

What does Porto need to become a crypto hub?

February 11th, 2022

Workshop summary

“Portugal is at a crucial crossroads.”

Who we are and what is Instituto New Economy?

Instituto New Economy is here to keep Portugal crypto friendly

Our objectives

Establish Portugal as the leading crypto and blockchain hub

Develop a cryptoasset-friendly tax and regulatory environment in Portugal

Instituto New Economy was founded by leaders in the crypto and national academic and political scenes

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Some context about crypto cities.

Why should Porto become a crypto hub?

Being perceived as a crypto hub offers several benefits to cosmopolitan cities.

Crypto hubs attract talent...

..compete with capital cities..

...and foster new leaderships.

Bloomberg

Markets | Crypto

Crypto Jobs Span U.S. as Hubs Spring Up From Miami to Denver

■ Over half of new crypto jobs are outside of top five cities

■ Data shows the industry hasn't settled on a single hub

By Jonathan Levin and Olga Kharif +Follow

4 November 2021, 11:00 WET

Updated on 4 November 2021, 13:50 WET

From **Crypto**

New York, San Francisco and Los Angeles have the largest shares of crypto hires this year, followed by the Miami and Chicago metropolitan areas, according to a new ranking based on LinkedIn data. But the remaining 53% of crypto jobs in the study were dispersed elsewhere in relatively small chunks, the data show.

Widespread Crypto Gigs

New York, San Francisco have largest shares of crypto specialist jobs

"Forward-thinking cities like that will continue to see rich growth in job creation in this flourishing industry," he said.

Crypto Job Growth
Many second-tier metro areas see gains after some had 2020 declines

■ 2019 ■ 2020 ■ 2021*

| City | 2019 | 2020 | 2021* |
|----------------|------|------|-------|
| Salt Lake City | 1.56 | 1.02 | 2.05 |
| Portland | 1.42 | 1.38 | 1.98 |
| Austin | 3.42 | 2.36 | 3.05 |
| Tampa Bay | 1.11 | 1.23 | 1.46 |
| Miami | 2.29 | 2.20 | 2.43 |

Source: LinkedIn data
*2021 data is for first nine months while previous periods reflect full year

npr

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BUSINESS

Miami wants to become crypto's financial capital. New York's response? Bring it on

December 25, 2021 · 7:01 AM ET

DAVID GURA

Left: Miami skyline Right: NYC skyline. Miami and New York City are competing to become the country's crypto capital.

Lynne Sladky/AP; Patrick Smith/Getty Images

When **Blockchain.com** was looking for a new home for its U.S. headquarters, it decided to leave New York and move to downtown Miami.

"New York is a great city," says Peter Smith, the cryptocurrency company's co-founder and CEO. "But Miami was an easy choice for us."

This trend is strongest in America, but European cities have the same potential.

Note: Bloomberg, NPR

instituto
new.economy

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Mayors around the world have begun to understand this opportunity, even if the American cities are capturing most of the press attention.

Crypto mayors on the rise

Brooks Rainwater 1:14 PM GMT • December 21, 2021

Bitcoin and broader cryptocurrency prices have skyrocketed in 2021. Stories abound of pandemic-era crypto millionaires that have struck it rich in the sector.

The cryptocurrency narrative is a private sector one by design. Bitcoin and other crypto projects began with the intent to create an immutable digital currency that is decentralized and could not be affected by government monetary policy.

That said, in recent years — as the marketplace crested \$2 trillion in value — the public sector has increasingly taken a closer look, with nascent regulations emerging in some countries, outright bans in others and even wholesale adoption in a few.

The viewpoints of national governments — which print their own fiat currency — compared to some local governments can vary tremendously. Increasingly, there are a group of cities that see cryptocurrency as an opportunity to leverage the technology, financial and economic development potential of this new industry.

The New York Times

The Rise of the Crypto Mayors

This new political breed accepts paychecks in Bitcoin. The mayors also want to use buzzy new tech like NFTs to raise money for public projects.



Scott Conger, the mayor of Jackson, Tenn., campaigned on a modest promise to improve local infrastructure. He planned to build sidewalks, open a senior center and repair the aging storm-water disposal system in his city of 68,000, about halfway between Nashville and Memphis.

But as he begins his fourth year in office, Mr. Conger, 38, has adopted a new favorite cause: [cryptocurrencies](#). He has pledged to give city employees the option of converting their paychecks into [Bitcoin](#) and has outlined plans to install a digital mining network in a deserted wing of City Hall. The aim, he said, is to make Jackson a Southeastern tech center.

Meanwhile, cities in countries with less leeway can emulate smaller nations by implementing incentive plans and investment schemes.



Malta's 'blockchain island' title...

“was given to us because while other countries are typically looking at crypto and blockchain for short-term gains, we **understand what blockchain tech can offer in the long run**”



Switzerland's Crypto Valley was created...

“because if the country doesn't take part at the front of fintech it won't deserve its title as a global financial centre, losing the opportunity to attract blockchain leaders and **ensure its economy can thrive as global tax laws get tougher.**”



Singapore's crypto strategy...

“could help **create jobs**, create value-add, and I think more than the financial sector, **the other sectors of the economy will potentially gain**”



Liechtenstein's speed allows...

“blockchain companies to **move a lot faster here than other countries.** You can call us for a meeting on Monday morning and we can meet you for lunch on Tuesday or Wednesday”



El Salvador adopted BTC as legal tender...

“as this will **generate jobs** and help provide **financial inclusion** to those outside the formal economy, and turn the country into an **innovation and tourism hub**”

Okay, I see the benefits. But does Porto stand a chance?

Porto has some crypto startups, but Braga is considered the centre of the ecosystem in the North and both pale in comparison to Lisbon.

Lisbon & Centre



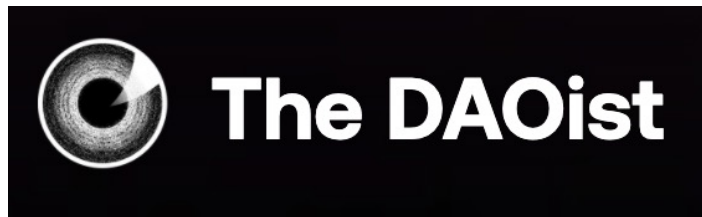
Porto & North



Note: Some companies with offices or major remote hubs in Portugal.

Lisbon also tends to attract most of the crypto-related events happening in Portugal, typically organised around Web Summit.

Cryptoasset related events happening in Lisbon October to November, 2021



Nevertheless, some already perceive Porto to be an “emerging crypto hub in Europe”, with Finoa’s recent investment capturing headlines.

≡ **negócios**

MB



MERCADOS • CRIPTOATIVOS

Alemã Finoa instala-se no Porto e procura talentos neste “cripto hub” europeu

A escolha pelo Porto, onde pretende contratar 20 pessoas nas áreas de tecnologia e produto, deveu-se ao facto de olhar para a cidade como um “cripto hub” em desenvolvimento na Europa”, explica a startup que oferece produtos de armazenamento e manutenção de criptomoedas bloqueadas.



Rui Neves ruineves@negocios.pt
02 de Fevereiro de 2022 às 10:41

Sediada em Berlim, a Finoa escolheu o Porto para reforçar a sua oferta de produtos de armazenamento (“custody”) e manutenção (“staking”) de criptomoedas bloqueadas, além de acesso a ativos criptográficos e “tokens” e a novos produtos e serviços financeiros.

Em comunicado, Henrik Gebbing, um dos diretores gerais e fundador da Finoa, revela que a startup alemã está prestes a instalar-se no Porto, “um importante ponto de inflexão na indústria de criptomoedas”, a partir do qual “estamos prontos para desbloquear o seu potencial e ajudar os investidores institucionais a fazer crescer os seus portefólios”, enfatiza.

À Câmara do Porto, Gebbing admitiu que a escolha do Porto se deveu ao facto de olharem para a cidade como um “cripto hub” em desenvolvimento na Europa” e por oferecer um “mercado de trabalho a tornar-se muito competitivo”.

Finoa’s founders announced they chose Porto as they believe the city is an “emerging crypto hub in Europe”.

The startup plans to hire +20 workers in the city this year. It can look like a small number, but the salaries will be high.

About the workshop.

Okay, what does Porto need to become a crypto hub?

To find out, Porto's city hall challenged Instituto New Economy to invite the local crypto community to better understand their views.



Portuguese platform to bootstrap individual talent.



Portuguese platform to for hackathons and other corporate challenges.



Portuguese play-to-earn video game powered by a stablecoin.



Remote-first real-time data oracle solution for DeFi markets.



US-based digital assets exchange and wallet with a major office in Braga.



AURORA

Remote-first scaling solution for decentralised apps.



JUMP CRYPTO

Cryptoasset division of a multi-billion dollar, US-based trading firm.



Portuguese peer-to-peer sports competition platform.

Other projects

Smaller projects currently being ideated or built.

We're also inviting the startups in Porto which couldn't be present to share their view.

We spent a morning understanding Porto's economic positioning and ideating ways for the city to become more cryptoasset-friendly.



We started by focusing on the key ingredients of Porto's presumable strategy to become a crypto hub.

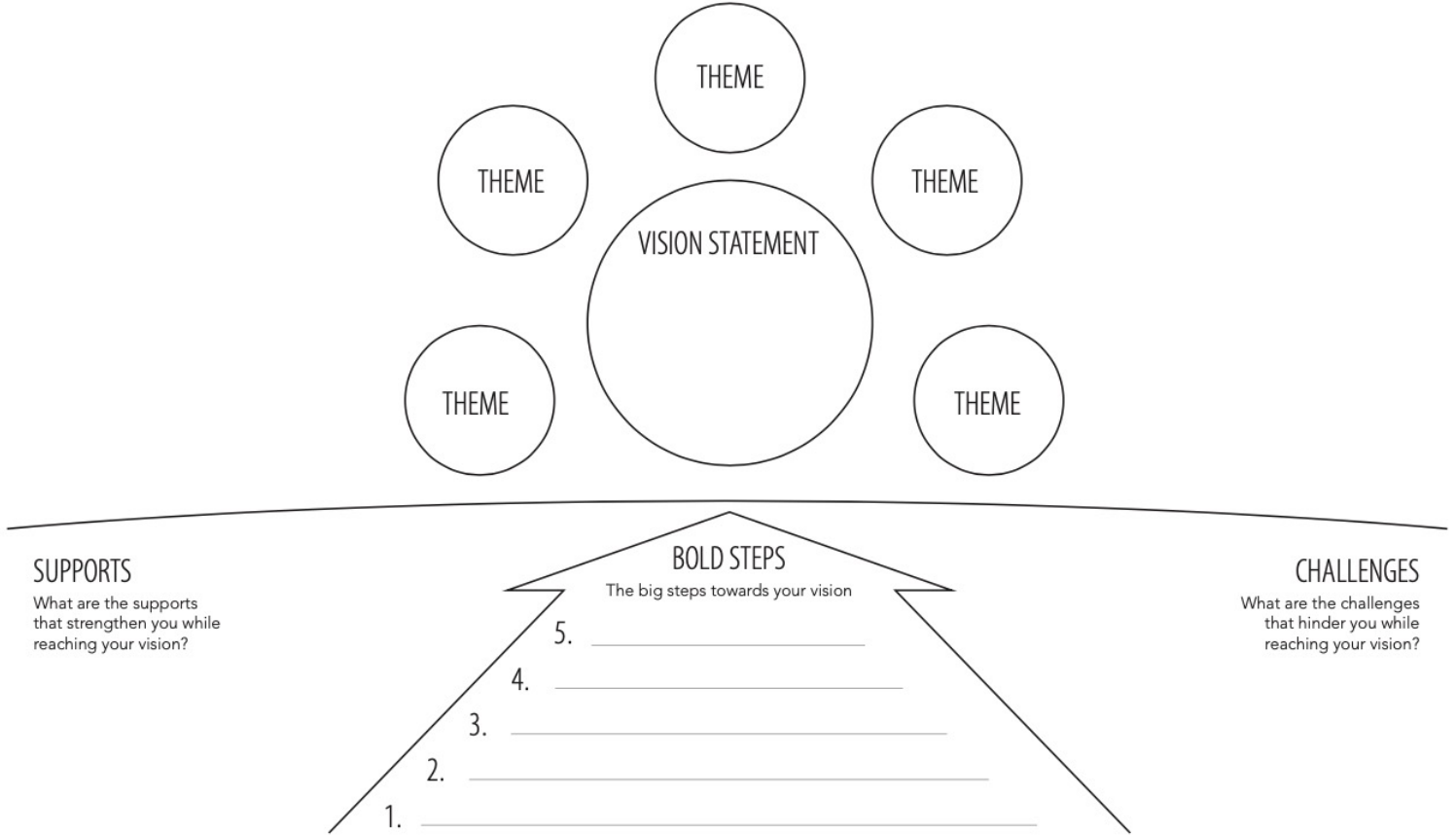
What should Porto's strategy to become a crypto hub have?

| |
|---|
| <p>MUST</p> <p>Must-haves and non-negotiables</p> |
| <p>SHOULD</p> <p>Should-haves and important features</p> |
| <p>COULD</p> <p>Could-haves and optional features</p> |
| <p>WON'T</p> <p>Won't have - things that are definitely not on the table. Also non-negotiables.</p> |

The MoSCoW prioritization method was originally developed by Dai Clegg

And later proceeded to distil them into a coherent vision, thinking about how it could be implemented in Porto.

How should Porto's vision of becoming a crypto hub be like?



The 5 bold steps vision canvas was originally designed by David Sibbet

About the findings.

So, what did the community say?

The participants worked in groups and swapped groups between exercises. A synthesis of the findings can be found in the next slides.

What should Porto's strategy to become a crypto hub have?

| | | | |
|---|--|---|---|
| MUST Must-haves and non-negotiables | LEGAL SAND BOX (GRANDMONTAG) | UNIVERSITIES AS ACCELERATORS | SETUP FACILITATION FOR COMMUN & INDIVIDUALS |
| SHOULD Should-haves and important features | INVEST IN WEB3 COMMUNITY TO FOSTER INTERACTIONS AND NETWORKING | UNIVERSITIES PROGRAMS FOR ENTREPRENEURSHIP & WEB3 DEVELOPMENT | ADVICE EU FUNDING & INFORMAT. PROJECTS |
| COULD Could-haves and optional features | Make deals with crypto regions so they become more attractive | HOTEL DESK HACKHOUSE NETWORK | Too much paperwork to establish in Portugal |
| WON'T Won't-haves - things that are definitely not on the table. Also non-negotiables. | | | |

What should Porto's strategy to become a crypto hub have?

| | | | |
|---|--|---|----------------------------------|
| MUST Must-haves and non-negotiables | TAX CERTAINTY (low rates) | ZLT | Involve local business in crypto |
| SHOULD Should-haves and important features | DEDICATED INFRASTRUCTURE EX. RENT AND FEES FOR CRYPTO ONLY | + EVENTS | Blockchain workshops |
| COULD Could-haves and optional features | | Support University courses / PG inclusion subject | Blockchain used in governance |
| WON'T Won't-haves - things that are definitely not on the table. Also non-negotiables. | Gentrification | | Vision uncertainty |

What should Porto's strategy to become a crypto hub have?

| | | | | |
|---|--|---|--|---|
| MUST Must-haves and non-negotiables | FISCAL BENEFITS (FREE TRADE ZONE) | POSITIONING COMMUNICATION STRATEGY | TALENT FORMATION & ATTRACTION STRATEGY TO ADDRESS SHORTAGE | AIRPORT BETTER COLLECTIONS |
| SHOULD Should-haves and important features | | FAMILY FRIENDLY | | NOT THING JUST OF PORTO CITY BUT ALL THE NORTH |
| COULD Could-haves and optional features | Open with AND INTEGRATION w/ PUBLIC POLICIES | BE THE EUROPE'S SAFE HARBOUR FOR CRYPTO | | ENERGY/TECH PRODUCTION INCENTIVES TOWARDS LEVERAGING BENEFICIAL CONDITIONS FOR MINING |
| WON'T Won't-haves - things that are definitely not on the table. Also non-negotiables. | | | | |

How should Porto's vision of becoming a crypto hub be like?

THEME: UNIVERSITY HUB

THEME: FAMILY FRIEND

THEME: CRYPTO PAYMENTS

THEME: FINANCIAL LITERACY (CHILD + YOUNG)

VISION STATEMENT

BOLD STEPS
The big steps towards your vision:
1. 1-SLIDER ABOUT PORTO AS CRYPTO HUB (SELL PORTO AS A UNIQUE REGION)
2. MAKE IT A BRAND (WHY)
3. CREATE CRYPTO CRASH COURSE
4. CRYPTO ENTREPRENEUR ACCELERATOR
5. PORTO CRYPTO CARD

SUPPORTS
What are the supports that strengthen you while reaching your vision?
PORTO. CRYPTO (BRAND)

CHALLENGES
What are the challenges that hinder you while reaching your vision?
EDUCATION

How should Porto's vision of becoming a crypto hub be like?

THEME: COMMUNITY

THEME: LEGAL CLARITY

THEME: CULTURAL CRYPTO HUB

THEME: LOCAL EDUCATION & WORK EXPERIENCE

THEME: CLARITY & INCENTIVES

THEME: AWARENESS & ENTREPRENEUR PROGRAMS

VISION STATEMENT

BOLD STEPS
The big steps towards your vision:
1. SAND BOX / ZLT
2. CLEAR RULES TO SETUP BUSINESS FRIENDLY
3. VISA CLARITY
4. HOTEL DESK / HACKHOUSE NETWORK
5. ALLOCATE PORTION OF CITY BUDGET TO SUPPORT CRYPTO PROJECTS

SUPPORTS
What are the supports that strengthen you while reaching your vision?
LOCAL EDUCATION & WORK EXPERIENCE

CHALLENGES
What are the challenges that hinder you while reaching your vision?
CLARITY & INCENTIVES

How should Porto's vision of becoming a crypto hub be like?

THEME: EXISTING TALENT & HUMAN CAPITAL

THEME: CLARITY ABOUT FISCAL AND LEGAL FRAMEWORK ON CRYPTO ASSETS

VISION STATEMENT

BOLD STEPS
The big steps towards your vision:
1. CREATE CRYPTO "OFFICE" FOR ENAB.
2. CRYPTO CENTER (S) (CO-WORK COMMUNITY)
3. PUSH WEB3 EDUCATIONAL PATHWAY
4. FREE TRADE ZONE / SANDBOX
5. PORTO CARD, BLOCKCHAIN POWER

SUPPORTS
What are the supports that strengthen you while reaching your vision?
EXISTING TALENT & HUMAN CAPITAL

CHALLENGES
What are the challenges that hinder you while reaching your vision?
CLARITY ABOUT FISCAL AND LEGAL FRAMEWORK ON CRYPTO ASSETS

So, what should Porto's crypto strategy have: legal clarity, family-friendliness, a strong community, and support talent and entrepreneurs.

Must-haves and non-negotiables

- **Better and clearer tax regime**
 - Low tax rates or tax breaks if the city can't control the rates
 - Other fiscal benefits or even a Free Trade Zone
- **Legal sandbox**
 - E.g. Zona Livre Tecnológica
- **Better onboard companies & people**
 - Help with setup
 - Clear and easy visa process
 - Have well-defined banking partners
- **Clear positioning and communication**
 - To better attract remote workers
 - Think of the North, and not just Porto

Should have and important features

- **Dedicated infrastructure**
 - E.g. ANJE for crypto
- **Strong community**
 - Crypto and blockchain events
 - Crypto and blockchain workshops
 - Other networking opportunities
 - Involve local businesses in crypto
- **Use blockchain in city governance**
 - Get EU funding for this development
- **Universities as accelerators**
 - E.g. Entrepreneurship support
 - Courses or graduate programs
 - Train local talent to address shortage

Could have and optional features

- **Attract more crypto organisations**
 - Direct incentives for projects and startups to establish offices in Porto
 - Promote co-working and co-living for crypto's remote workers
 - E.g. Hacker House's monthly membership platform
- **General infrastructure and policy**
 - Better airport connections
 - Be more family-friendly
 - Integrate crypto with other policies
 - Share the city's data with the community to foster open innovation
 - Incentives for cryptoasset miners to establish in the North

It's also key that Porto doesn't have the following:

excessive bureaucracy, an uncertain vision, a looting mindset, and doesn't promote gentrification (i.e. don't become Lisbon).

And Porto's vision to become a crypto hub should: start with a team to coordinate the strategy and rally the business and higher-ed communities.

Vision: Porto should become a leading crypto hub, due to its business and family friendliness and cultural appeal.

5th step

- **Experiment with blockchain-powered governance and tokenise the Porto Card**
 - Allocate a portion of the city budget to a citizen DAO (e.g. digital version of the participatory budget).

4th step

- **Establish a free trade zone and a ZLT (legal sandbox)**
 - Build a world-class crypto/web3 accelerator in the FTZ, potentially named Crypto's Port.

3rd step

- **Promote a crypto/web3 educational path in Porto's university network**
 - With the collaboration of international universities, but also focused on high-school students.

2nd step

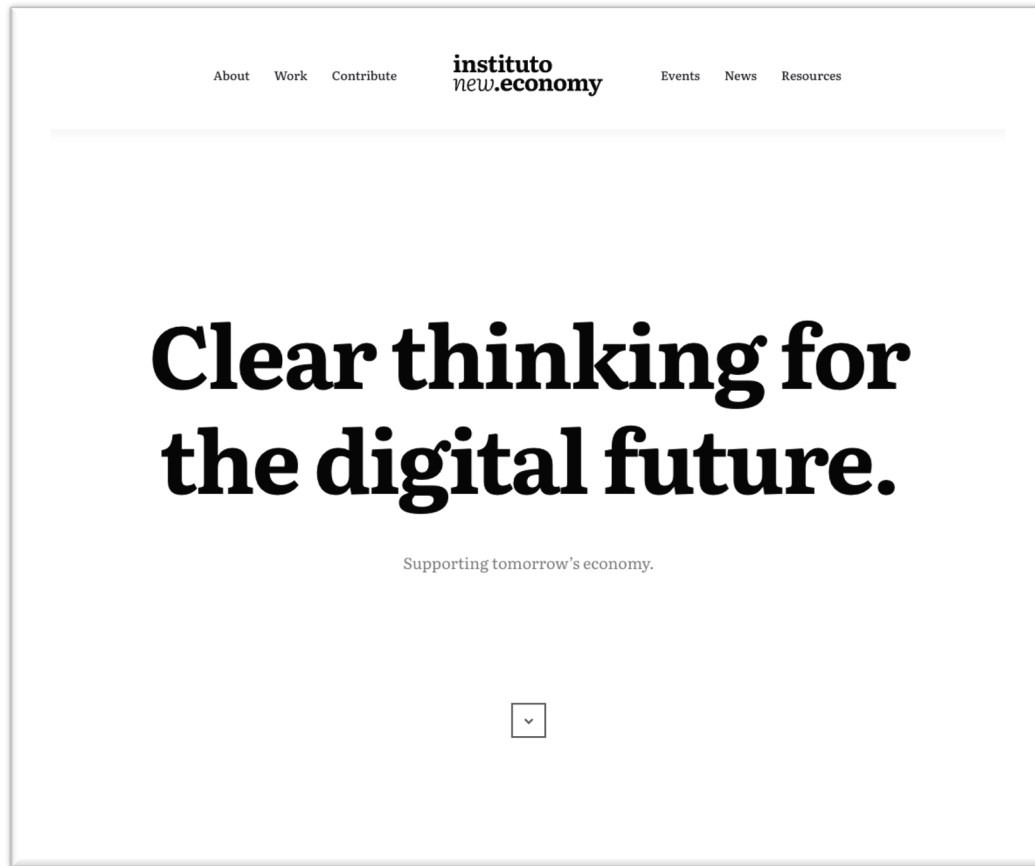
- **Incentivise the establishment of crypto centres (e.g. the ANJEs of crypto)**
 - Start with co-working and co-living spaces (e.g. Hacker Network) and renovate a building for crypto.

1st step

- **Create a dedicated crypto office (e.g. a team of InvestPorto) and a brand (e.g. Porto.Crypto).**
 - Make Porto even more business friendly and assist with the setup of crypto organisations (e.g. visas).

Now it's time to consider these ideas and meet again.

Instituto New Economy is happy to get in touch to continue the conversation and help Porto pursue this vision.



<https://neweconomy.institute>

info@neweconomy.institute

We're looking forward to hearing from Porto.
