



UNIVERSIDADE
CATÓLICA
PORTUGUESA

HOW GOLD IS THE GOLDEN VISA FOR THE CHINESE? –
THE CHINESE INVESTMENT IN THE ARI PROGRAM IN PORTU-
GAL (2012 TO 2021)

Dissertação apresentada à Universidade Católica Portuguesa
para obtenção do grau de mestre em Estudos Asiáticos

Por

Kristin Sofie Schacherer

Faculdade de Ciências Humanas

09/2022



UNIVERSIDADE
CATÓLICA
PORTUGUESA

HOW GOLD IS THE GOLDEN VISA FOR THE CHINESE? -
THE CHINESE INVESTMENT IN THE ARI PROGRAM IN PORTUGAL (2012
TO 2021)

Dissertação apresentada à Universidade Católica Portuguesa para
obtenção do grau de mestre em Estudos Asiáticos

Por

Kristin Sofie Schacherer

Faculdade de Ciências Humanas

Sob orientação de Prof. Doutor Jorge Santos Alves e Prof. Doutor José
Alberto Lopes Costa

09/2022

Abstract: This study aims to achieve a better understanding of the Chinese investors in the Portuguese Golden Visa program, the so-called ARI (Autorização de Residência para Atividade de Investimento). Apart from the ARI, there are two other “residency by investment” programs which are very similar to the latter: the Spanish and the Greek Golden Visa. The ARI’s Greek counterpart is known to be the least expensive way to enter the European Union. Even with prices that double the Greek ones’, the ARI still attracts as many Chinese investors as the Greek Golden Visa. How did this dynamic develop and what are the factors granting the ARI’s success vis à vis the Chinese investors? When speaking about residency for investment programs, there are also many critics in Portugal and all over the European Union, as the ARI offers the applicants the possibility to travel freely in the whole Schengen area. Should countries be allowed to give their residency away for money or does this entail security risks for the receiving country and the whole European Union? These points are to be analysed and taken into consideration for the outlook of how the attractiveness of the ARI might develop after the sanitary crisis. Even more important seems the impact of the changes that are planned to be introduced to the Portuguese Golden Visa which might highly shrink the number of applicants to the ARI. These measures and their effects will also be discussed and underpinned by surveys to four Chinese investors to the Golden Visa.

Key words: Chinese investment, ARI, Golden Visa, Spain, Greece, Portugal, individual investment, Chinese investor, FDI, residency by investment, COVID-19, real estate, entrepreneurship

Resumo: Este estudo visa alcançar uma melhor compreensão dos investidores chineses no programa Português *Golden Visa*, a chamada ARI (Autorização de Residência para Atividade de Investimento). Para além da ARI, existem dois outros programas de “*residência por investimento*” que são muito semelhantes a este último: o espanhol e o grego *Golden Visa*. A contrapartida grega da ARI é conhecida por ser a forma menos dispendiosa de entrar na União Europeia. Mesmo com preços que duplicam os gregos, o ARI ainda atrai tantos investidores chineses como o Visto de Ouro grego. Como se desenvolveu esta dinâmica e quais são os factores que garantem o sucesso da ARI em relação aos investidores chineses? Quando se fala de residência para programas de investimento, há também muitos

críticos em Portugal e em toda a União Europeia, já que a ARI oferece aos candidatos a possibilidade de viajar livremente em todo o espaço Schengen. Os países devem ser autorizados a ceder a sua residência por dinheiro ou isso implica riscos de segurança para o país receptor e para toda a União Europeia? Estes pontos devem ser analisados e tidos em consideração na perspectiva de como a atractividade da ARI poderá desenvolver-se após a crise sanitária. Ainda mais importante parece ser o impacto das mudanças que estão planeadas para serem introduzidas no Visto de Ouro Português, as quais podem reduzir muito o número de candidatos ao ARI. Estas medidas e os seus efeitos também serão discutidos e sustentados por inquéritos a quatro investidores chineses para o Visto de Ouro.

Palavras-chave: investimento chinês, ARI, Golden Visa, Espanha, Grécia, Portugal, investimento individual, investidor chinês, IDE, residência por investimento, COVID-19, imobiliário, empreendedorismo

Acknowledgements:

I would like to thank my thesis supervisor Prof. Doutor Jorge Santos Alves and my co-supervisor José Lopes Costa for the guidance and input throughout the development of my thesis. Their support, kindness and patience were valuable for my work and experience in researching. Especially Prof. Doutor Jorge Santos Alves accompanied me through the entirety of my master studies. Moreover, I would like to thank Rafael Chang and the other interviewees who kindly agreed to give me an enriching interview. I would also like to thank my parents and my family for all their love and encouragement during my studies at Universidade Católica Portuguesa in Lisbon. Furthermore, I would like to thank my friends and boyfriend for their support.

30.09.2022 Kristin Schacherer

Table of Contents

1. Introduction
2. Methodology
3. The Chinese investor's mindset and the Chinese society
4. The Chinese investment in the ARI and in Portugal
5. FDI, citizenship by investment, residency by investment, and portfolio investment
6. The Spanish Golden Visa and the Chinese investment in Spain
7. The Greek Golden Visa and the Chinese investment in Greece
8. Comparison of the different residency by investment programs
9. Evaluation of the Golden Visa by the Chinese investor, the Portuguese government, and the European Union
10. The influence of COVID-19 on the Chinese investors in Portugal
11. The analysis of the surveys of the Chinese investors in the Portuguese Golden Visa Program
12. Conclusion
13. Bibliography
14. Appendices

1. Introduction

The ARI (Autorização de Residência para Atividade de Investimento), established in 2012 in Portugal, is without any doubt one of the most successful residency by investment permits in the EU. The ARI is also designated as a Golden Visa which expresses the idea, that an investor can purchase a visa or resident permit by investing into the receiving country's economy, mostly in the real estate sector. The Golden Visas aim to attract foreign investment which should help the local economy to recover after an economic crisis or to develop after times of recession. Often, its intention is also to attract tourists which can create employment and the economic upswing in the receiving country. The investors might also be allowed to establish a business themselves where they have to create a certain number of jobs. Most investors in Golden Visa programs in the EU are Chinese nationals, followed by the Brazilians in the Portuguese case.

The Golden Visa exists in similar countries, such as Spain, Portugal, or Greece. Both are situated in the South of Europe, that offer a similar climate and economic standard. Moreover, they are all member states of the European Union and part of the Schengen area.

The factors for ARI's success will be discussed in the following work. First, the difference between residency by investment permits and citizenship by investment will be portrayed. Furthermore, the demarcation between the so-called Golden Visas and the portfolio investment and Foreign Direct Investment will be illustrated. Afterwards, the Portuguese ARI will be introduced and compared to its Spanish and Greek counterpart. This will already show some advantages that the Portuguese Golden Visa has to offer in comparison to equal programs which could be factors that attract Chinese investors. Then, a questionnaire which I had sent to a Chinese investor will be analysed. It is important to take the first-hand experiences an investor can make into consideration. Lastly, the opinion of the European Union and its European member states on the Portuguese Golden Visa will be described and the possible dangers that Golden Visa programs have. It will be evaluated whether the uncertainties are justified or whether they are highly improbable to realise themselves.

For a better understanding of the situation of the Chinese investors, a look at the Chinese history of foreign investment is essential. During the reign of Mao Zedong, China's economy was closed to the West (Almeida, 2017). Only in 1978, Deng Xiaoping proclaimed a new economic model: the socialist market economy which finally opened the doors to the

Occident which to the Chinese economy opening up to the West (Almeida, 2017). Even nowadays, business with the Chinese always represents a certain challenge due to the vast socialist bureaucracy and the cultural differences between China and the Occident (Almeida, 2017). Deng Xiaoping also introduced the „one country, two systems“-model. Zones like Hong Kong, previously under British government, were supposed to govern themselves before falling back to China once for all. This enabled Hong Kong to remain a global player and accessible to Western countries (Erbaio, 2008). It is certainly a factor playing an important role in the Chinese overture towards the West.

One can identify three major problems when Occidentals and Chinese are doing business together. First, the relations between China and the West are very recent and there is a considerable lack of experience from both sides. Secondly, problems occur when capitalist companies try to negotiate with a socialist economy. Lastly, the cultural differences between the Westerners and the Chinese must be considered (Almeida, 2017).

Furthermore, the FDI to Portugal, and eventually Spain and Greece, will be considered as it shows on which scale the Golden Visa influences the Portuguese economy. Especially the Chinese part of the FDI will be taken into consideration. This gives the reader an impression of which level of investment has been inducted by the Golden Visa. A historical explanation of the Chinese foreign investment is essential as well to better understand the Chinese investors point of view and its decisions of investment.

The Chinese immigration to Portugal and the family reunification offered to the investors in the ARI will also be considered. Legal standards of citizenship and resident permits will be mentioned as they are essential to understand the polemic around the Golden Visa programs in the European Union and in Portugal.

Furthermore, an outlook about the ARI in Portugal will be given. The Portuguese government was planning to introduce changes to the Golden Visa for the beginning of 2021 but due to the world-wide pandemic, these plans have been put on hold. It is not clear by now, how the ARI will continue or whether the expected adaptations will be introduced next year, in 2022. As the future of the ARI is unpredictable, this might influence the investors' decisions. Will the Portuguese Golden Visa still be as attractive for Chinese investors as it used to be? And is the ARI compatible with the EU and international laws about citizenship?

Moreover, there will be a short section on whether the pandemic influenced the investment decisions of the Chinese investors and if potential anti-Asian sentiments could eventually play a role in the investment decisions. This subject still needs further research and reliable data to be able to come to a final decision about whether the last factor mentioned truly has an influence on the Chinese as they are not obligated to live in Portugal to be eligible for the Golden Visa. However, it might be an important soft factor.

The last point of this thesis is supposed to be a survey conducted with four Chinese investors from the PRC and Taiwan. The results of the surveys serve to underline the already observed findings and to understand the soft factors motivating Chinese nationals to invest in the Portuguese Golden Visa.

2. Methodology

In order to evaluate the efficiency of the different Golden Visa programs, the Spanish, the Greek and the Portuguese model will be compared by using distinct criteria. Qualitative analysis will be applied. A holistic view on the topic is the basic requirement to achieve representative results. First, the essential characteristics of the Chinese investors will be presented to understand the focus they might set when taking an investment decision in a foreign country. Furthermore, the attractiveness of the Golden Visa to the Portuguese economy will be stated by the amount of the investment and investors. The criteria most considered by the Chinese investors will determine whether the Golden Visa scheme is setting the right incentives for the Chinese investors. Furthermore, the survey conducted with the Chinese investors will serve to better understand whether the findings of the previous parts of my thesis were valid.

Another important point will be the impact of the changes to the ARI which are likely to be implemented in 2022 and whether they will reduce the attractiveness of the Portuguese Golden Visa to its Greek and Spanish counterpart. This analysis is essential to estimate the impact that the changes might have for the Portuguese economy and whether the ARI would be still competitive. However, the comparability of the ARI as it is nowadays will be checked by considering the enforced European law.

The impact of the global pandemic due to COVID-19 can only be estimated as we are still in the core of the sanitary crisis. Further research on this topic would contribute to achieve a more holistic view and a better understanding on the impact of the changes in legislation of the ARI.

3. The Chinese investor's mindset and the Chinese society

In general, the Chinese society is facing several problems and inequalities. Three of them should be mentioned especially here: urbanization, economy boosts and outbound real estate (Zeng, 2017). Within the last decade, almost 200 million Chinese moved from villages to cities. Until 2014, the total urban population reached 54.7%. Compared to 1990, it increased by 26% (Zeng, 2017). Before 1979, China was one of the poorest countries all over the world. Nowadays, China generates 1/5 of the US's GDP and is the world's second-largest economy (Zeng, 2017). As an expression of its increasing impacts on the world's economy, the People's Republic of China joined the World Trade Organization in the mid-1990s to be able to maintain economic relations more easily with the rest of the globe (Gerth, 2010).

Therefore, real estate investment became immensely popular as an option of securing their capital for the Chinese upper and middle class (Zeng, 2017). This tendency reflects the fact that the Chinese individual income goes constantly up to an extent that the annual increasing rate reached 12.8% by the end of 2014 (Zeng, 2017). The Chinese middle class is less price sensitive than before. Nowadays, they prefer quality products and services over cheap ones (Doctoroff, 2013). Middle-class Chinese might also come from lower-tier cities (Doctoroff, 2013). They aim to achieve the lifestyle of the rich and famous (Gerth, 2010). Luxury brands are regarded as tools for one's success when it comes to working. Chinese are only willing to pay high prices when they see the utility that the product or service will offer them (Doctoroff, 2013). To Chinese consumers, it is of special importance that items are standing out by fitting in. These products need to be special and sparkle but still be not too shiny or extravagant (Doctoroff, 2013). They express it by using clothes or handbags from luxury brands, such as Luis Vuitton, aiming to achieve a Western lifestyle (Gerth, 2010). This also explains their increasing investment in mature economies when it comes to living there. Building up a place to stay for their family and themselves where the standard of living is what one aspires, is the ultimate goal of those Chinese who can afford it.

In the last decades, the Chinese became important consumers. They passed from shortage to abundance (Gerth, 2010). This is a huge leap which might explain the uncertainty that many Chinese feel when it comes to their country and the availability of goods. As the PRC's communist party still occupies a major space in the Chinese society and owns a lot of power (Doctoroff, 2013), they fear that their capital and belongings could be confiscated by the state.

For the Chinese, social hierarchy, a certain kind of structure, is equal to safety as the world outside is considered insecure. The middle-class tries to defeat this insecurity by doing anything to preserve their social status and assure a safe future (Doctoroff, 2007).

When talking about investors in general, one must take into consideration that there are two kinds of investors: the necessity-driven and the opportunity-driven. As the name suggests, the latter are seeking emerging opportunities such as the ARI program in Portugal (Xinyang, 2018). Business immigration, such as investment in the Golden Visa program, is generally linked to the search for better economic and professional conditions. Therefore, they can be classified as opportunity-driven and wealthy or super-wealthy individuals, seeking for maximizations of their wealth or a larger and more stable portfolio in order to enable themselves and their families to lead a Western lifestyle.

Since the early 2000s, rather unskilled Chinese immigrants from rural areas, searching for economic opportunities, came to Portugal like to other South European countries. From 2012 on the tendency changed and Chinese students, business immigrants, and investors, who were attracted by programs like the ARI, immigrated (Gaspar & Haro, 2019). In the 21st century, Chinese immigration to Europe became more and more visible. In 2017, 23,197 Chinese immigrants were officially registered in Portugal (Gaspar & Haro, 2019).

One factor driving the Chinese to immigrate to Europe is undoubtedly the reform of the state-owned enterprises in China. With this came the new trade negotiations between China and Europe (Gaspar & Haro, 2019). Furthermore, the rise of the inequalities in China is another push factor, especially for the less educated Chinese from rural areas. Moreover, the internationalization of the higher education systems made it easier for Chinese students to continue their studies abroad, especially when it comes to higher education such as high school or university. In the past two decades, studying abroad became more and more popular for Chinese students. Europe and the Schengen Area are incredibly attractive for

economic immigrants with administrative and economic opportunities (Gaspar & Haro, 2019).

The “new immigration countries” such as Italy, France, Spain, and Portugal, are offering the chance to become self-employed for immigrants. They legally paved the way for entrepreneurial activities and are encouraging amnesties and legalization programs for illegal immigrants (Gaspar, Haro, 2019).

The Chinese investors are captivated in the real estate markets abroad. Not only in the Portuguese one but all over the world. In recent years, a tremendous rise in Chinese outward investment in overseas real estate markets. One of the most powerful drivers is the continued consolidation of China’s domestic market which consists of fierce domestic competition, government curbs on home purchases and rising borrowing costs over the past two years (Knight Frank, 2018). The push factor forcing Chinese nationals to invest abroad is the huge economic slide in China’s national economy. The Chinese real estate market is uncertain which is induced by policies. One example of these policies were the measures taken after the economic crisis of 2008. The government tried to stimulate investment by overheating measures. Since 2010, they are cooling the demand down which shows to which extend the Chinese market is policy driven. Therefore, the housing demand weakened (Knight Frank, 2018). Nowadays, the Chinese government is encouraging investors to place their money overseas. For instance, in 2013, the outward investment approval threshold was raised from 100 million US dollars to 1 billion US dollars. In the following year, the government went further and abolished the approval for most foreign investment (KnightFrank, 2018). They were cooling the demand for houses in the domestic market down again.

There are factors pulling the Chinese to invest overseas. First, offshore investment helps the investors to diversify the risks and to invest in markets with higher returns. As the Chinese face an increase in their national housing prices, they tend to rather purchase real estate abroad (KnightFrank, 2018). Mostly, real estate is purchased in English-speaking countries (Scissors, 2021). This is since most Chinese investors are speaking this language and therefore, feel culturally more related towards these countries. Due to the anti-speculation housing policies between 2004 and 2014 in the PRC, the Chinese were pushed to purchase real estate in foreign countries. Heavy taxation on property investment was imposed, real

estate purchase was restricted and the mortgage conditions in second houses made it less favorable to invest in real estate (Gaspar & Haro, 2019).

A deeper look at the Chinese policy in the domestic real estate market, shows another point that Chinese investor must take into consideration. They are very policy-driven as the land in China is state-owned (Zeng, 2017). After 70 years of usage, it will fall back to the state. The owner of a house pays leasing fees for the land, but the amount can vary. If the house is taken by the government because they believe that the public needs the land for another use, the owner will receive a certain amount as damage (Zeng, 2017). It becomes clear, that the situation for housing owners in China is very unstable and risky.

The higher the risk of their own country, the more Chinese buy overseas. This also leads to increasing housing prices in foreign countries. The better the education and the less the real estate prices correlate with those of China, the more likely Chinese are to invest in a certain country (Knight Frank, 2018).

To the Chinese, especially the coastal area of Cascais and Estoril are attractive in the Lisbon district as they offer houses and villas by the sea with luxury shops, high-quality services, and international English-speaking schools which are welcoming transnational students from different cultural backgrounds (Gaspar, Haro, 2019).

When investors chose the option of investing in a company in Portugal and creating new job opportunities in Portugal, they become entrepreneurs and it is likely that they move to Portugal to pursue their activities. Unlike the natives, most immigrant entrepreneurs tend to be freelancers (Xinyang, 2018). There are several possible struggles that immigrants face in the host countries which are likely to drive them into entrepreneurship. Obtaining institutional support might be more demanding. Financing must be secured from lenders. Moreover, they must build a relationship with the suppliers and the potential customers. Additional barriers in Portugal for the Chinese are the discrimination they face, the capital, which is less accessible to foreigners, especially when not from the EU, as well as the labor market and institutional help. Due to ethnic discrimination, the Chinese search for understanding in their ethnic community (Xinyang, 2018). Other factors holding the immigrant investors back to invest in the host country can be the language barrier, religion, and cultural barriers. The desire for self-realization plays an important role as well. This

might resolve into blocked promotional paths which will push the immigrant into self-employment (Xinyang, 2018).

However, the progressing industrialization and cumulation of wealth go hand in hand with a growing negative influence on the environment. Pollution in China is a major threat and is mainly caused by the increasing level of industrialization and the exploding number of cars on the streets (Gerth, 2010). The elevated pollution causes environmental impacts such as increasing desertification, polluted air, especially in mega cities, and dangerous smog. With its increasing production, China produces an increasing amount of waste (Gerth, 2010). The People's Republic of China is the country with the biggest population all over the world with 1.4 billion in 2013. Furthermore, the population density is high in the cities. An increasing number of vehicles and factories populate the main cities which leads to China having 16 of the most polluted cities around the world (Zeng, 2017).

China wants to improve the reputation of the label "Made in China". However, the quality of Chinese brands cannot always be guaranteed as there are many fakes on the market. A huge lack of developer's rights protection reinforces this trend. Generally, the fakes are extremely like genuine products, so it is hard to distinguish the two types (Gerth, 2010). This represents a huge problem for the European Union and the commerce with these countries as the copyright is fundamental for these economies. IP protection (author/ developer rights) is a struggle in China. Pirated movies, DVDs, digital programs, or video games are exceedingly popular (Doctoroff, 2013).

There are not only personal choices that play an important role in the minds of Chinese investor, but also the social structures and philosophical concepts they grew up with-in their home country. In China, three major philosophical traditions exist: the Confucianism, the Buddhism, and the Taoism. Thanks to these three concepts, the Chinese society remains flexible in business relations. Still, there are ideas that are common to the distinct philosophies (Almeida, 2017). The individual should avoid conflicts and try their best to establish harmony at any time. Every person in society has a so-called face that should not be lost in public. This is why, people need to pay attention to not making any of their interlocutors lose face. Furthermore, friendship is essential in Chinese society (Almeida, 2017). The Chinese middle-class cultural roots are mainly located in Confucianism. This

philosophy has two main ideas: the ideal social structure based on a conformist reward and the community always comes before the individual (Doctoroff, 2007).

As in almost every culture, children are particularly important to Chinese parents. They are especially precious to the Chinese, as they often only have one or, in case both, the father and the mother are from single-child families, they might have two (Doctoroff, 2013). Education is seen as a grant of the future success for their children. On the other hand, parents want to offer their children the best and the most they can afford. Especially, when it comes to food, toys, digital equipment, and lifestyle. Study and extra-curricular activities, like playing an instrument, playing chess or painting calligraphy, are of special importance (Doctoroff, 2013). Family occupies an essential place in the Chinese people from the middle class. The Chinese youth is rather conformist, but they are becoming more individualistic nowadays (Doctoroff, 2007). Chinese parents try to support their children wherever they can, especially financially. They give their wealth to their children by paying the bills even for adult children. Usually, grown-up children continue to live with their parents until their marriage. The parents pay huge attention to their children's education. Therefore, China represents the biggest source of overseas students, 423,900 students in 2013 (Zeng, 2017).

There are three huge groups of Chinese generations who are mainly investing: The Generation Z, 10-23 years old, the Millennials, 24-38 years old the Generation X, 39-54 years old. Generation Z is optimistic, impulsive and tends to outspend their budget. They desire unique products and services. They are more loyal to brands and they are purchasing offline and online, also towards individual merchants on e-commerce platforms as the quality can be assured through greater transparency (Zhou, Poh, Zhang, Zipser, 2020).

The research by KnightFrank from 2014 clearly underlines the correlation that the softening of the Chinese market conditions, such as the lack of investible stock and depressed residential markets strongly impact the Chinese developers and investors. Furthermore, the government policies were encouraging Chinese firms to expand abroad (Knight Frank, 2014). The Chinese market is very policy-driven as already mentioned which leads to a huge impact on the Chinese outward investment of policy adjustments. Another important push factor is the currency as the RMB has appreciated 30% against the US dollar and the Euro in 2014. This increased massively the Chinese purchasing power which also led them to invest abroad (Knight Frank, 2014).

In 2017, the Chinese investors spent 119.7 billion US dollars on residential and commercial international property. This represents an increase of 18.1% from the total investment of 2016 where China was the largest real estate investor all over the world. (Juwai.com, 2018). However, the growth rate dropped to 6.2% in comparison to 2015 where it had reached its peak at 53.8%. One needs to keep in mind that not all the Chinese investment originates from mainland China but ethnic Chinese from elsewhere often have similar choices of investment compared to the mainlanders (Juwai.com, 2018).

In 2017, still, one of the main factors holding the Chinese outward investment back, were the capital controls that had been imposed by the government in Beijing (Juwai.com, 2018). They were imposed to reinstall the investors' trust in the local market and to minimize the rapid outflow of money. Once again, the Yuan is devaluated against the US dollar but unlike in 2015, this did not cause panic in Chinese society. However, the capital controls do not seem to have had a huge impact on overseas real estate investment as expected. The Chinese investors are motivated by the desire to diversify their assets, minimize their risks, obtain a western lifestyle or education, and seek higher returns. Moreover, new actors who are accepted by the government in Beijing, have emerged to provide financing for Chinese overseas investors. Chinese and institutions from Hong Kong provide cash or financing for foreign property acquisition in exchange for assets in China (Juwai.com, 2018).

Furthermore, the Chinese tend to choose real estate investment options with lower average prices and turn themselves towards lower-priced markets. The investment in residential and commercial properties in Asia increased by 352.4% and in Europe, it grew by 939% when elsewhere, such as in Australia and the US it experienced a significant drop (Juwai.com, 2018). However, one single transaction in the European market accounted for 75% of the year's total investment. Without this transaction, the rate in Europe would have risen by 139% (Juwai.com, 2018).

A large amount of Chinese foreign investment is possible due to the continued growth of personal wealth in China. In 2017, the Chinese individually possessed investable assets were second after the US (Juwai.com, 2018). It is expected that by 2025, China's middle-class population will reach 803 million people. The international property investment was once limited to the high net worth Chinese. Nowadays, upper-middle-class buyers emerge. They are eager to protect their families and wealth, elevate their prestige and offer opportunities

for their children. They are the main drivers behind the growth of investment in Southeast Asia in 2017 as the markets are geographically and price-accessible to buyers (Juwai.com, 2018).

On the other hand, China has more billionaires than the US. Mainland China and Hong Kong SAR are home to nearly 14,000 individuals who are worth more than 50 million US dollars (Juwai.com, 2018). They possess an estimated personal wealth of 5.8 trillion US dollars. Half of it is already offshore. They also aspire an international lifestyle for them and their families, a second home, overseas education, and a cross border investment portfolio (Juwai.com, 2018).

4. The Chinese investment in the ARI and in Portugal

The Chinese investment in Portugal is increasing in every sector (Curvelo, 2018). While Portugal and China were extending their economic and commercial ties, the Chinese community in Portugal started to increase and the Chinese tourists that came to Portugal as well. Between 2012 and 2017, the Chinese community in Portugal increased by 33% and now represents the fifth largest foreign community in Portugal. In 2017, 23.197 Chinese nationals were living on Portuguese ground (Curvelo, 2018).

The Chinese foreign investment represented 17.1% of the Portuguese GDP in 2020 (CEIC, 2021a). Between 2011 and 2015, Portugal was the country of the EU where the Chinese investment has the most weight in the national PIB. In 2011, Chinese foreign investment started to gain weight in Portugal (Villalobos, 2017).

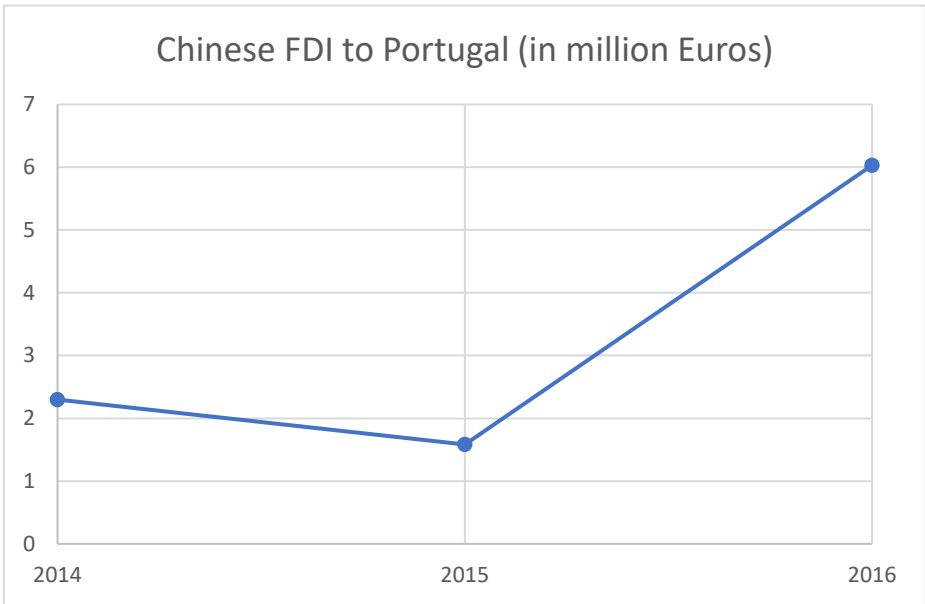
The Chinese FDI in Portugal started to become very important in 2014. Miguel Santos Neves, researcher, and specialist in Chinese matters claimed that Portugal and the EU were looking at the Chinese foreign investment within their borders without having an answer towards it (Villalobos, 2014). China is especially interested in continental Portugal and invested in Portuguese companies such as EDP, REN, Fidelidade, or ES Saúde. All these companies are belonging to crucial sectors for the Portuguese economy, but also for Portugal as a state. Before the Chinese investment in Portugal, the relationship between Portugal and China was only concentrated on Macau (Villalobos, 2014).

After the financial crisis in 2010, China engaged in Portugal by investing in a wide range of strategic assets, such as in the electricity sector, transportation, oil, financial services, insurances, the health sector, and real estate (Zeneli, 2019). As of 2019, Portugal was the main recipient of Chinese foreign investment with an estimate of almost 9 billion Euros when considering the per capita inflows (Zeneli, 2019). Portugal on its side is opening its arms to the Chinese investment and encouraging Chinese businesses to set up their European headquarter in Portugal (Global Times, 2020).

In 2015, the Chinese FDI in Portugal already passed 9 million dollars which makes Portugal the fourth most important destination of Chinese investment in Europe in 2014. This is due to the Portuguese politics of opening its economy for foreign investment and Chinese companies after the economic crisis. Overall, Europe is the preferred destination for Chinese investors (Suspiro, 2015a).

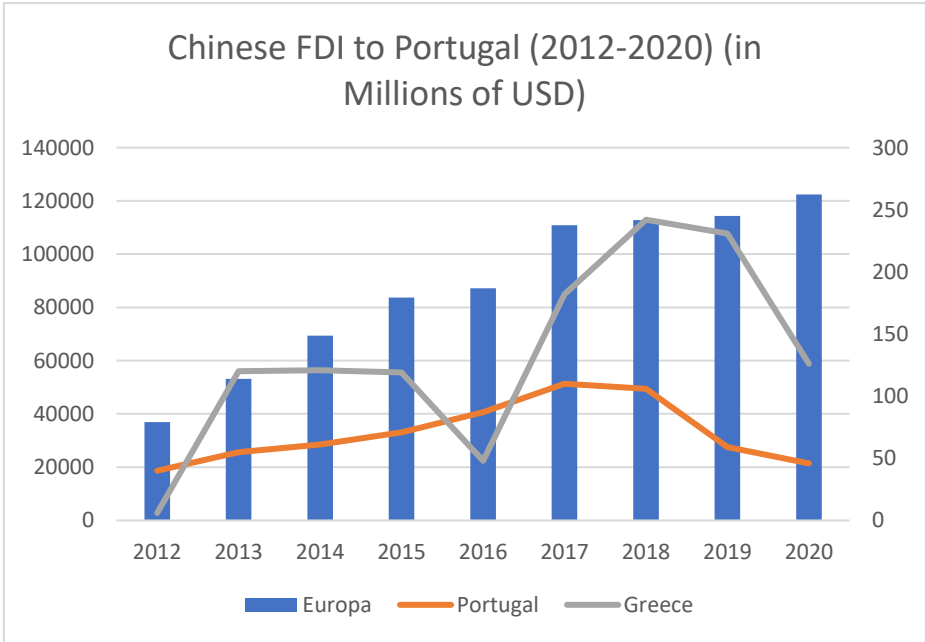
The Chinese FDI in Portugal in 2015 is even higher than in similar countries such as Spain or Greece. The Chinese investors hugely benefited from the privatizations in Portugal in 2011 and 2012. In 2014, China invested 18 million dollars in the European economy, 2.3 million out of this amount went to Portugal (Suspiro, 2015b). The FDI to Portugal fell by 1.583 million in 2016, in comparison to the 6.031 million in 2015, which represents the third lowest value since 2010 (Villalobos, 2017). In 2021, Portugal received 1.7 million dollars of FDI. Portugal aims to obtain the same production level as in 2018 or 2019 by captivating more foreign direct investment and exporting more goods (Marcela, 2021).

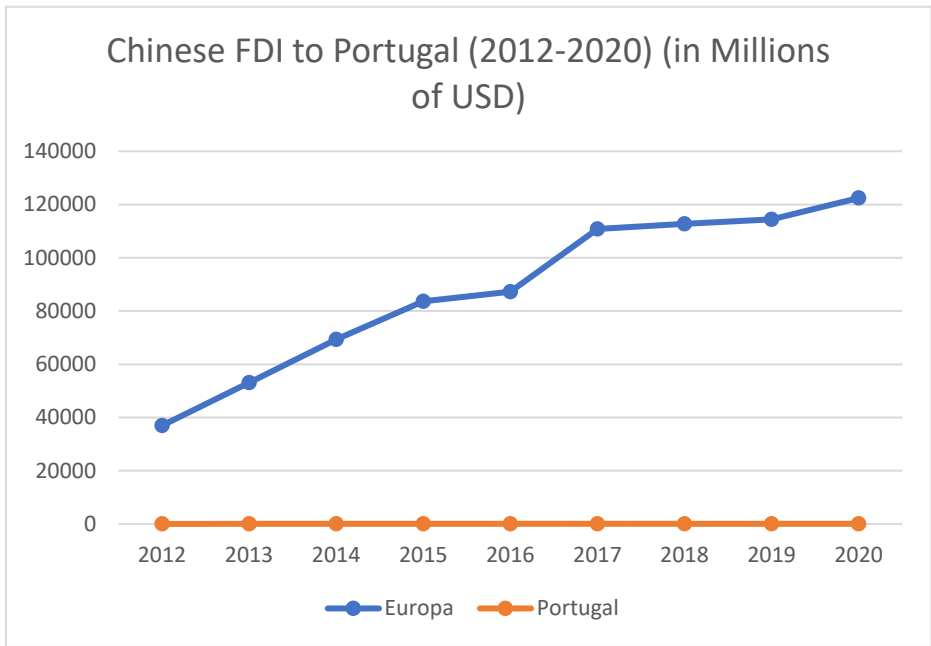
In 2019, the FDI in Portugal augmented by 8.2 billion dollars in comparison to the increase of 6.7 billion during the previous year (Santander Trade, 2021a). The total of FDI in Portugal in 2019 equaled 161.4 billion dollars, while in 2010, the value was still 121 billion dollars. Most of this investment is directed to financial services or assurances, professional activities, or scientific research. Geographically speaking, Lisbon is the most important destination of FDI and the principal investors in Portugal are the Netherlands, Spain, Luxembourg, and the United Kingdom. The flow of FDI to Portugal steadily increased from 2017 to 2019. (Santander Trade, 2021a).



In 2020, Portugal is in the 39th place out of 190 countries on the ranking “Doing Business” and lost 5 places in comparison to the previous year (Santander Trade, 2021a). Thanks to political actions such as privatization, Portugal’s economy recovered after the financial crisis of 2018. The Portuguese economy became more competitive and diversified in its exportations (Santander Trade, 2021a).

(Ministry of Commerce of the People’s Republic of China, 2020)



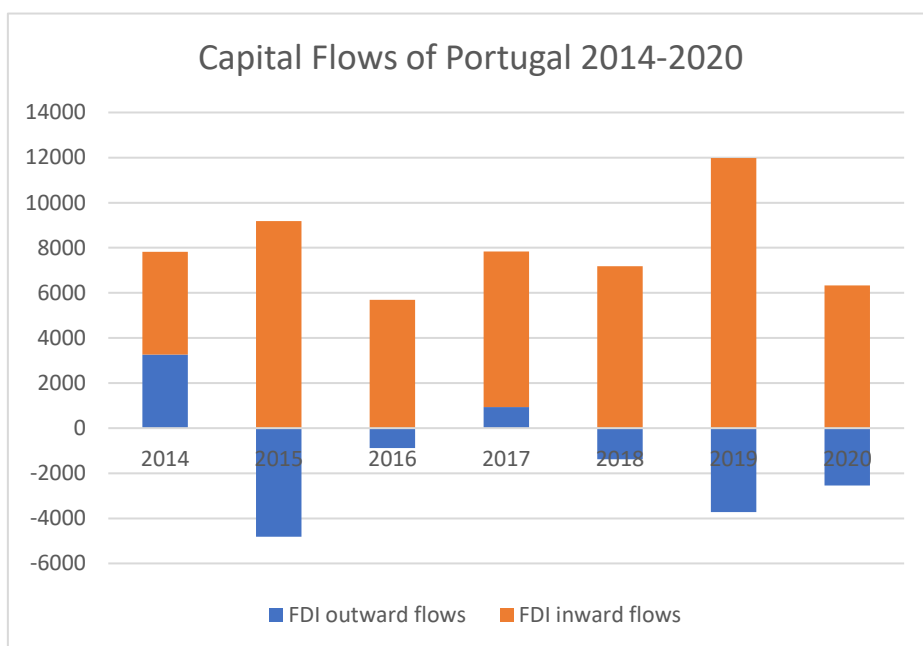


The two table above show the figure about the Chinese FDI of the Ministry of Commerce of the People ´s Republic of China. In order to make the difference between the investment in Greece, which will be analyzed later, and Portugal visible, the first chart has two different types of measurement. In the chart below, Portugal and Greece would show on the same level. It is visible that the Chinese FDI stock in Portugal remains increasing but that the inflow is following a slow-down trend while the overall FDI in Europe increases. The same goes for Greece which fell FDI inflow from China beginning in 2018. This might also explain why the number of the Golden Visa applicants in Portugal was especially high when the Chinese FDI reached one of its peaks as well.

Strong points about Portugal as a country for investment are the modern and high-quality infrastructure, the fact that many Portuguese are fluent in English, and a lower cost of living than in other occidental European countries. Furthermore, it offers an attractive environment for innovations and has a strategic relationship with Europe, Africa and Latin America, and is member of the European Union. It still has strong ties with its former colonies such as Brazil, Mozambique, Macau, and Angola which provides investors with easier access to other Portuguese-speaking markets (Santander Trade, 2021a).

The weak points about Portugal as a country for investment are the huge amount of public and private debts and the high amount of unemployment (Santander Trade, 2021a). In 2018, unemployment was at 8.9% which is an average value for Portugal. Furthermore, Portugal has a relatively low population and low productivity (Santander Trade, 2021a).

To make the situation better, the government employed some measures to attract further foreign investment. The fiscal processes have been simplified, the transport system had been developed, especially in the port of Sines, and the telecommunication infrastructure has been extended (Santander Trade, 2021a). Apart from the European Union, Portugal signed bilateral treaties about trade with nearly 50 states. Moreover, foreign investors can exercise any kind of activity exactly like a local investor. The FDI is free of all sorts of administrative control. The only formality consists in registering within 30 days after the investment for statistical reasons (Santander Trade, 2021a).



(OECD, 2021)

The chart above shows the Capital flow to Portugal from 2014 to 2020. The capital flow indicates that Portugal is a state based on import. The orange part shows that stock is generated in Portugal and the blue part shows the stock that Portugal increases abroad. It is visible that foreigners possess more in Portugal than Portuguese possess abroad.

Portugal is famous for its tourism and even won the World Travel Awards 2019 (Quintela, 2019). According to the Global Peace Index of 2019, Portugal is the third most secure

country in the world and the quality of life in Portugal is relatively high. Furthermore, Portugal is part of the European monetary system, the Euro. The country possesses a parliamentary and democratic system with a stable political environment. Its economy is relatively compatible, and the level of corruption is low. Moreover, the cost of living is quite low in Portugal (Quintela, 2019).

A huge problem of the Chinese investors in Portugal is the entrance of their money to Portugal as it depends highly on the Chinese policies (Almeida, 2017). This makes the Chinese investment unpredictable and in a certain way unreliable. Trust in their interlocutor is essential for the Chinese businessmen. This is often established through the Chinese community in Portugal (Almeida, 2017).

The Chinese immigration on a larger scale to Portugal is a more recent development. It started in the 1980s (Xinyang, 2018). As the ARI is extremely attractive to the Chinese, 3,936 of them received the Golden Visa until August 2018. 90% were investing in the real estate sector as the Chinese investors in Portugal tend to hold assets in the strategic sectors (Xinyang, 2018).

For many Chinese buying properties in unfamiliar overseas markets represents a risk. Chinese developers may offset this risk as they provide the investor with familiarity and pride (KnightFrank, 2014). The Chinese developers in Portugal also play an important role in Chinese real estate investment in Portugal. By purchasing a property, the Chinese investor obtains the Golden Visa as well and receives a guaranteed rental of up to 10% from the developer who offers one or two weeks of personal use to the purchaser (Choi & Liu, 2020). This represents exactly the time, where the Chinese investor needs to spend in Portugal to preserve his eligibility to the ARI program.

The internationalization and the modernization of the Portuguese economy are also contributing to the immigration of the Chinese. Most of the Chinese entrepreneurs immigrating from the PRC to Portugal come from the province of Zhejiang starting in the 1980s (Almeida, 2017). They were motivated by the Chinese integration in the global economy and were searching for new opportunities in foreign markets. Furthermore, in case of a shift of policy in their home country, the Chinese could still return to Portugal to build up a living as the situation in Portugal is more stable than the one in China (Almeida, 2017).

Chinese property buyers are sharpening the focus on Portugal and Singapore as they are looking for locations without geographical risk. The Chinese buyers rushed for homes in Lisbon to beat the year-end deadline under Portugal's Golden Visa scheme (Choi & Liu, 2020). This topped even the purchase of flats in Singapore by Chinese nationals. The withdraw from markets in the US, UK, Australia, Japan over the past two to three years is due to a worsening of the political ties with these countries. Investors from mainland China sharpen their focus on Portugal and Singapore as alternative investment locations (Choi, Liu, 2020).

The ARI is a mixture of both types of investment. On the one hand, the investor needs to stay a minimum number of days per year in Portugal to remain eligible for the program (Gaspar & Haro, 2019). On the other hand, the residence is not mandatory. Still, the program aims to attract investors with capital and qualifications to stay in Portugal. The logic of the ARI underlies the logic of the internationalization of capital flows. This means that money circulates within a global economy. In this model, the investors are attracted by different states that are competing (Gaspar, Haro, 2019).

The ARI, also called Golden Visa, was installed in Portugal on the 8th of October 2012 (SEF, 2021a). It enables third-country citizens to obtain a temporary residence permit. Entering Portugal is facilitated by applying for a residence visa waiver. The residence permit allows its holder to live, work and invest in Portugal on condition of a stay of at least 7 days in the country during the first year and a 14-days stay during the following two years. A residence permit for Portugal automatically means that its holder is also capable of traveling within the whole Schengen Area (SEF, 2021a). Family reunification and the opportunity to obtain a permanent residence permit for investment purposes for oneself and the family members are two extremely attractive points of the ARI program. Even the Portuguese citizenship by naturalization can be acquired (SEF, 2021a).

Different options of investment make nationals that are neither Portuguese, EU nor EEE citizens, eligible for the ARI program:

- a. "Capital transfer with a value equal to or above 1 million Euros" (SEF, 2021a)

- b. “The creation of, at least, 10 job positions” (SEF, 2021a) within their own business located in Portugal or another EU member state if the applicant is settled stably in Portugal. (SEF, 2021a)
- c. “The purchase of real estate property with a value equal to or above 500 thousand Euros” (SEF, 2021a)
- d. “The purchase of real estate property, with construction dating back more than 30 years or located in urban regeneration areas, for refurbishing, for a total value equal to or above 350 thousand Euros” (SEF, 2021a)
- e. “Capital transfer with a value equal to or above 350 thousand Euros for investing in research activities conducted by public or private scientific research institutions involved in the national scientific or technologic system” (SEF, 2021a)
- f. “Capital transfer with a value equal to or above 250 thousand Euros for investing in [...] arts, for reconstruction or refurbishment of the national heritage” (SEF, 2021a)
- g. “Capital transfer of the amount of 350 thousand Euros, or higher, for the acquisition of [...] investment funds or venture capital fund of five years and, at least, 60% of the investments in [...] companies with head office in national territory” (SEF, 2021a)
- h. “Capital transfer of the amount of 350 thousand Euros, or higher, for constitution of a commercial society with head office in the national territory, combined with the creation of five permanent working jobs” (SEF, 2021a)

In general, real estate is divided into four major categories: the residential real estate which is the most common type of investment for individuals, the commercial real estate, considering the receiving and incomes, the industrial real estate, including manufacturing buildings such as factories and warehouses, and the land, including farms and orchards (Zeng, 2017).

Until 2018, 3,981 Chinese citizens received the Portuguese Golden Visa. A total of 6,687 Golden Visas had been issued of which 95.4% came from real estate investment. Only 5.3%

were generated by capital transfer and just 0.17% from creating at least 10 jobs (Gaspar & Haro, 2019)

The Golden Visa is a program that brought over 2.700 million euros to Portugal until 2021. Between October 2012 and March 2021, a total of 2,751,341,633.59 euros was generated and a total of 4,837 Golden Visas have been issued (SEF, 2021b). In the first place, there are the Chinese investors, on the second rank are the Brazilians, on the third the Turkish, on the fourth the South African and on the fifth the Russian in 2021. The Chinese investment represents 39.3 million euros and 73 granted ARI only until May 2021 (SEF, 2021).

Foreign direct investment is defined as capital that is invested in the long-run, and which reflects a long-term interest in a company or a foreign economy by a direct investor living in the same economic space or by an investor living in a foreign country/ economic space (INE, 2021). The investor's aim is to gain a degree of influence on the economic unity in which he or she invested in (INE, 2021).

In 2020, the total value of the investment in the Portuguese Golden Visa equalled, 496.7 million euros until August. 915 investors received the Golden Visa in 2020, plus 1650 joining family members. 24% out of them were Chinese nationals (Global Citizen Solutions, 2021). In 2019, 76% of the investors chose the option of investing in real estate worth at least 500,000 euros or more, while in 2020, this option was only chosen by 65% of the investors. Since the beginning of the program in 2012, 90% of the investors opted for the option mentioned before (Global Citizen Solutions, 2021).

Within 5 years, an applicant can become a Portuguese citizen (GoVisaFree, 2021). The main advantages are that the stay requirements are minimal and that there is a wide range of investment options. Portugal is a safe country with an elevated lifestyle and a good health and education system with established infrastructure, a decent climate, and hospitable people (GoVisaFree, 2021). Tax benefits represent a huge advantage as well. Golden Visa investors can become non-habitual residents in Portugal which excludes them from many income taxes for ten years in case one chooses to become a tax resident in Portugal (GoVisaFree, 2021).

Furthermore, the ARI is a legitimate program that accomplishes the European Union immigration standards, and it is not on the blacklist by the Organization for Economic

Cooperation and Development (OECD). Moreover, the ARI is not a donation but an investment. Portuguese language skills are not a requirement for the ARI program (GoVisaFree, 2021). In 2017, the distribution of the Portuguese Golden Visa was three months late. As an official reason, a huge amount of application to the ARI was given (Observador, 2017).

The greatest advantages of the Golden Visa for foreign investors are the freedom of circulation on the Schengen space and the security of Portugal as a country. It figured on the third place of the Global Peace Index in 2017 (Manfrin & Busnardo & Santos, 2018). Other advantages are its geographic localisation, the technological development in Portugal, its infrastructure, its high quality of life, and the appealing culture. Furthermore, the Golden Visa gives families the possibility to be reunited and to move together to Portugal after the ARI had been issued (Manfrin & Busnardo & Santos, 2018).

Since the establishment of the ARI program in Portugal, the Chinese wealthy buyers' interest in the Portuguese property market increased tremendously. They show confidence in Portugal's struggling real estate market in 2016 which leads to increasing prices, above all in the capital city of Portugal (SEF, 2021c). Lisbon remains the number one choice for Chinese investment (SEF, 2021c).

Over the years, Portugal has become one of the most attractive targets of investment for Chinese nationals due to recent legislation like the ARI which is attracting foreign investment. Already in 2015, only three years after the establishment of the ARI, the Chinese were rushing to invest in the Portuguese Golden Visa (Almeida, 2017). According to Portugal's real estate professionals and brokers association, only in March 2016, Portugal approved 130 golden visas to Chinese citizens (SEF, 2021c). In total, 3,165 golden visas had been issued to Chinese nationals during the same month which represents 80% of the total amount of golden visas issued (SEF, 2021c). At the end of April 2017, already 3,376 visas had been awarded to Chinese nationals (Schengen visa info, 2021a). The visas brought 1.92 billion Euros to the country of which 1.73 billion came in from real estate investment (SEF, 2021a).

In 2019, changes to the Portuguese Golden Visa had been announced. These alterations have been planned for the beginning of 2021 (Viana, 2018). But then, the COVID-19 pandemic came, and the eventual changes were postponed. The future of the changes to the Portuguese

Golden Visa remains uncertain (Viana, 2018). Nevertheless, the investment in the Golden Visa rose by 2.9% during the first semester of 2020 (Quintela, 2019).

Especially at the end of 2020, a new rush on the Portuguese ARI by Chinese nationals has been observed. The increasing number of Chinese investors can be explained by the government's initial plans of shutting the ARI program down for the major cities Lisbon and Porto by the beginning of 2021 (Schengen visa info, 2021a). As a reminder: Lisbon and Porto have traditionally been the preferred locations of investment for the Chinese. Therefore, the Chinese invested a total of 37 million Euros in Portugal during the second quarter of 2020, twice their spending in 2019. Between January and September inquiries marked a 176% increase. They show that the Portuguese government policies pushed even those people to invest who initially wanted to hold back to the COVID-19 pandemic. When it became clear that the government would prioritize the extraordinary situation Portugal is facing and no changes to the ARI would occur in 2021, the investment flow declined again (Schengen visa info, 2021a). In July 2020, one could observe a decline of 43% of investment compared to the same period during the previous year, and a decline of 37% compared to June 2020 (Schengen visa info, 2021a).

In 2020, the Portugal immigration department has reported an amount of 1.9 billion euros investment from Chinese candidates for the ARI. Overall, the Portuguese Golden Visa is dominated by Chinese candidates which represent an overwhelming majority of receivers of the visas and two-third of the money invested in the scheme, according to the European country's Foreigner and Borders Service (Schengen visa info, 2021a). The Chinese clients tend to arrive all the year through, usually in huge groups with their family and friends during the holiday season where they tend to invest together (Silva, 2020).

The Portuguese Golden Visa did not experience a period of decrease. Only in 2015, fewer Golden Visas had been issued due to a case of corruption. However, the amount of family reunifications clearly shows that investors do not just purchase real estate with the ARI program for investment reasons (Gaspar & Haro, 2019).

Especially in the first year after the launch of the ARI, the program had been successful. Therefore, the Portuguese government and even different parties within perceived the ARI as positive. Furthermore, the ARI emerged to face the competition as many other countries within the EU such as Malta, Greece, and Ireland launched their own Golden Visa programs.

Until 2018, Chinese nationals represented 60% of the people to whom the Golden Visas had been issued (Gaspar & Haro, 2019).

The Golden Visa in Portugal has been an international success (Caetano, 2014). It is especially popular among the Chinese, Brazilians, Russians, and those from the Middle East. The typical Golden Visa investor in Portugal is a Chinese investor purchasing real estate (Caetano, 2014).

The Chinese investor opting for the Portuguese Golden Visa possesses some typical characteristics as well as the program itself. Particularly one type of Chinese investor benefits from the ARI: the “safe haven investor” (Gaspar & Haro, 2019). They are searching for safe investments for their money and free mobility throughout the whole Schengen Area without a mandatory residence in the country where the visa is conceded. Furthermore, they are eager to exploit the further business opportunities in Europe and the EU and aim to expatriate their capital to safe environments. Housing acquisition is a tool for future migration purposes and not to move in directly (Gaspar & Haro, 2019).

Usually, the “safe haven investors” are super-wealthy Chinese individuals. In contrast to them, there are Chinese high-middle class housing investors who are placing their investment for mainly lifestyle reasons (Gaspar & Haro, 2019). Most of the Chinese families moving to Portugal with the Golden Visa consist of a married, heterosexual couple with young children. The man might likely return to China for business purposes after the family settled in (Gaspar & Haro, 2019).

There are changes to the ARI that might occur probably in 2022. First, the real estate investment option will be replaced. Only real estate purchases in the autonomous regions of the Azores and Madeira or the interior territories will make the investors eligible for the ARI. Properties in Lisbon, Porto or other coastal areas will not qualify any longer for the program (GoVisaFree, 2021). Secondly, the minimum amount of investment will increase. The capital transfer amount will jump from 1,000,000 Euros to 1,500,000 Euros. The investment fund amount will increase from 350,000 Euros to 500,000 Euros and the research and development investment from 350,000 Euros to 500,000 Euros (GoVisaFree, 2021).

The Portuguese foreign ministry and the national association of real estate professionals (APEMIP) are pleased about the fact that the changes do not occur right now. There are

several other voices, pleading for the maintenance of the existing rules. The APEMIP even presumes that the government should overthink the alterations again (Greene, 2021). The Portuguese delegation of the international property consultants (CBRE) estimates that the Golden Visa scheme is fundamental in helping the Portuguese housing market recover after the sanitary crisis. The JLL property market consultants consider the ARI as a chief factor in attracting investment from Asia. Until 2020, the ARI had brought 700 million Euros to Portugal (Greene, 2021). However, the leader of the socialist party Ana Catarina Mendes believes that the new rules might help to contain property speculations in Portugal's major cities by forcing investors to focus on other areas like Madeira, the Azores, or the inner land. (Greene, 2021)

If Lisbon and Porto would be excluded from the Golden Visa program in the future, the foreign capital might be invested in other countries, claims the CEO of Kleya, Vasco Rosa da Silva. Therefore, alternatives are necessary (Caetano, 2020). Until now, there have only been 29 ARIs issued for investment in real estate in the interior of Portugal or in the autonomous regions of Madeira and the Azores (Ferreira, 2020). The alterations to the Portuguese Golden Visa which had been proposed by the Portuguese government had been the following: the capital transfer should pass to 1,500,000 euros, the minimum value of investment of 350,000 euros should only be possible for real estate in the inner part of Portugal or the autonomous regions of the Azores and Madeira, and lastly, every other investment option with the minimum value of 350,000 euros should pass to 500,000 euros (Roque, 2021).

5. FDI, citizenship by investment, residency by investment, and portfolio investment

A long-term relationship between the investor and the company is crucial for an FDI. A direct investor needs to own 10% or more of the voting power in a company on the board of directors (Eurostat, 2021).

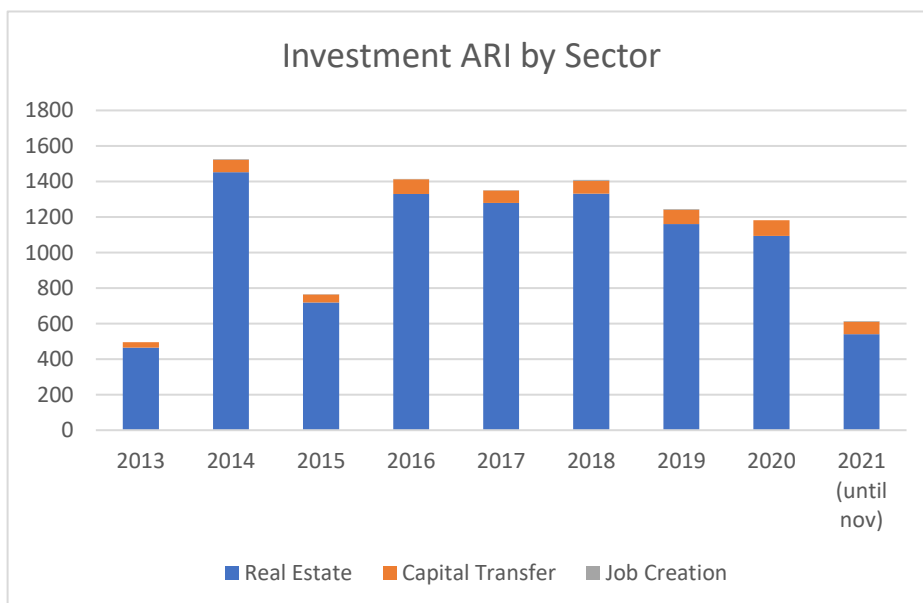
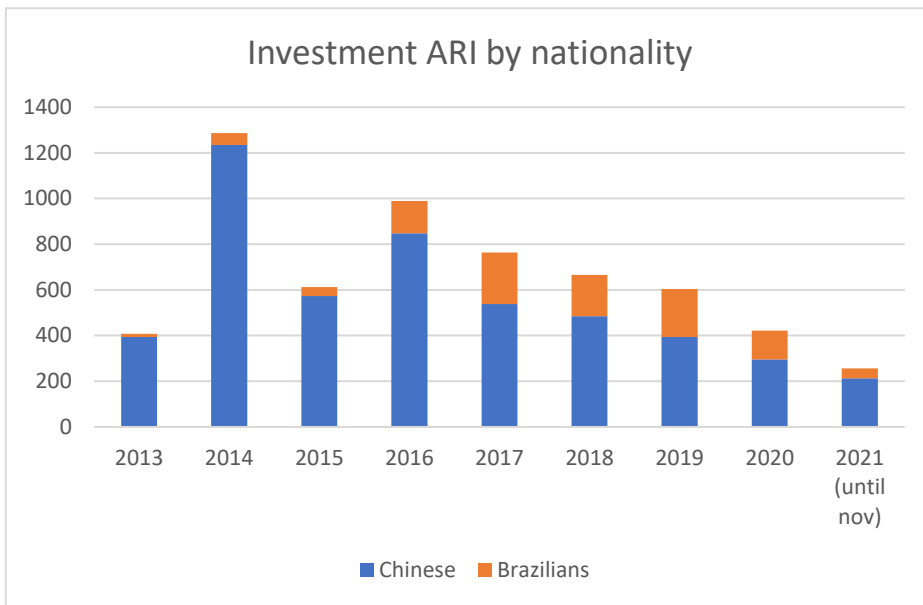
There are two different kinds of FDIs. On the one hand, the creation of productive assets by foreigners and on the other hand, the purchase of existing assets by foreigners, such as acquisitions, merges, or takeovers (Eurostat, 2021). An FDI has the purpose of having control or an effective voice in the management of a company and represents a lasting interest in the latter. FDI is not only an initial acquisition of equity capital but also includes subsequent capital transactions between the foreign investor and the domestic and affiliated enterprises (Eurostat, 2021).

Since 1990, FDI gained more and more importance in Portugal (Barbosa, 2018). Within the last years, Portugal had a surging problem with the augmenting public and private debt which made it difficult for the country's economy to grow and lead to a scarcity of investment. From 2008 to 2016, this problem increased dramatically (Barbosa, 2018). In 2019, the FDI in Portugal rose by 27% and it was elected the best touristic destination in the world by the World Travel Award. Another advantage of Portugal as a country of investment is that English is widely spoken in the whole country (Delgado, 2020).

The most recent figures of the Golden Visa in Portugal are going to be stated here. In 2020, 1,949 family members and 1.132 new investors obtained the ARI. Out of them, 1,094 invested in real estate, and only 88 chose one of the capital transfer options. No one opted for the creation of at least 10 jobs in Portugal (SEF, 2021c). As always, the Chinese represented the most important group with 296 investors. The second-largest group were the Brazilians with 126 investors and therefore, they were more than two times less than the Chinese (SEF, 2021c). There is no complete data for the year 2021 yet, but during the month of October, 87 residence permits had been issued, 15 of them to Chinese nationals. 104 family members joined the investors and received a residence permit too. 75 investors chose one of the two real estate options (SEF, 2021d). Until the end of October 2021, a total of 698 ARIs had been issued and 237 of them were Chinese. 964 family members received the ARI thanks to the family reunification option (SEF, 2021d).

In a nutshell: Between October 2012 and October 2021, a total of 10,087 residence permits have been issued in Portugal to the main investors and 17,014 family members joined them.

5,001 of the investors were Chinese nationals and 1,038 Brazilians (SEF, 2021a). One can see that the largest group is about five times huge than the second-largest. In total, 9,450 ARIS have been issued for real estate acquisition of both kinds which represents the most chosen option. Only 20 ARIs had been issued for the creation of jobs in Portugal which is the least preferred option by the investors. The total value invested sums up to 6,010,994,090.19 euros (SEF, 2021a).



6. The Spanish Golden Visa and the Chinese investment in Spain

The FDI influences directly and significantly the receiver country's economy and it makes the PIB per capita rise as well (Gu, 2020). The investment in real estate represents 20% of the FDI in Spain in 2021. 224.559 Chinese nationals are living in Spain which makes them the fifth biggest foreign community in Spain. They are also the nationality investing most in the Spanish real estate sector (Templo Consulting, 2021). Pull factors that drive investors to invest in Spain are the climate, the political stability, and the well-developed infrastructures. In total, since 2013, 25,000 visas (normal visas) have been issued in Spain. Out of them, Chinese nationals received 455 residence permits (without investment) (Templo Consulting, 2021).

The economic crisis for Spain began in 2008 and took until 2014 in some countries. The Chinese FDI in Spain had doubled in 2016 in comparison to the previous year and even reached 139 million euros. In 2017, the Chinese investment was increasing as well (Gu, 2020). In 2009, the FDI in Spain reached 1172.23 billion dollar, 38% less than in 2007. This pessimistic situation did not change until 2015 where the FDI reached 2000.00 billion dollars. But afterward, the FDI fell again and in 2019, it reached the same level as in 2009. In 2007, 46% of the FDI in Spain came from the EU, while the EU represented only 21% of the FDI in 2018 (Gu, 2020). The Chinese investment in Spain increased by 362% in 2020 despite the sanitary crisis and totalled 29 billion US dollars. In 2019, it only reached a modest value of 80 million US dollars (Corner, 2021).

The Spanish Golden Visa does only indirectly influence the FDI to Spain. Nevertheless, it is of special importance, especially when it comes to the attraction of new investors from outside the EU. The Spanish Golden Visa program enter into force on the 27th of September 2013. Since then, it experienced huge success. Its goal was to strengthen the economic development in Spain (Immobilier Espagne, 2021). Therefore, visas and residence permits are issued to citizens outside the EU. The investors are wishing to move to Spain and to be able to circulate freely in the Schengen Space. The Golden Visa is issued to an applicant, as well as to his or her close family members, such as husband or wife and children. The initial

period takes two years and afterward, the permit needs to be renewed every five years if the investment is maintained (Immobilier Espagne, 2021).

There are different options to obtain the Spanish Golden Visa. Either purchasing real estate with a minimum value of 500.000 euros, depositing a minimum of 1 million euros in a Spanish bank, investing at least 2 million euros in Spanish state obligations, or purchasing shares of Spanish companies with a minimum value of 1 million euros. The last possibility is to invest in the creation of a company in Spain which has an economic and scientific or technological impact, especially when it comes to the employees (Immobilier Espagne, 2021). It is not necessary to live in Spain to be eligible for the Golden Visa, it is enough if the tenant has visited Spain once. After two to ten years of residence in Spain, it is possible to obtain the status of a permanent resident and even the Spanish citizenship (Immobilier Espagne, 2021). One of the main advantages of the Spanish Golden Visa in comparison to the other residence authorisations, is that there is no obligation to reside in Spain, not even to have a fiscal residence in Spain. Furthermore, the procedure is easy to proceed, and it is a relatively rapid procedure with a huge probability of success. The Spanish Golden Visa includes a work permit with the residence permit. Moreover, there is the possibility for the investor to take its family members with them (Immobilier Espagne, 2021).

To remain eligible for the Spanish Golden Visa, the tenant needs to visit Spain at least once a year. In 2018, out of 6000 visa that had been issued in Spain, almost 600 had been Golden Visas. The Spanish Golden Visa is less popular than the Portuguese one, as the Portuguese ARI is easier to obtain (Balcellsg, 2021). However, the number of Golden Visas issued in Spain is increasing constantly. In general, the Spanish Golden Visa is popular within the Chinese, Russian, Iranian, Venezuelan, and Lebanese investors. The Golden Visa allows the tenant to live and work legally in Spain (Balcellsg, 2021). Furthermore, it is the only title enabling its holder to live in Spain during an initial period of two years. A residence on the Spanish soil is not mandatory. It allows the holder to circulate freely in the Schengen space. Even the demand of the Golden Visa in Spain does not require the physical presence of the applicant (Balcellsg, 2021).

The investor must remain the owner of the real estate to stay eligible for the Golden Visa. While purchasing real estate, the investor has to pay the VAT and all the other taxes required

just like a local investor from Spain or the EU. The amount of the taxes depends on whether the investor is a Spanish tax resident or not (Balcells, 2021).

The main goal of the Spanish Golden Visa is to attract foreign capital. The family reunification includes the investor's parents, his or her partner, his or her minor children and the mayor ones that are depending on the investor. Since 2015, there is no obligation anymore to travel to Spain once a year (Libehomes, 2021).

The time usual applicants for the Golden Visa stay in Spain, is one to two months. The Spanish Golden Visa offers access to public services in Spain, such as the educational system and the health system. Income that had been generated outside of Spain, is not taxed in Spain. From the 28th of September of 2013 to the 31st of December of 2017, a total investment of 3,026,040,000 euros had been generated with the Spanish Golden Visa, of which 2,332,570,000 euros were earned by purchase in real estate (Get Golden Visa, 2021). 369,470,000 euros had been generated by investment in the temporary project of a real estate company. In total, 3140 investors chose to invest in real estate in Spain to obtain the Golden Visa (Get Golden Visa, 2021). In 2015, the Golden Visa schemes had been simplified which makes it easier to obtain the Golden Visa now (Strong Abogados, 2020).

The purchase of the Golden Visa can be realised by a physical person or a juridical person, which is not paying taxes in a fiscal paradise and 100% the property of a physical person. For the purchase, no hypothetic, or no loan from a bank can be utilised (Lexidy, 2020). Once the Golden Visa holder gets granted permanent residency, he does not need to hold the investment any longer. The investment can include various pieces of real estate and those can also be rented (Lexidy, 2020).

Even during the world-wide pandemic, China was the nationality demanding most of the Spanish Golden Visa. Spain is one of the member states of the EU which issued most of the Golden Visas in 2020. Spain had been the fourth destination of foreign direct investment within Europe, after Germany, France, and the United Kingdom (Durán, 2020). Spain offers a high quality of life, many investment opportunities, opportunities for personal and professional development, and a high level of security. During the first semester of 2020, Spain issued less Golden Visas than during the previous year: until May 13, 113 Golden Visas had been issued. Since September, the interest in the Spanish Golden Visa rose again. In total, from 2013 to 2020, 8,061 Golden Visas had been issued in Spain (Durán, 2020).

The investment in the Golden Visa in Spain represented a total value of 976 million euros until 2018, while the investment in the Golden Visa in Portugal totalled 670 million euros for the same period. From 2012 to 2018, 75% of the investors in the Portuguese Golden Visa were Chinese, while they represented only 32% of the investors in Spain from 2013 to 2018 (Gu, 2020). The Chinese investment in the Golden Visa in Spain increased from 2014 to 2019 from 27% to 35%. 93.7% of the investors in the Spanish Golden Visa chose the real estate option (Gu, 2020). From 2013 to 2018, Spain issued 4592 Golden Visas while Portugal issued 6498 Golden Visas from 2012 to 2018. 11023 family members received a visa and joined the investor in Portugal during this period, while in Spain, it was 20163. (Gu, 2020)

The Coronavirus was drowning the Golden Visas for real estate investment in Spain as China has been the most affected country, especially at the beginning of the pandemic. From the 1st of January to the 31st of May of 2019, 180 Golden Visas for real estate investment had been issued, while during the same period in 2020, only 65 had been issued. The total amount of Golden Visas of the five first months in 2019 was 285 Golden Visas, while only 113 Golden Visas have been issued during the first five months of 2020 (Templo Consulting, 2021). This shows that Spain emitted less than half of the Golden Visas than during the previous year.

In total, 681 Golden Visas had been issued in 2019 which was Spain's record. In 2016, it was 658 and in 2018 599 Golden Visas. What gives hope for the long-term is that the Chinese are the main demanders of the Golden Visas, and they are expected to return after the sanitary crisis (Templo Consulting, 2021).

Before 2020, the tendency of investment in the Spanish real estate sector had been increasing (Rodellar & Vite, 2018). Problems with Spanish Golden Visa are that it might attract corrupt investors and that fraud is easy to commit (Gu, 2020). Furthermore, the investors do not possess any cultural integrity with Spain which can be a problem when they apply for citizenship (Gu, 2020).

7. The Greek Golden Visa and the Chinese investment in Greece

Unlike other EU countries, FDI flows to Greece remain low and have fluctuated at lower levels since 2009 compared to the pre-crisis era. The highest level of FDI inflow since 2009 was achieved in 2019 (Santander Trade, 2021b). The FDI reached 4.6 billion US dollars, an increase of 16% when compared to 2018. The FDI stock reached 40.5 billion US dollars. The FDI in Greece is supported through its global strategy of extroversion, international partnerships, and economic relations with China. The FDI in Greece comes mainly from the European Union member states and the Eurozone accounts for 75% to 80% of the total inflows per year (Santander Trade, 2021b). Hong Kong is also a major non-EU investor. The investment in Greece is mainly oriented towards trade, information and communication, trade and maintenance, transport and storage, electricity, especially important in 2020, gas, and real estate. In 2020, Greece ranked 79th out of 190 countries within the Santander Ranking and lost seven spots from 2019. In 2017, the FDI inflow valued 33,403 million US dollars, in 2018 34,853 million US dollars and in 2019 40,513 million US dollars (Santander Trade, 2021b). In 2018, real estate purchase represented 6.0% of the FDI to Greece (Santander Trade, 2021b).

The global FDI for the same period declined by 42% which is the same level as the 1990s. In the EU-27, the inflows of FDI decreased by 71%. From 2010 to 2019, the FDI to Greece had been steadily growing (Enterprise Greece, 2020). China is in the 7th place of the FDI to Greece which equals 200 million euros. Cyprus, Germany, and France are in the first places (Enterprise Greece, 2020). According to the most recent data of the Bank of Greece, the net inflows of FDI in Greece from China for 2020 totalled 3.127 million US dollar (Enterprise Greece, 2020).

Greece tries to prepare itself for an economic transformation in order to attract foreign investors and offers high prospects and future promises even after the sanitary crisis (Yannopoulos, 2021). The foreign investment in Greece remains surprisingly resilient and the FDI in Greece totalled 3.13 billion euros in 2020 and declined overall of about 30% for the record level in 2019. This might be due to Greece's robust tourism and export sectors (Yannopoulos, 2021). The FDI in Greece increased by 385.3 million USD in March 2021

which represents an increase of 313.6 million USD in the previous month (CEIC, 2021b). In March 2021, a total of 1.7 billion USD of FDI reached Greece (CEIC, 2021b). Greece enjoyed a steady rise in FDI in the past five years thanks to a blossoming relationship with Chinese investors. The COVID-19 pandemic is denting the tourism industry (Karadima, 2020). The FDI to Greece is already represented in the chart dealing with the investment in Portugal, Europe and Greece so that the comparison is facilitated.

The Chinese invested 600 million euros in the Piraeus Port which is Europe's biggest commercial port. Still, Greece typically attracts less FDI than its Western-European peers (Karadima, 2020). Since 2015, one can notice a steady increase in the incoming FDI in Greece. For instance, Greece received 4.6 billion USD in FDI in 2019, up from 1.2 billion USD in 2015 (Karadima, 2020). In 2009, the cooperation between Greece and China started when the Chinese state-owned shipping and logistic company Cosco obtained a 35-year concession to upgrade and manage the container cargo piers in the port of Piraeus. Seven years later, Cosco acquired 51% of the stakes in the port. In 2019, Cosco invested a further 600 million euros into the Piraeus port (Karadima, 2020).

Another sector which is interesting to the Chinese is real estate in Greece. Its popularity of investment rose with the establishment of the Greek Golden Visa (Karadima, 2020).

The Golden Visa had been introduced in 2013 by the Greek government (Henley & Partners, 2021). The Greek Golden Visa program had been launched in July 2013. Greece offers a low-cost European residency, even the lowest in Europe. Investors in real estate in Greece must also pay additional taxes on the real estate which represent about 3% to 24% of the purchase price (La Vida, 2021). The procedure of the program is relatively fast, and it takes around 40 days until the residency card is issued. The Greece Golden Visa can also be issued, when a plot of land is purchased which is worth at least 250,000 euros, such as a vineyard or an olive field (La Vida, 2021).



The points that make Greece attractive as a country for investors are that Greece is a member of the European Union and the European Monetary Union. It is the Economic Hub of South-Eastern Europe, and its geographic location offers a strategic link to the markets of the Balkans, the Black Sea, Eastern Europe, and the Eastern Mediterranean regions (Santander Trade, 2021b). Furthermore, it possesses one of the strongest shipping sectors world-wide and a strong tourism sector. In-depth economic and work market reforms have been introduced after the economic crisis and the financial management has been improved. The prospects for tourism in the long-term remain strong and the Greek economy continues to grow which will create more opportunities for investment, related to upgrading and updating infrastructure (Santander Trade, 2021b).

Greece's weak points are that the economic crisis greatly diminished the economic prospects and that therefore, the consumers' confidence decreased. The Greek bank faced liquidity issues and as access to credit is difficult, the consumption scaled back dramatically (Santander Trade, 2021b). Moreover, the public debt is very high and there is a rigid business environment with weak industrial and banking sectors. The investment in research and development is insufficient and the bureaucracy inefficient which leads to expensive regulations and uncertainty about the future regulatory system (Santander Trade, 2021b). Furthermore, Greece must deal with a high level of corruption which affects economic and

commercial life. Social tensions persist and many industries are oligopolistic which creates difficulties for those wishing to enter the Greek market (Santander Trade, 2021b).

The advantages of Greece as a country of investment are its high-quality services and products of investment, its privileged geographically and strategic location, the fact that Greece is part of the European market, and that it belongs to the EU (Amoiridis, 2020).

Greece is recovering from a long period of economic recession and experiences an “entrepreneurial boom” recently. Therefore, it offers potential for high-impact entrepreneurs and investors worldwide and plenty of business opportunities (Amoiridis, 2020). Greek real estate is relatively cheap in comparison to other European countries due to its long-lasting recession. Furthermore, it has a low cost of living and a low level of criminality (Amoiridis, 2020).

The Greek Golden Visa is a legal framework which enables third-country nationals to apply for a residence permit through investment. The holder can renew this permit every five years. During the period of renewal, the real estate investment must be maintained (Amoiridis, 2020). The applicant must enter the country with any kind of visa or must legally reside in Greece. The applicant has to be the full owner of real estate property in Greece, which must have at least the value of 250.000 euros. Family members can join the investor since 2018. Since 2015, spouses were allowed to follow the investor (Amoiridis, 2020). The following are considered as family members for the Greek Golden Visa: spouses or partners living in a civil partnership, unmarried children under 21 years, and direct family members of the investor or spouse (Amoiridis, 2020). Most of the other Golden Visas only allow children to follow until 18 years. The Golden Visa entered into force in 2014 in Greece. The advantage of the Greek Golden Visa is that the investment capital is quite low, even the lowest in the whole EU (Amoiridis, 2020).

The Greek Golden Visa is one of the most popular investment visa programs in the EU. The residence offers an immediate five-years-residence for the investor and his or her family (Schengen visa info, 2021b). The Greek Golden Visa has an unlimited expiring date. Investors cannot be employed in Greece (Henley & Partners, 2021). To obtain the Greece Golden Visa, it is neither necessary to learn the history nor the language of Greece. The program is for individuals. The Greek Golden Visa is a so-called “safe haven” for residential

and travel purposes in Europe and offers the investor access to a European bank account (Immigrant Invest, 2021).

The period of residence is lower for the investors in the Golden Visa than for other applicants for Greek citizenship. It is 7 years in comparison to 12 years for regular applicants (Immigrant Invest, 2021). The Greek Golden Visa can also be an insurance policy for an uncertain future for investors. Furthermore, Greece possesses excellent flight connections to Europe and the rest of the world which makes Greece a good base for travelling. Children can apply for Greek citizenship if they attend a school in Greece for at least 9 years if they attend a secondary school in Greece for at least 6 years or if they attend a university in Greece (Greece properties gate, 2021).

There are several investment options for the Greek Golden Visa: the purchase of real estate property, worth at least 250,000 euros, signing a leasing agreement with a hotel or a tourist establishment for at least ten years, making a capital investment of at least 400,000 euros in a company registered in Greece, making a 400,000 euro investment in Greek government bonds, making a 400,000 euro investment in bonds or shares of Greek real estate companies, making a deposit of 400,000 euros in a Greek bank or making an 800,000 euro investment in Greek cooperate or government bonds (Schengen visa info, 2021b).

The holders are not required to live in Greece for any duration and it is possible to rent the real estate after the purchase (Schengen visa info, 2021b). After 7 years of residence, the holders may apply for Greek citizenship. Therefore, one has to live in Greece for at least seven years, have ties to the country, and have basic knowledge of the Greek language and culture. The residence permit also offers a work permit and it can be renewed eternally as long as the investment is maintained (Schengen visa info, 2021b).

The residence permit allows the applicant to live in Greece but not to work. However, they can set up a business in Greece (La Vida, 2021). It is a residency investment program but not a citizenship by investment. Portugal is more attractive as one can get citizenship easier, and the investors do not have to pay taxes on their investment (La Vida, 2021).

Due to the low required investment, the Greek Golden Visa is the most competitive permanent residency program in Europe. Greece offers high-quality healthcare and education and enables the Golden Visa holder to travel freely within the Schengen Area.

Furthermore, the Golden Visa holders might apply for Greek citizenship (Olympia Properties, 2021). The family reunification for the Greek Golden Visa now has been widened and now, children up to 24 years are eligible if they are dependent on the investor. Moreover, no minimum stay is required. Greece offers high-quality medical facilities, opportunities for shopping, nature, sport and cultural events, private schools, and universities in English. Permanent residents have the same rights as Greek nationals. Furthermore, the Greek Golden Visa is relatively easy to obtain (Olympia Properties, 2021). Up to nine family members can get the residence permit with the main investor (Enterprise Greece, 2021).

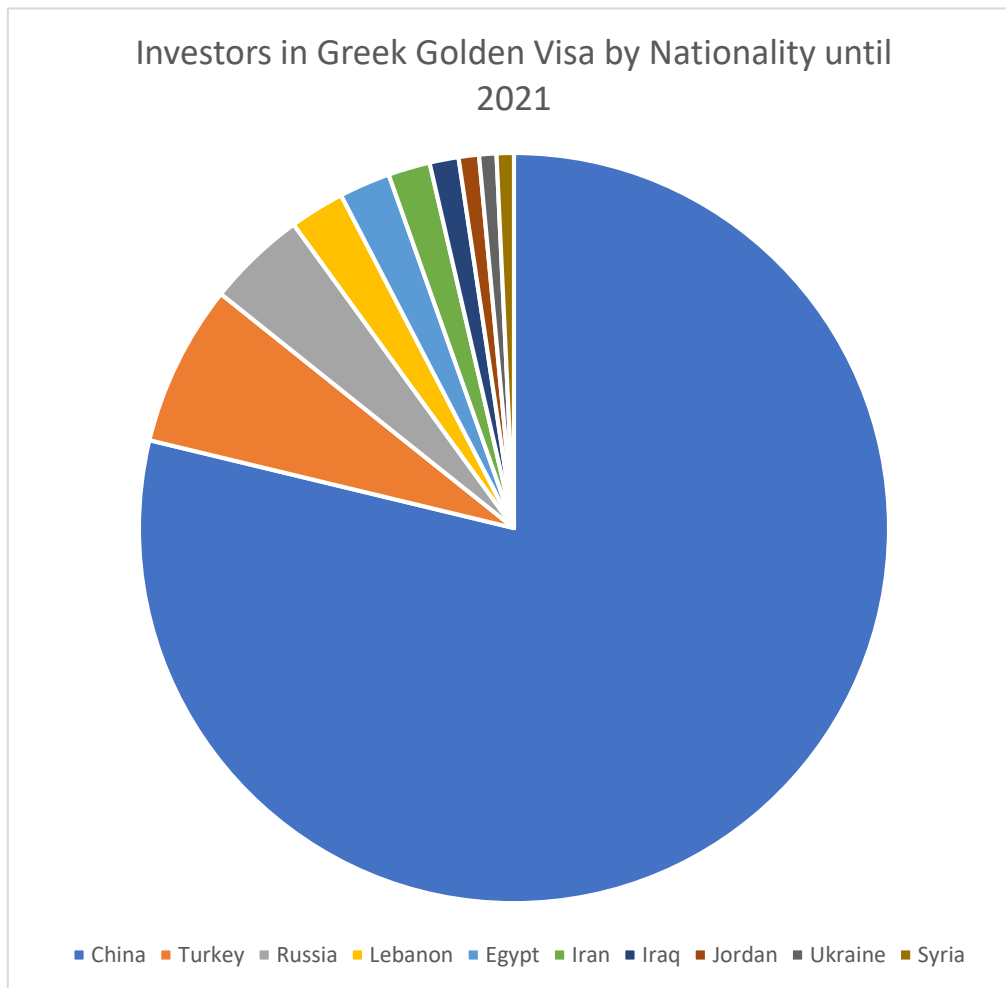
The property for investment can be located anywhere on the Greek mainland or the islands and it can be either a residential or a commercial one. Non-residents in Greece will pay tax on their income derived in Greece, but not on the income generated outside the country. Income tax in Greece starts at a rate of 22%, the rental income tax rates from 11% to 33%, and the capital gains tax charges 15% on property sales (La Vida, 2021).

The law of the Golden Visa changed on the 23rd of December 2020. The Greek Golden Visa represents a low investment in a promising real estate market, as the Greek real estate market recorded an upward trend. Due to the double taxation treaty, income that had been generated abroad, will not be taxed in Greece (Get Golden Visa, 2021).

Between 2014 and 2021, Greece issued 8,011 Golden Visas to investors and 15,775 to family members. More or less 2.6 billion euros have been generated by the Golden Visas. In 2014, 346 Golden Visas have been issued in Greece, in 2015 408, in 2016 483, in 2017 958, in 2018 1891, in 2019 3504, and in 2020 403 (Get Golden Visa, 2021). One can notice an upward trend that started to accelerate in 2018 and stopped in 2020 due to the world-wide pandemic.

The main nationalities investing in the Golden Visa in Greece are the Chinese with 5927 Golden Visas, the Turkish with 524, the Russian with 322, the Lebanese with 178, and the Egyptians with 166. Further nationalities are the Iran with 136 Golden Visas issued, Iraq with 94, Jordan with 66, Ukraine with 56, and Syria with 56 (Get Golden Visa, 2021). The Schengen Zone consists of 26 European countries which have abolished visas and border control at mutual borders. In order to apply for Greek Citizenship, one has to be a Greek tax resident for at least 7 years (Get Golden Visa, 2021). Until 2021, a total of 8692 Golden Visas had been issued with Chinese representing the largest nationality investing with 6190

Golden Visas. In 2021, only 117 Golden Visas had been issued to investors until the first of June (Enterprise Greece, 2021).

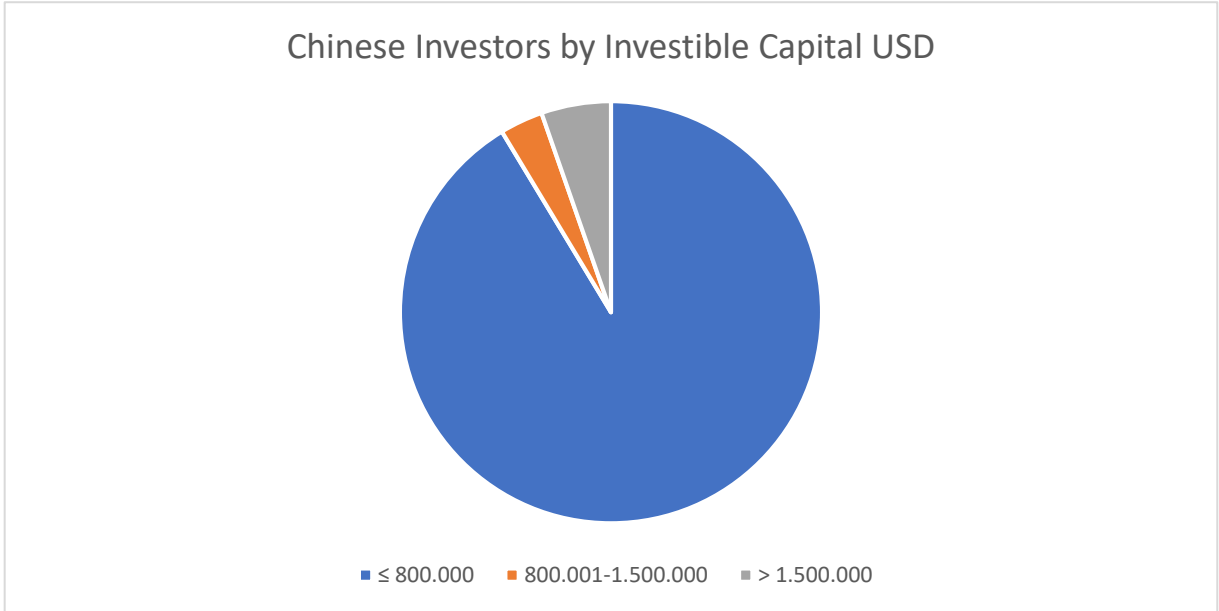


Due to the pandemic, the Golden Visa in Greece nearly came to halt. Until recently, the Greek Golden Visa had been considered as one of the most successful of its kind in Europe. However, the interest in the Greek Golden Visa has not waned even during the pandemic since the Greek residency allows the investors to enter Europe even when the borders are closed (Goncalves, 2021). The incentives for the property purchase aimed at reviving the real estate market nation-wide, which led to special incentives for purchases outside Attica. The Greek government intends to promote commercial and touristic well-being of other Greek regions as Athens and Thessaloniki are the most developed regions in Greece. The pandemic and the lack of tourists put brakes on Greece's skyrocketing real estate prices. Cheap mortgages, the financial support from the EU, and the return of the tourists will lead to a rapid increase in the prices within the next years (Goncalves, 2021).

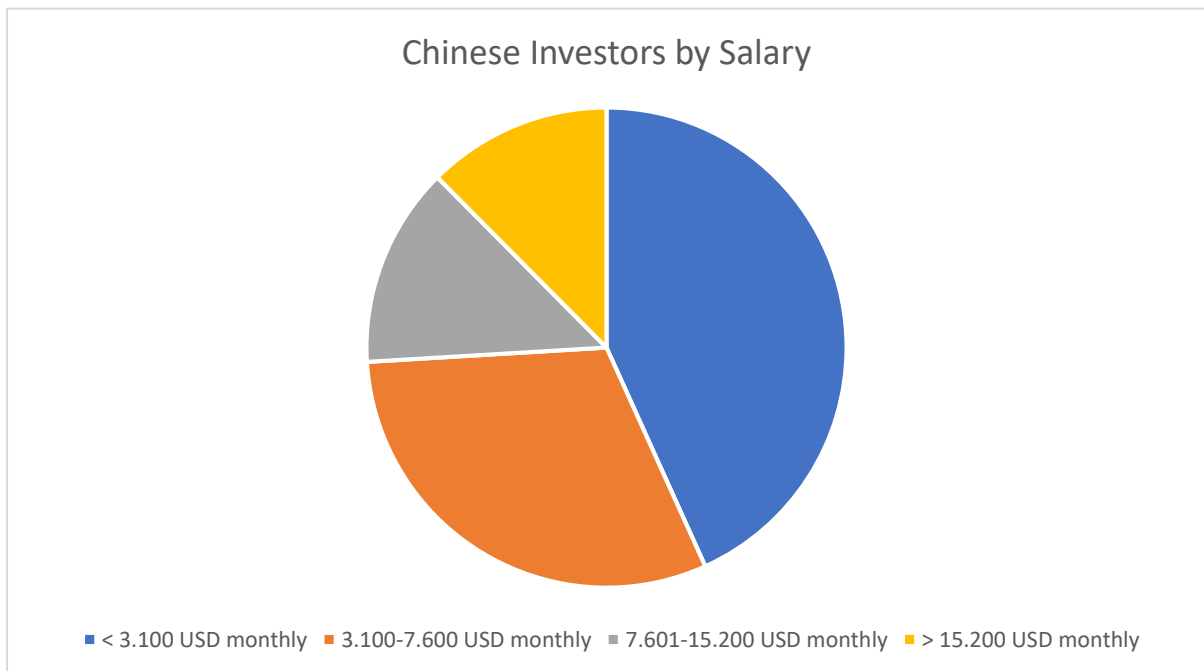
Investment in the Greek Golden Visa can be compared to the ARI in Portugal. Research done by Leptos Real Estate in Greece analyzed the pull and push factors for Chinese investors to invest in the Greek Golden Visa program. Since 1998 the welfare housing distribution system in China stopped after 50 years of implementation. The purpose was to boost the investment in real estate (Zeng, 2017). This led to an extreme surge in housing prices to an extent that the price level in the main cities exceeds the average buyer's income. Other factors worsening the situation are that China's economy grows fast and continuously every year, the land shortage, the high population density, and the ongoing urbanization. Therefore, more and more Chinese are purchasing their house abroad as it is more cost-effective and brings a better environment, education, and social welfare with it (Zeng, 2017). 39.74% of the Chinese investors come from first-tier cities like Beijing, Shanghai, Guangzhou, or Shenzhen and possess the strongest purchase power. 15.22% come from second-tier cities like Chengdu or Qingdao and only 5.88% from third-tier cities like Foshan or Dongwan (Zeng, 2017). Therefore, one can conclude, that they are relatively wealthy as the prices for real estate are high there.



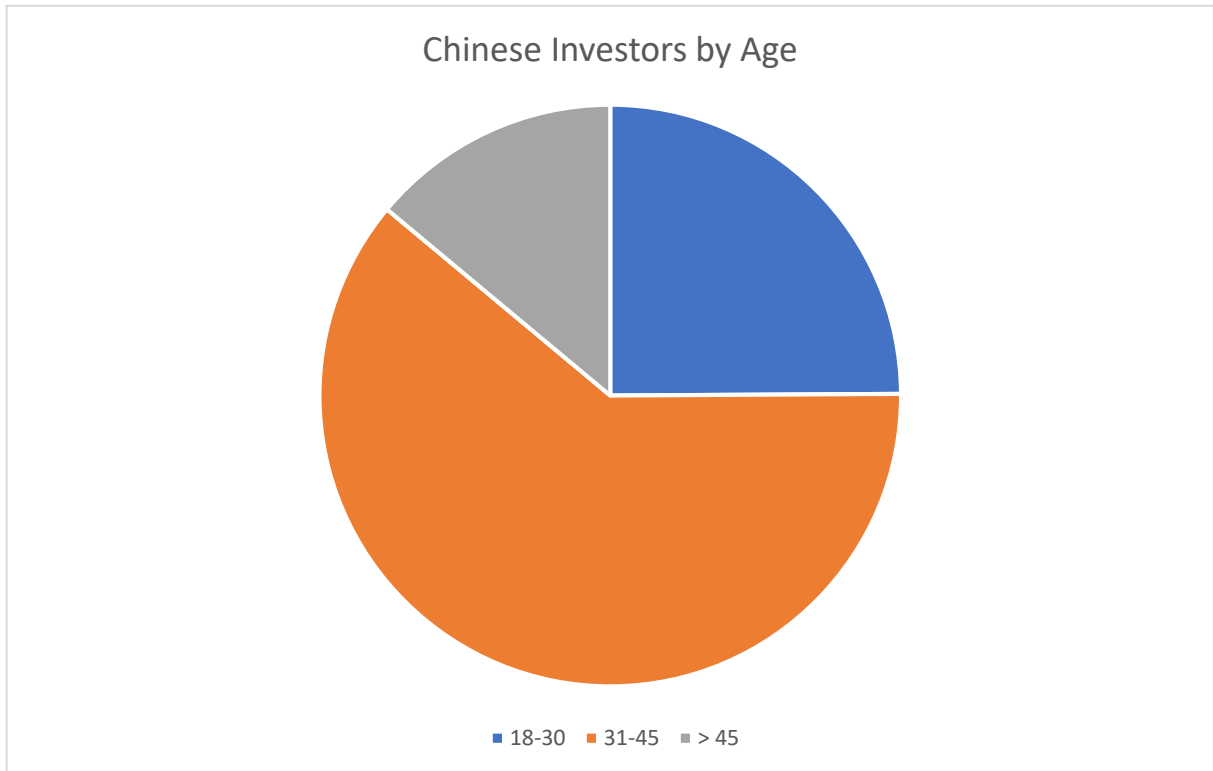
According to a survey by Leptos real estate, 91.35% of the real estate purchase do not have more than 800,000 US dollars as an investible capital and only 3.31% more than 1.5 million US dollars (Zeng, 2017).



When it comes to the salary, 43.25% of the surveyed earn below 3,100 US dollars monthly, 30.8% between 3,100 and 7,600 US dollars, 13.5% between 7,600 and 15,200 US dollars, and only 12.45% over 15,200 US dollars monthly.



When it comes to the age, 61.15% were between 31 and 45 years old. They are successful in their job and have a family. 13.94% were over 45 and 24.91% were 18 to 30 years old (Zeng, 2017).



8. Comparison of the different residency by investment programs

Before taking a closer look at the different residence by investment schemes, the preference of the Chinese investing in any Golden Visa program or in a foreign country should be closely examined. Most of the investors opting for the Golden Visa are opportunity-driven investors and/or immigrants. This means that they are looking for the best opportunity to place their investment in and are not in the necessity to move to a foreign country because do not have any possibility to finance a living in their own country. It is rather the opposite. The so-called «safe-haven» investors are super-wealthy Chinese individuals which tend to choose the Golden Visa as an investment of choice.

Since 2012, more and more Chinese business immigrants and investors came to Europe. They are from the upper or upper-middle class. Most of them are looking for real estate investment options in the EU. The domestic market in China is shaped by a huge economic instability as the whole economic development of China is closely linked to its politics as other examples have shown earlier. This functions as a push factor. Moreover, the Portuguese, Spanish, and Greek real estate markets promise higher returns than the Chinese one.

As already stated, immigrants are more likely to become entrepreneurs than natives. This is an option within the Golden Visa programs as well which might make the Golden Visa even more attractive, especially when the investor considers moving to his or her country of choice. Social contacts and a Chinese community are also essential for the Chinese. Furthermore, the family and particularly the children are important to the Chinese as already stated. As they can only have one child and in rare cases two, the children are even more precious to the Chinese. Therefore, one can conclude that the family reunification option is crucial to the investors. As most of the children tend to live with their families until they are married, the Chinese certainly have an interest in not only bringing their minor children with them but also the major ones if they are unmarried and dependent on them. Education is also a very important point for the Chinese. Since 2012, the number of Chinese overseas students in Portugal increased. This also indicates that the Chinese are interested in educating their children in countries such as Portugal which gives family reunification an even greater meaning.

As for every investor, lower average prices for real estate are attractive for the Chinese. This is the pure investment aspect of the Golden Visa programs.

First, the common points between the different Golden Visa programs should be stated. Spain, Greece, and Portugal are all member states in the European Union and therefore, all the residencies offer the possibility for free travel within the Schengen Area. Due to the EU, Portugal, Greece, and Spain have established strong ties to other European nations and markets. Furthermore, the Chinese invested already in the Portuguese, Spanish, and Greek markets. Examples can be the Chinese investment in the Portuguese EDP or port of Sines and for Greece the Port of Piraeus. The Chinese investment in Spain rose from 2012 until 2019 constantly. 2016 had been the most prosperous year with 139.85015 million euros (Gu,

2020). In Spain, the Chinese are investing in similar assets as in Portugal. One of the most important sectors of investment is the energy sector. In 2015, the Chinese company Ginko Tree Investment, together with two minor Chinese companies, invested 2014 million euros in the mentioned sector. In the same year, the Wanda Group bought 20% of the shares of Atletico Madrid and invested 45 million euros. However, they sold 17% of the shares in 2018 (Gu, 2020). Geographically, all these countries are located in Southern Europe and share a comparable climate. They all offer a good infrastructure which is especially important to the investors if they decide to live in their chosen country of investment.

Less pollution than in China is also crucial for the Chinese investors when they choose a country to invest in where they might reside as well. Taking the air quality as a reference of pollution, the cities of Madrid, Athens, Lisbon, Beijing, and Shanghai will be compared. These cities should serve as a reference as the Chinese investors are rather choosing the capitals as a place of investment and they mostly come from China's biggest cities. The air quality has been measured with GAIA-quality stations using high-tech laser sensors in order to detect the particles to measure the PM 2.5 pollution in real-time. PM 2.5 describes fine particles with diameters that are generally 2.5 micrometers and smaller (EPA, 2021). The data is from the 10th of November 2021. The air quality in Madrid had reached a value of 30 which represents good air quality (WAQI, 2021). Lisbon reached a value even lower of 20 which represents an even better air quality. Athens only possesses a moderate air quality with a value of 53. Beijing's air quality differs from 27 -good air quality- to 87 -moderate air quality- in the South (WAQI, 2021). But Shanghai reached the worst values with a range of 53 (moderate) to 91 which is between a moderate air quality to a one which becomes unhealthy for sensitive groups (WAQI, 2021). As we can see, Lisbon reached the lowest score and might therefore be the most interesting city of investment when the Chinese decide to move there.

However, the Chinese investment in general might be influenced as due to COVID-19, the Chinese capital that can be invested abroad had been reduced by the Chinese government.

Portugal as a country of investment is attractive to the Chinese as Portugal and the PRC already have the closest political and economic ties in Europe as we have already seen. Moreover, China is the country with the most FDI to Portugal. Only in 2019, the Chinese FDI to Portugal equalled 161.4 billion dollars.

The Portuguese Golden Visa is mainly attractive to the Chinese due to several factors. One of the main reasons is the economic and political tie between Portugal and the PRC. This also explains why there are so many Chinese real estate agencies and developers that are operating in Portugal. The Chinese are very attracted to political stability in Portugal, but also to the low rate of corruption.

Moreover, the Portuguese Golden Visa is the first of its kind that had been established in Southern Europe. In 2012, it entered into force. This might also be an advantage for it as it is the program with the longest-lasting database and experience.

The Portuguese Golden Visa is the one that requires the longest minimum stay. The first year requires a minimum stay of 7 days per year, while afterward, the minimum stay equals 14 days. The Golden Visa has to be renewed every year and the investment has to be maintained in order to remain eligible for the Golden Visa. It is the Golden Visa which has to be renewed the most in comparison to the other two options. This also means that the Portuguese version of the Golden Visa is the most surveyed one as the investor has to prove the maintenance of its investment every year.

The Portuguese residence permit allows one to work, live, and invest in Portugal. This means that the investor also has the possibility to completely integrate in Portugal and to build up a living there. Only people who can work in a country might stay there and want to live there even if the Golden Visa does not require it.

Another very attractive point about the Golden Visa is the family reunification. The following are considered family members: the spouse, minor or incapable children under the guardianship of the couple or one of the spouses, minors adopted by an unmarried applicant, by a married applicant or by the spouse, children who are of full age, unmarried and dependent of the couple or of one of the spouses, and study in an educational establishment, regardless of the country in which the educational establishment is located, first-degree relatives in the direct ascending line of the resident or his/her spouse, provided that they are dependent on them, or minor siblings provided they are under the tutelage of the resident (SEF, 2021e). The sense of the family reunification in Portugal is quite a large one, which include every member of the family of whom the investor could be in charge.

There are different investment options that offer the eligibility to obtain the Golden Visa in Portugal. First, there is the capital transfer of 1 million euros. Then, the creation of at least 10 jobs with the establishment of a business based in Portugal. The most popular options are the real estate investment with the option of either 350,000 euros in at least 30 years old real estate or 500,000 euros in real estate in general. Capital transfer with a minimum amount of 250,000 euros can be done in investment in arts, national heritage, public institutions and foundations, private foundations of public interest, and cultural associations. Capital transfer can also be done in Portuguese companies, a commercial society in Portugal, or in units of investment funds where the owner must possess at least 60% of a company in Portugal, of at least 350,000 euro. All these options make the Portuguese Golden Visa the most expensive option of investment when compared to Spain or Greece. The cheapest option of investment is no way to generate capital but only a classic way of purchase. This means that the investor would lose its capital and not multiply it. The lowest pricy way to achieve this, costs 350,000 euros.

Furthermore, with the changes to the Golden Visa that might occur, the prices might rise. These changes had been announced in 2019. Only real estate purchases in the autonomous regions of the Azores and Madeira or in the interior territories should qualify. Properties in Lisbon, Porto, or other coastal regions would no longer grant eligibility for the Golden Visa. Furthermore, the value of the capital transfer was announced to be elevated by 500,000 euros and the investment fund from 350,000 to 500,000 euros and the same should occur with the investment in research and development. We see that the cheapest option would remain but as it is by far the most unattractive, the rest of the prices would double and this, plus the exclusion of properties in the Greater Lisbon region, the Portuguese coast and Porto would make the Golden Visa tremendously more unattractive for investors. Especially, as they have two similar options in Greece and Spain. Therefore, many critiques arose around the changes which will be discussed in the next chapter.

Another important factor when it comes to the Golden Visa is the eligibility of the tenant to become a permanent resident in the country or to obtain the country's citizenship. When this is achieved, the tenant does not need to hold the investment any longer. In the case of Portugal, the Golden Visa tenant can apply for Portuguese citizenship within 5 years which is the fastest way to obtain foreign citizenship in comparison to Greece and Spain.

Portugal is famous for its tourism sector, and therefore, the value of its real estate also augments. This makes it attractive to the Chinese together with the fact that Portugal is relatively affordable when it comes to living costs but also to the real estate prices. Especially in comparison to the prices the Chinese would have to pay in their domestic market.

A very attractive factor is the tax benefits that await an investor in Portugal. Non-habitual residents are excluded from many income taxes for the first 10 years in the case that the investor chooses to become a tax resident in Portugal. The tax residence is required in order to become a Portuguese citizen. But as the investor will already be eligible for citizenship after 5 years means that they are no longer obligated to pay taxes in Portugal if they become tax residents in another country and will therefore never pay the income taxes in Portugal.

Spain can also be a very attractive country for Chinese investors. For the Chinese, it is essential to already have a group of people around them whom they are familiar with, ideally other Chinese nationals. In Spain, they represent the fifth largest group of foreigners with 224.559 members.

The Spanish Golden Visa has been the last one to be established when comparing it to its Greek and Portuguese counterpart. However, between its establishment and the Greek one only lies a very short period of time while the Portuguese version started about one year before the Spanish one.

The Spanish Golden Visa also offers a family reunification. The family that the investor can take with him or her to Greece consists of the husband or wife, minor or major children that are depending on the investor or the investor's parents. This family reunification option is the most restricted one but still, this regulation is older than the one in Greece. The Portuguese Golden Visa has been the most stable and the most ancient one. Furthermore, the Portuguese family reunification option even includes minor siblings of which the investor could be in charge, which is an additional option that the other programs do not provide. Moreover, there is no age limit for the children who can join the investor. As long as they are depending on him and studying or unable to take care of themselves, they can always join. To the Chinese who are very focused on their family and especially their children, this feature is certainly very important.

The initial period of the Spanish Golden Visa is longer than its Portuguese counterpart but shorter than the Greek one. It is two years and afterward, the Golden Visa can be renewed every five years if the investment is maintained, just like in Greece. Therefore, there is less control in both countries than in Portugal, but longer periods make it more attractive to the investor as this grants more stability for the investor who doesn't have to fear that the Golden Visa status might be taken away from him.

There are several options of investment in the Spanish Golden Visa. First, there is the real estate purchase with a minimum value of 500,000 euros. The second option is a deposit of 1 million euros in a Spanish bank and the third, the investment of 2 million euros in Spanish state obligations. Moreover, it is possible to purchase shares of Spanish companies with a minimum value of 1 million euros or to invest in the creation of a company in Spain with economic, scientific, or technological impact with an important number of employees. The Spanish Golden Visa is the most expensive of the three Golden Visas as even the lowest priced option is still worth 500,000 euros without taxes. This is certainly a factor that makes it less attractive than its Greek or Portuguese counterpart.

To stay eligible for the renewal of the Golden Visa, the investor is not obliged to live in Spain. They only have to visit Spain once a year since 2015. This is an even lower stay requirement than in Portugal. However, a minimum stay is still required, even if it is almost to be neglected.

In Spain, it is possible to become a permanent resident after two to ten years of being a tax resident in Spain. After ten years, it is even possible to obtain Spanish citizenship. This is later than in Portugal. Technically, it is possible to become a permanent resident earlier, but due to the wide range of years that the investor needs to spend in years to really obtain this status, the Portuguese offer still seems more reliable. Moreover, it offers an advantage for taxpayers that Spain does not.

In Spain, a work permit comes with the residence permit of the Golden Visa, just as in Portugal. To remain eligible for the Spanish Golden Visa, a fiscal residence in Spain is not necessary, just like in Portugal. Only if the investor pretends to remove his or her investment, this becomes a must.

Nevertheless, Greece is also an attractive country for Chinese investors. Greece has established economic relations with China. Hong Kong is also a major non-EU investor in Greece. China even occupies 7th place when it comes to FDI to Greece. An important example of the Chinese investment in Greece is the investment in the Port of Piraeus. Its geographic location differs a little from Portugal and Spain as it does not offer direct access to the Atlantic but has a connection to the Balkans, the Black Sea, Eastern Europe, and the Eastern Mediterranean regions. Just like Portugal and Spain, it has a strong tourism sector but also is specialised in shipping which is especially interesting to the Chinese investor who invest in ports all over Europe like Sines in Portugal or Hamburg in Germany.

Unfortunately, there are many weak points about the investment in Greece in general which might repel the investors. Greece has very low economic prospects. Its banks faced several liquidity issues, the consumers' confidence decreased and therefore, the overall consumption scaled back. High public debt and a rigid business environment does not make the situation any better. For foreigners, the access to Greek companies and the Greek market in general is very complicated especially for those who are not from the EU. Furthermore, the Greek industrial sector is very weak. High levels of corruption which cause social tensions are weakening Greece's political and economic stability. This makes the market less predictive than the two previous ones and less attractive for Chinese investors who are looking for a «safe haven» and therefore likely to invest in a Golden Visa scheme.

Advantages for the investors in Greece are the high-quality services and products of investment that the country offers. The prices for real estate are relatively low which is a clear pull factor for Chinese investors. Furthermore, the living costs are relatively low and so is the level of criminality. This is a factor granting at least a bit of stability and it is likely to achieve higher mortgages than in the Chinese domestic market.

With the establishment of the Golden Visa, the Chinese investment in the Greek real estate rose. In July 2013, Greek real estate was introduced shortly before its Spanish counterpart.

The Greek Golden Visa possesses an advantage over the versions of the other countries. It is the less pricy Golden Visa in the whole of Europe and the EU. In order to become eligible for the Golden Visa, the purchase of a plot of land like a vineyard or an olive field for at least 250,000 euros is enough. The same goes for real estate which minimum value represents 250,000 euros. The real estate can be located anywhere on the Greek territory,

including the islands, the region of Thessaloniki, and the Athens region. As real estate is by far the most chosen option when it comes to the Golden Visa, these low prices make Greece very attractive. It is half the price of the Spanish and Portuguese versions. Even if the taxes are higher in Greece, it still comes out cheaper for the investor.

Another option is to sign a leasing agreement with a hotel or tourist establishment for at least ten years. Investment of at least 400,000 euros can be done in a company registered in Greece, in Greek government bonds, or in bonds or shares of Greek real estate companies. Furthermore, the investor can deposit 400,000 euros in a Greek bank. The most expensive option is an investment of a minimum of 800,000 euros in Greek corporate or government bonds. Even the most expensive option of the Greek Golden Visa is cheaper than in all the other Golden Visa programs. Most of the options apart from the real estate investment, are worth 400,000 euros and therefore cheaper than even the minimum investment for real estate in Spain or Portugal. This is definitely attractive for investors, especially for those who are not willing to invest much in a European market or to obtain the Golden Visa.

Since 2018, the Greek government introduced the family reunification option for the tenants of the Greek Golden Visa. This includes the spouses or partners in a civil partnership of the investor, unmarried children until 24 years if they are dependent on the investor, and direct family members of the investor or his or her spouse. Now it is the family reunification option including most of the family members. Still, this amendment is very recent, and therefore, until 2018, the investors will not have taken it into account.

The Greek Golden Visa can be renewed every five years as long as the investment is maintained. It represents the Golden Visa with the longest initial period. This can be a pull factor for the Chinese investors as they can be assured that after they have been granted the visa once, they will keep it for at least five years.

However, the Greek Golden Visa does not include a working permit for the investor when it comes to employment in Greece. Nevertheless, it is possible for the investor to work as an entrepreneur in Greece. This might also be a negative point of the Greek Golden Visa as the Spanish and Portuguese Golden Visa offer this option. Even if immigrants tend to rather be entrepreneurs in their new home country not everybody might want to choose this option.

It takes seven years of residence for the investor to become eligible to apply for Greek citizenship. This is a longer period than in Portugal, but still eventually faster than in Spain.

By far the most attractive feature of the Greek Golden Visa is that there is no minimum stay required. Even though the minimum stays in the other options are not very elevated, no need to travel to the country of investment can be even more attractive, especially if the investor sees its investment more like an FDI. However, the investors might be bound even less to Greece as they never need to spend any time there. In general, the Greek Golden Visa controls its tenants less, which might also be a security concern for the European Union.

A huge negative point for investors in the Golden Visa is that even non-residents to Greece will have to pay taxes for the income generated in Greece. In Portugal, the investors would not need to pay these taxes. This represents considerable expenses for the investor, especially in the long-term, which the investors could avoid by investing in Portugal.

An overall important point for the Chinese investors is, as already mentioned the Chinese community in the country of investment, especially when they decide to move there. Portugal has a total population of 10,156,623 inhabitants in 2021 (Worldometers, 2021a). During the year 2020, 662,095 foreign residents had been registered which is a rise of 12.2% in comparison to 2019 (SEF, 2020). In 2015, 388,731 foreign citizens lived in Portugal, in 2016 397,731 and in 2017 421,711. Huge changes can be noticed in 2018 when the number rose up to 480,300 and in 2019 when 590,348 were registered (SEF, 2020). However, the number of new residence titles fell by 8.5% in comparison to 2019 and equals 118,124 new emitted titles (SEF, 2020). From 2016 to 2019, the number of new residence titles always had a rising tendency. In 2019, there were still 129,155 new titles emitted which represented a rise of 38.6% (SEF, 2020). The Brazilians are the largest group of foreigners in Portugal and represent 27.8% and are 183,993 in total. The Chinese are in 7th place when it comes to the foreign citizen communities and represent 3.9% of the foreigners living in Portugal and a total of 26,074 (SEF, 2020). These numbers are all for 2020. In 2019, there were still 27,839 Chinese living in Portugal (GEE, 2021).

In Greece, the Chinese community is about the same size as the one in Portugal. They are the second-largest group of foreigners after the Albanians (OECD, 2020). Greece's population is about the same size as the Portuguese as well with 10,354,637 inhabitants (Worldometers, 2021).

The Chinese might prefer Spain when it comes to the Chinese community as it is larger than in the two previously mentioned countries. Spain has a population of 46,779,366 inhabitants (Worldometers, 2021). Until the end of 2020, there were 228.564 Chinese living in Spain (Ministerio de Inclusión, Seguridad Social y Migraciones, 2021). (See figures appendix B)

Therefore, one can draw the conclusion, that the Chinese prefer the Golden Visa which the figures also reflect. The Greece Golden Visa used to have the lowest number of applicants from 2014 to 2017. Only in 2018 and 2019, it had more applicants than Portugal. In 2019, 6,304 investors received the Golden Visa and 12,312 family members (Nesheim, 2020). Until 2021, a total of 26,000 family members and 9,000 main applicants received the Greek Golden Visa (Nesheim, 2020). Portugal issued over 1000 Golden Visas more than Greece, and even though Portugal's Golden Visa is much more expensive, but issued fewer Golden Visas to family members. (See figures appendix C and D)

The Spanish Golden Visa is more compatible with the Portuguese version when it comes to prices. During the second half of 2020, the Spanish Golden Visa plunged by 76% to an all-time low due to the pandemic. In 2020, a total of 845 main applicants received the Spanish Golden Visa (Nesheim, 2021). 257 of them were Chinese, in comparison to 296 for Portugal. Only in 2019, Portugal had fewer Chinese investors than Spain: 394 for Portugal to 489 for Spain. In 2018, 495 Chinese investors received the ARI and 444 the Spanish Golden Visa (Nesheim, 2021). In Spain, the Russians are the second-largest group of investors in the Golden Visa (Nesheim, 2019). The non-economic factors seem to be more important to the investors than the pure value of the investment.

A table will give a quick overview about the different criteria of the comparison between the distinct Golden Visa programs.

	Portugal	Spain	Greece
Starting year	2012	2013	2013/2014
EU and Schengen Area member state	Yes	Yes	Yes
Geography	South-Western Europe	South-Western Europe	South-Eastern Europe

Major Chinese investment (FDI)	Yes	Yes	Yes
Pollution (PM 2.5) (in the capitals)	20	30	53
Ties to the PRC	Very strong	Strong	Strong
Minimum Stay	7 days during the first year, then 14 days per year	None (since 2015)	None
Renewal	Once a year	Initial period of 2 years; then every five years	Every five years
Type of visa	Work and Residence Permit	Work and Residence Permit	Residence Permit
Family reunification	Spouse, minor or incapable children, unmarried children of full age depending on the investor (no age limit), dependent sibling, dependent first-degree relatives	Spouse, minor children, major dependent children (until 24), investor's parents	Spouse, investor's parents, minor and dependent major children (until 21) (Only since 2018)
Cheapest option of investment (minimum amount)	250,000 euros (capital investment)	500,000 euros (real estate investment)	250,000 euros (real estate investment)
Minimum required amount for real estate investment	500,000 euros	500,000 euros	250,000 euros
Possible application for permanent residency or citizenship	5 years for the citizenship	2 – 10 years for the permanent residency of the citizenship	7 years for the citizenship

Living costs in the country	Affordable	Affordable	Affordable
-----------------------------	------------	------------	------------

9. Evaluation of the Golden Visa by the Chinese investor, the Portuguese government, and the European Union

Immigrant investor programs are augmenting in popularity to acquire residency rights and the citizenship of a member state of the European Union by third-country citizens. The majority of these investors are from Russia, China, or the Middle East (Olejárová, Čajka, 2016).

The Portuguese Golden Visa scheme is not only interesting to investors who want to settle down in Europe but also to those who aim to acquire a safe, reliable, and convenient back-up place to live for themselves and their families in case the situation might change in their home country, but do not priorly wish to relocate to the EU (Olejárová, Čajka, 2016).

There are five main reasons for the Chinese investment in Portugal. The first one is the freedom of movement and visa-free travel to as many countries as possible and the second is the acquisition of a secure alternative place to live in in the event the political or economic situation in the country of origin might shift (Olejárová, Čajka, 2016).

Furthermore, they consider that Portugal could function as a bridgebuilder between China and other Portuguese-speaking countries which are crucial to the Chinese economy. Particular Angola and Brazil are of interest. The oil reserves they possess are necessary for the Chinese industry (Olejárová, Čajka, 2016). Angola is China's largest supplier of crude oil. On the other hand, China is the major in- and export partner for Brazil and Angola. Moreover, more intense investment relations and increased trade have developed between Portugal and China (Olejárová, Čajka, 2016). Moreover, Macau, as a former Portuguese colony, has approximately 100,000 inhabitants who own Portuguese passports. This intensifies the historical ties between the PRC and Portugal (Olejárová, Čajka, 2016).

A clear advantage of the ARI is that the investors are highly qualified and well-educated, bringing brain-gain to the host country and accelerating the transfer of know-how (Olejárová, Čajka, 2016).

Because of the current pandemic situation, the global foreign investment decreased by 42% and is not expected to recuperate before 2022. The FDI in Portugal decreased by 24% on a global level in 2020. Of all the countries, the US was the most affected one. In 2019, the FDI in Portugal was about 1.5 billion dollars while in 2020, the FDI fell down to 859 million dollars (Agência Lusa, 2021). This value is around 30% less than the minimum which had been registered in 2009 during the financial crisis in Portugal. For the year 2021, a 5% to 10% downfall of the FDI is to be expected. In comparison, the US FDI decreased even by 70% while the Chinese economy increased by 23% in 2020. The Chinese FDI, in comparison to 2019, increased by 4% which is also due to the Chinese politic of letting the foreign capital enter the country in an easier manner (Agência Lusa, 2021).

During the first semester of 2020, the global foreign direct investment fell by 49% due to the COVID-19 pandemic. For the first time in history, the inflow to Europe had been negative and the FDI in the European Union decreased by 29% (Agência Lusa, 2020).

According to Olejárová and Čajka, the basic argument of governments implementing the immigrant investor programs is that this kind of investment can boost the economy and increase foreign direct investments in the receiving state which would lead to the creation of new workplaces (Olejárová, Čajka, 2016). When it comes to the real estate market or construction activity, it could stimulate it. Still, empirical evidence of these impacts does not exist. The problem is that the investors can withdraw the investment as soon as they obtained the citizenship. Nevertheless, Portugal evaluates the ARI as successful (Olejárová, Čajka, 2016).

Another complication is that investors are not bound to a specific state. As soon as they obtained citizenship, they might move elsewhere within the European Union (Olejárová, Čajka, 2016).

Moreover, the security about the background of the applicants might not be granted (Olejárová, Čajka, 2016). Regularly, screening procedures should use all the available sources, such as the database from Interpol, Europol, the Visa Information System (VIS),

the Schengen Information System (SIS), a review of the police certificates of the states where the applicant has lived in, including business records. Sources from the home country might be not reliable or corrupted which makes it impossible to eliminate the risk of involvement of applicants in criminal cases (Olejárová, Čajka, 2016). On the other hand, this can never be assured, even when it comes to immigrants who immigrate using another way of immigration.

Seemingly, there are legal and ethical aspects of selling citizenship. Citizenship describes the legal and political relationship between the state and the individual, including specific rights and duties for both sides. Furthermore, citizenship is defined as a genuine link between the individual and the state. This is the requirement for the international recognition of the citizenship (Olejárová, Čajka, 2016). The question that rises up is: Are a stay in Portugal for only a short time, 7 to 14 days a year, for six years, investment activities in Portugal, and the knowledge of the Portuguese language on an A2 level sufficient to establish a genuine link with Portugal? European citizenship is complementary to the national citizenship of EU member states. According to international law, a nation state has the competence to define the conditions for the acquisition of its citizenship (Olejárová, Čajka, 2016).

There are two main issues that critics of the immigrant investor programs condemn: the “Buying Citizenship” issue and the increasing Chinese global investment in Portugal (Gaspar & Haro, 2019).

Concerning the first critic: Citizenship defines the relationship between an individual and the state which grants both sides rights and duties. The principal dimensions for the citizens are the will and possibility of the individual to contribute to community decisions and the equality of all citizens in exercising all the legal rights and duties (Gaspar & Haro, 2019). The legitimacy of the institutions that preserve the rights and duties of the citizens must be granted. Furthermore, the individual must possess a sense of belonging through residence in a community and the citizens must be loyal to the national institutions (Gaspar & Haro, 2019).

An important point about citizenship is that it does not depend on the material or economic situation of an individual. In schemes like the ARI, citizenship is bought by investment and not acquired by the length of the stay (Gaspar & Haro, 2019). People are classified according

to their capability of investment. Residency is justified by the financial added value they bring to the host country (Gaspar & Haro, 2019).

Furthermore, the Golden Visa holders are bound to the receiving country for utilitarian reasons which can represent a danger to social integration as the investors might lack of commitment or identification with the Portuguese society. This kind of issue had been visible in 2011 when the economic crisis hit Portugal, just the time the ARI had been implemented (Gaspar & Haro, 2019). As the Golden Visa program found a positive resonance in the Portuguese government and therefore also the society, the investor's probable lack of identification with the state does not appear as a major risk to the Portuguese.

The increasing Chinese global investment in Portugal underlines that the implementation of the Golden Visas and the Chinese FDI in Portugal. Between 2011 and 2015, the Chinese investment represented 3.3% of the Portuguese GDP. The main sectors the Chinese chose to invest in are banking, energy, health, football, insurance, media, transport, real estate, and tourism. These sectors are of national strategic interest. Since the financial crisis, China had been the hugest investor in Portugal (Gaspar & Haro, 2019).

Furthermore, Portugal is a crucial country for the establishment of the Chinese new silk route. The port of Sines and the Azores are the main examples of this. The new silk route is supposed to reinforce the cooperation in investment and trade between China and other countries (Gaspar & Haro, 2019).

Critics of the rising Chinese FDI in Portugal such as the Portuguese Communist party fear that Portugal might lose its national sovereignty and could be under the control of a foreign government. These concerns are shared by the right-wing such as the CDS-PP and left-wing parties like the BE. Still, the Socialist party encourages Portugal's economic opening (Gaspar & Haro, 2019). This debate echoes back in Europe, especially Germany, where a European opening to China is demanded. However, they fear an unequal relation between China and Europe. The relationship between Portugal and China is one where both sides profit as the Chinese investment helped the Portuguese economy to recover after the crisis (Gaspar & Haro, 2019).

According to Olejárová and Čajka, there are several risks and benefits of selling permanent residency to third-country citizens. Risks might be the threat of money laundering,

corruption, or such as insufficient security checks on third-country immigrants which might lead to organized crime and terrorists might enter the country. Furthermore, there are ethical concerns regarding the nature of residency rights and citizenship (Olejárová, Čajka, 2016). Is it ethical to exchange these entities for money?

In 2015, a case of corruption occurred in Portugal concerning the Golden Visa program. Fast-tracking applications were permitted in exchange for bribes and led to a temporary suspension of the program in July 2015. When it comes to money laundry, different people, such as the investor's family members, can send money to invest in Portugal. Smaller amounts are hard to control and it is even more difficult to understand where the money had been generated (Olejárová, Čajka, 2016).

Finally, Brussels does not want to finish with Golden Visa programs such as the Portuguese one. The European Parliament claimed the end of the programs granting citizenship by investment but not residence by investment. This is a huge advantage for Portugal as the investment in the Golden Visa represented 15% of the Portuguese PIB in 2020 (Ferreira, 2020).

China and Portugal are working closer and closer together. Not only on an economic but also on a political level. In 2021, China expected huge help from Portugal when it comes to signing a treaty about the trade between China and the European Union as Portugal has even the presidency of the European Union now. This treaty will allow more Chinese investment in Portugal and the negotiations with China already started in 2013 (Agência Lusa, 2021). China wants the treaty to enter into force at the end of this year or at the beginning of the next one. The Chinese ambassador to Portugal even claimed that China and Portugal are and have been good trading partners and that especially Portugal will benefit from this accordance. However, the EU demands more respect for intellectual property from the Chinese side. Since the 1970s, Portugal and China started to establish diplomatic ties (Agência Lusa, 2021).

The administration of the EU is very conscious about the increasing Chinese influence in the Portuguese company EDP, the largest energy providing company in Portugal, and the whole Portuguese energy sector and will continue to monitor the development. The Chinese are gaining a significant influence in Portugal (Suspiro, 2015b).

The link between Portugal and China is even reinforced by politicians on both sides and it does not only remain an economic one. In 2019, the Portuguese president visited China to discuss politics, economics, and cultural activities with its Chinese counterpart (Portugal News, 2019). In Portugal, the Communist Party and the Left Bloc are against the Golden Visa while the social democratic MP or the CDS-PP are for it (Portugal News, 2019).

The Portuguese Golden Visa is rather a motor of international attraction which allows captivation of foreign capital which directly benefits the economy, employment, urban rehabilitation, and local commerce in the whole country (Soares, 2021). Since its creation in 2012, the Golden Visa has been a very contradictory subject in Portugal. A fact that the critics of the Golden Visa tend to point out is that the prices of real estate in Lisbon and Porto have been rising tremendously during the last years. This happened but not only due to the Golden Visa. International investors removed their investment in the North of Africa due to security concerns and with the augmentation of tourism in Portugal during the last six years, they decided to invest in the real estate sectors in Portugal (Soares, 2021).

Another critic who rises frequently is that the Golden Visa would facilitate money laundering. The procedure to obtain the Golden Visa is exactly like the other procedures of visa acquirement and offers the same controls (Soares, 2021). Therefore, it is as safe as normal legal immigration. Critics of the Golden Visa often claim that Portugal should safeguard its own borders. However, it would be a tremendous mistake for Portugal to close its borders for FDI as Portugal deeply depends on it and on the tourists that are visiting the country every year (Soares, 2021).

The party “Os Verdes”, the ecologists, presented in March 2021 a project for a law in the Assembly of the Republic to finish once for all with the Golden Visa in Portugal. For several years already, they had been against the Golden Visas (Cruz, 2021). The party fears that the creation of jobs would become more difficult due to the Golden Visa and that it might facilitate corruption. Furthermore, they worry about money laundry and traffic international influences. All this could favour criminality (Cruz, 2021). Moreover, for the party, the Golden Visa could lead to speculation on real estate in Portugal’s major cities. The Golden Visa had been created especially by the left-winged parties, such as PEV, PCP, Bloco da Esquerda (Cruz, 2021). The new rules to the Golden Visa should probably enter into force in 2022.

The Chinese investors are rather seen in a positive light by the Portuguese companies in which they chose to invest in. The presidents of the REN, the EDP e the Fidelidade are defending the advantages of the Chinese investment in the Portuguese companies. However, the president of the BPI is criticizing the strong Chinese investment as he fears that China only wants to use the Portuguese companies as a steppingstone for other European markets (Suspiro, 2015b). Still, most of the Portuguese enterprises have made positive experiences with Chinese shareholders. China holds 18% of its investment stock in Europe and only 1% in the United States (Suspiro, 2015b).

Portugal was able to gain the respect of China as a serious and reliable partner which Portugal aims to reinforce and leads to a Chinese investment in the long term. Portugal estimates the Chinese investment to be crucial for its economic development as China invested in Portugal during a difficult period and as the Portuguese economy needs foreign direct investment to grow. The Portuguese companies expect that thanks to the Chinese investment, they will be internationalized more rapidly (Suspiro, 2015b).

For the Chinese, Portugal is especially interesting as a platform to reach other European markets and markets in other Portuguese-speaking countries such as Brazil. Chinese tend not to invest in startups but rather in already mature companies where they tend to keep the staff and the managers as they are locals and have acquired the necessary knowledge about the work at their company (Suspiro, 2015b).

In 2021, China introduced new security guidelines for foreign investors in order to assure national security. The foreign investment in the military sector now needs a profound examination to be allowed. Investment in the sectors such as agriculture, energy, transport, new technologies, and financial services only need a special form of examination if the value of the acquisition is over 50% of a Chinese company which affects severely one of the sectors above mentioned (Agência Lusa, 2021). The government itself investigates the foreign investment in Chinese companies. One year before the law entered into force on the 1st of January 2020, the Chinese government promised the foreign investors to be treated with justice in comparison to the local ones (Agência Lusa, 2021).

Starting in 2013, China and the EU are debating over the treatment of foreign investors within their boundaries and the negotiations now seem to come to an end. They agreed on mutually protecting the investors from the EU in China and the Chinese ones in the EU

(Agência Lusa, 2021). The EU is opening its market for Chinese investors and is hoping for the Chinese to do the same. However, the EU demands more respect from the Chinese side towards intellectual property in China (Agência Lusa, 2021).

The intention of a reformation to the Portuguese Golden Visa with the intention to attract more FDI to the interior is a good one. Portugal needs to attract foreign capital as this investment will create a rising value for the economy as well (Silva, 2020). However, there will only be an investment in Portugal's interior if there are enough interesting projects to invest in. Especially the development of commerce in the interior is necessary. Vasco Rosa da Silva, an entrepreneur with a real estate company in the Portuguese interior, believes that it would be better if the investors would need a residency in Portugal in order to obtain the Golden Visa as this would attract the persons who really want to live in Portugal and have a serious interest in the country (Silva, 2020). But in his eyes, the solution is not to stop with Lisbon and Porto as locations of investment in real estate, which is eligible for the Golden Visa, but it is important to create projects which attract the investors to other parts of the country (Silva, 2020). If this is not done, the investors might flee and chose other Golden Visa offers over the Portuguese one. This is relatively easy as countries with a comparable location and real estate markets, such as Spain and Greece, also offer their version of a Golden Visa.

10. The influence of COVID-19 on the Chinese investors in Portugal

After the COVID-19 pandemic, China intends to stabilize its economy. In the first quarter of 2020, China's GDP declined by 6.8%. Since the outbreak of COVID-19, five accelerating trends in China can be observed: the digitalization, the decline of global exposure, the rising competitive intensity, the consumers are coming of age and the private and social sector step up. Before 2020, China had already been the leader in digital technologies and transactions, but all the systems are now reinforced. Furthermore, China focusses more on domestic consumption and production which is also due to the trade and mobility restrictions that come with the pandemic (Zipser, Poh, 2020). Consumers coming out of age means that the younger generation becomes more thoughtful when it comes to their decisions of spending, saving and trade-offs. Prior to COVID-19, the youth had never experienced an economic

downturn which made them optimistic about their future. Therefore, the trend changed, and the younger Chinese are nowadays rather saving their money or investing it in insurances. The private companies, offering new jobs, and the leading technology companies play an important role during the pandemic. COVID-19 might accelerate the long-awaited structural reforms to the land, labor and capital markets (Zipser, Poh, 2020).

Nevertheless, Chinese consumers, with the decreasing number of COVID-19 cases, become optimistic and ready to spend. They expect to resume their daily routine after the crisis (Zipser, Poh, 2020). Still, China is a nation relying more than ever on modern technology and they even have online grocery sales now. As people could only stay at home, the consumption of in-house beauty and wellness products exploded (Zipser, Poh, 2020).

Unfortunately, the pandemic did reach Portugal soon enough. Due to the worsening situation of the pandemic situation in Portugal, especially in the Lisbon region, the Portuguese government extended the state of calamity until the 11th of July of 2021 and suspended the planned easing of the lockdown restrictions. According to the INE, during the first quarter of 2021, the Portuguese savings rate reached a historic high of 142% of savings. In the last quarter of 2020, it had only been 128% (Almeida, 2021). The Bank of Portugal revised upwards its forecast for the GDP for 2021 to 4.8%, in comparison to 3.9% in March of 2021. This is due to an increase in exports and private consumption, reflecting a quick but still incomplete recovery of the Portuguese economy. In the commercial real estate sector, despite the general slowdown, most of the prime rents in the first quarter of 2021 remained stable (Almeida, 2021).

On the 14th of June 2021, Portugal undertook further steps to ease the lockdown. The institutional investment was slowly picking up and the total transaction volumes equaled 266 million euros (Almeida, 2021). The year-end is estimated to be circa 2.1 billion euro. On the 2nd of June 2021, the residential market gradually shifted in preferences due to the increased focus on working from home and outdoor living, benefiting the high-end sector. The Golden Visa saw a growth of 4.5% during the first quarter of 2021, also due to the announced restrictions on the program which are to take place in 2022 (Almeida, 2021).

On the 20th of April 2021, the number of infections reduced dramatically after almost three months of lockdown. The restrictions are slowly lifted. On the 23rd of March 2021, the implementation of lifting the lockdown restrictions were planned to be implemented in four

phases (Almeida, 2021). On the 9th of March 2021, even during the pandemic with a high number of infections, the residential prices in Portugal stayed the same as it is a relatively safe form and long-term investment (Almeida, 2021).

The second lockdown started on the 15th of January 2021 and on the 26th, it became a complete lockdown. On the 14th of January 2021, Portugal entered its eighth state of emergency with tighter restrictions due to the evolution of the pandemic. On the 9th of December 2020, a partial lockdown started to affect most of the Portuguese areas (Almeida, 2021). On the 25th of November 2020, the state of emergency had been announced and the hospitality sector recorded a slowdown. From the 15th of October until November 2020, Portugal reached the same level of infections as at the beginning of the pandemic. On the 15th of September 2020, the state of emergency had been claimed again due to the rising number of infections (Almeida, 2021).

During the second quarter of 2020, the Portuguese economy had been increasingly impacted by the sanitary crisis and its GDP decreased by 16.3%. An abrupt stop of tourism leads to a 39.5% decrease in exports in the second quarter of 2020. During the beginning of August 2020, the sales in the hospitality and retail sector started to retake in the Greater Lisbon and the Greater Porto Area (Almeida, 2021). During the end of July of 2020, the spike of new cases had been stabilised. On the 25th of June 2020, according to Portugal's central bank, the GDP would be contracted by 9.5% in 2020 which means the largest drop since the Great Depression. Tourism-related services dropped by 60% in 2020 (Almeida, 2021).

The commercial real estate sector slowed down during the second quarter of 2020. The Lisbon prime rents remained stable at 23 euros per square meter in offices and the prime yield even registered some increase. On the 3rd of June 2020, the Portuguese economy gradually returned to normal with further easing of the lockdown which started on the 1st of June (Almeida, 2021).

Portugal lifted the first restrictions gradually on the 4th of May 2020. Before, during the state of emergency, most non-essential services had been shut down to contain the spread of the Coronavirus. The state of emergency was ended on the 4th of May and announced on the 18th of March 2020 together with restrictive measures (Almeida, 2021).

Despite the sanitary crisis, Portugal will see its attractiveness in FDI increase and be reinforced in the long run (Goncalves & Azevedo, 2021). The Portuguese economy even grew during the crisis of 4.9%. This is due to its geographic location, its transportation and digital infrastructure, its economy, its innovatory environment for investors and its natural resources when it comes to renewable energy (Goncalves & Azevedo, 2021).

The question that remains is whether Portugal will experience a post-Covid investment boom. Portugal was taken of the UK's green list on the 8th of June 2021, causing bafflement from the Portuguese government and a rush home from those who were on holiday in Portugal. During the same time, a slow easing of the lockdown measures was initiated in Portugal (Lane, 2021). The number of cases rose in the Lisbon area, but it is still relatively low, and the number of deaths even reduced. Rehabilitation of the real estate sector is expected after the pandemic. During the first quarter of 2021, the foreign investment in Portugal has been significant with 1.7 billion euros of capital that had been invested in the Portuguese economy. This corresponds to the strongest start of the year since 2017 (Lane, 2021). The Portuguese government implemented a moratoria regime for the payment of rents to protect the real estate sector. The Golden Visa is regarded as an important factor for the attraction of foreign capital (Lane, 2021).

Reasons to invest in Portugal are the fantastic weather, the security and stability, the good infrastructure, the great quality of life, the healthcare and educational system, and its geographical location as a gateway to Europe. Its international relations with many countries and the fact that it is a member of the EU are also two factors that are not to be neglected. (Lane, 2021).

The rush to Portugal by UK nationals started in 2019 and 2020 during the Brexit transition period due to legislation from March 2019 under which British registered as residents in a Portuguese City Hall would be considered as legal residents after the 1st of January 2020 through a straightforward immigration procedure. From January 2021, British nationals are eligible for the Golden Visa program in Portugal (Lane, 2021).

After months of confinement, the restrictions are gradually being lifted across Europe. The European real estate is starting to pick up again. Due to the regulations introduced by Beijing to control the capital flight, the Chinese capital to invest abroad has been reduced

(Juwai.com, 2020). However, Chinese and other Asian investment in the European real estate market is expected to grow after the end of the sanitary crisis (Juwai.com, 2020).

There are several reasons for the Chinese choosing Portugal over other states as a destination of investment. First is certainly the attractive prices for real estate. In 2019, an apartment in Lisbon costs 2.941 euros on average per square meter while for the same period, the price in London was 21.179 euros. However, there is an increase in housing prices in Portugal, 1.5% during the third quarter of 2018 and an increase of 57% for homes in Lisbon, Porto, and Cascais purchased by foreigners (Juwai.com, 2020).

Furthermore, there is an attractive tax system and productive regulations in Portugal. Foreigners are granted the status of RHN or of non-habitual residents. RHN holders are exempted from the income tax for 10 years. Moreover, for them, there is no wealth, inheritance, or housing tax, no VAT on rents to pay and tax exemptions on real estate capital gains especially if they are reinvested (Juwai.com, 2020).

Thirdly, Portugal possesses a stable political situation and a growing economy. According to the Global Peace Index of the year 2019, Portugal was the third most peaceful country for the past three years after Iceland and New Zealand. A total of 163 countries is ranked in this ranking (Juwai.com, 2020). After the financial crisis, Portugal returned to economic growth by 2017 thanks to the tourism and export sectors. Unemployment fell by 6.1% in 2019. In 2018, it had still been 8.8%. Portugal also attracts foreign direct investment in software development and IT. Many companies have their European headquarter in Portugal such as Google or Amazon (Juwai.com, 2020).

11. The analysis of the surveys of the Chinese investors in the Portuguese Golden Visa Program

As already demonstrated, the Chinese have a vast variety of reasons to invest in the Golden Visa. By sending surveys to Chinese investors, the aim was to comprehend the reasons behind their decision to invest in the Golden Visa. The surveys can all be found in the appendix.

The interview had been classified so that I was able to evaluate their motivation behind every single application for the Golden Visa.

The first survey to be analyzed is the so called “married woman”. She originates from the PRC and is between 30-50 years old. Her choice of investment in the Portuguese Golden Visa was the residential real estate which is the only international investment she proceeded. All in all, she is satisfied with her purchase and does not plan any further investments in the near future. Her main goal is to be integrated in Portugal and the non-economic factors seem to be as important to her as the economic ones. On several social media accounts, she seeks to gain further knowledge about the Portuguese culture and overall, she gathered many information on Portugal and the European Union prior to her investment as she planned to settle down there with her family and to become a part of the Portuguese society and is likely to use her new acquired real estate to live in with her family. While responding to question number 11, she stated that the main factors for her decision to invest in Portugal were soft factors such as the Portuguese people, the beautiful houses and the weather which can be an indicator for people like her, who seriously invest in the Golden Visa to build up a living in Portugal, are more interested on the non-economic circumstances than in a profitable investment. This also shows in question number 17 and the following, as she ranks the Chinese and the Portuguese society as very compatible and that the Portuguese have a positive view on the Chinese society. She seems to be fulfilled in Portugal and feels well expected and expects the Portuguese to see the Chinese as laborious and polite. Discrimination is not on her radar.

Another interesting point is that she demanded help of Chinese lawyers and also informed herself by asking Chinese centers for expats. This underlines the importance of the existing Chinese community in Portugal for expats. They are likely to grant the new-comers stability, support, to provide information on opportunities within the new country and culture, and security as they can communicate in their mother-tongue and interact with people with the same cultural background which probably makes the Chinese moving to Portugal feel safer in the new environment and might lead them to taking new steps towards the adventure of moving abroad when they are still in their home countries. In the case of the “married woman”, she mentions that a Chinese community member significantly supported her when moving to Portugal after she found out about the opportunity of investing in Portugal.

In a nutshell, the “married woman” is satisfied with her choice of the Golden Visa. Her attraction to the Golden Visa was mainly triggered by the low entry price for the investment and also of the quality of the objects of investment, in her case Portuguese real estate. In

general, the “married woman” is attractive by Portugal as a country and decide to definitely move there and build up a living with her family. Apparently, the fact of free travelling also empowered her decision, a factor that we already saw prior within the thesis. The “married woman” appreciated the simple process of application to the Portuguese Golden Visa, a factor that might attract potential investors as well.

Summing up, she estimated the investment as the right choice because of her successful relocation to Portugal.

The next survey to be examined will be the “Business Man”. He is single and still very young and originates from the PRC. In contrast to the previous mentioned “married woman”, he is interested in investing purely due to economic factors as he carried out several investments all over Europa, namely in Spain, Ireland, Malta, Portugal, and France. Surprisingly, these countries all, with the exception of France, possess the opportunity to apply for a citizenship-or residency-by-investment-program. He seems to be using the Golden Visa as a tool to invest in an easier manner but seems to have already acquired all the privileges the Portuguese Golden Visa could offer by investing in Malta where he seems to have settled down as he possesses a sailing school and several yachts there. The Maltese investments seem to have been his most important ones. The “Business Man” is constantly pouring money into his investments in order to make them more yielding.

Especially when it comes to the investment in the Portuguese Golden Visa, the “Business Man” seems to have hardly taken the non-economic considerations into account, which he even states in question number 4. Moreover, he claims to reside in Malta and thus, he was not depending on the Portuguese Golden Visa in order to stay and travel in Europa, as he had carried out several investments in Spain and Malta previously. As Malta used to be the only EU-country where a citizenship-by-investment-program had been into force, it is not surprising that he chose to invest there first. However, he did not indicate that he possessed the Maltese nationality.

Apparently, the “Business Man” discovered the investment opportunity of the Portuguese Golden Visa via the Internet. The language barrier did not affect the “Business Man” as much as it might affect some Chinese nationals as he claims to already be fluent in English and Spanish. Furthermore, his physical proximity to Portugal certainly made the investment easier for him as he was already living and working in Europe while informing himself via

the Internet about the investment opportunity. Moreover, he carried out several investments in different sectors, notably in the financial sector, the real estate sector, in digitalization, and in his sailing school, which gives him a certain expertise concerning funds. His business is based on his investments and web-developing-skills which makes investments a primordial part of his gains. According to him, he undertook his investment in Portugal in 2020 but already considered it in 2019. Being constantly interested in making his money grow, as he states, he was searching for new investment opportunities and got interested in the Portuguese Golden Visa. It would be interesting to know whether it is possible to invest in several Golden Visa programs simultaneously, or whether he was investing without applying to Golden Visa programs in Malta and Spain. Malta was the first and Spain the second European market that the “Business Man” entered, he states. He says to have chosen Malta as a location for his sailing school and as it was easy to apply for visas there and to purchase real estate. This lets us draw the conclusion that a simple application process for visas and an easy purchasing procedure of real estates attracts the investors, which the Portuguese Golden Visa has to offer.

In question number 11, he states that he chose the Golden Visa to invest in because of the process of application and investment and the proximity to Spain where he had already purchased real estate before. It is also clear that he only invested up to 10% of his investible capital in Portugal. This further shows that he is a lot wealthier than the other interviewees. Furthermore, he states that the Golden Visa program in Portugal was also attracting him due to the low taxes which underlines his financial interests in the real estate purchase in Portugal.

Nevertheless, he is satisfied with his investment to Portugal but confirms that it could perform better due to the pandemic. However, he explains that the housing prices during the pandemic had fallen and that therefore, his investment, even with a lower performance, seems to have been a financial success as he is satisfied with it. Thus, he is not interested in increasing his investment to Portugal and that the non-economic factors did not play a role in his decision.

When it comes to investment in real estate, he invested in almost every kind of real estate: real estate for living and renting, real estate for holidays, and offices. Further, he evaluates

that the Portuguese certainly view his investment as positive as it is positive for their economy but is not sure as he does not have any touching points with this society.

The third to be analyzed is the “Family of Four”. The inquired person was the married mother with her two children. However, in the following this survey will be referred to as the “Family of Four” as the investment decision affected the whole family which will soon become clear. The wife states to be between 30 to 50 years old and to originate from the PRC while her children seem to be still at school. So far, the only investment the family undertook was their investment in Portugal. Just like the “Married Woman”, the investment decision was also born as the parents planned to move to Portugal and to build up a living there with their children which becomes clear when taking a look at question number four. The family does not have any further investment plans and they invested into one piece of real estate, namely their house. Another similarity that the family shows with the married woman is that the non-economic factors played the most important role in their investment decision which derives from their relocation decision. The mother notes to appreciate the food, the climate, and the Portuguese lifestyle. We can suppose that the family took the quality of the Portuguese education into account as well because of their two sons. Relocation had been the major factor that drove the “Family of Four” towards that the investment decision as they wanted to provide a better future for their children which the Golden Visa enabled, something that the answers to question number nine and eleven confirm. In the latter, they further say that they took into consideration the warm and welcoming mentality that the Portuguese possessed according to the “Family of Four”, and the high standard of living. They were clearly seeking a more profitable future in Portugal.

The “Family of Four” made another similar experience as the “Married Woman” by encountering difficulties when entering the Portuguese market as they did not have previous investment experiences. Like the “Married Woman” they experienced help from the Chinese community in Portugal in order to acquire the Golden Visa. This underlines the importance of the established Chinese community in Portugal to attract new investors towards the Portuguese Golden Visa with relocation intentions. In the seventh question, the “Family of Four” underlines this assumption by stating that they came aware of the investment opportunity in Portugal through their friends and the internet.

Similar to the others interviewees, the “Family of Four” decided to invest in the Portuguese Golden Visa in 2020. This decision might have come in this specific period as the Golden Visa had major changes announced which were to exclude Lisbon and Porto from the investment scope. It might have also been due to the pandemic which had been even more severe in China than in Portugal.

In addition, the simple process of application and the investment which is designed even for unexperienced investors also contributed to the success that the Golden Visa had with the “Family of Four”. Further, the simple fact of having obtained a visa for Portugal makes the “Family of Four” state that the investment had been the right choice and that they are entirely satisfied with this decision. Just like the “Married Woman” the “Family of Four” does not consider economic factors when evaluating their success of their investment. They even express this assumption literally in question number 16 and therefore confirm it. In contrast to the “Married Woman”, the “Family of Four” might even increase their investment in Portugal once they have earned more money which might be an indicator for their long-term plans to stay in Portugal.

When it comes to evaluating the Chinese and the Portuguese cultural compatibility, the “Family of Four” rates it as very high by stating that both societies would share the same values. They even go as far as to estimate that the Portuguese have a very positive view on the Chinese which might be a hint on their successful integration in Portugal. In question number 19, they say that the Portuguese were always friendly towards Chinese and they would appreciate Chinese. Certainly, this derives from their own positive experiences when dealing with Portuguese. In the last question, they state not to be discriminated, as well as all the others did before.

Taking a closer look at the Chinese investors in the Portuguese Golden Visa, one can detect that the investors are not only considering the economic factors when they are choosing in which residence for investment program, they are going to invest in.

Rafael Chang, a participant of a survey, the already mentioned exception, also confirms this notion. He is a Brazilian and Taiwanese citizen, between 30 and 50 years old and states that he chose the option of job creation to obtain the ARI. He is the only one to have chosen this option out of all the surveyed mentioned here. As he is living in Portugal, this underlines that the Chinese immigrants tend to become independent. Furthermore, he invested in real

estate, in his case office buildings. He started his investment in 2020. This can be because he felt the urge to invest before the Golden Visa might be more restrictive. The Portuguese low tax politic has certainly been attractive to him. He also names that the reasonable prices for real estate and the access to the EU market made the investment very attractive for him. Portugal is a country which is very start-up-friendly, and this also shaped his decision to invest in Portugal. As cultural and geographical factors, the weather and the food acted as pull factors. Furthermore, the safety of Portugal as a country and its political stability made it very attractive.

He states that he did not consider the Portuguese langue nor the Portuguese culture but as he had been living in Brazil, he might have been familiar with the culture, and he already speaks Portuguese. Moreover, the Chinese and the Portuguese culture share the same values in his opinion, and he estimates that the Chinese are well seen by the Portuguese. But this might also be because that he also speaks Portuguese and therefore faces no language barrier and a less important cultural shock than a person might experience who is only from China. However, he stays a special case as he does not have his origins in Mainland China as the other surveyed did and was already fluent in Portuguese. Therefore, he is considered as not a representative as the other interviewees.

The results couldn't be more diverse. They all share the opinion that the Golden Visa offered them the opportunity to stay in Europe, whether it was the Portuguese Golden Visa such as in the most cases or the Maltese one such as in the case of the business men.

One can see important differences between mainly economic-motivated investors and those who invested in Portugal in order to relocate. Moreover, when choosing to relocate, the surveyed stated to have invested from 50% up to 100% of their investable capital in Portugal. The three surveyed, namely the "Married Woman", the "Family of Four" and Rafael Chang, state that non-economic factors played a role which should not be underestimated. Only the "Business Man" invested because of only economic indicators and is solemnly interested in the performance of its purchase. The non-economic factors that the interviewees state, are the Portuguese climate, as previously examined, the safety that they feel in Portugal, the Portuguese culture and welcoming people, the food, the Chinese community present in Portugal, the beautiful houses, the future chances for their children and the high standard of living. Especially the Portuguese as a nation, the Chinese community, the climate, the food

and the Portuguese culture had been mentioned several times which therefore seem to have been the most important indicators to my sample.

As the statistic, mentioned in previous parts of the paper, showed the hugest part of the investors chose to purchase real estate when investing in the ARI. Furthermore, they are between 30 to 50 years old and married. The majority of them originates from the PCR.

Interesting is that all the investors are of the opinion that the Portuguese have a positive view on the Chinese as a society and that they do not feel discriminated which certainly comes with the fact that they are well integrated or not yet in Portugal such as Rafael Chang. They did not feel a difference in the treatment of the Portuguese towards the Chinese, even not after COVID-19.

The overall satisfaction quota with the Portuguese Golden Visa seems to be very high in my sample which however is very limited. Four out of four interviewed showed a high level of satisfaction with their investment decision in the Portuguese Golden Visa. At least when it comes to the Chinese surveyed for this master thesis, one can observe that the Portuguese Golden Visa, despite its supposed negative sides, seems to be positively evaluated amongst the Chinese investors which could explain its success when it comes to this nationality of investors.

12. Conclusion

The close relationship on an economic and a political scale are certainly very important when Chinese investors consider in which Golden Visa scheme to invest. Furthermore, Portugal offers more stability even if a similar program like the Greek is cheaper which was also stated when it comes to the surveys. Due to the taxation laws, the Portuguese Golden Visa becomes more attractive to investors who will not be tax residents in Portugal and are willing to rent their real estate, such as the “Business Man”, even though he did not note it particularly. Portuguese real estate has a higher yield return than real estate in China which attracts investors similar to the “Business Man”, apart from him already having invested in several other European countries. In general, Portugal is a safer investment option than Greece. This is also the estimation of the Santander Trade. The good education system, the infrastructure, and the Chinese developers are playing a role in the investment decision,

especially if they aim to relocate like the interviewed “Family of Four”. Moreover, Portugal is the country with the lowest air pollution when compared to Greece or Spain, and even China, or at least its big cities. One of the most important factors remains family reunification which can be seen when one looks at the increase that the Greek Golden Visa experienced since family reunification exists. This option certainly attracts all investors who want to relocate with any kind of relatives. As the ARI offers the most extended version of family reunification, it becomes more attractive.

However, there are some critical voices. Some fear that the real estate prices in Portugal might be risen incredibly due to the Golden Visa. Others fear that criminals will have easier access to the EU, as the investor can freely travel in the whole Schengen Area. As the procedures are the same as for other immigrants, the Golden Visa does not represent a higher danger when it comes to money laundering. Nevertheless, the interviewees did not feel any of these presumptions some people might have when it comes to ARI investors. However, the question remains, whether residency should be obtained easier by investment and whether an investor in the Portuguese Golden Visa has built up a sufficient relationship to Portugal as a country when he or she applies for citizenship or whether it would not be better if further tests were introduced.

The future of the Portuguese Golden Visa is difficult to be foreseen as changes might occur to it in 2022. As it is visible that most of the investors are interested in investing in real estate in the Lisbon and Porto region, it becomes clear that by cutting out these two parts, the program would lose considerably its attractiveness. It is likely that the investors interested in real estate who represent the vast majority are opting for the Spanish or the Greek counterpart instead. Portugal would lose nearly all the investment generated by the Golden Visa program. Also, the fact that the other options would be even pricier, would lead to the finality that the investors are likely to invest in the Spanish Golden Visa or the Greek low-cost version. Portugal is not so much ahead when it comes to the numbers of investors in the ARI that it could allow itself to introduce these kinds of measures and remain compatible. The exact effect of the changes is still to be observed and analyzed if they will enter into force, as well as the impact of the sanitary crisis.

13. Bibliography

Agência Lusa (2020), *Covid-19: investimento direto estrangeiro mundial cai 49% no primeiro semestre*, Lisboa, Observador, <https://observador.pt/2020/10/27/covid-19-investimento-direto-estrangeiro-mundial-cai-49-no-primeiro-semester/> (Last seen 11/15/2021)

Agência Lusa (2021), *China espera “empurrão” de Portugal para acordo investimento on União Europeia*, Lisboa: Observador, <https://observador.pt/2021/01/30/china-espera-empurrao-de-portugal-para-acordo-de-investimento-com-uniao-europeia/> (Last seen 11/15/2021)

Almeida, Andreia (2021), *Portugal Real Estate Market View*, Cushman & Wakefield, <https://www.cushmanwakefield.com/en/portugal/insights/covid-19-impacts-portugal-real-estate> (Last seen 11/15/2021)

Almeida, Cátia Sofia Simões (2017), *Criação De Um Serviço No Setor Imobiliário Para Cliente Chinês*, Aveiro: Universidade de Aveiro, <https://ria.ua.pt/bitstream/10773/22902/1/Catia%20Almeida%20dissertação%20definitiva%20UA%202017.pdf> (Last seen 11/15/2021)

Amoiridis, Law Services (2020), *Residence Permit for Real Estate Owners in Greece: Golden Visa Greece*, Athens, <https://www.law-services.gr/golden-visa-investment/> (Last seen 11/15/2021)

Balcellsg (2021), *Golden Visa en España: Residencia para Inversores*, Barcelona: Balcells, <https://balcellsgroup.com/es/golden-visa-en-espana/> (Last seen 11/15/2021)

Barbosa, Alexandre (2018), *Necessidade de Investimento Estrangeiro em Portugal, Economia Portuguesa e Europeia*, <https://ecportuguesaeeuropeia.blogspot.com/2018/12/necessidade-de-investimento-estrangeiro.html> (Last seen 11/15/2021)

Caetano, Edgar (2020), *Excluir Lisboa e Porto dos Vistos Gold? “Sem Alternativas, esse Capital irá fugir para outros países”, diz CEO da Kleya*, Lisboa: Observador, <https://observador.pt/especiais/excluir-lisboa-e-porto-dos-vistos-gold-sem-alternativas-esse-capital-ira-fugir-para-outros-paises-diz-ceo-da-kleya/> (Last seen 11/15/2021)

Caetano, Edmundo (2014), *Opinião: chegaram os golden visas*, Leiria: Região de Leiria, <https://www.regiaodeleiria.pt/opinioes/opiniao-chegaram-os-golden-visa/> (Last seen 11/15/2021)

CEIC (2021a), *China Foreign Direct Investment*, CEIC data, <https://www.ceicdata.com/en/indicator/china/foreign-direct-investment> (Last seen 11/15/2021)

CEIC (2021b), *Greece Foreign Direct Investment*, CEIC data, <https://www.ceicdata.com/en/indicator/greece/foreign-direct-investment> (Last seen 11/15/2021)

CEIC (2021c), *Greece (FDI) Foreign Direct Investment: Flow: Europe: wo Ukraine*, CEIC data, <https://www.ceicdata.com/en/greece/foreign-direct-investment-bmd4-flow-by-country/fdi-flow-europe-ow-ukraine> (Last seen 11/15/2021)

Choi, Martin, Liu, Pearl (2020), *Chinese Property Buyers Sharpen Focus on Portugal and Singapore, shun four spots troubled by geopolitical risks*, South China Morning Post, <https://www.scmp.com/business/article/3110353/chinese-property-buyers-sharpen-focus-portugal-and-singapore-shun-four> (Last seen 11/15/2021)

Corner (2021), *Chinese Investment In Spain Increases by 362% Despite the Pandemic, The Corner*, <https://thecorner.eu/news-spain/spain-economy/chinese-investment-in-spain-increases-by-362-in-2020-despite-the-pandemic/92562/> (Last seen 11/15/2021)

Cruz, Mario (2021), *Verdes Propõem Fim Dos “Vistos Gold” em Portugal*, Expresso, <https://expresso.pt/politica/2021-03-21-Verdes-propoem-fim-dos-vistos-gold-em-Portugal-53f12c6e> (Last seen 11/15/2021)

Curvelo, Pedro (2018), *Investimento Chinês Tem Crescido Em Todos Os Sectores*, Lisboa: Jornal de Negócios, <https://www.jornaldenegocios.pt/economia/detalhe/investimento-chines-em-portugal-tem-crescido-em-todos-os-sectores> (Last seen 11/15/2021)

Delgado, Antonio (2020), *As remessas dos Portugueses na Diaspora e o Investimento Estrangeiro em Portugal*, Correio de Venezuela, <https://correiovenezuela.com/portugues/as-remessas-dos-portugueses-na-diaspora-e-o-investimento-estrangeiro-em-portugal/> (Last seen 11/15/2021)

Doctoroff, Tom (2007), *Billion: Stellung to the New Chinese Consumer*, New York: Palgrave Macmillan

Doctoroff, Tom (2013), *What Chinese Want: Culture, Communism and China 's Modern Consumer*, New York: Palgrave Macmillan

Durán, Yolanda (2020), *China el país que solicita más Golden Visa en España a pesar del Covid*, Brainsre <https://brainsre.news/china-es-el-pais-que-solicita-mas-golden-visa-en-espana-a-pegar-del-covid/> (Last seen 11/15/2021)

Enterprise Greece (2020), *Foreign Direct Investment*, Enterprise Greece Invest & Trade, <https://www.enterprisegreece.gov.gr/en/greece-today/why-greece/foreign-direct-investment> (Last seen 11/15/2021)

EPA, United States Environmental Protection Agency (2021), *Particulate Matter (PM) Pollution*, Washington, D.C.: EPA <https://www.epa.gov/pm-pollution/particulate-matter-pm-basics> (Last seen 11/15/2021)

Erbao, Cao (2008), *Governing Hong Kong under the Conditions of „One Country, Two Systems“*, Hong Kong: Study Times https://www.civicparty.hk/wp-content/uploads/old_site/090506_cao_eng_0.pdf (Last seen 12/24/2021)

Eurostat (2021), *What are Foreign Direct Investments?*, European Commission, <https://ec.europa.eu/eurostat/web/economic-globalisation/globalisation-in-business-statistics/foreign-direct-investments> (Last seen 11/15/2021)

Ferreira, Tânia (2020), “*Bruxelas não quer acabar com os programas olden visa como o português*”, Idealista, <https://www.idealista.pt/news/financas/investimentos/2020/10/27/45062-bruxelas-nao-quer-acabar-com-os-programas-golden-visa-como-o-portugues> (Last seen 11/15/2021)

Gaspar, Sofia, Haro, Fernando Ampudia de (2019), *Buzing Citiyanship? Chinese Golden Visa Migrants in Portugal*, Lisboa: John Wiley & Sons Ltd., https://www.researchgate.net/publication/334710194_Buying_Citizenship_Chinese_Golden_Visa_Migrants_in_Portugal (Last seen 11/15/2021)

GEE, Gabinete de Estratégia e Estudos (2021), *População Estrangeira Residente Em Portugal – China*, Lisboa: [https://www.gee.gov.pt/pt/lista-publicacoes/estatisticas-de-](https://www.gee.gov.pt/pt/lista-publicacoes/estatisticas-de)

[imigrantes-em-portugal-por-nacionalidade/paises/China/3955-populacao-estrangeira-com-estatuto-legal-de-residente-em-portugal-china/file#page690](https://www.imigrantes-em-portugal-por-nacionalidade/paises/China/3955-populacao-estrangeira-com-estatuto-legal-de-residente-em-portugal-china/file#page690) (Last seen 11/15/2021)

Get Golden Visa (2021), *La Résidence par Investissement Espagne*, <https://getgoldenvisa.com/fr/espagne-programme-golden-visa> (Last seen 11/15/2021)

Gerth, Karl (2010), *As China Goes So Goes The World: How Chinese Consumers Are Transforming Everything*, New York, N.Y.: Hill and Wang

Global Citizen Solutions (2021), *Golden Visa in Portugal*, <https://www.globalcitizensolutions.com/residency/residency-in-portugal/> (Last seen 11/15/2021)

Global Times (2020), *Portugal Opens Arms to Welcome Chinese Investment: Embassy*, <https://www.globaltimes.cn/content/1205057.shtml> (Last seen 11/15/2021)

Gonçalves, Pedro (2021), *Greece mulls golden visa overhaul*, London: International Investment, <https://www.internationalinvestment.net/news/4022892/greece-mulls-golden-visa-overhaul> (Last seen 11/15/2021)

Goncalves, Sergio, Azevedo, Mariana (2021), *Update 1 – Portuguese Economy Grows 4.9% COVID-19 Rules Ease*, Reuters, <https://www.reuters.com/article/portugal-economy-gdp-idUSL8N2P63Y7> (Last seen 11/15/2021)

GoVisaFree (2021), *Portugal Golden Visa 2021: My Complete Journey*, <https://govisafree.com/portugal-golden-visa/> (Last seen 11/15/2021)

Greece properties gate (2021), *Golden Visa Program*, <https://www.greece-properties-gate.com/articles/buyers-guide/greece-residence-permit-law-golden-visa> (Last seen 11/15/2021)

Greene, Dennis Swing (2021), *Changes in Portuguese Golden Visa in 2022*, Portugal Resident, <https://www.portugalresident.com/changes-in-portuguese-golden-visas-in-2022/> (Last seen 11/15/2021)

Gu, Zini (2020), *Inversión china en España*, València: Universitat Politècnica de València, <https://riunet.upv.es/bitstream/handle/10251/140655/Gu%20-%20Inversión%20china%20en%20España.pdf?sequence=1> (Last seen 11/15/2021)

Henley & Partners (2021), *Greece – Residence by Investment Overview*, <https://www.henleyglobal.com/residence-investment/greece> (Last seen 11/15/2021)

INE, Instituto Nacional de Estatística (2021), *Investimento Direto Estrangeiro*, <https://smi.ine.pt/Conceito/Detalhes/2369> (Last seen 11/15/2021)

Immigrant Invest (2021), *The Residency Permit Program f Greece Real Estate Investment*, Moscow: Immigrant Invest, <https://immigrantinvest.com/en/residence-and-citizenship-greece/> (Last seen 11/15/2021)

Immobilier Espagne (2021), *Golden Visa: Conditions d’Obtention*, <https://immobilierespagne.com/golden-visa-conditions-dobtention/> (Last seen 11/15/2021)

Juwai.com (2018), *Chinese Global Property Investment Report*, <http://www.sonjapedersen.com/juwai/chinese-global-property-investment-report-2018.pdf> (Last seen 11/15/2021)

Juwai.com (2020), *6 reasons why Chinese property buyers are attracted to Portugal*, <https://list.juwai.com/news/2020/06/6-reasons-chinese-attracted-portugal> (Last seen 11/15/2021)

Karadima, Sofia (2020), *The state of play: FDI in Greece*, Investment Monitor, <https://www.investmentmonitor.ai/greece/the-state-of-play-fdi-in-greece> (Last seen 11/15/2021)

KnightFrank (2014), *Chinese Outward Real Estate Investment: After The Intital Waves, What ’s Next?*, <https://content.knightfrank.com/research/736/documents/en/chinese-outward-real-estate-investment-2533.pdf> (Last seen 11/15/2021)

KnightFrank (2018), *Chinese Outbound Real Estate Investment: Riding The Waves*, <https://content.knightfrank.com/research/1001/documents/en/chinese-outbound-real-estate-investment-october-2018-5875.pdf> (Last seen 11/15/2021)

La Vida (2021), *Golden Visa Greece Offering Residency without citizenship*, Uxbridge: La Vida Golden Visas, <https://www.goldenvisas.com/greece> (Last seen 11/15/2021)

Lane, Matthew (2021), *Portugal update: flood f movers new appointment and attractive investments*, Property Investor Today, <https://www.propertyinvestortoday.co.uk/breaking->

[news/2021/5/portugal-update-flood-of-movers-new-appointment-and-attractive-investments?source=trending](https://www.elpais.com/internacional/2021/05/portugal-update-flood-of-movers-new-appointment-and-attractive-investments?source=trending) (Last seen 11/15/2021)

Lexidy (2020), *Golden Visa en España*, Barcelona: Lexidy Law Boutique, https://www.lexidy.com/servicios/inmigracion/golden-visa-espana/?utm_campaign=Inglés+-+TAX+-+Ubic.+SPAIN&utm_term=visa%20de%20inversionista%20en%20españa&utm_source=adwords&utm_medium=ppc&hsa_ver=3&hsa_acc=5505212875&hsa_mt=b&hsa_src=g&hsa_cam=10051363382&hsa_grp=100607701665&hsa_tgt=kwd-380929220554&hsa_kw=visa%20de%20inversionista%20en%20españa&hsa_ad=499542452377&hsa_net=adwords&gclid=Cj0KCQjw5PGFBhC2ARIsAIFIMNceMJs25PNAmvCAas3qj-xQLG5tNQJueW4Mf6_cI4T_f0Ry_TxQ3x8aAmf3EALw_wcB (Last seen 11/15/2021)

LibeHomes (2021), *Comment Obtenir le Golden Visa et le Permis de Résidence en Espagne*, Marbella : LibeHomes, <https://www.libehomes.com/fr/golden-visa/> (Last seen 11/15/2021)

Manfrin, Jaqueline Bin Barette, Busnardo, Leonardo Moretti, Santos, Marcos Rogério dos (2018), *O Golden Visa – Oportunidade de Investimento na União Europeia*, Ribeirão Preto/SP: Lauredefina Advogados, <http://www.laureadvogados.com.br/noticias/o-golden-visa-oportunidade-de-investimento-na-uniao-europeia/> (Last seen 11/15/2021)

Marcela, Ana (2021), *Portugal atrai 1,7 milhões e investimento estrangeiro*, Dinheiro Vivo, <https://www.dinheirovivo.pt/economia/portugal-atrai-17-mil-milhoes-de-investimento-estrangeiro-13266253.html> (Last seen 11/15/2021)

Ministerio de Inclusión, Seguridad Social y Migraciones (2021), *Número de personas con TIE-acuerdo de retirada por sexo y nacionalidad*, Madrid: https://extranjeros.inclusion.gob.es/es/estadisticas/operaciones/concertificado/tie_resultados_nacionales/index.html (Last seen 11/15/2021)

Ministry of Commerce of the People ´s Repulic of China (2020), *2020 Statistic Bulletin of China ´s Outward foreign Direct Investment*, Beijing (p. 146 – p. 166)

Nesheim, Christian (2019), *Up 80%: Approvals for Spain’s Residence By Investment Program Hit All-Time High in H1 2019*, <https://www.imidaily.com/europe/up-80-approvals->

[for-spains-residence-by-investment-program-hit-all-time-high-in-h1-2019/](#) (Last seen 11/15/2021)

Nesheim, Christian (2020), *Greek Golden Visa Has Raised Some €2 Billion From Almost 19k Participants*, <https://www.imidaily.com/editors-picks/greek-golden-visa-has-raised-some-e2-billion-from-almost-19k-participants/> (Last seen 11/15/2021)

Nesheim, Christian (2021), *Spanish Golden Visa Approvals Plunged 76% to All-Time Low in Second Half of 2020*, <https://www.imidaily.com/editors-picks/spanish-golden-visa-approvals-plunged-76-to-all-time-low-in-second-half-of-2020/> (Last seen 11/15/2021)

OECD, iLibrary (2020), *International Migration Outlook 2020, Greece*, <https://www.oecd-ilibrary.org/sites/2d808a82-en/index.html?itemId=/content/component/2d808a82-en> (Last seen 11/15/2021)

OECD (2021), *FDI in Figures April 2021*, OECD International Direct Investment Statistics database (p. 9-11)

Olejárová, Barbora, Čajka, Peter (2016), “Third Countries Migration and the immigrant Investor Programs in the EU - the Case of Chinese Immigrants in Portugal”, Eva Kovářová, Lukáš Melecký, Michaela Staničková (org.), *International Conference on European Integration*, Ostrava: VŠB – Technical University of Ostrava, p. 689-697

Olympia Properties (2021), *Greek Golden Visa*, Athens: Olympia Properties, <https://www.olympia-properties.com/golden-visa-greece/> (Last 11/15/2021)

Portugal News (2019), *PM defends Chinese investment*, Lagoa: The Portugal News, <https://www.theportugalnews.com/news/pm-defends-chinese-investment/48629> (Last seen 11/15/2021)

Quintela, Ivete (2019), *Guia de Emprego VPDicas*, <https://www.vpdicas.com/artigos/guia-de-emprego-vpdicas> (Last seen 11/15/2021)

Rodellar, Eugenia Blasco, Vite, Julio Menchaca (2018), *Opciones de inversión en España que permiten obtener Golden Visa*, AGM Abogados, <https://www.agmabogados.com/opciones-de-inversion-en-espana-que-permiten-obtener-golden-visa/> (Last seen 11/15/2021)

Roque, Raquel Galinha (2021), *Golden Visa: A anunciada falta de senso!*, Sapó <https://eco.sapo.pt/opiniao/golden-visa-a-anunciada-falta-de-senso/> (Last seen 11/15/2021)

Santandertrade (2021a), *Economia de Portugal*, Santander Trade Markets, <https://santandertrade.com/pt/portal/pesquisa-no-portal> (Last seen 11/15/2021)

Santandertrade (2021b), *Doing Business With Greece: Key Indicators about Greek Market*, Santander Trade Markets, <https://santandertrade.com/en/portal/country-profile/21,greece> (Last seen 11/15/2021)

Scissors, Derek (2021), *Chinese Investment In The US – Handout*, AEI, <https://www.aei.org/multimedia/chinese-investments-us-handout/> (Last seen 11/15/2021)

Schengen visa info (2021a): *Portugal Golden Visa – Invest in Portugal and Get the Residence Permit*, <https://www.schengenvisainfo.com/eu-golden-visas/portugal-golden-visa/> (Last seen 11/15/2021)

Schengen visa info (2021b): *Greece Golden Visa – How to Get Permanent Residency and Citizenship*, <https://www.schengenvisainfo.com/eu-golden-visas/greece-golden-visa/> (Last seen 11/15/2021)

SEF, Serviço de Estrangeiros e Fronteiras (2020), *Relatório de Imigração, Fronteiras e Asilo*, Oeiras: SEF, <https://sefstat.sef.pt/Docs/Rifa2020.pdf> (Last seen 11/15/2021)

SEF, Serviço de Estrangeiros e Fronteiras (2021a), *ARI – Autorização de Residência para Atividade de Investimento*, Oeiras: SEF, <https://www.sef.pt/pt/pages/conteudo-detalle.aspx?nID=62> , (Last seen 11/15/2021)

SEF, Serviço de Estrangeiros e Fronteiras (2021b), *Autorização de Residência para Atividade de Investimento, Residence Permit for Investment Activity, Out 2021 – Out 2021*, Oeiras: SEF, https://www.sef.pt/pt/Documents/OUTUBRO_2021_ARI_CUMULATIVO.pdf (Last seen 11/15/2021)

SEF, Serviço de Estrangeiros e Fronteiras (2021c), *Autorização de Residência para Atividade de Investimento, Residence Permit for Investment Activity, 2016*, Oeiras: SEF, <https://www.sef.pt/pt/Documents/2016%20MAPA%20ARI.pdf> (Last seen 11/15/2021)

SEF, Serviço de Estrangeiros e Fronteiras (2021d), *Autorização de Residência para Atividade de Investimento, Residence Permit for Investment Activity, Out 2021*, Oeiras: SEF, https://www.sef.pt/pt/Documents/OUTUBRO_2021%20ARI.pdf (Last seen 11/15/2021)

SEF, Serviço de Estrangeiros e Fronteiras (2021e), *Family Reunification*, Oeiras: SEF, <https://www.sef.pt/en/Documents/FAMILYREUNIFICATION.pdf> (Last seen 11/15/2021)

Silva, Vasco Rosa da (2020), *O Interior “Gold”*, Sapo, <https://visao.sapo.pt/exame/opiniao-exame/2020-01-30-o-interior-gold/> (Last seen 11/15/2021)

Soares, Gustavo (2021), *Golden Visa ou se gosta ou se odeia!*, Lisboa: Jornal de Negócios <https://www.jornaldenegocios.pt/opiniao/colunistas/detalhe/golden-visa-ou-se-gosta-ou-se-odeia> (Last seen 11/15/2021)

Strong Abogados (2020), *Golden Visa in Spain*, https://www.strongabogados.com/property-visa.php?gclid=Cj0KCQjw5PGFBhC2ARIsAIFIMNceZcIEo70niKe89uAAI5eeJP0B5YNrX1rtZHi0nXV1-LPSFHDFxLgaAqmWEALw_wcB (Last seen 11/15/2021)

Suspiro, Ana (2015a), *A onda chinesa. A visão positiva empresas onde os chineses investiram*, Lisboa: Observador, <https://observador.pt/2015/04/21/a-onda-chinesa-a-visao-positiva-das-empresas-onde-os-chineses-investiram/> (Last seen 11/15/2021)

Suspiro, Ana (2015b), *Portugal foi o quarto maior destino do investimento chinês na Europa*, Lisboa: Observador, <https://observador.pt/2015/02/17/portugal-foi-o-quarto-maior-destino-investimento-chines-na-europa/> (Last seen 11/15/2021)

Templo Consulting (2021), *Cómo Conseguir la Golden Visa en España*, Madrid, <https://temploconsulting.com/como-conseguir-la-golden-visa-en-espana/> (Last seen 11/15/2021)

Viana, Patrícia (2020), *Golden Visa, um fim (outra vez) anunciado*, Almada: Diário Imobiliário, <https://www.diarioimobiliario.pt/Opiniao/Golden-Visa-um-fim-outra-vez-anunciado> (Last seen 11/15/2021)

Villalobos, Luís (2014), *Investimento Estratégico Chinês em Portugal “Está Agora a Começar”*, Público, <https://www.publico.pt/2014/11/17/economia/entrevista/investimento-estrategico-chines-em-portugal-esta-agora-a-comecar-1676480> (Last seen 11/15/2021)

Villalobos, Luís (2017), “*Portugal foi o destino de valiosas operações de investimento chinês*”, Público, <https://www.publico.pt/2017/04/03/economia/entrevista/portugal-foi-o-destino-de-valiosas-operacoes-de-investimento-chines-1767260> (Last seen 11/15/2021)

Waqi, World Air Quality Index (2021), *Real-Time Air Quality Index*, <https://aqicn.org/city/portugal/almada/laranjeiro/> (Last seen 11/15/2021)

Worldometers (2021a), *Portugal Population (Live)*, <https://www.worldometers.info/world-population/portugal-population/> (Last seen 11/15/2021)

Worldometers (2021b), *Greece Population (Live)*, <https://www.worldometers.info/world-population/greece-population/> (Last seen 11/15/2021)

Worldometers (2021c), *Spain Population (Live)*, <https://www.worldometers.info/world-population/spain-population/> (Last seen 11/15/2021)

Xinyang, Shi (2018), *Motivation and Barriere of Chinese Opportunity-Driven Immigrant Entrepreneurs in Portugal: Exploratory Research*, Lisboa: Universidade de Lisboa, <https://www.repository.utl.pt/bitstream/10400.5/16501/1/DM-SX-2018.pdf> (Last seen 11/15/2021)

Yannopoulos, Andreas (2021), *Greece draws in FDI prepares economic transformation*, Ekathimerini, <https://www.ekathimerini.com/economy/1159455/greece-draws-in-fdi-prepares-economic-transformation/> (Last seen 11/15/2021)

Zeng, Manting (2017), *Analysis Of Chinese Buyers Toward Buying Property Overseas*, Lahti: Lahti University of Applied Sciences, https://www.theseus.fi/bitstream/handle/10024/122874/Maning_Zeng.pdf?sequence=2&isAllowed=y (Last seen 11/15/2021)

Zeneli, Valboa (2019), “China and Europe”, Scott D. Mc Donald, Michael C. Burgoyne, *China’s Global Influence: Perspectives and Recommendations*, Garmisch-Partenkirchen: p. 125-141, https://apcss.org/wp-content/uploads/2019/09/8-China_and_Europe-Zeneli.pdf (Last seen 11/15/2021)

Zhou, Jia, Poh, Felix, Zhang, Cherie, Zipser, Daniel (2020), “China’s Gen Z are coming of age: Here’s what marketers need to know”, *Understanding Chinese Consumers: Growth*

Engine of the World , China consumer report 2021, Shenzhen: Mc Kinsey & Company, p. 138-148

Zipser, Daniel, Poh, Felix (2020), *Understanding Chinese Consumers: Growth Engine of the World*, Shenzhen: Mc Kinsey & Company

14. Appendices

A Surveys

Cover Letter for the participants

My name is Kristin Schacherer, and I am about to work on my master thesis in Asian studies about the Chinese investors' behaviour in the Portuguese real estate market: Please take a few minutes to complete the attached survey. The survey takes about 15 to 20 minutes to be completed and should be then send to the following email address: schachererkritin@gmail.com .

The survey is voluntary and there are no repercussions for not providing any or all the information requested.

Your responses are extremely important to me as they will help me to go further in my research about the Chinese investment in the Portuguese Golden Visa program. The information will be used to encouraging and facilitating further scientific research. I would be very thankful if you could be the one to help me gathering further and deeper knowledge about the subject from someone who has first-hand experiences of the dynamics above described.

Your individual responses will be accessible to me and my supervisors only. Any personal data or data about your company will be kept anonymously if you wish them not to be published in my master thesis. With your consent, I would like to publicly report your name, sex, civil status and age rage. Please keep me informed if you are willing to grant me with such consent.

Please return your completed survey and consent to schachererkristin@gmail.com as soon as possible. Please feel free to call or email me if you have any questions, concerns or additional information that you would like to share. Thank you in advance for completing the survey! If you are interested in the results of the survey, I am happy to provide you with my findings.

Kind regards,
Kristin Schacherer

Survey for the Chinese investor No. 1 “Rafael Chang”

Name of the inquired: Rafael Chang

Personal contact (eg. email): Email

Sex: Male

Civil Status: Married

Nationality (if you are from Macau or Hong Kong or any other country than the PRC, please indicate it separately): Brazil / Taiwan

Age range: a) 20-30 b) 30-50 X c) 50-65 d) 65 >

1. What type of international investment did you carry out so far?

I invested in opening a business in Portugal that will eventually serve the whole Europe.

2. Are you planning to proceed any further international in the near future? If yes, could you please describe it briefly.

Yes, we intend to expand into Europe.

3. What are the areas of the world that you have already invested in?

X a) Portugal.

b) other European countries (please specify):

c) Mainland China

d) others:

4. What are the reasons for your investment in Portugal? Are there also non-economic aspects, such as cultural ones, that you considered before your investment?

We think that the fact that we are residing here made sense to invest it here in the first place. We didn't take into account the cultural aspect or the language.

5. How did you enter the Portuguese market? Did you find any difficulties?

We are in the beginnings of entering in the market. Hence, we don't know if there are any difficulties at this point.

6. In which sectors did you already invest in?

a) real estate (please specify)

b) financial sector

c) energy sector

d) educational sector

e) assurance sector

f) health sector

g) others: eCommerce

7. Why and when did you chose the Portuguese real estate market and when did you start investing in Portugal? How did you become aware of the possibility of investment in Portugal?

I was aware of the possibility to invest in Portugal when I started doing my research during pandemic. I invested in my own property and now I will rent an office.

8. In which kind of real estate did you invest in?

- a) real estate for living
- b) real estate for holidays
- c) offices X
- d) public buildings
- e) others:

9. What do you think about the Portuguese Golden Visa program? If it seems attractive to you, could you please briefly describe why. What seems the most attractive to you as a Chinese national?

It is attractive as it is reasonably low priced yet very attractive for its access to the EU market.

10. What was the first market you invested in, why and when?

Since I reside in Portugal, it made sense to start from here.

11. What where the main factors that made you invest in Portugal?

Safety, weather, food.

12. What is the percentage of your investment in Portugal compared to the total of your foreign investment?

- a) up to 10%
- b) 10 to 30%
- c) 30 to 50%
- d) over 50% X
- e) 100%

13. In your opinion what are the factors that make your investment successful in Portugal?

Easiness to do business, start a business, uncomplicated rules.

14. Are you happy with the performance of your investment in Portugal? Do you estimate that you have been successful in Portugal and that your investment had been the right choice?

I am not sure yet, it is a bit early to say.

15. Do you plan to increase or decrease your investment in Portugal? If yes, in which sectors?

Perhaps I will increase it if I see the results I expect.

16. Which role do not-economic factors play in your decision of investment?

They are a big factor.

17. The norms and values of the Chinese and Portuguese society are overall corresponding. (1= I totally agree to 6= I totally disagree)

1	2	3	4	5	6
X					

18. How do you evaluate the Portuguese view on the Chinese society? (1= very positive to 6= very negative)

1	2	3	4	5	6
X					

19. According to you, what is the Portuguese point of view on the Chinese society and your foreign investment in Portugal?

I think Portuguese view Chinese society as a very hard working one.

20. Do you have the impression that the Portuguese' behaviour towards the Chinese changed due to COVID-19? Do you feel discriminated in any way?

I didn't feel that it changed. I did not feel discriminated any way.

Survey for the Chinese investor No. 2 “The Married Woman “

Name of the inquired: [REDACTED]

Personal contact (eg. email): Email, Instagram

Sex: Female

Civil Status: Married

Nationality (if you are from Macau or Hong Kong or any other country than the PRC, please indicate it separately): China

Age range: a) 20-30 b) 30-50 X c) 50-65 d) 65 >

1. What type of international investment did you carry out so far?

I invested in a residential real estate in Portugal.

2. Are you planning to proceed any further international in the near future? If yes, could you please describe it briefly.

No, I don't.

3. What are the areas of the world that you have already invested in?

X a) Portugal.

b) other European countries (please specify):

c) Mainland China

d) others:

4. What are the reasons for your investment in Portugal? Are there also non-economic aspects, such as cultural ones, that you considered before your investment?

I think that the investment in Portugal has a great advantage for me in a financial way. But also, I am interested in the Portuguese culture. (*Sidenote: Grace follows several Portuguese accounts about the life in Portugal on Instagram and is part of many expat groups in Portugal.*)

5. How did you enter the Portuguese market? Did you find any difficulties?

I gathered a lot of information on the Internet about Portugal and the European Union to get along well in Portugal. I informed myself on Porto and Lisbon. I got help by Chinese advocates and centres for expats too. In the beginning, it was difficult for me but now, I know much about Portugal.

6. In which sectors did you already invest in?

X a) real estate (please specify): residential

b) financial sector

c) energy sector

- d) educational sector
- e) assurance sector
- f) health sector
- g) others:

7. Why and when did you chose the Portuguese real estate market and when did you start investing in Portugal? How did you become aware of the possibility of investment in Portugal?

I discovered the real estate investment in Portugal a few years ago. Linda Liu (*sidenote: a member of the Chinese community in Portugal*) helped me a lot.

8. In which kind of real estate did you invest in?

- X a) real estate for living
- b) real estate for holidays
- c) offices
- d) public buildings
- e) others:

9. What do you think about the Portuguese Golden Visa program? If it seems attractive to you, could you please briefly describe why. What seems the most attractive to you as a Chinese national?

The Golden Visa program is great. It is attractive to me due to the good price and the beautiful real estate in Portugal. I wanted to live in Portugal or to travel often to Portugal.

10. What was the first market you invested in, why and when?

It was Portugal. Nowadays, I also live in Portugal and this is why I chose to invest there.

11. What where the main factors that made you invest in Portugal?

People (*sidenote: after a short discussion, I learned that she refers to the Portuguese as well as to the Chinese community*), beautiful houses, weather

12. What is the percentage of your investment in Portugal compared to the total of your foreign investment?

- a) up to 10%
- b) 10 to 30%
- c) 30 to 50%

- x d) over 50%
- e) 100%

13. In your opinion what are the factors that make your investment successful in Portugal?

It is simple to invest and to stay in Portugal, especially via the Golden Visa.

14. Are you happy with the performance of your investment in Portugal? Do you estimate that you have been successful in Portugal and that your investment had been the right choice?

My investment had been the right choice, because I live in Portugal now and I like it there.

15. Do you plan to increase or decrease your investment in Portugal? If yes, in which sectors?

I am not sure. Maybe.

16. Which role do not-economic factors play in your decision of investment?

They were very important as I planned to live in Portugal since the start of my investment.

17. The norms and values of the Chinese and Portuguese society are overall corresponding. (1= I totally agree to 6= I totally disagree)

1	2	3	4	5	6
X					

18. How do you evaluate the Portuguese view on the Chinese society? (1= very positive to 6= very negative)

1	2	3	4	5	6
X					

19. According to you, what is the Portuguese point of view on the Chinese society and your foreign investment in Portugal?

Many Portuguese told me that they think that the Chinese are laborious and polite. My friends (*sidenote: Portuguese and Chinese*) are happy that I moved to Portugal.

20. Do you have the impression that the Portuguese' behaviour towards the Chinese changed due to COVID-19? Do you feel discriminated in any way?

No, I don't feel discriminated. I feel well received.

Survey for the Chinese investor No. 3 "The Business Man"

Name of the inquired: [REDACTED]

Personal contact (eg. email): Instagram

Sex: Male

Civil Status: Single

Nationality (if you are from Macau or Hong Kong or any other country than the PRC, please indicate it separately): PRC

Age range: a) 20-30 X b) 30-50 c) 50-65 d) 65 >

1. What type of international investment did you carry out so far?

I carried out the following investments: investments in real estate in several European countries such as Spain, Portugal, Ireland, Malta, and France.

2. Are you planning to proceed any further international in the near future? If yes, could you please describe it briefly.

Yes, I do, as I am an investor. I would like to invest further in my sailing school in Malta, investment in Yachts, and maybe further real estate.

3. What are the areas of the world that you have already invested in?

X a) Portugal.

X b) other European countries (please specify): Spain, Ireland, Malta, France

c) Mainland China

d) others:

4. What are the reasons for your investment in Portugal? Are there also non-economic aspects, such as cultural ones, that you considered before your investment?

The reasons for the investment in Portugal were mainly economic ones as I mainly live in Malta. It still has an advantage for me but I already invested in Malta and Spain so I was not depending on the Portuguese investment to stay in Europe.

5. How did you enter the Portuguese market? Did you find any difficulties?

The most information I found about the Portuguese market were via the Internet. As I speak English and Spanish and I was already living and working in Europe, it was easy for me.

6. In which sectors did you already invest in?

X a) real estate (please specify): residential real estate and offices

X b) financial sector

c) energy sector

d) educational sector

e) assurance sector

f) health sector

X g) others: digitalization, my sailing school

7. Why and when did you chose the Portuguese real estate market and when did you start investing in Portugal? How did you become aware of the possibility of investment in Portugal?

I chose to invest in Portugal in 2019 but I undertook the final investment in 2020. As I am an investor and web developer, I am constantly looking for new opportunities to increase the amount of money I possess. I found out about the opportunity of investing in the Golden Visa in Portugal very quickly via the Internet due to my previous experiences of investing in Malta and Spain.

8. In which kind of real estate did you invest in?

X a) real estate for living (addition by Yixin: *and renting*)

X b) real estate for holidays

X c) offices

d) public buildings

e) others:

9. What do you think about the Portuguese Golden Visa program? If it seems attractive to you, could you please briefly describe why. What seems the most attractive to you as a Chinese national?

I really appreciate the Portuguese Golden Visa program. It was mainly attractive to me due to the financial aspect.

10. What was the first market you invested in, why and when?

It was Malta because I started my sailing school there. After, I invested in Spain. I chose Malta because it was easily to acquire the visa there and to purchase investments there.

11. What where the main factors that made you invest in Portugal?

The simple process of investment and the proximity to Spain

12. What is the percentage of your investment in Portugal compared to the total of your foreign investment?

- X a) up to 10%
- b) 10 to 30%
- c) 30 to 50%
- d) over 50%
- e) 100%

13. In your opinion what are the factors that make your investment successful in Portugal?

Certainly, the Golden Visa program and the low taxes. The simple investment procedures also helped a lot.

14. Are you happy with the performance of your investment in Portugal? Do you estimate that you have been successful in Portugal and that your investment had been the right choice?

I am overall satisfied with my investment in Portugal but it could perform better. We will see the development of the pandemic. I bought the house during the pandemic and therefore it was relatively cheap.

15. Do you plan to increase or decrease your investment in Portugal? If yes, in which sectors?

Not now. I will rather focus on other European countries.

16. Which role do not-economic factors play in your decision of investment?

For Malta, they were crucial but in the case of Portugal, they didn't play any role.

17. The norms and values of the Chinese and Portuguese society are overall corresponding. (1= I totally agree to 6= I totally disagree)

1	2	3	4	5	6

I am not able to respond to this question.

18. How do you evaluate the Portuguese view on the Chinese society? (1= very positive to 6= very negative)

1	2	3	4	5	6

I am not able to respond to this question.

19. According to you, what is the Portuguese point of view on the Chinese society and your foreign investment in Portugal?

I guess that it is positive for the Portuguese economy but I don't know how the Portuguese evaluate my investment nor the Chinese society.

20. Do you have the impression that the Portuguese' behaviour towards the Chinese changed due to COVID-19? Do you feel discriminated in any way?

I don't live in Portugal, so no.

Survey for the Chinese investor No. 4 "The Family of Four"

Name of the inquired: XXXXXXXXXX

Personal contact (eg. email): Instagram

Sex: Female

Civil Status: Married

Nationality (if you are from Macau or Hong Kong or any other country than the PRC, please indicate it separately): PRC

Age range: a) 20-30 b) 30-50 X c) 50-65 d) 65 >

1. What type of international investment did you carry out so far?

Me and my husband only invested in Portugal so far.

2. Are you planning to proceed any further international in the near future? If yes, could you please describe it briefly.

No, we are not planning any major investments.

3. What are the areas of the world that you have already invested in?

X a) Portugal.

b) other European countries (please specify):

c) Mainland China

d) others:

4. What are the reasons for your investment in Portugal? Are there also non-economic aspects, such as cultural ones, that you considered before your investment?

The reason for our investment were our moving plans to Portugal. The non-economic aspects were the most important. We wanted to build up a living in Portugal for us and our two sons. We appreciate the food, weather, and the lifestyle and everything that Portugal has to offer.

5. How did you enter the Portuguese market? Did you find any difficulties?

We encountered a lot of difficulties but Chinese friends in Portugal helped us with the application for the Golden Visa.

6. In which sectors did you already invest in?

X a) real estate (please specify): our house

b) financial sector

c) energy sector

d) educational sector

e) assurance sector

f) health sector

g) others:

7. Why and when did you chose the Portuguese real estate market and when did you start investing in Portugal? How did you become aware of the possibility of investment in Portugal?

We chose to invest in Portugal in 2020 and we moved to Portugal in 2021. We invested in our house because we wanted to live in Portugal. We became aware of this possibility via our friends and the internet.

8. In which kind of real estate did you invest in?

X a) real estate for living

b) real estate for holidays

c) offices

d) public buildings

e) others:

9. What do you think about the Portuguese Golden Visa program? If it seems attractive to you, could you please briefly describe why. What seems the most attractive to you as a Chinese national?

The Golden Visa program made it possible for us to come to Portugal. We wanted to leave China and to provide a nice future for our children.

10. What was the first market you invested in, why and when?

We only bought a house in Portugal to live in that house. This was in 2020.

11. What were the main factors that made you invest in Portugal?

The main factors were the food, the weather, and the warm and welcoming mentality of the Portuguese, and the high standard of living.

12. What is the percentage of your investment in Portugal compared to the total of your foreign investment?

- a) up to 10%
- b) 10 to 30%
- c) 30 to 50%
- d) over 50%
- X e) 100%

13. In your opinion what are the factors that make your investment successful in Portugal?

The simple process of investment and the visa that we were provided.

14. Are you happy with the performance of your investment in Portugal? Do you estimate that you have been successful in Portugal and that your investment had been the right choice?

Yes, we are. Our investment had been the right choice.

15. Do you plan to increase or decrease your investment in Portugal? If yes, in which sectors?

Yes, maybe when we have earned more money here.

16. Which role do not-economic factors play in your decision of investment?

They were the most important. We were looking for a new country to live where we would feel welcome.

17. The norms and values of the Chinese and Portuguese society are overall corresponding. (1= I totally agree to 6= I totally disagree)

1	2	3	4	5	6
X					

18. How do you evaluate the Portuguese view on the Chinese society? (1= very positive to 6= very negative)

1	2	3	4	5	6
X					

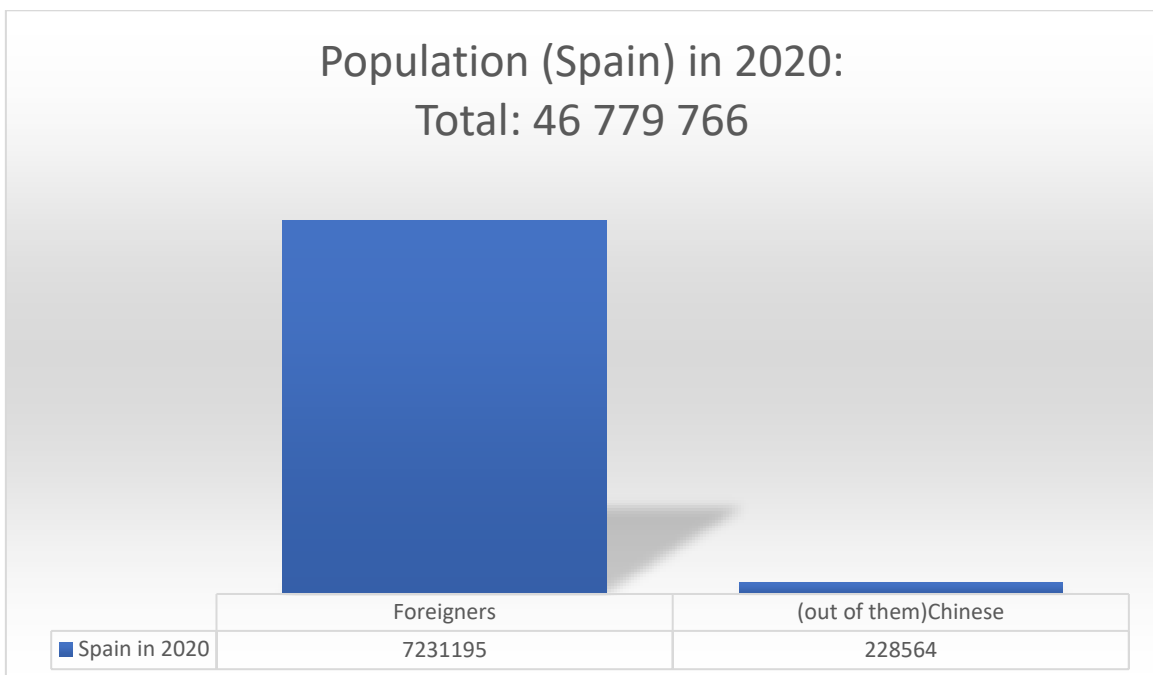
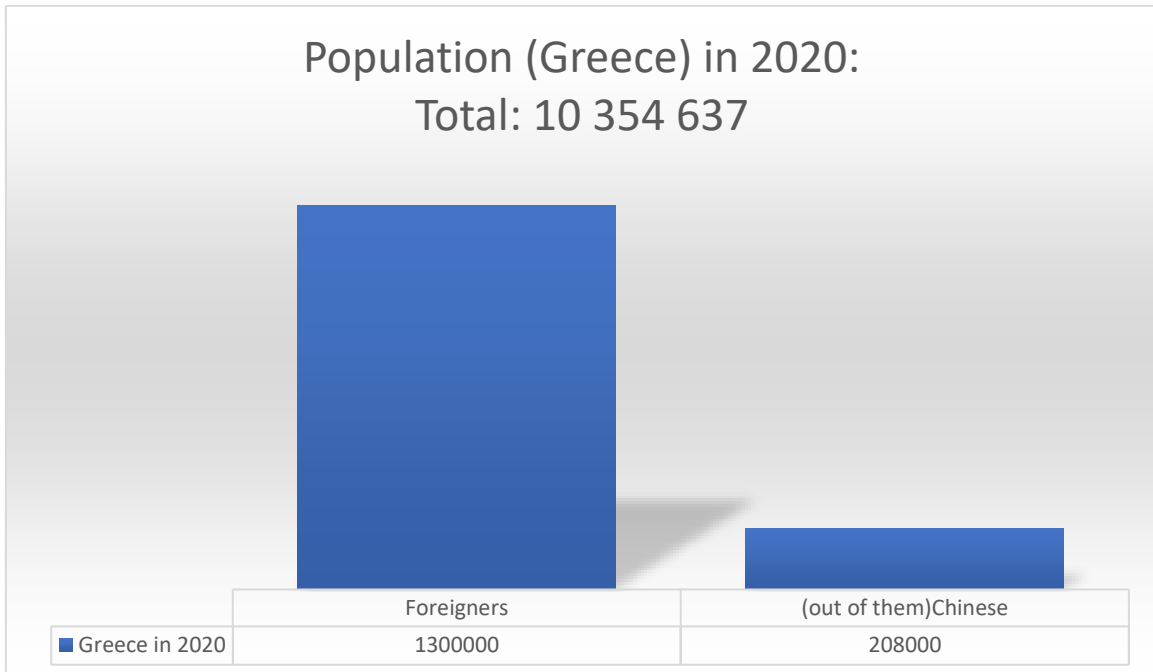
19. According to you, what is the Portuguese point of view on the Chinese society and your foreign investment in Portugal?

I believe that the Portuguese appreciate the Chinese. They are very friendly towards us.

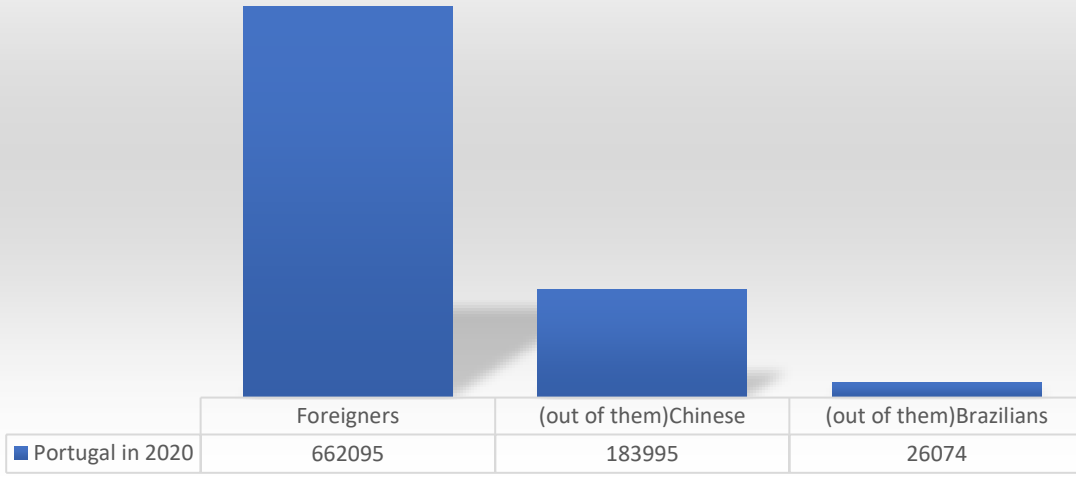
20. Do you have the impression that the Portuguese' behaviour towards the Chinese changed due to COVID-19? Do you feel discriminated in any way?

No, we were never discriminated.

B Foreign Population in Greece, Spain and Portugal

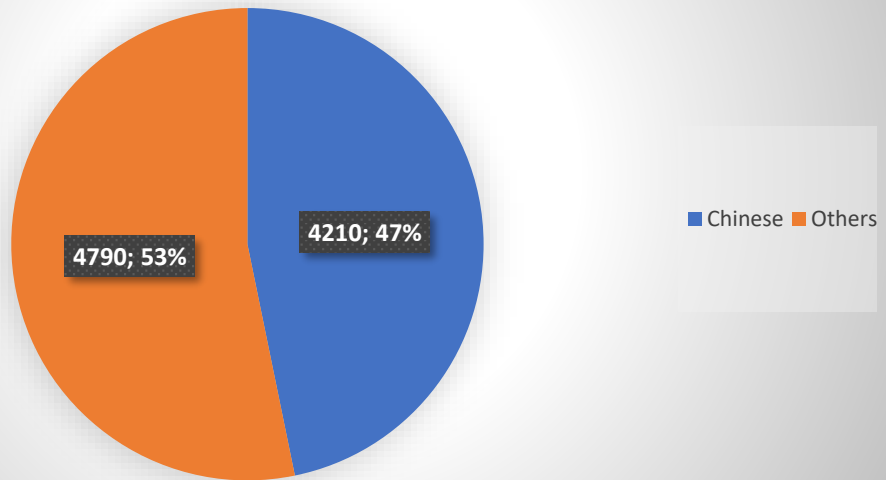


Population (Portugal) in 2020:
Total: 10 156 623

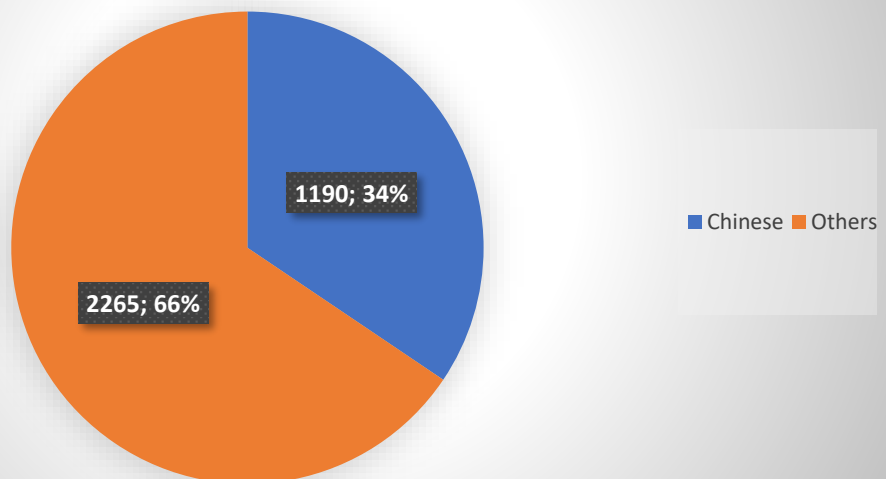


C Golden Visa: Number of Chinese Investors

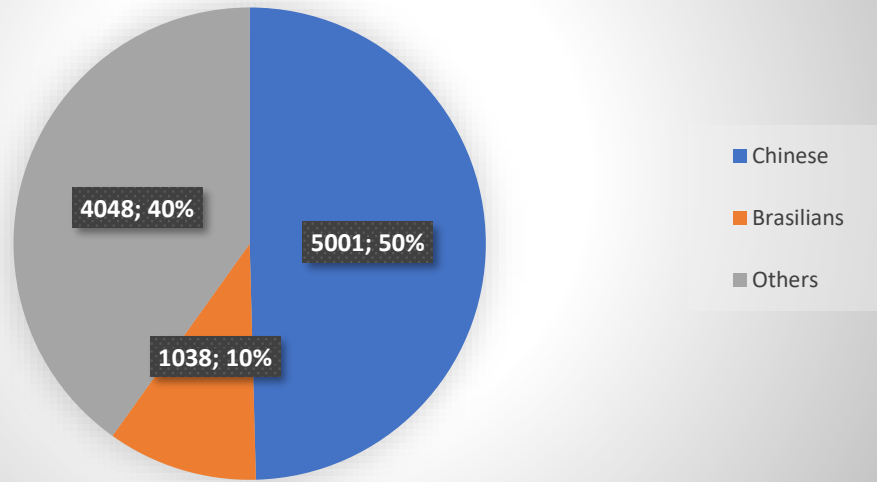
**Golden Visa (Grece): number of investors
(2014-2021)**



**Golden Visa (Spain): number of investors
(2018-2020)**



Golden Visa (Portugal): number of investors (2012-2021)



D Total number of Chinese investors in the Golden Visa in Spain, Greece and Portugal

