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Knowledge for All

Portugal - GCC Relations





Key Domestic Developments:

In 1976, two years after the Carnation Revolution, the Portuguese Constitution was established, transforming the country from a quasi-democratic state into a semi-presidential republic. The president is directly elected to a maximum of two terms, each of five years. The president appoints (and dismisses) a prime minister and other members of government (based on elections where the appointee must have gained a majority). The prime minister oversees the parliament and acts as the head of civil service.

Over the past decade, Portugal has experienced sustained economic growth, fueled by European Union funds and a booming tourism sector. Yet structural vulnerabilities—such as dependence on foreign investment and challenges in ensuring competitive wages—have generated social discontent.

Internally, an unstable political equilibrium has made the country susceptible to turbulence, revealing a dual reality: steady growth alongside stagnant wages and precarious employment, which have fueled frustration and eroded trust in institutions.

Perceptions of corruption and mismanagement have further undermined public confidence.

The rise of the Chega party, reflecting broader European populist trends, highlights dissatisfaction with EU economic policies and nationalist movements prioritising national self-interest. Corruption scandals have plagued Portuguese politics in recent years, helping to fuel the rise of Chega, whose leader, Ventura, claims to have “zero tolerance” for misconduct in office. However, Chega has recently faced criticism due to alleged wrongdoing by its own lawmakers. Portugal has made progress in implementing measures to prevent corruption at the highest levels of central government and in law enforcement, according to the Council of Europe’s Group of States against Corruption (GRECO) in its September 2025 monitoring report.

Party fragmentation and the rise of populism have weakened traditional forces, making the formation of stable majorities difficult and increasing the frequency of institutional crises. Inflation, the housing crisis, and protests demanding higher wages have shaped public sentiment, while budgetary constraints and EU-mandated structural reforms add further pressure. Political instability not only affects economic and reform outcomes but also complicates Portugal’s relations with the EU, potentially weakening its influence in budget, energy, defence, and trade negotiations.

On March 11, 2025, the government of Luís Montenegro, formed by his Democratic Alliance (AD) and the smaller Popular Party, lost a confidence vote, thus prompting early elections originally set for 2028. The confidence vote was prompted by a political storm surrounding potential conflicts of interest in the business dealings of social democratic Prime Minister Luís Montenegro’s family law firm. Montenegro has denied any wrongdoing and stood for re-election.

The subsequent election, held on May 18, 2025—the third in three years—marked a historic shift, with a three-party system emerging after fifty years of alternation between the Social Democrats and Socialists. While the AD won 32.7%, short of a majority, the new populist Chega party surged to 22.6%, resulting in a minority government, composed of the Social Democratic Party (PSD), Democratic and Social Centre – People’s Party (CDS-PP), and smaller allies. The new government has pledged tax cuts, a budget surplus, and a dialogue on immigration. Prime Minister Montenegro retained nearly all key ministers from his earlier cabinet, but his new government will now have to deal with Chega as the new leader of the opposition.

Key Economic Data

In 2024, Portugal confirmed its position as a resilient trading nation, recording a slight export surplus, with goods and services exports exceeding imports. This highlights the country’s competitive strength in high-value sectors such as machinery,



vehicles, and renewable energy technologies, as well as the advantage of its strategic geographic position between Europe, Africa, and the Atlantic.

Portugal's GDP grew by 1.9% in 2024, following a 2.6% increase in 2023. Domestic demand remained a key driver of growth, supported by a stronger rise in final consumption compared to the previous year, although investment showed signs of slowing. In contrast, net external demand turned negative in 2024, reversing the positive contribution it had made over the past two years.

Between 2010 and 2014, Portugal faced a severe recession, with GDP per capita falling 6.9% and unemployment reaching 17.1%. Banks relied heavily on ECB loans, increasing public debt. In 2011, Portugal secured €78 billion in financial aid from the European Commission, ECB, and IMF, while some austerity measures persisted until 2020. The crisis impacted Portugal's EU reputation but also encouraged global partnerships, reinforcing the country's soft power.

Lisbon has become a rising European tech hub, supported by a vibrant start-up ecosystem, targeted policies, financial incentives, a favorable climate, and relatively low living costs. Tourism has also contributed to economic growth, with GDP increasing 0.7% in early 2024, outperforming Germany and France.

Key Economic and Social Data:

- **GDP:** USD 308.68 billion (2024)
- **GDP per capita:** USD 28,844.5 (2024)
- **Annual Growth Rate:** 1.9% annual change (2024)
- **Unemployment:** 6.1% (2024)
- **Inflation:** 2.4% (2025)
- **Population:** 10.7 million (2024)
- **Credit Rating:** Standard & Poor's: A+ with stable outlook (2025); Fitch: A- with a positive outlook (2025); Moody's: Aaa with a stable outlook DBRS: AA – A with a stable outlook (2025)

Portuguese Foreign Policy:



Portugal's global influence has declined over time. In the 1970s, economic crises slowed growth and affected the country's international reputation. Today, Portugal seeks new tools to maintain geopolitical relevance, leveraging its language and cultural influence. Since democratization in 1974, the country has prioritized the Portuguese language in diplomacy and deepened integration within the European community through the Eurozone and Schengen Area. This shift from a former multicontinental empire to a European-focused nation highlights its cooperative approach.

Portugal has strengthened ties in the Indo-Pacific and engaged diplomatically with South Korea, Singapore, Japan, and India, while the Azores have drawn interest from China. These relationships, along with historical ties, position Portugal as a bridge for European-Asian and European-African affairs. Portugal's soft power and diplomacy outweigh its military capabilities, a comparative advantage embraced by its current administration. Portugal has recently held numerous meetings and discussions with various international leaders, which have helped it develop relations with multiple countries. Two former Portuguese prime ministers have held prominent international positions: José Manuel Durão Barroso as President of the European Commission (2004–2014) and António Guterres as UN Secretary-General (as of 2024), projecting Portugal as a diplomacy-oriented country.



Portugal pays close attention to what is happening in the Middle East. On September 21, 2025, Portugal officially recognized the State of Palestine, reaffirming its commitment to a just and lasting peace in the region. The Minister of State and Foreign Affairs stated that Portugal continues to advocate for the two-state solution as the only viable path to enduring peace. To support humanitarian efforts, Portugal also endorsed a joint declaration by over 20 countries to facilitate access to medical treatment for patients from Gaza in the West Bank and East Jerusalem. The country pledged to actively contribute to this initiative, emphasizing the protection of human lives and the provision of essential healthcare.

Portugal maintains an active role in promoting peace and stability on the international stage, from Europe to the Middle East. Leveraging its strong diplomatic relations and through numerous high-level meetings with global leaders, Portugal strives to foster international cooperation while condemning any violations of state sovereignty and acts of terrorism or occupation. This commitment was particularly evident in Portugal's condemnation of the Israeli attack on Doha on September 9, 2025.

GCC-Portugal Fact Sheet

Portugal Trade in Goods with GCC Countries 2024 (USD millions)

Country	Exports	Imports	Total Trade	Trade Bal- ance
Bahrain	21	35.7	56.7	-14.7
Kuwait	88.3	48.9	137.2	-39.4
Qatar	61.1	38	99.1	23.1
Oman	36	53.3	89.3	-17.3
UAE	503	154	657	349
Saudi Arabia	275	492	767	-217

Source: The Observatory of Economic Complexity (OEC)

Establishment of Diplomatic Relations:

- **Bahrain:** 1976
- **Kuwait:** 1975
- **Oman:** 1979
- **Qatar:** 1982
- **Saudi Arabia:** 1980
- **United Arab Emirates:** 1976

Key Research Centers and Think Tanks:

- [Centro de Estudos Internacionais \(CEI-IUL\)](#)
- [Instituto Português de Relações Internacionais \(IPRI\)](#)
- [Institute of Public Policy \(IPP\)](#)
- [Instituto de Estudos Políticos \(IEP\)](#)

Key Regional Experts:

- Nuno Rogeiro, [Portuguese political analyst](#) and professor
- Henrique Cymerman Benarroch, correspondent for [SIC](#), [La Vanguardia](#) and [Mediaset España](#)
- Luís Miguel Loureiro, Media researcher, [University of Minho](#)
- Rui Manuel Loureiro, University of Lisbon

Key Developments in Portugal-GCC Relations:

On March 14, 2022, the GCC Secretary-General met with Portuguese Ambassador Nuno Mathias in Riyadh to discuss strengthening bilateral cooperation within the broader framework of the EU–GCC strategic partnership. Since then, Portugal has steadily expanded its collaboration with GCC countries across economic, financial, and diplomatic sectors. Key sectors of interest include logistics, infrastructure, renewable energy, port concessions, agro-food innovation, and pharmaceutical research. Cultural and interreligious dialogue has also played a role in cooperation. Portugal's approach reflects a strategic diversification of partnerships in the Gulf,



combining economic, diplomatic, and cultural cooperation to strengthen its global presence while fostering sustainable and mutually beneficial relations. On 26 September 2025, GCC Secretary-General Jasem Mohamed Albudaiwi met with Portuguese Foreign Minister Paulo Rangel on the sidelines of the 80th UN General Assembly. The meeting focused on enhancing GCC–Portugal relations and advancing cooperation between the GCC and the EU. Both sides agreed to finalize and sign a Memorandum of Understanding soon, reaffirming their commitment to translating previous GCC–EU summit outcomes into concrete actions. Portugal is emerging as an increasingly attractive destination for tourists from GCC countries, thanks to its safety, political stability and mild climate. With initiatives like the Golden Visa program and a booming real estate market, Portugal appeals not only to travelers but also to GCC investors. The country’s rich culture, hospitality, and strong tourism infrastructure further strengthen its position as a preferred European destination for visitors from the Gulf region.



Portugal - Bahrain Relations:

- [On September 22, 2025, Bahrain welcomed the announcement by Portugal regarding its recognition of the State of Palestine.](#) The Ministry of Foreign Affairs stated that Bahrain views this recognition as an important initiative to advance regional and international efforts toward a two-state solution in accordance with international legitimacy resolutions.
- In September 2025, the Kingdom of Bahrain expressed its sympathy and solidarity with Portugal following the derailment of the Glória funicular railway in Lisbon.
- On June 9, 2025, His Majesty King Hamad bin Isa Al Khalifa sent a congratulatory cable to His Excellency President Marcelo Rebelo de Sousa on Portugal’s National Day.
- On September 9, 2023, the London-based Bahrain Ambassador to Lisbon, H.E. Shaikh Faqwaz bin Mohammed Al Khalifa, presented his credentials to the President of the Republic of Portugal, Dr. Marcelo Rebelo de Sousa. During this ceremony, Shaikh Faqwaz conveyed greetings from His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister. President de Sousa reciprocated the greetings to His Majesty the King and His Royal Highness the Crown Prince, welcoming the newly appointed ambassador. President de Sousa emphasized Portugal’s keenness on expanding joint political, economic, security, and developmental ties to serve the common interest, wishing the ambassador success in his diplomatic duties. Shaikh Faqwaz affirmed Bahrain’s commitment to reinforcing joint ties, which would further bilateral relations across all fields of common interest. Following the formal presentation, the ambassador hosted a reception attended by the president of the Inter-Parliamentary Union (IPU), Portuguese Members of Parliament, senior officials of the Foreign Ministry, as well as GCC, Arab, and foreign diplomats.



Portugal – Kuwait Relations:

- On Thursday, October 20, 2023, Portuguese Foreign Minister João Gomes Cravinho and his Kuwaiti counterpart, Salem Abdullah Al-Jaber al-Sabah, agreed on the importance of protecting the population of Gaza and providing humanitarian aid. At the time, Minister Gomes Cravinho had held several phone and in-person discussions with counterparts from countries neighboring Israel and Palestine, reaffirming Portugal's position that Israel had the right to defend itself following the Hamas attacks that occurred the previous week, provided that civilian lives in Gaza were protected.
 - On 24 November 2023, Kuwait's Directorate General of Civil Aviation and Portugal's National Civil Aviation Authority (ANAC) signed a Memorandum of Understanding to update bilateral air transport arrangements. The agreement aims to facilitate and expand air operations between the two countries, encouraging international airlines to increase flights to and from Kuwait International Airport.
 - The Portuguese Ministry stated on its official X (formerly Twitter) account that the two ministers had emphasized the importance of humanitarian assistance and creating a lasting and sustainable peace dynamic in the region, describing their dialogue as "interesting and useful." Gomes Cravinho also stressed the need to contain the conflict to prevent escalation and to enable proper humanitarian aid for the victims.
 - **On 21 February 2024**, during Kuwait's National and Liberation Day reception in Lisbon, the Portuguese Ministry of Foreign Affairs commended Kuwait's role in promoting peace and humanitarian mediation amid global crises. Ambassador Rui Vinhas highlighted Portugal's appreciation for Kuwait's balanced diplomacy and reaffirmed the commitment to deepening bilateral relations in areas such as economy, tourism, and investment.
- Kuwait's Ambassador Hamad Al-Hazeem expressed gratitude for Portugal's partnership, emphasizing shared values of peace and cooperation between the two nations.
- In February 2025, a Portuguese business delegation led by the Arab-Portuguese Chamber of Commerce and Industry (CCIAp) visited Kuwait to celebrate the 50th anniversary of diplomatic relations. The mission aimed to strengthen economic, investment, and trade relations, reinforcing the growing partnership between the two nations. The Portuguese delegation was led by Nuno Anahory, Executive Board Member of CCIAp, and António Azevedo Campos, President of the Portuguese Business Council in Kuwait. The mission facilitated discussions on trade, infrastructure development, and investment-driven innovation. Engagements included a meeting with the Kuwait Chamber of Commerce and Industry (KCCI) and the Kuwait Direct Investment Promotion Authority (KDIPA).
 - On 20 September 2025, Kuwait's Ambassador to Portugal, Hamad Al-Hazeem, met with Portuguese business leaders to discuss preparations for the 9th GCC–EU Business Forum, to be hosted by Kuwait in November. The talks with Armindo Monteiro, President of the Portuguese Business Confederation, highlighted the forum's role in promoting trade and investment cooperation between the GCC and the EU, as well as in strengthening Kuwait–Portugal economic relations and private-sector engagement.
 - On October 11, 2025, Kuwaiti Ambassador to Portugal Hamad Al-Hazeem reaffirmed his commitment to strengthening bilateral economic cooperation and investment. During a meeting with executives from the Kuwait Petroleum Company and the Portuguese Business Confederation (CIP), they discussed expanding Kuwait's presence in Portugal, particularly in the energy and oil services sectors.



Portugal – Qatar Relations:

- In February 2024, Portugal and Qatar signed a Memorandum of Understanding (MoU) to strengthen economic cooperation, building on trade volumes that already approached \$100.9 million. The agreement, facilitated by the Qatar Chamber (QC) and the Portuguese Trade & Investment Agency (AICEP), aims to simplify procedures, enhance collaboration among businesses, and promote sustainable growth and innovation. The Portuguese delegations, led by Minister of State for the Economy João Rui Ferreira, met with QC representatives and AICEP officials to explore investment and trade opportunities. Discussions focused on facilitating private sector involvement and identifying key sectors for cooperation, including energy, technology, logistics, pharmaceuticals, and agribusiness.
- On 8 August 8, 2024 Portuguese Minister of Economy Pedro Reis met with the Qatari Businessmen Association (QBA) to strengthen bilateral economic relations. Minister Reis highlighted Portugal's recent economic and tax reforms aimed at improving the business environment and attracting foreign investment, particularly from Qatar. He presented several major investment opportunities for Qatari partners, including projects in renewable energy, technology, infrastructure, housing, and transport — such as the development of a new airport and a high-speed train network.
- On August 30, 2024 Qatar's Minister of Transport, HE Jassim Saif Ahmed Al Sulaiti, met with Portuguese Minister of Economy Pedro Reis in Doha to discuss strengthening cooperation in the transport sector. The talks focused on advancing partnerships in smart and sustainable transport technologies — including railways, ports, and aviation — with the attendance of Portuguese Ambassador HE Paulo Neves Pocinho, reaffirming both countries' commitment to deeper economic and infrastructural collaboration.

- In March 2025, Invest Qatar and Startup Portugal signed an agreement during the Web Summit Qatar 2025 to foster cross-border knowledge exchange and facilitate market access for startups. The partnership enables Portuguese startups to enter Qatar and Qatari startups to explore opportunities in Portugal, covering sectors such as AI, technology, renewable energy, and digital solutions. The MoU and bilateral initiatives highlight complementary strengths in energy, petrochemicals, chemicals, technology, and infrastructure, opening avenues for joint ventures, co-financing, and industrial partnerships.



- On February 17, 2025, Qatar Chamber hosted a Portuguese trade delegation led by Nuno Anahory, Board Member of the Arab-Portuguese Chamber of Commerce, accompanied by Secretary General Hayder Al-Khodairi and several Portuguese business representatives. Both sides discussed ways to deepen Qatari–Portuguese cooperation and promote joint investments across sectors such as tourism, real estate, hospitality, mining, and legal services. Qatar Chamber's HE Eng. Ali Al-Mesnad highlighted Qatar's favorable investment climate, advanced infrastructure, and incentives for foreign investors, while inviting Portuguese companies to explore new business opportunities.



Portugal - Oman Relations:

- On July 25, 2023, the first political consultation session between the Sultanate of Oman and the Portuguese Republic was held at the Foreign Ministry in Muscat. The meeting focused on the existing relations between the two friendly countries. The Omani delegation was headed by H.E. Ambassador Munther bin Mahfouz Al Mandhari, Head of the Europe Department at the Oman Foreign Ministry, while the Portuguese delegation was led by Rui Vinhas, Director General of Foreign Policy at the Portuguese Ministry of Foreign Affairs. The session was attended by Ambassador Dr. Afkar bin Nazim Al Farsi, Head of the Oman Foreign Ministry's Department of International Trade, Knowledge Economy, and Technology, along with several officials from both Oman and Portugal.

Portugal - UAE Relations:

- In June 2023, Portugal and the United Arab Emirates strengthened their partnership in the security sector through the *Portugal Safe* project, led by APSEI – the Portuguese Security Association. Two UAE representatives visited Portugal in April and May for business missions that included company visits, innovation institutions, and participation in the PROTEGER 2023 International Conference. During the visit, APSEI and the Portuguese Business Council in Sharjah signed a **Cooperation Protocol** aimed at promoting trade, investment, and technological collaboration between Portuguese and Emirati companies in the safety and security industries.
- On 5 December 2024, H.E. Ahmed Abdel Rahman Al Mahmoud presented his credentials as UAE Ambassador to Portugal to President Marcelo Rebelo de Sousa at Belém Palace in Lisbon. During the meeting, both sides exchanged greetings and expressed their commitment to strengthening bilateral

relations across various fields. President de Sousa affirmed Portugal's readiness to support the Ambassador's mission, while Al Mahmoud reiterated his dedication to deepening cooperation and friendship between the UAE and Portugal.

- On February 12, 2025, during the ICAO Global Implementation Support Symposium (GISS) 2025 held in Abu Dhabi, UAE Minister of Economy H.E. Abdulla bin Touq Al Marri met with Portuguese Minister H.E. Pedro Reis to discuss ways to enhance bilateral cooperation and investment. The meeting focused on strengthening ties in key sectors such as civil aviation, clean and renewable energy, tourism, advanced technology, and sustainable agriculture. Both sides emphasized the growing UAE–Portugal economic partnership and their shared commitment to advancing sustainable development and global aviation safety.
- In February 2025, a Portuguese delegation of government and professional representatives visited the United Arab Emirates during the World Government Summit, highlighting Portugal's growing partnerships in the Gulf.
- During the World Government Summit (WGS) held in 2025, Portugal and the UAE signed a bilateral agreement to enhance cooperation across multiple sectors, including civil aviation, tourism, clean energy, advanced technology, modern agriculture, and healthcare. This agreement marks a significant step in strengthening economic and strategic ties between the two countries.

Portugal - Saudi Arabia Relations:

- On August 27, 2024, the Saudi-Portuguese Business Council was officially established for the 2024–2028 term, aiming to strengthen commercial and investment ties in sectors such as infrastructure, renewable energy, tourism, and agriculture.



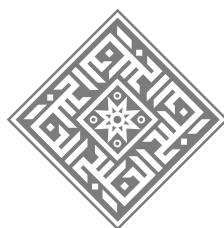
- In 2025, the King Abdullah bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue, founded by Saudi Arabia, held its first regional forum for Arab ambassadors in Lisbon, focusing on dialogue, peace, and social cohesion
- In February 2025, the Saudi-Portuguese Business Council, led by Chairman Alwaleed Al-Baltan, visited Lisbon to engage with key Portuguese officials, including ministers and mayors, and organized workshops introducing Portuguese companies to opportunities for investment in Saudi Arabia. Prominent Portuguese firms in ports, marine logistics, real estate, technology, media, tourism, transportation, and infrastructure explored establishing regional headquarters in the Kingdom.
- In January 2025, a tripartite framework agreement was signed between the Saudi-Portuguese Business Council, the Arab-Portuguese Chamber of Commerce and Industry, and the Portuguese Business Council to promote collaboration across multiple sectors. Over 260 Portuguese companies expressed readiness to enter the Saudi market.

Supporting Documents

GRC Publications:

- [The Great Corridor Conundrum](#), 2025-08-17
- [High-Level International Conference for the Peaceful Settlement of the Question of Palestine and the Implementation of the Two-State Solution: The Next Step](#) 2025-08-05
- [Europe and GCC Must lead a Middle East Reset](#) June 2025
- [Gulf Research Center's Gulf-Europe Research Program](#) January 2025





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