

PORTUGAL - Industry II

Portuguese companies continue to surprise the world as they conquer new industrial markets and keep expanding their world-wide presence

GIVACHOICE
G A R M E N T S

PORTUGAL WINS GLOBAL PRIZE

PORTUGUESE INDUSTRY CONTINUES TO STUN THE WORLD AS IT CONQUERS NEW FOREIGN MARKETS



Portugal is on a roll. Over the past several years, the country has emerged stronger than ever from the economic crisis of a decade ago, manufacturers are exporting worldwide, and Portugal's reputation as a tech-savvy, reliable and affordable place to do business is solid.

However, challenges remain. Skilled labour can be hard to find for some industries, while Portuguese companies turning out both traditional and new products are contending with rivals from Asia and other countries.

Nevertheless, this country which was once perceived as a backwater in Europe is surging ahead as a regional and even international economic star and its companies are seizing this moment to place Portugal firmly on the industrial map.

Market Uniqueness

Industrial services company Meivcore is a great example of those Portuguese firms which started locally and then expanded abroad.

"Our first contracts were, indeed, from Portugal but their international contacts helped us to eventually go beyond our borders," recalls General Manager Luís Aguiar.

"When we set up shop in 2014, there were other companies in our sector but it was very segmented as they worked only in mechanics, or installation, etc.

"So our idea was to provide industrial clients with services across the whole spectrum adding automation and robotics along the way," he says.

Today, the Viseu-based company is involved in such areas as mechanics which include preventative and corrective maintenance with engineering, scheduled shutdowns, technical reports and other services.

In accordance with the "5000 Europe" ranking of the American magazine, Inc., Meivcore



LUIS AGUIAR

CO-FOUNDER
& EXECUTIVE
DIRECTOR OF
MEIVCORE

"THERE'S NO OTHER FIRM IN OUR SECTOR THAT CARRIES OUT THE SAME ACTIVITIES"

holds 23rd place from among 110 national companies. This ranking includes companies in the private sector with the most rapid growth in Europe between 2013 and 2016, with respect to revenue.

Meivcore's other fields of expertise are automation, instrumentation and energy services; installation, repair and maintenance of boilers and furnaces; welding and industrial installation, and industrial cleaning.

Specialised teams also carry out repairing, maintaining, cleaning, waterproofing, renovating and technical inspecting of very tall structures and equipment without using scaffolding or cranes.

"We mostly work with large companies which need continuous maintenance and technical monitoring," Aguiar says.

"Medium and smaller industries tend to have their own maintenance teams," the executive explains. "They tend to call us only when they need industry upgrades or major conversions."

"And we're active in almost every industry which exists from paper, pharmaceuticals and ceramics, to automobiles, food and shipbuilding," he adds.

"We also work with hydroelectricity, wind

power and thermal energy producers."

A partial list of Meivcore's dozens of clients include ABB, Alcoa, Siemens, Renault, Ikea, Alstom and many more prestigious industrial firms.

Despite the extent of its international operations with busy branch offices in Spain, France and Belgium, 60 percent of Meivcore's billings (which last year totalled almost 50 million euros) come from Portugal.

But there can be obstacles to international expansion, even within the European Union, the general manager complains.

"In many cases there is still a preference for local businesses despite our obvious know-how and experience," he says. "Also, there are labour regulations which are not Europe-wide so we find different codes in Spain or France or Germany.

"This is a big problem because we have to adapt to these codes as well as to different salary levels in these countries, but we still manage to do good business."

Aguiar credits the company's highly-educated and trained employees for much of its success since its founding, and especially its partnership with the Viseu Polytechnic as a source for staff.

"We look for young people with skills in our key areas of instrumentation, automation and robotics," he says. "Our pay is above average so we are able to attract and hold on to our workers.

"This summer, for example, we are taking in new interns and I expect that 90 percent will remain with us. The average age of our employees is around 27 or 28 which is certainly promising for our continued development."

"The other main reason for our success is thanks to our technology skills and our team



of IT engineers. We invest between 1.5 and 2 percent of our revenues in the development of in-house tech tools for our services.”

These tools enable Meivcore to better control services provided to its customers while failures have dropped dramatically with execution rates of around 97 percent without repairs.

“There is no other firm in our sector which carries out the same activities as ours so it is clearly a competitive advantage for us,” the executive says. “Our uniqueness in the market, our staff and our technological development ensure Meivcore’s future.”

High Standards

One of central Portugal’s principal economic drivers is the making of injection moulds for the automotive industry, amongst others, and a key supplier to that sector is the Cheto Corporation.

Founded just 10 years ago, the company based in Oliveira De Azeméis already enjoys a world-wide reputation for its deep hole drilling machines used largely in the mould-making process.

“We tackled the international market from the very beginning although the domestic market today is still very important for us as it represents between 30 and 40 percent of our sales,” says CEO Carlos Teixeira.

Cheto produces machines of five, six and seven axes which perform a multitude of tasks including deep hole drilling, radial drilling, milling, tapping and boring.

“So we work closely with the moulds industry near our home base as Portugal is a world reference in mould making. But we also have clients outside Portugal linked to other sectors, namely oil and gas,” the executive explains.

“For example, we have installed machines in Norway for the petroleum industry and we’ve just signed a contract with a Chinese company. This is all part of our international focus that is closely linked to our growth plans.”

The CEO argues that although Portugal has no well-known track record in precision manufacturing, in recent years firms like Cheto have upped their game and can produce machinery that is as good as or even better than that turned out by German, Italian or U.S. companies.



CARLOS TEIXEIRA & SÉRGIO ANDRÉ
CEO & CTO OF CHETO CORPORATION

“WE AT CHETO CAN COMPETE COMFORTABLY IN TERMS OF TECHNOLOGY AND QUALITY”

Cheto’s clients certainly agree. In 2015, the company invoiced just under 5 million euros, but last year the figure almost doubled to over 9 million euros, a record.

“This shows that Portuguese companies like ours can compete comfortably with European or American products in terms of both technology and quality,” Teixeira says.

“Portuguese entrepreneurs in different sectors have followed high standards and little by little they are consolidating the quality of our products and attracting customers as Portugal becomes better known.”

“We’re almost playing the same role as the Portuguese explorers of 500 years ago by discovering new lands and new markets,” he adds.

While expanding its footprint around the world, the company also has to keep abreast of and apply the latest technology, says CTO Sérgio André.

“We just can’t fall asleep technologically as we have to offer our customers the newest and the best. If that happens and we’re selling technology from five years ago, we’ll have nothing to offer them.”

Planning for the company’s 15th anniversary in five years, the CEO says he would like to see Cheto more than double its size and income.

“The figure of 25 million in billings has always appealed to me and its possible to get there as we have a presence almost everywhere, a great product and solid knowledge. Each of these elements will contribute to this goal.”

Competitive Advantage

Solving engineering problems for a wide range of industries both at home and abroad is the task of Exsepi, explains António Ferreira, the administrator and managing partner of the Anadia-based company, north of Coimbra.

“We sell solutions for all specialities of industrial automation, process and industrial control, communications and information systems, environmental systems and energy efficiency management,” he says.

“We’re also involved in robotics, design and project development, electronic weighing systems and industrial maintenance.”

Exsepi was founded in 1991 by technicians working in the Portuguese ceramics and cement industries who realised there were many gaps in services such as equipment replacement, retrofitting and related processes.

“Those industries’ processes involved monitoring, dosing, weighing and water treatment so from there we expanded into offering our services to the animal feed sector, food processing and others,” the executive recalls.

After a decade in business, the company took a look at going international and discovered that its workers had certain advantages which eased the move into new markets.

“We found that our technicians were just as skilled and knowledgeable as the technicians in other countries with the added





advantage that many of them spoke both English and French,” Ferreira says.

“So we can work almost anywhere in the world, although we are focused primarily on Europe because the market is right next door and the mentality is the same. That all makes it a lot easier.”

Some of Exsepi’s foreign clients are Renault, Peugeot/Citroën, Procter & Gamble, Yazaki, Roca, Repsol and Kraft Foods, while suppliers include ABB, Rockwell Automation, GE and Siemens.

Exsepi garners most of its revenue from domestic operations, with foreign business accounting for between 15 and 20 percent of its revenue. In a recent bid to attract more international clients, the company opened a branch in Madrid in 2015.

“Spain is definitely a growth market as it has so much industry as well as six times our domestic Portuguese market,” the managing partner explains. “I also see great opportunities in France and Central Europe.”

Exsepi’s annual sales average around 5 million euros a year and Ferreira says that 2019 has gone well in line with last year. A key goal of the company is to keep up with the constantly changing technology.

“We started in robotics in 2010 as we could see it was the future. And now it’s off-the-shelf technology,” he says.

“We’re entering the sector of mobile robotics for the automobile industry and we see that as a growth industry, along with artificial vision.”

The company’s robotics and artificial vision department provides flexible production systems and industrial handling, dynamic transport robots, integration with artificial vision systems, and custo-

mised solutions in pre-engineering and engineering.

“Robotics is a big challenge as the industry is constantly changing, evolving and improving. Also, the offer is very large so customers frequently change service providers just as a test.

“So keeping customers 100 per cent satisfied means being competitive and keeping on top of the technology which are challenges that we have to meet,” he says.

As Exsepi approaches its 30th anniversary, Ferreira says he would like to mark the occasion with continued customer satisfaction, moderate growth and maintaining its presence in the many industries the company serves both at home and abroad.

“Keeping our customers happy is a point of honour for us,” he says. “We never walk away from a project unless the client’s problems are 100 per cent resolved. That’s our business: solving problems and coming up with solutions to everyone’s benefit.”

Long Game

Crisis breeds opportunity for many and such was the case for DNC Técnica, a Leiria-based firm which has found success providing technical assistance and sales to the mould and metalworking sectors.

“Portugal went through a crisis in the mid-1990s when I was working as a technician at a company which was struggling so I decided to strike out on my own and start my own business in 1996,” recalls founder and CEO Francisco Neves.

“Our main focus was on the domestic market but then around 15 years ago we began strengthening relationships with some of our European suppliers and they asked us to work abroad.

“So we expanded into machining, precision parts, heavy metalworking, energy, construction and ship building,” he says.

Spain was DNC Técnica’s first foreign market and the company, like many others in Portugal, moved into Angola which was enjoying an economic boom fuelled by its oil wealth.

But with the drop in petroleum prices, the Angola market has stalled and many Portuguese companies have pulled out of the former colony. DNC Técnica, however, is playing a long game.

“We currently just sold two machines there, we are servicing our lines remotely with on-site partner staff and we go there once or twice a year,” he explains.

“Angola is going through deep political and financial changes, but the country has a lot of potential and within ten years I am confident that we could be selling more there than in Portugal.”



FRANCISCO NEVES

CEO OF DNC TÉCNICA

“OUR VIEW FOR DNC TECNICA IS TO BE CONSIDERED AS THE REFERENCE IN CNC MACHINES”

DNC Técnica specialises in sales, installation and mechanical and electronics repair of CNC equipment (lathes, milling machines, machining centres, punching machines, cutting and drilling machines, etc.).

It also offers on-site operator training, installation of communications networks for CNC machines, upgrading and component updates and retrofitting.

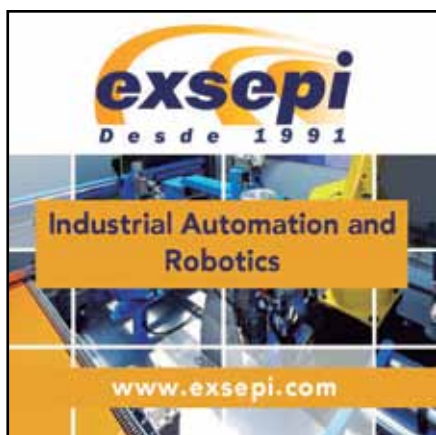
Along with domestic sales of a wide range of CNC machines, the company also provides tools and accessories.

“We do installations almost all over the world,” the CEO says. “We have recently worked in Poland, Finland and Russia so between 15 and 20 percent of our business is outside Portugal.”

In 2018, the company posted around 5 million euros in turnover and is planning on further growth helped by an ambitious expansion programme that includes tripling the size of its current facilities.

“It depends on how business is going but I expect that if things are going well, construction will begin in late 2020 or early 2021,” Neves says. “We work every day towards the goal of being the company of reference in the CNC sector.

“When it comes to CNC machines, our view is that DNC Técnica should be the first name that comes to mind because of our experience and expertise in the market.”



"WE CAN RESPOND FASTER TO THE REQUESTS OF OUR CUSTOMERS IN 15 COUNTRIES"



Trim NW: Niche Producer

Niche markets in the automobile industry are the main focus of Trim NW, a manufacturer of moulded components for vehicle interiors and technical textiles.

"We work primarily with French and Italian companies which produce smaller, four-wheel vehicles that do not require a driving license," explains General Manager and CEO Rui Lopes.

"Our company makes headliners, door panels, pillars, all the car textiles such as floor carpets, luggage rugs, insonorivations, etc., for these vehicles as well as for the cabins of industrial machines and other small and middle series."

Trim NW was founded by Lopes and other three employees of a company which closed down in 2015. They bought the equipment, hired back 30 workers and opened for business.

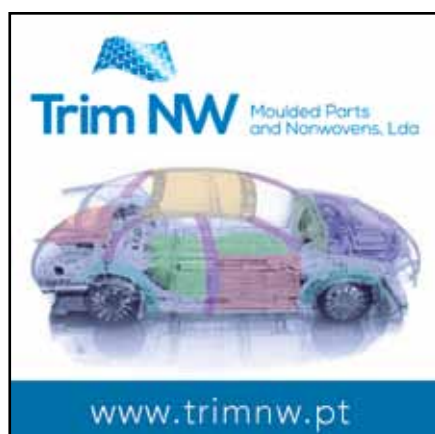
Despite the many auto manufacturers in Portugal, the company has virtually no domestic customers and exports almost all of its production.

"We also do the ceilings of London taxis and we don't work with any of the big auto makers, that's why we call ourselves a niche producer," the executive says.

"And as we produce for these niche markets, the reported downturn in the general auto industry doesn't really affect us. We keep our eye on emerging technology and now we're developing components for electric urban vehicles.

Last year, Trim NW invoiced 2.8 million euros with some 35 percent of the total coming from moulded parts and has a company growth forecast of around 10 percent for this year.

"We've always been on a gradual growth



track. Our first year we invoiced 2.5 million euros, then it was 2.6 million, then 2.7 million, etc. We have always grown in relatively safe amounts in terms of revenue," the CEO says.

According to Lopes, the company's small size is a distinct advantage because it is more flexible and is able to have a closer focus and relationship with its clients.

"We can also respond faster to their requests. We work in more than 15 countries and so can easily supply clients whether in Europe or further afield without any delays," he says.

Always mindful of the ups and downs of any industry, Trim NW executives are exploring new sectors for its moulded and textile products, such as construction and the hygiene market.

"This again demonstrates our flexibility and dedication to entertaining new ideas which Portuguese industry is very good at," the CEO argues.

"We are also very competitive on the European level and I believe that will carry Portuguese manufacturing safely through the coming decades."

Engineering Prowess

Global growth has long been the strategy at Grid International Consulting Engineers which carries out design, consulting, technical advice, and construction supervision from its base in Lisbon.

"In recent years we've been working a lot in Europe with European partners, most notably in Belgium, Luxembourg and the Netherlands," explains Manager Nuno Lopes.

"We have worked extensively in the Middle East, Africa and Asia and we have branch offices in France, Senegal, Mozambique and Macao."

Founded in 1980 by a group of engineering professors, the company's fortunes took off when Portugal joined the EU several years later and its funds began flowing into the country to overhaul the entire road and rail network.

"It catapulted us," the executive recalls.

But hard times in the 1990's and the crisis a decade ago hit the company's domestic market and so management redoubled their efforts to expand overseas, especially in Africa.

Grid International specialises in structural engineering with a particular focus on what the company calls "special structures project" which include road and rail bridges, tunnels and viaducts.

Its engineers are also experts in roofing for large projects such as stadiums and other large buildings, and its consultants work in other special areas like geological and geotechnical studies, road engineering, hydraulics, electrotechnical and electromechanical engineering and architecture.

"Our annual billing target is 3 million euros" the manager says. "and this year points to what we can do and will be an improvement."

Lopes says that projects in the Middle East will boost business for Grid International.



"WE ARE AIMING NOT ONLY AT THE EUROPEAN MARKETS BUT AT THE MIDDLE EAST TOO"



"We're aiming our strategic efforts at not only Europe but also the Middle East. We have some contacts in Qatar, Saudi Arabia and Dubai where we are currently closing a proposal.

"We also have a partner in the region who is mostly active in Saudi Arabia where we will have a focus on bridges and overpasses which we specialise in. We're gathering strength in complementary markets.

Projects like these around the world demonstrate that Portuguese engineering is internationally competitive, he argues.

"Our work and our skills are recognised and we have positive feedback from third-party checkers who evaluate our work.

"Portuguese companies like Grid International have to be bold and seek out international business because we are as capable as any other companies out there."



TEXTILES BET ON HIGH QUALITY

LOCAL TEXTILE INDUSTRY HAS JUST UNDERGONE A DRAMATIC CHANGE AND IS GROWING STRONGLY

Portugal's textile industry is back in fashion. Spokespersons for the sector maintain that after decades of decline, current global realities along with a new wave of tuned in entrepreneurs and a fresh confidence in both textiles and clothing bearing the label "Made in Portugal" means that the industry is alive and very, very well.

According to the Portuguese Textile Association (ATP), the industry's turnover amounts to 7.6 billion euros and in 2018 exports were worth 5.3 billion euros, or 10 per cent of all Portuguese goods shipped abroad.

Indeed, that turnover is almost 3 per cent of the country's GDP and the sector exports more in a month than the entire domestic wine industry does in a year, while employing well over 130,000 people.

It wasn't easy for the industry to get back on track.

Wracked by foreign competition from Asia and northern Africa, hindered by antiquated manufacturing methods, struck by falling domestic demand and struggling with European Union customs rules, the sector was on the ropes by the turn of the century.

And the global economic downturn a decade ago, especially acute in northern Portugal, certainly did not help. Production fell by one third, and the number of jobs was halved.

But now, Portuguese textiles are once again in high demand, not just at home and in the rest of Europe but also in the rapidly growing markets of Asia.

Aiding the turnaround were new business models crafted by textile and clothing executives which included regaining the industry's reputation for quality, pursuing once-ignored foreign markets, taking on production partners in low-cost countries and creating their own clothing brands.

Much of these changes took place in the textile companies clustered in the north of the country where entrepreneurship has always been a local strength.

Innovative Products

An example of these new attitude include paying closer attention to the environmental impact of the textile industry and Adalberto, a company celebrating its 50th anniversary this year, is at the forefront of this transformation.

"We always try to manufacture and deliver products to our customers that are sustainable by using recycled material, using a production process requiring less water or investing in equipment which has less gas emissions," explains CEO Susana Serrano.

"We always try to have a story behind everything we present and I think it makes a difference."

That difference has helped Adalberto in its success in three business areas: printed fabrics sold to manufacturers; home textiles like towels, sheets, bedcovers and duvets; and finished garments.

Production is around the clock turning out 70 kilometres of material each day for an annual output of 20 million square metres.

Its 375 employees work in textile, pattern and fashion design; fabric sourcing of wovens, knits and trims; dyeing and printing; warehousing, quality control and shipping, as well as management, sales and marketing.

Last year, Adalberto enjoyed a turnover of 30 million euros, 80 per cent of which came from exports with the rest from domestic sales.

"So far this year business has gone very well because we work not only for fast fashion but specially for private label brands," the executive says. "We never wanted to rely too much on fast fashion because it's low price and we can't compete on price with the big fast fashion producers like Turkey and Bangladesh."

Price is also a factor when the company has large volume orders which it subcontracts to partners in Morocco with planning, deadlines, quality control and other concerns handled by a Portuguese employee.

"It's tough to be competitive with really large orders so for up to 1,000 pieces we can do that here, but for between 2,000 and 5,000 pieces we send the order to Morocco," she says.

Serrano says the company's business line which is growing fastest is clothing in which



SUSANA SERRANO
CEO OF ADALBERTO

"WE APPLY CBD TO SPORTS CLOTHING AS CANNABIS IS USED TO SOOTHE MUSCLES"

Adalberto has been innovative since it branched out into that sector six years ago.

Just this year the company presented a collection in the United States under the Caballa brand name which is finished with cannabidiol, or CBD, an active ingredient in cannabis that has beneficial medicinal properties.

"We apply this finish to sports clothes in those spots where people experience pain from exercising," she explains. "It soothes the muscles and helps people feel more relaxed."

"Cannabis is already widely used in oils, food and teas in the United States but there was nothing in clothing until we launched it precisely because we're an innovative company."

Now that Adalberto is comfortably ensconced in the foreign market, Serrano argues that it is perhaps time for the company to turn its attention back to the domestic market.

"We want to increase our business here at home as we are a Portuguese company and can do so much more for Portugal," she says. "'Made in Portugal' is not only for those customers outside the country."

Best Exporter

A prime example of this new spirit can be found at Vital Marques Rodrigues, Filhos S.A, a company with more than 100 years of manufacturing fine textiles but which really turned the corner in the midst of the sector's economic doldrums.

"We had been exporting to Spain for many years but then starting in 2011 and 2012 we began exporting to Britain, Croatia, the United States and Canada and other countries," recalls Manager António Faria.





**ETELVINA
DE JESUS
MACHADO**

FOUNDER OF
VITAL MARQUES
RODRIGUES,
FILHOS S.A.



"And last year we were recognised by the Portuguese Agency for Competiveness and Innovation as the best exporter amongst small and medium-sized textile and clothing companies."

Based in the historic northern city of Guimarães, Vital Tecidos & Vital Home produce a range of textiles for both the home and hotel markets and last year posted turnover of 11 million euros.

One of its most important product lines is mattress fabrics of knit, double jacquard, damask, piquet and velvet in a wide variety of colours, textures and patterns, along with upholstery fabrics for sofas and chairs.

For home and hotel customers, the company produces towels, terrycloth robes and slippers, cotton blankets, bedspreads, tablecloths and other items.

"Now, around 60 per cent of our sales are international and while there are some problems with the British market and Germany is stagnant, both France and Italy are getting stronger," the executive says.

"We're also growing a little bit in the United States where we have considered creating a small operation, and we're seeing new opportunities in Canada," he adds. "In Asia, we're selling in South Korea and we attended several trade fairs in China but it's hard to sell there unless you have a good local partner."

"We're always looking for new clients and actually in some countries we work with agents that represent our products and introduce us in the markets."

In a sometimes fickle sector, Faria says it helps that Vital has a wide range of products so when, for example, sales of mattress

fabrics stall, sales of towels or bedspreads ensure the company enjoys a steady income.

He also credits innovative management techniques with guaranteeing its reputation for quality.

"Our formula for business success is based on speed. We dye the fabric in the afternoon, produce in the evening, do the finishing the next morning and by that afternoon it's done," he explains.

"So in 24 hours we produce the article and this speed is a competitive advantage, as is our management of our some 110 employees whom we trust. Many times those on the factory floor are able to work out problems that arise themselves without bothering their bosses.

"And all our employees appreciate this kind of teamwork and like working here. We've had three generations of the same family working for us," Faria says.

When asked about the future of industry in Portugal, the general manager highlights a new awareness amongst his fellow executives of the importance of hard work.

"I think the mind set of entrepreneurs is changing. In the past, businesspeople didn't work as hard as they should have and their companies failed. But today they know that without hard work, there is no success."

Stellar Growth

That attitude is evident at Givachoice Texteis Lda where hard work has helped the company grow from its creation just eight years ago to its situation today with more than 200 employees and an annual turnover of eight million euros, explains founder and co-manager Conceição Barbosa.

"I had 50 years of experience in the sector and was working as a director in a company which went through some problems, so I decided to start Givachoice along with my co-managers Ana Almeida and Ricardo Almeida," she recalls.

"We began this company in the midst of the financial crisis gripping Portugal at the time, but crises are opportunities! We were well received from the first moment as my name was known in the market and it was quite easy."

Based in Paços de Ferreira, northeast of Porto, the company manufactures woven and knitted haute couture ladies' wear for discerning clients with 100 percent of production for the export market, mostly in Europe.



**CONCEIÇÃO BARBOSA
ANA ALMEIDA & RICARDO ALMEIDA**

MANAGERS OF GIVACHOICE

**"I DON'T THINK LUXURY CLIENTS
WANT TO BUY PRODUCTS WITH
A LARGE CARBON FOOTPRINT"**



"Givachoice's main markets are in Italy, France and Spain," explains Ricardo Almeida, adding that with the increased global focus on the environment and such issues as carbon footprints, selling in nearby countries will remain important into the future.

"Exporting to Europe from countries like China and India increases not only costs but the carbon emissions because of the transportation involved. I don't believe luxury customers want to purchase products with a large carbon footprint."

And while Givachoice's executives are confident they can overcome internal challenges such as maintaining its high quality, continuing their excellent relations with customers and increasing business, challenges from the outside remain.

"These include instability in some of our main markets like France and Spain and a slowdown in Germany," Ricardo Almeida says. "And along with the rest of the Portuguese textile sector, we also face an exponential increase in labour costs and fuel costs and those affect the prices we can offer customers."

Another challenge on the horizon for the industry, although not directly affecting Givachoice, is the decision by Spanish clothing giant group Inditex which controls such glo-



bal brands as Zara, Massimo Dutti, Oysho and Bershka, to switch production contracts from Portugal to partners in other countries.

“So there will be a shakeout in the sector. There will be companies which disappear, mostly the ones which produce cheaper items for this one particular customer,” he says.

“What we have to do then is boost our quality, become more specific in what we can offer and increase our flexibility.”

Another industry-wide problem which does not keep Givachoice executives awake at night is the recruiting and maintaining of employees.

“This really doesn’t affect us because we have a fair pay policy, a very substantial social policy and we have a close relationship with our workers, what I call our ‘proximity policy’.

“So we have no problem recruiting and in fact we have a waiting list of people wanting to work here,” Barbosa says, with Ana Almeida adding that the company’s internal training programme is also a factor in high employee contentment.

“We’ve invested a lot in training both individually and with other companies so our seamstresses, for example, are very highly qualified,” she explains.

Looking ahead the executives are bullish on the future of their company and the clothes and textile sector as a whole.

“Portugal is in fashion and ‘Made in Portugal’ is selling as the world has discovered Portugal. Now we have to be smart and take full advantage of this,” she says.

“I think our company is going to have to expand our facilities in the next two years which means training more staff and invest in optimizing our manufacturing processes,” says Barbosa. “That way we can adjust to the changes which are coming for the Portuguese textile and clothing industries.”

Automated Factories

Big plans are also in the works at FDG, or Fiação da Graça, a firm with roots going back more than 45 years and which now is a reference for Portuguese textile companies active in many foreign markets.

“Today, Portuguese textile companies are well prepared in terms of productivity, qua-



CARLA FREITAS

GM OF FDG - FIAÇÃO DA GRAÇA

“PORTUGUESE TEXTILE FIRMS ARE WELL PREPARED IN TERMS OF PRODUCTIVITY & QUALITY”



lity and especially internationalization,” says General Manager Carla Freitas. “And in that context, Fiação da Graça is increasing its range of activities.”

Based in the northern municipality of Padim da Graça, the company focuses on long staple fibre spinning, operating 14,000 spindles powered by four separate preparation lines to produce around 1,600 tons of yarn per year.

FDG works provides its clients with customised composition, texture, design and colour in weaving, knitting, upholstery and corporate textiles with applications for formal, Informal and intimate clothing, sportswear, protective clothing, décor and more.

“Around 75 percent of our total production is exported and our customers are primarily European, although we are also active commercially in Turkey,” says the executive.

“In 2018, we had turnover of some 17 million euros and although this year is more challenging we still expect a similar figure for 2019,” she adds.

Those challenges include the fallout from Brexit, the United States – China trade war, as well as fluctuating prices in some raw materials such as wool.

“But we’ll be fine as we have adjusted for a year of lower demand.”

Another major challenge facing not just FDG, but many Portuguese industries as a whole, is recruiting, training and keeping skilled workers. Many executives complain that today many young Portuguese are more interested in pursuing careers in the tech sector than in what they see as traditional industries.

“Portugal has an unemployment rate of less than 6 per cent so many people entering



the job market can pick and choose where they work,” Carla explains.

“But we’ve managed to be attractive enough to maintain our staffing which now is around 135 workers and we’re beginning to explore the chance to increase automation in production.”

Along with bringing in new technology for the future, FDG is also looking at consolidating its foreign sales through opening up new markets, including Italy as the company goes from strength to strength aided by the bright fortunes expected of the industry.

“I’m very optimistic about our future and the future of the Portuguese textile sector as it went through a shake out during the crisis and now the remaining companies are well structured and have the strategies and skills to move on”, the general manager says.

“And while Portugal as a brand was a handicap in the past, that has all changed. Next week I’m off to an international textile trade fair and I’ll be proudly waving the Portuguese flag!”

Focus on Exports

Foreign sales are also the focus for Têxteis Leiper Ltda., established in 1986 to produce duvets which at that time were almost unknown in Portugal, recalls founder and General Manager Rui Pereira.

“My family was in the textile business, we were making jacquard bedspreads and my friends and I came up with the idea of the duvets which weren’t very well known here. We were lucky and sales took off”

Now considered one of the country’s chief manufacturers of duvets, Têxteis Leiper also turns out top quality bedspreads, sheets, decorative and sleeping pillows, curtains and mattresses.

It is also active in the hotel and spa sectors, as well as producing textile products for the aviation industry including cabin quilts, pillows, pillow covers and headrest covers.

Like many Portuguese executives, during the crisis a decade ago Pereira began to seek out customers abroad when the domestic market, which accounted for almost 100 per cent of sales, dried up. These days, exports account for more than half of all sales.

“We’re selling a lot in Middle Eastern countries like Kuwait, Saudi Arabia and even Libya which is strange as it’s in the midst of a civil war. But sales there are very brisk,” the executive explains.

“Of course, we’re also selling a lot in Europe – places like France, Spain and Italy. We’d like to do more and we’re focusing on Asia as well.”

Pereira says he feels the Portuguese texti-

“PEOPLE DO PREFER TO BUY FROM PORTUGAL INSTEAD OF CHINA EVEN IF IT IS CHEAPER”



le sector is certainly competitive internationally, and although it can’t compete with China on price, it can beat the Chinese on quality.

“Over the past several years, it’s become clear that people prefer to buy from Portugal instead of from China even though their products are cheaper.

“In addition with China there are long lead times while here in Portugal you can make an order and we’re delivering in 15 days. So this differentiation is part of company policy,” he says.

Last year, Têxteis Leiper had a turnover of around 4 million euros. This year has started out a bit slower with domestic sales down, but exports have helped cushion the blow.

“Things began to turn around in April and May and now our foreign market is going very well”

“We’ll continue to concentrate on exports and we should do great as customers learn more about us. We attend a big trade fair in Germany each year and the first year people are just curious and don’t buy.

“But then the next year they began to show interest, contracts were signed and trust was established. You just need to persevere,” he explains.

With sales abroad expected to rise, Pereira is studying the expansion of the manufacturing facilities to handle the increased demand and is looking forward to further success.

“So I am very optimistic concerning our future. If I wasn’t I wouldn’t be here!” he exclaims.

Demanding Clients

Guarded optimism is the attitude of Abel Correia, the founder and managing partner at Costa Correia & C. Ltd which manufactures men’s and women’s trousers for a number of retail clients in Europe.

“Wages are rising and we know that other countries have cheaper labour forces than ours in Portugal, so I’m a bit afraid of that but we have advantages that these other manufacturers do not.

“One of those is that we’re small, only around 60 employees, so we are flexible and can offer rapid service. Our main client is in Belgium and we can take delivery of the fabric for an order on Monday, work takes a week, the shipment leaves on Friday and it arrives on Tuesday the following week.”

“More and more companies want fast service and delivery, and manufacturers in places like China and Turkey can’t do that,” he adds. “And, of course, we provide a product with much higher quality than those countries.”

In addition to Belgium, Costa Correia sells in Spain, Norway, Sweden, France, Luxemburg, the United Kingdom, the United States and Mexico with annual turnover of around 1 million euros.

The Braga-based company’s chief investment outlay is in the latest high tech machinery and in training its dozens of seamstresses.

“We’ve put a lot into training the women, mostly young, who work here. Yesterday, for example, seven women applied for jobs and I’ve already put three to work”, the executive says.

“There is high staff turnover in this business but we always manage to have the workforce we need.”

Costa Correia offers custom design, sourcing, pre-production, manufacturing and delivery at the time and place of the client’s choosing, making the company a one-stop shop for clothing retailers.

The firm’s client list includes such prestigious brands as Steff of Belgium, Elk Head of the United States and Stromberg of the United Kingdom.

“These customers of ours are very demanding,” Correia says. “They want top quality trousers made to their exact specifications and they want them quickly. That’s what we provide and will continue to do so, come what may.”

Quality is hence the common thread that unites most successful cases in the Portuguese textile industry, as the country moves from a low-cost producer slot to the top of the international value chain.

CENTRE-SOUTH INDUSTRY

EXPORT GROWTH HAS BEEN A CONSTANT FOR MOST LOCAL INDUSTRIES

Over the past decade, Portugal has become ranked amongst Europe's major manufacturing centres thanks to a sterling reputation for high-quality products, a relatively low cost of production and an infusion of new technology, with local businesses exploring new export markets for the country's products.

Much of the new industrial dynamic is taking place in the country's Central Region stretching from the capital, Lisbon, north to the ancient university city of Coimbra, encompassing some of Portugal's richest industrial areas.

Rich in the wealth of economically vibrant towns and cities, and rich in the wealth of the surrounding natural beauty, the Central Region is also blessed by its location with state-of-the-art transport links to Lisbon, Porto and beyond, providing quick access to local, European and world markets via rail, road and shipping.

One of Portugal's largest industrialized regions, the Central Region hosts companies turning out automobiles, machinery, biotech products, IT applications, glass, steel products, ceramics, chemicals and much, much more.

All supported by excellent universities and research and development centres, such as the old University of Coimbra and many Technical Institutes.

One local industry with a long and successful history in the region is cutlery which is enjoying a renaissance. Consumers, whether professional chefs in fine restaurants or amateur cooks at home, are turning away from cheaper Asian knives and accessories for very well-made, yet reasonably priced, kitchen tools.

And two cutlery companies based in the city of Benedita have become important players in the world market, exporting to dozens of countries.



"NOW THE PORTUGUESE KNIVES' INDUSTRY IS WIDELY RECOGNISED TO BE IN A CLASS OF ITS OWN"

Family Roots

"For over 100 years, artisans have turned out fine iron and steel products here," says João Ramalho, general manager of cutlery manufacturer NICUL, "and my family's roots in this business go back to the 1920's."

"We are now selling to around 40 countries and we can be internationally competitive and beat our low-cost and high-cost rivals in places like China or Turkey and Germany or Switzerland because we're very competitive on price and quality," he explains.

Relatively low labour costs help Portuguese companies such as NICUL remain competitive on world markets and there are the synergies in this part of the country that help.

"There is a knowledge here that comes from generations and generations which combines with the skills that are perfect for turning out the finest bladed tools valued here and abroad," the general manager says.

"When we started years ago, there was the challenge of Portugal's image as a manufacturer of precision products. But that has now changed and we are now accepted as a country which can turn out high quality knives and cutlery.

"This change has helped us in the European, Middle Eastern and North and South American markets as word spreads that Portugal is in a class of its own," he adds.

NICUL first began exporting to Germany and Spain, then former Portuguese colonies like Angola and Mozambique. Today, international customers account for 60 percent of total sales worth some 1.8 million Euros.

Customers can choose from an entire



range of steel and titanium kitchen tools for cutting, chopping, sharpening, etc., plus blocks and bags for storing and carrying knives, as well as bladed tools for domestic use such as pocket knives and scissors.

NICUL also offers a custom personalization service which can engrave names, logos, symbols or any other graphic design on its products.

As exports expand, so does the company. Ramalho says an ambitious investment plan worth 2.5 million Euros will double production capacity, acquire new machinery and increase the company's shipping facilities. The new plant will begin operations in mid-2019.

"This modern and digitalized machinery will help us be more flexible regarding markets and customers, and make the whole process go much quicker without sacrificing any quality.

"Starting next year we're looking at annual growth of between 30 percent and 40 percent so we're very optimistic about the future, especially our sales abroad which just keep growing.

"And that goes for Portuguese industry as world markets realize that European made knives are so much better than the same products from Asia," he says.

International Growth

Spending to meet growing demand is also the business plan of knife and related products manufacturer IVO Cutelarias which has invested some 10 million Euros over the past five years.

"Last year was very good for us although growth was somewhat restrained because of the restructuring of the company, new machinery we installed and other projects," explains company owner Antonio Ivo.

But the company is used to ups and downs. Unlike many other Portuguese companies, it successfully navigated the recent





“IVO CUTELARIAS HAS ALREADY INVESTED TEN MILLION EUROS OVER THE PAST FIVE YEARS”

economic crisis to emerge stronger. Last year, turnover was around 9.5 million Euros.

“Regarding work and orders from customers, we never had to slack off during the crisis nor let any of our employees go. The crisis only touched us because of the banks withdrawing their support and that had some financial repercussions,” he recalls,

“So we were able to keep supplying our foreign customers who take more than 90 percent of our production. We strongly believe in diversifying our market and now we sell to 86 countries.”

IVO Cutelarias’ main overseas markets are led by Germany, Canada and the Nordic countries, while Australia and South America are becoming more important.

“We’re selling now to Chile, Colombia, Ecuador and Peru, and we began in Argentina last year,” he says. “We see a lot of potential in that part of the world and we believe it’s a good gamble.”

IVO Cutelarias’ product range would cover any chef’s needs, from precision blades for cutting, slicing and dicing to boning, peeling and chopping.

Cleavers, sharpeners, spatulas, corkscrews and dining table cutlery are also big sellers.

“Our cutlery has a superior quality otherwise the Germans wouldn’t buy it,” Ivo argues. “And this reflects not only well on us, but also on Portugal and Portuguese industry as a whole.

“But our internationalization is not only about sales. We now have a production facility in Thailand where we produce a more accessible range of knives for the Asian market.

“That region, like South America, is a good place to get a foothold,” he says.

As Portugal’s economic crisis fades and with business clearly bouncing back, the only challenge Ivo Cutelarias and other manufacturers now face is a lack of qualified workers.

But as other companies are doing, the knife maker is investing in state-of-the-art technology which will increase and improve production, while at the same time it will give the technical skills to new workers, some of whom will come from abroad.

“We have an agreement with the Institu-

te of Employment and Professional Training to bring in foreign workers and I think that will solve most of our human resources shortage,” Ivo says.

“So we’re well placed to continue on our successful trajectory for the future, benefiting the company, our workers and Portugal.”

Quality Matters

Training up local young people to fill future positions is the human resources strategy of Gosimac, a Pombal-based company which designs and manufactures machinery and equipment for the aerospace, automotive and industrial equipment industries.

It also turns out parts for industrial equipment such as extrusion dies, moulds, spindles and calibrators for profiles.

“Forty local companies got together and bought a vocational school which was in trouble so we could train youths from our region,” explains Gosimac Manager Pedro Gonçalves.

“They first become familiar with the different sectors so they can see which one they are interested in and then from the age of 18 they begin formal training on equipment donated by the companies involved.”

Founded 31 years ago by Gonçalves’ father, the company today annually bills around 4 million Euros much of which comes from export sales to such companies as Airbus, Dassault and Siemens.

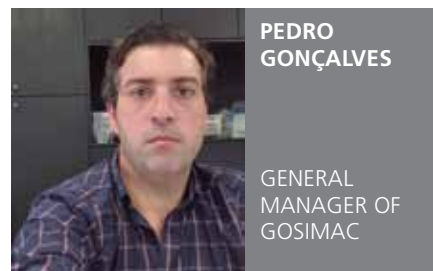
Domestically, the company has international clients active in the Portuguese automotive sector such as Renault and Volkswagen,

The manager says that entering the international market was difficult at first and the company was on a steep learning curve.

“In Portugal we were not at the time accustomed yet to the idea that quality was the most important element. Obviously, we had to change a lot in order to observe European standards in both quality and materials,” he recalls.

“And it is clear we learned our lesson as now we supply these very demanding leading aerospace and automotive companies and they are extremely satisfied with our products and services.”

Those services include modelling and programming, CNC machining, CNC lathing, electro-erosion by wire, dimensional control and measuring.



PEDRO GONÇALVES

GENERAL MANAGER OF GOSIMAC

“THE AERONAUTICS INDUSTRY IS IN A GROWTH CYCLE SO WE WILL GROW WITH OUR CUSTOMERS”



With diverse client sectors, Gosimac should be able to weather any storm upsetting one industry or the other, although Gonçalves sees them enjoying steady growth.

“Both aeronautics and automotive have great potential,” he explains. “Right now, the automotive industry is going through changes as there is indecision concerning the gasoline engine versus electric motors and the sector is slightly down. But that will straighten out.

“And aeronautics is in a growth cycle so our aim is grow along with our customers while being sure we can meet the challenge from our competitors in Asia.”

“We can do that because we have a great product, a dynamic and multidisciplinary team of workers and managers which all together ensure our success,” Gonçalves says.

Portuguese Traits

International operations are also at the core of Leiria-based Carlos Calhelhas Metalúrgica Lda, or CCM, which specialises in industrial assembly and maintenance, steel and stainless steel construction and mechanical and civil locksmithing.

“We started off in 2001 dedicated to industrial assembly and maintenance,” explains founder and General Manager Carlos Calhelhas.

“Since then, 80 percent of our work has developed towards maintaining the furnace





**CARLOS
CALHELHAS**

GENERAL
MANAGER
OF CCM

"AT CCM WE HAVE A VERY LONG HISTORY OF WORKING ABROAD WITH VERSATILITY, HIGH QUALITY AND SAFETY"



and machines used for bottle and other glass products."

Currently involved in projects in England, Ireland, Scotland, Germany, France, Spain, Bulgaria and Poland, the company is also building a new glass plant in Angola.

"We're assembling the furnace structure and the machines there in the Special Economic Zone near Luanda and we believe Africa could be a very important emerging market for us along with Asia and South America," the executive says.

"All our clients seem to be very happy to work with us and I think it has something to do with Portuguese traits. We have a very long history of working overseas, we are very versatile, and, of course, we do quality work."

"All of this gives us an edge when we have to compete for projects anywhere in the world," Calhelhas says.

Along with its specialisations, CCM is also involved in unloading, handling, installation, maintenance and conversions of IS machines; silo and crane assembly; assembly and repair of glass furnace structures and specialised labour subcontracting.

Its partner list includes companies such as SORG, IRF Europe, BA Glass, Vidrala, Verallia, DS Smith, and Glasstronics.

"Our hope is to keep expanding inter-

nationally but without having to add to our current staff" the general manager says. "The glass industry is growing around the world and I think we can achieve our goal."

Industrial Expertise

Glass is also the primary focus of Metavil, a family-run company in Marinha Grande which started off manufacturing glass moulds for the packaging industry in 1977.

In the 1980s, it branched out into plastics and now has clients across Europe.

"Right now the glass moulds business is our main concern accounting for 80 percent of output and our annual turnover is in the neighbourhood of 3 million euros," says Managing Partner Miguel Baroseiro.

Two production plants staffed by 37 highly-trained technicians manufacture the moulds for clients in Germany, France, Spain, Poland, Romania, Turkey and Bulgaria.

"Our international market is becoming more and more important every day because the domestic market is not expected to grow very much," the executive explains.

Baroseiro notes that in the international market Metavil faces competition from both European and Chinese rivals.

"There will always be those European clients who turn to Chinese producers with whom we cannot compete on price. But it takes a month for the moulds to arrive from China by sea and we can supply Poland or Germany in two days with a much better product," he says.

Another challenge the company, and many others in Portugal, is facing is a scarcity of workers as young people these days are more highly educated than in the past and are turning up their noses at factory work.

"We do have difficulty finding staff and I'm not talking about specialised technicians but rather people whom we can train and teach. We even use temporary job agencies for hiring but often these people don't stay with us for very long," he says.

"But we'll keep trying to recruit staff. Marinha Grande has a great industrial tradition with many dynamic companies and the only problem is finding and holding on to staff."

Looking to the future, Baroseiro sees the company becoming increasingly technologi-



**MIGUEL
BAROSEIRO**

MANAGER OF
METAVIL

"THE GLASS INDUSTRY IS RAPIDLY GROWING AND WE SEE A GREAT FUTURE FOR US IN THIS SECTOR"



cal and more automated which will help with the human resources problem.

"It will also boost production which is important as the glass industry worldwide is growing at a rapid pace and we see prosperous times ahead for our sector," he says.

Explosive Growth

In just five years since its founding, BSC Montagens is already a name in the refractory lining and chimneys sector with branch offices in Germany, the Netherlands and Brazil, and looking to expand further.

"We're mostly active in the German market but we've also carried out projects in Austria, the Netherlands, Switzerland, Russia and Ukraine," says company founder and Manager Sílvia Camões.

BSC Montagens is planning to enter the U.S. market this year and has two projects scheduled in Mexico.

"So we're already well established in Europe and now we're beginning to go truly global," he says.

"I attribute our success to our flexibility as we can do things the large companies in our sector cannot do or they don't want to bother with because of a project's size. But we do it all, large or small."

This eagerness to take on any project has fuelled BSC Montagens' spectacular growth





"OUR SUCCESS IS DUE TO OUR FLEXIBILITY AS WE DO ALL KIND OF PROJECTS, LARGE OR SMALL"



of 100 percent each year in both the number of projects and billing,

Last year, revenue was around 4 million Euros and 2019 has started out well.

"There are companies out there in our sector which charge lower prices than we do but we have the quality and we're the only one that is SCCP certified for safety which is very important in this business," the manager explains.

BSC Montagens' 100 employees provide such refractory and chimney services as masonry, moulding, gunite projection, manual packing, fibre work, welding, stacking and other processes.

"In another five years, I'd like to be able to report turnover of 15 million Euros annually with a staff of 300," Camões says, "And I think that is a realistic forecast as the market is growing."

"Last year alone I had to halt work on three or four projects because we didn't have the manpower to complete them. But now we have a programme to train up young people from this region and that should solve our problem in that department."

A new company headquarters is also to be built this year near the company's current offices in Bombarral in the Central Region, an area the manager says is well suited for BSC Montagens.

"We're right in the middle of the country with easy access to Lisbon and Porto, so being located in Bombarral is an advantage for us or for any Portuguese company that wants to be successful."

"And that's what it's all about: Grab your dream and work for it!"

Traditional Products

One of the Central Region's more traditional industries is ceramics and Grupo Lagoa covers the sector from A to Z. Not only does it mine the raw materials for ceramics, it also manufactures the end product, in its case porcelain bathroom fixtures.

"My father started this enterprise but in fact my great-grandfather worked in clay all the way back in the 19th century," says President Carlos Alberto Lagoa.

"Our group is currently made up of five companies with an annual turnover of around 30 million Euros."

But it hasn't always been smooth. Like so any businesses, the group suffered during Portugal's economic crisis that began in 2008 before business began growing again several years later.

"And although 2018 was a good year for us, so far this year we're noting a retraction in the Spanish market which is one of the biggest in Europe," the executive explains.

Of the group's companies, JALF is dedicated to the extraction and marketing of raw materials for ceramic pavements, coatings and bathroom fixtures, as well as for faience and everyday china, the glass industry and the construction and public work sectors.

"Because of the weight of the material and therefore the cost of transportation, exports of these products is not really a priority for us."

"But our Unipasta division, which makes



CARLOS LAGOA

MANAGER OF GRUPO LAGOA

"WE'LL SEE MORE MERGERS AND PARTNERSHIPS AS THE CERAMICS INDUSTRY BECOMES HEALTHIER"



atomized pastes for ceramics with a higher added value, is growing in the export market, especially Europe," Lagoa says.

Another of the group's divisions, Cerâmica do Engenho, is dedicated to the micronization, or milling, of sand, calcite and feldspar for producing ceramic paste, while the TBL division handles all of the group's transport and logistic needs.

"We also set up a small business, Lagoa's Décor, which makes sinks, bathtubs and other bathroom fixtures for a range of international clients."

"And then we have a thermal energy producer which not only supplies the company but also sells surplus energy on the grid," the president explains.

Lagoa says the ceramics industry goes through a crisis every five years and foresees the day when companies in the European sector will specialise in niche products with less of a broad range but with higher quality.

"I also believe that we'll see more mergers and partnerships as the ceramics industry undergoes a transformation that will make it healthier and more vibrant."

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MOULDS AND PLASTICS

KNOW-HOW, QUALITY AND FLEXIBILITY ARE THE KEY COMPETITIVE ADVANTAGES IN THIS CHANGING SECTOR



IDÁLIO SILVA

MANAGING DIRECTOR OF UEPRO

"WE MAKE SUCH HIGH QUALITY MOULDS THAT EVEN GERMANY CAN NOT COMPETE WITH US"



As Portugal's manufacturing sector wins praise and contracts around the world, one particular sector and related industries truly stand out – moulds, with companies turning out precision-made products now sold in more than 80 countries.

"Multinational companies are increasingly choosing Portuguese firms to make moulds for some of the world's top products," according to the Portuguese Association for the Mould Industry.

"Their choice is based on the skill and experience of Portuguese mould makers, their levels of quality and service; their competitive prices; and their pioneering application of advanced technologies."

The statistics bear this out. Some 90 per cent of Portuguese production is exported and export growth has rocketed by 80 per cent over the past five years.

Clients from the automotive, aerospace, electronics, medical devices, packaging and other industries all value Portuguese mould makers for their creativity, competence, expertise, innovation and reliability.

"From design and engineering to tooling and final assembled products, the Portuguese mould makers do it all," the association says.

Much of the country's mould sector is concentrated in the Centro region, and more specifically in and around Marinha Grande, about halfway between Lisbon and Porto.

Response Time

"There are dozens of companies like ourselves working in the mould industry around here and Marinha Grande represents around 70 per cent of Portugal's mould production," says Idálio Silva, the managing director of UEpro.

"Along with mould manufacturing, we also have a marketing and sales division which handles those activities for many of the smaller mould makers in the region," he explains.

"We find clients and then subcontract moulds to these smaller producers."

While many of the Portuguese sector's manufacturers work with clients in the automotive industry, UEpro is focused more on aerospace and medical devices.

"The automotive industry is a very specific industry and we are not geared towards it for several reasons. For example, payment terms and the response time for project approval are very slow and we like to work at a quicker pace," the executive says.

"Our main vocation has been the aerospace or aeronautics industry and we also work a lot in thin-wall thickness packaging. Then we have other departments such as safety devices."

Silva notes that while the medical sector for mould manufacturers is not as strong as it was, he expects orders to pick up from those clients as well as from the aeronautics industry.

"We had a surge in work from our aeronautics clients four or five years ago and we worked very closely with a client in Northern Ireland who was supplying Bombardier."

"And there are good prospects that the client will soon be working with Airbus and Boeing which will mean more work for UEpro. So things are certainly opening up for us," he says.

"We're also waiting for orders for safety devices such as oxygen masks, devices for fire-fighters and other personal protection products."

UEpro works with clients in the United Kingdom, Germany, France, Austria, Finland, Sweden, Belgium, the Netherlands and other European countries, as well as in the United States.

Average annual billing in recent years had been between 2.5 million and 3 million euros.

As with other industries around the world, Portuguese mould makers face stiff competition from their Chinese rivals primarily due to price issues and UEpro is no exception.

"We are competitive internationally but we'll always be at a slight disadvantage with the Chinese because of their prices and there are some good producers there.

"However, we make high quality moulds and even Germany can't compete with us. Sure, our prices are higher because of better and therefore more expensive workmanship. But that is what the clients demand - quality," the managing director argues.

With more aeronautic business on the horizon, the company is looking to update or even replace its current facilities and make major investments in the injection moulding machinery needed by aviation clients.

"That sector requires very specific technology in terms of injection capacity and many companies don't have that kind of machinery so I would like us to have our own and for that we need new installations," Silva says.

"And I firmly believe we can do this because we have such a great team which I consider more as colleagues and partners than as employees.

"So we'll be moving forward to continue to satisfy our clients and be a major force in the market."





"WE ARE ALSO STARTING A PARTNERSHIP WITH THE MULTINATIONAL DUNLOP"

Business Rise

Diversification is the business philosophy at MPR Moldes which primarily handles such services to the moulding industry as assembly and fitting, grinding and repair and maintenance.

"We started 18 years ago when my partner and I left an important mould manufacturer to start our own business," recalls founding partner Filipe Passagem.

"But instead of making moulds ourselves we decided to focus on assembly, adjustment and related services and began with a small facility of only some 200 square metres."

The partners noticed that many of the smaller companies in the Marinha Grande region did not carry out their own maintenance operations and so moved into that sector.

"It's been a success and this year we've seen a rise in business," Passagem says.

"For example, in what is called 'second stage' maintenance, we handle moulds coming here from Asia which are not completely ready to go into production.

"So we take the moulds, open them, observe their mechanics, test them and then make the necessary changes that the client requests so they can be used in the industry," he explains.

After close to two decades of solid growth in the business of around 15 to 20 percent a year, MPR Moldes now employs 15 staff and posts an annual turnover of 1.3 million euros.

MPR Moldes has worked with French, German and Romanian partners and is open to further international cooperation,

One of the company's latest moves was to acquire a local firm specialising in metallurgy and reverse engineering which opens up new business opportunities in the industry.

But the company is also looking beyond moulds.

"We are also starting a partnership with the multinational company Dunlop that produces rubber boots, and we're working with other multinationals that are outside the mould industry," the partner says.

"Today, the automotive market accounts for between 80 percent and 90 percent of the Portuguese mould sector and

so we can be very vulnerable to downturns in that industry.

"We've already worked with clients in the areas of household appliances and cast iron and our range of customers is very wide. So both inside and outside the mould sector, this is the kind of diversity that MPR Moldes seeks."



Customer Differentiation

Diversifying within the mould making industry itself is the aim of VL Moldes which was mainly involved in supplying clients in the automotive field but has now branched out.

It specializes in technical injection moulds, multi-cavity molds, multi-components, with insert molding, etc, for the plastics industry and its services include mould engineering and manufacturing, mould flow, dimensional control, mould trials, and pre-series and after-sales support.

"Back in 2015 and 2016 we were very dependent on the automotive sector but in recent years we've been getting more involved with clients in other areas, says Managing Partner Vitor Cardoso.

"We are more active in medical devices, orthopaedics, a special engineering solutions for other industries."

The executive says he is happy with the current mix as it balances out the cyclical rise and fall in the automotive sector.

"Customer differentiation is necessary," he argues. "One has to have multiple clients in various areas."

Founded in 1997 in a one-room garage by Cardoso and two partners, the company at first was largely a service provider but then moved into launching its own products.

In 2008, one of the partners left and VL Moldes set off on an ambitious expansion programme with new equipment and a larger staff. Today, the family-owned and open-



VITOR CARDOSO

MANAGING PARTNER OF VL MOLDES

"INSTEAD OF GROWING, WE DO WANT TO BE FINANCIALLY AND TECHNOLOGICALLY STABLE"

rated concern has 50 employees.

Last year, it billed 5 million Euros, up from 1 million Euros a decade ago, with almost 100 percent of its activity supplying multinational companies either in Portugal and abroad.


"We are working mainly for Portugal, Germany, Spain, France, Belgium, the Netherlands and Italy, and also for Mexico through our European partners," the executive says.

"We're not really planning on exceeding much beyond our current number of 50 staff with which we are very comfortable. Instead of growth, our aim is to stabilize technologically and financially," Cardoso says.

In-house training is key to maintaining a skilled workforce at VL Moldes.

"This is a family business and I already have my children working with me so we're now preparing for the next generation, he says.

"We have two types of people here, those in their 40's and 50's with years of experience and they are passing on this experience, their skills and their knowledge to the other group, the young people just entering the field."


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VL Moldes, Lda is equipped with the most advance technology available in the market for the moldmaking industry that together with an experience staff committed and skilled, allow us to develop high quality molds, small and medium sizes up to 4Ton.





SILVIO JORDÃO
CEO OF SYMETRIA

"TO BE SUCCESSFUL ONE HAS TO CONTINUE INNOVATING AND KEEP AN EYE ON THE HORIZON"

Continuous Innovation

Machining is a key component of the moulds manufacturing process and is the speciality of Symetria, a company founded just six years ago and that now employs almost two dozen people.

"In the beginning it was just me and one new machine and my idea was to support other companies in the Marinha Grande area involved in mould makings," recalls founder and CEO Silvio Jordão.

"And whatever needs machining – moulds, aeronautics, robotics, metallurgy, etc. – we can do it."

Symetria works in steel, acrylic, aluminium, bronze, copper, brass, nylon, polycarbonate and other materials using the most technologically advanced equipment including six machining centres with dimensions from 3000 mm x 1000 mm.

The company also operates two milling machine tools, two CNC grinding machines, two flat grinding machines, two CBC lathes with 4-axis power tools, two conventional lathes and a CNC boring machine.

"We've got good machines, good workers, we always meet our deadlines and we give great quality at a fair price. These are the reasons we've grown over the short time we've been operating and we are expecting further growth," the executive says.

Last year the company posted 1 million euros in turnover and expects that figure to rise to 1.2 million euros in 2019.

In order to meet demand and those always important client deadlines, Symetria

operates two shifts with the first clocking in at 6 a.m. and with the last workers leaving the plant at 10 p.m.

"One of our most exciting projects right now is an automobile costing 2 million euros which is to take part in the 24 Hours of Le Mans race which was ordered by a foreign company," Jordão boasts.

"That's just an example of our international business. Recently we sent pieces to Mexico, Luxembourg and Romania.

"Additionally to these projects, we have been active in many others, such as machining for specific mountaineering equipment and even some scientific projects related to the study of flora and fauna of our maritime area," he says.

The CEO believes in being pro-active when pursuing clients and once engaged to be sure to keep in constant contact to address any of the customer's concerns.

Many manufacturers in Portugal, he says, fail in this, customer-friendly, hands-on approach which he clearly enjoys.

"I recently took a group of clients for a visit of the region's sightseeing highlights, dropped by the beach, took them to lunch and then invited them to my home for dinner with my family.

"At the end of the business trip, they said to me: 'Silvio, I want to work with you more often and come to Portugal to see you again.' That's how it's done," he explains.

Looking ahead, Jordão says he would like Symetria to expand the range of its business to work in more sectors, especially those on the very edge of technological innovation.

"We're now making parts for wind turbines along with parts for robots which need special tools. This is how to be successful – continue innovating and keep an eye out for what's on the horizon."

Growing Reputation

That business philosophy is well understood at Linkplas, a company based in the north-central town of Oliveira de Azeméis which produces and sells plastic elements for industrial parts and other purposes.

"We got our start back in 2012 with a request from an American company for small batches of plastic parts so we've had exporting in



PAULA ROCHA

DIRECTOR OF LINKPLAS

"WE WANT TO BE INVOLVED FURTHER IN THE AUTOMOBILE & AERONAUTICS INDUSTRIES"

our DNA from the beginning," says Managing Partner and Commercial Director Paula Rocha.

Besides the United States, Linkplas works with a manufacturer of drones in Belgium and in Morocco where its customer is in the automotive sector.

Amongst the products and services the company provides are design and development, mould design, plastic parts injection, mould tests, pre-series, refining, ultrasonic welding and the gluing of plastic parts.

Beside automotive, other industries Linkplas serves include office equipment, home appliances and plastic utensils.

"We're now looking for new projects in new areas," she explains. "Further involvement in the automobile industry is certainly attractive but we are also very interested in aeronautics."

"When we attempt to enter foreign markets, our biggest challenge is competing on price but we're way ahead of many of our competitors when it comes to quality and our terms of delivery," Rocha explains.

Portugal's growing reputation as a reliable and cost efficient place to do business has helped companies like Linkplas, with the executive saying much has changed in recent years.

"It's lot different now than it was five years ago," she notes. "Our current clients have total confidence in the company and our potential. Previously, they questioned the effectiveness of the company, the quality and the knowhow.

"So it is clear that the label 'Made in Portugal' has now become a recognized seal of approval worldwide for companies like ours that are making such a contribution to the industry and the country."





Vertical Integration

Expansion, both in product offerings and geographic location, is in the plans of Batista Moldes, a Marinha Grande-based, family-run firm established eight years ago.

"We started in machining and now offer a full range of services from product development to mould production for the plastics industry," says Manager Vitor Batista.

Along with Batista Moldes, the executive oversees two related companies: V.B. Freisagem, which is involved in machining, and BMT2 Tools, which makes mould components.

"This means we are a vertically integrated group," he notes.

"Our main focus is supplying the automotive industry although we are now looking to branch out as well into other products, such as aeronautical."

The executive bases his argument for diversification on the fact that the automobile sector is undergoing changes and that it's best not to put all of the company's eggs in one basket.

"It's important to look at diversifying because these industries we serve can experience quite dramatic ups and downs, so we go to international trade fairs and the like to seek out new markets, such as the aeronautics industry."

But breaking into aeronautics has its challenges as there is a rigorous certification process. "We are creating the conditions to meet the certification requirements and see if we can enter this market," he says. "And I think this will bear fruit."

Batista Moldes' offers mould clients project development and management, planning, machining, CDM and finishing. Its moulds turn out a range of products from plastic produce baskets and food containers to automobile door panels and other car parts.

Its mould types include overmoulding, bi-material, casting, compression, gas injection and sandwich. Batista says the next step is to

offer plastic injection moulding, the one production process it currently lacks.

The company works with clients from Germany, Spain and France and is trying to crack the Mexican and Moroccan markets. Batista sees the latter as particularly attractive.

"Morocco is very interesting and they need a lot of support because there is a lack of technical knowledge in our sector and this is, of course, one of our specialties," the manager says.

"So we're moving ahead, and with the new plastic injection moulds closing the production circle, we'll be able to offer clients a full service of moulds.

"With that done, and with our product and geographic expansion, it's all starting to look very good indeed," he says.

Flexibility is Key

And that includes Compogal, a manufacturer of PVC, TR and SEBS compounds for a number of applications based in Leiria, next door to Marinha Grande. It was founded 32 years ago just as Portugal joined the European Union.

"It was difficult in the beginning as this is a capital intensive business and borrowing from the banks was very expensive at the time," recalls founder and Managing Partner Manuel Viana Moço.

"But we've prospered and these days we have an annual turnover of around 14 million Euros and employ some 30 people."

PVC's are Compogal's main business and the company turns out such products as insulation and sheeting for power cables for public buildings and industrial installations, insulated electrical cables for the automotive industry and insulation for telecoms cables.

Other PVC products include automobile components, flexible and rigid pipes and profiles for the construction and furniture industries, and shoes and shoe components for the footwear sector.

"Our core is PVC's but we also handle TR and SEBS compounds for the shoe industry, sealing gaskets and household utilities," the executive says.

"As far as clients are concerned, we work with the Portuguese market and the Spanish market and we're returning to Angola where we worked before but left. Now we're back."

"This year began like other years but the-



MANUEL VIANA
MOÇO

MANAGING
PARTNER OF
COMPOGAL

"NEW BUSINESS CONTINUE TO APPEAR SO WE HAVE TO BE ATTENTIVE TO GRAB THEM"

re has been a slowdown in the Spanish market and fortunately we don't have that big a position there," he adds.

"Here in Portugal it is a more stable situation as the market doesn't have the ups and downs like in Spain. But recovery can take longer. We're happy with that – small but stable."

Compogal faces stiff competition, not only from local companies but also from international rivals which are penetrating the domestic market more and more.

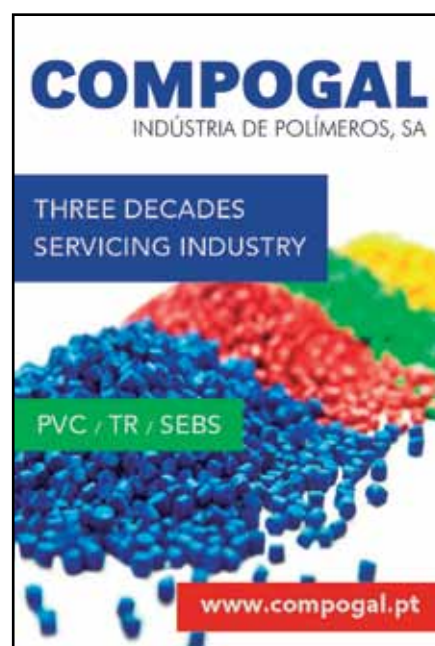
The managing partner says the best way to deal with competitors is by offering a better product using the best technology operated by an excellent staff.

"And we want to keep these people with the company so we treat them correctly with the proper social attitude. We want them to feel satisfied with a good work environment," he says.

Another key to success is flexibility, specifically the ability to adapt to a changing market.

"We used to work in the PVC packaging business but that totally disappeared and then began the electric cables market which is already mature.

"So new business will continue to appear and we have to be attentive and open-minded so we can grab those opportunities. That's the way to survive."





JOEL RODRIGUES

CEO OF
GESPRO GROUP

**"BECAUSE OF GESPRO GROUP
MANY COMPLEX MOULDS ARE
PRODUCED HERE IN PORTUGAL"**



Diversification Thrust

The technological side of the mould and plastic sector can also take place in Portugal, as the Gespro Group has been proudly showing.

Originating from the foundation of Pro3D in Marinha Grande 1997, that eventually became SM3D, it was set up to be the first Portuguese company specialized in providing services in 3D design for the mould industry.

Founded by its CEO Joel Rodrigues, it recently became Gespro Group, which also comprises the newly formed Spark EDM Solutions, which handles a quarter of all graphite imports to Portugal.

"We relied that in order to guarantee the quality and certification of the graphite that we use in our prototypes, we needed to go ourselves to the source and bring it from the manufacturer in Japan," says de CEO.

Currently Gespro group provides to the mould industry engineering and projects services, programming and product development as well as 3D machining.

"Thanks to the fact that we exist in Portugal, many complex moulds that could have gone elsewhere actually are produced here. Large companies like Faurecia and Visteon have told us that!"

Seventy percent of the group's work comes from the automotive sector, but as the rate of demand from the market has been lacklustre

for the last couple of years, Rodrigues is betting in new sectors.

"We are already working with the medical, aeronautics and even the oil & gas sectors. The fact that we can certify the quality of the graphite that we use has been instrumental in that."

Entering into its third decade Gespro group is mostly worried on how to keep its well experienced staffers from being lured to the competition.

"We allow our workers flexible working hours, and provide a nice working environment. So we have been successful at retaining our talented staff," the Ceo proudly affirms.

Another key element for Rodrigues is automation, as all production is controlled by robots with little human supervision.

"My goal is to be like an octopuss, and spread our tentacles over several industries. We can not be so dependant on the automotive industry," he concludes.

Successful Decade

Much younger but also well established in the mould sector is E&T - Engineering & Tooling, based as well in the Mould centre of Portugal in Marinha Grande.

Founded in 2008, it absorbed AFR Moldes in 2012 when it moved to its current installations, which are already being stretched due to the rapid growth experienced in its short life.

Its general manager and co-founder Pedro Sousa explains how they managed to get started when the financial crises affected the industry.

"We went immediately looking for customers in our main markets, such as Germany, the UK and the USA. They knew us from our previous work in the industry, we managed to get some projects to get the company going," Sousa recalls.

Specialization was one of the winning cards that allowed E&T to grow quickly and achieve its current size, with sales of 10 million euros a year with only 57 employees.

"We have specialized in fuel filler housings, which comprise both injected plastic and rubber. We are very experienced and technically oriented, so we can tackle from small and technical moulds to larger ones."

Despite the slowdown in the automotive sector, Sousa says that 2019 is following on the previous year's steps, "we made big investments and reorganized the company expecting a difficult year"



PEDRO SOUSA

GENERAL
MANAGER
OF E&T
ENGINEERING
& TOOLING

**"THE TYPE OF PLASTIC PIECES
MAY CHANGE BUT AT E&T WE
ARE TECHNICALLY READY FOR IT"**



The general manager believes that the main reason for this drop in demand is the doubt of the European automotive industry on which way to take for the technology of its future models.

"The EU is strongly pushing for the electric car, where China and the USA are well ahead. The European industry is playing catch-up, and the hydrogen car, despite its brilliant potential, has not really taken off yet," Sousa reckons.

But such turns are momentary and he is confident of the long-term health of the mould industry, that has in Marinha Grande one of its widest and deepest pools of talent.

"The types of pieces that will be required may change, but we are technically ready for that. New pieces will require a weight reduction, so plastic will likely replace some pieces that are now made of steel or aluminium."

Future growth will not depend on gaining a large number of new customers, but on attaining a few good clients with whom trust and a partnership can be established.

Technical skills can only carry you so far, so the last thoughts of Rodrigues go towards the challenge of recruiting and training new talent that can propel the company into the future.

"In association with the local schools and trade associations we have been hiring young trainees, so we have a healthy mix of experience and youth that guarantees our future success," says Sousa with a high degree of confidence.





Central Location

Somewhere north of the Marinha Grande center of mould and plastics excellence, Plastifoz is based in the central city of Figueira da Foz.

Despite this, its partner Jorge Silva thinks that its location does not present it with a major disadvantage.

"We are just located between the two major mould and plastics centers in Portugal, north of Leiria and south of Aveiro, and well communicated by road," Silva says.

In this area in central Portugal the lack of

skilled workers is a challenge that worries him.

"We do hire and train several young people every year, and until now all of them have stayed with us. But it is a problem that we are concerned about."

This young company lacks no ambition when it comes to its international expansion, with a sure footing rather than taking unnecessary risks.

"We would like to acquire more international customers in the technical

areas, as we see ourselves as a very technical company. We also want to enter new sectors such as the aeronautical sector and others."

For this objectives Silva has confidence that Plastifoz can continue to grow as it has over the last few years, consistently at a steady pace of 5 to 10% a year.

"We need to become more partner with each other in Portugal, instead of working alone," Silva concludes.



FOOD & DRINK INDUSTRY

THE LABEL "PRODUCE OF PORTUGAL" IS ATTRACTING A GROWING ATTENTION AT INTERNATIONAL MARKETS

A benign and varied climate, rich soil and a long seafaring tradition have all blessed Portugal with the means to produce or process quality fruit, vegetables, wine, animal products and fish, all of which are becoming increasingly available to demanding consumers around the world attracted by the label: "Produce of Portugal".

Agriculture, agro-industry and food processing are amongst Portugal's fastest growing exporting industrial sectors, accounting for more than 3 percent of GDP and fuelling job creation that is luring highly-qualified professionals into food-related industries.

Indeed, exports by food and wine producers are now valued at around 6.5 billion euros, representing almost 12 percent of the Portuguese economy as companies identify, explore and open new international markets.

And in recent years, the rapidly growing domestic market helped pull Portugal out of its economic doldrums as Portuguese consumption of many food products increased following years of decline.

Award Winners

Export and domestic sales are almost evenly split at Sociedade Ideal de Vinhos de Aveiras de Cima, SA or SIVAC, which produces a range of bottled and boxed Portuguese wines from its winery in Aveiras de Cima, north of Lisbon.

"The international market accounts for just over half of our annual billings of 25 million euros," notes Manager José António Vidais.

"Wines from the region where SIVAC operates received their first international exposure thanks to the Portuguese immigrants who went to northern Europe to work decades ago and took this wine with them."

"Their French, German and Swiss hosts also liked these wines and that is how our exports began," he recalls.

Today, SIVAC's main European markets are Germany, France, Switzerland, Belgium, Luxembourg, and the Netherlands with the company just beginning operations in Poland.

"We have a small foothold in the United Kingdom and further afield we're selling to Canada, Brazil and West Africa, and we're now available in China where we just shipped three container loads of wine," he says.

Wine lovers from other Asian nations are also enjoying SIVAC's vintages. Its Curriola wine was recently honoured at the Seoul Food & Wine Challenge in South Korea where Portuguese wines won the most awards.

Quite an achievement for a company that got its start as a bulk wine producer selling to other wineries. In 2002, executives realised they had to up their game regarding quality if they wanted to maintain healthy sales.

New bottling and packaging facilities opened in 2005 with an installed storage ca-



capacity of 5.5 million litres and three years later a new wine-making unit was up and running with a reception and tasting centre as part of the company's aggressive marketing efforts.

"These changes really helped us become a global company serving international markets," the executive says.

"We now have two bottling lines, two bag-in-box filling lines, a Tetra Pak packaging line and storage capacity for 18 million litres of our red, white and rose wines."

Last year was a good one for SIVAC and despite initial conservative estimates for agricultural production, 2019 promises to see a repeat of that performance. The manager notes that heavy rain in March will mean a good grape harvest.

Vidais credits Portugal's system of mini and micro-climates with making it one of Europe's premier agricultural producers.

"The quality of grapes, tomatoes and other produce here in the Tagus Valley, for example, is even better than in southern Spain and that difference sets us apart."

"Also, as Portugal is not a very big country there is a lot of specialisation in products



**MANUEL
SOBREIRO
FEBREIRA**

CEO OF
COMPANHIA
AVÍCOLA DO
CENTRO - CAC

"WE'VE REACHED A SIZE THAT LETS US COMPETE IN PRICE AND QUALITY WITH ANY COUNTRY"

which adds to the quality and consumers appreciate this differentiation," he argues.

Increasing numbers of tourists enjoying the delights of Portugal and the fame of a certain local footballer have also helped spread the word about the country.

"Tourists come here and enjoy the incredible weather, the history, the food and, of course, the wine. Then they go home and see Portuguese wine in their local supermarkets and pick up a bottle or two.

"But the best thing that happened to us was Cristiano Ronaldo and his exploits on the football pitch; now everyone has heard about this little country on the edge of Europe.

"Ten years ago I was in central China and I had to explain where Portugal was. Today, that's not necessary," he continues. "It's very simple: Portugal is cool!"

Organic Growth

Quality is the key at Companhia Avícola do Centro, or CAC, one of Portugal's largest egg producers, where it is assured throughout almost the entire production chain, says CEO Manuel Sobreiro Ferreira.

"We have total control of the entire chain of production from raising the chicks, producing the eggs, packaging and distribution to the market," he says.

"We even produce our own feed for the chickens. The only phase of the chain that we do not control is the purchase of the day-old chicks which we buy from incubator operators."

CAC's product line covers chicken eggs of all types: free-range, organic, ground-raised and cage-raised, and it has a line of quail eggs. All the laying hens are kept in the cleanest, most hygienic conditions and regularly monitored by veterinarians.

Depending on the type, the chickens' diets are carefully composed of natural or organic products with some receiving natural supplements consisting of corn, sunflowers, soy and alfalfa.

"Around a decade ago we began to follow the market trends involving the humane treatment of chickens which came out of northern Europe and affected our competitiveness," the CEO recalls.

"So we set up the alternative production systems with free-range, organic, etc. and this led to a doubling of growth for the company."

Today, CAC has a total of 2.8 million laying hens distributed on 40 separate farms providing an annual turnover of 50 million euros. Its associated feed company, Alimav Alimentações, brings in another 25 million euros.

The company ships around 5 percent of production to markets including France, the United Kingdom and Switzerland, although at one point exports accounted for 25 percent of sales.

"That was back in 2015 when there was a health scare in the United States involving eggs and we exported there through a Dutch trading firm. We even had to source eggs from Spain to meet the demand," the executive says.

"Eggs are a super-food but at one point the press was full of stories about eggs having high cholesterol and then there was the salmonella scare. But recently the egg has stopped being a villain and sales are back up."

CAC began as a cooperative formed by independent farmers in 1986 and has reached its current size thanks to acquisitions over the years and organic growth.

"We expect that growth to continue for a variety of reasons," the CEO says. "We've now reached a size that allows us to compete on price, we have a reputation for quality and we can compete in any country. It all looks good."

Biofrescos, first to Market

The balance between import and export definitely favors Biofrescos which handles worldwide frozen seafood products from Alaska to New Zealand.

"We started our operation in 1997 as an importer of frozen seafood products with the aim of supplying processors and wholesalers in Portugal," recalls Co-founder and CEO João Mascarenhas de Lemos.

According to João Mascarenhas de Lemos "Back then, there was a gap to be filled in the seafood industry in Portugal, as there were many seafood processors that had plants and processing capacity, but there was a serious lack of raw materials".

João Mascarenhas de Lemos and his Co-founder and CFO partner, Antonio Damas, quickly understood that the European seafood processing industry was depending almost on imported raw materials, as only 20 percent of seafood was coming directly from European waters.

As explained by António Damas "Portugal has a great reputation for its seafood, and rightly so, but our coast line is actually very poor on fishing stocks, except for Atlantic sardines, Atlantic horse mackerel and few other species".

Notwithstanding the above, Portugal is one of the largest European fish consuming countries accounting an annual average of 57 kg of fish consuming per capita, more than double of European average.

Targeting the domestic market with so many active processing operators was not a difficult task for Biofrescos, but situation was not always easy.

In 2011, Portugal was facing a severe economic crisis and 21 out of 25 most import clients of Biofrescos, its operators and processors were bankrupted. "This was a



challenging time for Biofrescos!” recognizes João Mascarenhas de Lemos.

During that hard period, Biofrescos did survive thanks to a low margin business: the company was trading fishing raw materials caught by the Portuguese fleet and was exporting such raw materials to its Asian clients in Japan, South Korea and China.

According to João Mascarenhas de Lemos “Biofrescos managed to withstand that economic storm by setting up a new business strategy and providing different products and services to our Clients”. In this context, Biofrescos, through its subsidiary Faster Company, started to produce value-added products, such as frozen ready meals and snacks. This was a crucial step to Biofrescos that enabled the company to step in the supermarket business.

As stated by João Mascarenhas de Lemos “At the beginning – and as it was a new reality and segment to us – we struggled to establish our partnerships with supermarkets. Fortunately, both our companies were growing and we were able to consolidate our position amongst supermarkets”.

Another milestone on the strategy of Biofrescos was the diversification of its portfolio of products. With a broad portfolio of products the company was no longer relying on just a handful of products as cod or hake. Today, Biofrescos handles more than 70 species of fish and seafood.

As stated by Antonio Damas “Diversification is always a smart strategy for a company like ours. In the seafood industry, there might be a year of scarcity or abundance of specific raw materials and years when raw material prices increase sharply. Such fluctuation of raw materials and prices can easily destroy a company that depends on a limited number of products”.

Furthermore, it should be pointed out that Biofrescos was a pioneer in introducing new products and species into the Portuguese market, such as wild salmon from Alaska, squid from New Zealand or John Dory Fillets from China, amongst others.

As explained by João Mascarenhas de Lemos “Part of our business strategy consists in introducing a new products and species into the Portuguese market and wait for an increase on demand. When our compe-



titors introduce same product, our margin begins to drop and that is when, after doing our own business assessment, we decide to pull out of that business or stay or not. This is kind of cycle one new product leads to another new product.”

In 2018, Biofrescos – together with its subsidiary Faster – accounted to a aggregated turnover of EUR 25 Million. Currently, exportation markets represent around 8 percent of total business.

Considering the fact that fish and seafood are healthy protein source and are becoming more and more popular amongst European consumers, João Mascarenhas de Lemos and Antonio Damas are confident that Biofrescos will certainly continue to prosper.

As António Damas exclaims: “Eat fish every day, because it is the healthiest food you can get!”.

Quality Standards

Fish, and more specifically cod, that favourite of all Portuguese, is the main material for Sabalar which produces quick-frozen, prepared seafood meals, along with several meat-based items.

“Our company was founded by my grandfather and two partners 34 years ago and we entered the international market with sales to Spain around a decade later,” explains CEO J. Miguel Carvalho.

“There was an established connection with Spain already as that was where we sourced some of our fish. Then we began exporting to those countries which had significant Portuguese communities like France and the former colonies.”

Among the company’s chief products are grilled cod, cod in cream sauce, cod au gratin with prawns, cod cakes, prawn croquettes and vegetable, meat and chicken samosas.

Sabalar is contracted by some of its clients to make specific, own brand meals at its plant in Portugal as producing them in the clients’ countries is often not cost effective.

“Our production is now handled by around 26 workers. We had a staff of 40 until our recent restructuring which will enable us to grow in a more sustainable way,” the executive says.

“Billing last year was around 2 million euros, with 90 percent of that coming from exports. This year billing might be slightly lower but large billings are not synonymous with financial security and stability.”

“So I think we’re on the right track,” he says.

Carvalho argues that the company’s long and successful presence in the frozen prepared meals segment can be attributed to its insistence on choosing only the best fish, meat and vegetables for its products even if those are more expensive.

And production costs are kept low thanks to Sabalar’s use of the latest assembly line technology such as robotics.

“These factors help us be competitive in the market as we can offer a product that has a high price-to-quality ratio,” he explains.

“We have a great reputation and this will help the company going forward in a sustainable, slow growth way while being able to maintain our high quality standards and concentrate on the export market.”



PORTUGUESE METAL INDUSTRY

INTERNATIONAL MARKETS HAVE BEEN A CONSTANT SOURCE OF COMPETITIVE ADVANTAGE AND GROWTH

Portugal's booming industrial sector encompasses many activities and one of the most vibrant is the metals industry which covers the whole range of steel, iron, aluminium and other metal products and services, many of which are being exported to the four corners of the world.

In just one subsector of this industry, the production of crude steel, output hit an annual record of more than 2,000 metric tonnes in 2017 and other sectors are also reporting strong growth.

Dramatic Growth

A prime example is Ferberto Estruturas Metálicas, based in Leiria where it produces and markets metal structures. It has seen its business increase dramatically over the past 15 years.

"When I bought the company back in 2005, it was almost closed because there was practically no work. The previous year it had earned around 200,000 euros and last year we made 13 million euros," says owner and Manager Pedro Gomes.

"At first we basically had no facilities or machinery and so since we started in 2005 it has been a very dramatic transformation."

When Gomes took over, Ferberto had a covered facility of 2,000 square metres and today that has quadrupled. The company has added another 20,000 square meters of uncovered area.



"WE WILL HAVE THE ISO 9001 QUALITY CERTIFICATION SOON TO EXPAND OUR OPERATIONS"

Using the latest computer-assisted technology in manufacturing metal structures, Ferberto carries out designing and engineering, cutting and drilling, folding, pressing, painting and shaping.

Just a sample of the metal structures it has been involved in include stores, warehouses, industrial facilities, walkways and even a fitness centre. And while it is active in the domestic market, the company is focusing on sales abroad.

"Between 30 percent and 40 percent of our current billing is from the international market and we're working, for example, in France and in Curaçao," the executive explains.

"Four years ago we did a small job for a friend in Curaçao, we've never stopped since and have even set up a subsidiary there. We've also done work in Kenya, Benin and Angola where we have returned after working there years ago. In fact, we had a branch in Angola five years ago but we had to close because of the economic conditions. Now we're back."

Ferberto is also looking at expanding into more European markets such as the United Kingdom, Germany and Spain and is gearing up to meet the more stringent standards in those countries.

"At the moment we are implementing ISO 9001 and I believe we'll have the certification process completed this summer," Gomes says.

Unlike many companies in Portugal, the metal structures firm has few problems attracting workers. This is helped by the fact that so much of the manufacturing process is done by



automated machinery which the company has invested in heavily over the past two years.

"Manpower for production is one thing, and assembly is another. Fortunately, we're focused on the manufacturing end and once the structures leave our factory, assembly is the responsibility of the client," the manager says.

"We do occasionally assemble a structure for a foreign client and I'll send an assembly team out for a month or two to put it all together."

Gomes explains that he is counting on foreign sales because he expects the domestic market to decline soon and in order to maintain its level of billings, globalization of the company is the way to go.

"That's my big goal over the next few years. We're still doing small jobs here and there in Portugal and with our new ISO 9001 certification I'm confident we'll begin to attract more foreign customers for our structures," he says.

"And it helps that Portuguese companies are beginning to get recognized for our production quality and our skills. We Portuguese are dynamic, responsible and hardworking, foreign clients are understanding this and now we're reaping the rewards."

International Expansion

Exports helped the survival of Porfic which specialises in the custom manufacture of die-cast aluminium and zamak parts according to customer needs.

"It was during the economic crisis here when the company suffered a lot for two reasons," recalls Managing Partner Luis Carmo. "The main problem was financial because it was difficult to obtain credit and interest rates were high."

The banner features the Ferberto logo (a stylized 'F' with a red and blue design) and the text "FERBERTO Estruturas Metálicas" in large red and blue letters. Below this, it says "building up the next generation" in white text on a dark blue background. To the right, it says "metallic structures" in white text on a red background. In the bottom right corner, there is a small logo that says "since 1996" and the website "www.ferberto.pt". The background of the banner shows a large industrial building with a red and white striped facade.



LUIS
CARMO

MANAGING
PARTNER OF
PORFIC

“PORTUGAL IS SMALL SO IN OUR SECTOR WE NEED TO LOOK AT THE INTERNATIONAL MARKETS”

“At the same time, these difficulties were forcing companies we worked with to close. But we couldn’t just stand still and so we began looking at other markets, other customers and that’s when things began to turn around for us.”

“In our sector it is necessary to look at the international market. This is a small country and there was not enough demand here in Portugal so there has to be internationalization,” he explains.

These days, Porfic’s biggest market is France where it does as much business as it does in Portugal. The firm also has customers from Germany, Spain and Belgium.

“Our customer is always a European concern which needs the components we produce for their final product developed in Europe. And it’s always a professional product, not one that is for sale to the general public,” he explains.

Porfic’s customers are in the telecommunications, vehicle lighting, home appliances, interior and exterior lighting, cold storage, construction and other industries.

“We also work with the automotive industry here but it is not the sector in which we are most active,” the executive says.

Porfic’s services include custom product development for clients, mould manufacturing, injection of parts and finishing and mounting, with the staff always working in close partnership with clients.

The company fills its orders using the latest cold and hot chamber casting machines, cutting presses, automatic sandpapering machines, drilling and threading machines, machining centres and automatic powder coating lines, along with other equipment.

Porfic was established 20 years ago, initially working with zamak, a family of alloys with a base metal of zinc and elements of aluminium, magnesium and copper. But zamak competition was growing from China and so the company added aluminium die casting to its activities.

“In the beginning we were thinking more about making products for sale to the public, consumer goods you could say. But then we evolved into turning out products for corporate clients,” Carmo says.

“Our sector is small and it’s a niche market but nowadays the Portuguese industry is well placed at a European level. Steel and iron used to have the most influence in the Portuguese foundry association, but the aluminium sector has grown and now these companies are the most numerous.”

Looking ahead, the managing partner of Porfic plans on further growth outside the country, especially in what he describes as “certain specific product areas”

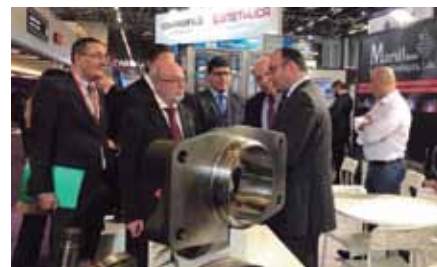
“I’m optimistic about our industry in Portugal but it will probably not be like we know it from before. It will continue to be an important sector domestically as long as everything remains stable.”

Positive Environment

Cast iron and steel are the focus at Fundição do Alto da Lixo, S.A., or FAL, one of Portugal’s leading foundries which had its beginnings turning out parts for farm equipment and earthmoving machinery back in 1977.

“It was all started by my uncle who was the chief mechanic for the Caterpillar company in Angola and like many Portuguese in the colonies he returned home with independence,” explains General Manager Elio Sérgio Maia.

“He set up a repair shop here for bulldozers, excavators and tractors, got into making parts himself and then decided to establish a foundry in 1994 with a manual oven, a small forging unit and a rolling mill. And it just took off from there.”



“WE ADHERE TO THE STRICTEST ENVIRONMENTAL STANDARDS AS REQUIRED BY OUR CLIENTS”

Maia came aboard invited by his uncle to develop the commercial side of the foundry but there were no sales in the first year of operation. The company kept afloat by the repair and sale of used heavy machinery parts.

FAL’s foundry operations finally began making money with billings totalling 64,000 euros annually. Last year that figure had grown to 7 million euros.

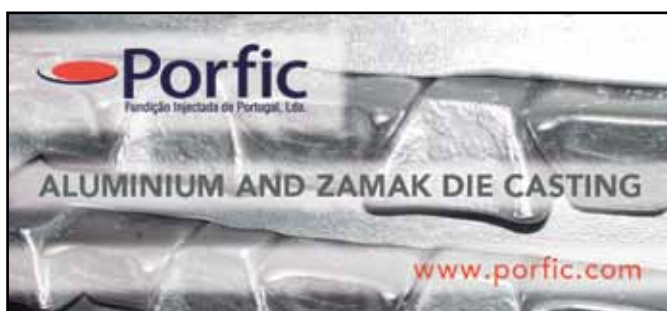
A year after its founding, executives began discussing testing the international market and soon was working with German clients.

“Over the past 20 years we’ve been a very restless company offering new products and services here in Portugal while also conquering new foreign markets and new customers,” the general manager says.

“Right now we work with clients from all over Europe – Scandinavia, Germany, Austria, Switzerland and the Benelux countries and we do some business with the United Kingdom, Spain, the Czech Republic and Slovakia.

“And we’ve gotten some customers from the United States with whom we’ve just started working, we’ve also done a bit in South America,” he adds.

FAL works with grey iron, nodular iron and chromium and nickel iron, and stainless, low alloy, heat and wear resistant and carbon and carbon magnesium steels.



Its production processes include moulding and core production, melting, heat treatment, cleaning, cutting, grinding and finishing. FAL also boasts a sand and metallurgy laboratory.

"We adhere to the strictest environmental standards and requirements, which are all appreciated by our clients who are becoming more and more demanding concerning eco-friendly practices", Maia says.

"There will be ups and downs like in any business and we're already noting a cooling off in the automotive sector. But our skilled personnel, our cutting-edge technology and our respect for the environment mean FAL is well positioned to survive and to prosper."



"PORTUGAL HAS NOW A GOOD IMAGE AND THERE IS A STRONG DEMAND FOR OUR PRODUCTS"

Expansion Plans

European auto manufacturers are the prime customer of Tecnotrónica Indústrias e Comércio de Componentes SA, which produces stamped metal parts, stamping parts and stamped components.

"We're very much focused on the auto industry, although our components may have many applications," explains Managing Partner Nuno Mendes. Indeed, around 90 percent of sales are to directly or indirectly geared to auto makers.

Based in Samora Correia, in the Alentejo region east of Lisbon, Tecnotrónica is a family business that also turns out stamped metal components for the electrical, electronic and construction industries.

"This company was founded by my father back in 1978 and at first we manufactured small springs for the construction sector. Later on we began working with clients in the



electrical industry producing such things as plugs, components for resistors and the like," Mendes says.

In 2000, Mendes and his father noticed increasing competition in the electrical and electronics sector from China and so decided to broaden their product range to supply the auto industry.

"That is when we really kicked off the company's new dynamic," he recalls.

Last year, Tecnotrónica had a turnover of 3.2 million euros, with foreign customers becoming an increasingly important part of the business. Currently, 90 percent of production is sold abroad with 30 percent as direct exports.

Clients include companies in Germany, Brazil, the United States, Romania and Mexico, with sales to neighbouring Spain taking off over the past two years.

With exports well established, Mendes says the next step in further globalising the company is setting up a small operation somewhere outside of Portugal.

"We need some kind of physical presence in a strategic location either in Europe or at least nearby. We once thought of opening something in Morocco, but then the crisis hit and we had to abandon that plan," he says.

"It's an idea we've been developing and we're thinking about what steps we can take in that direction in the near future."

The managing partner says the company's goal over the next few years is to reach 4 million euros in annual invoicing and thinks that can be achieved once the plans for foreign expansion become reality.

"Portuguese products are getting well known around the world and this recognition will certainly help us overseas. Portugal now has a strong and good international image and there is a great demand for what we now produce," he says.

Ready to Export

Servicing only the Portuguese market for the moment is fine with José da Silva Febra, the founder and CEO of Coberfer which erects and installs steel structures, roofing, cladding, joinery and coatings, and carries out asbestos removal.

"At the moment we're working just domestically and that's good as we have a stable and prosperous operation. But if things continue to go well, we'll start seeking contracts outside the country," he says.

"Portuguese construction and metal companies are doing a lot in foreign markets because we can compete on price and quality and it's not stretching the truth to say that we have excelled in this sector.

"This stems from the fact that these companies here face a lot of internal competition so they have had to be very professional and on top of their game. That's reflected in the success abroad," the executive argues.

Along with its construction services, Coberfer manufactures many of the products it uses including sandwich cover panels and façades, profiled sheets, polycarbonates, metal profiles and accessories.

Drawing on the skills and knowledge he learned as a welder and locksmith, Febra founded the company in 1994 assembling metallic structures, then moved on to asbestos removal.

Today, Coberfer employs a 60-strong workforce and has an annual turnover of around 7 million euros.

"Our staff is fairly constant and we've had the same number for the past ten years. But one problem is that the people with years of acquired knowledge are retiring and sometimes it is hard to replace them as young people today don't want to go into construction because they complain that it's too hard," the CEO says.

"I believe the solution should be to increase professional training so workers like welders and technical people can get the qualifications they need to work with companies like ours."

Asked where he would like the company to be in three years, the founder said if it is doing as well as it is today, he'll be perfectly happy.

"I'd like to see our solid structure still in place and the new production unit we're building up and running. And if further growth happens, that would be real blessing."

TECNOTRÓNICA
Indústrias e Comércio de Componentes, SA.

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CARLOS LIMPO
DE FARIA

CEO OF
SOCITREL

**"WE ARE VERY INTERESTED IN
THE BOOMING MIDDLE EASTERN
MARKETS OF DUBAI AND QATAR"**

New Markets

While many companies discovered the international markets only recently, Socitrel started to export its products in the mid 80's after the admission of the Iberian Peninsula to the European Community.

Socitrel manufactures steel wires for use in industry, agriculture and construction from its large factory north of Porto.

Carlos Limpo de Faria was already working at the firm, and remembers that time well. Appointed CEO since 1998 he has been following the expansion to foreign markets.

"At the time we already considered Spain as our domestic market, and we were focusing on the Iberian market mostly. We really made no difference between Portugal and our neighbour"

"France, the UK and the United States followed soon after, and today they came to represent a third of current sales of about 50 million euros, while Portugal and Spain do account for a third each," the CEO confides.

Recovering from an international slump in 2015 and 2016, Socitrel is entering also the automotive market and looking at Germany as its new objective.

"We want to grow over our current figures, and we are confident on that despite the disappointing macroeconomic data of 2019. But 2018 was a very good year for us and we are still growing."

In order to grow and conquer additional markets two main challenges stand in the way, the lack of available workers and social dumping from Asian producers.

As for the first one, Faria thinks that "it seems of to be a by-product of Portugal's success in the tourism industry, as many young people prefer to work in the service industry. It is an issue for all industry."

Regarding competition, the CEO is not afraid of European counterparts, but warns that "competing with countries with subsidized energy and raw material and with much lower social standards is a problem for all the European industry."

Yet the experienced manager is optimistic about new markets where he plans to take the company in the near future, "we are very interested in the Middle East, markets such as Qatar and Dubai where construction is booming."

A company that started nearly half a century ago is hence getting ready to continue expanding well into its second fifty years looking at the future with the sort optimism that made it survive this long.

Workforce is Key

Another company that joined early into foreign markets is the Braga-based JASIL, that started exporting its metal parts to the motorcycle industry in France in the 1980s.

JASIL currently produces crankshafts, connecting rods and variators that are in use in motorcycles, scooters and karts.

The general manager Luís Oliveira is optimistic as the company shifts its current focus from its traditional markets into new sectors.

"In the 2000's we realised that the motorcycle segment did not offer the growth potential that we needed, due to environmental and safety issues," he recalls.

Indeed Jasil has been very active over the last few years in entering into new business sectors such as solar energy and the construction industry.

"The motorcycle sector still represents about 55% of our sales, but we expect that figure to rapidly decrease as we are involved in several large projects at the prototype stage that should bear fruit soon."

Indeed the numbers are backing up this move, as the company grew 18 percent in 2018 and is expected to grow at a 20 percent rate over the next five years, according to Oliveira's business plan.

Not surprisingly for a fast growing company, preoccupation about the well-being and satisfaction of its employees is paramount for the company.

"We have invested heavily in the working conditions at the factory, and we offer a medical insurance for the workers and their families.



LUÍS
OLIVEIRA

GENERAL
MANAGER
OF JASIL

**"ALL COMPANIES IN PORTUGAL
MUST INVEST IN THE CONTINUOUS
IMPROVEMENT OF EMPLOYEES"**



This has been appreciated by our workforce that has mostly stayed with us," Oliveira reckons.

A trajectory that has also been approved by its foreign customers, that are quick to praise the adaptability of Jasil to their requirements when visiting and auditing the company.

"They become very pleased when they see how we adapt to their needs and they see the concrete steps we are taking, and that we have a clear strategy," he proudly asserts.

On a final note Oliveira has a message regarding the long-term success of industrial companies in the Portuguese metal industry.

"I am optimistic about our industry, as long as Portuguese companies realise that they really need to invest in the continuous improvement of their human resources," Oliveira confidently concludes.



CENTRE-NORTH INDUSTRY

QUALITY AND INNOVATION ARE KEY REASONS FOR THE CENTRO'S REGION SUCCESS

Portugal's Centro region is attracting increasing attention from the international business community for its large number of world-class manufacturers, many of which supply top multinationals with a wide range of finished products and components.

Strategically located near major ports and on trans-European highway and rail networks, Centro is the perfect spot for manufacturers whose foreign clients need quick and reliable transport connections, whether they are right next door in Spain or on the other side of the world.

Wisely, these Portuguese companies are taking advantage and embracing globalization with a fresh vigour, exporting to new destinations and exploring new product lines in their bid to expand and become real players on the world market.

Sustainable Growth

Some of the most dynamic of these companies are located in the northern area of the Centro region, from Coimbra up to the lovely city of Porto, and a perfect example of one of these innovative firms is wood products and structures company Toscca Madeiras.

"I established this company from a very basic idea," recalls founder and Manager Pedro Pinhão. "I trained as a chemical engineer and was working in Germany when I noticed all the little houses made of wood which I found charming.

"I'd never seen those in Portugal or Spain and as my father and grandfather worked in



"AT TOSCCA AND FOR ALL OF PORTUGAL THE FOCUS MUST TO BE IN FOREIGN MARKETS"

lumber there was this family connection to wood and I thought I could do the same thing here."

In 1996, Pinhão's dream became reality when he opened Toscca Madeiras, building small wooden houses, huts and shelters.

Almost immediately, he targeted the foreign market, knowing that for the company to have any chance at significant growth it had to begin operating beyond Portugal.

"It is absolutely unequivocal that in a small country like ours and you want to think big, you have to seek out foreign customers," he argues.

"But of course this takes time as you have to create structure, develop skills and come up with products that will sell in these foreign markets."

Spain was the first market Toscca Madeiras cracked. Then, following in the logical footsteps of other Portuguese companies, the firm took aim at former Portuguese colonies in Africa – Angola, Mozambique, Sao Tome and Cape Verde.

"Brazil was already self-sufficient in wood products so we didn't bother with that market," the manager explains. "Because of our history, the Portuguese have a vocation for acting globally and I think we can compete in the world economy and generate growth."

Because of the weight and bulk of most of its products, a land transport range of around 2,500 kilometres is most economical for the company, while for customers further afield, products are shipped by sea.

"These days we're taking a renewed interest in European markets like France and



Italy, and also Morocco where we are setting up a sales office, and that can open the way for us to the rest of North Africa," he says.

Last year, Toscca Madeiras billed 10.8 million euros, with about 30 percent of that coming from sales abroad.

Toscca's wood product line is primarily based on domestic and imported pine which is treated and then sold either as planks, boards, beams and other formats, or in kits for building cabins, sheds, houses, garages and other structures in both modern and traditional styles.

And for the customer who wants to add that special element to their existing home, the company also offers porches, pergolas, fencing, animal coops, planting boxes, children's playground equipment and more.

"In everything we make, we take concepts like sustainability and the protection of the environment very seriously," Pinhão says. "We now treat wood with heat instead of chemicals and we give the customer the option of ordering recycled wood and plastic."

These eco-friendly choices are becoming more and more important for Toscca Madeiras' clients both at home and abroad where the manager says he expects growth to continue.

"Both for us and for other Portuguese companies no matter the sector they are active in, the focus has to be on foreign markets," he says.

"Tourism is booming in Portugal, for example, but we can't make the mistake of thinking that domestic activity is the way to keep our economy rolling. We must always be adding to our portfolio of foreign customers because as we've seen in the past, we can't count on just the domestic market."





"WE ESTABLISHED OUR OWN BRAND, RACKED UP SALES AND NOW USE SUBCONTRACTORES"

Market Access

Exports account for 85 percent of the business at Tecnimaster FL, a firm based in the town of Maia which has been turning out automobile alarms, fire alarms, safety equipment and other electronic goods since 1997.

"I founded this company to provide technical assistance to others manufacturing car alarms for the domestic auto industry and then several years later we decided to do our own production," General Manager Alberto Ferreira recalls.

"We established our own brand, racked up more sales and then began producing for third parties. So we grew, purchased more sophisticated equipment and now use subcontractors for some things."

Along with automobile and fire alarms, Tecnimaster's product line includes intrusion alarms, glass kits and PCB boards

A list of the company's automotive clients reads like a roll call of the world's biggest carmakers such as Mercedes Benz, Volkswagen, BMW, Lexus, Mazda, Mitsubishi, Audi, Ford and SEAT.

Last year, the firm doubled its billing to 4 million years from 2017 and the executive says that while that will not be possible every year, he expects growth to continue.

"Demand is increasing sharply from lighting connected to the LED system, with our getting new customers and from the new products we are rolling out," he explains.

With foreign client business growing in such markets as Austria, Germany and Italy, the company is adding two or three new client territories each year and is now moving into Spain, Dubai and Argentina.

"We're also active in Angola, although I think Europe is the best area for targeting growth," Ferreira says. "Our billings target over the next three years is to double our current figure again to 8 million euros."

The general manager says that Maia, along with the entire Centro region is a good place for an export-focused company like Tecnimaster as there is easy access to the highway system and nearby international airports for those clients who require speedy delivery.

Centro is the perfect spot, he argues, for foreign companies looking to set up operations in Portugal where manufacturers, both local and foreign owned, are gaining a reputation for quality at a competitive price.

"One has to dream big and work hard to become successful. That's what we have done and I see Tecnimaster, and Portuguese industry as a whole, forging ahead."

Bullish on Innovation

Portugal's almost year-round wonderful weather lends itself to relaxing outside, and one Aveiro-based company, Joluce Plásticos SA, has enjoyed great success in producing plastic chairs, tables, sun beds and other items for outdoor use.

"We got our start as a subsidiary of Moldoplastico SA which made moulds for the plastic garden furniture industry. We had the know-how for the complex process involved so in the year 2000, we decided to make and sell our own plastic products," recalls CEO Carlos Silva.

"Today, we're a leading manufacturer for the national and regional markets in garden furniture not only for domestic use but also restaurant furniture for the hospitality and industry with tables, chairs and five-position sun loungers."

"And we export to most of Europe so when you're sitting in an outdoor café on this continent, there's a good chance you're sitting on one of our chairs," he adds.

Annual profits have quadrupled since 2007 to 12 million euros, outperforming the mother company with 60 percent of earnings



"CUSTOM BRANDING IN STREET FURNITURE IS NOW BECOMING A LARGE BUSINESS FOR JOLUCE"

coming from foreign sales.

Joluce prides itself on being the sole plastic garden and hospitality furniture manufacturer in Europe which does its own, in-house custom branding by stamping client logos on the furniture, while competitors subcontract the process.

"Custom branding is becoming a huge business and so we have our own team to develop new items and deal with those customers who want to print their logo on our products," the executive explains.

Along with chairs, tables and sun loungers, Joluce also makes children's plastic furniture, folding chairs and tables for the beach, 50-litre buckets, beach umbrella stands and stools.

Silva is fully aware of the current controversy over the danger to the environment posed by throwaway plastic items like bottles but argues that Joluce's products don't fall into that category.

"You have to differentiate between disposable plastics like bottles or cutlery and continuous use plastics like chairs, tables and the like. At the moment plastic is irreplaceable in so many ways and the price is competitive," he says.

"So I'm bullish on the future of plastics and Portuguese plastics in particular as long as we focus on bringing innovative products to market and give the customers what they want."





PAULO COELHO

GENERAL
MANAGER OF
SENSORDIN

"OUR WAY IS: DO IT WELL, DO IT RIGHT, BE COMPETITIVE, AND CLIENTS WILL COME TO YOU"

Business Cycle

Ensuring that Portuguese manufacturers can do just that by guaranteeing access to the best industrial equipment on the market is the task of Sensordin which distributes top-of-the-line electrical and automation systems.

"We are distributors of world famous global brands like Siemens, Rockwell Automation, Phoenix Contact, Eldon, Secomea and other multinational corporations from half a dozen countries," explains founder and Manager Paulo Coelho.

"And now Sensordin is betting on representing new brands. At the same time, we're expanding our operations throughout Portugal."

Coelho founded the company 20 years ago after buying out a corporate partner. Last year, it billed 6.6 million euros, and is on track to boost that figure to at least 8 million euros this year.

"This year has started out very well and so far in 2019 we have grown between 20 and 22 percent," he says. "So we're on a solid growth curve and my ultimate goal is to eventually reach 10 million euros in annual billing."

The manager points out that all business is cyclical and while a company can reach a certain high plateau in earnings, it is difficult to maintain that level through booms and busts.

However, he argues that growth for growth's sake is not always sound business and that one can spread oneself too thin.

"The brands that we exclusively represent

here in Portugal are the best and if we start diversifying too much by taking on more brands, we won't be able to dedicate ourselves enough.

"One may try to play many instruments, but then one doesn't play all of them very well," he says.

Industrial automation and safety, sensors technology, industrial and process control, connectivity and interface systems, and industrial weighing are just a sample of the equipment and systems provided by Sensordin's suppliers.

But it's not just sales that the company handles. Pre-sale consulting is part and parcel of Sensordin's services offered to its clients and includes needs assessment, solution definition and risk analysis.

Then there is training, project follow up and troubleshooting as part of its after-sales service.

"These are the reasons why we are the exclusive dealer for so many products made by world-class firms," the manager says.

"And I believe that our dedication to the customer is a reflection of the Portuguese way of doing business in general in these high-tech sectors: do it well, do it right, be competitive and the clients will come to you."



LEONEL DA ROCHA SILVA & HIS TEAM
FIMEL S.A.

"WE GET A GREAT FEEDBACK ON OUR MACHINES FROM OUR AUTOMOTIVE CLIENTS"

Fimel: Customer Focus

Customers have been knocking on the door of the Águeda-based company Fimel since 1982 when it was founded to provide industrial painting and service treatment services and has now branched out into other fields, explains Manager Leonel da Rocha Silva.

"Our core business from the beginning was serving Portuguese clients but then we started to discover new markets and got into other sectors," he says.

Along with industrial painting equipment, Fimel produces industrial washers, automation and robotic equipment, thermal treatment furnaces, equipment for the renewable energy manufacturing sector and eco-friendly equipment for industrial wastewater treatment.

Fimel's first foreign customers were in Spain, then the company began working with Danish and French clients and today it has customers in more than a dozen countries.

"We have always been very involved in the automotive industry and so we go where it goes. When large assembly plants open in China, we go to China. If it's India, we go to India.

"Our policy is to go after the customers," the manager says.

Sales and Quality Control Director Catarina Rocha says that around 10 to 15 percent of the annual turnover of 8 million euros comes from Fimel's foreign operations.

"And this year we are growing in other markets like Mexico and the Nordic countries.

"Our foreign clients are mostly in the automotive and wind sectors and many of them are in the newer EU members like the Czech Republic and Poland where new automobile manufacturers are starting up," she adds.

High-tech operations using the latest equipment on the market means that Fimel has to constantly train its 120-member staff.

"We go to the excellent local universities to find engineers and technicians because so much of our equipment requires advanced skills in things like programming, robotics and systems integration," Rocha says.

"And, of course, internal training is necessary as is keeping our employees happy. We pay above the average salary and provide facilities like on-site cafeterias and other enticements,"

Both executives see Fimel growing over the next few years in both of its key client sectors, automobiles and wind turbines, as long as the company can keep the customers happy.

"We get great feedback on this, last week I received a letter from an automotive client who told me how spectacularly satisfied he was with one of our machines," recalls Silva Rocha.

"This allows us to face the future with optimism because when the final customer is satisfied, that's the most important thing. The good word spreads and soon another client is knocking at our door."





"WE OFFER OUR CUSTOMERS TURN-KEY SOLUTIONS TO THEIR COATING & SURFACE NEEDS"

Innovative Approach

Also based in Águeda Solintellysys, a much younger coating and surface treatment company, has bet that an innovative approach and a drive for internationalization will deliver great results in the next couple of years.

Solintellysys was founded a decade ago by the young entrepreneur João Figueiredo with the idea to offer "a global and innovative approach, considering our industry as a service with the final focus on the customer, both locally and internationally."

And the bet has so far paid off, as the company has reached the 10 million euros in billing mark in 2018 by working for such iconic companies as Boeing, Embraer and Airbus.

"We started exporting to Brazil, Embraer was our first international customer. Now we export 60 percent of our sales, but it could be more if the Portuguese market wasn't booming as it," assert Figueiredo.

Looking into its second decade, the CEO has changed course and decided to evolve its business-model to one based on the in-house design, technological partnerships and the outsourcing of much of the production.

"We have already partnerships with some of the leading companies in Portugal such as Motrinde and O Feliz. This model allows us to reduce our fixed costs and concentrate on the solutions that we provide to the market."

The CEO believes that new markets such as France, Belgium and Mexico are extremely promising and hopes to increasing the company size by 50% no later than 2022.

"We will concentrate on our traditional market of coating and surface treatment and offer our customers turn-key solutions to their problems, and we will look for the right partners in order to implement any technologies that are needed," the CEO is confidently predicting.

Riding on the excellent image that Portugal has been gaining on the tourism sector, Figueredo believes that the Portuguese industrial sector is right behind it in gaining a stellar international reputation.

"Portuguese teams have nothing to envy those from other countries, as our human capital is flexible, innovative and open-minded. What we are selling is confidence and the world can see that Portugal is technologically as advanced as any other country."

With its quick success in the international markets and ambitious plans for expansion, Figueredo proves that dreams can become a reality when the implementation is done with passion and full attention to detail.

Quality First

Tradition and a long history are hallmarks of one of the oldest companies in the world dedicated exclusively to the cordage and netting industry, SICOR - Sociedade Industrial de Cordoaria, S.A.

Based in a city that has become the cradle and centre of this industry in Portugal, Cortegaça hosts a number of world-class companies that punch above their weight.

"The company was created in 1947 and soon after that it started exporting natural fibres from the old Portuguese colonies to the North American market," explains Filipe Rola, its CEO.

Focused on the agricultural, fishing and marine as well as industrial markets, and exporting more than 90 percent of its overall production to more than 50 countries.

SICOR has been growing consistently over this decade and currently employs about 300 workers and bills over 20 million euros.

But as the labor market in Portugal tightens, it is becoming more and more difficult to attract new talent to its factories. This is true for white collar positions as well as for



"THE WINNING CARD IS NEVER COMPROMISING ON QUALITY ON A DIVERSIFIED PORTFOLIO"

the factory floor workers.

"We are trying to incentivize our employees while we work on improving our productivity. Lately in Portugal the basic salary increases have been outpacing productivity growth, so we are focusing on that," says the CEO.

But Rola is confident not only in SICOR's competitive position but also in the whole cordage and netting industry as well.

"In this industry, Portugal is the world leader and a trend-setter," he says.

Portugal's location presents challenges to global companies such as SICOR, he explains, "we are not in the center of Europe, but for the North American market we are well positioned, as we are close to the Port of Leixoes, and with good access to Sines"

For its future growth Rola has full confidence in the development of new products while the company deepens its partnerships with its current customers worldwide.

"The agricultural market is perhaps the most competitive one, but we see opportunities in other markets where we can grow."

For that, he trusts that the traditional values that have carried the company's success over that last seven decades will still hand them the winning cards,

"We have a diversified portfolio of products, and we don't compromise on their quality. That is our winning card," Rola proudly asserts.



NORTHERN INDUSTRY

A LONG TRADITION AND NEW SKILLS HAVE MADE NORTHERN PORTUGAL A ROARING SUCCESS STORY

At first glance, the northern region of Portugal, from the city of Porto up to the border with Spain, would not appear to enjoy advantages which have turned it into one of the country's top economic performers.

For example, it is stuck out on the far western reaches of Europe a long way from anywhere, and seemingly best suited for agriculture or low-tech manufacturing. And it is certainly not a location which eases trade with foreign partners.

But appearances can be deceiving.

The north, which accounts for 23 percent of Portugal's total surface area and 35 percent of the population, is highly industrialised. In fact, many districts boast state-of-the-art infrastructure and are home to not just traditional industries such as shoes and textiles, but also food processing, pharmaceuticals, precision machine tools, chemicals, IT products and communication equipment.

And as Portugal's surging economic recovery continues, the north is doing its part. In recent years, the GDP growth of this region alone has surpassed those of EU countries such as Slovenia, Bulgaria and Slovenia, increasing annually in the neighbourhood of 4 percent.

Exports from northern businesses are booming, direct foreign investment is on the rise and highly-qualified manpower is becoming increasingly available, proving that Northern Portugal is clearly on a roll.



FILIPPE VILLAS-BOAS

BOARD MEMBER
SCHMIDT
LIGHT METAL
GROUP

"WE EXPORT 100% OF OUR PRODUCTION AND WE HAVE GROWN OVER 15% A YEAR"

Consolidating Investments

One of the local companies riding this wave of prosperity is the Schmidt Light Metal Group, involved in tool construction, engineering, high-pressure aluminium die casting, surface machining and assembly.

"Almost 30 years ago, my partners and I decided to start this company producing light alloy components for the automotive and related industries which we viewed as strategic," recalls Filipe Villas-Boas.

"And at the same time we understood the importance of adding as much value to the components as possible, which we do through working directly and permanently with the client on design and development to come up with the most economically viable product solution."

A winning strategy as the Schmidt Light Metal Group has grown to employ around 500 people and executives predict a turnover of some 55 million euros this year, making it one of the biggest Portuguese companies in the sector.

Some of the products the group works with are engine gaskets, ladder frames, bearing bridges, water pump housings and covers, chassis mountings, differential, torque and gear cross members, front and rear gear housings, differential housings and bevel gear housings.

"The international market has always been our only market ever since the beginning of the company and we export 100 percent of our production," the executive notes.



"Over the past five years we have grown by an average of 15 percent each year. But this pace is not sustainable and we now have to consolidate what we've invested in equipment."

The worldwide auto industry is in a state of flux due to various factors including a cooling economy, the increasing demand for electric cars and the popularity of ride-sharing services, and Filipe Villas-Boas predicts these changes will affect Schmidt Light Metal Group.

"Therefore, 2019 will be similar to last year as we have to understand that the car industry's production will be down by around 2 percent and that's happening around the world in places like the United States and South America, with the exception of China where the decline is expected to be between 4 and 5 percent."

And as auto manufacturers work hard to make their vehicles more fuel efficient, Filipe Villas-Boas foresees growth in such products as lightweight chassis and body parts, and a future role for the group.

"Whether an automobile has a combustion engine or an electric motor, the common denominator is weight. The gasoline engine car has to reduce weight to cut fuel use, as does the electricity-powered car because the batteries are so heavy.

"So we are committed to entering those pro-



duction areas where we are not at the moment to help tackle this weight issue," he explains.

As well as the position he holds at Schmidt Light Metal Group, Villas-Boas is also the president of the Portuguese Foundry Association and he says the national sector is responding well to the changes underway in its main client, the automotive industry.

"I think the Portuguese foundry sector has been able to modernise and moreover it has been flexible which is critical in today's manufacturing industry as auto makers meet new market demands.

"New models, new designs and different finishes – these are all challenges which our companies are responding successfully," he says.

Labour Shortages

Keeping up on the technology front is also vital to Sermec group, based in the northern city of Maia next to Porto, and which focuses on the production, repair, maintenance and sales of ferrous and non-ferrous metal tool and high-precision parts for a variety of industrial sectors.

"We work with clients in the steel, textile, rope, cement, refinery, food, biomass, construction, extraction and paper sectors, and we were at first concentrated largely on the Portuguese market," explains CEO Mario Duarte.

"But then in 2004 we began seeking out international customers in Spain and Morocco. It was not very easy but we hired local professionals in these countries and learned to adapt."

Foreign activity now accounts for 40 percent of the group's sales and is the main growth generator, now and also for the future. While Spain is its most important customer, many of Sermec's repaired machines are sent to other countries such as Finland, Denmark, Brazil and the United States.

Last year, the group's turnover from both domestic and foreign sales amounted to approximately 14 million euros from the parent company, windpower business area included, and its subsidiaries Weartech and Ibermill.

With renewable energy on the rise, Sermec Windpower is finding increasing demands for its services for wind turbines which include generator, drive shaft, bearing and gear repair, measurement and vibrations analysis, and YAWS repair.

"The international market gives us a safeguard and confidence in the future," Duarte says. "Plus, our banking partners like the fact that we are working abroad as it helps consolidate many of our accounts."

Sermec's customer list includes such companies as GE Energy, EDP Renewables,



MÁRIO DUARTE
CEO OF SERMEC GROUP

"THE INTERNATIONAL MARKET GIVES US A SAFEGUARD AND CONFIDENCE IN THE FUTURE"



Galp Energia, Alstom, Nordex, Celsa Group, Altri, Panike and many others, both domestic and foreign.

The CEO says the company's location is a distinct advantage as it is close to the major port of Leixões and there are related industries in the immediate area.

But one of the challenges facing the company and other Portuguese manufacturing concerns is finding enough skilled labour to maintain its current staff level of almost 100 employees.

"It's a big problem for all of Portuguese industry as young people are no longer interested in training for specialised work and just want to focus on the newer technologies," he explains.

"So we have to train up the young people who come here to work which means we're in charge of creating our own work force."

"Despite this challenge, I believe the Portuguese industrial maintenance sector is competitive and especially internationally. We Portuguese business people know how to fight for a market and not give up."

Engineering Prowess

In-house training and partnerships with technical schools are the solutions to the workforce problem at Gislotica Mechanical

"WE HAVE HAD NO PROBLEM FINDING ENGINEERS BUT WE HAVE TO TRAIN YOUNG PEOPLE"

Solutions which manufactures machinery for automobile tyre producers, according to founder and Managing Director Rui Fazenda

"We have no problem finding engineers because I'm also a professor of engineering at the Engineering Institute of Porto so it is easy to find candidates", he explains.

"But we do struggle to fill positions such as electricians and for employees like that we do it ourselves or tap the technical institutes. Right now we have a staff of 42 and half of those are engineers."

Established in 2000 in Fazenda's garage, Gislotica almost immediately won a contract with Continental to make machines for its operations in the United States and Mexico and today 95 percent of its business is for the foreign market.

"We only have one Portuguese customer and that is Continental Mabor. In the rest of Europe, we're supplying Spain, Germany, France, the Czech Republic and Romania, and for the rest of the world we're in the United States, China, Russia, South Africa and several South American countries," the executive says.

Gislotica designs and builds machines used by the tyre industry such as spot control machines, sorter stations, soap machines, barcode applicators, slitters, lateral adjustment conveyors, rewind stations and many more.

It also provides all year, 24/7 technical after sales service and close customer support for its made-to-order machinery.

Last year, the company invoiced around 7 million euros and Fazenda says 2019 has been a good year despite the dip in demand for the motor vehicle industry.

"It's curious but we have a lot of work when there is a crisis. This is because big companies like the major tyre producers invest and set up new plants so they can take advantage of the crisis as their suppliers have to cut their prices," he explains.

"So we're getting a lot of work and we want to expand our production facilities, But the problem here again is manpower as there is a scarcity of qualified construction workers to build those facilities and that has delayed our plans."

Looking ahead, Fazenda says he'd like to



see Gislatica moving beyond the tyre sector within ten years and search out new activities. "I think there are new opportunities for our engineering prowess and fresh solutions in other fields that we can address," he argues.

"We're hopeful this will see us well into the future."



JOAQUIM
ABREU

PRESIDENT OF
FIBROGEST SGPS

"THE PORTUGUESE MARKET MAY NOT BE VERY LARGE BUT IT IS A VERY FAITHFUL ONE"

Competitive Advantage

The construction industry is the principle market for the Fibrogest group, a holding company with several subsidiaries largely involved in producing building materials such as Amiantit and FTB.

Another of the subsidiaries is Termolan, a producer of stone wool for thermal, acoustic and fire protection insulation known for being both affordable and environmentally friendly.

Also in the group is Fibrolite which makes fibre cement used in manufacturing roofing and cladding panels for buildings. Both companies operate in the domestic and foreign markets, says Manager Lina Abreu.

"The Portuguese market is not very large but it is a very faithful one, as the Portuguese businessperson likes to personally know who they are dealing with and that's good.

"When working internationally, of course there is the distance of doing business and also all the quality certifications which are required. That means expensive tests but it is for the best, not only from our point of view but also for the clients," she explains.

Fibrogest's main foreign customers are in France, followed by the rest of Europe and Brazil. The company's sales are also growing in Algeria where it supplies the large foreign multinationals active there in a wide range of industrial activities.

The executive says that at the moment the company is not pursuing new markets because "we are selling very close to 100 percent of our production so we're currently quite happy with that."

Like many Portuguese executives, the manager complains of the difficulty in finding skilled workers who stay with the company after training. She also says the group's location in northern Portugal can make product transport difficult for exporting to its foreign customers.

"But I believe we'll continue to do well as long as we keep on providing quality products. Costs can be high for us in Portugal and we're competing with companies in countries like Estonia and Lithuania where there is cheaper energy and labour costs.

"Despite these challenges," she says, "Portuguese products have a very good image concerning quality and our foreign customers say we Portuguese are always honest, correct in our business dealings and timely in our deliveries," she says.

"As long as can maintain these advantages, Portuguese businesses, and that includes Fibrogest, will do fine!"

Quality Matters

Portugal's reputation for quality manufacturing extends beyond industrial products to luxury goods such as table cutlery exemplified by Belo Inox which has been turning out carefully crafted knives, forks, spoons and other items for more than 65 years.

But it was not always a producer of fine cutlery, recalls owner and General Manager Manuel Castro.

"When I bought the company some 40 years ago I saw that we needed to up our game and get out of the low quality sector so I introduced new designs, new models, new machinery and new employees," he recalls.

"I also brought in new processes like hand finishing so we could turn out medium to high quality cutlery. Later, we began attending the big trade fairs so Belo Inox became known internationally."

Those efforts have paid off and today Belo Inox exports to around 35 countries, mostly in the European Union with about half of annual production sold abroad including the United States, Russia and South Korean.



"CHINESE CUSTOMERS ARE NOW MORE WEALTHY AND WANT OUR QUALITY CUTLERY"

Last year, the company posted turnover of some 5 million euros.

"We're growing in exports at between 5 and 6 percent each year and that's because once a customer buys our product, they continue to buy it. That's a sure sign they're satisfied and we think that's great," the executive says.

"Right now we are beginning to sell in China which is interesting because seven or eight years ago China was a big cutlery producer with European mould makers going there to make moulds for them.

"But now, the Chinese are more prosperous and they want European cutlery so they are buying from us and the Germans, Italians and French," Castro explains.

Company designers have come up with an array of cutlery offerings ranging from classic and timeless patterns to modern and what the company calls its "alternative" line which includes curved handle canapé spoons and forks, long-handled tasting spoons and even chopsticks.

And innovation is key, with the company



recently introducing cutlery made from fibre and resin which have proven popular with consumers. Belo Inox also manufactures custom cutlery embossed with a client's logo.

Quality manufacturing, excellent raw materials, innovative design and competitive prices will continue to fuel Belo Inox's growth, says the general manager, along with that of Portuguese industry as a whole.

"Portugal's strong emphasis on quality and these other factors have placed us amongst the top manufacturers in the world and we'll remain in that position for decades to come."



JOSÉ BARREIRO GUEDES

CEO OF ENERGEST

"WE HAVE A WELL REGARDED TECHNICAL CREDIBILITY FOR A CERTAIN TYPE OF PROJECTS"



Technical Credibility

Powering all this industrial activity has been the task for more than 40 years of Energest, which began as a small consultancy and now focuses its activities on the conception, design, construction and installation of equipment and industrial thermal plants for many sectors.

"One of our early clients challenged us

to take on the technical work and it just grew from there," recalls founder and CEO José Barreiro Guedes. "We've been for a long time the only company in Portugal which does what we do."

Its work in Portugal on the behalf of foreign multinationals active in the country soon led to contracts abroad, not only for consulting but also for installation of energy projects on a turnkey basis.

"For example, we did a cogeneration project here in Portugal for EDP with Kawasaki gas turbines, where we introduced some innovative tailor-made solutions.

"Considering that our vocation, Kawasaki now wants us to be its partner in cogeneration in Romania, where it is necessary to develop transportable recovery boilers with power, where this feature is not usually possible" the executive says.

"We've also had contacts from Spanish companies asking us for proposals in Latin America, we've done a successful project in Jersey and we're working in Poland. We have a small payroll of 45 people of whom 40 percent are engineers and they're all highly skilled. That is deeply appreciated and valued by our clients both here at home and internationally."

Last year, Energest had a turnover of 8 million euros and the CEO says he expects the company to improve on that as its foreign expansion grows apace.

"We in Portugal have acquired a well-regarded technical credibility which allows us to face almost no competition for certain types of projects. That's our strength and it will see us through in the future."

J. Silva Moreira: A Long Tradition

Yet one of the longest cases of industrial tradition and uninterrupted history can be found in also in northern Portugal, just half an hour east of Porto, in the traditional picturesque village of Marco de Canaveses.

In this mostly agricultural region, J. Silva Moreira has been producing metallic products such as fences and other wire



products since 1910, when the founder and grandfather of its current manager Jorge Moreira founded a small workshop catering to the needs of local peasants and stockists alike.

"All work was done manually until 1968, when my father bought our first machine and the company started producing barbed wire industrially. Until that time the wires were given to local women who would take the work home", remembers Moreira.

Soon the international market would become the objective of the company, starting with the neighbouring Spain. In 1974, well before the entrance of both countries into the EU, its products were being sent to northern and western Spain, where logistics costs are still low and hence price remains competitive.

Foreign markets account for more than 65 percent of the company's turnover, that currently at about twelve million euros.

"Today our main international markets are Spain, Ireland and Scandinavia yet we have managed to send our products as far as Russia and Canada," explains Moreira.

The seasoned manager thinks that rapid growth will be difficult to maintain for the next few years, as the company is moving the factory to a new site and is currently working three daily shifts, hence making the most of its current equipment and human resources.

"We have not had much problems with losing personnel to other companies, as our employees appreciate the way we do business and how we operate" asserts Joana Moreira, Human Resources director as well as a fourth generation manager at the company.

The reason for such longevity can be explained simply, according to its general manager, "we work in a particular market niche, where only some Spanish and English companies compete with us. And we always give preference to our long standing customers, as we want to consolidate our existing market position together with our distributors".

A lesson worth listening as for nearly 110 years this little known northern company has proven that industrial tradition in Portugal has been in existence well beyond its current booming status.



SERVICING INDUSTRY

BOOMING FOREIGN TRADE IN PORTUGAL NEED A HOST OF SUCCESSFUL SERVICE COMPANIES TO THRIVE

Over many hundreds of years, Portugal has been among the leading nations in world trade. It was the Portuguese who first explored the idea of sailing around Africa to reach the riches of the Far East, bypassing the old Silk Road and opening up the whole world to intercontinental commerce.

In the ensuing centuries, Portuguese seafarers girdled the globe, making the country a major hub for the movement of goods thanks to its location on principal maritime routes and the experience of its traders.

Today Portuguese air, sea and land transport and distribution companies play a major role in globalization along with firms active in the newest business sector linking countries around the world, telecommunications.

New Transport Era

Well established as one of the leading international transport operators in Portugal is Extra Transportes Internacionais which is involved in air and maritime cargo as well as customs services, storage and distribution.

"We have operation centres in Lisbon and Porto and our work is largely international," explains partner and Managing Director Duarte Rocha.

The executive began working at the then family-owned firm in 1992 as an air import agent, then worked his up through the company to director of international business.

"Then I was offered the possibility of joining as a partner as there were no second generation family members. Today, I own 50 percent of Extra Transportes Internacionais and by the end of the year that will be 75 percent," he says.

While other sectors and companies suffered deeply from the Portuguese economic



DUARTE ROCHA

MANAGING
DIRECTOR
OF EXTRA
TRANSPORTES
INTERNACIONAIS

"SUDDENLY THERE WAS A LOT
OF DEMAND FOR OUR SERVICES
SO WE NOTICED THE GROWTH"

crisis a decade ago, Extra benefitted as domestic manufacturers turned to exporting to foreign markets outside of Europe as a way to survive.

"Suddenly there was a lot of demand for our services and we noticed that growth on a daily basis," Rocha recalls. "We had two people in the sales department at that time and now we have six."

"We have to be competitive partners for our clients and now we also have a greater bargaining capacity with the ship owners so we focus on the local exporters who are responsible for transport decisions."

Extras's air transport services include express, cargo consolidation, door-to-door services and transport insurance, while its maritime department offers complete containers, grouping and storage and handling.

In air transport, Extra is a leader in the domestic market but the managing director says growth is hindered by the lack of cargo capacity at Portugal's main airports that focus more on passenger traffic.

With the government's effort to boost tourism, there is concern in the transport industry that the need to improve cargo handling facilities at the country's principal airports in Lisbon and Porto is being ignored.

"I don't think we need more passenger capacity at Lisbon airport, and Porto airport is a disgrace regarding cargo," Roche argues. "And regarding sea ports, they need to invest more in Leixões to expand capacity so it can handle more types of ships."

The managing director says the next challenge is embracing the new technology that is disrupting the freight transport sector.

"A lot of people think that transporting cargo in the traditional way has to chan-



VIRIATO
ALBUQUERQUE

MANAGER OF
LUSOCARGO-SUL
TRANSITÁRIOS

"WE ARE DEVELOPING OUR
CAPACITY TO HELP BOTH OUR
EXPORTERS AND IMPORTERS"

ge, notably with digital commerce and we freight handlers have to adapt to this new era of transporting goods and entering new markets.

"We really want to create solutions for our customers so that the customer focuses on their business while we support their transport needs," he says.

"But I'm optimistic that we'll be able to enjoy sustainable growth as Portugal's role as a supplier of top-quality manufactured goods and our role of getting these goods to international markets continues."

Strong Growth

These factors are also spurring growth at Lusocargo-Sul Transitários which along with sea and air freight transport services, also operates an extensive network of lorry transport in Portugal and all around Europe.

"The recovery of the local economy and the boom in Portuguese exports has meant that we have had to increase our fleet of lorries," notes Lusocargo-Sul Manager, Viriato Albuquerque.

"As a customer oriented company, Lusocargo Sul is constantly developing its capacity to support our customers, both exporters and importers, solving their transport problems," he adds.

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Among with air, sea and land transport, Lusocargo is also active in customs services, warehousing, logistics, packaging, picking and delivery services and insurance.

Its road transport department offers exporters daily connections to Spain, France and Italy, bi-weekly to Germany and Benelux and weekly to all the other European countries as well as Turkey, Morocco and Tunisia. They can also offer daily solutions with dedicated trucks.

A similar schedule is offered to the company's import clients bringing in goods from all across Europe, Turkey, Morocco and Tunisia, while within Portugal lorries run daily and just-in-time services between Lisbon, Porto, Albufeira, Portalegre and Pombal.

"One of the sectors we serve is the automotive industry, which is experiencing significant growth. Auto Europa has been very important," the executive explains.

"We've been growing at a rate of around 4 percent in volume per year and last year we had a turnover of around 42.5 million euros."

One of the problems which could negatively impact the business growth in Portugal, is the tendency for young people to pursue academic and high-tech industries careers instead of other professions such as driver. That is one of the reasons why there is such a shortage of lorry drivers.

"This issue must be a challenge for both Lusocargo and many companies like ours. We need to bring some prestige to this profes-

sion so that young people could consider it as a choice", Albuquerque says.

"This problem affects both our own company and our suppliers. I believe that we can only revert this situation by enhancing the driver profession and creating appropriate driver training programs. This is one way to help reverting the situation of the lack of drivers".

Nevertheless, Lusocargo-Sul Transitários' manager argues that such obstacles can be overcome and will not jeopardize the growth of the Portuguese transport and logistics sector.

"We've been making a real effort to boost our industry's growth though things like promoting our company in other markets, attending international trade fairs and investing in state-of-the-art technology," he says.

"Over the next few years I see the sector becoming stronger, more robust and more sustainable as it grows along with the Portuguese economy."

Diversified Market

Growth is also in the forecast for Sorefoz, a leading distributor of household electrical appliances, consumer electronics, telecommunications and IT equipment for the consumer.

From its origins as fuel and gas reseller in Figueira da Foz, the company now operates hundreds of stores under the Tien 21 and Confort Electrodomésticos banners.

"We started out with top brands like Grundig and Bosch and after further development, we added other foreign brands like Toshiba for televisions and video equipment," recalls CEO Fernando Lopes Cardoso.

"Our company's extensive network of stores offers proximity, specialization, service, a high-quality professional attitude and competitive prices," he adds.

Products at Sorefoz's stores include refrigerators, washing machines, dishwashers, stoves, microwave ovens, televisions, cameras, sound systems, computers, mobile phones and much more.

Most prestigious brands are represented, such as AEG, Bosch, LG, Whirlpool, Braun, Philips, Sony, Samsung, Siemens, Rowenta and more.

"With online shopping and other factors changing the retail industry, consumers have unprecedented choice these days and are better prepared, more knowledgeable and better informed.

"As far as online shopping is concerned, Portugal still has a lot of room to grow following the example of Spain and the rest of Europe. And there is also an increased demand for improved service," the executive explains.

Cardoso would also like to see his company's stores provide a better balance between big ticket kitchen appliances like refrigerators and stoves which have a strong



FERNANDO LOPES CARDOSO

CEO OF SOREFOZ S.A.

"THE PORTUGUESE RETAIL MARKET IS HIGHLY DIVERSIFIED WITH ROOM FOR EVERYONE"

presence, and increasingly popular IT products such as computers and smartphones.

"So all of this represents a huge challenge for us but it's a challenge we think we are meeting successfully through, for example, the increase of the size of our stores and providing a wider diversity of products."

Another change roiling the sector is that the large appliance manufacturers no longer operate their own warehouses so retailers like Sorefoz are taking up the slack and stocking their suppliers' goods.

Sorefoz's headquarters staff works with individual stores to offer support in areas like store design, administration, IT, business operation systems, new store openings, vocational training, corporate image and other services.

"This way, the concept for our chains of stores are coordinated so that customers know exactly what to expect when they enter a store anywhere around the country," the CEO says.

"The Portuguese market is not a big one but it is highly developed from the point of view of communication and information. It is also a diversified market so there is room for everyone and we certainly expect to continue as a leading player in our sector."

Single Supplier

Two other sectors undergoing massive change in Portugal and around the world are telecommunications and energy which are the focus of Santos Silva Consultoria & Master Vantagem, says Managing Partner Anabela Silva.

"Our telecoms business at Santos Silva was divided into two parts: sales of products like smartphones, tablets, GPS's, audio equipment, televisions and other consumer items.

"And the other part involved B2B providing consulting and solutions for corporate communications through contracts and connectivity," the executive explains.

Santos Silva got its start in 1996 as a manufacturer and distributor of leather cases for GSM terminals and then over the years partnered with such brands as Panasonic, Samsung, Alcatel and Nokia.

Along the way, Santos Silva also entered the energy market, consulting and selling





"WE ARE SEEING DEMAND FOR SERVICES WITH BRAZIL, SOUTH AMERICA AND ASIA"

energy packages to companies. It eventually spun off that business and its B2B communications arm called Master Vantagem in 2013.

The communications arm has enjoyed particularly strong growth over the past three years and is now seeing more demand for its services outside of Europe.

"In the beginning everyone wanted communications packages for Europe but beyond that there was not much demand," Silva recalls.

"Now we are seeing that there is increasing demand for connectivity with Brazil and other South American countries but also for Asia while Africa is also increasing after a bit of a lull.

"We work with companies in all sectors, for example the wine industry, which are increasingly selling communications packages for its Asian market. South Africa, too."

Silva notes that Master Vantagem offers its clients two services which are essential today: communication and electricity, and customers like to deal with just a single supplier.

Last year, it opened an office in Madrid and last April another branch was opened in Barcelona. In 2018, five years after its launch, the company posted 3 million euros in billings.

Master Vantagem's strategy is to change the mentality of its customers so they will purchase more green energy, even though, for the moment at least, it is more expensive than more traditional energy sources.

"I'd love to be able to tell you that in 2023, 50 percent of Master Vantagem's customers are using green energy. That would be a great achievement.

"Yes, it is expensive but when you look at the state of the planet and if we want to leave a better world for future generations, green energy is the only way to go.

"It's very exciting for our energy business to be operating in Portugal and Spain as there is no much to do in renewable energy in these countries," the managing partner says. "In Spain, they have abolished the solar energy tax and Portugal has the highest rate of solar use in Europe.

"So we have many years of business ahead of us, there is so much more to do and I see a very bright future indeed for players in the energy market like ourselves."

Technical Expertise

Energetus is another interesting company that considers itself a full service company for the Portuguese power generation market as well as for the local industry.

Once the local arm of the Swiss Sulzer group, it became independent when the current leadership acquired the company through a management-buy-out in 2001.

"We kept the whole structure and offices which were then mainly focused on the Portuguese market" says CEO Pedro Neves, "but since then we have grown domestically and we have also opened a subsidiary in Muscat, Oman, which covers projects in the GCC countries."

Turnover in its home market Portugal has more than doubled since then, while the portfolio of projects that Energetus undertakes has increased to include all types of electricity generation.

"Over the last few years we have been involved in co-generation, wind power, PV solar parks as well as more traditional diesel and gas generation or hydro projects. We are very flexible and we can adapt to any of our customer's needs," says the CEO.

The textile industry in Northern Portugal has been a traditional client for some of its co-generation projects, but the current regulatory environment is not conducive to the set-up of such projects for the Portuguese industry, Neves is quick to point out.

On the other hand, "the latest photo-voltaic auction resulted in a very low energy price which will not encourage the government to continue to promote the development of new co-generation projects in a near timeframe, as they require a subsidy."

The CEO thinks that a more direct subsidy scheme, supporting companies that install their own generating capacity, would be beneficial for the Portuguese export industry.



"WE ARE VERY FLEXIBLE AND WE CAN ADAPT TO ANY OF OUR CUSTOMER'S NEEDS"



"Co-generation creates electricity, steam and hot or cold water where it is needed, and it is the most efficient way to save energy and serve industrial companies."

But he is not optimistic that this approach will be implemented anytime soon, so Neves has set his eyes on growing in the new electrical energy market that is more and more looking for system-services solutions, instead of traditional power generation, such as voltage and frequency control, storage and backup power, which are required due to the increased share of renewable energy.

Backed by a long experience in providing innovative solutions and technical assistance to the isolated power grids in the Portuguese archipelagos of Madeira and Azores, Neves is confident that Energetus' technical know-how and experience, together with its strong technological partners, are the key to conquer this new energy market, both domestic and internationally.



INTERVIEW WITH MR PEDRO ABRANTES GENERAL MANAGER OF PLASTAR

This innovative firm based in the northern region of Aveiro has bet heavily in technology and differentiation, as the technical plastics sector becomes ever more demanding. Its general manager Mr Pedro Abrantes tells us about his inspiration and why he is optimistic on his company as well as on the Portuguese industry



When was Plastar founded?

P.A.- Plastar was founded in 1995, first working for a company involved in manufacturing bicycle parts called Ciclo Fapril here in Agueda. It was our first customer and it is now our partner, although we work independently.

How large is the company nowadays?

P.A.- As of today we have a workforce of 45 workers and we are currently billing about four million euros a year, 75 percent of which are international sales. Our main foreign markets are Spain and France directly, and Germany and the U.K. indirectly.

When did Plastar start selling to those international markets?

P.A.- At some point Asia became an important producer of bicycles, so our customers started to have their own products taken there. For instance, Ciclo Fapril's main customer was BH in Spain, and they moved production to Asia. So in 2002 Plastar underwent a revolution and started producing its own products rather than just what our customers asked us to produce.

How is 2019 turning out when compared to the previous year?

P.A.- This year we are experiencing a weaker demand from international markets, but we are doing well because we are currently producing a great number of products for the hospital and health sectors, and in those markets we are managing to do well in Spain, France and Italy.

Is that your main sector at this moment or are there others?

P.A.- Yes, and we are also working a lot more for the cold storage sector. The plastics market in general seems to be going through an impasse in regards to the finish of the pieces.

What makes Plastar different from other players in the market?

P.A.- Plastar is the only company with a unit to directly inject white plastics. We have machines for 450, 850 and 1,800 tons that can directly inject white plastics, so there's no need for painting them afterwards. We are totally unique in that respect.

What are the competitive advantages of such unit for Plastar?

P.A.- First of all we diminish the pollution

produced by painting, and second there are less product rejections. For example, we are making white plastic pieces for a French customer involved in producing machines for liposuction, that previously needed to have the pieces injected and then taken to have them painted white. Only in Plastar they have been able to find the product directly injected in white for them.

What are the main challenges for the Portuguese plastic sector today?

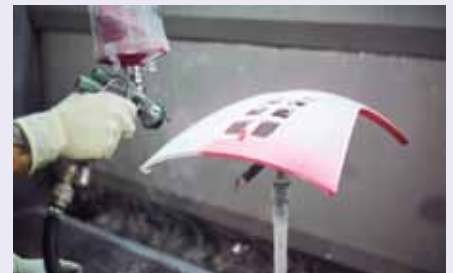
P.A.- I am very optimistic on the future growth of the Portuguese plastics sector. But first we need to differentiate between the plastics that create a pollution problem, like the single-use and disposable plastics, and the plastics involved in technical pieces. At Plastar, 88 percent of our production are those technical plastics.

Additionally the plastics sector is becoming increasingly technological as well as global, and I believe the Portuguese plastics industry, specially in northern Portugal, is ready to tackle the opportunities that are thrown at us.

Where do you see Plastar in the next five years or so?

P.A.- When I started at Plastar more than 20 years ago, this company just injected plastics, yet in 2004 we started to paint plastics, and soon after that we were assembling whole pieces, because that is what our customers wanted and demanded.

So we have evolved with the times, and in the next few years we expect to be involved in all kinds of new projects dealing with electric bicycles, autonomous driving and all the different types of technical plastic pieces that will be needed. I see Plastar not just as a plastics injection company



but as a company that offers solutions to our customers in the technical plastics area.

So are you optimistic on the future of Plastar and the industry as a whole?

P.A.- I am very optimistic, and the best proof of that is the large investment of over two million euros that we have made in order to have the only injection unit in the world for white plastics.

At the time I was called crazy, but I knew that I had to be different to compete and so far my bet has proven successful. The rest of the industry has also great opportunities ahead.



Plastar

Injecção e pintura de plástico

Plastar - Injecção e Pintura de Plásticos, Lda
Rua do Poalho 208, Apartado 33
3754-064 Agueda de Cima, Agueda
Portugal

www.plastar.pt
geral@plastar.pt

Tel. +351 234 667 692
Fax. +351 234 666 030



INTERVIEW WITH LURDES SILVA CEO of Fersil Group & Fil Tubos Angola

As the Portuguese economy recovers, piping manufacturer Fersil is taking advantage of the favourable market conditions to continue its expansion into African markets. While its Angolan company Fil Tubos already stands on its own, the group has expanded into Mozambique and is looking at the DRC as its newest challenge



How have the last three years been for Fersil group and Fil Tubos Angola?

L.S.- In Angola our local plant has kept on working under the name of Fil Tubos, serving the local market. In Mozambique we have started a commercial operation, with our own warehouse, but at a smaller scale than Angola, as the market is pretty slow at the moment. From our base here in Portugal we have been expanding our exports to other countries in Africa.

What markets are you targeting in Africa?

L.S.- We are currently working on Egypt, as well as Ghana and Senegal, and the countries bordering with Angola, as we believe they have a great potential for growth. They already represent an important share of our total sales.

What other African markets will you be betting on in 2019?

L.S.- We are actually very focused in Africa, and will continue to be in the future. We are particularly interested in being present in the Democratic Republic of Congo, just north of Angola. It is our major bet at the moment.

Have you been affected by the crisis in the Angolan market?

L.S.- Since the beginning our Angolan operation is independent from the Portuguese one, so it has its own accounts and it is geared towards the local market. So while these last few years the Angolan construction market has been weak, our production there is local and Fersil has not been affected. Fil Tubos Angola produces and distributes for the Angolan market only.

How has the change in the Angolan political leadership and economic reforms affected your business there?

L.S.- At the political level there are a number of initiatives regarding the economy that I believe are bearing fruit. Over the last few months we have noticed a very slight increase of the demand in the construction sector, but I believe this recovery will still take time and it may need another two to three years to regain the previous level of activity that we used to have. We are committed to the Angolan market so we hope to ride the wave once it arrives.

The Portuguese exports and tourism sector have been growing rapidly recently ...

L.S.- That has improved the image of the country and I believe it is extremely important! The general awareness of Portugal has improved tremendously thanks to the tourism boom.

Have you noticed this improvement with your customers?

L.S.- Yes, and now everybody knows where Portugal is on the world map. While this has not helped our exports directly, it is clear that there's the political will to earn an international recognition and that can only be positive.

How has 2018 been for Fersil Group?

L.S.- As far as the company in Portugal, it has proven to be a good year, and we have surpassed the fifty million Euro mark in terms of Sales.

Is this due to a recovery of the market?

L.S.- Well, public works has not yet made a comeback, but we are experiencing a strong recovery in the rehabilitation market, as the recent tourism boom has been pushing for the reconstruction of old houses in city centres.

The Portuguese job market is able to provide for your growth needs?



L.S.- We are currently at a situation of almost full employment and our population is gradually becoming older, so there's a clear lack of human resources available. It has really become a great problem, so in order to solve it we are trying to bring people from different countries, and we have even some refugees working with us at the moment.

Is this need present for all types of jobs?

L.S.- Yes, it is company-wide problem. We need technicians as well as basic labour, for the day shift as well as the night shift. All positions are very hard to find, so we are turning towards international recruiting.

Have you considered opening new plants outside of Portugal?

L.S.- Not right now, but we may decide to open a factory in Mozambique later on as we already have the warehousing facilities. There we are currently importing from Portugal, as importing from Angola is much more expensive, despite the shorter distance.

Are you confident that the recovery of the Portuguese industry will continue?

L.S.- Yes, indeed. We have the technology, we have the education institutions, as well as a long coast line which opens the way for Portuguese industries to export its products anywhere in the world, all those are advantages that we can truly based our industries on.

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INTERVIEW WITH MR SERAFIM COSTA PRESIDENT OF GEONEXT

For over four decades, this industrial and commercial concern, based in northern Portugal, has carved out a commendable position in the extremely competitive lighting sector. Branding, innovation and a focus on customer service are some of the keys to Geonext's success in the local and foreign markets



What's the business model of Geonext and how is it working out in present times?

S.C.- Our company's business model has remained the same since its foundation four decades ago, in 1982. We operate in the demanding lighting and electrical materials market, where we hold a paramount position based on the quality and innovativeness of our products.

Currently, Geonext is going through a positive development phase, specially taking into account the different urban regeneration projects being launched throughout Europe, particularly in Portugal.

Our company's growth is based on distributing good products complemented with the good added value service that we provide, so we believe that we have growth prospects both from the industrial and a commercial standpoint.

At Geonext, innovation is a constant concern in the development of our products. In an ever evolving market, we strive to create, develop and update our products with the most recent technologies and materials.

We pay particular attention to the sturdiness and reliability of our products, while our design is aligned with the most recent market trends. Additionally, we give to all of our customers the added value service that helps them find the most suitable solution for each of their projects.

How relevant are international markets for Geonext's growth?

S.C.- Geonext's growth in international markets has been a challenge that we have eagerly undertaken. Even with its inherent difficulties, we have kept our focus in foreign markets and we will continue to strive to make our brands better known and more widely distributed worldwide.

In what foreign markets have you managed to break into?

S.C.- The international markets where we have experienced the largest penetration are those where Portuguese is the official language. Our brands, such as Lumitek, Luxtek, BlinkPro and Fillday, are already present in 17 countries across several continents, and our total foreign sales account for more than thirty percent of our business.

As for the Portuguese market, what is your main strategic focus?

S.C.- We have actually based the sustainable growth of our products on the renown of our highly respected brands. They are considered benchmarks in many markets due to their high quality, reliability and innovation.

How important is your image in the local and foreign markets?

S.C.- Geonext aims to continue offering its products with accreditations from the competent authorities, as well as with the recognition obtained from reputed local and international architects, in order to better serve the lighting and illumination sector of the 21st century.

Have you obtained any public support for your expansion plans?

S.C.- Different support programs such as Portugal 2020 and Compete 2020 have contributed effectively to Portuguese business, and I consider they had a very positive effect. We also believe that as long as these programs continue to be properly applied, they will help the growth of mid and long-term Portuguese exports.

What are the main challenges for the Portuguese companies today?



S.C.- The Portuguese companies that have achieved international success have done it so with many sacrifices and a strong spirit of tenacity. Yet, Portugal's international competitiveness is still poor, particularly in the industrial sector.

Despite the little support we are receiving we are not giving up, as Portugal is proud to have entrepreneurs with an enormous spirit for self sacrifice who don't give up and never turn their backs when faced with a struggle.

What other challenges are on the horizon for the Portuguese Industry?

S.C.- As Portugal is part of the European Union, we are looking at Brexit with some apprehension. It is still early to know what effects this will have on the commercial exchanges between the member states and the United Kingdom. Whatever agreement is finally reached, we are still confident in the future, as new routes are always open up when old ones are closed.

Following a similar pattern, the recent crisis between the United States and China regarding their foreign trade with each other places the European Union in a position where it will be forced to take up a stand. While we Europeans are US allies, we must remember that China has been an important partner and investor in European companies, particularly in Portugal.



INTERVIEW WITH MANUEL EDUARDO S. TAVARES

CEO of BTL - Indústrias Metalúrgicas, S.A. - Metal Works Industry

Moving up the value chain to become both more technological and international, BTL - Metal Works Industry is ready to take advantage of the next industrial revolution. Right from the hearth of the traditional industrial region of Aveiro, Mr Tavares explains where the main opportunities and challenges lie for the metal industry



How did the crisis of a decade ago affected BTL's international and local business?

M.T.- This year BTL - Indústrias Metalúrgicas, S.A. - Metal Works Industry - just turned 40 years old, and over this time we have built a strong reputation both locally and internationally. While BTL started out as a metal-works industrial company we are now an engineering and process-focused company with an interdisciplinary approach. This fact and the wide range of industries in which we work has helped us weather the crisis so we continue to grow our business.

How important have your foreign markets been for this growth?

M.T.- We are world leaders in providing for the resin industry, so that's a strong market for us, and currently we are selling nearly half of our turnover abroad. We are actually working on whole projects, many of which are large contracts worth millions of euros, and we do the whole planning, engineering, construction and delivery, as they are mostly turn-key projects.

What markets have been more receptive to BTL over these last years?

M.T.- Most of them are European markets, but we also sell in Africa and the Middle East. Our logistics operation is well designed and we attend regularly international trade fairs. We are finding that once customers get to understand the quality of our work, they can become our clients.

Has the image of "Made in Portugal" been of help for your company?

M.T.- Yes, and that is specially true in Latin America, where Portugal is now recognised as a knowledge-based economy and "Made in Portugal" is already regarded as a sign of quality.



What is the biggest challenge that BTL is facing to continue its growth?

M.T.- Our biggest challenge is to find and hire the right people. Currently in Portugal it is very difficult to find both experienced professionals and skilled workers, and the region of Aveiro pays the highest salaries in the industry so the unemployment here is virtually zero.

We are interested in attracting workers from Brazil, Venezuela and Africa, and we have had several conversations with the authorities regarding this need. We currently employ over 150 people but our needs are still higher.

What other challenges does the Portuguese industry face?

M.T.- I think that we have already overcome any quality-related challenges and the Portuguese metal-works industry is well regarded in this respect. But the challenge of competitiveness remains an important one, as we compete with countries where the rights of workers are not respected in the same way as in our case, mostly in products coming from Asia.

The Portuguese workforce is very competitive with other European countries and we just need to make sure that the final clients understands and appreciates the added value that goes into our products and solutions.

All that has improved the image of the country and I believe it is extremely important! The

general awareness of Portugal has also grown tremendously, thanks to the tourism boom.

What kind of projects are you currently involved with?

M.T.- We are currently building a turn-key factory for Unilever in Portugal, one of the world leaders in food production. We are mostly involved in projects dealing with the new wave of Industry 4.0 and 5.0, where artificial intelligence will be taking an even greater role in the industrial processes.

Where would you like to see BTL and your industry in the next five years?

M.T.- I would like BTL and the metal-works industry in Portugal to continue to progress and grow. If the country does well indeed that will all have a positive effect on us and will also cause the image of Portugal to improve.

In particular I would like to develop a brand-new training centre in BTL where we could be involved in developing nanotechnologies and biotechnologies together with our partners in universities in Portugal and abroad, as we are already working with schools in Aveiro, Porto, as well as in France, Brazil and Israel.

Finally I would like BTL to be perceived as a company that designs and sells solutions with great added value to our customers, because that is where we are going.

BTL INDÚSTRIAS METALÚRGICAS, S.A.

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- Chemical
- Pharmaceutical
- Petro Chemical
- Plastics
- Paper and Pulp
- Environment
- Biotechnology
- Nanotechnology
- I&D Projects
- Automation