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CHRIS GRAEME

Welcome to Issue 18 of Essential Business!

This year Portugal's luxury lifestyle and golf resort Quinta do Lago celebrates its 50th anniversary. It was in 1972 that Brazilian-Polish entrepreneur André Jordan discovered, almost quite by accident, the Ria Formosa site in Almancil that would become the world-famous resort. Over the years, Quinta do Lago has become a place of constant inspiration, where quality of life is measured by proximity to nature, an active, outdoor lifestyle and treasured family moments, and, with a commitment to nature, its sustainable approach protects our environment and secures the future for generations to come. This was recognised most notably when, following a €7 million upgrade, the South Course was crowned the Best Golf Course in Portugal at the World Golf Awards, and Quinta do Lago was the recipient of the 2021 International Association of Golf Tour Operators (IAGTO) Sustainability Award for Resource Efficiency. The unique history of Quinta do Lago is one that lives on in every corner of the resort today; a legacy of lifestyle firmly rooted in health, family and connection to nature. An award-winning, world-renowned destination for luxury lifestyle, Quinta do Lago is a truly timeless destination in which families can live their dream life in a secure and clean environment. In this edition we speak to both founder André Jordan and current CEO Sean Moriarty on what Quinta to Lago means for them. As more and more international citizens choose Portugal to visit or relocate they are discovering historic medieval cities beyond Lisbon and Porto, cities with lovely boutique hotels with fine dining restaurants. Essential discovers Amarante and the charming Casa da Calçada hotel and its Michelin star restaurant Lago do Paço. We interview Chef Tiago Bonito on his latest menu that takes diners on an epic sensory voyage across the Portuguese world in centuries gone by. The Grupo Altis Hotels is a traditional family owned group focused on Lisbon and Porto. Essential talks to Raul and Maria Júlia Valente-Rodrigues Martins on why Portuguese tradition and hospitality are at the core of their business. Susana Miranda has spent over 30 years in the recruitment sector. Today her successful SM Group mentors and helps secure senior management figures high-flying corporate posts. Susana shares some tricks of the trade in landing that dream job. There was a time when property was a male domain; not anymore. Essential features four ladies in property who are, in their own unique way, trailblazing giants on the Portuguese property scene. This and more in Essential Business 18.

Chris Graeme, Editor

Estatuto editorial

A revista Essential Business pretende dar a conhecer à comunidade empresarial e internacional em Portugal e a quem visita o país em trabalho, para eventos profissionais ou para investimento, a realidade e atualidade sobre negócios em Portugal. Enquanto temas relacionados com a imobiliária e o turismo são uma presença constante, a revista e os seus suportes digitais cobrem todas as áreas de negócio, incluindo a saúde, o retalho e as mais diversas indústrias. A revista Essential Business assume o compromisso de assegurar o respeito pelos princípios deontológicos e pela ética profissional dos jornalistas, assim como pela boa-fé dos leitores.

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Printed by

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VASP - Distribuidora de Publicações, Lda
MLP: Media Logistics Park | Quinta do Grajal - Venda Seca
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Tel (+351 214 337 000 | geral@vasp.pt

Owned by

OpenMedia Europe S.A.

Holders of 5% or more of the company's capital

MSFound - Multicultural Sharing Foundation and
Open Media - Design e Publicações S.A.

Periodicity

Trimonthly

Circulation

6000

C.E.O.

Miguel Ladeira Santos

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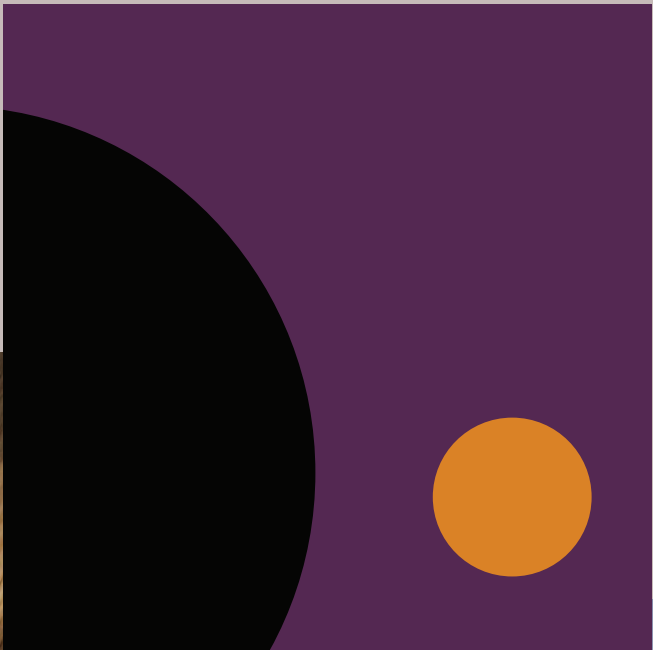
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Portuguese economy back to 2019 levels, but with a difference

Portugal's economy is back to 2019 levels, although it is performing differently

TEXT **CHRIS GRAEME**

Addressing business leaders at the International Club of Portugal (ICPT) in May, Mário Centeno, the Governor of the Bank of Portugal, said that the economy was operating in a different way to how it had been in 2019, before the Covid-19 pandemic.

"When the post-pandemic economic recovery began, Russia's invasion of Ukraine created a highly unpredictable economic, social and geopolitical situation. Europe's economy is facing two shocks at the same time without precedents in recent history.

"These two shocks are superimposed, which are influencing the prospects for economic growth, and are introducing inflationary (8.1%) pressures", he said.

"The lesson that we've learnt from these occurrences is that the economy works as a whole and is back to the same levels of 2019, but differently", added Centeno.

On inflation, Mário Centeno warned of the risks of a restrictive, but aggressive monetary policy. While necessary and desirable, policy must be pursued under conditions in which measures would not cause of instability. In other words, the medicine should not be so strong that it kills the patient.

Mário Centeno said the economy now has less services, and that taken as a whole industry currently has gained significant importance.

The governor added that all sectors of the economy would need financing, and that in the Euro Zone there were concerns about financial fragmentation which needed to be taken on board.

During the pandemic, fiscal and monetary measures through sovereign bond



Mário Centeno with ICPT President Manuel Ramalho

purchases, temporarily freezing bank loans, and other credit mechanisms in Portugal and the Euro Zone had kept the threat of financial fragmentation in check. The governor said that resilient financial integration was now vital for the euro area economy and financial sector.

In the wake of the publication of the European Central Bank document Financial Integration and Structure in the Euro Area April 2022, the former minister of Finance said that private consumption is below pre-pandemic levels in Europe, which is not the case in the United States.

While the Covid-19 crisis restricted private consumption, the difference to other crises was that the risk was shared across EU countries, unlike the Great Financial Crisis and European Sovereign Debt Crisis. Nevertheless, private consumption had not recovered to 2019 levels.

On salaries, the former president of the Eurogroup of Finance Ministers, said: "Despite a growing scarcity of labour in the Euro area, there is still a trend for growth".

Centeno said it was important to keep an eye on inflation and anchor salary

indicators (i.e., keep salaries stable to prevent inflation).

On the other hand, he stressed "a possible losing control over inflation" was "worrying central banks more used to working on policies, projections and remedies over the medium term, and not short term".

"The measures banks have to control inflation have a significant effect, but relaxing expectations on inflation is often viewed as a lack of credibility, and is therefore a considerable worry", he added.

During the banking conference Fórum Banca held in May, Centeno admitted "not doing anything in the face of runaway inflation" was not the solution after admitting that it could remain high throughout 2022.

"Indeed, the absence of a monetary policy, or the perception that current measures are not a sufficiently strong response would inevitably increase the risk of higher costs and repercussions in terms of employment and (economic) activity".

Mário Centeno said that although "inflation is expected to remain high this year, there are no structural reasons to discard the 2% target for inflation in the medium term, dispelling uncertainty and bringing imbalances gradually back to normal".

Inflation in the eurozone reached a record average high of 7.5% in April, but not all countries using the single currency are being hit the same.

In Portugal, the inflation rate in May was 8.1%, the highest in 29 years, and up from 7.2% on April, according to the country's national statistics office INE. This figure was influenced by inflation in energy and unprocessed food products. ■

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Portugal cannot afford to take its eye off public finances

"THE ECB WILL TRY AND MANAGE THE CURRENT SITUATION OF HIGH INFLATION IN THE SAME WAY THAT HEDGEHOGS MATE... EXTREMELY CAREFULLY!"

The Portuguese government has to tread carefully over the coming months as inflation starts to bite, warns economist Vítor Bento at the American Chamber of Commerce (AmCham)

TEXT **CHRIS GRAEME**

The Portuguese government cannot afford to put public finances at risk to help ease the plight of families, warned economist Vítor Bento.

Bento, who is the president of Portugal's banking association (APB) and a former director of Novo Banco, said at a lunch organised by the American Chamber of Commerce in Portugal (AmCham) that the European Central Bank (ECB) was caught between the "devil and the deep blue sea". Either it had to deal with controlling inflation, which meant raising interest rates, or it had to allow some divergence away from the stability and growth pact by allowing more public spending in countries like Portugal by overstepping limits on budget deficits.

"The ECB is faced with an unusual dilemma; either it tackles inflation (through hiking interest rates), which could run the risk of causing a financial crisis in the eurozone; or it can give assistance to public finances (relaxing controls) and risk losing the instruments that control rising prices," he said.

Vítor Bento said most people under 40 had no experience of inflation, which hit European economies in the 1970s (OPEC crisis) and Portugal in the 1990s.

The economist said that, in the past, Portugal had been able to counter imbalances by devaluating the escudo to make goods more competitive in international markets. Now in the eurozone, Portugal no longer has control over exchange rates and devaluations through monetary controls, which is now the remit of the ECB.

Earlier in the year, the US Federal Reserve took the decision to raise key interest rates, but so far, the ECB had chosen not to do so substantially.

This is partly because inflation is lower in Europe and its economies are more diverse and heterogeneous. In the US, it currently stands at 11%.

Weaker economic development means that the growth of aggregate demand is smaller. Therefore, inflationary pressure is lower in Southern Europe, at least in Portugal and Italy.

Government debt in the four southern European countries is significantly higher than in the three Western states of Austria, Germany and the Netherlands. However, the war in Ukraine, spiralling energy and fuel costs, the impending goods crisis and continued fallout from the pandemic, which severely disrupted supply chains, could change all that.

Vítor Bent thinks that the ECB "will try and manage the current situation of high inflation in the same way that hedgehogs mate... extremely carefully!"

If it does introduce inflation controls through interest rates, that could stifle an already weak economy recovering from the Covid-19 pandemic and throw Europe and, as a consequence, Portugal, into recession.

At the annual ECB Forum in Sintra in June, ECB governor Christine Lagarde warned that if inflation could not be curbed, higher interest rates might have to be adopted than the 25 basis points agreed from July 21.

Faced with the current situation, Vítor Bento likened the situation of the banks as being "caught between the devil and the deep blue sea" because of the many challenges it has to face at the same time: price stability, financial stability, and public finance stability. Having to deal with all three simultaneously is a bit like a juggler having to keep three balls in the air at the same time.

WINDFALL TAXES?

Some companies, particularly energy and fuel, have done well out of the current energy crisis, and Vítor Bento argues that the government should use the extraordinary VAT surpluses generated by the current energy crisis to compensate families most affected by loss of purchasing power from inflation. Inflation in Portugal currently stands at around 8.1%, the highest in 28 years.

This is exactly what the UK chancellor Rishi Sunak has done, providing households with further support in an effort to offset rising energy costs. In the UK case, this will be funded partly

by a proposed £5Bn (€4.3Bn) windfall tax on oil and gas companies who profited during the pandemic. A further £10Bn (€8.6Bn) will be raised through borrowing.

"The price changes we have seen in the gas market are genuinely a once-in-a-generation event not seen since the oil crisis of the 1970s," said the British chancellor defending the measure.

"Portugal will use incomes and budgetary policy, regulation and moral persuasion to try and ensure that salaries and prices do not stray from eurozone targets, while unions are likely to press hard for salary increases to offset inflation, which would be disastrous for Portugal in the long run," he warned.

Bento added: "Budgetary policy should help those who need it most; the vulnerable in society who are affected by this inflationary shock."

Given that the average take-home salary in Portugal, after taxes, is around €1,000, and the minimum wage is €705, that means around 1.3 million people could soon be in dire straits.

The economist also said that the unions and other labour groups and left-wing parties also had a role to play in ensuring that salaries do not spiral out of control as they did in the UK during similar inflationary years in the 1970s.

This would be of particular importance in the area of transactional goods (i.e. exports) that need to be competitive, with wage increases being a "potentially destabilising force" in terms of inflationary pressures. ■



Vítor Bento, President of the Portuguese Banking Association (APB)

The Altis Group

The essence of Portuguese hospitality



Raul Martins, Joana Martins, Inês Nobre, Fernando Martins (Founder), Diogo Martins, Catarina Martins and Maria Júlia Valente

The Altis Hotels Group, with its flagship Altis Grand Hotel in Lisbon, has represented comfort, quality and hospitality since 1973 when it was founded by entrepreneur Fernando Martins. Still a family-run business, it is keeping pace with changing times

TEXT **CHRIS GRAEME**
PHOTOS **GROUP ALTIS HOTELS**

Lisbon's Altis Grand Hotel is one of the Portuguese capital's most recognisable luxury hospitality landmarks, as famous for the celebrities who have stayed here as the monumental political events it has witnessed since 1974.

The environment is plush yet contemporary. The spacious open-plan public rooms are bathed in an inviting golden light that is cosy, opulent, but not de trop.

It is a feature I know well from covering three general elections in Portugal. The hotel has served as the election night base for prime minister elects to emerge victorious to thronging crowds waving flags and banners against a soundtrack of jubilant car horns.

I am here to meet the head of the family that owns the Altis Group, Raul Martins. Mr. Martins is a hotelier who looms large in Portugal's tourism landscape, a figure who cares about the Portuguese hotel sector and tourism industry, and during his six-year tenure as president of the Portuguese Hotels Association (AHP), he has witnessed both the astonishing rise in the city's popularity as a world-class city-break destination since 2016, and the despair of empty hotels and struggling hoteliers during the Covid-19 pandemic in 2020-1.

EXPANDING TO PORTO AND MADEIRA

Raul Martins says the Altis Group's ambition is to expand hotels under its brand and manage them for investment funds.

"Our strategy is to continue our expansion in cities [it has five in Lisbon], but also hotels in the countryside where open spaces and nature have become a focus since the pandemic. We feel the trend is very much in that direction."

An example is the group's project on the island of Madeira, at Santa Cruz, near the capital Funchal. This 4-star hotel is managed by the group for a Danish investment fund and comprises 100 rooms and 150 apartments.

As for Portugal's second city, it had been a long-cherished dream of the Martins family to open hotels in Porto. "We had a project on the back burner in Porto for 30 years, which was to be the start of our expansion to that city. At the time, we couldn't get the project off the ground on planning grounds," Raul Martins explains. Instead, the Altis Group developed the highly successful Foz Residence on another site.

However, hotel opportunities began to look more promising 10 years ago when Porto began to seriously market the region as a tourist destination. It was named the UNESCO Alto Douro Wine Region, which includes the unique historical characteristics of the city. "This boosted tourism, which even before the pandemic was becoming less city-focused and more rural-centric, which with its vineyards is exactly what the Douro Valley offers."

"We found a site where we are currently building the 5-star corporate Altis Porto, which will have 92 rooms including five suites in a €15 million investment. The site selected for the hotel is on the city's Rua da Restauração, a stone's throw away from the city gardens, Jardim do Roseiral, and close to Porto's congress centre."

Raul Martins points out that, because the group's Lisbon hotels have the brand slogan 'Soul of the City', it is also the intention for the hotel to reflect the soul of Porto. For example, the gastronomy and wines will have a contemporary yet regional touch.

The Altis Group has followed a very specific strategy in Lisbon since its expansion began in the Portuguese capital just over 40 years ago.

"Our aim for our 5-star hotels, which are mainly corporate and have some of the largest business and events meeting rooms [2,000 seat capacity] in Lisbon, is to cover the five main hotel concept products essential for any contemporary, world-class urban hotel group today: Design, Boutique, Historic City Lifestyle, Conference and Business, and Luxury Family Apart-hotel."

HISTORY, TRADITION AND VALUES

The Altis Group is one of the few family-owned hotel groups left in Portugal. Founded in the early 1970s by Fernando Martins, his son Raul and his daughter Maria Júlia Valente Rodrigues, it now also involves Raul's three children. This family commitment and personalised management style is the hallmark of all their hotels.

The Soul of Lisbon is the group's signature in the capital, where it prides itself on being in tune with the pulse of the city and involved in a wide array of initiatives and events that promote the city's cultural, social and sporting activities. Football is a long-standing one. Indeed, the founder Fernando Martins was president of Benfica Football Club between 1981-1987.

"My children are now the next and third generation. They are shareholders, work in the group, and are committed to the essential values and traditions that my father stood for when he started the group back in the 1970s," says the former Portuguese rugby union player who had 21 caps for Portugal between 1967-1981.

“OUR STRATEGY IS TO CONTINUE OUR EXPANSION IN CITIES, BUT ALSO HOTELS IN THE COUNTRYSIDE WHERE OPEN SPACES AND NATURE HAVE BECOME A FOCUS SINCE THE PANDEMIC. WE FEEL THE TREND IS VERY MUCH IN THAT DIRECTION”.



Raul Martins and Maria Júlia Valente

Raul Martins recalls that, when the Altis Grand Hotel was under construction (before the brand change, it had been called the Altis Hotel), it was originally intended to be an office block. He was completing his engineering degree at Lisbon's Higher Technical Institute and was involved in overseeing the works.

“It was pointed out to my father at that time that it would be worthwhile building a hotel. At the time, the government wanted to open up Portugal to tourism and was offering financing at a 7% fixed rate of interest covering 90% of the costs for such projects,” he recalls, adding that, at the beginning, the hotel project was for 200 rooms, but was expanded to have 300.

Although Raul's father Fernando Martins was invited to build a hotel for entrepreneur André Jordan's Quinta do Lago resort project in the Algarve, he says his father didn't believe in the Algarve as a financially sustainable tourism destination in the 1970s, because it was “only beach and would just be profitable for three months in the year”. Of course, that was before André Jordan developed the golf resort concept. “Today, the Algarve is so much more than just beach holidays,” he admits.

REVOLUTION

In April 1974, there was a peaceful revolution in Portugal that temporarily resulted in low tourist demand. “Not all of the hotel was actually ready, so we only opened five floors,” remembers Raul Martins.

However, with the end of the colonial wars in Angola and Mozambique, and the civil wars that ensued, a remarkable, if unfortunate, twist of fate actually helped make up for the lost hotel revenues that had been expected from tourism.

Tens of thousands of Portuguese refugees who had lived in the colonies were forced to abandon often affluent lifestyles to flee with only a suitcase and the clothes on their back to Portugal.

They were called ‘returnees’, somewhat of a misnomer since Portugal was a country to which many of them had never visited, let alone own a home.

“There was a Government-funded body called I.A.R.N set up to help the ‘returnees’. It paid their plane tickets, gave them money to live on, and most importantly put them up in hotels and paid their hotel bills.”

The Altis Grand also did a brisk trade in lunches and dinners since these people, and the other refugees that lived in the houses of friends and relatives, also came to eat. “Just imagine having a full hotel serving double the number of meals than would usually have been the case which the Government paid for every week,” he says, chuckling.

The profit from these revenues not only enabled the hotel to meet its short- and medium-term financial obligations, but helped placed the group on a secure financial footing for future expansion which has continued to this day.

Between 2011 and 2015, the iconic hotel was completely refurbished in a €7 million project coordinated by architects Cristina Santos e Silva and Ana Menezes Cardoso, with interior design by Fernando Miranda and Daciano Costa.

The modernisation project included 200 new deluxe suites and a renovated hall with a lobby bar. The revamped hotel, which also incorporated a new spa and restaurants, became a member of the Great Hotels of the World Luxury Collection. Today, it offers 11 suites, 20 meeting/events rooms for up to 750 people, and is the group's undisputed conference hotel.

Portuguese culture, family, tradition and friendliness to visitors, which are the very essence and soul of the Portuguese character, remain and are embedded in the concept of hospitality and service that has always been a hallmark of the Altis Group.

We leave our interview with an observation from the founder's daughter, Maria Júlia Valente Rodrigues. “My father always taught us to be honest and never give up even in difficult times, because there is always something positive to be drawn.” That persistence has served the family well over three generations, through revolution, economic crises and the pandemic. It will no doubt ensure its survival in the future as one of Portugal's most successful family-run hotel groups. ■



RAUL MARTINS ON PORTUGAL TOURISM

Raul Martins has witnessed in Portugal – and indeed has promoted – a transition away from low-quality hotels that defined mass tourism from the '70s until the late '80s, towards high-quality premises catering for a more affluent, demanding, well-travelled and sophisticated clientele.

“Portugal, like Spain, had not been a benchmark for quality in the 1970s and '80s, but that has all changed. The development we've seen in the past 12 years in particular has been remarkable, with quality investments in the cities, the Algarve and now the countryside, keeping pace with new trends for nature and holidays that offer experiences beyond just museums, monuments and beaches,” the hotelier says.

Raul Martins believes that the Covid-19 pandemic has created a shift away from the mass tourism model, which reached a peak of popularity in the 1970s and 1980s.

Although Portugal invested more in marketing itself as a high-quality and luxury tourism destination from the 1990s onwards, rather than just a sun, sea and beach package holiday destination (although this still very much exists in parts of the Algarve), he says the trend is adventure, experiences and open-air holidays in inland Portugal, responding to a new paradigm geared towards nature.

He gives the example of the Passadiços do Paiva, an eight-kilometre wooden path through the beautiful scenery of Arouca Geopark, near Gondomar and Porto in the north of Portugal. In 2018, for the third year running, it won awards such as ‘Best European Tourism Development Project’ and the ‘Best European Adventure Tourism Attraction’.

“We're seeing these wooden walkways popping up along the sand dunes behind the beaches in the Algarve, at Quinta do Lago, for example. Today, you can also walk all the way from Lisbon to Guincho beyond Cascais entirely on foot.”

These kinds of fresh-air, nature-filled experiences can be seen at Comporta, 70km south of Lisbon on the Alentejo coast, where eco-villages and eco-tourism resorts are in development.

“People are now waking up to Portugal's interior, its medieval cities, its deserted, pristine beaches along the Alentejo and Silver coasts, and of course Madeira and the Azores, as well as our immense natural parks such as Peneda-Gerês, Sintra, Arrábida, Serra da Estrela and Sudoeste. Now tourists are discovering that we are so much more than sandy beaches and resorts in the Algarve,” concludes Raul Martins, the former president of the Portuguese Hotels Association and President of the Altis Group.

The Genesis of Quinta do Lago

Quinta do Lago, one of the loveliest golf, sports and lifestyle resorts in the Algarve, celebrates its 50th anniversary this year. Essential Business talks to founder André Jordan, who reminisces about how he discovered what was to become Quinta do Lago

TEXT **CHRIS GRAEME**
PHOTOS **QUINTA DO LAGO**

In April 1970, freshly arrived from Brazil, property developer André Jordan was prospecting for tracts of land in the Algarve suitable for a golf tourism development based on a hybrid between the American and European country club models.

The Polish-Brazilian entrepreneur had discovered a tract of land owned by a banker at Quinta dos Descabeçados, an estate that ran alongside the Ria Formosa lagoon and wetlands, extending down towards the sand dunes of Praia do Ancão and the Atlantic beyond. The rather grisly name, which translates as the 'Estate of the Beheaded', harks back to Algarvian folk legend.

In 1596, the Algarve, then controlled by Spain, was raided by the British navy. The story goes that after burning and looting Faro on July 26, some of the sailors of Queen Elizabeth I's favourite, Robert Devereux, the Earl of Essex, were hunted down and beheaded there in revenge.

André Jordan tells a less macabre story of how he discovered what was to become Quinta do Lago, which made him a legend in his own lifetime.

"I got a call from an architect, João Caetano, the son of Marcelo Caetano who was the Prime Minister at the time. He suggested I take a look at the Algarve, which he believed had much potential to become the new tourism destination in Europe," he says.

The architect arranged for him to go down to the Algarve and look at various tracts of land, including the Quinta dos Descabeçados estate belonging to a company called Aquazul, owned by the banker Afonso Pinto de Magalhães.

X MARKS THE SPOT

André Jordan decided none of the other tracts of land he'd been shown were suitable for what he had in mind. The developer waited for an agent to drive him to Almancil. The agent was late, and André Jordan had almost given up when he finally arrived in a Renault 4L.

"It was already lunchtime. After driving around and around on dirt tracks and getting lost, I was ready to call it a day, but the agent was determined to press on. The most stunning landscape emerged from beyond the pine trees. I knew I was on to something," recalls André Jordan.

The entrepreneur and the driver arrived at a kind of wilderness, a scrub land. There was a man collecting scrub for local lime kilns. That man was Manuel Domingos, who would go on to be Quinta do Lago's first and longest-serving employee, only retiring in 2021.

They drove up to an old dilapidated farmhouse surrounded by farmland run by a smallholding couple. André Jordan looked down and the whole master plan for a future luxury residential golf development unfolded before his eyes. He

began pointing down towards the Ria and exclaimed: "That's it!" Now the only problem was raising the money to buy the land.

"I wanted to develop the concept of a low-density golf resort community which blended into the natural landscape," says André Jordan.

Jordan's idea was that the properties would be developed with the landscape in mind and not the landscape changed to suit the properties. The Brazilian entrepreneur saw the same potential for the golf course which would weave and flow seamlessly between the pine trees, and rise and fall according to the land's natural undulations.

André Jordan saw in this place the potential to recreate the type of developments he'd seen overseas, particularly in the United States. He had another problem; foreign investors had never heard of the Algarve and the local aristocratic, financial and industrial elites scoffed at the place and the idea. For all its natural beauty, the Algarve was seen as poor, rustic, and just not Cannes or St. Tropez!

"Overseas investors didn't know the Algarve back in the early 1970s; they'd never heard of it," recalls André Jordan. He then laughs. "It was even chic for Portuguese high society to pretend they didn't know it, because they would go to Marbella and the South of France. Most of the wealthy Portuguese I knew had never even set foot in the Algarve."



QdL founder, André Jordan

“OVERSEAS INVESTORS DIDN’T KNOW THE ALGARVE BACK IN THE EARLY 1970S; THEY’D NEVER HEARD OF IT. IT WAS EVEN CHIC FOR PORTUGUESE HIGH SOCIETY TO PRETEND THEY DIDN’T KNOW IT, BECAUSE THEY WOULD GO TO MARBELLA AND THE SOUTH OF FRANCE. MOST OF THE WEALTHY PORTUGUESE I KNEW HAD NEVER EVEN SET FOOT IN THE ALGARVE”.

A DEAL IS STRUCK

The financial struggle and the difficulties of implementing a project in a hitherto unknown area were considerable.

“I hired a land surveyor and that was the easy part. The difficult part were the months that it took to even register a company.”

The 700-hectare parcel of land that was to become Quinta do Lago was sold to André Jordan for US\$5 million and the deal was sealed with a down-payment of US\$200,000. “I didn’t have the money to buy it outright, so the idea was that the remainder would be raised by selling off the properties that would be built there.”

But there was one more problem: “I failed to mention that I didn’t even have the \$200,000 down-payment and had to find a way to raise that.” The great Portuguese entrepreneur and philanthropist António de Sommer Champalimaud saved the day and arranged for the banker Eduardo Furtado of Banco Pinto & Sotto Mayor to provide some initial funds to set up a company.

The resulting company, PlanAlgarve was the vehicle through which the tract of land Quinta dos Descabeçados was purchased and planning permission was sought. The company name was then changed to Planal, which André Jordan says “simple, easy to remember and sounded good in any language”.

He then had to find the cash to finance the actual development project itself, and headed to St. Moritz, a popular hangout for European financiers.

The first investor to help get the project off the ground was World War II pilot hero Roland de la Poype, who put in US\$200,000.

“I was over the moon because Quinta do Lago (The Lake Estate) — the name he came up with because he planned to create one — could now move forward.” André Jordan then closed the deal he had made with landowner Pinto Magalhães.

André Jordan managed to raise capital from the Banco da Agricultura, which he used to buy out the French pilot who had had a 30% stake in the project, as well as a 10% share held by an unreliable and somewhat slippery partner Paul de Rosière.

“The whole story of how I raised the money for the down-payment of Quinta do Lago was an epic one. I don’t think I’ve ever heard of or been involved in a business deal that was full of such adventure and colourful personalities,” André Jordan recalls, admitting that he left the envelope stuffed with the \$200,000 down-payment in the room of the hotel in which he had been staying. When he returned, it was gone.

The hotel had moved him and his luggage, including the money, to another room. “What a relief!”

Once he had finally secured the purchase and bought out his by now rather charming but feckless business partners, André Jordan invited the architect João Caetano to coordinate the urban planning of the area. He also hired the services of a team of architects and engineers and appointed a chief engineer, Pedro Vasconcelos and Luís Nobre Guedes. All of them were urban planning specialists.

Another indispensable “card” was Fernando Braga, who was “staff member no1” at Planal, who Jordan was introduced to from a telephone operator at Aquazul. “He had just been demobilised

from the Colonial Wars in Africa. He was a Jack-of-all-trades and could turn his hand to anything,” says Jordan, laughing.

“He had an Austin and I hired him as a driver to take me back and forth to Lisbon. I immediately took a shine to the lad. He told me he was an electrician. I gave him a job on the spot! ‘Fernando,’ I told him, ‘you’re going to keep an eye on what’s going on at my development’.”

Forty years later, Fernando Braga retired after a long career as the director of infrastructures at Quinta do Lago.

IF THE PRICE IS HIGH, IT’LL SELL!

Once the land was bought, raising finance to actually develop the Quinta do Lago project and pay for all the architects, site workers and equipment hit another stumbling block. The project ground to a halt.

“There was no means of promoting my idea overseas from Portugal since there weren’t the marketing and estate agencies for such projects in Portugal those days,” Jordan recounts.

André Jordan’s salespeople under António Henriques da Silva – one of his oldest staff members who today, at age 78, still works for the André Jordan Group – asked for a meeting. They told Jordan that they “couldn’t sell the properties” and thought the prices must be too high and suggested they were lowered.

André Jordan laughs. “I told them that we needed to double the prices to make it look really exclusive. That ploy is what made Quinta do Lago sell.”

From that moment, word got around that the prices at Quinta do Lago had already doubled, which made it look like there was a lot of demand and people started buying. André Jordan proceeded



to do the same thing with golf years after on his return to Portugal in 1982.

A CASA VELHA

In the early 1970s, the Algarve region was generally undeveloped for tourism and had few fine-dining restaurants to wine and dine potential investors interested in Quinta do Lago.

Besides, there wasn’t really much to show them at that time, except for 20 two-bedroom studios and four-bedroom duplex apartments designed by award-winning Portuguese architect António Teixeira Guerra, which were marketed as timeshare.

André Jordan needed a showpiece and came up with a marvellous idea.

“There were no fine restaurants in that district,” recalls André Jordan. “There was one in Vilamoura called Pousada da Cegonha. There was a restaurant on the beach at Quarteira, and there was

another in Almancil called O Poço. They were the best and only restaurants in the area apart from a grill at Vale do Lobo in the Dona Filipa Hotel,” he remembers.

“I started A Casa Velha by reconstructing the old farmhouse. I employed an architect who was a specialist in the history of Algarve architecture called Fernando Torres. Torres had published a book about it and was well known.”

A Casa Velha was opened in July 1972 with a grand party attended by potential investors, bankers, a smattering of high-society figures and local dignitaries. The restaurant was fronted by one of the Algarve’s real characters called Zé Cabeças, who ran the Cegonha guesthouse in Vilamoura.

“The atmosphere was very personable, the restaurant had very good staff, and with the talents of a young French-Alsatian chef, the Portuguese food improved,” he says.

“A Casa Velha was an enormous success! People went wild from that first summer in 1972 when it opened, but 1973, 1974 and even 1975 were the golden years for that restaurant,” recalls André Jordan.

And adds: “Now we have the new A Casa Velha, and the food is wonderful and far different from how it had been in the 1970s.”

RED THREAT AT QUINTA DO LAGO

In April 1974, there was a revolution in Portugal after the armed forces seized power, frustrated with years of colonial wars in Angola and Mozambique.

The policy of the revolutionary government was to seize private land for the workers, expropriate farm estates, and nationalise banks and major companies.

André Jordan managed to prevent the resort falling into communist hands because he and his team had very good



labour relations with the workers he employed. “With the first impact of the Revolution in April-May 1974, all our 250 construction workers had good contracts and our contractor also had a share in the company,” he recalls.

With Agrarian Reforms proceeding, André Jordan became friends with the manager of an important regional bank at the time – Silvério Martins at Banco Português do Atlântico, who was the administrator of Lusotur Vilamoura.

He remembers: “I called a meeting and proposed to reduce the salaries from the top down; more cuts at the top, but not for those at the bottom. That way we saved jobs. However, our workers defended the property and us from the communists. I did it with the help of Mário Barruncho, a well-known figure on both the Portuguese and international golf scene who was the first manager of golf at Quinta do Lago in the 1970s. The director of golf was Portuguese national champion António Carmona Santos,” recounts André Jordan.

He explains what happened next. “We formed the Algarve Developers' Association because I thought we had to have a body to negotiate with the government. We came up with a hibernation plan. We convinced the government that they had no interest in nationalising Quinta do Lago, because it was for foreigners, they wouldn't know how to run it anyway, and told them it was not worth the headache of dealing with the lawsuits resulting from expropriation.”

And continues: “We renounced taking money out of the companies in exchange for our bankers providing the money to pay the salaries. We proposed a moratorium and the government agreed,” he adds.

LEAVING QUINTA DO LAGO - A SAD FAREWELL

The workers' committee insisted that Planal management couldn't stay. André Jordan agreed to hand over the management to the workers' committee, but the bank wanted the cheques

signed by certified directors, not committee members.

André Jordan ingeniously suggested the bank financiers set up a power of attorney. That way, the workers' committee could run the business, but the cheques had to be signed under the bankers' power. Planal got out.

André Jordan would go back to Brazil, but not before throwing a glamorous inauguration party for the first golf course at Quinta do Lago on November 1, 1974, attended by the rich and famous.

That party was famously attended by one of the military revolutionaries, Colonel Otelo Saraiva de Carvalho. “None of the Portuguese upper-class spoke to him, but the overseas guests, particularly the ladies, thought him very dashing in that uniform and couldn't get enough of him,” he laughs.

It was an ironic date. The day of the Great Lisbon Earthquake in 1755, when so many buildings came tumbling down. Would André Jordan's dream end in ruins too? Or would Quinta do Lago rise from

the chaos of revolutionary Portugal, to become even better and more lovely than before? Today we know the answer.

Jordan returned to Brazil with some sadness. The developer who had done well there in the late 1960s got burnt on various business ventures. So much so that two of his partners in Portugal thought that, as a businessman, he was all washed up.

BACK IN THE SADDLE

Seven years later, André Jordan returned. “In 1981, I brokered an agreement whereby I bought the bank and shareholders out, got my shares back and settled a lawsuit. I got all my companies back. Jorge Jardim Gonçalves, then Chairman of Banco Português do Atlântico (BPA) and later the founder of Banco Comercial Português (BCP), sponsored the financial backing of the transaction.”

Any real estate business depends on sales. André Jordan and his team had started out by attracting an elite public from Europe and the US to buy the properties at Quinta do Lago.

At that time, the US elite liked Portugal as it was. Jordan persuaded the Portuguese to believe in their own qualities. “I said we don't have to be like Dubai or Las Vegas; we have to be Portuguese, and there is a segment of the market that likes our discreet and low-key style.”

André Jordan's philosophy at Quinta do Lago was to offer clients the option of privacy, tranquility and seclusion when they required it, and a busy social and sporting life combined with a wide range of leisure facilities.

As for the villas and townhouses, the concept was to have a main road that collected the traffic and side roads off roundabouts that funnelled vehicles to specific parts of the resort only. This meant that very few sections were affected by through traffic, and residents would enjoy peace and quiet and not hear the noise of passing cars.

THE SAME PROJECT BUT DIFFERENT

But how does André Jordan view Quinta do Lago today? The developer says it is essentially the same, except the elite has changed.

In the 1970s, property buyers at Quinta do Lago were still mainly com-

posed of bankers, industrialists and members of the European aristocracy. “The new elite, however, comprises financiers, technology developers, services industry entrepreneurs, and members from the world of entertainment and sports.”

This elite also has different tastes. “The current owner, Denis O'Brien, was a part of that new elite at that time; he applied his own style and views of what a great resort is and should be, which is very different from 25 years ago.”

Jordan ponders: “The basic master plan has remained the same. This is why they like to say I am the father of Quinta do Lago, because it gives people the peace of mind that this is a protected project with a legacy, one which spells good maintenance and top quality. The project is the same one, but it has evolved over time.”

And as for the resort's deserved green credentials for being in the vanguard when it comes to sustainability, André Jordan chuckles. “I've been a pioneer of sustainability for about 50 years, before most people even knew the meaning of the word in today's terms.”

Overall, André Jordan says he is extremely satisfied at how Quinta do Lago has evolved into the residential golf and lifestyle resort it has become today.

“The clients may have changed, but the requirements for excellence and quality haven't. The standards are exactly the same ones we set at the beginning, attracting a sophisticated clientele.”

After selling Quinta do Lago in 1987, André Jordan would go on to replicate his success in luxury residential golf resorts in Portugal at Belas Clube de Campo and Vilamoura XXI. He has been decorated by the Portuguese and Brazilian republics and was awarded with the Order of the British Empire.

But André Jordan will always be remembered for his remarkable contribution to luxury residential golf tourism in Portugal, of which the Quinta do Lago resort was the first example, and continues to be the international gold standard of what a first-class residential golf and lifestyle resort should be in terms of excellence, quality, luxury and sustainability. ■

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“IT WAS ALREADY LUNCHTIME. AFTER DRIVING AROUND AND AROUND ON DIRT TRACKS AND GETTING LOST, I WAS READY TO CALL IT A DAY, BUT THE AGENT WAS DETERMINED TO PRESS ON. THE MOST STUNNING LANDSCAPE EMERGED FROM BEYOND THE PINE TREES. I KNEW I WAS ON TO SOMETHING”. ANDRÉ JORDAN.



Quinta do Lago at 50 Improvement at every level

When Sean Moriarty took up his post as CEO of Quinta do Lago in 2017, his plan was to stay for three years. Six years on and he's still loving every minute of his career at the luxury Algarve resort

TEXT **CHRIS GRAEME**
PHOTOS **QUINTA DO LAGO**

Sean Moriarty already knew Quinta do Lago before he was invited by Irish entrepreneur Denis O'Brien to run the golf and lifestyle resort that he has owned since 1998.

"I was proud to be asked because I knew the resort was his pride and joy. I had wanted a change by that stage. I was ready for a new challenge and liked the entrepreneurial world," he remembers.

Sean admits that taking on the job was a big upheaval, bringing his wife and children Bobby, Emma and Kimmy to live overseas.

"It was a big step bringing my eldest son Bobby to a foreign country and starting him in school for the first time. I wondered how it would work out and if he would like it," he recalls.

Then there was the language. He admits he needs to perfect his Portuguese and has difficulties starting off a conversation. His children already speak it well. "I struggle to find anyone who doesn't speak English here," he says with a chuckle as if that were an excuse.

Sean says that what made it easy for them to take the decision were Denis and Catherine O'Brien because, as he says, "I knew the investment would always be there. They had a huge passion for developing Quinta do Lago and making it amazing. My job was to deliver all of this. It was a huge challenge, but I felt I was ready for it".

A FANTASTIC BRAND

With this in mind, Sean Moriarty and his team developed a five-year plan but delivered it in three.

One part of the plan was to develop The Campus – a range of sports amenities and facilities centred on tennis, padel, football and rugby training, cycling, triathlon, and physiotherapy for sports injuries, among others.

Another aspect of the plan was to broaden the age profile of the property buyers to include younger couples and families, while improving the quality of services management, standards and consistency at the resort in all areas.

Sean says one of his main tasks was to retain the clientele that the resort had by maintaining the brand, but expanding it to attract younger people. When he joined Quinta do Lago, the average age of property buyers was well over 65. Today, over 80% are in their 40s, many with young families.

The sports complex The Campus didn't exist at that time, and Sean and his team had to think how they were going to achieve such an ambitious project.

"We knew what we wanted to do, but we didn't know how we were going to achieve it," he recalls. Sean understood that if there is one single activity that unites generations, it's sport. After all, the resort had been conceived around golf. Admitting he's crazy about sport, it wasn't

long before he began focusing on other sporting activities.

Sean says that what helped him answer that question was the fact that he and his wife were both 40 and had young children.

"As I got to know the English and Irish families in the area, one of the challenges for all of us was how to entertain our children. It was about developing family-orientated activities involving grandparents, parents and their children," he says.

A VIBRANT ENVIRONMENT WITH YOUTHFUL ENERGY

What strikes you wandering around The Campus is the energy and vibrancy of the place. The Campus is packed with young people from all over the world playing tennis, padel, or simply sitting around chatting on the terrace of the Pavilion bar and café, watching the games below.

Looking back over the past six years, Sean says The Campus was a game-changer for Quinta do Lago, because it has brought families to the resort. At Easter, the resort is completely full, and that is largely thanks to The Campus and its many activities.

Although Quinta do Lago is a fly-to destination, The Campus within it also became a fly-to destination for people who had never been to the resort. "We

had a football team from Beijing. The players looked at The Campus and commented on how amazing it was. We've had cyclists down here and, cycling around the resort, they've commented on how fantastic it is. Now they want to return for their holidays," explains Sean Moriarty.

Quinta do Lago hosts football camps with premier football players coming down for warm-weather training.

"They fall in love with the place, and then they buy a property here. In terms of rugby, we've had Brian O'Driscoll, arguably one of the best players ever. People have the opportunity to be coached by these superstars at Quinta do Lago," Sean remarks.

Quinta do Lago has always been famous for golf, but as Sean points out, "we didn't want to be pigeon-holed as just a golf resort. We wanted to be a wellness and lifestyle resort".

Sean and his team set about introducing two pillars to this new concept: sports education, including golf and racket sports. "We wanted to build a strong academy on racket sports and triathlon." Part of the wellness concept for sports was branching out into sports injury rehabilitation.

There was much to think about while developing The Campus concept. It wasn't just about the sports facilities. It was also about the logistics of where visiting teams were going to stay. The answer was The Magnolia, an American-style motel comprising a central reception area, restaurant, and three accommodation blocks on the boundaries of the resort. Within the resort there is also the 5-star Wyndham Grand Hotel, which is operated under a franchise.

"We intend to build a 250-300 room 5-star hotel in the resort with independent suites. That will be our next major challenge," states Sean Moriarty.

SUSTAINABLE IN EVERY WAY

At Quinta do Lago, sports blend seamlessly with a sustainable lifestyle. Quinta do Lago is a low-density resort located on the edge of the Ria Formosa Natural Park wetlands and bird sanctuary.

Only a certain percentage of the resort has been built on, according to the

original masterplan which is now 50 years old.

Sean explains that although around 70% of the 645-hectare resort has been developed, leaving 30% of the development area still available, only 25% of the resort has build ability, meaning that a lot of green space is and will be retained. "There will be a lot of land which is national park that will never be built on."

Of course, the beauty of the sport and lifestyle concept is that Quinta do Lago is open to visitors who want to play racket games at The Campus, or golf at any one of the three championship golf courses, or eat at any one of the 13 restaurants within the resort, or dine at the famous Gigi's beach eatery which is an iconic venue in itself.

"OUR RESIDENTS WANT TO GO OUT FOR BRUNCH IN FLIP-FLOPS AND T-SHIRTS AND NOT BE BOTHERED ABOUT PHOTOGRAPHERS OR GOSSIP COLUMNISTS. WE JUST LET PEOPLE GO ABOUT THEIR LIVES, AND THAT'S THE WAY THEY WANT IT. IT'S WHY THEY LOVE QUINTA DO LAGO. IT'S A SANCTUARY FOR THEM". (SEAN MORIARTY, CEO QUINTA DO LAGO)

In essence, Sean and his teams have created a community that spans generations at Quinta do Lago, where there are activities of all kinds 365 days a year.

There are often groups playing padel and tennis competitions in the evenings in what has become a weekly event, with different competitions every night of the week.

They socialise in the bars afterwards, have their own WhatsApp groups... This social pattern linked to social media repeats itself for golf and all the other sports. It fosters the feeling of being part of a close-knit team, where experiences

can be shared in photos and chats on social media platforms.

Despite the international flavour at The Campus, when it comes to Quinta do Lago residents and homeowners, the main markets will continue to be the United Kingdom and Ireland, although Belgium has become very strong. "For such a small country we have a lot of Belgians here, as well as Dutch and Germans," says Sean.

In 2018 and 2019, there was a small but significant number of US buyers and that is expected to continue.

In fact, since the Covid-19 pandemic, the demand for low-density living in a health-conscious and sustainable environment has increased by 40%, according to the Portuguese Association of Resorts, and Quinta do Lago is no exception in seeing this uptick in demand.

"This open-space, low-density living has certainly helped us. We have been on the sustainable living journey for years. Indeed, this was the initial concept of the resort envisaged by its creator André Jordan and it was well ahead of its time," says Sean.

"Later, it needed another visionary to take the resort to the next level that we see today, and that visionary was Denis O'Brien. When Covid-19 began and people started to think about sustainability and nature, Quinta do Lago was well-placed to take advantage of that. It had been doing that for 50 years," he adds.

BUOYANT PROPERTY SALES

Real estate sales have been buoyant since the pandemic, although Sean admits that a lot of restaurant business was lost.

In terms of property development, Sean points out that Quinta do Lago has completed Reserva, a collection of unique luxury rental apartments overlooking the peaceful beauty of the Ria Formosa Natural Park.

Reserva allows guests to experience the Reserva lifestyle concept. Near Reserva is Umami, the latest addition to Quinta do Lago's restaurant portfolio, which offers the Algarve's most refined Asian dining experience.

In addition, Reserva also has 26 tourist apartments which were all sold off-plan, achieving one of the highest per



Quinta do Lago North

square metre prices in Portugal. One property recently sold for €4.3 million. "We are probably going to develop something similar to that again on a parcel of land behind Victory Village, with 50-60 units envisaged," Sean Moriarty reveals.

All of the gated communities within the resort are operated under a 'lock-and-leave' concept with 24-hour security.

"When we developed that concept it created a huge amount of trust in the brand and the project, and conveyed the idea that the owners believed in Quinta do Lago and were here to stay."

WATER SUSTAINABILITY

The latest and most exclusive development at Quinta do Lago is One Green Way, which has phenomenal views over the North Course. The development is a private condominium that offers privacy and exclusivity within the resort.

Quinta do Lago's South Course, however, is the jewel in the crown of its golf courses. Awarded the distinction of Portugal's 'Best Golf Course 2019' at the

World Golf Awards, it was designed in 1974 by William Mitchell who introduced American-standard greens, tees and bunkers to the Algarve. The course has recently been subject to a €7 million improvements project.

"We decided to revamp the South Course last year, investing heavily in it in order to make it even more sustainable. We replaced all the grass with a variety that was less dependent on water and which does better in the sun and heat," explains Sean Moriarty.

Sean explains that this project included a complete revamp of all the pumps and irrigation systems, reducing water consumption by 60% by recycling the water.

The CEO points out that because the Algarve increasingly suffers from droughts, these water savings are important – in 2021-2022, there was no significant rainfall for 15 months.

Indeed, in the whole Quinta do Lago resort, all the plants are watered using 100% recycled water. The resort is also

starting a two-year solar energy campaign with Almancil Municipal Council. For example, car park canopies will be covered with solar panels, which will provide hot water for homes and amenities in different parts of the estate.

Over the next two years, Quinta do Lago is planning that its new homes should, where possible, be eco-homes. "We've engaged some architects who are enthusiastic about it. Initially just one will be built, followed by a scheme to build more."

While Quinta do Lago does not operate a guaranteed rental income model, it does have a rental and management business, so when homeowners want to rent their houses they can, and the resort takes care of everything for them.

"We photograph everything in the house and the owner decides which furniture and decorative items they want to remain or not. When they call to say they are coming back, everything is put back in place exactly where it was when they left it," explains Sean Moriarty.



Quinta do Lago North



Quinta do Lago Laranjal

BIG NAMES... LOW PROFILE

Quinta do Lago is not the kind of resort that aims to show off. Some of the biggest international names have either bought or rented homes here, taken part in golf tournaments, played golf, or trained at The Campus.

Apart from former professional rugby union player Brian O'Driscoll and Liverpool FC captain Jordan Henderson, professional golf players Tiger Woods, Rory McIlroy and Shane Lowry have trained at Quinta do Lago.

"We've had all kinds of stars from all walks of life, but we don't make a big fuss about it. We guarantee privacy and minimal publicity, and that's why so many famous names keep coming back here because everybody is treated the same," says Sean.

"If you walk into one of our restaurants and Ronaldo were to walk in, any of our customers would receive the same welcome and level of service as he would," stresses Sean Moriarty, who emphasises that Quinta do Lago does not employ brand ambassadors, nor does it advertise personalities when they are staying at the resort.

"These people want to go out for brunch in flip-flops and T-shirts and not be bothered about photographers or gossip columnists. We just let people go about their lives, and that's the way they want it, and it's why they love Quinta do Lago. It's a sanctuary for them," says Sean Moriarty.

GREAT VARIETY

Sean Moriarty points out that the beauty of his job is its great variety, and adds that he gets an enormous amount of freedom and the opportunity of constantly meeting people – both staff and clients. The CEO of Quinta do Lago admits that his job entails huge responsibility, although he has a great team to help him.

Giving an example of why he enjoys his job, he points to a recent visit to Pure, a small boutique café famous for its healthy breakfasts, nutritious salads, freshly cut sandwiches and homemade desserts.

"I had a meeting with the resort's executive chef, Gareth Billington – who is responsible for ensuring consistency, quality and setting the tone for each restaurant – to discuss the new menus. Later, I met a client about real estate, followed by a meeting with our Operations Excellence Facilitator, Joana Apolinário, and then on to clients who want to organise a big event down at The Campus. And this was all in one afternoon!"

EVENTS

The mainstay of large quality resorts and hotels is often events, conferences, product launches, executive retreats, and corporate team-building events.

"When I first came here we had a car launch. It was a big deal and we almost had the car emerging from our lake surrounded by walls of water. For me

these are great events." Still, Sean is emphatic about the extent of such events. "We are not interested in events if they are going to disturb the day-to-day lives of our regular clients."

Sean says the decision to host an event at Quinta do Lago depends on the time of year. June is out-of-bounds because the lakeside restaurant The Shack, where such events might be suitable, is always full.

Most of the other eateries are booked up too in the summer months. Quinta do Lago, he says, is a very different world from what it had been six years ago, with a lot more activities and restaurants for the residents.

"If you take one restaurant out of operation for an event, it isn't closed for just one day; it's usually three days when taking into account the pre-event preparations and a day to clean up afterwards. That said, Quinta do Lago does host a lot of weddings," says Sean.

In fact, Quinta do Lago boasts an outstanding range of venues and amenities for weddings, and has a dedicated events team to make an event or occasion a seamless and positive experience.

"We've got some stunning locations for weddings at Quinta do Lago by the lake and by the Ria Formosa. We've already booked around 25 weddings for this year so far – mostly bookings from the UK and Ireland," confirms Sean Moriarty.

The CEO of Quinta do Lago says that these kinds of family-orientated

events are particularly important as they help the resort in its strategy to span the generations. "The children of some of these couples will say 'Quinta do Lago is where mum and dad got married, let's go there!'"

Moreover, although the resort does do corporate events of up to 600 people, it confines them to the off-season periods such as October and November.

Quinta do Lago is also mindful of the clubs and organisations that represent the international community in the Algarve, and has hosted networking and other events for business associations and chambers of commerce, such as the British-Portuguese Chamber of Commerce (BPCC) and the Irish-Portuguese Business Network (IPBN). "I've spoken at some of their events and like what they do."

CONTINUOUS IMPROVEMENT

Sean Moriarty emphasises that Quinta do Lago will always pursue a policy of continuous improvement at all levels, providing residents, guests, players and other visitors with excellence in all areas at the resort.

"It's a journey of continuous improvement in everything we do: hospitality, our entire leisure market, golf, restaurants, developing our own brands (of which we have 22), and we will continue to do that."

LOOKING TO THE FUTURE

After his achievement of bringing families to Quinta do Lago thanks to its wide offer of sports and training facilities, how does Sean Moriarty see Quinta do Lago evolving over the next 50 years?

"I think Quinta do Lago will continue on the luxury journey as a high-end product and the preferred destination for discerning High-Net-Worth Individuals [HNWI]. This means people who would have gone to the South of France or Barbados are now choosing Portugal, and more specifically Quinta do Lago."

Portugal because it has been known as a place for hospitality, friendliness, fine foods and wines and a reliable sunny climate.

"For a lot of people in this HNWI bracket, the choice is Spain and Portugal,

although they choose Spain less now than they used to. Portugal is safe, the quality of the homes is excellent, the country offers value for money. Portugal will continue to be a safe place to invest and buying property at Quinta do Lago will continue to ensure a return on that investment."

Sean Moriarty concludes by saying that he talks to a lot of people who feel

they missed the boat in terms of investing at Quinta do Lago some years ago, especially given that properties have risen in value and even doubled in some cases.

Brexit, Covid-19 and certain other instabilities caused by geopolitical events certainly haven't dampened appetites for property investment at the resort. On the contrary, such events have only served to cement the decision to buy. ■



Tourism

A Driver of Portugal's Economy

Portugal enjoyed record numbers of tourists in 2018 and 2019 and the government hopes to do better by netting revenues of €27Bn by 2027. The target may be possible, but hotel staff shortages and Lisbon's desperate need for a new international airport remain challenges

TEXT **CHRIS GRAEME**
PHOTOS **JOAQUIM MORGADO**



Sec.State for Tourism, Rita Marques

Portugal has been enjoying a sudden heavy influx of tourists after two years of pandemic in 2020 and 2021 curtailed travel with restrictions. The Bank of Portugal stated on June 20 in its bulletin that judging from figures for April and May, and booking numbers for this summer, Portugal will probably exceed the number of tourists seen in 2019, which had been a record year with around 27 million visitors.

The Bank of Portugal projects that by December 2022, Portugal will garner around 104.2% of the tourism revenues it had in 2019. In other words, Portugal will be the first country out of all its competitors in Southern Europe (Spain, Italy and Greece) to exceed the metrics that it achieved in that record year.

It is no longer simply about the numbers of tourists, but rather the revenues that they bring in, as Portugal continues to focus on quality and not just quantity; working on increasing the average spend each tourist brings to the country.

“As we know, Portugal has an evident limitation on the numbers of tourists it can accommodate, so rather than just receiving more tourists, we want to welcome those tourists that spend more, stay longer, and seek added value in tourism services,” said the Secretary of State for Tourism, Rita Marques, on Tuesday at a lunch organised by the International Club of Portugal (ICPT).

But while upbeat about the industry and Bank of Portugal forecasts for 2022, Rita Marques has been more cautious in the Portuguese press and has pointed out that the “bank balances of our companies are rather low” and “we need several years to recover the revenues we lost during the pandemic”.

Rita Marques has also been reported as viewing tourism in Portugal in 2022 with “some moderate optimism”, but has told other publications that she thinks that revenues will “fall short of those achieved in 2019”.

Nevertheless, she stresses that a sustained growth in bookings “has been felt, which is important for the Portuguese market”.

This “cautious optimism” is a view shared by the President of Portugal's Tourism Board, Turismo de Portugal,

Luís Araújo, who recently stated in interviews: “We're on the right track because there's a huge demand for the destination [Portugal], there's growth in the level of airline tickets bought, and an expressive number of accommodation bookings in all regions of the country.”

A WELL-DEFINED STRATEGY

Rita Marques says that the Portuguese government has a very well-defined strategy for Portugal's tourism sector, which in a public-private partnership is considered a case study of success.

“Portugal's tourism sector has managed to design a public-private policy over the years that meets the interests of private companies and stakeholders, and which has served for the re-energisation and revitalisation of the public sector,” she said.

In a very clear competitive agenda that was designed in 2017 and which resulted in a process that was largely embraced by stakeholders, an ambitious roadmap has been drawn up by the Ministry of the Economy “to net revenues of €27Bn by 2027”, she added.

“The entire sector is aligned with the government towards this ambition, and the sector clearly knows that we are working to achieve these revenues after achieving €18Bn in 2019,” said the Secretary of State for Tourism.

LISBON AIRPORT – THE ELEPHANT IN THE ROOM

The situation for Portuguese tourism in 2022, as it enters the peak summer months, is that the sector is “moving forward with a slight limp”, hampered by the “elephant in the room” – the lack of a decision over the location of a new international airport for Lisbon that is fit-for-purpose to take the huge influx of tourists and process them through the system without huge queues and endless delays because of overcapacity and lack of slots.

That is not going to be an easy task. National airports are being reinforced with 238 police agents from both the police (PSP) and borders force (SEF) during the summer months – of these, 168 are PSP agents who are “still completing their training courses in border

controls. They will be supervised by SEF counterparts”, says the government after weeks of chaos in May and early June at Lisbon airport due to a lack of staff.

Worse was averted in June after TAP national airline pilots threatened, and then called off, a strike over pay cuts that were, they say, unilaterally decided by the airline's executive commission to appease Brussels in exchange for the Government being allowed to lend and/or grant up to €3Bn to keep the company in the air.

“We have to be able to have enough staff to deal with the kind of numbers we had in 2019 [60 million visitors passed through Portugal's airports in 2019], many of them in transit, and we know that 50% of those passengers who disembarked did so at Lisbon International Airport [30 million Pax]. We must continue working so that these passengers arrive in Portugal without delays, with sufficient staff not just in the peak high season months of July, August and September,” says the Secretary of State for Tourism, Rita Marques.

A PATH TO GROWTH

To achieve target revenues of €27Bn by 2027, Portugal's Ministry of the Economy has traced out three paths that are complementary and interlinked.

These fall under the umbrella of the Reactivate Tourism Plan/Build the Future programme, which to date has spent some €2.1Bn out of a total budget worth €6Bn.

The components of the plan cover specific areas such as ‘supporting companies’, ‘encouraging safety and security’, ‘generating business’ and ‘building the future’.

The Ministry of the Economy is preparing ‘a Public Dashboard’ to show the general public and stakeholders in the sector what has already been achieved, and the programmes, initiatives and campaigns that are to be launched over time.

Of the €6.11,25Bn total investment, €4.075Bn will be provided through Portugal's new development bank Banco Português do Fomento, which will channel €3Bn of support funding to companies with a view to preserving jobs.

"PORTUGAL HAS AN EVIDENT LIMITATION ON THE NUMBERS OF TOURISTS IT CAN ACCOMMODATE, SO RATHER THAN JUST RECEIVING MORE TOURISTS, WE WANT TO WELCOME THOSE TOURISTS THAT SPEND MORE, STAY LONGER, AND SEEK ADDED VALUE IN TOURISM SERVICES". (SECRETARY OF STATE FOR TOURISM, RITA MARQUES)

In 2021, the minister admitted to Sky News that Portugal's tourism sector desperately needed around 15,000 staff.

In terms of other investment mobilised for the entire value chain in the tourism sector, the government has earmarked €2.8Bn for tourism developments, local accommodation, car rental companies, travel agencies, tourist entertainment, and the hotel, catering and restaurant segments, sectors which as a whole represent some 138,000 companies.

CREATING EXPERIENCES

Rita Marques highlights a second pillar of the Government's policy, which has to do with enhancing the overall tourism experience that visitors enjoy and is vital to keeping Portugal competitive against its peers in Europe.

"We are working with companies and airlines to show that our portfolio of infrastructures and airports is 'capable and efficient'," she added, pointing out that passenger numbers into Madeira were 25% above visitor numbers in 2019.

"Our visitors need to know that they don't have to fly into Lisbon; we have other airports, and so this diversification of tourist flows throughout Portugal is a major priority," she said.

The third pillar of its tourism policy has to do with "adding value", which is why the government is working hard to "upgrade" the level of services provision in order to ensure that the average spend will increase substantially over time.

"Portugal is no longer seen as a cheap destination. We are now the country that has the second highest average spend per tourist in Europe, and we compare very well with our competitors with double the average revenues of Greece," she says giving one example.

PROMOTING OFF-SEASON TOURISM

Rita Marques says the government needs to review legislation to accommodate and facilitate new trends in tourism that would be vital to attract tourists in the off-season periods, particularly when Portugal has so much to offer, not just sun, sea and beaches.

The Secretary of State says that in order to combat the seasonal nature of tourism in Portugal, such off-season activities need to be explored and promoted better in overseas markets.

"We are exploring and promoting health and wellness tourism, spiritual retreats tourism, and nature, cycling, hiking and adventure tourism. In 2019, we were the country in Southern Europe that had suffered the least problems associated with low tourist numbers in off-peak months," she said.

This legislation is also necessary for tourism developments and communities, particularly resorts and the development of businesses linked to health and wellness such as senior residences, as well as the latest trend for luxury camping, or 'glamping', as it is more popularly known.

"There is a legal vacuum because of current legislation, which has made it impossible for us to capitalise on some new trends, and we are working so that these laws can be added within the national framework for others because legislation should never inhibit us from taking advantage of these trends," said Rita Marques.

STAFF SHORTAGES

Another perennial problem has been dealing with the seasonal nature of the industry when staff are taken on during the peak busy months on short-term contracts, or even with no contracts at all

in some cases, and then released when tourist numbers dwindle. Here, pay is hardly an incentive.

According to CNN Portugal, the average salary in tourism (hotels and restaurants) in the busy tourist region of the Algarve is only €881/month.

The problem of a lack of staff to provide a decent service in Portugal's 4- and 5-star hotels, its guesthouses, bars, clubs and restaurants has been blamed on the Covid-19 pandemic, when many staff who were laid off used the pandemic period to retrain for better-paid jobs in other sectors, or chose simply to leave the sector altogether.

But there are said to be concrete reasons why they left. Poor pay and poor working conditions – an argument that both the Secretary of State for Tourism and the President of the Portuguese Tourism Confederation, Francisco Calheiros, representing companies linked to the tourism sector in Portugal, roundly refute.

In a damning report, the Portuguese Hotel Association (AHP) estimates that it needs 15,000 more employees for the sector to fill its staff vacancies. And even though there are job vacancies, there is a lack of staff to fill them. But not all hotel groups are in the same boat. "We're starting the season with the staff that we need. We've got 45 staff vacancies in all areas where we operate," Bernardo Trindade, CEO of the PortoBay group and president of the AHP, recently said in interviews.

So if there are jobs to fill, why is no one applying? Hoteliers are unanimous in the answer: the issue lies in the hours in a sector that works 24/7/365 rather than wages, which, according to several studies, are not as bad as painted when taking into consideration the amount of perks that good hotel groups offer.

"WE CAN'T SEEM TO RESOLVE THE PROBLEM OF A LACK OF MANPOWER, THE SITUATION OVER THE NEW AIRPORT, NOR THE PROBLEM OF THE BORDERS AND IMMIGRATION AGENCY SYSTEM, OR THE RECAPITALISATION OF COMPANIES IN THE SECTOR, WHICHEVER MINISTRY SEEMS TO BE INVOLVED". (PRESIDENT CTP - PORTUGUESE TOURISM CONFEDERATION - FRANCISCO CALHEIROS)

"All the hotel groups are paying better and this is an issue we've been assertive to address. But we have a feeling that this is not enough," says Bernardo Trindade.

Some hotels are using incentive packages to lure and retain staff, such as productivity bonuses, health insurance, and discounts in partner services.

"We already have a package of conditions, including salaries and additional bonuses and benefits such as health insurance and discounts which, as a rule, are above the average offered by the sector, and we think we'll be able to attract staff," said Gonçalo Rebelo de Almeida, the director of the Vila Galé Group, the second largest in Portugal, in a recent interview.

As to the question of long hours, Bernardo Trindade said, "We're open to being more careful when drawing up staff work rosters, dividing up the weekends more equitably among the entire work force."

Portugal's tourism workers unions certainly agree on this. "The main problem continues to be the unpredictable nature of the working hours," said Francisco Figueiredo, head of Portugal's hotel, restaurant and tourism industry union FESAHT.

He insists that the overwhelming majority of staff in hotels and catering continue to work for the minimum national salary, and even when new jobs pay better, those who are already in contracts don't get more.

"There's no negotiating on this and the breach is unbridgeable. Many senior management structures don't offer career progression or incentives for older staff."

At the lunch, Rita Marques countered these kinds of arguments over poorly paid staff in the sector by saying there has been an average increase over six years of

23% on minimum salaries in Portugal. "The tourism sector had two bad years, but we have always worked hard alongside business leaders to pay more."

"But there are other privileges, apart from salaries, that should be taken into account in the incentive package when hiring, maintaining and retaining this talent, and the sector needs to pay this some attention since staff in the sector are usually working at weekends and periods when most people are on holiday," she adds.

The president of the Portuguese Tourism Confederation, Francisco Calheiros, representing companies linked to the tourism sector in Portugal, insisted at the ICPT lunch that "hotels should stop complaining they don't have staff when they pay badly and always have" and "if they paid better they'd have more staff", pointing out:

"We can't seem to resolve the problem of a lack of manpower, the situation over the new airport, nor the problem of the borders and immigration agency system, or the recapitalisation of companies in the sector, whichever ministry seems to be involved."

"Tourism does not pay badly. Tourism, according to the latest study from Randstad, is one out of five sectors that are the most attractive to work in, in Portugal. The question is simple. With only a 5% unemployment rate in Portugal – and the salaries are attractive – the problem is that there aren't enough people in the market to do the jobs in tourism, industry or the services sector, and this problem is being faced even outside Portugal since airports in London can't find staff to satisfy the demand for flights," said Francisco Calheiros. ■



Solidarity event raises €7,393 for Rebuild Ukraine

The Ambassador to Ukraine, Inna Ohnivets, speaks of the terrible costs to her country of Russia's invasion at the British-Portuguese Chamber of Commerce fundraiser

TEXT **CHRIS GRAEME**
PHOTO **JOAQUIM MORGADO**



UK ambassador, Chris Sainty, Ukraine ambassador, Inna Ohnivets, Galp CEO, Andy Brown

We will never surrender" was the defiant call of Ukraine's Ambassador to Portugal, Inna Ohnivets, at a successful Lisbon solidarity fundraising lunch which netted over €7,000 for charities to support economic recovery and sustain Ukrainian businesses.

The event was organised by the British-Portuguese Chamber of Commerce (BPCC) and held at Lisbon's Corinthia Hotel.

The full scale of the war following the invasion of Ukraine by Russia had lasted 123 days at the time of the event on Thursday, June 23. "The war has left devastating effects with thousands of deaths on both sides [estimated at

20,000 on each] and forcing millions of Ukrainians to flee their homes, including an estimated two-thirds of the country's children," said Rui Almeida, Chairman of the BPCC board.

"Although we are a business chamber focusing on the trade between Portugal and the United Kingdom, we could not remain oblivious to the effects of this war which is on our doorsteps. We don't doubt that the current conflict is having numerous knock-on effects at macro- and micro-economic levels," he said.

CHALLENGING TIMES

The British Ambassador to the UK, Chris Sainty, said he believed that

alliances helped nations to thrive and commerce to flourish. There was a clear connection between peace, stability and security, and trade and prosperity, he added, referring to the long historic bilateral trade relations between the two Atlantic nations of Portugal and the UK.

"We live in challenging times, and as we all continue to recover from a global pandemic, we are witnessing a horrific conflict on the European continent. We have all been appalled at Russia's invasion of Ukraine. It is an outrageous breach of international law and the UN charter, and towards the whole civilised world."

The ambassador referred to the "devastating images of towns and villages" in a horrific assault on the Ukrainian people and those fighting to defend their sovereign country, while many Ukrainian nationals have to "seek refuge around Europe", including 65,000 in the UK and 41,000 in Portugal.

The ambassador reminded that the international community had united around Ukraine "far more than Putin could have possibly imagined", and that it was clear that security in Europe had fundamentally changed and that the "future of European security depends on Ukraine emerging as the winner".

DEVASTATION IN NUMBERS

The Ambassador of Ukraine in Portugal, Inna Ohnivets, called the invasion of her country on February 24, 2022 the "darkest hour in our nation's contemporary history".

"THIS IS A UNIQUE MOMENT IN CORPORATE HISTORY WHEN COMPANIES TAKE A MORAL POSITION, NOT BECAUSE GOVERNMENTS TELL THEM, BUT BECAUSE IT IS THE RIGHT THING TO DO". (ANDY BROWN, CEO GALP)

"As a result of Russia's attacks, tens of thousands of our citizens have lost their lives, and many more were wounded."

The ambassador said almost 12 million Ukrainians had been internally displaced. To support them, the government of Ukraine launched assistance programmes for accommodation, with new jobs and financial support after relocation.

Today, 20% of Ukraine's territory is occupied, its access to the Black Sea and Sea of Azov is blocked. Russian troops continue to destroy Ukrainian cities and infrastructure with missile strikes and heavy artillery.

More than 2,600 missiles later, one of Russia's key goals is to destroy Ukraine's economy, and as a result, a major part of economic activity has stalled in Ukraine, with the country's GDP expected to drop by one-third this year.

The ambassador enumerated that in April and May, the monthly budget for the war was almost US\$3Bn, inflation reached 17% in May, and Russia's invasion had destroyed or damaged up to 30% of Ukraine's infrastructure at a cost of US\$100Bn. The overall cost of damage and lost investments, and destroyed and disrupted business constitute almost US\$600Bn.

"The global food crisis caused by Russia's war against Ukraine can still be avoided if Ukraine's ports are unblocked," said Inna Ohnivets.

This could be done, she said, if effective security is provided, including supplying Ukraine with appropriate weapons to protect the coastline from threats from the sea.

But Inna Ohnivets stressed "no assurance from Russia will do": "We need to find the solutions of guarantees with the UN and partners." As Russian occupiers

continued to "steal grain", they expect countries to refrain from buying it.

The Ukraine government is making every effort to keep the economy afloat, such as supporting relocation or business and launching lending programmes to SMEs.

"Russia must be economically and politically isolated from the world. We call on business to abandon the Russian market and review the risk associated with reputation, regulation, and ethics of doing business in Russia."

She added: "We also expect international companies which had been working in Ukraine until the invasion to resume their activities in the liberated areas."

The Ambassador to Ukraine, Inna Ohnivets, stressed that another critical element of post-war recovery would be trade, liberalisation, and increasing Ukraine's exports, and appreciated the decisions taken by Canada, the UK, EU, and US in this respect.

UKRAINE WILL "NEVER SURRENDER"

On a final note of defiance against Russian naked aggression, Inna Ohnivets said that despite the terrible trials, Ukraine will not surrender. "The words spoken 82 years ago by Winston Churchill are today more relevant than ever. 'We shall never surrender!'"

Andy Brown, CEO of Galp Energia, a company which is taking a leading role in supporting Ukraine and its people, explained what the Portuguese oil and gas company had done in support of Ukraine since the war began, and spoke of the "bravery and resilience" of the Ukrainian people.

"In four months, Galp has been standing side by side with Ukraine, and against Russia. One of the first things we

did was to suspend any off-take of product from Russia. We did that within a week of the invasion," he said.

"We used to buy a product called Vacuum Gas Oil (VCO)* which we needed for our refinery and was needed because half the world's gas oil comes from Russia," he added.

Andy Brown said that Galp was willing to take the risk of being "short on supply" because the company did not want to "fund this aggression in any way".

"It is a unique moment in corporate history when companies take a moral position, not because governments tell them, but because it is the right thing to do," said Andy Brown.

To support Ukraine, Galp has committed €6.5 million. "It's about how we balance humanitarian support, the support for the refugees that arrive in Portugal, and the building of a sustainable future."

"What was most compelling for me was not just companies taking a stand and offering money, it was individuals wanting to participate, help, and volunteer, and I think that is a very strong attribute of the Portuguese people," concluded Andy Brown, CEO of Galp Energia.

The headline sponsor of the event was Galp, with the premium sponsor being Rentokil Initial Portugal. Other table sponsors included Unipartner, Taylor's, KPMG, MONERIS, MD Seguros and Suez Capital, with further donations from Dr. Shane Farrelly of SomarMed, Tim Solomon and Dr. Ana Delgado from Law-Yours; who collectively donated €6,723.34. In addition, a limited numbered copy of a work by the artist Vhils raised €670. The proceeds from the event raised at the lunch have been donated to the charity "Rebuild Ukraine". ■



Moderator: António Gil Machado, Vida Imobiliária; Nelson Lage, ADENE; Diogo Freire de Andrade, Architect; Miguel Cabrita, MEXTO

SIL 2022

Lack of articulation between national and European policies on sustainable housing

The European Union has set ambitious energy efficiency targets on housing by 2030. Are Portugal's developers and national bodies prepared?

TEXT & PHOTO CHRIS GRAEME

"WE HAVE A COMMUNICATION PROBLEM WITH NATIONAL BODIES AND OUR EXPECTATIONS FOR THE FUTURE ARE NOT VERY ENCOURAGING. 2030 WILL ARRIVE AND LITTLE WILL HAVE BEEN DONE ON BUILDING ENERGY EFFICIENCY." HUGO SANTOS FERREIRA - PRESIDENT APPII.

A lack of articulation between European policies and Portugal's national policies on energy-efficient housing runs the risk that EU targets for 2030 on energy efficiency simply won't be met in Portugal.

This was the warning from a debate at this year's SIL Investment Pro on 'New European Directives on Energy Performance Buildings'.

The debate was held as part of a series of conferences during the SIL - Lisbon Property Fair, which ran between May 12-15.

The building sector is crucial for achieving the EU's energy and environmental goals. At the same time, better and more energy-efficient buildings should improve the quality of citizens' life and alleviate energy poverty while bringing additional benefits, such as health and better indoor comfort levels, green jobs, to the economy and the society.

To boost the energy performance of buildings, the EU has established a legislative framework that includes the Energy Performance of Buildings Directive 2010/31/EU and the Energy Efficiency Directive 2012/27/EU.

Therefore, two directives will help achieve the building and renovation goals set out in the European Green Deal to 2030.

Both directives were amended in 2018 and 2019 as part of the 'Clean energy for all Europeans' package. The directive amending the Energy Performance of Buildings Directive (2018/844/EU) introduced new elements and sent a strong political signal on the

EU's commitment to modernise the buildings sector in light of technological improvements and to increase building renovations.

In December 2021, the Commission proposed a revision of the directive (COM(2021) 802 final). It upgrades the existing regulatory framework to reflect higher ambitions and more pressing needs in climate and social action, while providing EU countries with the flexibility needed to take into account the differences in the building stock across Europe.

It also sets out how Europe can achieve a zero-emission and fully decarbonised building stock by 2050. The proposed measures will increase the rate of renovation, particularly for the worst-performing buildings in each country.

The revised directive will modernise building stock, making it more resilient and accessible.

It will also support better air quality, the digitalisation of energy systems for buildings and the roll-out of infrastructure for sustainable mobility.

Crucially, the revised directive facilitates more targeted financing to investments in the building sector, complementing other EU instruments supporting vulnerable consumers and fighting energy poverty.

WHY IS IT IMPORTANT?

Making buildings more energy efficient is important and is one of Europe's top priorities, because the construction of buildings in Portugal and elsewhere worldwide represents around 40% of

carbon emissions. The energy consumption of buildings, once built, represents 7% of all carbon emissions.

However, the ambitious objectives could end up compromised because of a lack of articulation between European and national policies.

The president of the Portuguese Association of Real Estate Developers & Investors (APPII), Hugo Santos Ferreira, warned that "Europe was running the risk of getting to 2030 with nothing done".

Nelson Lage, the president of ADENE - Agency for Energy, explains that "the new European Directive on Energy Performance of Buildings takes into account current needs and creates the challenge of accelerating the energy efficiency of building stock, because now, a thorough review and update is required which is far greater than in the past". He also asks if "Portugal and other Member States are ready to face the challenge and implement the new directives?"

AMBITIOUS SHORT-TERMS GOALS

The new European directive for energy efficiency has well-defined deadlines and ambitious goals that have to be met by 2030, which, as Hugo Santos Ferreira points out, is only eight years away.

And because developers usually plan budgets and investments for housing projects several years in advance, factoring in the length of time it takes to get a plan off the drawing board and get outlines and detailed planning permission to eventually build, projects that are slated for completion in 2030 are under discussion today.



Moderator: Ricardo Guimarães, Confidencial Imobiliário; Henrique Silva, Norfin; João Paulo Sousa, JPS Group; Pedro Vicente, Habitat Invest; Cecile Gonçalves, Grupo Libertas; Paula Fernandes, RAR Imobiliária

“We have a communication problem with national bodies and our expectations for the future are not very encouraging. [The year] 2030 will arrive and little will have been done on building energy efficiency,” he says.

But bringing Portugal’s building network up to speed with legislation at a national level that mirrors EU directives is likely to be a tall order, given that “there is a current lack of articulation between Government policies and EU ones”, adds the APPII president.

ADENE’s Nelson Lage points out that Portugal had begun to implement the last directive in 2021, but other

countries in the EU had begun before that – which meant that the discussion is now running in tandem with the new directive – and added that there would be “a lot more content added until it was implemented”.

Nelson Lage called on a national debate to be organised before any of these targets could be established.

And while the entire construction and real estate sector was “committed to fighting climate change, directives and commitments were all very well, but were they enough?”

“EU directives have not been sufficiently tailored to the national reality,”

says Hugo Santos Ferreira. Giving the example of rooftop solar panels, he said: “We don’t see local authorities changing regulations on solar panels on roofs, and when planning applications for electric mobility parking are submitted, they [often] get rejected.”

Architect Diogo Freire de Andrade believes the sector has a massive challenge before it to marry the interests of developers and the various national entities, and meet EU decree-laws on sustainability, which is why “local councils should have the common sense to adapt the laws and bridge the gap in order to get projects off the ground”.

“MUNICIPAL AUTHORITIES SHOULD HAVE THE COMMON SENSE TO ADAPT THE LAWS AND BRIDGE THE GAP IN ORDER TO GET PROJECTS OFF THE GROUND.”
DIOGO FREIRE DE ANDRADE, ARCHITECT.

ving that there will be a new edition of the programme with slight adjustments”.

Mexto Property Investment board member Miguel Cabrita says that attention needs to be paid to sustainability and environmental quality, which means a careful choice of materials and engineering processes, but balancing what is desired and what is profitable is not easy.

“The impact on costs is high. It is not easy to manage,” he admits, adding that Mexto has already developed various energy-efficient houses which were a difficult challenge. “On the drawing board is one thing, but on the building site with the builders it’s not easy to apply what was drawn up.”

Hugo Santos Ferreira says that, given that the costs of middle-class housing are already high and that the Portuguese find it difficult to support mortgages on the salaries they earn, building energy-efficient houses only drives up costs and properties become more unaffordable.

“This is an issue that worries us”, because construction costs (increased energy and raw material costs) have been skyrocketing since the beginning of the year and developers are already adjusting house prices accordingly.

GREEN BONDS

British and German property groups are increasingly debuting green debt

issues to fund more sustainable housing, amid growing investor appetite and regulatory pressure.

EU property developers are under increasing pressure from banks, investors and EU regulators to decarbonise and to construct greener homes, a trend that has sparked the sustainable property bond market into life. It has also resulted in a growing number of real estate developers outlining longer-term commitments to sustainable housing.

“There are ways of financing energy-efficient housing projects that are already being applied in Europe and overseas, and which could be part of our reality in Portugal if there is the political will to do it,” says APPII president Hugo Santos Ferreira.

These include public green bonds, which could be created by Portugal’s new development bank Banco de Fomento. This “green line of finance” could be used to create more housing with a price cap that the Portuguese could afford.

Then there are private sector green bonds issued via Euronext, effectively setting up a green bond market. “We have already made a request to the government. Now all that remains is for the political will to be there,” APPII president Hugo Santos Ferreira concludes. ■

United Nations Ocean Conference 2022

A global ocean agenda focused on science-based solutions

The United Nations Ocean Conference 2022 held in Lisbon in June called for a greater global commitment to address the dire state of the ocean. Nysse Arruda, curator of the Oceans Communication Centre - CCOceanos, reveals more

TEXT **NYSSE ARRUDA**
PHOTOS **DR**



United Nations Sec-Gen António Guterres, President of Portugal, Marcelo Rebelo de Sousa, President of the Republic of Kenya, Uhuru Kenyatta

*'Lisbon Declaration
The future of defending the ocean'*

We are all here, states, international organisations, the scientific community, NGOs, companies, to take on oceans as a global cause in fighting climate change, promoting biodiversity, sustainable development, and ensuring maritime security and the freedom of circulation," said Portuguese Prime Minister António Costa at the ceremony to open the 2nd UN Ocean Conference, co-hosted by Portugal and Kenya at Altice Arena in Lisbon in June.

The Lisbon Declaration – 'Our Ocean, Our Future, Our Responsibility' came out of the conference that aimed at scaling up action and innovation to protect the intrinsic value of the ocean.

The political representatives of 150 countries collectively agreed to step up innovative actions based on science to deal with the ocean emergency. This agreement, together with over 700 national commitments from all sectors of society — youth, civil society, companies and the scientific community —, demonstrates the importance of a safe, healthy and productive ocean for food security, means of subsistence and a healthy planet.



Plenary sessions, interactive discussions, and parallel and virtual events covered a vast range of topics related to the ocean, with a clear goal — to step up political, corporate, financial and civil action based on science and innovation, towards implementing Sustainable Development Goal 14: "Life below water - Stocktaking, Partnerships and Solutions to Protect Marine Life".

The themes included marine pollution, sustainable ocean-based economies, protecting and preserving coastal and marine ecosystems, acidification, ocean warming and deoxygenation, sustainable fishing, moratorium on seafloor mining, setting up more protected marine habitats, conservation and sustainable ocean use, including healthy fishing practices, renewable energy, climate change and international laws on ocean protection.

To underpin all of these actions by 2030, investments of around €10 billion (€7 million from the European Union) were set aside to stop marine pollution, especially plastic, step up resources in renewable energy and accelerate the Blue Economy.

To round off the conference, a Universal Declaration of Ocean Rights was announced by the organisers of the professional round-the-world challenge The Ocean Race, with its chair Richard Brisius affirming that "in sports we like to play fair and have clear rules", and these too were vital for the ocean. "We need more effective laws and a clear Book of Rules for the ocean," he said.

From the Portuguese side, Prime Minister António Costa made four commitments.

"By the end of this year, we will create the United Nations Decade of Ocean Science for Sustainable Development office," he said.

The second commitment undertaken by the Prime Minister, given that Portugal has the greatest marine biodiversity in Europe, is to "ensure that 100% of the marine area under Portuguese sovereignty or jurisdiction is assessed as being in Good Environmental State and classify 30% of the national marine areas by 2030".

António Costa noted that this year, "we have taken a step in this sense by increasing the Selvagens Islands' [in

Madeira] natural reserve 27-fold in size, making this the largest protected marine area in the North Atlantic".

In terms of food security, the Prime Minister noted that "we wish to transform national fisheries into one of the most sustainable and low-impact sectors worldwide, maintaining 100% of our stocks within the sustainable biological thresholds".

Another commitment undertaken by António Costa concerns the climate-ocean nexus, "which requires our protection as the main climate regulator and carbon sink, yet which also offers us essential resources in our strategy for decarbonisation and energy autonomy", he explained, adding that "in this sense, we will invest in producing ocean renewable energies with a view to reaching 10 gigawatts of capacity by 2030 and, together with the European Maritime Safety Agency, create a pilot area for controlled emissions on Portuguese seas". ■

"IN SPORTS WE LIKE TO PLAY FAIR AND HAVE CLEAR RULES. THESE TOO ARE VITAL FOR THE OCEAN. "WE NEED MORE EFFECTIVE LAWS AND A CLEAR BOOK OF RULES FOR THE OCEAN". RICHARD BRISIUS. (THE OCEAN RACE)

Ladies in Portuguese property their take on what's trending for 2022 and beyond



JLL Patrícia Barão, Martinhal, Chitra Stern, Brightman Group, Anne Brightman and Patrícia Liz, Savills Portugal.

At the American Club of Lisbon Real Estate MeetUP Chapter III, three outstanding women in real estate – Chitra Stern, CEO of Martinhal Family Hotels & Resorts (Elegant Group), Patrícia Liz, CEO of Savills Portugal, and Patrícia Barão, Head of Residential at real estate consultancy JLL Portugal – gave their opinions on Portugal, its property market and trends for 2022 and beyond

TEXT **CHRIS GRAEME**
PHOTOS **JOAQUIM MORGADO**

To many, the real estate market may look as remarkably robust as it did in the pre-pandemic years. However, according to PricewaterhouseCoopers (PwC), it is not.

Some markets and sectors may have changed forever. Some buildings and other assets are obsolete, and property managers now have to imagine how they can be repurposed. Other economic hurdles include supply chain bottlenecks that slow or halt production. Labour and product shortages also bring fears of inflation, a major economic risk. So what can real estate developers, buyers, purchasers and investors expect? What are the emerging trends in Portugal for 2020 and beyond?

At the American Club Real Estate MeetUP Chapter III - Outstanding Women in Real Estate in May, moderated by Anne Brightman, the CEO of the Estoril Coast's most dynamic new luxury estate agency, Brightman Group, Chitra Stern (Martinhal Family Hotels & Resorts (Elegant Group)) addressed the challenges faced in the post-pandemic real estate market, particularly the construction industry faced with "rising costs of materials, supply chain problems and specialised manpower". The entrepreneur, who developed the award-winning Ageas Portugal headquarters building in Parque das Nações, as well as the United Lisbon International School, which opened in September 2020, explained how it affected new developments in Portugal.

"It's a complex time for construction and development, with high energy prices and supply chain disruptions, with a shortage of labour not just in construction, but also in the hotels sector," she said.

Hoping that the Ukraine war would soon be over, as the Elegant Group hasn't started work on the wider Education Hub project that she and husband Roman Stern have on the boundary of Parque das Nações in Lisbon, Chitra says that developers are having to "rethink how construction is done" and "what materials they will use in this new era that developers are having to face".

Chitra Stern thinks the current set of circumstances might force developers to think about different kinds of construction, sourcing materials locally. "We had to face the Great Recession and 2011 bailout crises, which taken together in Portugal lasted from 2007-2014, and now we're facing several crises at the same time," she said, adding: "I think we have to be creative and think out of the box."

Anne Brightman (Brightman Group) said that she was seeing a lot of demand for the interior of Portugal.

Patrícia Liz believes that continued demand for Portugal and residential housing from relocators, coupled with the Golden Visa, are "creating opportunities outside the capital in the medium-sized cities": "The Golden Visa was a very important measure to help us get out of the consequences of the sub-prime crisis, but at the end of the day it was not responsible for the large percentage of deals that we made."

And adds: "We feel the cost of construction will stay high as a result of supply chain and energy cost issues, but for how long we don't know, with price adjustments on property at time of sale inevitable to absorb these costs."

COMPORTA

One of the latest areas of development that reflects the kind of countryside

living that has trended since the pandemic is Comporta, a Global Development Programme 70km south of Lisbon in the Alentejo region, which will create a high-quality sustainable tourist destination in an area of outstanding natural beauty and strong historical and cultural features.

The main development company involved in the project is Vanguard Properties, which is currently working on Muda Reserve, an innovative residential project that offers the very best of Alentejo rural life just a stone's throw from the sea. Built from the ground up in a natural environment of rare beauty, it takes inspiration from a traditional Alentejo village, while providing all the comfort and security of modern life.

Patrícia Barão, Head of Residential at real estate consultancy JLL Portugal, who is also vice president of the Portuguese Association of Real Estate Agencies and Professionals (APEMIP) and a founding member of the Portugal Chapter of Women in Real Estate, is now spearheading the property and plot sales at Herdade da Comporta, and outlined the massive but ecologically sustainable growth in the Comporta area of the Alentejo.

Involved in the project since the beginning, the question Patrícia Barão addressed was could Portugal's residential tourism market, with resorts like Comporta, sustain the growth it has experienced in such a short period of time? She thinks that as affluent buyers seek to live away from crowded cities in search of a more rural lifestyle, it will.

Patrícia Barão says that Comporta is "nothing to do with luxury", but offers a simple way of living: with houses made of cross-laminated timber, some with



Anne Brightman, Brightman Group

thatched roofs, a minimum of concrete, while the outdoors connects with the interiors of the house, “bringing nature from the outside to the inside”, she says.

However, there is no supply at present, although “we are selling some old refurbished houses in the Comporta area”, Patrícia adds.

She points out that even during the pandemic, the Portuguese residential real estate market remained buoyant as relocators opted to live away from crowded big cities. For example, JLL sold properties to 47 different nationalities in 2021, while the total number of units sold nationwide was 180,000, representing €26Bn of investment.

TRENDS IN THE RESIDENTIAL MARKET

Patrícia Liz of Savills says the current trends in the residential real estate market are “very positive”.

Looking at the main cities of Lisbon, Porto, and the Algarve region, the dynamic is buoyant, with new projects to be launched over the next three to four

years. In central Lisbon, for example, Savills has more than 120 projects slated for launch.

“If we look at East and West Lisbon, including projects on the periphery, we have over 200 projects planned, taken together with active sales now,” she said, adding that Porto is also very dynamic, with Portugal’s second city enjoying a boom not only in terms of residential projects, but also industrial and commercial ones, since many national and foreign companies want to open up offices in Porto, such as Amazon, Google and Farfetch. In Q1 of 2022, IT and Services and Software created 5,000 new jobs in Portugal, a good percentage of them in Porto.

In fact, according to Expresso citing Predibisa, the office sector in Porto grew 300% in 2020 (during the pandemic), particularly in the Boavista, Matosinhos (which is growing exponentially in terms of residential sales) and Baixa areas. In the Urban Rehabilitation segment, the same boom that was seen in Lisbon has now been occurring in Porto over the past seven years.

Patrícia Liz, CEO of Savills Portugal



Chitra Stern, CEO of Martinhal Family Hotels & Resorts

“The transformation we are seeing in Porto is amazing, and I think it’s now more dynamic than Lisbon. There is also a growing interest in Campanhã as the metro from the airport has been expanded to that district,” says Patrícia Liz.

Regarding up-and-coming residential districts of Lisbon that are set for a property boom, these include West Lisbon and the Marvila and East Lisbon riverside areas. In the city centre, mixed-use development is slated to go ahead on a large site at Entrecampos, where the old city fairground used to be (40,000sqm of offices, 30,000sqm of residential, and commercial areas “that will transform the city centre in that area”). Other Lisbon areas that have been trending include Campo Pequeno and João XXI, and this will continue with the move of several government ministries to that area.

SUSTAINABLE BUILDING

The European Green Deal 2030 directive means that Portugal has just seven years to ensure its renovated and

new buildings achieve EU energy efficiency standards.

While making properties cheaper to run in the long term, regulations will make adapting and building homes horrifically expensive in the short term as costs of raw construction materials, building materials, and emission and energy-efficient technology puts up the prices of homes for rich and poor alike. But in a country like Portugal, where the average take-home salary is just above €1,000 after tax, how are middle-class families going to be able to cope with mortgages, let alone rents which are high in city centres? Indeed, will developers even want to bother when profit margins are so low, after taxes?

Our three ladies in property have some interesting perspectives. Chitra Stern admits existential pressures on costs for middle-class housing is a problem, and that the financing model is vital. “We looked at some projects, but the financing has to work; the banks have to be able to offer long-term financing in order for developers to build affordable middle-class housing projects.”

Chitra Stern points out that there is a lot of property and land owned by the government (and quite a lot owned by the Church in both Lisbon and Porto), with the Secretary of Tourism announcing the REVIVE project — a joint initiative of the Ministries of Economy, Culture and Finance that aims to “promote and streamline the processes of rehabilitation and valorisation of vacant public property, making it suitable for tourism-oriented economic activity, enhance the attractiveness of regional destinations, decentralise demand and develop various regions of the country, generating wealth and jobs, thus contributing to the economic and social cohesion of national territory”.

“Similar policy shifts have to happen in my opinion on housing. Portugal is not a dense country in terms of housing development like Switzerland. There is a lot of land available in Portugal,” she

“WE ARE SEEING A TENDENCY FOR PEOPLE TO BUY OUTSIDE THE LARGE CITIES SUCH AS LISBON AND PORTO AND THIS MIGHT SET A TEND TO BUILD OUTSIDE THESE CITIES”. (PATRÍCIA LIZ, CEO SAVILLS PORTUGAL)

adds, saying it was a mistake to stop the Golden Visa scheme in Lisbon and Porto. “There is so much more that can be rejuvenated and revived in Lisbon through regeneration programmes.”

Patrícia Barão admits it is going to be very difficult for developers and investors to invest in affordable housing, because although the VAT on buildings for refurbishment is only 6%, new build has a 23% VAT which makes it financially nonviable taking into account external

Patrícia Barão, JLL Portugal



inflationary pressures on raw materials and manpower. “This something that the government really needs to change.”

“To build affordable houses, the public system will have to get involved because the majority of the land belongs to the municipalities, so the prices need to be subsidised for affordable housing. You cannot buy a plot of land for €2,000/sqm, pay €2,000/sqm to build, plus all the soft and hard costs bringing the final cost to €5,000-€6,000/sqm. That is not affordable for middle-class families,” she said.

Patrícia Liz of Savills concluded by saying that it had to be a joint effort from the government, the city councils and the support of various institutions to build affordable housing. On the other hand, “we see the trend is for people to buy outside the large cities and this might start a tendency to build outside Lisbon and Porto”.

“The Golden Visa is helping this movement in cities like Braga, for example, which is close to Porto (one hour) and we see Braga developing a lot. It started with companies and investors and now residential,” she said.

“I think other cities in Portugal will follow suit, particularly when people realise that they can work remotely from home. We have colleagues who live in other cities like Coimbra and only need to come into Lisbon to our office once a week,” she concluded. ■

Change before you have to!

When it comes to your career, you can't leave things to chance or fortune. Strategy and networking are vital, says Susana Miranda of the SM Group

TEXT **CHRIS GRAEME**
PHOTOS **SM GROUP**

An old Portuguese saying has it that we 'only remember to call on St. Barbara when there's thunder' ('Só nos lembramos de Santa Barbara quando troveja'). In other words, in good times we never worry, let alone prepare for the bad.

The SM Group is a successful career management and strategy consultancy group with a footprint in both Lisbon and Porto. Started by Susana Miranda in 2018, it has helped scores of senior management figures from the public and private sector prepare for the market or switch jobs, and has supported companies in mapping out their senior management requirements.

Susana's credentials are clear after a 30-year career working for the recruitment company EGOR, which honed her skills to be proficient in talking to senior management figures at all levels and in all sectors in a language that both they and she understand, from the director of recruitment to the general manager.

At the SM Group, career management involves four segments: recruitment companies, end-user companies, its own extensive network and, of course, LinkedIn.

Susana emphasises that the group is not a head-hunting agency — although she did do this for 25 years — because SM is not recruiting for companies. Rather, she and her team do help them understand who they need and why, and which candidates from a shortlist make the best match.

The entrepreneur points out that the way in which companies look for

mid-level cadre candidates has changed since the pandemic. "Now there is far more emphasis and confidence in LinkedIn, since people started working from home after marketing and networking events and recruitment fairs were temporarily suspended. However, for mid and senior management positions, interview-based recruitment is still the staple."

OUTPLACEMENT

With the advent of teleworking, many companies have realised that they don't need such large, fixed office structures, and have downsized their space and teams. This has led to significant redundancies and that's where the SM Group comes in.

"Often a company likes an employee but has to let them go and offers them a Careers Management Programme. We help them find a position in another company, helping the employee through the whole exit and transition process," says Susana.

"We have skills in all the four areas [recruitment companies, end-user companies, own extensive network, and LinkedIn]; we draw on all of them, including our extensive network of partners in the markets in which we operate, so we can provide support in all of them."

CAREER MANAGEMENT

The SM Group finds the best company vacancies for its individual clients and presents the candidates it has in its portfolio to match profiles required to fill company vacancies at a senior manage-

ment level. It is currently supporting over 80 management candidates.

"We equip and prepare professionals using very practical tools, such as mentorship and personal and professional development skills. We look at the market and help them to apply for and secure specific vacancies," Susana says.

"When a candidate comes to us, they often have already done or are enrolled on a coaching course. We offer a more practical and market-orientated approach, which starts by optimising their CV for their chosen market," adds Susana. She explains that the SM Group's clients tend to come from the middle and upper echelons of management, because they have the most difficulties in finding vacancies since the best vacancies are rarely advertised. "There are middle and senior management figures who want to discretely show they are seeking employment without shouting it out to the entire market, often because they are in another unsatisfactory post and don't want that company to know."

"Equally, we get emails from company contacts we've made at business networking or other events who let us know they wish to replace a senior manager without alerting the incumbent and want a discreet introduction to possible candidates we have in our pool."

For example, the SM Group has a wide experience in helping senior management figures working for public companies, and even government figures who have wanted to leave and transition to the private sector. It is here that SM



CEO, Susana Miranda



can make discreet enquiries with directors and CEOs it knows on their behalf.

THE IMPORTANCE OF HAVING A LINKEDIN AND NETWORKING STRATEGY

Susana Miranda says that networking at events attended by company CEOs and marketing and recruitment directors is a vital component in matching the profiles in her talent pool to leading SMEs and corporations.

Another skill the SM Group teaches is learning to network well and use LinkedIn effectively. “Many candidates, even in management, often don’t know how to capitalise on LinkedIn to their best advantage, because they think it’s a social media platform when, in fact, it can be a highly effective professional networking tool. Through our LinkedIn Strategy, we teach them how to get the best from their account so that it works for them,” says Susana.

This means helping them to understand what content they need to publish and when, and how they appear on LinkedIn. Susana emphasises that for 95% of her candidates, the focus is on

LinkedIn, and now Instagram, particularly when they want to launch a brand.

“There are senior management figures, however, who are afraid to use LinkedIn because they think it is viewed like Facebook and could tarnish their chances. In fact, there is nothing wrong in using LinkedIn, providing you have a strategy, and that’s what we help our candidates develop.”

This means learning how to do face-to-face networking at events, and follow up correctly in a practical way and, most importantly, how to reach those intermediaries that control the vacancies that are of interest to the candidate.

And because senior management positions are rarely, if ever, advertised, companies first tend to look at candidate profiles on LinkedIn. At networking events, the SM Group comes in where it can set up presentations of prospective candidates.

Susana’s business relationship with the British-Portuguese Chamber of Commerce (BPCC) and the relationship she has built with its CEO Chris Barton and director of events & services, Helena Fernandes, and Porto and North of Por-

tugal representative Sara Montenegro, has been especially successful. “They really are committed to helping small companies like mine drum up business.”

HELPING TO CREATE BRANDS

Susana Miranda says that the group equally supports management professionals who may be looking for a top position but, at the same time, are considering setting up their own company and need support in creating and marketing their brand.

“We have a complete team with lawyers, digital marketing, site specialists and financial consultants, so even if they don’t net that top position, we’ve been preparing them to strike out on their own.”

STRATEGIC CORPORATE CONSULTANCY

While emphasising that SM Consulting are not head-hunters, it can support a corporation’s general board or the director of its HR department in scouting talent.

This is particularly pertinent in the case of ‘talent mapping’, or analysing the market, especially competitors and the employment status of key people who work in it. Mapping helps create an idea of the level of skill and talent competitors have which can help ensure your business is better prepared for recruitment and attracting the best candidates.

“Very often, companies know they need a new director or senior manager, but need help in understanding which candidates have the profile to adapt the best to the culture they have. For example, there might already be someone within the company suitable for the post, with no need to go to the market, and we can help them do that.”

Susana says companies often want a sifting service, whereby it has already viewed several profiles and wants SM Consulting to interview candidates without them knowing which client it is, to see if they are available for the project and if they are suitable to lead it. Of course, SM Consulting also helps companies bring the right people in to occupy a post in a specific company department by bringing in a specialised consultant who can analyse what and

who that department needs to run more efficiently.

CHANGE BEFORE YOU HAVE TO!

Finally, Susana Miranda gives a piece of golden advice: change before you have to! “One of the issues we find is that professionals know or suspect that they will be made redundant, or they know the company is undergoing restructuring, and yet they only start job-hunting when they have to leave the company. If they have everything already prepared, the chances are that their strategy to land another position in another company is far more assured.

“You cannot switch off from the market when times are good. We must always be prepared, so that if a problem arises, we have a strategy planned. For example, we have clients that have a diagnostic consultation with us at least twice a year to study the market and analyse the company situation where they are working to help them be ready for change, if and when it comes.”

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“WE HAVE A COMPLETE TEAM WITH LAWYERS, DIGITAL MARKETING EXPERTS, SITE SPECIALISTS AND FINANCIAL CONSULTANTS, SO EVEN IF THEY DON’T NET THAT TOP POSITION, WE’VE BEEN PREPARING THEM TO STRIKE OUT ON THEIR OWN”.



Conrad Algarve

A resort for all seasons

Quinta do Lago's luxury resort Conrad Algarve is celebrating its 10th anniversary this year. Essential Business speaks to the General Manager Marco Cogollos about landing his dream job and executing the Conrad Hotels & Resort's strategy going forward

TEXT **CHRIS GRAEME**
PHOTOS **SUPPLIED**



Conrad Algarve, General Manager, Marco Cogollos

In just 10 years since it opened in September 2012, the iconic Conrad Algarve, the last word in innovative Smart Luxury, has clocked up an impressive 100 national and international awards for setting the bar for sophisticated, personalised service, providing authentic Algarve experiences and Michelin-star cuisine.

At the time, it was the first resort from the Conrad Hotels & Resorts in Europe – a beautiful impression of an



18th-century neoclassical Portuguese country manor, set in lushly planted gardens on the edge of the UNESCO-protected Ria Formosa Natural Park.

Marco Cogollos was appointed general manager of the Conrad Algarve in January and says he has been “having a blast” ever since.

“This has always been an iconic resort for Conrad Hotels & Resorts, and is held up as a reference within the company. Actually, I had dreamt of joining this

hotel when I started working for Hilton Worldwide,” he says.

Prior to his appointment, Marco had worked as the general manager at the Aleph Rome (Curio Collection by Hilton) and the DoubleTree by Hilton Minsk, Belarus.

“To be in this property is an honour and an opportunity to continue the legacy handed over from my predecessors, Katharina Schlaipfer and Joachim Hartl, who did an amazing job,” he says.

A 10-YEAR MASTER PLAN

Of mixed British-Spanish background, Marco Cogollos says that now, at this 10-year anniversary milestone, it falls to him and his excellent team to keep the hotel as a benchmark and relevant for the next 10 years.

“We are working on a master plan to see how we can continue being a reference for luxury hotels both within the company and the Algarve,” he says, explaining that, in terms of the food and beverages offer, the hotel boasts five outlets, but that he wants to rethink and improve on the current offer which includes the Michelin-star restaurant Gusto and Bar by Heinz Beck (Best Bar Award at the Lisbon Bar Show), Louro Restaurant, Lago Lounge, Dado Pool Restaurant, and Sereno Pool Bar.

Marco says there has been a constant ongoing investment in the Conrad Algarve's 154 rooms and suites spread over six floors in recent years. “On the one hand, the hotel has a classical feel to it, on the other it isn't too modern,” the general manager says of the Portuguese country manor-inspired architecture with an emphasis on light, airiness and space in the white central foyer dominated by a Palladian glass cupola.

“Since Gusto received its Michelin star in 2017, we have worked hard to see it retain that prestigious recognition, as well as focusing on the quality of the experience for the guests, and that focus on making every single aspect of the offer and service better will continue,” says the general manager.

The idea is make greater use of the ample terrace space outside, to make it cosier and generally make the hotel relevant for the guests who, in the luxury segment, “expect to have constant experiences, events and happenings”.



Marco says that the Conrad Algarve is lucky to benefit from its location between two of the region's most outstanding resorts, Quinta do Lago and Vale do Lobo, both with world-class golf courses and an amazing restaurant offering in the area.

“We need to extend the same kind of amazing experiences our guests can have in many of the restaurants in the area, but actually in the hotel,” he says, pointing out that the Louro Restaurant's terrace area overlooking the pool is very busy at lunch, where more Portuguese-inspired food is served.

This year, the Conrad Algarve is introducing the Art of Sharing Petiscos to offer an easygoing Portuguese appetisers selection that can be shared between couples, and with friends and family at the resort's stylish Lago Lounge, which also serves speciality coffees, exotic Sri Lankan teas with pastel de nata (Portuguese custard tart), and macarons and truffles, as well as tapas with a twist, sushi, colourful salads, pizzas, burgers, and afternoon tea.

“We aim to keep up with the fun-food trend that is popular these days, but also food experiences that are completely 'out of the box', particularly for our vegetarian and vegan offer where we want to provide dishes that are really special.”

A VERSATILE RESORT

As Quinta do Lago has become a fly-to destination, with 80% of visitors from

the UK and Ireland, Conrad Algarve is increasingly busy all year round with conferences, product launches, conventions, and corporate training and incentive trips.

“The resort is very versatile. It is the perfect size for a product launch, with its 154 rooms including the Conrad signature Infinity Penthouse (300sqm) and Signature Suites. We've got great facilities at the resort, such as the ballroom and terrace at the hotel, and we've done amazing things such as a luxury car launch where we lowered the vehicle through the roof of the Infinity Penthouse,” says Marco.

To mark the 10th anniversary, Marco and his team have organised a number of events throughout the year, each event being specifically directed to target audiences, and integrated with segments that are at the core of Conrad Algarve: Art, Corporate Responsibility, Community, Staff, Cuisine, and Golf.

“The team is very well trained and thinks outside the box, so when the client has an idea, we make it happen, and we want to continue to surprise. The Algarve is the perfect year-round destination, warm in summer and mild in winter, and what we're seeing is that the low season is getting shorter, and we want to develop quality programmes for all seasons and all tastes,” concludes Marco Cogollos, the general manager of the Conrad Algarve. ■

Vestas pioneering eolic energy in Portugal

Renewable energy sources such as wind, solar and hydroelectricity will increasingly become an inevitable part of global energy supply as economies move away from fossil fuel dependency. Essential Business talks to the CEO of Vestas Technology Centre in Porto, Martin Kaasgaard

TEXT **NYSSE ARRUDA**
PHOTOS **VESTAS**



CEO Vestas, Martin Kaasgaard

With the emerging energy crisis, particularly affecting Europe as well as environmental issues, the use of wind for producing energy has now become crucial. There is an international company, Vestas, which is dedicated to developing eolic energy in 83 countries, including Portugal. Since 2017, it has been based at the Vestas Technology Centre Porto, in Matosinhos.

Martin Kaasgaard, Head of Vestas Technology Centre Porto, explains that the institution is a Research & Development Centre for eolic turbines.

Vestas Technology Centre Porto employs over 300 mechanical and electrical engineering specialists, experts in collecting and analysing data, artificial intelligence and composite materials. There's an entire multidisciplinary team focusing on innovation in Vesta's ecosystem to develop the next generation of eolic turbines, in partnership with colleagues around the world and with research institutions and universities, like Porto.

Vestas has a vocation defined both in Denmark and Portugal, and the mission is to develop energy solutions that are more competitive and efficient for the planet.

Both Denmark and Portugal are pioneering countries in the use of wind for energy production. It is also an opportunity to use the Portuguese market as a test-bed and validate some of its solutions in the future.

The objective is to continue developing and manufacturing eolic turbines that are cheaper and more efficient, and for this, the turbines must be lighter, higher, and more efficient electrically. There are solutions for all these challenges.

"We will create customised configurations based on modular construction blocks, an example being Windfloat. We have a wide portfolio of flexible products to meet the needs of each location precisely and exclusively, whether of terra firma or at sea," explains Kaasgaard.

PLANS FOR NEW AREAS OF DEVELOPMENT ONSHORE AND OFFSHORE

The next steps for development in the medium term are global leadership in solutions for wind farms, eolic service solutions, and in developing eolic energy. In the long term, the goal is to be a world leader in sustainable energy solutions.

Our energy future will certainly be fuelled by wind, solar and hydroelectric energy. Renewable and eolic energies have gained ground and have become a more competitive energy source in terms of cost.

On the issue of costs, Martin Kaasgaard emphasises that renewable energy clearly surpasses electricity sources based on fossils in the LCOE index (abbreviations corresponding to the Performance Index, meaning production and associated costs).

The LCOE index (Levelised Cost of Electricity) for onshore eolic energy has fallen 63% over the past 10 years, partially driven by the scale and industrialisation of this sector.

Pioneer and leader in eolic energy solutions for decades, Vestas has worked on turning wind into a competitive energy source. On average, onshore eolic energy today has one of the lowest energy costs.

By the end of 2020, the company had cooperated with its closest stakeholders to install over 76,680 eolic turbines in 83 countries, with a total installed capacity of 129 GW. This means that 1.5 billion tonnes of CO₂ emissions have been avoided since 1981.

VESTAS AT THE TOP OF CORPORATE KNIGHT'S GLOBAL INDEX

Vestas was nominated the most sustainable company in the Global 100 Index by Corporate Knights. "This excellent



classification is down to us being in the vanguard in the sector because of our Sustainability Strategy 'Sustainability in all we do'."

Every year, Corporate Knights classifies the most sustainable corporations in the world in its Global 100 Index. This year, the ranking is based on a detailed evaluation of 6,914 companies, each one with over US\$1Bn in revenues.

"With this award, we are now also members of the Dow Jones Sustainability Index Europe, moving up the index from 67 to 73 points. Furthermore, we managed to make a big leap in our ranking in CDP-Disclosure Insight Action [a non-profit organisation that classifies countries and cities that lead the way in sustainable performance], achieving an 'A', which now puts us in the category of Global Brand Leader," says Martin Kaasgaard.

A STRATEGY OF SUSTAINABILITY

"In 2020, we launched an ambitious sustainability strategy and mobilised our entire organisation around various key sustainability activities.

We are committed to targets based on science to keep global warming to a maximum 1.5°C above pre-industrial temperatures," adds Martin Kaasgaard.

Vestas is a member of Getting to Zero Coalition – an organisation that is working to de-carbonise the transport sector. The company is now the main partner of the Mercedes-Benz EQ Formula E team (e-car championships).

Vestas is also committed to the United Nations' Sustainable Development Goals

– principally Goals 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production), and 14 (Life Below Water).

THE NEW TURBINES AND DISTRIBUTION NETWORKS

"Vestas' goal is to manufacture eolic turbines with zero waste by 2040. This means that we intend to create a value chain that does not generate waste. In 2020, we launched various initiatives to improve end-of-life performance of eolic rotor turbines," added Kaasgaard.

A Vestas eolic turbine requires little energy to operate compared to the energy it produces. One Vestas eolic turbine generates around 30 to 50 times more energy than it uses during its entire lifecycle.

Regarding the 4MW Vestas Platform, the turbines are energy neutral within 4.8 to 7.6 months of operation. In this period, these turbines generated the same quantity of energy needed to produce them.

The third generation of Blue Marlin (V236) turbines in development will have capacities of 15.0 MW and is slated for launch in 2023/2024.

The Vestas turbines also have low water consumption. During the operation, the eolic wind farms neither consumed water or emitted climate-changing greenhouse gases.

Eolic energy is among the solutions for the challenges that our world faces today – and the forecast is that in 2050, almost half of the world's population will be living in areas where water is scarce. ■



David Sampson
Inhouse Contributor

What we can learn from History

Fears of an inexorable drift to world war have been circulating ever since the Russians invaded Ukraine in February. Can we really make comparisons with either Munich in 1938, or the Balkans in 1914?

One of the most popular books about the origins of the First World War was written by Christopher Clark and was called *The Sleepwalkers*. It described how Europe descended into war without anyone foreseeing the length and horror of a war fought with new weapons and industrial might. It described the complex logic behind each of the main actors' entry into the global conflict, and in the last decade it has sold very well in Germany where it provided a counterview to the prevailing narrative of national war guilt.

The current German Chancellor, Olaf Scholz, recently cited the book as a case study in how irresponsible politicians could goad each other through bellicose rhetoric into a conflict that wasn't in their interest. He assured the public that he would become "no Kaiser Wilhelm", the German emperor who led his country into the First World War.

Following the Russian invasion of Ukraine, the fear of another war in Europe has increased and we cannot be certain that it will be limited to the Eastern provinces. Putin has made clear that he sees himself as following in the footsteps of Peter the Great as he seeks to restore Russian rule over the former provinces of the USSR.

Clark, who is now Regius Professor of History at Cambridge, has rejected comparisons between Hitler and Putin, but he said "the dangers of letting Putin have his way in Ukraine are immense and unfathomable, and his language makes this clear. He's talked about the long-term material consequences for Finland, for

example. And Putin is not someone who says something and then forgets about it".

On the other hand, Clark has rejected the idea that there is a lot of similarity between the outbreak of the First World War and the Russian invasion of Ukraine. In a recent interview, he told the Guardian: "That war began in an incredibly round-the-houses way. Whereas in the case of the invasion of Ukraine, it's quite clearly a case of a breach of the peace by just one power. There's no Balkan crisis, there's no sequence of will-they-won't-they decisions. Europe is not divided into a binary pair of alliance systems. In Europe, at least, Russia is isolated this time."

At present, the invasion of Ukraine is leading to a new Iron Curtain being imposed on Russia by the rest of Europe, and to Russia turning towards China and India for future trade and alliances. The US will extend its reach in Europe and the entente between Russia and Germany is over. The current war will drag on, but it will not lead to global conflict.

Will the two sides in the next World War come from the same country?

What we can see is the spread across the Western world of nationalist rhetoric and identity politics. These can be contained in a small country such as Hungary, where Orbán has legally made it almost impossible for his Fidesz party to be voted out of power, but what about the danger of white supremacist rhetoric in France or the United States? Could we see a Civil War break out?

The amount of interest aroused in the US by the recent book by Barbara Walter called *How civil wars start* is a disturbing testament to current levels of concern about political division and violence in America. Walter argues that America ticks many of the boxes that predict civil conflict, including a politics of ethnic

resentment, democratic decay, widespread gun ownership and a fearful population.

There are estimated to be over 330 million guns held by private citizens in the USA and the number is increasing all the time. Surely a time will come when groups see good reason to use them. One scenario is that the white supremacists mount an attack on a Democrat President or Congress.

Another equally possible scenario is that a right-wing president is elected, but without most Americans voting for him, and that such election is endorsed by the key national institutions. Then the liberal faction, aware that the Republican head of state had stolen the presidency and that politicians, bureaucrats and lawyers had seized the apparatus of the American state, and aware that democracy had been killed, would have to decide what to do. Accept the fact or fight? Is democracy worth a civil war?

The answer is surely 'Yes' when it comes to those for whom a takeover by white supremacists would mean a high level of racial violence and control, but would the white urban middle class be willing to break the law, even racially biased laws? The fear that any people's revolution would end in a communist dictatorship might deter many from taking up arms and fighting for democracy.

THE TAKEOVER OF THE US SUPREME COURT

The recent Supreme Court decision to overturn the long-standing precedent of *Roe v Wade* and to allow individual states to make abortion totally illegal has raised fears that democracy is already being hijacked by right-wing pressure groups. In many states, these groups have entrenched their power and are potentially willing to use any steps, legitimate or not, to stay in power. Former President Trump's attempts to question the presidential vote in and subsequent to November 2020 and his willingness to falsely proclaim that the election was stolen through voter fraud are all steps along the slope to a populist dictatorship.

The analogy with the story in Margaret Atwood's novel *The Handmaid's Tale* has not been lost. She imagined the United States after the introduction of a religious dictatorship. The women of the ruling class are infertile and the other women are made into slaves with no control over their bodies. Instead, it is their duty to produce babies for the ruling class.

As one American commentator wrote, "The greatest shock of all would be to wake up one morning and find that while we were driving the kids to soccer practice and enjoying that welcome after-work cocktail, more and more of our rights have been stripped away, as has happened in so many countries where democracy vanished, overnight and in darkness – when, as it were, no one was looking."

We must not take democracy for granted. We have to be aware of the dangers to democracy posed by the rise of factionalism on social media in the USA and some European countries. James Madison, one of the founders of the American constitution, was well aware of the dangers of factionalism, by which he meant the tendency of us human beings to divide ourselves into teams or parties which are so inflamed by "mutual animosity" that they are "much more disposed to vex and oppress each other than to cooperate for the common good".

He noted in particular democracy's vulnerability to triviality. People are so prone to factionalism that "where no substantial occasion presents itself, the most frivolous and fanciful distinctions have been sufficient to kindle their unfriendly passions and excite their most violent conflicts". We can think of Gulliver's experiences in Lilliput, where the factions divided over which end to break their boiled eggs.

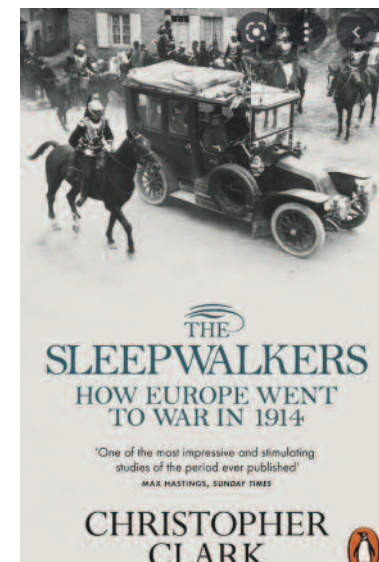
THE ANGEL OF HISTORY

If a civil war did break out in the USA or France, both sides would surely seek support from other countries and the conflict could spread further. If we look to history to find any guide, we can find no precedent for a country or people not using all the weapons at its disposal when a war affects its vital interests. Now, nearly 80 years after the first atom bomb was exploded, can we not foresee the use of such a bomb in the future, even if we do not know when? As De Tocqueville wrote about the French Revolution, "Never was any such event, stemming from factors so far back in the past, so inevitable and yet so completely unforeseen".

The angel of History is notorious for being unable to forecast the future. The German writer Walter Benjamin described

the angel in a picture by Paul Klee as "looking as though he is about to move away from something which he is fixedly contemplating. His eyes are staring, his mouth is open, his wings are spread. This is how one pictures the angel of history. His face is turned towards the past. Where we perceive a chain of events, he sees one single catastrophe, which keeps piling wreckage upon wreckage and hurls it in front of his feet. The angel would like to stay, to awaken the dead and make whole what has been smashed. But a storm is blowing from Paradise; it has got caught in his wings with such violence that the angel can no longer close them. The storm irresistibly propels him into the future to which his back is turned, while the pile of debris before him grows skyward. The storm is what we call progress."

Let us hope that in 2022, the storm gets no worse and that the pile of debris stops growing higher. ■



Hotel Casa da Calçada Relais & Châteaux the perfect weekend escape

Essential went in search of the flavours inspired by Portugal and the Portuguese Discoveries and found them in the charming medieval town of Amarante

TEXT **CHRIS GRAEME**
PHOTOS **SUPPLIED**



It is seven in the morning. The bell of St. Gonçalo Church chimes the hour. I fling open the windows and am enraptured by the sight below. The early morning sunlight scintillates off the River Tâmega water between patches of dappled green in various hues, reflecting the medieval buildings perched above between lush foliage in this charming Northern Portuguese town.

It is a sight that immediately brings to mind that iconic moment at the Pensione Bertolini in the award-winning film *A Room with a View* and the sweet and tender aria *O Mio Babbino Caro* from the opera *Gianni Schicchi* by Puccini.

But this is not Florence or the Pensione Bertolini. This is the splendid view over the picture-postcard historic city of Amarante from my room, one of 24, at Hotel Casa da Calçada Relais & Châteaux, a 16th-century Baroque mansion which, over the past few years, is being discovered by overseas visitors.

This charming 5-star boutique hotel is housed in a former aristocratic manor that once belonged to the Counts of Redondo.

There is a sense of history oozing from the walls; the portraits and black and white photos. In 1880, António do Lago Cerqueira, one of the most important political leaders of Portugal's First Republic, was born in the house which was owned by his family at that time. Its rooms became a meeting place for politicians and intellectuals at the turn of the 20th century.

ONE MAN'S DREAM

Hotel Casa da Calçada Relais & Châteaux, with its vineyards arranged in neat terraces behind, is famous for its Largo do Paço Michelin-star restaurant, which it first received in 2004.

The elegant yellow boutique hotel is the crystallisation of a dream – the dream of one of the founders of Mota-Engil, one of Portugal's most important civil engineering and construction companies. Manuel António da Mota hailed from the town and had always admired the stately home since he was a boy and dreamed of owning it. Eventually, he did.



In 2001, the building was completely restored and transformed into a 5-star hotel. A member of the renowned Relais & Châteaux – an association of individually owned and operated luxury hotels and restaurants —, the hotel will close in 2023 for a major multi-million-euro refurbishment.

The lovely yellow hotel is as famous for its gastronomy, which is Portuguese haute cuisine with French and international touches at its finest, as it is for its fine light 'green' wines.

A CULINARY VOYAGE

This year, Hotel Casa da Calçada Relais & Châteaux also celebrates its 20th year as a Michelin-star hotel and with it has created some elaborate themed menus which conjure stories of kings and conquests and voyages to distant shores.

At the hotel's restaurant, Largo do Paço, Essential Business was taken on a gastronomic adventure into Portugal's historic past, in which it discovered the world beyond Europe – a tasting fine-dining menu that pays homage to the routes discovered by Portuguese merchants and settlers to the lands of Africa and Asia, such as India, Japan and China, as well as Portugal's ancient medieval lands.

Designed by chefs Tiago Bonito (the restaurant's resident chef and National Chef of 2011), this tasting voyage through Portugal tempts you to discover colours, flavours, textures and scents that will delight the eyes and tantalise the taste buds, and is accompanied by top-quality Portuguese wines that will leave you intoxicated with the entire travel experience.

We are welcomed by the hotel's maître de maison, Manuel de Meireles Leite, who furnishes us with details about Casa da Calçada Relais & Châteaux's Largo do Paço restaurant, which boasts one of the best gastronomic offerings in the region and has picked up a number of awards and distinctions as a result.

This starts with Manuel proudly showing an illuminated glass cabinet with the red Michelin-star distinctions Largo do Paço has received every year since 2004 (except 2006) and each year has to be won again to retain the prestigious status. "Why exactly we get it and have retained the distinction year-on-year is the million-dollar mystery," he says.

"They never tell us why, we never know when they'll visit, but you have to be really excellent to get it, and it's not



Chef Tiago Bonito

just about the food and wine, it's also about the service, the knowledge that is imparted to the guests, the ambience and environment in which the food is served, and even the wider context of the lovely setting of Amarante in which the hotel and restaurant exist. It's the whole experience," he explains.

Other awards and distinctions include TripAdvisor's Travellers' Choice 2018, a 'Gold Fork' from Portuguese newspaper Expresso's Boa Cama, Boa Mesa (Comfy Bed, Fine Table) guide, and in 2017, Largo do Paço was considered one of the world's finest restaurants by the French ranking La Liste and received two 'Suns' from the Repsol Guide.

In addition to Largo do Paço, Casa da Calçada Relais & Châteaux has a second restaurant, Canto Redondo, with an intimate and luxurious shimmering purple

interior, and which serves Portuguese refined cuisine by chef Tiago Bonito at affordable prices.

Our caravel to distant culinary shores sets sail at 7.30pm, and through calm seas of unhurried time, takes us through to 11pm, making several key ports of call to taste six signature dishes, two from each chef.

Each one of the dishes that marks the 20th anniversary is perfectly paired with a range of carefully selected green and red wines chosen by sommelier David Teixeira.

The result was nothing short of artistry. On the one hand remaining faithful to the essential culinary roots and tenets of traditional Portuguese cooking as celebrated by the country's greatest food historian and researcher Maria de Lourdes Modesto, but on the other

"I LOVE FRENCH AND JAPANESE CUISINE, SO THESE CUISINES INEVITABLY INFLUENCE MY DISHES. BUT THEN THERE ARE DISHES THAT ARE 100% PORTUGUESE WHICH HAVE INFLUENCES, MEMORIES, AND ROOTS EMBEDDED IN OUR HISTORY AND TRADITION".
CHEF TIAGO BONITO

creating, developing, embellishing, refining and perfecting a symphony of what is an artistic and sensorial celebration of the Portuguese and their history.

We meet our chef Tiago Bonito – who originally hails from Portugal's academic town of Coimbra – in the bar, which opens out to a lovely terrace ideal for lunching with superb views over the river and medieval town, or dining on warm summer nights.

"Our cuisine has to have a little of our roots, traditions and our gastronomy, and then we offer small dishes that take us through the wider world. I love French and Japanese cuisine, so these cuisines inevitably influence my dishes. But then there are dishes that are 100% Portuguese which have influences, memories, and roots embedded in our history and tradition," he says, explaining that the menu is changed three times per year.

In the chef's new 'Discovery' menu (Descoberta), there are tastes and echoes of the fresh seafood caught off the coastal port town of Setúbal, refrains from Brazil where Portugal had an empire of gold that built palaces and enriched kings, a soft, velvety chocolate dessert made from cocoa from the former equatorial island colony of São Tomé off the coast of West Africa. Then there are fish dishes with tuna and mullet that create a link between the islands of the Azores and Japan.

The wine selection is superb. We are welcomed before dinner with Quinta da Calçada's fresh light white Loureiro, and a sparkling Portal da Calçada Cuvée Prestige. At dinner, the offer starts with the whites: Quinta do Poço Cabernet Sauvignon 1991, Quinta do Pinto Chenin Blanc from the Lisbon region, a 2019 Marcos Hehn Távora-Varosa Riesling; and moves effortlessly along to the red Pretexto Dão 2021, then a fresh but mineral white Arinto from the Azores, which went perfectly with the tuna and prawns. The dinner was rounded off with Graham's 20 Year Old Tawny Port and Blandy's 10 Year Old Verdelho Madeira to pair with the desserts.

EXCELLENCE AND FAMILY TRADITION

Our voyage of discovery through the experiences and tastes of Portuguese fine-dining cuisine, with its historic international influences, ends fittingly in Portugal's second city of Porto, from where fine fortified port wines continue to be shipped around the world.

Another gastronomic odyssey is served up on day two of the trip, when we visit the group's new restaurant in downtown Porto, Real by Casa da Calçada, which is on the same site as the former café and patisserie Garça Real.

Big on mirrors to amplify the 400sqm overall space, the décor in brown, gold and brass hues and marble tones by interior architect Paulo Lobo has a 1970s retro feel to it, but the food is anything but. This famous Porto institution is now divided into a bistro café serving regional pastries, including from Amarante and Porto, and a restaurant offering refined dining at accessible prices.

The menu by chef Hugo Rocha, who had worked for the famous Michelin-star restaurant Antiquvm where he worked with celebrated chef Vítor Matos, offers high-quality contemporary Portuguese cuisine with a clear echo to the traditional tastes of the past.

We were served up tuna with Russian salad, squid doused in goat butter, and caper sauce for the entrees, while the main dishes were octopus with bordelaise sauce served with oven-baked rice, moving on to tenderloin steak with roasted tuber vegetables and mustard gravy.

We spoke to João Monteiro, restaurant manager and food & beverages, and Hugo Rocha, chef. "We wanted to create a bridge between our restaurants in Amarante, while not competing with the products of one or the other," says João Monteiro.

"Our aim is not for a Michelin star here, but to serve Portuguese haute cuisine beautifully in an elegant environment with our own identity, which is not in the least bit comparable in substance to the Largo do Paço restaurant at Casa da Calçada in Amarante. From Tuesday to Friday, Real by Casa da Calçada has an executive menu [closed on Sundays and Mondays], while in the evenings the concept may not exactly lean towards fine dining, but is certainly refined dining."

At lunchtime, the restaurant currently does 30-35 covers and 30 covers at dinner. There are also plans to create a lounge that can be booked for private

dining, business lunches/dinners and special occasions.

At present, more locals are dining at the Porto establishment because of its predecessor, Garça Real's long association with the city. But with a link to the hotel in Amarante and Porto's recent popularity boom as a major city break destination from 2017-2019, the new restaurant looks set to attract more tourists. In Amarante, for example, the town is already attracting more tourists than it did in 2019.

We leave the last words to Porto native, chef Hugo Rocha, who explains that the restaurant aims to present fine Portuguese gastronomy "without any masks or great pretentiousness".

"The idea is to provide simple and not overly complex dishes, some drawing on the cookbook of Maria de Lourdes Modesto, where we showcase the genuine character and flavours of what is Portuguese and unique to the world." ■



Angola 2022

Continuity and Change

Since the transition of power from José Eduardo dos Santos to João Lourenço in 2017, Angola's economic policy has shifted towards Neo-Thatcherism in a bid to diversify the economy away from petroleum products, while cleaning up corruption and paying off debts. Problems, however, persist. Essential Business talks to Angola expert Jon Schubert at the II International Congress on Angola - 2022, in Lisbon

TEXT & PHOTOS: CHRIS GRAEME



Eliseu Gonçalves, researcher CEDESA

Angola's reforms to reduce dependency on petroleum products and diversify its economy may be more wishful thinking to satisfy an international audience of investors and lenders rather than anything concrete, warned an expert on the Angolan economy and political affairs this month.

Keynote speaker Jon Schubert (University of Basel) admitted at the II International Conference on Angola (held in Lisbon on June 17) that he is "sceptical" about how far Angola will diversify its economy away from fossil fuels and clean up corruption, despite the government's good start and intentions when it won the elections in 2017.

"My conviction over the past five years of João Lourenço's first mandate, and the reforms with which he started off, were largely for external consumption," he said on the sidelines of the conference that brought together Portuguese and international Angola experts.

Schubert says the anti-corruption fight won Lourenço a lot of support at the start, not just from an overseas audience, but more crucially from Angolans, and even the Angolan opposition parties, which took analysts by surprise.

"People applauded when he targetted very influential people, including the dos Santos family. Now, five years on, that initial euphoria has worn off. Some of the great successes of Lourenço's first term, such as the deal with the IMF [the International Monetary Fund's Executive Board completed its sixth review of the Extended Fund Facility for Angola for a disbursement of US\$748 million from a US\$4.5Bn bailout package in December 2021], have in fact not succeeded in improving the lives of ordinary Angolans," says Schubert.

He believes there is a "paradoxical picture", where overseas he is viewed as a great reformer, taking the necessary tough steps to open up the country's economy and break up corrupt oligarchies, while internally the story is quite different, because Angola, with IMF agreements, is going through orthodox austerity methods that he doesn't think work for the Angolan economy.

"The IMF has been pressuring Angola to phase out fuel subsidies for over a decade, but the policies have only resulted in hurting the poorer classes of the population, while driving up the costs of living," says Schubert.

However, in terms of budget expenditure, it's a "drop on a hot stone" when 50% of government expenses goes on servicing debt repayment", explains Schubert. (External Debt in Angola increased to US\$501,32.50 million in 2021 from US\$501,14.50 million in 2020 - Source: National Bank of Angola)

REDUCING OIL DEPENDENCY

Schubert says that, on a structural level, years of mismanagement and oil dependency will take years to resolve. "Even if there were someone extremely willing, which Lourenço appeared to be as he tried to clean up the regime in the first two years of his first term, it will be very difficult to overturn entrenched interests. "What we are seeing, I fear, is the replacement of old networks with new networks of interest, and also the perpetration of oil dependency," adds Jon Schubert.

Schubert points to the Angolan government's recent announcement that it would reopen a tender for an oil refinery in Lobito (Angola is calling interested companies and individuals to invest in the refinery).

The refinery, in the Benguela province, is projected to process up to 200,000 barrels per day when completed. According to the proposed corporate governance structure, private investors will own 70% of the company, with state oil firm Sonangol controlling a 30% stake.

"This is a project that perpetuates dependency rather than diversifying the economy. The government has been talking about diversifying the economy for 20 years and has not managed to do so," he explains.

However, he did point out that Angola was not the only country whose energy providers are "scrambling to position themselves as environmentally conscious green energy providers": "I don't think in the case of BP or Total [two big oil exploration companies in Angola] it goes beyond anything but 'green washing'."

The Angola expert and author of the book *Working the System - a Political Ethnography of the New Angola* added: "I think governments and international companies will squeeze out oil and milk it for as long as they can, and Angola is no different, especially now that oil prices have gone back up again. It is too easy to think about that, rather than structural transformation."

The broader question of Angola's ability to transition to renewable and green energy was also a key issue for debate in May at the book launch of Angola's *Advancements 2017-2022*, which was presented in Lisbon in the presence of the Angolan ambassador to Portugal, Carlos Alberto Fonseca.

In his keynote speech, Ambassador Fonseca, outlining Angola's history regarding energy exploration and production, said: "The other energy source we do have, and which is very important, is

solar energy,” and added, “We are also looking at wind energy as another source of power”, referring to a case study in the province of Namibe in the south of the country, which already has a number of pilot projects up and running to develop eolic wind farms.

According to Africa Outlook Magazine, the International Renewable Energy Agency notes in its Africa 2030 report that renewable energy on the continent has the potential to quadruple to 22%. Abundant solar energy potential – as much as 10 terawatts – and substantial wind resources in Africa’s eastern, northern and southern regions have the potential for rapid development and scalability. Renewable energy may provide up to one quarter of electricity in Africa by 2040.

INVESTMENT

On the positive side, Angola has scrapped a law that meant any investor who set up a business in the country had to be 50% Angolan capital share-controlled. Jon Schubert admits that Angola has been successful since the end of the Angolan Civil War in positioning itself as a friendly FDI (Foreign Direct Investment), and on paper, “they do make all the right noises”.

For example, they created a single-window electronic registry to open up a business. However, says Schubert, Angola remains a very “challenging country in which to do business” because of the cost of paperwork, energy, labour, bureaucracy and, more tellingly, political pressure.

“As soon as a business venture gets remotely successful, there are political interests that want to cash in,” says Jon Schubert.

Rui Santos Verde, director of independent Angola research think-tank CEDESA and an expert on corruption in

Angola, and Eliseu Gonçalves, researcher at CEDESA, have both admitted that the prospects for the current government's programme of economic reforms is uncertain and that, despite some of the advances the country has made, the obstacles and economic challenges that it faces – drumming up private investment, privatisation, balancing Angola’s public accounts, and the liberalisation of the exchange rate, as well as opening up the country to tourism and diversifying the economy away from oil – are massive.

Rui Santos has made a comparison between the choices that the current Angolan administration is pursuing and the difficult policies pursued by the Conservative government of Margaret Thatcher in the early 1980s in the United Kingdom. Then, the UK was all but bankrupt, and needed to modernise and liberalise the economy away from public and union controls, towards a more market-orientated economy. It was a painful and divisive process involving austerity and cuts in public spending which divided the nation and has left a controversial legacy.

“There are some parallels that can be drawn from the Thatcher experience with what the Angolan economy is going through today. The government hit a problem – an empty treasury and an economy in recession,” he says.

“Thatcher decided to tighten public spending and tackle the public and budgetary deficit, although in Angola, instead of putting up interest rates, the government has decided to unpeg controls on the Kwanzaa,” he continued, adding that austerity measures have been ongoing since 2017.

“In Angola, what we needed was a Thatcher moment, whereby through tough measures, the conditions could be created for the economy to grow. Initially, this made things worse (as it did in the

UK between 1979-1982); the Angolan wealthier classes felt the pinch and haven’t been coming so often to shop in Lisbon’s Avenida da Liberdade because of these belt-tightening measures,” says the Angola expert.

CORRUPTION AND TRANSPARENCY

Corruption is another problem facing Angola and, much as in other African Sub-Saharan countries like South Africa, is widespread, at every level, not just in politics but also at the voting booths, as a General Election looms for August 24.

Part of the problem lies in the fact that there have been no strong and effective opposition parties with any experience in defeating the MPLA party (People’s Movement for the Liberation of Angola), which has been in power since the country’s independence from Portugal in 1975. The new United Patriotic Front could be the best hope for opposition and civil society activists to prevent yet another victory for the MPLA and João Lourenço, because it brings together key opposition leaders under one umbrella and offers a credible alternative for those disaffected with Lourenço and his party.

Paula Roque (University of Oxford) believes that, despite the importance of continued reforms and change in Angola, the forthcoming elections will be “less than transparent”.

“We’ve been seeing various manoeuvres, both politically and legally, behind the scenes to discredit the elections. This is not overt, because the Government, the MPLA party and President Lourenço need to convince the electorate, and the international community, that the elections are legitimate and credible. Unfortunately, I’m seeing signs that these elections could be rather opaque and disputed.”

TAXATION

Jon Schubert says there has been a trend across Africa, including Angola, to offer a system of tax breaks to attract overseas investment.

As far back as 2012, Angola implemented a tax reform whose main objective was to increase non-oil tax revenues by broadening the tax base, rationalising incentives, increasing control with voluntary tax payments, and fighting tax evasion. This includes a number of tax incentives aimed at overseas investors, such as a two-year reduction by 20% on the CIT, or corporate investor tax rate.

“I don’t think in the long run this is very good for public finances, but even with a generous tax regime, the complications of doing business in Angola persist and a liberal tax regime is unlikely to offset these problems.”

TOURISM

The potential for Angola to be an important tourist destination driven by its impressive natural wildlife and landscapes exists. “There are a lot of things that need to be done to improve services, and there has been a mini-boom in domestic tourism over the past two years,” says Jon Schubert, pointing to players such as Angola Nightlife, which has been educating Angolans about the opportunities for tourism in their own country.

However, “to attract an international clientele that is used to going to Namibia, Tanzania or South Africa, the quality and reliability of services, as well as ease of access, needs to be improved by quite a margin,” he says, adding that there are people “thinking in the right direction”, including at the Ministry of Tourism, but structural dependencies such as imports and the high cost of living make it a “rocky path ahead”, concludes Jon Schubert. ■

“MY CONVICTION OVER THE PAST FIVE YEARS OF JOÃO LOURENÇO’S FIRST MANDATE, AND THE REFORMS WITH WHICH HE STARTED OFF, IS THAT THEY WERE LARGELY FOR EXTERNAL CONSUMPTION”. PROFESSOR JON SCHUBERT, UNIVERSITY OF BASEL

Paula Roque (Oxford University), Fillipe Delfim Santos (ARN/CEDESA), Jean-Jacques Wondo Omanyundu (Ecole Royale Militaire, Afridesk), Jon Schubert (University of Basel)



COPIP 2022

Portuguese need more and greener housing

The urgent need to provide new and “greener” housing stock for the middle classes to buy, or rent was debated at the 3rd Real Estate Development in Portugal Conference - COPIP, in Lisbon in June

TEXT & PHOTOS: CHRIS GRAEME



Fernando de Almeida Santos, Engineers Association, Ricardo Sousa, CEO Century 21 Spain, António Gil Machado (Moderator), Pedro Vicente(Administrator, Habitat Invest), and João Cristina, Country Manager, Merlin Properties.

The problem of how to supply efficient and affordable housing for Portugal’s middle class in a world of spiralling construction costs was a core theme at the 3rd Real Estate Development in Portugal Conference - COPIP.

Organised by the Portuguese Association of Real Estate Investors and Developers (APPII) and Vida Imobiliária property magazine at Monsanto Secret Spot, the director of Vida Imobiliária, António Gil Machado, opened the day’s debates by stating that the event was the largest real estate developers conference that it had organised with the APPII to date.

The president of the APPII, Hugo Santos Ferreira, made a short summary of the issues to be debated throughout the day and, as “2022 is proving to be a challenging year because of the end of the sanitary crisis”, asked the question: “Can the economy survive a virus that wanes and returns?”

Hugo Santos Ferreira believes that construction and real estate sector companies are and will continue to be part of the discussion and solution, since the “Portuguese need more and greener housing”.

Since lack of supply and the increasingly higher costs of raw materials are two of the “great difficulties” faced today, Hugo Santos Ferreira also warns about a lack of existing manpower which is “preventing new projects from getting off the ground”.

“We haven’t got enough qualified workers. It is estimated that the market needs around 80,000 construction workers (...) It is vital that Portugal becomes more attractive for labourers,” he says.

The APPII president points out that the objective of the PRR (Recovery and Resilience Programme) is to “bring recovery and resilience to companies and the economy, but we’re not seeing ‘one red cent’ from this programme. Quite the contrary, it has not brought recovery, and resilience has been lacking”.

Given the enormous challenge that sustainability represents today because of higher “inflation, interest rates, lack of manpower, soaring building costs, uncertainty over the recovery of the tourism



Gonçalo Ponces, Head of Development, JLL

sector, and also Portugal’s old housing stock”, the president of the APPII explains that the real estate sector is “firmly committed to working towards the decarbonisation and energy efficiency of buildings”. He added that real estate developers are ready to help the Portuguese build more green housing, but this means that “projects have to be financially viable”.

HOUSING DEMAND IN NEW AREAS

The first presentation of the event focused on a study about access to housing for the Portuguese, presented by Ricardo Sousa, CEO of Century 21, and Ricardo Guimarães, managing partner of Confidencial Imobiliário.

Stressing that the Portuguese real estate market was “hyper-local” with very different dynamics, Ricardo Sousa thinks that the “market and its stakeholders had shown a great capacity for resilience and adapting to different contexts” and “we are seeing very strong demand with people buying, investing and renting. We have new areas of Portugal which are seeing demand from house hunters, particularly from the United States. Families have more savings and this is driving demand”.

Giving an overview based on factual and relevant statistics, Ricardo Guimarães says “the situation we have today is completely different from the one we experienced during the financial crisis”, revealing that data for 2021 showed a restricted number of houses on the market (i.e., a lack of supply compared to great demand).

He also informs that “we have a new generation of real estate developers that will decide how we should ‘face’ these new cycles and issues such as the increase in interest rates”. He adds: “In times of strong inflation, a reduction in house prices was not expected. It’s not now that house prices are likely to come down.”

RENTAL MARKET

Ricardo Sousa said that families were losing the financial ability to rent in Lisbon, Oeiras, and Cascais, in a market that was generally “much more elastic and flexible”. He also presented figures showing an interest rate of 1%, revealing that there is “an increase of €69 on mortgage repayments for house buyers because of rising interest rates”. As a result, he stressed, “real estate development is facing a trial by fire”. ■

Queen Elizabeth’s Platinum Jubilee

Happy and glorious

The annual garden party to celebrate the official birthday of Her Majesty, Queen Elizabeth II at the British ambassador’s residence in Lisbon in June was extra special this year, not only because it was a celebration of the Queen’s Platinum Jubilee marking 70 years on the throne, but also because the President of the Portuguese Republic, Marcelo Rebelo de Sousa, unexpectedly dropped in to the party to congratulate Her Majesty with a toast!



Ambassador Saintry and President Marcelo Toast to the Queen



President Marcelo arrives at the Ambassador's Residence



President Marcelo enters the exhibition



President Marcelo visits the exposition



President Marcelo and Ambassador Chris Saintry look at a picture of the Queen



Guests in the Residence's Gardens



Mr and Ms Saintry cut the cake



Detail of decoration, cake and the car used by Queen Elizabeth II on both her visits to Portugal



Detail of QBP cake



Reception band playing



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THE OLD COURSE, ST ANDREWS, 1927



TIGER WOODS, 2005



GARY PLAYER, 1974



TOM WATSON, 1982



JORDAN SPIETH, 2017

DE VOLTA ÀS ORIGENS

Não podia haver melhor nome para este torneio. Open. Aberto. Tal como um livro, estes campos são páginas que contam a história riquíssima e espetacular do golfe. Aqui, entre as rochas cinzeladas, os terrenos majestosos e os ventos caprichosos, os jogadores desafiam tanto a dureza como a beleza dos elementos, que inspiraram o nascimento deste desporto há séculos atrás. Aqui, os profissionais mais experientes tanto podem sorrir como franzir o sobrolho. Mas qualquer que seja o seu estado de espírito, valor ou número de vitórias, curvam-se sempre perante a soberania dos elementos. Porque sabem que neste livro aberto, cabe-lhes a eles escrever a sua própria história. **Bem-vindos à Casa do Golfe para o 150.º Open.**

#Perpetual



OYSTER PERPETUAL DAY-DATE 40
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