Interview: João Vasconcelos – Senior Adviser, Clearwater International, Portugal



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João Vasconcelos was the Secretary of State for Industry in Portugal over a two year period, terminating in July 2017, over which time he laid the foundations for Startup Portugal and Industry 4.0. In this interview, Vasconcelos discusses the historical reasons behind Portugal's success, digitalization and why more and more companies are considering Portugal as an exciting research destination for international teams looking for an excellent quality of life.

Could you introduce yourself and your current projects to our international readers?

I am an entrepreneur, and I have founded several companies throughout my career in Portugal. Eight years ago I founded “Startup Lisboa” which has since become the most significant tech incubator in Lisbon. Thanks to the support of various tech entities across Portugal we have created a science-oriented tech start-up which helped to form over 300 start-ups that collaborate with universities and institutions across Europe. The initiative guided me to take on the role of Secretary of State for Industry, where I sought to increase investment into industry, and I supported sophisticated investments for innovation in science and the tech industry. I will always have a connection with these industries thanks to my work in the industry, with the traditional players and the new start-ups.

What have been the critical government measures taken that have lead Portugal to where it is today, experiencing growth rates not seen for 17 years?

The crucial government initiative has been bringing hope citizens and business people across Portugal. Hope means that families across the nation consider the lives they would like to lead: to build confidence you need to develop respect and stability. Despite experiencing the fastest economic growth evident in the century we have the lowest public deficit ever in our history. This is crucial to the health sector as this is a sector that requires a lot of funding. If we maintain current levels of spending and growth, this will allow for more public investment into research science. The Science budget has already increased this year, and the focus is for the federal money shifting towards innovation to science-based business—and health is the first sector that comes to mind when stakeholders consider science.

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It is fantastic to hear about these investments positively impacting the climate here, but what challenges does the country face?

The upward challenge is not the quality of the engineering but ensuring that science we have at our fingertips creates an economic impact. We must use the science developed in the last 20 years to grow our GDP and create jobs and impact the economy.

Regarding pharmaceuticals, we are one of the best places in Europe to perform research projects within our institutions. Portugal is becoming a hub for clinical trials, especially in early-stage trials. That said, we also need to concentrate our efforts on more late-stage trials because the economic impact is more prominent. In developing our local companies, like Bial and Tecnimede, we should attract more investments from multinationals. The onus is on local companies to invest in research and innovation because, in my experience, General Managers and Country Managers in pharmaceuticals are commercially driven in the markets in which they work. Innovative decisions do not feature on their mandates due to the nature of the workplace, and therefore Portuguese companies must fill the void.

The situation is perfect for research projects given our high-quality engineers, the skilled talent pool and the excellent relationship between price and value we see in Portugal. This is one of the best places in Europe to make pharmaceuticals. We must replicate the success we achieved in the digital sector in pharmaceuticals. Healthcare requires human resources with qualifications, and Portugal has this in abundance.

The multinationals could be here in more significant number than they are currently. What is happening in science and biotechnology in Portugal today is what happened to digital four years ago. We have all the components that make an attractive market: the same time zone as London,

and we are a two-hour flight for any central European capital while also offering global flights to prosperous destinations.

Portugal is one of the best places to live now in Europe. If a company intends to bring a team of Scandinavians or Germans in sizes ranging from small teams to groups of one hundred, then there is not trouble in persuading employees to make the trip. People jump at the chance to spend a period of their lives in Portugal

The quality of life is evident in the food, the people, the weather. The airport is inside the city, and in 15 mins you can be surfing and on the beach. I often compare Lisbon to Barcelona in the 90s because previously it was desirable for foreigners, but today the flavor is Lisbon. We see entire teams from abroad establishing operations in Lisbon instead of the quality of life, from Munich, Vienna, Berlin, London to Lisbon.

How can funding be facilitated in for example biotech companies?

The issue is not centered on a lack of funding, but a lack of awareness of the potential of these complex investments. In fact, we are one of the few countries in Europe with more public money to co-invest with venture capitalists into projects including biotechs, but sadly we lack awareness across the spectrum for the returns that are possible. I cannot ask for a stakeholder who made his fortune in real estate or the financial market to invest in biotech because this person would not understand it, he would not know what to do with the next stage, and his experience would not align with the investment. To invest in the biotech sector, we need stakeholders from the biotech industry to reinvest, and venture capitalists with similar portfolios to invest.

What challenges do you face amongst scientific, entrepreneurial activities?

We must attract more international or multinational companies which will increase foreign direct investment. We must bring more multinationals, as off the back of these moves come more research centers and development parks whereby Portugal benefits across the board. Coinvestment is the primary tool we should use when working towards these aims.

How is Portugal reviving its traditional sectors through digitization?

Portugal suffers from an unfair reputation regarding traditional sectors as we know from our current operations and historically speaking that Portugal is a competitive economy. Regarding public administration, we have always known that we are a leading country, and ten years ago we were a country that experienced soaring levels of digitalization.

More recently, we can find examples of SPMS, which is an organisation within the scope of the health ministry, where almost 200 engineers have developed a marvelous software that engages a new interface with patients. All the connections with health ministry today are digital. For daily activities, that means that digital appointment scheduling, prescriptions, and alerts are all digitized.

We are now introducing the second generation of digital policies, which is, of course, more complex because we face databases of clinical information and inevitably, we are confronted with difficulties regarding authorization. With every advance in technology, there is an ethical question regarding the obtaining of information and data for which we are prudent. There are new regulations of databases of personal data and in the media. But the digital sector Portugal is highly regarded and very competitive. We don’t have a high number of Portuguese companies that are specialized in this regard, but for domestic policies and activities, we are highly developed.

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How do you regard improvements when comparing the private and public sector?

The public sector is improving, and the private sector is making small steps in the right direction. We have an infrastructure that allows us to make rapid progress across both platforms provided we have good communication. We have optimal pharmaceutical operations all around the country, we have a vast array of information disseminated nationwide, but given the size of the country, we can communicate effectively. We don’t have any special natural resources, like oil, or gas iron or steel and therefore shift our focus to our skills and competencies.

We need to focus on an industry where knowledge is the chief concern, and the quality of life of the workers is the main aspect in which we concentrate our energy. With happy workers, we see stronger levels of efficiency and better output. The digital sector comes to mind immediately: Portugal is one of the best places to have a digital team in development in Europe. The health sector shares a similar experience. If the industry can have foreign engineers and experts in all manner of experimental and research field here, then why can’t Pfizer have their own 500 researchers? This is one of the best places to live and to be and have family in Europe.

Why should readers invest in Portugal?

Readers should invest because it is the smart and logical choice. Nowadays in Portugal, we attract massive amount of investments from all kinds of industries, and we are competent in pitching to a diverse range of sectors across the digital space. We have recently attracted Google, Zalando, and

Uber who have all made immediate successes. Portugal has the right focus on increasing inclusion and the industry, this, in turn, leads to a higher economic impact on the preexisting idea.

If prospective employees are looking for a place that offers excellent quality of life for employees, and where a business can experience 20 nationalities working in the same team that live in the same neighborhood and whose children attend the same school, then this is an open city and the right destination choice. For a place with the excellent quality of life, security, food, weather, in the middle of the Atlantic—situated between America and Europe, then Portugal is the best choice. If this is good enough for other sectors such as engineering and digital, then this is good enough for healthcare

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