Interview: Laurent Marionnet – Director general, French Chamber of Commerce in Portugal (CCILF)



"A new generation of Portuguese entrepreneurs is investing in innovation and quality. They are working hard on the "Made in Portugal" concept."

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Laurent Marionnet, director general of the French Chamber of Commerce in Portugal provides an overview of the Chamber's activities, an intriguing insight into Portuguese success citing geopolitical factors and cultural specifics and emphasizes the impact French SMEs are having on the Portuguese economy.

Can you please provide us with an overview of current operations and recent milestones?

The Chamber of Commerce was created as a business club, indeed, all the French Chambers of Commerce worldwide are business clubs. Operations continue in this manner nowadays but on a much larger scale. We have a little more than 600 members in our club in Portugal, of which the weighting is more towards Portuguese than French, because we see a lot of Portuguese business people who actively seek striking up business deals with French people in Portugal. The first part of our business operations as part of the Commerce is to maintain the business club, and ensure that members have more and more contact with one another and are able to network effectively. Consequently, we organise several activities for the club year round, from lunches to conferences to golf tournaments. We collaborate with other chambers of commerce in Portugal during these events to provide an international environment for which the cross-pollination of ideas and business practises is made possible. We work closely with the Swiss, UK, German and Dutch chambers for example.

The second activity we have developed more recently is our status as a consulting organisation providing assistance to French or Portuguese businesses who encounter issues or need advice in their respective markets. French Chambers of commerce abroad are completely private, we do not receive any public funding or government aid, and therefore our objective, as a consultancy, is to establish links between French and Portuguese companies so that businesses can sell, network, connect and grow more efficiently. Recently, we have seen an influx of French businesses looking at the real estate sector and SMEs. SMEs as it stands form the lion's share of our workload, as the work is varied from setting up bars, restaurants to the service industry.

2018 marks the 130th year of the Chamber of Commerce's operations in Portugal. What exciting prospects are there in 2018?

Portugal is a victim of its own success, especially when we regard the French line of operations here. We see more and more French companies, big and small, investing in Portugal and often hiring French speaking Portuguese candidates. Due to the limited number of French speakers and the increasing demand from French businesses for Francophone employees, we have been presented with a challenge in spreading awareness for these jobs. And in order to match the needs of our members we have decided to organize two job fairs (one in Porto one in Lisbon), that were a great success and helped in engaging French business with the skilled Portuguese workforce. 2018 was the first year of these recruitment forums and we may roll out the process in the future.

What are the main differences you observe in Portuguese and French approaches to business?

Firstly, our culture is very close, and Portuguese and French people have been negotiating, brokering and working together throughout history. One slight cultural difference I have noted is that doing business with Portuguese is more akin to doing business with Anglo-Saxon cultures than Latinos. For example, business meetings are shorter, succinct and require more concentrated energy in order to get one's point across and ensure the preassigned objectives were completed. In France and other Mediterranean countries, there is more chit-chat and a slower process regarding conversation and the build up to the meeting. The difference is subtle and interesting, but can surprise French people when they first arrive into the country. Portuguese are always courteous and friendly and in many ways it complements the Latin style of doing business that we see in France.

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France is now the second foreign employer in Portugal following Spain. And every four in ten transactions in Portuguese real estate are French. What makes Portugal such an exciting investment destination for France?

Firstly, during the crisis, the former government was obliged to make some critical reforms in order to gain financing from international institutions. These reforms, combined with incentives which promoted Portugal, created a bubbling investment environment. These improvements were compounded by the global environment at the tail end of the crisis, whereby the rise of terrorism in Europe and even France, the Arab Spring, and falling incomes meant that Europeans and French looked to Portugal as the solution. Portugal is close, relatively cheap, fantastic weather and it is a very safe country. Portugal was prepared for the new holidaymakers and business people, and as a result we saw a surge firstly in the tourism industry, and subsequently real estate.

Tourism is of course not the only sector that is thriving. We see leaps and bounds in automotive, mechanical and textiles industries which shifted from Northern African countries to Portugal given the more economical manufacturing base here. Renault and Citroen, for example invest more and more into the economy here.

However, Portugal lags behind in terms of big brands.

When Portugal entered the EU, it had a reputation as being “the factory of Europe”. Today, this is slowly changing. Both the Government and professional organizations are promoting the skills and know-how of the Portuguese industry. A new generation of Portuguese entrepreneurs is investing in innovation and quality. They are working hard on the “Made in Portugal” concept. Portugal as a country offers well educated, hard-working people, fantastic infrastructure, modern companies and salaries are cheaper and we have exciting fiscal investments in place.

Is the government doing enough to support and improve Portugal’s position in terms of infrastructure?

Due to the crisis, Portugal found itself in a tricky situation with low funds which forced the government to limit public investment into domestic infrastructure. This can be problematic if we consider the rail network for example which needs investments to be connected to the European network. However, privatisations have in some way, positively impacted these domains—if we consider airports, for example, which were taken over by a French group. Some foreign investors now consider Portugal as a laboratory space to test new ideas that they will then export, replicate and reuse elsewhere in the world. TAP, the national airline, has been partly privatised and is now more dynamic and yields positive results.

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What key lessons can Portugal learn from France?

I would argue the contrary! We have a lot to learn from Portugal especially when we consider their behaviour as country throughout the crisis. Portugal survived and rode out the crisis, and streamlined and rebranded for the future. Portugal understood they had to modify their country after the crisis in order to do business again. The government introduced drastic reforms which were challenging for people to take on, but these were seen through with almost no whiff of strike action. Conversely, in France when we look at labour reforms, for example, the nation is less open for discussion. And, current labour reforms in France—for example the 'Contrat de Chantier' (project recruitment as opposed to long-term projects)—were inspired by Portuguese policy which aimed to increase flexibility in the workplace.

How important is healthcare to the Chamber?

Most French companies in the pharmaceutical sector are members of the Chamber of Commerce. Sometimes, they support the chamber, but primarily they come for the 'business club' operations. The large pharmaceutical giants are less in need of our services and across the board we assist SMEs in pharma and industry in networking or legal proceeding. The most important offering we have for pharma giants is our network as we provide, with 130 years' service and our access to government (with whom we have an excellent relationship), we can effectively link the right departments across Portugal.

What advice would you give to a French SME in healthcare looking to expand operations to Portugal?

Firstly, the company must prepare well. Portugal is in the cross hares of many businesses across an array of countries, which means that competition is becoming increasingly fierce. Competition is a good thing, but it requires good preparation for excellent execution. Secondly, although financial concerns are no longer an issue given Portugal's status as a stable economy, financing a project may require a stricter guarantee in Portugal than other counties. And thirdly, come and speak with the French Chamber for more pertinent advice.

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