**China powers up Portugal property industry**

[Muhammad Faisal](https://dailytimes.com.pk/writer/muhammad-faisal/%22%20%5Co%20%22More%20Articles%20by%20Muhammad%20Faisal)

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In a jaw-dropping development, Portugal real estate market shows 12 per cent rise in 2020 despite 7.6 percent economic contraction in the country due to COVID-19 restrictions. The credit goes to China and other Non-European countries including Brazil, Turkey and South Africa for pouring whopping investment in property business through Portugal Residence Authorization for Investment (ARI) scheme famously known as “Golden Visa”.

China’s entry came at the heels of Golden Visa rollout in 2012. Gushing flow of money by Chinese investors, availing ARI scheme, kept injecting monetary strength to Portugal property market to help it flourish with resilience. When Pandemic played havoc, fortunately, neither China interest plummeted nor investment rapidity slowed down. Cash spillover put property market in high gear. If compared with all other non-European countries, China has topped with around 50 per cent investment in Golden Visa Program since its inception till date.

As per statistics, almost 5.64 billion Euros investment via ARI platform came to Portugal in eight years from 2012 to 2020. Chinese businessmen doled out 2.8 billion Euros alone. The gesture oiled Portuguese economic engine especially property market since the Golden Visa regime introduced in 2012.

Chinese nationals has received 4791 Portuguese residence permits out of total 9444 residence permits in the last 8 years under Golden Visa. While Portuguese speaking Brazilian nationals managed to pocket 994 residencies so far. Later comes Turkey with 453 residence permits, South Africa with 394 and Russia with 363 permits. These residence permits are legally liable to be converted into Portugal nationality within six years awarding each permit holder a complete status of EU national.

The investment in rural Portugal by foreigners will change the fate of neglected rural areas of the country. The fast moving trend of rural tourism in the world can attract non-Europeans investors to pump money into country side

Solely in one year from January 2020 to January 2021 labelled as Pandemic year, Chinese property investors displayed stout conviction in Portuguese Golden Visa Program by obtaining 323 out of 1182 resident permits.

Chinese investors set their romance in Golden Visa program ablaze on a number of lucrative reasons. One of compelling points is blistering drive to explore fresh avenues to boost up their business fortunes. The sour relationships between China and United States of America (USA), Australia and Britain, known as traditional markets for Chinese investors, in last couple of years is another factor that orientated them toward Portugal.

EU is a bloc of 27 countries with 450 million population. GDP is expanding with 18.2 trillion dollar. As Portugal is called gateway to EU, so prolific Chinese enterprisers and entrepreneurs found their niches in Portugal through Golden Visa Scheme to multiply their business fortunes in Portugal and EU region.

Chinese investment in Portugal property market has catapulted real estate business to its new heights. Rental and lease business are also stirring up a hefty financial ripples. All and Sundry connected with property industry have been making big bucks. The entire activity has not only improved their monetary stakes but also uplifted their living standards. Led by Golden Visa, people has been enjoying avalanche of job opportunities. The current property hustle and bustle also helped them survived well in Pandemic perils.

In 2008 meltdown, major cities including Lisbon, Porto and Algarve were rife with abandoned and zombies’ buildings presenting a complete desolate look. Residential and commercial structures were worn-out. After Golden Visa Program were unveiled and Chinese investors made it a success story globally even luring other non-EU nations, bane changed into boon. The hundreds of dilapidated buildings, after rehabilitation, toned up city ambience. Night life that had lost its luster has now started blossoming again. Frankly speaking ascendency of property market rejuvenated Portugal tourism industry, mainstay of Portugal economy.

The short term rental entities summed up handsome revenue by housing approximately 16.3 million tourists visited Portugal in 2019. While the flux of mainly Brazilian immigration to main cities in Portugal helped in lifting up long term housing rental market.

After successfully cashing-in ARI scheme Portuguese government led by Prime Minister Antonio Costa introduced new amendment in Residence Authorization for investment (ARI) scheme restricting foreigners to acquire property in Lisbon and Porto from 1st July 2021 which will help in uplifting property sector in rural Portugal.

It aims to promote rural side of the country through stout marketing or advertising campaign to lure foreigners interested in obtaining residence in Portugal via Golden Visa.

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Taking advantage of profound Chinese interest in Portugal’s Golden Visa regime, Portugal can uplift its rural population out of poverty through Chinese investment in rural property sector. The investment under ARI can shape up the future of 31 per cent rural population living in sick economic conditions.

Portuguese can learn from Chinese experience of pulling 100 million people out of poverty from rural China in 2020 according to World Bank. The generation of economic activities in disadvantaged or less developed areas helped restricting Chinese rural population to migrate towards main cities in search of good life.

It can be very exciting journey for Portugal to re-route foreign—Chinese—investment through already glittery and world famous Residence Authorization for Investment (ARI) into the pastoral part of the country. The shopping of farm houses, villas and agricultural lands by Chinese will help in reshaping the rural side of Portugal.

The Golden Visa Scheme grants a foreigner the right to live, work and study in the country and visa-free travel within Europe’s Schengen area comprising 27 European countries. The residency route is carried out via purchase of property worth at least €500,000.

*Muhammad Faisal is a senior journalist working for Portugal mainstream media houses. With special interest on China-Portugal and China-EU trade ties, he writes opinion pieces on economy, diplomacy and international relations*