost-competitive, skilful and multilingual labour market, as well as excellent infra-structures.



Reasons to choose Portugal: Overall Positioning

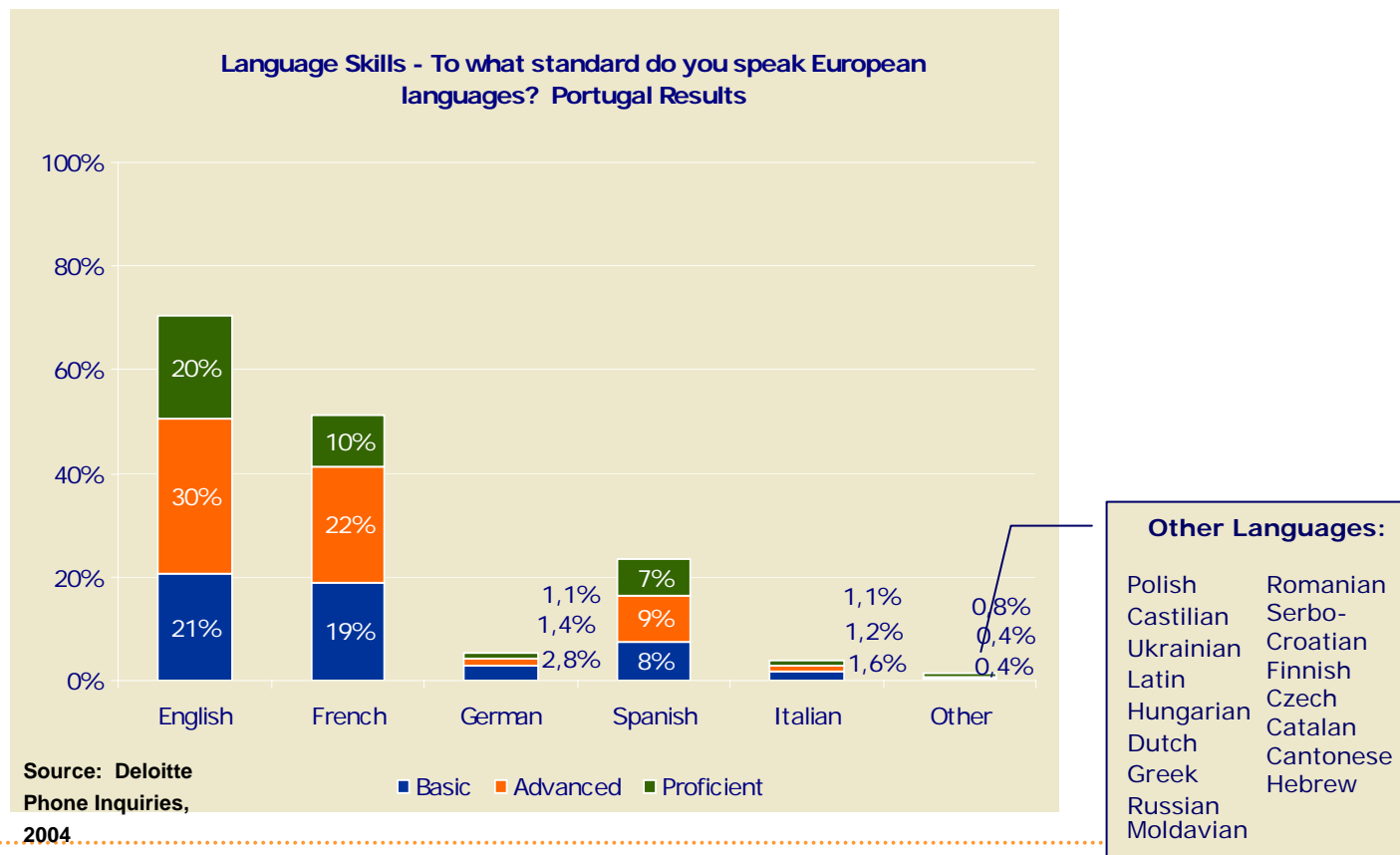
- Focusing on the 2 main decision drivers, Lisbon is the closest to “Best of Both Worlds”.



Source: Deloitte, 2004

Reasons to choose Portugal: High Standards of Quality

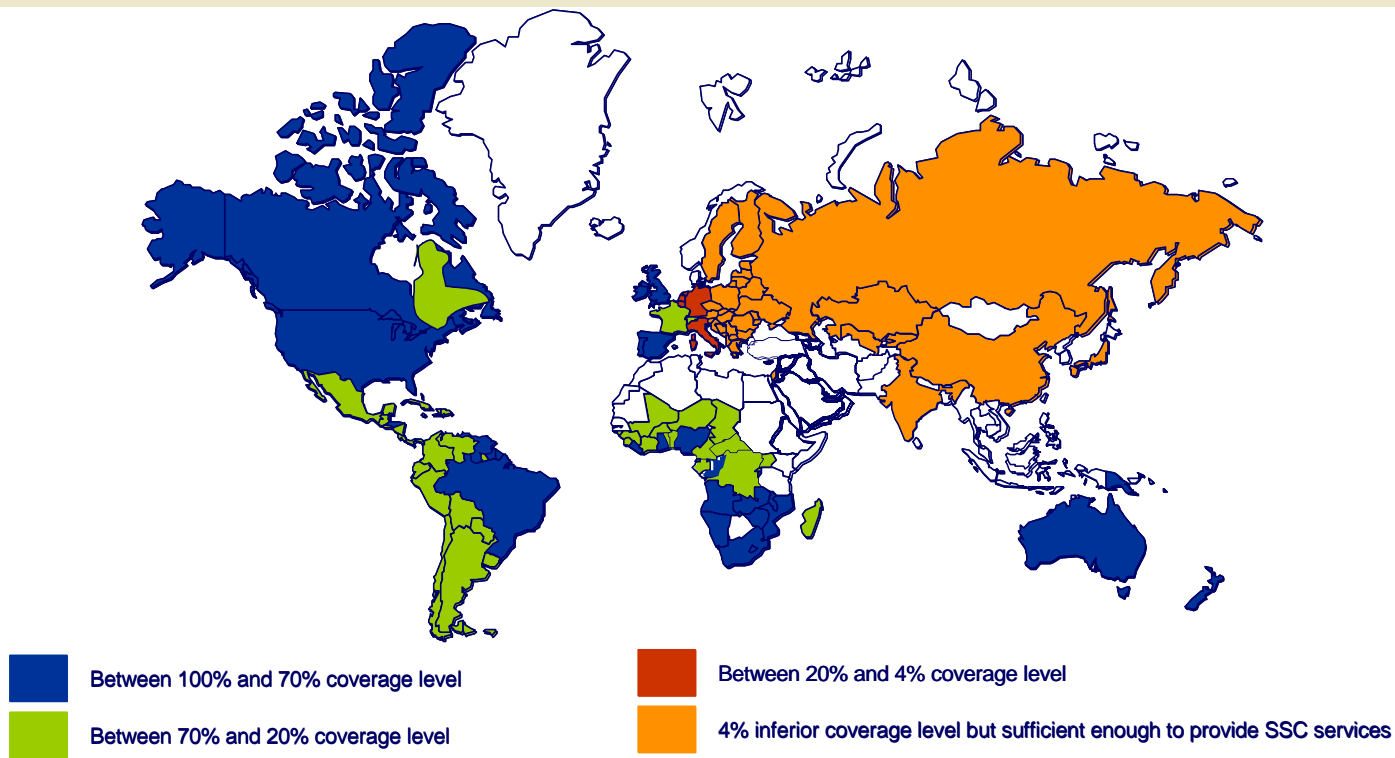
- In Portugal almost 70% of the population speaks English followed by other languages such as French, Spanish, Italian and German.



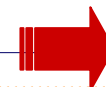
Reasons to choose Portugal: High Standards of Quality

- With strong existing language skills, Portugal can support all Continents: Europe, America, Asia, Africa and Oceania.

Portugal Level of Linguistic Coverage (2004)



Source: Deloitte, 2004



Reasons to choose Portugal: High Standards of Quality

- Portugal is a highly productive country, as proven by experience of foreign Investors ...



Labour productivity in Portugal has been increasing over the past years, so nowadays productivity standards are very good. When comparing with countries known for high levels of productivity, such as Germany and France, I think Portugal has reached their levels.

Microsoft Portugal



Labour productivity has substantially improved in Portugal in recent years

Siemens Portugal

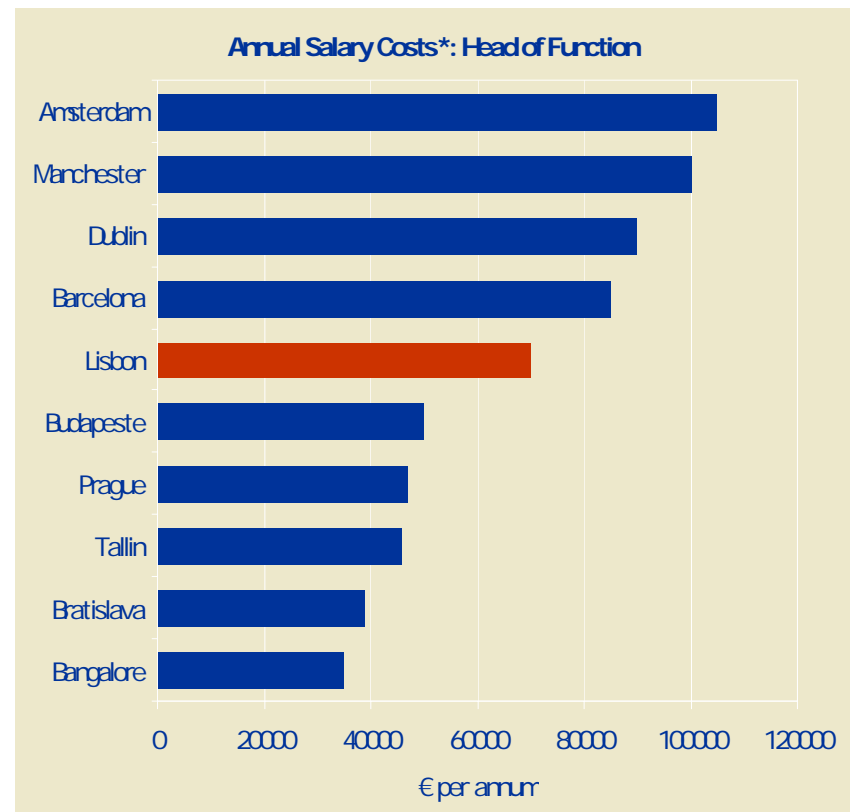
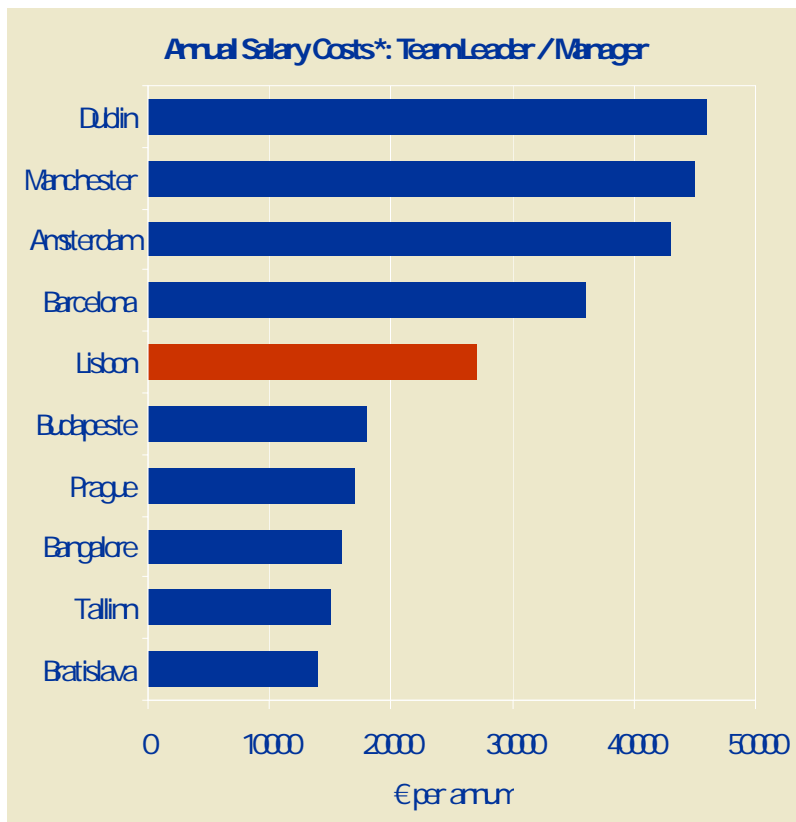


We have found very productive people, working hard, with very good language skills, flexible and, in a cultural point of view, “very nice / easy to deal with” in dealing with clients from other countries and cultures.

Infineon Portugal

Reasons to Choose Portugal: Lower Costs

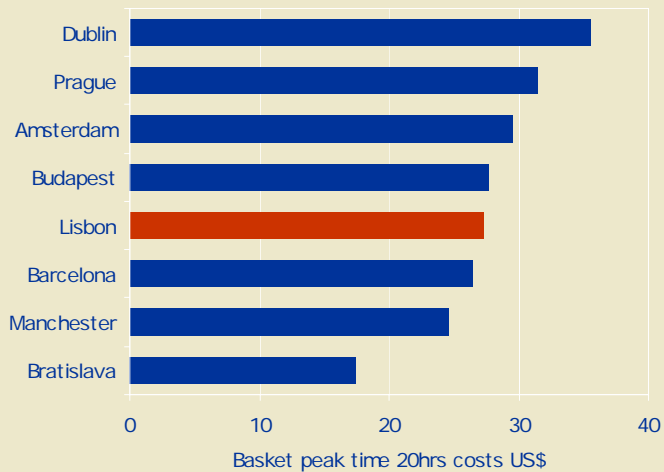
✓ Competitive Labor Costs



Reasons to Choose Portugal: Lower Costs

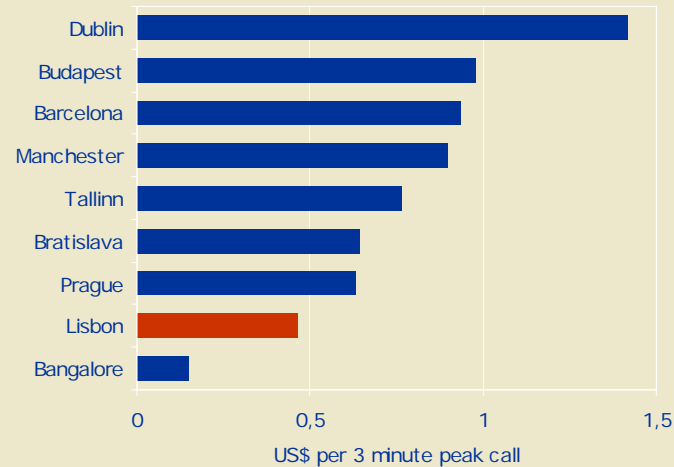
✓ Competitive Telecommunications Costs

Telecommunications: Internet Access Costs



Source: OCDE Telecommunications Outlook 2003

Telecommunications: Mobile Call Costs



Source: World Competitiveness Year Book, 2004

Reasons to Choose Portugal: Infrastructure Availability

Infrastructure dimension – telecommunications quality

Table – Telecommunications: Digital Lines

City	% Digital Lines
Lisbon	100
Amsterdam	100
Dublin	100
Manchester	100
Prague	95
Budapest	88
Barcelona	87
Bratislava	74

(Bangalore & Tallinn N/A)

Source: OCDE 2004

Reasons to Choose Portugal: Lower Costs

Lower Costs – International Cities Analysis

Operational and installation costs dimension - labour flexibility

Statements – Labour Flexibility

“PORTUGAL AMONG TOP 10 REFORMERS ACCORDING TO WORLD BANK”

Doing Business in 2005: Removing Obstacles to Growth, a report co-sponsored by World Bank and International Finance Corporation was released this September.

The report examines current regulations that enhance business activity and those that constrain it. In 2003, Portugal was one of the leading reformer countries, among other European countries.

The Government commitment with the 2002 Productivity and Growth Programme proved to be fostering an appropriate innovation and facilitating business environment with a renewed focus on stepping up product market competition.

Major reforms included a new Labour Code allowing greater flexibility in labour relations, particularly easing the burden of hiring and firing; credit access has also been improved, mostly through policy instruments incorporated in the Portuguese Incentives Framework; and contract enforcement became more effective due to an administrative services rearrangement.

Source: World Bank (Year 2003)

Reasons to choose Portugal

Other Places in Portugal Besides Lisbon

- Besides Lisbon, Portugal has a range of other cities to locate SSCs, such as Porto, Aveiro, Braga, Évora, Coimbra and Faro.
- These cities have the same levels of skills, infrastructure and productivity as Lisbon and have to offer (...)

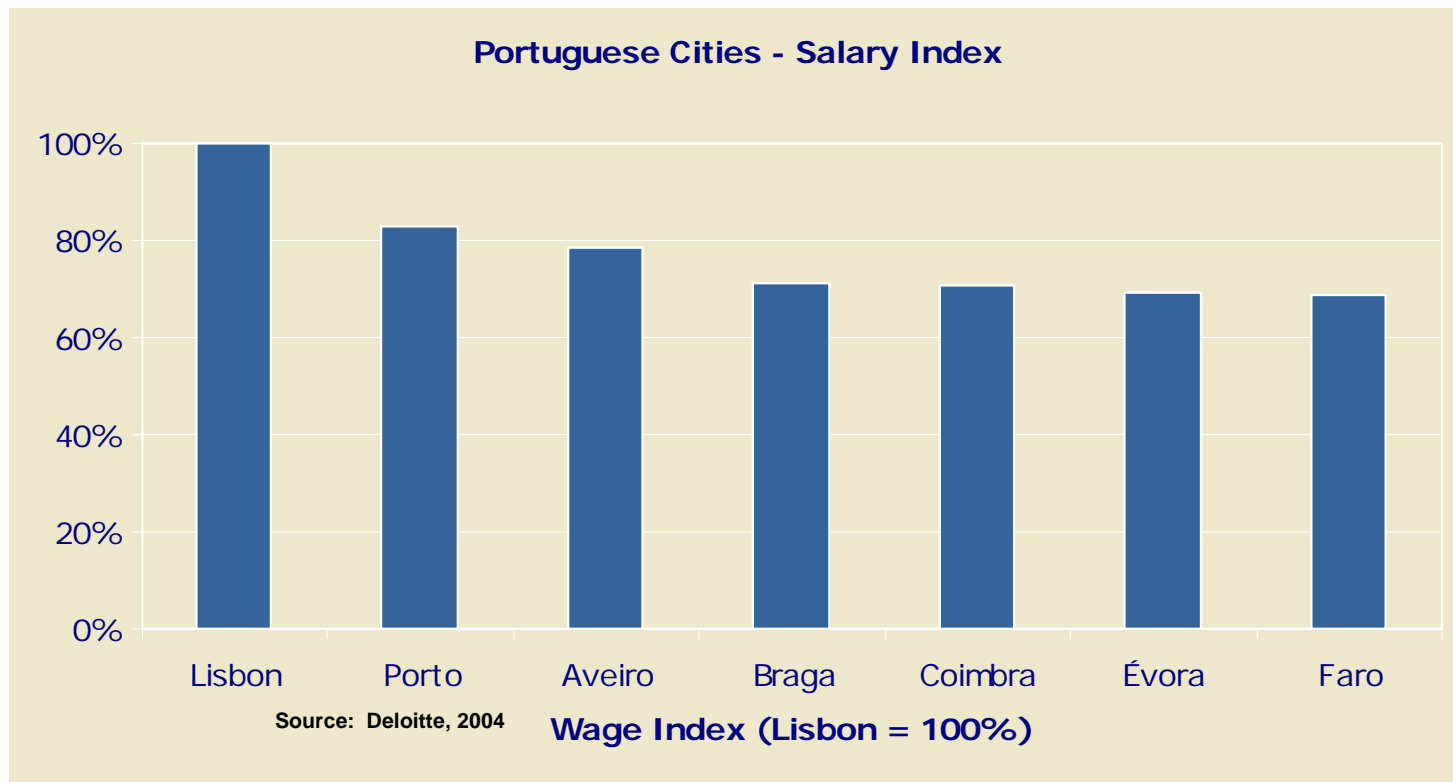


**...And
Chaves!**





Reasons to choose Portugal

Other places in Portugal Besides Lisbon





- (...) lower costs in terms of labour and real estate





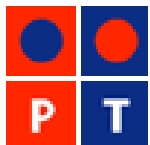

Shared Services Centres in Portugal

Company	Description
	<ul style="list-style-type: none"> Águas de Portugal (AdP) is a Portuguese company that operates in 3 business areas: water supply, residual water sanitation and solid residues treatment. It supports services to seven million of Portuguese. AdP has partnerships both with municipal companies and with the private sector. Internationally, it has a presence in Brazil, Cape Verde, Mozambique and East Timor."
	<ul style="list-style-type: none"> Alcatel Portugal is the Portuguese subsidiary company of Alcatel Group. Its main business activity is related to Telecommunications, but nationwide its strong presence is in Transport Automation. The company is the leader supplier of the most advanced solutions, equipments, communications services and telecommunications in the Portuguese market.
	<ul style="list-style-type: none"> Banco Espírito Santo (BES) is a financial group with a leader position in Portugal. Their main products are: credits, assurances, investments funds, external financing, factoring, leasing, risk capital and project finance. The company has the biggest international presence (in 17 countries) regarding the Portuguese financial groups.
	<ul style="list-style-type: none"> EDP Group ranks among European major electricity operators. At a national scope, EDP is also one of the most prominent business groups with activities centred on electrical power generation and distribution, telecommunications and information technologies. EDP Group became the first Iberian company to own significant generation and distribution assets located in both sides of the border.



Shared Services Centres in Portugal

Company	Description
	<ul style="list-style-type: none"> Galp enrolls its activities in the energy sector in Portugal. It is the remaining oil and natural gas Portuguese supplier.
	<ul style="list-style-type: none"> Its portfolio of capabilities ranges from services that include business transformation consulting to software, hardware, fundamental research, financing and the component technologies used to build larger systems
	<ul style="list-style-type: none"> Infineon is a leading innovator in the international semiconductor industry, which designs develops, manufactures and markets a broad range of semiconductors and complete system solutions. The products serve applications in the wireless and wire line communications, automotive, industrial, computer, security and chips.
	<ul style="list-style-type: none"> Microsoft develops, manufactures, licenses and supports a wide range of software products for various computing devices. The Corporation is the world leader in software and comprehends a global team.

Shared Services Centres in Portugal

Company	Description
	<ul style="list-style-type: none"> • The Millennium bcp Group is one of the biggest banking and financial groups in Portugal. The offer of services comprises: commercial and investment banking, assets management, insurance, mortgage loans, consumer credit and specialised credits and business.
	<ul style="list-style-type: none"> • Netjets is the world leader company in private jet rental. Its proposition of value is to offer an outstanding global travelling service to clients having a fast and luxurious fleet.
	<ul style="list-style-type: none"> • Portugal Telecom Group is a telecommunications global operator, leader in the Portuguese market. The company operates in all segments of the telecommunications industry: fixed, mobile, multimedia, data and enterprises solutions.
	<ul style="list-style-type: none"> • Siemens is a global supplier of information technologies and communications. They design solutions to operators, enterprise customers and consumers and equipments for personal and domestic use.

Shared Services Centres in Portugal

Company	Description
	<ul style="list-style-type: none">• Sonae manages a portfolio of diversified businesses. Sonae Indústria is Sonae Group's world-leader subsidiary to the wood based panels industry.
	<ul style="list-style-type: none">• Vodafone Group is one of the world's largest mobile telecommunications companies. Vodafone is the second largest operator in the Portuguese telecommunications market. Their activity is focused on voice and data mobile services, operating a nation-wide GSM cellular network and under UMTS license. Vodafone also provide fixed services directed to the corporate segment as a complement of their mobile offer.

Shared Services Centres: An Opportunity to Portugal

✓ In Conclusion...

- ✓ **Telecommunications are an essential instrument to diversify mountain and rural areas' economies,**
 - ✓ **allowing to fix local populations and making easier the access to modern occupations.**
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Thank You for your attention!



Edifício Península – Praça do Bom Sucesso

127/ 131 – S. 702 4150-146 Porto

Tel: + 351 22 6055300 - Fax + 351 22 6055399

api@apinvest.pt - www.investinportugal.pt

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