

Why don't we have more foreign investment in Portugal?

We already know that Portugal is an attractive country, we hear it almost every day in campaigns promoting the country around the world. And foreigners themselves, and potential investors in our country, also recognise this. I was at CIMI 360^o this week - a property sector event in São Paulo, Brazil, and the Brazilians themselves reinforce this idea. It's a given that Portugal is in fashion, and continues to be. But for how long? This is what we need to question, in depth and across all sectors.

Portugal is facing a decisive moment in terms of its ability to attract foreign investment and, in my opinion, this requires an urgent review of tax incentives and residency schemes, such as the Non-Habitual Resident (NHR) and Golden Visa. I believe that a country that has always stood out as an attractive destination for its safety, quality of life and also for the tax benefits offered to those who choose to live and invest here, now has a NHR tax regime that has been losing competitiveness, jeopardising Portugal's position in the international context of attracting investors.

The growing lack of interest is worrying, especially when we see that competing European countries offer similar programmes with greater simplicity and clarity. The NHR scheme, originally designed to attract qualified professionals and retirees, has undergone so many changes that it has become a challenge for the Portuguese themselves to understand its rules. If it's complex for us, imagine it for potential foreign investors.

The good news is that there is still a window of opportunity that the Portuguese government needs to take advantage of to create new mechanisms to attract foreign investment. Until March 2025, there is the possibility of registering under the NHR regime, which could attract investors willing to take advantage of the last tax benefits available. However, the transition period is insufficient to guarantee a return of interest from investors with great purchasing power, such as Brazilian investors who continue to see Portugal as an ideal destination, not only because of its tax conditions, but also because of its security.

The issue is not limited to the Brazilian market. The growing interest of Americans looking for alternatives to the political and social context of the United States is an opportunity that Portugal cannot ignore. The political instability that that country is experiencing, especially in a scenario of Donald Trump's victory, could intensify this search for more stable destinations. In times of global uncertainty, Portugal has the potential to stand out, but only if its programmes for attracting human and financial capital are updated.

I have always defended the evolution of the Golden Visa programme into a new SSG Portugal Visa - Smart Social & Smart Visa Portugal, which I consider to be a logical evolution of what the previous regime offered. By linking foreign investment to priority areas such as affordable housing, decarbonisation and innovation, the country would be aligning investors' interests with the social and environmental challenges of the 21st century. This is the kind of vision Portugal needs to remain competitive.

It's clear that it's not enough to reformulate the existing programmes; what's needed is a broader strategy that involves actively promoting Portugal as a safe and attractive investment destination. Only in this way can the country continue to attract investors looking for a place to live and grow their capital in a stable way. After all, it's not just about attracting millionaires, but about building a more dynamic and sustainable country where everyone can benefit from economic growth.