



## **Doing Business in Portugal: 2013 Country Commercial Guide for U.S. Companies**

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## Chapter 1: Doing Business in Portugal

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### Market Overview

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Mainland Portugal, along with the autonomous island regions of the Azores and Madeira, offers American exporters a market of approximately 10.6 million people in a country roughly the size of the State of Indiana. As a member of the European Union (EU) and the euro zone, it is fully integrated with the EU, uses the euro currency, and follows directives from the European Commission in Brussels. As with all EU countries, Portugal's borders and ports are completely open to the free flow of trade with other EU member countries. Portugal has a politically stable environment with a democratically elected parliamentary government and is welcoming of foreign business and investment.

Portugal's GDP per capita is €15,600 (2012), and its language is the 6th most widely spoken in the world. The country retains close political and economic relations with its former colonies, which are spread throughout Africa, Asia, and South America. However, against a backdrop of slow recovery from the global recession, the Portuguese economy contracted by 3.2% in 2012, following a 1.6% contraction in 2011, according to the Bank of Portugal. The government forecasts further contraction in 2013. The government has been implementing austerity measures under a three-year (2011-2014) bailout program with the Troika (ECB/IMF/EC) to reduce Portugal's budget deficit to 3% of GDP by 2015, in line with the EU's limit. With the government's focus on deficit control and fiscal consolidation, public investment projects have been impacted.

The government remains committed to attracting FDI, expanding trade with South America, Africa, and Asia, and focusing on niche sectors of the economy such as tourism, renewable energy, high quality industrial components, technology services, and value-added agricultural products. U.S. Census data indicates that Portuguese consumers bought approximately \$1.1 billion dollars worth of U.S. goods and services in 2012. During that same period, U.S. imports of Portuguese goods and services totaled over \$2.61 billion, up from \$2.14 billion in 2010. The top U.S. states exporting to Portugal were Texas, New Hampshire, California, Ohio, New Jersey, Wisconsin, Indiana, and New York. Top U.S. exports included computer and electronic products, industrial machinery, agricultural products, chemicals, and electrical equipment.

Although the United States ranks 8th among Portugal's top export trading partners (2<sup>nd</sup> among non-EU countries), Portugal ranks 78th among U.S. export markets. However, the total amount of U.S. goods sold into Portugal is undoubtedly higher than the statistics reflect, as census data does not account for U.S. products imported into other EU countries and subsequently transported into Portugal for sale. It is common throughout the European Union for goods to be shipped to one EU location – often to

take advantage of lower value added tax rates - and then to be distributed by ground transport to neighboring member state markets.

The United States continues to work closely with Portugal to find ways to expand and deepen two-way trade and investment to better reflect historically strong political, geo-strategic, and security ties between the two countries. Portugal's continued drive to modernize and diversify its economy will offer possibilities for growth in U.S. trade and investment over the medium and long-term. Demand for high-quality, price-competitive U.S. products in Portugal is strong, and privatization of several large government-owned companies will provide additional opportunities for investment.

## **Market Challenges**

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Portugal is in the midst of a severe euro zone debt crisis. In 2011, Portugal received a €78 billion bailout from the EC/IMF/ECB Troika, conditioned on implementing an austerity program of fiscal consolidation and deep-reaching structural reforms. While Portugal has made notable progress on its commitments, external developments in the euro area are impacting its progress.

Battling low economic growth, high fiscal deficits, and record high unemployment, there is little room for public spending as a means of alleviating the impact of the current economic slowdown. Budget tightening has targeted the public sector which, in turn, has limited economic growth. In addition, Portugal still has one of the highest Value Added Tax (VAT) rates in Europe at 23%.

American exporters also face competition in Portugal from savvy European competitors. European companies are already familiar with aspects of the business culture, financing, regulations, standards, etc. In addition, they do not face import tariffs that U.S. companies have to pay to get their products into Portugal. Some U.S. companies have also reported that they are now encountering Chinese competitors in Portugal.

## **Market Opportunities**

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The current dollar/euro exchange rate continues to present an advantage for U.S. exporters to Portugal and other euro zone countries. A commonly held belief in Portugal is that U.S. products are high quality, but not competitive on price. All U.S. firms are advised to press their price advantage to break into the market and/or increase their market share.

The Portuguese market is larger than it may initially appear. While there are only 10.6 million people in Portugal, there are well over 230 million people who speak Portuguese worldwide. Former Portuguese colonies, including Macau, Mozambique, Angola and Brazil, have close business ties with Portugal. U.S. companies can often find avenues to these other markets through Portugal and, indeed, the Portuguese Business Promotion Agency (AICEP) is actively marketing the country as a "gateway" economy into third markets, particularly in Lusophone Africa.

Portugal is an excellent entry point or test market for U.S. firms looking to establish access into the EU. The country is politically stable; the crime rate is relatively low; the

bilateral relationship is strong; English is widely spoken; and the population is very friendly toward Americans. Both physical and IT Infrastructure are well developed, and Portugal is still one of the lower commercial cost business environments in Western Europe.

## **Market Entry Strategy**

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First time exporters are urged to contact the nearest of over 100 U.S. Export Assistance Centers (USEAC). These USEACs are part of the worldwide network of U.S. Department of Commerce offices to support U.S. exporters. The U.S. Commercial Service in Portugal recommends that U.S. firms get acquainted with the Portuguese market through the standard market research reports we publish, and which are publicly available through the USEACs and the Internet. Companies that have already penetrated one EU country will have met the requirements for Portugal as well.

The quickest and best way to enter the Portuguese market is to work with a local partner. Both small and large U.S. exporters can benefit from finding the right person or group in Portugal who can provide advice and contacts. The U.S. Commercial Service office in Portugal, located in the U.S. Embassy in Lisbon, offers a variety of services to help U.S. firms find the information they need about the market and identify an agent, distributor or representative for their products or services.

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## **Chapter 2: Political and Economic Environment**

For information on U.S. relations with Portugal, including background regarding the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3208.htm>

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### Using an Agent or Distributor

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When doing business in Portugal, U.S. companies should keep the following points in mind:

- **Local Representative:** One needs a local representative with good contacts in order to be aware of future contracts and participate in tenders. Portugal is a small country; knowing people in your industry is very important.
- **Exclusive Distributor:** One distributor that is appointed on an exclusive basis is ideal.
- **The Iberian Peninsula.** Portugal and Spain do not constitute a homogeneous marketing area. Normally, your Spanish distributor should not be asked to cover Portugal unless the Spanish company is willing to set up a separate Portuguese entity to handle this.
- **Impact of the EU:** If homework has been done for other EU markets, it has basically been done for Portugal. Many projects are EU-funded, so an EU partner is desirable (and often fundamental) when bidding.
- **Slow Down:** Business takes longer compared to the U.S. or northern Europe as personal contacts are very important. Your customers will want to get to know you before they fully trust you.
- **Business is Honorable:** There are relatively few trade complaints. The business community is close-knit and many distributors are family-run operations, which means trade disputes are few and are often resolved out of court. If you do have to

resort to the courts, be prepared to wait. Despite some recent reforms and improvements, the Portuguese legal system remains slow and is the single biggest cause of unresolved U.S. company trade complaints.

- English is Common: Although Portugal is a European country, it faces the Atlantic and has a long tradition of international trade. Portugal discovered trade routes to Africa before Columbus landed in America. The Portuguese also opened the first major trading routes to India and the Far East and administered a vast colonial empire for 500 years. The U.S. is well respected in the market and, unlike in Spain or other European Union countries, companies can usually do business in English.

Other aspects that have to be considered are those related to EU laws:

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:

[http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

The EU also looks to combat payment delays with Directive 2000/35/EC which was reviewed in 2010. The new directive, which replaces the existing one in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. In sum, the new Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs.

For business-to-business transactions a 60 day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:

[http://ec.europa.eu/enterprise/policies/single-market-goods/files/late\\_payments/doc/directive\\_2011\\_7\\_en.pdf](http://ec.europa.eu/enterprise/policies/single-market-goods/files/late_payments/doc/directive_2011_7_en.pdf)

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:

<http://www.ombudsman.europa.eu/home/en/default.htm>

[http://ec.europa.eu/solvit/site/about/index\\_en.htm](http://ec.europa.eu/solvit/site/about/index_en.htm)

## **Establishing an Office**

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The process of setting up a business in Portugal has been simplified over the past couple of years. These days, there are a number of available methods to choose from. The Business Gateway (Portal da Empresa) offers a program called "On-the-Spot Firm", which is described below. There is also an "On-line Company" registration method, along with the traditional Commercial Registry office process.

The "On-the-Spot Firm" method facilitates establishment of a single shareholder limited liability company, a private limited company or partnership, or a public limited company in less than 60 minutes. All the procedures are carried out in one place as long as the partners have all necessary documents and the company is registered at one of the desks of the "On-the-Spot Firm" program, available throughout the country.

Key Link: [http://www.empresanahora.pt/ENH/.../EN\\_homepage](http://www.empresanahora.pt/ENH/.../EN_homepage)

In order to use the On-Line Company method, digital certification of the user is required (e.g., citizen ID card) Through this method, it is possible to set up companies of any type, with the exception of European public limited companies and companies for which share capital is paid through contributions in kind. For the latter, transfer of assets to the company by shareholders must be done through a more formal process.

Key Link: <https://www.portaldaempresa.pt/cve/Login.aspx?page=1>

The traditional method requires various visits to different entities, but has the advantage of personal contact.

Business Formality Centers (CFE) are a first stop for information and assistance in setting up a business. At each CFE there is a "National Registry of Corporate Entities" office, a notary's office and a registration support office.



Key Link: <http://www.cfe.iapmei.pt/index.php>

Any American entity interested in establishing a company in Portugal should visit both the Commercial Service office of the U.S. Embassy in Lisbon and a Business Formality Centre (CFE) to discuss the project and obtain additional information that could prove useful for ensuring a smooth process.

Below is a brief example of the traditional stages of the incorporation of a company subject to a public deed. It should be noted that, for this description to be comprehensive, the most demanding scenario in terms of formalities is envisioned:

1. One of the future partners should apply for an Admissibility Certificate for a company name or corporate entity name and a Provisional Company Identity Card. The application must be signed by the applicant or their legal representative.

For this, the relevant body is the RNPC - Registo Nacional de Pessoas Colectivas (National Register of Corporate Entities).

A Validation Certificate is valid for 3 months for the purpose of the deed, and for another 3 months after signing the deed of incorporation for the purpose of entry into the company register.

If the future partner is a non-resident company it should also:

- Register with the RNPC;
- Provide documentary proof of the foreign company's existence;
- Provide documentary proof of authority for whoever is the granting party, issued in the country of origin, duly translated into Portuguese and certified.

Once the name has been approved, a copy of the Certificate of Admissibility or Provisional Corporate Entity Card must be made so that the share capital can be deposited in a bank (any).

2. Schedule an appointment to sign the deed of incorporation in the Notary Office, for which you will need the following documents:
  - Admissibility Certificate for the company name;
  - Provisional Corporate Entity Card;
  - Appropriate form, duly completed;
  - Model chosen (from those provided by the notary) duly completed, or, alternatively, your own Articles of Association, in digital format;
  - Photocopies of the identification documents of the granting parties:
    - for individuals: Identity card and Tax identification card;
    - for corporate entities: Certificate from the Company Registry Office (CRC), issued within the past 12 months, /Corporate Identity card, initial deed of incorporation (or private deed either certified or duly recognized), and the Identity card and Tax identification card of the person empowered to bind the future firm or represent it.
  - Statutory auditor's report for contributions other than in cash;

- Documentary proof of payment of municipal property transfer tax, when contributions to the capital are made in property, unless it is exempt from tax.
3. Sign the deed of incorporation in the Notary Office, for which you will need the following documents:
    - Identity cards of the individual granting parties, viz.: Identity card and Tax identification card;
    - Documentary proof of share capital deposit.
  4. Application by a shareholder, director, lawyer or legal representative of the company for the company registration, publication on a website open to public access and registration with the RNPC, made to the CRC - Conservatória do Registo Comercial (Company Registry Office) (1), for which the following documents are required:
    - Modelo 232 (printed form);
    - The firm's deed of incorporation (or private deed either certified or signed by the granting parties in the presence of a notary, if incorporation was not by public deed);
    - The Admissibility Certificate for the name.

(1) Decree-Law no. 76-A/2006 of 29 March abolished the territorial jurisdiction of company registry offices, effective 1 January 2007. This means that, from that date onward, any citizen or company can carry out any company registration in any registry office in Portugal, regardless of where the company's head office may be located.

The CRC is responsible for publishing the details on the public website.

Key Link: <http://www.mj.gov.pt/publicacoes>

All this should be done within 60 days of signing the private deed (either certified or in the presence of a notary, who has duly recognized the signatures), or the public deed of incorporation.

5. Start of Activity Declaration, from the DGCI – Direcção Geral das Contribuições e Impostos (Directorate-General for Taxation) for which the following documents are required:
  - Modelo 1698 (printed form) (INCM), in triplicate, with details of the company's duly certified accountant;
  - Provisional Corporate Entity Card;
  - Photocopy of the public or private deed of incorporation of the company;
  - Photocopies of the ID and TIN cards of the partners and accountant, and the latter's membership card of the CTOC - Câmara dos Técnicos Oficiais de Contas (Chamber of Chartered Accountants).

The declaration, signed by a partner, director or other representative, must be submitted 15 days after lodging the registration application at the CRC - Conservatória do Registo Comercial (Company Registry Office).

6. Registration with the CRSS - Centro Regional da Segurança Social (regional Social Security office), for which the following documents are needed:
- Tax identification card;
  - An authenticated copy of the public deed of incorporation or certified or recognized private deed if the incorporation was not made through a public deed;
  - Provisional corporate entity card;
  - Company minute appointing members of the corporate bodies and details of their remuneration;
  - Photocopies of the tax identification cards of the members of the corporate bodies;
  - Start of Activity Declaration.

Registration with Social Security should take place within 10 working days of the start of activity.

Documentary proof of exemption should be provided, if applicable.

7. Application for registration in the Cadastro Comercial (Company Records Office), submitted to the DGAE - Direcção-Geral das Actividades Económicas (Directorate-General for Economic Activities) or DRE – Direcções Regionais do Ministério da Economia e da Inovação (Regional Offices of the Ministry of the Economy and Innovation) in the area where the company's office is registered, for which the following documents are required:
- Form from the DGAE - Direcção-Geral das Actividades Económicas (Directorate-General for Economic Activities), in duplicate, or,
  - Form from the regional office of the Ministério da Economia e da Inovação (Ministry of the Economy and Innovation), in duplicate – Modelo 387 (printed form) INCM.

Registration in the company records office must take place within 30 days of the opening of the commercial establishment. In relation to industrial records, Decree-Law no. 174/2006, of 25 August, abolished the autonomous administrative act of mandatory registration of industrial establishments, along with the industrial establishment data sheet MOD.106-DG/Modelo (printed form) no. 387 (INCM), in compliance with the Administrative and Legislative Simplification Programme - Simplex 2006 guidelines. Under this new system, the information provided in the industrial licensing procedure will be processed by the various bodies coordinating the licensing process, so as to compile the industrial register, and the entrepreneur no longer needs to furnish the information that is already in that file.

Setting up a European plc with headquarters in Portugal must follow the same formalities described for companies governed by Portuguese law. In addition, registration and cancellation of registration must be published in the European Union Official Gazette.

### ***Current Situation***

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter.

### **Transferring Customer Data to Countries outside the EU**

The EU's current general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it or if the unambiguous consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is NOT one of these.

As a result, in 2000 the Department of Commerce and the European Commission negotiated the Safe Harbor agreement to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and by publicly stating that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor program do. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for the Safe Harbor.

Key links: U.S.-EU Safe Harbor Overviews

[http://export.gov/safeharbor/eu/eg\\_main\\_018476.asp](http://export.gov/safeharbor/eu/eg_main_018476.asp)

[http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification\\_April%2012%202013\\_Latest\\_eg\\_main\\_060351.pdf](http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification_April%2012%202013_Latest_eg_main_060351.pdf)

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005, and were complemented in 2010 by contractual clauses on "sub-processing" (outsourcing by an EU based exporter of its processing

activities to other sub-processors outside the EU). Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies have also developed a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country DPA approval of "binding corporate rules" (BCRs). A BCR is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

### ***Proposed New Regulation***

The EU's current data privacy legislation is undergoing review. A new commercial data protection regulation was proposed by DG Justice in January 2012 and is now being revised in the European Parliament and EU Council of Ministers. Ireland was able to make good progress while holding the rotating Presidency of the EU Council during the first six months of 2013. Lithuania will take on the Presidency as of July 2013, and its Ministry of Justice has indicated its intent to prioritize the revision of the proposed legislation. The Commission has pushed for adoption of the proposed regulation in 2014 before the European Parliament's general elections in June of that year.

If the December 2012 version of the regulation is adopted, it will impose significant requirements on European and U.S. businesses and on the way they are able to gather and utilize user data. It will also introduce substantial fines for offending companies (up to 2% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and Member State officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified 10 key concerns with the proposed regulation:

- data breach notification
- consent
- definition of personal data, a child, and of public interest
- technical feasibility of the "right to be forgotten" provision
- extraterritoriality element that would hamper international data transfers

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:

European Commission's Justice Directorate-General:

[http://ec.europa.eu/justice\\_home/fsj/privacy/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm)

[http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index\\_en.htm](http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm)

[http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index\\_en.htm](http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm)

AmChamEU position paper on the proposed regulation:

[http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core\\_Download&EntryId=7914&PortalId=0&TabId=165](http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165)

## **Franchising**

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Overall, the economic climate in Portugal is open to franchises, especially for new and innovative concepts. The outlook for the franchise sector is fairly positive, mainly due to the number of outlets and shopping malls in the country. There are over 500 franchises operating in the market and the number of franchised units is estimated to be around 11,300. Local franchisors represent 53% of the total market share, followed by Spain with 17% and the U.S. with 9% (representing 44 brands). Portugal continues to offer opportunities for expansion and the market still has room for new, internationally known franchising concepts.

## **Direct Marketing**

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Distance selling and e-commerce have become effective direct marketing methods and their popularity has grown rapidly. According to the Portuguese Direct Marketing Association - AMD, the sector is estimated to continue its sales growth rate of 10% per year, with more than 80 direct marketing firms operating in Portugal.

Key Link: <http://www.amd.pt>

The most popular direct marketing sectors are cultural, instruction/training and consumer goods (30% of sales) and apparel and clothing (20% of sales). Other successful areas are home furnishings, perfumes and cosmetics, and art/collectible products. The expansion of this type of marketing has not been greater because Portuguese mailing expenses are still high and consumer confidence in direct marketing methods is relatively low. Portuguese consumer protection regulations and laws are considered inadequate. Authorities implementing controls and conducting inspections often fail to do so effectively.

Direct marketing is increasing in importance as a sales method and is expanding every year to new areas of activity. Although relatively less developed than in many other EU countries, "E-commerce" has brought new life to the sector and has allowed the emergence of very successful shops of office supplies, computer hardware/software, groceries, clothing, and books.

Other aspects that have to be considered are those related to EU laws:

There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers.

Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

### **Processing Customer Data**

The EU has strict laws governing the protection of personal data, including the Use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

### **Distance Selling Rules**

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive". The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts, regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the information available via the hyper-links, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:

*Consumer Affairs Homepage:*

[http://ec.europa.eu/consumers/index\\_en.htm](http://ec.europa.eu/consumers/index_en.htm)

*Distance Selling:*

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/dist\\_sell/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm)

*Door-to-Door Selling:*

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/door\\_sell/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/door_sell/index_en.htm)

*Consumer Rights:*

[http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index\\_en.htm](http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm)

### **Distance Selling of Financial Services**

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amends three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

### **Direct Marketing over the Internet**

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: [http://ec.europa.eu/internal\\_market/e-commerce/index\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/index_en.htm)

## **Joint Ventures/Licensing**

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Joint ventures and licensing are alternative ways to enter the Portuguese market. Joint ventures between American and Portuguese firms are treated under Portuguese law as foreign investment operations, which may take the form of any type of business firm. With regard to tax treatment and incentives, both domestic and foreign-owned are treated equally.

Licensing is a contractual arrangement, in which the licensor makes available or sells its know-how, patents, trademarks or copyrights to a licensee for compensation. Franchising could be considered as an important form of know-how licensing.

American firms should be reminded that, as a fully integrated member of the EU, Portugal abides by the foreign trade and investment rules that govern the rest of the EU. Whatever applies in other EU countries applies to Portugal. If an American firm is mastering EU regulations prior to exporting or investing in the EU, it has already done its



homework for Portugal. However, enforcement of some intellectual property rights laws is still weak.

## **Selling to the Government**

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In 2008, Portugal adopted a new Code of Public Procurement, which transposed Directives 2004/18/CE and 2004/17/CE of the European Parliament. Government procurements may be issued in various ways, based on the amount or characteristics of the tender. Generally speaking, public tenders are used for large-scale investments and are open to national and foreign companies without discrimination.

Public tenders are published in the Portuguese Official Journal (Diário da República, Series III), and often in the major Portuguese newspapers.

Key Link: <http://www.base.gov.pt/>

Other aspects that have to be considered:

The EU public procurement market, including EU institutions and member states, totals approximately EUR 1.6 billion. This market is regulated by three Directives:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers the following sectors: water, energy, transport and postal services; and
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

Remedies directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the 27 EU member states.

The U.S. and the EU are signatories of the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds.

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the GPA. The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender, or is entitled to apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal

access for EU companies in the U.S. market is offered. Those restrictions, however, were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement. This site also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement. Access is free of charge.

Key Link:

<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>

## **Distribution and Sales Channels**

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The Portuguese population is concentrated along the coast. The major distribution centers are Lisbon in the south and Porto in the north, although the regional centers of Braga (north of Porto) and Setubal (south of Lisbon) have come into their own in recent years. The Lisbon region accounts for 21% of Portugal's population with 63% employed in services and 33% employed in industry. Major industries as well as the head offices of many large corporations are located in Lisbon. Most financial institutions have also chosen the capital to locate their headquarters. The Lisbon area has the highest purchasing power in the country and suffers, like many metropolitan areas, from traffic congestion and rising costs.

Porto is the most dynamic industrial development area in Portugal. It accounts for 16% of the Portuguese population and is also an area of high purchasing power. Most importers and distributors have offices in Porto; U.S. firms looking to appoint a distributor in Portugal should not overlook this fact. Porto is connected to Lisbon by a direct and well-maintained highway and a bridge over the Douro River, and is also easily reached by train and direct flights.

Portugal is a relatively small country, and most sales channels cover the entire territory. Distribution centers tend to be located in Lisbon and Porto, although many large importers and wholesalers have branch sales offices and/or sub-agents or dealers in other principal cities and towns, including those in the Portuguese islands of Madeira and the Azores.

## **Selling Factors/Techniques**

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In Portugal, modern techniques coexist with traditional practices. Modern sales techniques are generally accepted and are effective, but traditional values continue to be respected. Many businesspeople still consider a personal contact and a handshake to be a kind of informal contract, but they are also accustomed to formal contract procedures.

Direct sales, large "hypermarkets" and shopping malls are common. For consumer goods, the decisive selling factors may be price, quality, brand name or the product's innovative features. However, the institutional buyer is quality conscious and very sensitive to pricing. Most tenders consider price first and quality second. These characteristics, as well as its market size, sometimes make Portugal a difficult

destination for some American exporters. A good understanding of market needs and the demand for new opportunities should lead to profitable niches for the American exporter.

## Electronic Commerce

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E-commerce is one of the fastest growing sectors in the country and offers great potential for U.S. companies. For more information on this, investors should be aware of Directive 95/46/EC of the European Parliament and of the Council of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

E-commerce users (%) from 2007 to 2011:

2007	2008	2009	2010	2011
5.8	6.4	9.7	9.5	10.3

Source: National Institute of Statistics (Instituto Nacional de Estadística – INE) 2011 Annual Inquiry to ITC use by families

Other aspects that have to be considered:

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising, and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers.

Key Link: [http://ec.europa.eu/internal\\_market/e-commerce/directive\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/directive_en.htm)

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are based, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: [http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

## **Trade Promotion and Advertising**

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As in all Western countries, some of the preferred techniques for reaching Portuguese buyers effectively are advertising and trade promotion events. Portugal offers a reasonably priced market in which to advertise. Advertising media are the same as in the majority of developed Western countries: newspapers, magazines, TV, and Internet advertising are the most popular.

In Portugal there are a number of annual specialized international trade shows. Major venues include the International Fair of Lisbon (FIL - Feira Internacional de Lisboa) and the Exponor trade center near Porto, both of which offer excellent means for finding prospective local partners. In addition, various associations' commercial bulletins are good avenues for client-directed promotional activities.

The U.S. Commercial Service at the U.S. Embassy in Lisbon can provide a list of major newspapers and business journals, upon request.

Other aspects that have to be considered:

### **General Legislation**

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/fair\\_bus\\_pract/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm)  
[http://ec.europa.eu/avpolicy/reg/avms/index\\_en.htm](http://ec.europa.eu/avpolicy/reg/avms/index_en.htm)

## **Medicine**

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008. The framework which is still being debated would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

Key Link:

[http://ec.europa.eu/health/human-use/information-to-patient/index\\_en.htm](http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm)

## **Nutrition & Health Claims**

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the Use of nutrition claims such as "low fat" or "high in vitamin C" and health claims such as "helps lower cholesterol". The regulation applies to any food or drink product produced for human consumption that is marketed on the EU market. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) will be allowed to carry claims. Nutrition and health claims will only be allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of nutritional labeling directive 90/496/EC and its amended version to come into effect in 2011.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the

submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content”. A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

The European Food Safety Authority (EFSA) and the European Commission have compiled a list of 222 approved functional health claims which still need to be agreed upon by the European Parliament in 2012. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to EFSA. Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

Key Link: [http://www.efsa.europa.eu/EFSA/ScientificPanels/NDA/efsa\\_locale-1178620753812\\_1178684448831.htm](http://www.efsa.europa.eu/EFSA/ScientificPanels/NDA/efsa_locale-1178620753812_1178684448831.htm)

### **Food Information to Consumers**

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Key link: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>

### **Food Supplements**

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: [http://ec.europa.eu/food/food/labellingnutrition/supplements/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm)

### **Tobacco**

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU

since the early 1990s and is governed by the TV without Frontiers Directive. The EU plans to revise the Tobacco Products Directive in 2012 with possible changes could include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging.

Key link: [http://ec.europa.eu/health/tobacco/law/advertising/index\\_en.htm](http://ec.europa.eu/health/tobacco/law/advertising/index_en.htm)

## **Pricing**

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Pricing is the most common explanation cited for why a number of U.S. products offered in Portugal are not competitive. Pricing of U.S. products sometimes reflects the dealer price in the United States. This often includes the exporter's marketing overhead that:

1. Must be recalculated generally downward to properly account for actual expenses in the Portuguese market; and,
2. Must not be a "double-counted" expense that adds Portuguese marketing expenses on top of "built-in" American marketing expenses.

The most appropriate method for pricing a product for the Portuguese market is marginal cost pricing. This would be the marginal unit cost of production in the United States, plus Portuguese market-specific costs associated with overseas promotion, labeling and packaging expenses. A profit margin added to the other pricing components should keep the product competitive.

Portuguese importers currently accept the more common terms of international trade (C.I.F., C&F., F.A.S., F.O.B. or Ex point of origin). They prefer to receive C.I.F. quotations or at least F.O.B. quotations including detailed product description, gross and net shipping weight, volume and time of shipment (from where the delivery is made) and delivery. Pro-forma invoices with all the above details are not mandatory but are advisable and desirable.

## **Sales Service/Customer Support**

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The most important rules that address sales service and customer support in Portugal result from the transposition of EU Directives, such as Directive 1999/34/EC and 1985/374/EEC concerning the sale of consumer goods and the liability for defective products.

In Portugal the seller shall be held liable when the lack of conformity becomes apparent within 2 years from delivery of the goods, and within 5 years for real estate. In addition, for representation/agency/distributorship agreements, sharing promotion expenses and cooperating in marketing strategies or technical assistance could add valuable marketing leverage.

Other aspects that have to be considered:

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed

at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

### ***Product Liability***

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:

<http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

### ***Product Safety***

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: [http://ec.europa.eu/consumers/safety/prod\\_legis/index\\_en.htm](http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm)

### ***Legal Warranties and After-sales Service***

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: [http://ec.europa.eu/consumers/rights/gen\\_rights\\_en.htm](http://ec.europa.eu/consumers/rights/gen_rights_en.htm)

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

## **Protecting Your Intellectual Property**

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Several general principles are important for effective management of intellectual property ("IP") rights in Portugal. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Portugal than in the U.S. Third, rights must be registered and enforced under local laws. Your U.S. trademark and



patent registrations will not protect you in Portugal. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Portuguese market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Portugal. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Portuguese law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Projects and sales in Portugal require constant attention.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both in Portugal and/or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at <http://www.StopFakes.gov>.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at <http://www.stopfakes.gov>.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/ipprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/ipprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: <http://www.StopFakes.gov> This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Portugal at: [http://www.uspto.gov/ip/global/attache/Attache\\_Contacts\\_12-23-11.doc](http://www.uspto.gov/ip/global/attache/Attache_Contacts_12-23-11.doc)

## Due Diligence

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The U.S. Commercial Service at the U.S. Embassy in Lisbon assists U.S. firms in identifying the opportunities and risks of cross border transactions. In general, our office supports bids in competitive tenders, briefs U.S. firms as required, provides information on key risks in the business environment, and advocates on behalf of U.S. firms, as appropriate.

For complex transactions and issues, our office can provide lists of attorneys and law offices, as well as accounting/consulting firms specialized in due diligence, to help investors achieve the best value for a transaction.

### **Local Professional Services**

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Using an attorney is not mandatory for doing business in Portugal. Most transactions may be accomplished without an attorney, including the establishment of small, non-complex businesses. However, attorneys are strongly recommended to solve some types of trade disputes and for the establishment of local offices such as joint venture investments with local entities or as 100% subsidiaries. For complex types of licensing, representation/distribution and franchising, an attorney is also recommended to assure compliance with local laws.

The U.S. Commercial Service at the U.S. Embassy in Lisbon can provide a list of major local service providers such as law, accounting and consulting firms, upon request.

### **Web Resources**

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Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:

[http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

Directive on Late Payment:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

European Ombudsman:

<http://www.ombudsman.europa.eu/home/en/default.htm>

EU's General Data Protection Directive (95/46/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:

[http://export.gov/safeharbor/eu/eg\\_main\\_018476.asp](http://export.gov/safeharbor/eu/eg_main_018476.asp)

Information on contracts for transferring data outside the EU:

[http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index\\_en.htm](http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm)

EU Data Protection :

[http://ec.europa.eu/justice\\_home/fsj/privacy/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm)

Distance Selling Rules:

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/dist\\_sell/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm)

Distance Selling of Financial Services:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF>

E-commerce Directive (2000/31/EC):

[http://ec.europa.eu/internal\\_market/e-commerce/index\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/index_en.htm)

VAT on Electronic Service:

[http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

The Unfair Commercial Practices Directive:

<http://ec.europa.eu/consumers/rights/>

Information to Patients - Major developments:

[http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments\\_en.htm](http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm)

Nutrition and health claims made on foods - Regulation 1924/2006

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF>

Regulation on Food Information to Consumers:

[Regulation 1169/2011](#)

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative\\_Brussels%20USEU\\_EU-27\\_12-27-2012.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Brussels%20USEU_EU-27_12-27-2012.pdf)

*Guidance document on how companies can apply for health claim authorizations:*

Summary document from EFSA

[http://www.efsa.europa.eu/cs/BlobServer/Scientific\\_Opinion/nda\\_op\\_ej530\\_guidance\\_summary\\_en.pdf?ssbinary=true](http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true)

Health & Nutrition Claims

[http://ec.europa.eu/food/food/labellingnutrition/claims/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm)

Tobacco

[http://ec.europa.eu/health/tobacco/policy/index\\_en.htm](http://ec.europa.eu/health/tobacco/policy/index_en.htm)

Product Liability:

[http://europa.eu/legislation\\_summaries/consumers/consumer\\_safety/l32012\\_en.htm](http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm)

Product Safety

[http://ec.europa.eu/consumers/safety/prod\\_legis/index\\_en.htm](http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm)

Legal Warranties and After-Sales Service:

[http://ec.europa.eu/consumers/rights/gen\\_rights\\_en.htm](http://ec.europa.eu/consumers/rights/gen_rights_en.htm)

Copyright: [http://ec.europa.eu/internal\\_market/copyright/documents/documents\\_en.htm](http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm)

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

[http://ec.europa.eu/internal\\_market/indprop/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/index_en.htm)

Trademark

[http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm)

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)

<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid

<http://www.wipo.int/madrid/en>

**U.S. websites:**

IPR Toolkit: [http://www.stopfakes.gov/sites/default/files/europeanunion\\_toolkit.pdf](http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf)

EU Public Procurement:

<http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp>

Local Professional Services:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>

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## Chapter 4: Leading Sectors for U.S. Export and Investment

### Commercial Sectors

- [Medical Equipment](#)
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### Agricultural Sectors

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## Medical Equipment

### Overview

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Over 80 percent of medical equipment expenditures are made by the public sector, while 20 percent of sales are made to the private sector in Portugal. The market for medical equipment has improved in recent years and is expected to present increased business opportunities for American exporters in the future. Prices are considered to be of primary importance in all purchasing decisions, both by the public and private sectors.

### Sub-Sector Best Prospects

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High quality and technically sophisticated medical equipment has the best market potential in Portugal, especially equipment that increases efficiency and reduces occupancy rates in hospitals.

In Portugal, imports are a fundamental component of the Portuguese medical equipment market. Major suppliers are the United States, Germany, France and Japan. Products, such as the following, have the best sales potential:

- Surgery equipment
- Patient monitoring systems
- Mini invasive surgery (MIS) equipment
- Video endoscopes
- X-Ray equipment

- Digital image processing
- Magnetic resonance imaging (MRI) equipment
- Picture archiving systems

## Opportunities

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The Portuguese market for medical equipment is mature and presents a high level of sophistication. Portuguese are educated consumers and expect state-of-the-art medical treatment, which ensures continuous demand for innovative medical equipment and products. One of the prime characteristics of this market is its high level of imports.

Total annual expenditures for new equipment are determined in the annual budgets of hospitals. These budgets are prepared according to estimates based on the previous year. The market is very receptive to U.S. products. A considerable portion of the market is penetrated by foreign products and imports from the United States are considered to be very competitive.

## Web Resources

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### **Ministério da Saúde (Health Ministry)**

Av. Joao Crisostomo, 9  
1049-062 Lisbon, Portugal  
Tel. (+351) 213 305 000  
Fax: (+351) 213 305 044  
email: [gms@ms.gov.pt](mailto:gms@ms.gov.pt)  
<http://www.min-saude.pt>

### **INFARMED – Instituto Nacional da Farmacia e do Medicamento**

Parque de Saude de Lisboa - Avenida Brasil 53  
1749-004 Lisbon, Portugal  
Tel: (+351) 217 987 100  
Fax: (+351) 217 987 316  
E-mail: [infarmed@infarmed.pt](mailto:infarmed@infarmed.pt)  
<http://www.infarmed.pt>

### **APORMED – Associação Portuguesa das Empresas de Dispositivos Médicos**

Av. José Gomes Ferreira – Edifício Atlas I – 96 S – 61 Miraflores  
1495-139 Algés, Portugal  
Tel: (+351) 213 510 690  
Fax: (+351) 213 510 699  
E-mail: [apormed@apormed.pt](mailto:apormed@apormed.pt)  
<http://www.apormed.pt>

### **ANCECSI - Associação Nacional dos Comerciantes de equipamentos Científicos, Saúde e Imagem**

Casa do Comércio – Rua Castilho, 14 - Miraflores  
1269-076 Lisbon, Portugal  
Tel: (+351) 213 515 610  
Fax: (+351) 213 520 907  
E-mail: [info@ancecsi.org](mailto:info@ancecsi.org)  
<http://www.ancecsi.org>

## Over The Counter (OTC) Pharmaceuticals

### Overview

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The pharmaceutical industry is a key industry for the Portuguese economy not only because it reflects the development of advanced technologies and scientific progress, but also because it is essential to the national health system and accounts for an increasing share of health care expenditures. Pharmaceuticals are highly regulated by the government.

Among the EU-15, Portugal is ranked as the eighth largest pharmaceutical market, with retail prices valued at \$ 6.6 billion. Total direct imports in from the U.S. in 2012 reached \$ 6.5 billion. The table below covers only the harmonized codes selected for statistical purposes for this summary.

Item	2010	2011	2012	2011 to 2012 (Percent Change)
TOTAL	7,613,132	6,756,600	6,576,076	-0,03
3004--MEDICAMENTS NESOI, MIXED OR NOT, IN DOSAGE ETC FM	5,175,735	4,619,697	4,621,118	0
3006--PHARMA CEUTICAL GOODS IN NOTE 4 TO CHAPTER 30	1,450,700	1,454,031	1,162,724	-0,2
3005--BANDAGES ETC COATED ETC OR IN RETAIL MEDIC ETC FM	628,925	307,53	403,31	0,31
3002--HUMAN BLOOD; ANIMAL BLOOD; ANTISERA, VACCINES ETC	325,601	341,45	329,903	-0,03
3003--MEDICAMENTS NESOI OF MIXTURES, NOT DOSAGE ETC FORM	12,118	33,892	59,021	0,74
3001--GLANDS ETC DRY & EXT; HEPARIN; HUM ETC SUBST NESOI	20,053	0	0	n/a
<b>TOTAL</b>	<b>7,613,132</b>	<b>6,756,600</b>	<b>6,576,076</b>	<b>-0,03</b>

Provided by the Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce

### Opportunities

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The OTC market is considered a best prospect as drugstores are now prevalent and OTC drugs are not limited to sales in pharmacies. According to local sources, the pharmaceuticals consumed per capita in 2009 were valued at \$455, an increase of 9.2% from 2004.

Although not reflected in Informed statistics, a local newspaper article recently reported that Health Commission (Alto Comissariado da Saude), lists anti-depression



pharmaceuticals as the lead drug prescribed in Portugal and this trend is expected to continue. This is a good prospect for U.S. suppliers of this type of pharmaceutical.

Other popular OTC pharmaceuticals are:

Market share of main therapeutic groups of non-prescription medicines in the total market of non-prescription medicines.										
	2005		2006		2007		2008		2009	
Therapeutic Group	Million Euro	Market Share (%)	Million Euro	Market Share (%)	Million Euro	Market Share (%)	Million Euro	Market Share (%)	Million Euro	Market Share (%)
Pain	45.641	18,10%	40.157	16,50%	38.047	15,90%	43.500	19,00%	45.310	19,40%
Cough, cold, respiratory	53.643	21,30%	53.489	22,00%	57.623	24,10%	65.500	28,60%	73.575	31,50%
Digestive and gastrointestinal	29.558	11,70%	29.636	12,20%	29.331	12,30%	32.900	14,40%	37.683	16,20%
Skin treatment	33.093	13,10%	32.418	13,30%	31.025	13,00%	33.400	14,60%	33.305	14,30%
Vitamins, minerals & nutrients	27.196	10,80%	30.467	12,50%	29.531	12,40%	13.600	5,90%	7.276	3,10%
Other non prescription medicines	63.057	25,00%	56.735	23,40%	53.533	22,40%	40.137	17,50%	36.082	15,50%
<b>TOTAL</b>	<b>252.188</b>	<b>100,00%</b>	<b>42.901</b>	<b>100,00%</b>	<b>239.089</b>	<b>100,00%</b>	<b>229.037</b>	<b>100,00%</b>	<b>233.231</b>	<b>100,00%</b>

Since 2008, Portugal has had a strong health cluster focusing mainly on R&D, manufacturing and marketing with around 100 member firms. Its main objective is to increase competitiveness and exports.

Although IP protection is still an issue with regards to the entry of generics onto the market, the announcement of a new IP court created in 2012 may help to alleviate this problem.

Statistics for this report were gathered from several sources and its latest reports available, namely:

- 1) Apifarma, The Pharmaceutical Industry in Figures, 2011 Edition (<http://www.apifarma.pt/publicacoes/ifnumeros/Paginas/Ind%C3%BAstriaFarmac%C3%BAuticaemN%C3%BAmeros2011.aspx>) ;
- 2) Infarmed. Infarmed, Medicine Statistics 2009 ([http://www.infarmed.pt/portal/page/portal/INFARMED/PUBLICACOES/TEMATICOS/ESTATISTICA\\_MEDICAMENTO/EstMed-2009.pdf](http://www.infarmed.pt/portal/page/portal/INFARMED/PUBLICACOES/TEMATICOS/ESTATISTICA_MEDICAMENTO/EstMed-2009.pdf));
- 3) U.S. Department of Commerce (<http://tse.export.gov/TSE/TSEhome.aspx>);
- 4) Local media.

**Government:**

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Web: [www.portaldasaude.pt](http://www.portaldasaude.pt) or [www.min-saude.pt](http://www.min-saude.pt)

**Direção Geral da Saúde**

Alameda D. Afonso Henriques, 45  
1049-005 Lisboa, Portugal  
Tel: +351 218 430 500  
Fax: +351 218 430 530  
E-Mail: [geral@dgs.pt](mailto:geral@dgs.pt)  
Web: [www.dgs.pt](http://www.dgs.pt)

**INFARMED - Autoridade Nacional do Medicamento e Produtos de Saúde, I.P.**

(National Institute for Pharmacies and Medicines)  
INFARMED - Autoridade Nacional do Medicamento e Produtos de Saúde, I.P.  
Parque de Saúde de Lisboa - Avenida do Brasil, 53  
1749-004 Lisboa - Portugal  
Tel: +351 217 987 100  
Fax: +351 217 987 316  
E-Mail: [infarmed@infarmed.pt](mailto:infarmed@infarmed.pt)  
Web: [www.Infarmed.pt](http://www.Infarmed.pt)

**Associations****APIFARMA- Associação Portuguesa da Indústria Farmacéutica**

(Portuguese Association for the Pharmaceutical Industry)  
Rua Pêro da Covilhã, 22  
1400-297 Lisboa, Portugal  
Tel: + 351 21 300 50 80  
Fax: + 351 21 300 50 89  
Email: [board@apifarma.pt](mailto:board@apifarma.pt)  
Web: [www.apifarma.pt](http://www.apifarma.pt)

**ANF-Associação Nacional das Farmácias (National Pharmacy Association)**

Rua Marechal Saldanha, 1  
1249-069 Lisboa, Portugal  
Tel: + 351 340 06 00  
Fax: + 351 347 29 94  
Email: [anf@anf.pt](mailto:anf@anf.pt)  
Web: [www.anf.pt](http://www.anf.pt)

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## Renewable Energy

### Overview

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Portugal continues to rely on foreign imports of fossil fuels with oil representing around 80% of total imports, natural gas accounting for about 13% and coal for a little over 3,0%. Electricity remains at 2%.

The renewable sources of energy have taken in the last decade a key role in the national electricity mix, especially with the increasing number of wind farms and small hydro plants in the Portuguese territory. In fact, renewable energy in Portugal was the source for 52% of the country's electricity generation in 2010 - an increase of 28% in 5 years.

Portugal has made dramatic changes in its energy policy since 2005. The country's installed renewable energy capacity is currently over 10,839 megawatts (MW). Portugal in 2011 ranked 23<sup>rd</sup> for total installed capacity. This is the result of major investments during the last decade, especially with the increasing number of wind farms and small hydro plants.

Installed Capacity (MW)	2011	2012	2013 (estimate)
Hydro	5,261	5286	5540
Wind	4,301	4,450	4,452
Biomass (Cogeneration)	367	367	367
Biomass	105	105	105
Urban Solid Waste	88	88	88
Biogas	43.3	61.1	61.1
Photovoltaic	157.7	225.5	225.5
Wave			0.3
<b>TOTAL</b>	<b>10,322</b>	<b>10,583</b>	<b>10,839</b>

Source: DGEG

Electricity Produced (GWh)	2011	2012	2013 (estimate)
Hydro	11,827	6,447	7,468
Wind	9,003	10,011	10,542
Biomass (Cogeneration)	1,669	1,689	1,723
Biomass	688	718	716
Urban Solid Waste	486	395	398
Biogas	152	201	205

Photovoltaic	265	360	359
Wave	75	127	142
TOTAL	24,089	19,820	21,412
% of Renewable Energy (Real)	45.1%	35.9%	38.8%
% of Renewable Energy (Directive 2001/77/EC)	43.3%	42.7%	42.7%

Source: DGEG

Portugal continues to an attractive market however decision-making tends to be a bureaucratic process and some type of collaborative relationship with a local company is considered to be the most appropriate strategy to enter the Portuguese market. Any major project will mostly required some type of joint venture. A sustained local presence, product exposure, or track record in this industry will also prove to be a major asset while the market continues to develop.

### Sub-Sector Best Prospects

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- Parts and Systems for Hydro Power
- Controls, Pumps, Valves and Monitors
- Biomass or Biogas Technology
- Engineered Parts and Systems
- Low cost solar water heaters
- Grid-Connected Solar Kits

### Opportunities

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The renewable energy sector will continue to grow in Portugal due to the government and EU commitments to reduce oil dependency and greenhouse emissions.

The Portuguese coastline is considered to be a great resource for a number of renewable energy companies due to its characteristics (seabed depth that increases rapidly a few miles from shoreline), as well as favorable offshore wind potential in selected areas.

Portugal has placed a strong emphasis on micro generation, allowing individuals to produce their own energy and sell the excess back to the grid. The market for micro generation also offers various opportunities for U.S. exporters of applications for micro-wind, solar thermal, photovoltaic and geothermal heating in buildings.

Portugal currently ranks 3th in Europe (EU15) for energy production from renewable energy sources thanks to a strong wind resource, expansive hydropower, good wave energy potential and one of the best solar insulation rates in Europe.

The sector is very receptive to advances in technology, which presents opportunities for market entry via collaborative research or partnering with a local company.

U.S. products enjoy a good reputation in terms of reliability and high quality. However, purchase decisions are based on a number of factors including cost, availability of financing, after sales service, technology transfer, among others. Obtaining up to date information on market dynamics is very important, given the fast developing nature of the industry and the constant introduction of new technologies.

Given the sustained growth of the renewable energy market in Portugal, its broad base and numerous associated developments, we recommend that U.S. companies consider the opportunities that the Portuguese market presents.

On another note, Portugal is a significant gateway into other Portuguese speaking countries in Africa including Angola, Cape Verde or Mozambique. A large number of Portuguese companies are already present in these markets. As an example, the Angolan government is looking into invest massively in energy infrastructure and most of this work will be led by large Portuguese groups such as EDP, REN and other large Portuguese renewable energy develops and constructions companies.

## Web Resources

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DGEG - Direcção Geral de Energia e Geologia  
URL: <http://www.dgge.pt>

LNEG – Laboratório Nacional de Energia e Geologia  
URL: <http://www.lneg.pt/>

Portal das Energias Renováveis  
URL: <http://www.energiasrenovaveis.com/>

Associação Portuguesa de Energia  
URL: <http://www.apren>

## Environmental Technologies

### Overview

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Although Portugal is still trailing behind in addressing some of its environmental issues when compared with other E.U member states, recent initiatives have made complying with E.U standards a priority with the help of financing from EU Cohesion and structural funds.

The Portuguese economy was badly hit by the economic and financial crisis. As a response, in 2009 Portugal adopted fiscal measures to stimulate the economy and some 18% of the resulting stimulus package was environmentally related. Further deterioration of the country's finances has slowed the government's funding of these environmental initiatives, making investments from private businesses increasingly important. While government assistance has stalled, sales in the environmental sector have been increasing with the total output of environmental goods and services reaching €5.4 billion Euros in 2011, a 4% increase over the total in 2010.

Opportunities exist within the waste management and water sectors as well as for technologies for soil remediation. In 2011, waste management accounted for 72% of total service sales in the pollution control sector. Treatment of heavy metals represented the service that grew most in the environmental sector, with an increase of 16%. The total amounts allotted by QREN for investment support in the water and waste management sectors add up to €1.95 billion. The amount of funding still to be distributed is over €1.2 billion and main financing priorities are for water management and distribution, and wastewater treatment.

As the sector is highly state-controlled and dependent on EU funding, it is preferable to have access to the proper officials to be successful in this business. In addition, in order to take advantage of existing and future business opportunities and successfully enter or expand into the Portuguese market, foreign firms usually align themselves with Portuguese companies in joint ventures, consortiums and cooperation agreements.

### **Sub-Sector Best Prospects**

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Areas in which U.S. exporters will find business opportunities in the Portuguese environmental technology markets include:

- Recycling technologies
- Filtering and purifying machinery
- Technologies for treatment and disposal of hazardous waste
- Composting equipment
- Heavy metal collection equipment
- Sensors and analyzers
- Water treatment technologies
- Waste water treatment aeration and purification systems
- Air and sea pollution products
- New technologies to create valuable end-products from any form of waste
- Consulting and engineering services for the development and operation of waste management and recycling facilities.

### **Opportunities**

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The urban waste management sector in Portugal has developed substantially over the past decade, as a response to the necessity to plan and implement effective strategies which address obligations for environmental stewardship under EU legislation. Particularly pressing concerns are closing waste tips and constructing landfills, along with other waste recovery infrastructure. The Portuguese government's creation of a regulatory agency for the urban waste sector, the Institute for the Regulation of Water and Waste (ERSAR), has fostered the improvement and innovation in this sector.

In 2011, the government spent 548 million euros on waste management, and total exports of waste for disposal and recovery operations reached 62 thousand tons, an increase of 13% over the last year. Recent regulation reforms help facilitate the growth of the waste sector by inducing more incentives to make waste services more efficient,

affordable, and sustainable. Opportunities are forecasted for a variety of waste handling and treatment technologies.

The following programs have been approved by the Portuguese government and are currently being executed:

- PERSU II - Plano Estratégico para os Resíduos Sólidos Urbanos (National Strategic Plan for Urban Solid Waste) 2007/2016 - with an investment of \$2.74 billion focusing in areas such as valorization of organic waste and improvement of the selective collection systems. PERSU II namely works to ensure compliance of EU objectives for separating biodegradable waste from landfill and recycling and recovering packaging waste.
- PERH- Plano Estratégico de Resíduos Hospitalares (Strategic Hospital Waste Plan) promotes the participation of public and private partners and evaluates new treatment technologies
- PESGRI- Plano Estratégico de Gestão dos Resíduos Industriais (Strategic Industrial Waste Management Plan)
- PNAPRI- Plano Nacional de Prevenção de Resíduos Industriais (National Industrial Waste Prevention Plan)

Other programs are currently being developed and are expected to be approved soon. As these efforts continue, the Portuguese water and waste services markets will have growth potential over the next several years.

## **Web Resources**

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Agência Portuguesa do Ambiente (Portuguese Environment Agency):  
<http://www.apambiente.pt>

Entidade Reguladora dos Serviços de Águas e Resíduos (Water and Waste Services Regulation Authority)  
<http://www.ersar.pt>

Ministério da Agricultura, do Mar, do Ambiente e do Ordenamento do Território (Ministry of the Environment):  
<http://www.portugal.gov.pt/pt/os-ministerios/ministerio-da-agricultura-mar-ambiente-e-ordenamento-do-territorio.aspx>

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## **Safety and Security Equipment and Services**

### **Overview**

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The Portuguese Market is receptive to U.S. safety and security products, especially for metal detectors, handheld detectors, X-ray machines and CCTV systems. Price reductions for video surveillance, security services and on ICT security have increased the use of these systems by the public and private sectors, including a growing slice of the “general public”.

The government and the private sector are currently in the process of reevaluating and upgrading certain security systems and technologies in Portugal. As a result, prospects for future sales of high quality U.S. safety and security products, particularly sensing and detection equipment, are good.

### **Sub-Sector Best Prospects**

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Beyond EU and NATO requirements, the most important driver of the market is an increasing concern for security on the part of both institutional and private customers.

**ICT Security:** The market for products related to ICT security has been on the rise. The number of anti-virus, firewall, SPAM filters, off-site backup solutions, emergency power sources and intrusion detection programs are some of the best prospects, according to sector analyst and major players.

Hardware equipment is also taking a larger share of the market as many software solutions are replaced by what is generally called “easy to install and manage” hardware. Secure content management continues to register strong growth in response to the exponential flood of worms, viruses and SPAM that is threatening all IT systems and businesses.

**Surveillance and Access Control:** Access control is one of the fastest growing segments of the Portuguese security and surveillance market. Investments in improving security have been growing substantially. Equipment such as video cameras and monitors, proximity switches, sensors and alarms are seeing demand increase. Simple mechanical locks are being replaced by more sophisticated locking systems combining mechanical and electronic security.

Government departments, banking institutions and larger companies are investing in sophisticated computerized systems that integrate several IT solutions (i.e., time control, biometric control or X-Ray machines for airports and ports). This market is expected to continue to grow in the near future as a result of the usage of electronic passports and the recent adoption of a new biometric ID card in Portugal.

**Security services:** as in other EU countries, the trend in the Portuguese market is toward privatization of police or security duties. The private market has not been



satisfied with the level of protection given by the police in certain areas of the country or cities, creating opportunities for companies to offer these services privately.

## Opportunities

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The principle public sector end-users include: National Armed Forces, Guarda Nacional Republicana (National Guard), PSP (National Police), Judiciary Police, special units of surveillance, fireman and civil protection, airports and harbors administration and management organizations.

The main private sector end users include: private corporations (banking, insurance, telecommunications, etc.), private security companies, software companies providing computer network protection, private investigation/detective agencies and specialized distributors.

Within the Government of Portugal, the Ministry of Defense and the Ministry of Finance maintain the highest purchase capacity. The purchasing decisions done by the public administration are generally made in terms of certification requirements for airports, ISPS requirements and financing availability by the Portuguese Government. All factories, tourist facilities and shopping centers are required to install fire sensing and detection equipment, fire alarm systems and fire extinguishers.

## Web Resources

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### **Ministério da Administração Interna**

Praça do Comércio  
1123 – 802 Lisbon, Portugal  
Tel.: (+351) 213 232 000  
Fax: (+351) 213 432 047  
Email: [sec.geral.mai@sg.mai.gov.pt](mailto:sec.geral.mai@sg.mai.gov.pt)

### **EMPORDEF – Empresa portuguesa de Defesa (SGPS), S.A.**

Rua Braancamp, Nº90- 7º e 8º Piso  
1250-052 Lisbon, Portugal  
Tel: (+351) 213 805 100  
Fax: (+351) 213 805 109  
E-mail: [geral@empordef.pt](mailto:geral@empordef.pt)

### **ISHST – Instituto da Higiene e Segurança no Trabalho**

Rua Barata Salgueiro, 37, 5.º  
1250-042 Lisbon, Portugal  
Tel.: (+351) 21 316 32 10  
Fax: (+351) 21 316 32 49  
Email: [geral@ishst.pt](mailto:geral@ishst.pt)

### **APSEI - Associação Portuguesa de Segurança Electrónica e de Protecção Incêndio**

Rua do Conselheiro Lopo Vaz,  
Edifícios Varandas do Rio, Lote AB – Escritório D

1800-142 Lisbon, Portugal  
Tel.: (+351) 219527849  
Fax: (+351) 21 219527851  
Email: [mail@anepi.org.pt](mailto:mail@anepi.org.pt)

**ANESA – Associação Nacional de Empresas de Segurança Alimentar**

Rua Conde de Almoester, 58 – r/c Dt.º  
1500-195 Lisbon, Portugal  
Tel.: (+351) 966486337  
URL: <http://www.anesaportugal.org>  
Email: [info@anesaportugal.org](mailto:info@anesaportugal.org)

Associação Nacional de Bombeiros  
Av. D. Carlos I, n.º 89, r/c  
1200-647 Lisboa  
Tel: 21 394 20 80  
Fax: 21 394 20 88  
E-mail: [anbombeirosp@mail.telepac.pt](mailto:anbombeirosp@mail.telepac.pt)

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## Travel and Tourism Services

### Overview

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Total number of travelers to and from the USA (pleasure and business All Portuguese Airports)	2009	2010	2010	2012
Lisbon Airport	265,369	304.320	358.855	381.724
Oporto Airport	49,488	54.103	50.644	49.945
Faro Airport	20	20	18	13
Ponta Delgada Airport (Azores Island)	40,254	41.632	40.305	41.414
Santa Maria Airport (Azores Island)	13		36	42
Madeira Island Airport	44	66	7	7
Horta Airport			2	0
Porto Santo Airport			5	0
<b>TOTAL</b>	<b>355,188</b>	<b>400,141</b>	<b>449.872</b>	<b>449.872</b>

The table above shows the flow of O&D (origin and destination) passengers between Portugal and the U.S. using the various airports in Portugal. The numbers are based on airlines that use these airports: TAP-Air Portugal, Continental Airlines, U.S. Airways and Sata Airlines. Total numbers increase substantially when indirect visitors are added, i.e. using connection flights through other European airlines/airports to travel to the U.S.

<b>Other statistics</b>	<b>2009 (thousands)</b>	<b>2010 (thousands)</b>	<b>2011 (thousands)</b>	<b>2012 Jan-Nov (thousands)</b>
Total number of Portuguese travelers to the USA for vacation. (TIA figures)	74,457	93,584	96,434	85,192
Total spending by Portuguese while visiting the USA (millions)	USD 5.5	USD 5.5	USD 5.5	USD 5

In 2012 Portuguese travelers to the United States decreased 2.9% for the period of January to November compared to the previous year. The financial situation in Portugal is the main cause of this decline. Despite the efforts of increasing awareness of the USA, though many outreach events, the financial crisis is negatively affecting consumers.

Exchange rate:        2009 – 1 USD = 0.72 €  
                               2010 – 1 USD = 0.7572€  
                               2011 – 1 USD = 0.718 €  
                               2012 - 1 USD =0.778 €

Sources: TIA-Travel Industry Association  
 ANA-Aeroportos e Navegação Aérea

Despite the high taxes attached to the airfares, the Euro is still strong and the U.S. remains a popular destination. Portuguese tourism inflow to the U.S. was severely affected with the present the economic austerity installed in the country since 2011. There are two other airlines operating direct flights, one to Boston Logan International (SATA-Azorean Airline), and one to Philadelphia (U.S. Airways). In the summer of 2011 TAP - the Portuguese national airline initiated a direct daily flight five times per week to Miami. This helped inflate inbound tourism from Portugal to the USA during 2011 but in 2012 this tendency reversed.

### **Sub-Sector Best Prospects**

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The media, travel agents and tour operators have a major influence in promoting specific countries as holiday destinations outside of Portugal. The U.S. is becoming increasingly visible to Portuguese travelers, particularly those who have higher purchasing power.

Tour operators are now focusing on the U.S. for theme park vacations and beach holidays. We encourage U.S. tour operators and destination managers to contact local Portuguese operators to place different offers on the table with new U.S. destinations (i.e. body and soul packages, camping excursions, nature traveling, national parks promotions, etc.). U.S. operators should be aware that, although this market is small, it has the tendency to grow substantially over the next five years.

CS Portugal continues to promote the United States as a premier tourism destination. During 2013 FCS Lisbon organized plans to organize familiarization trips to new promote undiscovered U.S. States to Portuguese travelers.

## Opportunities

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Due to large concentrations of Portuguese in certain areas of the United States and the number of Portuguese travelers going to the U.S. to visit family and relatives, we will continue to promote current popular destinations: California, Maryland, Massachusetts, New Jersey and Rhode Island. There are a number of opportunities in these areas that should be promoted to encourage the Portuguese that are already traveling there to do more, such as visiting national parks, museums, shopping and dining.

Portuguese travelers are also concentrating on theme vacations such as golf, snow, surf, nature and spa vacations. Tour operators specialized in these types of vacations should contact Portuguese tour operators to promote their products locally.

CS Portugal advises U.S. destination managers and tour operators to pay attention to this growing market and contact our office to learn about our services. Typically, Portuguese tour operators focused mainly on Brazil and Europe as main vacation destinations but since 2010 the U.S., due to more aggressive promotion and creating awareness, made it on the front cover of many travel brochures and in many articles in the local travel media.

## Web Resources

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- 1) USTA-Travel Industry Association: <http://www.usta.org> ,
- 2) OTTI - Office of Travel and Tourism Industries: <http://tinet.ita.doc.gov/>
- 3) Turismo de Portugal:  
<http://www.turismodeportugal.pt/Portugu%c3%aas/Pages/Homepage.aspx>  
Tourism de Portugal is part of the Ministry Commerce and Employment and is the central public authority responsible for promotion, enhancement and sustainability of Tourism activities.
- 4) ANA-Aeropostos e Navegação Aérea (Portuguese Airport Authority): <http://www.ana-aeroportos.pt>

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## Agricultural Sectors

For more information about the leading agricultural sectors for U.S. exports in Portugal, please contact the Foreign Agricultural Service at the American Embassy in Madrid.

Office of Agricultural Affairs covering Spain and Portugal  
Foreign Agricultural Service, USDA  
U.S. Embassy Madrid  
Tel: +34-91-587-2558/2555  
Fax: +34-91-587-2556  
Email: [agmadrid@fas.usda.gov](mailto:agmadrid@fas.usda.gov)

## Soybeans

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimate)
Total Market Size	346,943	343,760	390,000
Total Local Production	0	0	0
Total Exports	7,511	13,259	10,000
Total Imports	354,454	357,019	375,000
Imports from the U.S.	96,894	76,268	75,000

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

#### Data Sources:

*Total Local Production: FAS Madrid estimates*

*Total Exports: Global Trade Atlas (GTA)*

*Total Imports: Global Trade Atlas (GTA)*

*Imports from U.S.: Global Trade Atlas (GTA)*

*Data corresponding to Soybeans, Group 57 (2012) GTA.*

### Opportunities

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Soybeans in Portugal are crushed to obtain soybean meal for the feed industry and soybean oil for the biodiesel industry. Price competitiveness with other suppliers (South America) and other oilseeds will determine opportunities for U.S. soybeans. Portugal is also an importer of soybean meal.

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National Institute of Statistics Portugal - [www.ine.pt](http://www.ine.pt)

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## Coarse Grains

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimate)
Total Market Size	727,377	655,928	718,700
Total Local Production	129,700	111,200	127,700
Total Exports	27,358	10,045	9,000
Total Imports	625,035	554,773	600,000
Imports from the U.S.	105,583	7,727	7,000

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

#### Data Sources:

*Total Local Production: FAS Madrid estimates*

*Total Exports: Global Trade Atlas (GTA)*

*Total Imports: Global Trade Atlas (GTA)*

*Imports from U.S.: Global Trade Atlas (GTA)*

*Data corresponding to Coarse Grains, Group 59 (2012) GTA.*

### Opportunities

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Regardless the size of the domestic grain crop Portugal has a grain deficit of around 3 million metric tons. Bulk commodities trading companies based in the Iberian Peninsula are the main gateway to the Portuguese feed and food grains market. While feed production is not expected to grow in the near future, Portugal will continue importing grains to meet its structural grains shortfall. U.S. exports of corn to Portugal are limited by EU biotechnology approvals, however the U.S. has opportunities to export sorghum and other feed ingredients to Portugal, in quantities that fluctuate based on competition from other sources. The U.S. also exports wheat, including durum wheat to Portugal, with export opportunities depending on competition from other sources.

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National Institute of Statistics Portugal - [www.ine.pt](http://www.ine.pt)

FAS GAIN Attaché Reports - <http://gain.fas.usda.gov/Pages/Default.aspx>

FAS Contact - [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

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## Seafood

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimate)
Total Market Size	2,098,347	2,206,462	2,160,000
Total Local Production	1,047,452	1,234,314	1,200,000
Total Exports	864,717	749,314	740,000
Total Imports	1,915,612	1,721,462	1,700,000
Imports from the U.S.	49,594	50,038	48,000

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

#### Data Sources:

*Total Local Production: FAS Madrid estimates*

*Total Exports: Global Trade Atlas (GTA)*

*Total Imports: Global Trade Atlas (GTA)*

*Imports from U.S.: Global Trade Atlas (GTA)*

*Data corresponding to HS Code 03 (Fish and Crustaceans, Mollusks and other aquatic invertebrates).*

### Opportunities

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Portugal boasts Europe's highest seafood consumption at around 60 kg per capita placing it among the top consumers in the world. The country is a net importer of fish and fish products. U.S. seafood products are very well rated and demanded in the Portuguese market. Cod, salmon, lobster, surimi (fish paste), albacore tuna and hake are among the top sellers.

### Web Resources

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Directorate General for Fisheries and Aquaculture – Portugal

<http://www.dgrm.min-agricultura.pt/xportal/xmain?xpid=dgrm> USEU Mission – NOAA

Fisheries “How to export seafood to the European Union” <http://www.usda-eu.org/>

FAS GAIN Attaché Reports - <http://gain.fas.usda.gov/Pages/Default.aspx>

FAS Contact- [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

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## Hardwood

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimate)
Total Market Size	2,256,961	1,916,330	1,849,000
Total Local Production	2,187,000	1,863,900	1,800,000
Total Exports	26,185	16,962	16,000
Total Imports	96,146	69,392	65,000
Imports from the U.S.	20,005	16,619	16,000

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

#### Data Sources:

*Total Local Production: FAS Madrid estimates*

*Total Exports: Global Trade Atlas (GTA)*

*Total Imports: Global Trade Atlas (GTA)*

*Imports from U.S.: Global Trade Atlas (GTA)*

*Data corresponding to Hardwood Lumber, Group 13 (2012) GTA for Portugal.*

### Opportunities

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U.S. hardwood has a good reputation in the Portuguese market for its high quality and reliability. However, the fragile state of the economy in general and the depressed housing and construction markets present challenges for this sector in the Portuguese market in 2013.

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National Institute of Statistics Portugal – <http://www.ine.pt>

National Forest Authority – Portugal

<http://www.icnf.pt/portalFAS> USEU Mission - <http://www.usda-eu.org/>

American Hardwood Export Council (AHEC) - <http://www.ahec.org>

FAS GAIN Attaché Reports - <http://gain.fas.usda.gov/Pages/Default.aspx>

FAS Contact - [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)



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## Tree Nuts

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimate)
Total Market Size	33,014	13,368	14,400
Total Local Production	47,046	33,386	38,400
Total Exports	59,694	65,656	70,000
Total Imports	45,662	45,638	46,000
Imports from the U.S.	8,136	4,743	5,000

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

#### Data Sources:

*Total Local Production: FAS Madrid estimates*

*Total Exports: Global Trade Atlas (GTA)*

*Total Imports: Global Trade Atlas (GTA)*

*Imports from U.S.: Global Trade Atlas (GTA)*

*Data corresponding to HS Code 0802 (Nuts NESOI, Fresh or dried) for Portugal.*

### Opportunities

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Domestic consumption of tree nuts has increased in recent years due to the increased awareness of the health benefits. Nuts are consumed mainly as a snack food and as an ingredient for confectionary products. U.S. exports are led by almonds, followed by pistachios and walnuts.

In March 2012, the European Commission implemented the [Regulation 274/2012](#), amending Commission [Regulation 1152/2009](#), imposing special conditions governing the import of certain foodstuffs from certain third countries due to contamination risk by aflatoxins.

Regulation 274/2012 states that it is appropriate to repeal the transitional provision for foodstuffs imported from the United States of America, which are not covered by the Voluntary Aflatoxin Sampling Plan, as sufficient time has been provided to operators in the United States of America to implement the Voluntary Aflatoxin Sampling Plan. Almonds with a aflatoxin sampling plan (VASP) certificate are subject to random testing while almonds without a VASP certificate are subject to be rejected. Regulation 1152/2009 introduced the use of a Common Entry Document (CED), similar to the Common Veterinary Entry Document (CVED) used for veterinary products. Starting January 1, 2010, the importer has to provide prior notification to the competent authorities at the designated port of entry for the goods covered by the regulation at least one working day prior to the arrival of the goods, using the CED.

## Web Resources

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National Institute of Statistics Portugal – <http://www.ine.pt>  
Almond Board of California – <http://www.almondboard.com/English/Pages/default.aspx>  
FAS USEU Mission - <http://www.usda-eu.org/>  
FAS GAIN Attaché Reports - <http://gain.fas.usda.gov/Pages/Default.aspx>  
FAS Contact - [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

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## Pulses/Legumes

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimate)
Total Market Size	47,766	56,349	55,800
Total Local Production	13,500	14,400	14,800
Total Exports	24,122	20,454	24,000
Total Imports	58,388	62,403	65,000
Imports from the U.S.	1,508	2,379	3,000

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

#### Data Sources:

*Total Local Production: FAS Madrid estimates*  
*Total Exports: Global Trade Atlas (GTA)*  
*Total Imports: Global Trade Atlas (GTA)*  
*Imports from U.S.: Global Trade Atlas (GTA)*

*Data corresponding to HS Code 0713 (Leguminous vegetables, dried shelled) for Portugal.*

## Opportunities

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Domestic consumption of pulses is high in the Portuguese market, particularly for dry edible beans, which are an important component of the local diet. U.S. exports are led by chick peas followed by pinto beans. Companies also process and re-export dry edible beans within the EU market.

## Web Resources

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Statistics Portugal – <http://www.ine.pt>  
United States Dry Bean Council and USA Dry Peas and Lentil Council - <http://www.legumechef.com>  
FAS GAIN Attaché Reports - <http://gain.fas.usda.gov/Pages/Default.aspx>  
FAS Contact - [AgMadrid@fas.usda.gov](mailto:AgMadrid@fas.usda.gov)

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## Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
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- [Labeling and Marking Requirements](#)
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### Import Tariffs

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The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/customs\\_tariff/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm)

Duties on imports from non-EU countries, including the United States, are levied on an ad valorem basis. Most raw materials enter duty-free or at low rates, most manufactured goods are subject to rates between 5 and 17%. The minimum tariff schedule is applied to goods originating in countries entitled to the benefits of most-favored nation treatment (members of the General Agreement on Tariffs and Trade (GATT) and countries with which the EU has signed trade agreements). Most agricultural product imports are covered by the Common Agricultural Policy (CAP), subjecting many items to varied levies designed to equalize the prices of imported commodities with those produced in the EU. Agricultural products are strictly regulated based on EU standards. Special tariffs exist for tobacco, alcoholic beverages, petroleum and automotive vehicles.

Please note that importers in Europe must pay the value-added tax (VAT) in full at the time of importation from a non-EU country, in Portugal VAT/IVA is currently 23%. Imports from EU countries only pay the IVA when a product is sold. This detail encourages many distributors to import indirectly from the U.S. via other E.U. countries.

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website: <http://www.ustr.gov/about-us/press-office/reports-and-publications/2011-0>

Information on agricultural trade barriers can be found at the following website: <http://www.fas.usda.gov/posthome/useu/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://export.gov/europeanunion/>

**Import Requirements and Documentation**

Since 1993, controls on the movement of goods within EU countries have been abolished. Any imported goods from countries other than those within the EU or participants in the World Trade Organization (WTO), and for a limited number of products are considered to be sensitive; a specific import/export license may be required. Food products need a certificate of health; electric materials and construction equipment/machinery need a certificate of conformity to EU directives; alcoholic beverages and tobacco need a certificate of authenticity. Otherwise, the following documents are required to import into Portugal:

Shipping Documents - The documents generally required by Portugal on all sea and air shipments from the United States include the commercial invoice, the bill of lading or air waybill, and a certificate of origin.

Commercial Invoice - Portuguese Customs requires two copies of commercial invoices, but at least one additional copy should be provided to the importer. The invoice should clearly indicate the country of origin of each product. If the invoices are intended to certify the origin of the goods, they must have a certification by a Chamber of Commerce (or by U.S. Customs or port authorities). In cases involving commodities that have undergone industrial transformation not representing full process of manufacturing in the country of origin, or which have passed through free port or zones, the respective commercial invoice shall bear notation issued by the Portuguese Consulate having jurisdiction in that area. No special form of commercial invoice is prescribed and the firm's letterhead may be used.

The invoice should contain the following details:

- Names and addresses of seller and buyer;
- Place and date the invoice was prepared;
- Method of shipment;
- Number, kind and markings of the packages and their numerical order;

- Exact description of the goods-customary commercial description according to kind, quality, grade, etc., with special emphasis on factors increasing or decreasing their value;
- Quantity of goods, expressed in units customary in international trade;
- Agreed price of the goods (unit cost, total cost, including shipping and insurance charges, as well as other expenses charged to the costs of the goods);
- Delivery and payment terms

Although not a requirement, it is advisable to have the signature of a responsible official of the exporting firm on each invoice.

Bill of Lading or Air Waybill - This is a contract between the owner of the goods and the carrier. Either a straight or negotiable bill of lading is acceptable. No consular formalities are required. Two copies of the document used in Portuguese or English are required.

Certificate of Origin - This document certifies that the goods entering Portuguese territory are made in the United States, and thus are subject to the duties, taxes and restrictions that apply to U.S. goods. Although certificates of origin are not expressly required for all imports into Portugal, they are strongly recommended. If a certificate of origin does not accompany a shipment, it may be held up by customs. Portuguese authorities accept certificates of origin certified by authorized U.S. Chambers of Commerce or a Portuguese Consulate.

Other Documents - Information on documents required for exportation to Portugal of agricultural products (including food items) as well as plants and animals are available in the Foreign Agricultural Service of the Department of Agriculture. Owing to the complexities of these regulations, U.S. exporters should also obtain information directly from the importer prior to shipment.

Other aspects that have to be considered:

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product.

Many EU member states maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law. For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: [EU Member States' Country Commercial Guides](#) or conduct a search on the Commerce Department's Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp>.

### ***Import Documentation***

#### ***The Single Administrative Document***

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods

are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU Member States. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

[http://ec.europa.eu/taxation\\_customs/customs/procedural\\_aspects/general/sad/](http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/)

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension.

The Modernized Customs Code (MCC) of the European Union is expected to be fully in place by June 2013. Some facets of the MCC have already been implemented including EU wide Economic Operators Registration and Identification (EORI) numbers. The MCC replaces existing Regulation 2913/92 and simplifies various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:

[http://ec.europa.eu/taxation\\_customs/customs/procedural\\_aspects/general/community\\_code/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm)

## **New U.S. - EU Mutual Recognition Arrangement (MRA)**

Since 1997, the U.S. and the EU have had an [agreement](#) on customs cooperation and mutual assistance in customs matters. For additional information, please see [http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/international\\_customs\\_agreements/usa/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm)

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety". The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase will take place in 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):

[http://ec.europa.eu/taxation\\_customs/resources/documents/customs/procedural\\_aspects/general/implementing\\_regulation\\_58\\_2013\\_en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf)

Additional information on the MRA can be found at:

[http://www.cbp.gov/linkhandler/cgov/trade/cargo\\_security/ctpat/ctpat\\_program\\_information/international\\_efforts/eu\\_faq.ct/eu\\_faq.pdf](http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/ctpat/ctpat_program_information/international_efforts/eu_faq.ct/eu_faq.pdf)

## **Batteries**

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The updated Directive applies to all batteries and accumulators put on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions

on the labeling of batteries and their removability from equipment. For more information, see our market research report: [http://www.buyusainfo.net/docs/x\\_4062262.pdf](http://www.buyusainfo.net/docs/x_4062262.pdf)

## **REACH**

REACH is the system for controlling chemicals in the EU. It came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by the new policy. REACH stands for the "Registration, Evaluation and Authorization and Restriction of Chemicals." REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA), including information on their properties, uses and safe ways of handling them. The next registration deadline is **May 31, 2013**: <http://echa.europa.eu/web/guest/reach-2013>. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/reachclp/index.asp>

MSDS must be updated to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: [http://echa.europa.eu/documents/10162/17235/sds\\_en.pdf](http://echa.europa.eu/documents/10162/17235/sds_en.pdf)

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the Authorization List. Substances on the Candidate List are subject to communication requirements. Companies seeking to export products containing substances on the Authorization List will require an authorization. The Candidate List can be found at: <http://echa.europa.eu/web/guest/candidate-list-table>. The Authorization List is available at <http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list>

## **WEEE Directive**

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register the products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012. The revised WEEE Directive expands the scope of products covered to include all electrical and electronic equipment. The expanded scope will apply from August 14, 2018. U.S. exporters seeking more information on the WEEE Directive should visit: <http://export.gov/europeanunion/weerohs/index.asp>

## **RoHS**

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic



equipment. U.S. exporters seeking more information on the WEEE Directive should visit: <http://export.gov/europeanunion/weeerohs/index.asp>

### ***Cosmetics Regulation***

On November 30, 2009, the EU adopted a new regulation on cosmetic products which will apply from July 11, 2013. The new law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: <http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing>

For more general information, see:

[http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg\\_eu\\_044318.asp](http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp)

### ***Agricultural Documentation***

**Phytosanitary Certificates:** Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

**Sanitary Certificates:** For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.fas.usda.gov/posthome/Useu/certificates-overview.html>

### ***Sanitary Certificates (Fisheries)***

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. Commission Decision 2006/199/EC lays down specific conditions on imports of fishery products from the U.S. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1250/2008. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

Since June 2009, the unique U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU ([stephane.vrignaud@trade.gov](mailto:stephane.vrignaud@trade.gov)) or visit the following NOAA dedicated web site: [http://www.seafood.nmfs.noaa.gov/EU\\_Export.html](http://www.seafood.nmfs.noaa.gov/EU_Export.html)

## **U.S. Export Controls**

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The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at: <http://www.bis.doc.gov/enforcement/redflags.htm>

Also, BIS has "Know Your Customer" guidance at: <http://www.bis.doc.gov/Enforcement/knowcust.htm>

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <https://www.bis.doc.gov/forms/eeleadsntips.html>

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control

Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: <http://export.gov/ecr/index.asp>

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: <https://www.bis.doc.gov/seminarsandtraining/index.htm>

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov/>

## Temporary Entry

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Foreign goods may enter Portuguese territory under temporary duty-free admission. Temporary entry can be allowed for goods in transit, for manufacturing, for temporary storage in bonded warehouses or for temporary importation. Generally, temporary entry of goods requires the deposit of a guarantee for import duties and VAT.

In some cases, however, exemptions and partial guarantees can be made. In-transit merchandise can enter without guarantee by residents of the EU who make regular entries or a carnet TIR, carnet ATA or a NATO 302 form may be used. Guaranties are reimbursed when the merchandise leaves the territory of the EU. Professional materials, merchandise to be presented in exhibitions, teaching materials, and other materials can be temporarily imported duty-free under a carnet ATA. Temporary importation allows the merchandise to stay in the EU territory as foreign merchandise for a period of 24 months.

Samples and Carnets: Samples with no intended commercial value enter Portugal free of duties and taxes. When sending such samples parcel post, the sender must specify the types of samples are being shipped. "No commercial value" should be written on the appropriate shipping documents.

In order for samples of commercial value to enter Portugal duty- and tax-free, a bond or deposit of the total amount of duties and taxes must be arranged. Samples must be re-exported within one year if the deposit is to be recouped. An alternative to placing such a deposit is applying for an ATA Carnet.

ATA Carnet: An ATA carnet is a special international customs document designed to simplify and streamline customs entry procedures for merchandise into participating countries for up to one year. The initials "ATA" are an abbreviation of the Portuguese and English words "Admissão Temporária/Temporary Admission." Customs authorities in the United States and Portugal accept carnets as a guarantee that all customs duties

and taxes will be paid if any of the items covered by the carnet are not re-exported within the time period allowed. Carnets may be used for commercial samples, professional equipment, and goods destined for exhibitions and fairs.

To inquire about or apply for an ATA Carnet, contact the U.S. Council for International Business:

USCIB  
1212 Avenue of the Americas  
New York, NY 10036  
Tel.: (212) 354-4480  
Fax: (212) 575-0327  
Email: [info@uscib.org](mailto:info@uscib.org)

Key Link: <http://www.uscib.org/index.asp?documentID=859>

## **Labeling and Marking Requirements**

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U.S. firms entering the Portuguese market are strongly advised to examine EU as well as Portuguese laws. Given that legislation regarding labeling continues to develop, EU labeling regulations and standards need to be carefully monitored.

There may be special requirements for some products such as pharmaceuticals, detergents, tobacco, fertilizers, alcoholic beverages and foodstuffs containing preservatives and colorings. There are also special requirements for the packaging and labeling of dangerous or toxic products.

Jewelry and other articles of gold, silver or platinum must be assayed and hallmarked in Portugal by the assayer's office in Lisbon or Porto. The importation of these articles is limited to those firms or persons registered in the assayer's office.

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, Portuguese voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus may become unavoidable for marketing purposes. Labeling in Portugal serves an increasingly informational and even promotional role. Labels often act as "silent salespeople," especially due to the recent growth of large retail stores offering little sales assistance.

Manufacturers are advised to take note that all labels require metric units starting 2010. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the freedom of Member States to require the use of the language of the country of consumption.

### **Basic Labeling Requirements:**

Though many labeling regulations are sector-related, the following information is generally required for all categories of products:

Origin: All imported products sold directly to the public must be marked with the label "Fabricado em" which is the Portuguese translation of "Made in".

Language: Labels must be written in Portuguese. Portuguese or international law must have authorized any foreign words or abbreviations. The writing must be clear and non-promotional.

Brand Names/Trademarks: Any name symbols and marks relating to the product must be found on the exterior of the packaging, the product label, and the bottle-top or lid, as the case applies. The manufacturer can only use registered brand names and trademarks.

Composition: All ingredients or materials constituting the product must be listed.

Usage Instructions: Explain how the product is to be used.

Required Dates: These include the consumption limit for perishable items, and recommended "use by" date for pre-packaged and frozen food products.

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:  
[http://buyusainfo.net/docs/x\\_366090.pdf](http://buyusainfo.net/docs/x_366090.pdf)

## **Prohibited and Restricted Imports**

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As an EU country, Portugal follows the EU Customs Code. Some products might be subject to strict controls such as strategic products, wildlife, hazardous articles, non-sport firearms and ammunition, etc.

While not considered a "closed market," certain regulations exist in both Portugal and the EU, which limit the market access for specific U.S. agricultural exports.

For more information on trade restrictions, food standards and regulations please refer to the Food and Agricultural Import Regulation and Standards Report (FAIRS).

Key Link: <http://www.fas.usda.gov>

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES	Convention on International Trade of Endangered Species
PROHI	Import Suspension
RSTR	Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/customs\\_tariff/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm)

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: [http://ec.europa.eu/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

*Major Regulatory Efforts of the EC Customs and Taxation Union Directorate:*

**Electronic Customs Initiative** – Deals with major EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is essentially based on the following three pieces of legislation:

- The [Security and Safety Amendment to the Customs Code](#), which provides for full computerization of all procedures related to security and safety;
- The Decision on the paperless environment for customs and trade ([Electronic Customs Decision](#)) which sets the basic framework and major deadlines for the electronic customs projects;
- The [modernized Community Customs Code](#) which provides for the completion of the computerization of customs

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/electronic\\_customs\\_initiative/electronic\\_customs\\_legislation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm)

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: [http://ec.europa.eu/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

**Customs Valuation** – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

The EU imports in excess of 1.5 trillion euro worth of goods (year 2010, estimate). It is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis,
- application of commercial policy measures,
- proper collection of import duties and taxes, and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of '[customs value](#)'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of

duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/declared\\_goods/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm)

**Customs and Security** – At the end of July 2003, the Commission presented to the Parliament and Council a series of measures to address security issues. These measures can be found in [two communications and a proposal for amending the Community Customs Code](#). This package brought together the basic concepts underlying the new security-management model for the EU's external borders, such as a harmonized risk assessment system. The security amendment to the Community Customs Code ([Regulation \(EC\) n° 648/2005 of 13 April 2005](#)) was published in the Official Journal of the European Union on May 4, 2005. With this amendment, the European Union introduced a number of measures to tighten security around goods crossing international borders. The measures mean faster and better-targeted checks. The results are positive for customs authorities, the public and Industry.

The measures cover three major changes to the Customs Code:

- require traders to provide customs authorities with information on goods prior to import to or export from the European Union (see Pre Arrival / Pre Departure Declarations);
- provide reliable traders with trade facilitation measures see Authorized Economic Operator (AEO);
- introduce a mechanism for setting uniform Community risk-selection criteria for controls, supported by computerized systems.

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm)

Contact Information for national customs authorities:

[http://ec.europa.eu/taxation\\_customs/taxation/personal\\_tax/savings\\_tax/contact\\_points/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm)

## Standards

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## Overview

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Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to <http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

### *Agricultural Standards*

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.fas.usda.gov/posthome/useu/about.html>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: <http://www.fas.usda.gov/posthome/useu/about.html>

## Standards Organizations

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EU standards setting is a process based on consensus initiated by Industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization



(<http://www.cenelec.eu/> )

2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates can be checked on line at:

[http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm)

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, FYR Macedonia, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's "sectors" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal ([http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU legislation, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: <http://www.cen.eu/cenorm/products/cwa/index.asp>

The role of standards in legislation is undergoing review. The Commission's proposal, which is now in its first reading at the European Parliament, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on

referencing international standards where possible. For information, communication and technology products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a board will decide which deliverables from fora and consortia will be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: [http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm)

The Portuguese Institute for Quality is the Portuguese authority in charge of coordinating the establishment of standards for the Portuguese market in full compliance with European Union standards. Copies of the most up-to-date standards can be obtained directly from IPQ.

Instituto Português de Qualidade (IPQ)  
(Portuguese Institute for Quality)  
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Tel.: (+351) 212 948 100  
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E-mail: [encomenda@mail.ipq.pt](mailto:encomenda@mail.ipq.pt)  
<http://www.ipq.pt>

#### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## **Conformity Assessment**

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the

CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

## **Product Certification**

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IPQ is the Portuguese Institute for Quality. This agency oversees standardization, accreditation, certification and metrology in Portugal.

To sell products in the EU market of 27 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

## **Accreditation**

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Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (<http://www.european-accreditation.org/content/home/home.htm>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

The Portuguese accreditation authority is:

IPAC - Instituto Português de Acreditação, I.P.  
(Portuguese Institute for Accreditation)  
Rua António Gião, 2, 5º  
2829-513 Caparica  
Tel (+ 351) 212 948 201  
Fax (+ 351) 212 948 202  
Email: [acredita@ipac.pt](mailto:acredita@ipac.pt)  
<http://www.ipac.pt/index.asp>

## Publication of Technical Regulations

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The Official Journal is the official gazette of the European Union. It is published daily on the internet and consists of two series covering draft and adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation ([http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm)).

National technical Regulations are published on the Commission's website [http://ec.europa.eu/enterprise/tris/index\\_en.htm](http://ec.europa.eu/enterprise/tris/index_en.htm) to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT) to report to the WTO all proposed technical regulations that could affect trade with other member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect access to international markets. Register online at Internet URL: <http://tsapps.nist.gov/notifyUS/data/index/index.cfm>

In Portugal, IPQ provides standards for conformity in Portugal with European standards: Access on-line at Web site: <http://www.ipq.pt>

## Labeling and Marking

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As stated earlier, U.S. firms entering the Portuguese market are strongly advised to examine EU as well as Portuguese laws. Each European Union country is integrating the rulings of the EU into its national legislation. As much legislation regarding labeling is still in the developmental stage, EU labeling regulations and standards need to be carefully monitored.

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: [http://ec.europa.eu/enterprise/prepack/packsize/packsiz\\_en.htm](http://ec.europa.eu/enterprise/prepack/packsize/packsiz_en.htm)

### *The Eco-label*

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently twenty-three different product groups, and approximately 250 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competency body of the member state in which the product is sold. The application fee will be somewhere between €300 and €1300 depending on the tests required to verify if the product is eligible. The eco-label also carries an annual fee equal to 0.15% of the annual volume of sales of the product range within the European community. However, the minimum annual fee is currently set at €500 and maximum €25,000.

There are plans to significantly reform the eco-label in the near future, reducing the application and annual fees and expanding the product ranges significantly. It is also possible that future eligibility criteria may take into account carbon emissions.

Key Links:

[Eco-label Home Page](#)

[Product Categories eligible for the Eco-label](#)

[Eco-Label Catalogue](#)

[List of Competent Bodies](#)

[Revision of the Eco-label](#)

[The Eco-label and Carbon Footprint](#)

## **Contacts**

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Fax: (+351) 217 268 914  
<http://www.buyusa.gov/portugal/>

Ministry of Economy  
Av. da Republica, 79  
1069-218 LISBON, PORTUGAL  
Tel.: (+351) 217 911 600  
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E-mail: [secretaria.geral@min-economia.pt](mailto:secretaria.geral@min-economia.pt)  
<http://www.min-economia.pt>

U.S. Mission to the E.U.  
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## Trade Agreements

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As a member of the European Union, Portugal is subject to all European Union Free Trade Arrangements. European Union laws and regulations provide that member states may designate parts of the customs territory of the Community as free trade zones and free warehouses.

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see [http://tcc.export.gov/Trade\\_Agreements/index.asp](http://tcc.export.gov/Trade_Agreements/index.asp)

## Web Resources

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Online customs tariff database (TARIC):

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/customs\\_tariff/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm)

The Modernized Community Customs Code MCCC):  
[http://europa.eu/legislation\\_summaries/customs/do0001\\_en.htm](http://europa.eu/legislation_summaries/customs/do0001_en.htm)

ECHA: <http://echa.europa.eu>

Taxation and Customs Union:  
[http://ec.europa.eu/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Electronic Customs Initiative: Decision N° 70/2008/EC  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF>

Modernized Community Customs Code Regulation (EC) 450/2008):  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

Legislation related to the Electronic Customs Initiative:  
[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/electronic\\_customs\\_initiative/electronic\\_customs\\_legislation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm)

What is Customs Valuation?  
[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/declared\\_goods/european/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm)

Customs and Security: Two communications and a proposal for amending the Community Customs Code  
[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm)

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Pre Arrival/Pre Departure Declarations:  
[http://ec.europa.eu/taxation\\_customs/customs/procedural\\_aspects/general/prearrival\\_predeparture/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm)

AEO: Authorized Economic Operator  
[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/aeo/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm)

Contact Information at National Customs Authorities:  
[http://ec.europa.eu/taxation\\_customs/taxation/personal\\_tax/savings\\_tax/contact\\_points/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm)

New Approach Legislation: [http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm)

Cenelec, European Committee for Electrotechnical Standardization:  
<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:  
<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:  
<http://www.cen.eu/cenorm/homepage.htm>

Standardisation – Mandates:  
[http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm)

[http://ec.europa.eu/enterprise/policies/european-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/index_en.htm)

[http://ec.europa.eu/enterprise/standards\\_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR](http://ec.europa.eu/enterprise/standards_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR)

ETSI – Portal – E-Standardisation :  
[http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)

CEN – Sector Fora:  
<http://www.cen.eu/cenorm/sectors/index.asp>

Nando (New Approach Notified and Designated Organizations) Information System:  
<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):  
[http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index\\_en.htm](http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index_en.htm)

European Co-operation for Accreditation:  
<http://www.european-accreditation.org/content/home/home.htm>

Eur-Lex – Access to European Union Law:  
<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:  
**European Standards**  
[http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm)

What's New  
[http://ec.europa.eu/enterprise/policies/european-standards/news/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/news/index_en.htm)

National technical Regulations  
[http://ec.europa.eu/enterprise/tris/index\\_en.htm](http://ec.europa.eu/enterprise/tris/index_en.htm)



NIST - Notify U.S.: <http://tsapps.nist.gov/notifyU.S./data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:

<http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/documents/pack-sizes/>

European Union Eco-label Homepage:

[http://ec.europa.eu/comm/environment/ecolabel/index\\_en.htm](http://ec.europa.eu/comm/environment/ecolabel/index_en.htm)

Eco-Label Catalogue:

<http://www.eco-label.com/default.htm>

National Trade Estimate Report on Foreign Trade Barriers:

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2009/2009-national-trade-estimate-report-foreign-trad>

Agricultural Trade Barriers:

<http://www.fas.usda.gov/posthome/Useu/>

Trade Compliance Center:

<http://www.trade.gov/tcc>

U.S. Mission to the European Union:

<http://useu.usmission.gov/>

The New EU Battery Directive:

[http://www.buyusainfo.net/docs/x\\_8086174.pdf](http://www.buyusainfo.net/docs/x_8086174.pdf)

The Latest on REACH:

<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:

<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:

<http://www.fas.usda.gov/posthome/useu/certificates-overview.html>

Center for Food Safety and Applied Nutrition

<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview

[http://www.buyusainfo.net/docs/x\\_4171929.pdf](http://www.buyusainfo.net/docs/x_4171929.pdf)

The European Union Eco-Label:

[http://buyusainfo.net/docs/x\\_4284752.pdf](http://buyusainfo.net/docs/x_4284752.pdf)

Trade Agreements

[http://tcc.export.gov/Trade\\_Agreements/index.asp](http://tcc.export.gov/Trade_Agreements/index.asp)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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The Government of Portugal recognizes the value of foreign investment and sees such investment as an important engine of economic growth. Portugal is in its third consecutive year of economic recession and is currently in the process of implementing many structural reforms associated with its receipt of a €78 billion bailout from the European Union and the International Monetary Fund in 2011. The Portuguese Agency for Foreign Investment and Commerce (AICEP) is the lead agency for economic development policy. AICEP is responsible for the promotion of global Portuguese trademarks, export goods and services, and attraction of foreign direct investment (FDI).

It is the point of contact for investors with projects over €25 million or companies with a consolidated turnover of more than €78 million. For foreign investments not meeting these thresholds, AICEP will make a preliminary analysis and direct the investor to assistance agencies such as the Institute of Support to Small- and Medium Sized Enterprises and Innovation (IAMPEI), a public agency within the Ministry of Economy that provides technical support, or to AICEP Capital Global, which offers technology transfer, incubator programs and venture capital support.

The Bank of Portugal (Portugal's central bank) defines FDI as "an act or contract that obtains or increases enduring economic links with an existing Portuguese institution or one to be formed." A non-resident who invests in at least 10% of a resident company's equity and participates in the company's decision-making is considered a foreign direct investor. The Portuguese legal system is based on non-discrimination with regard to the

national origin of investment, and foreigners are permitted to invest in all economic sectors open to private enterprise. However, there are limitations on both foreign and domestic investments with regard to certain economic activities. Portuguese government approval is required in the following sectors: defense, water management, public telecommunications operators, railway, maritime transportation and air transport. Any economic activity that involves the exercise of public authority also requires government approval. Private sector companies can operate in these areas only through a concession contract.

Investors wishing to establish new credit institutions or finance companies, acquire a controlling interest in such financial firms, and/or establish a subsidiary must have authorization from the Bank of Portugal (for EU firms) or the Ministry of Finance (for non-EU firms). In both cases, the authorities carefully consider the proposed transaction, but in the case of non-EU firms, the Ministry of Finance especially considers the impact on the efficiency of the financial system and the internationalization of the economy. Non-EU insurance companies seeking to establish an agency in Portugal must post a special deposit and financial guarantee and must have been authorized for such activity by the Ministry of Finance for at least five years.

EU workers are not required to have work permits. Non-EU workers are required to have both legal residency and a work permit. Authorization for permanent residence is granted when an employee has a labor contract, rent contract, or a permanent resident document and is registered with the Social Security Services. Requests are processed by the Serviços de Estrangeiros e Fronteiras (SEF) Branch and regulated by Decree-Law 23/2007 dd4/07 and Decree-Law 84/2007 dd 05/11. For more information, visit <http://www.sef.pt>.

Following are Portugal's rankings on five widely accepted measures of the business and investment environment:

<u>Measure</u>	<u>Year</u>	<u>Ranking</u>
TI Corruption Perceptions Index	2012	33 of 176
Heritage Economic Freedom	2012	68 of 179
World Bank Doing Business	2012	30 of 185
World Economic Forum Global Competitiveness Rpt	2012-13	49 of 139
Innovation Union Scoreboard	2011	12 of 27

For more information about these measures visit:

- [http://issuu.com/transparencyinternational/docs/cpi\\_2012\\_report/5](http://issuu.com/transparencyinternational/docs/cpi_2012_report/5)
- <http://www.heritage.org/index/Ranking>
- <http://www.doingbusiness.org/data/exploreeconomies/portugal/>
- <http://reports.weforum.org/global-competitiveness-report-2012-2013/#=>
- [http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/innovation-scoreboard/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/innovation-scoreboard/index_en.htm)

## Conversion and Transfer Policies

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Portugal is a member of the European Monetary Union and uses the euro. Portugal does not have exchange controls and there are no restrictions on the import or export of capital. Both residents and non-residents may hold bank accounts in any currency. However, any party that transfers €10,000 or more outside of Portugal in foreign banknotes, gold, travelers' checks, or bearer securities must declare it to the Portuguese customs authorities.

## Expropriation and Compensation

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There have been no cases of expropriation of foreign assets or companies in Portugal in recent history.

## Dispute Settlement

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The Portuguese judicial system is relatively independent but lacks efficiency. According to the World Bank's 2013 Doing Business report for Portugal, enforcing a contract takes 547 days, costs 13.0% of the value of the claim, and requires 32 procedures. This is well above the EU average. Recognizing that this is a deterrent to investment, Portugal has agreed, as part of its EU bailout plan requirements, to institute reforms in three areas: 1) timely enforcement of contracts and competition rules, 2) restructuring of the court system to reduce the number of jurisdictions, and 3) eliminate backlogs. Implementation of this process has begun, and several thousand cases in the backlog have already been closed, but a structural overhaul of this magnitude will take years to fully implement and to produce results. In the meantime, resolution of cases remains sluggish.

## Performance Requirements and Incentives

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In November 2012, Portugal received EU-permission to reduce its the standard corporate tax rate (IRC) to 10% for new investments made in Portugal. On all other investments, the IRC is 25% throughout Portugal, with the exception of the Autonomous Region of the Azores where it is 17.5%. A state surtax is levied at 3% on taxable profits over €1.5 million up to €10 million and at 5% on amounts exceeding €10 million. A municipal surcharge is levied on taxable profits at rates up to 1.5% (depending on the municipality), resulting in a maximum possible aggregate tax rate of 29.5%-31.5%.

The Portuguese Government offers investment incentives which can be tailored to investors' needs and capital based on industry, proposed size of investment, and project sustainability. A 10-20% tax investment credit is granted for large industrial investment projects. A credit of 32.5-50% of qualifying research and development expenses (limited to €1.5 million) is available. For more information on investment incentives offered by the central government, visit AICEP's website: <http://www.portugalglobal.pt>

The Autonomous Regions of Madeira and the Azores also offer investment incentives. For example, profits derived from offshore operations by licensed industrial, shipping, international services, and financial companies established in the International Business Centre of Madeira (a foreign trade zone) are subject to the reduced corporate tax rate of 5%. For more information on the International Business Centre of Madeira's corporate tax regime, please visit <http://www.abc-madeira.com/>.

Since Portugal is an EU Member State, potential investors may be able to access European aid programs, which provide further incentives to investing in Portugal. Portugal received €21.5 billion in EU Structural and Cohesion funds for 2007-2013. These funds have been used by Portugal to co-finance, jointly with EU funds, key investments in the areas of research and development, information and communications technology, transport, water, solid waste, energy efficiency and renewable energy, urban regeneration, health, education, and culture. For more information, visit <http://www.qren.pt> or <http://www.incentivos.qren.pt>.

## **Right to Private Ownership and Establishment**

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Private ownership is limited to 49% in the following sectors: basic sanitation (except waste treatment), international air transport, railways, ports, arms and weapons manufacture, and airports. The government requires private firms to obtain concessions, contracts, and licenses to operate in a number of sectors (public service television, waste distribution, waste treatment), but grants these on a non-discriminatory basis. Foreign firms have the right to establish themselves in all economic sectors open to private enterprise. Foreign investments affecting public health, public order or security, or relating to the arms industry require approval of the competent authorities.

Law No. 18/2003 (June 6, 2003) governs protection and promotion of competition in Portugal. It specifically prohibits collusion between companies to fix prices, limit supplies, share markets or sources of supply, discriminate in transactions, or force unrelated obligations on other parties. Similar prohibitions apply to any company or group with a dominant market position. The law also requires prior government notification of mergers or acquisitions that would give a company more than a 30 % market share in a sector, or mergers or acquisitions among entities that had total sales in excess of €150 million in the preceding financial year. The Competition Authority has 60 days to determine if the merger or acquisition can proceed. The European Commission may claim authority on cross-border competition issues or those involving entities large enough to have a significant EU market share.

## **Protection of Property Rights**

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The government adopted the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and provisions of the General Agreement on Tariffs and Trade (GATT) in 2003. Portuguese legislation for the protection of intellectual property rights has been consistent with WTO rules and EU directives since 2004. In 2012, the

government created a court with one judge dedicated to intellectual property rights. Portugal is a participant in the eMAGE and eMARKS projects, which provide multilingual access to databases of trademarks and industrial designs. These international efforts assist participating customs authorities in combating sales of counterfeit goods. Other participating countries include France, Austria, Hungary and Spain.

*Trademark Protection:* Portugal is a member of the International Union for the Protection of Industrial Property (WIPO) and a party to the Madrid Agreement on International Registration of Trademarks and Prevention of the Use of False Origins. Portugal's current trademark law, the Industrial Property Code, was approved by Decree-Law 143/2008 and went into effect on July 25, 2008. The law is consistent with TRIPS.

*Copyright Protection:* Portugal has implemented directives on the EU information society and protection of databases through national legislation (Decree-Law 50/2004 and 112/2000, respectively). The software piracy rate in Portugal is slightly higher than the average software piracy rate in the EU. According to a 2010 report of the Business Software Alliance, the software piracy rate in Portugal in 2009 was 40%, compared to the EU average of 35% and the Western Europe average of 34%.

*Patent Protection:* Patent protection in Portugal is governed by the Code of Industrial Property that went into effect on June 1, 1995. In 1996, new legislation was passed to extend the life of then-valid patents to 20 years, consistent with the provisions of TRIPS. A new industrial property code, designed to bring Portugal into full conformity with EU and international norms, went into effect in July 2008.

Portugal grants health (FDA-equivalent) approval to market new drug products without cross-checking for existing products with unexpired patent protection already in the market. This forces companies to pursue redress through the court system, an expensive and time-consuming process. U.S. pharmaceutical companies have brought a number of cases in Portuguese courts for violation of patent rights by Portuguese companies. One U.S.-owned pharmaceutical company has won five cases and has additional cases pending.

## Transparency of Regulatory System

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In the past, businesses frequently complained about red tape with regard to registering companies, filing taxes, receiving value-added tax refunds and importing materials. Decision-making tended to be centralized, and obtaining government approvals/permits was often time-consuming and costly. In the past few years, Portugal has undertaken efforts to improve government efficiency.

The Ministry of Economy has promoted various initiatives. In 2007, it worked with the Ministry of Justice to launch the "Cutting Red Tape" website, a repository of information for all measures taken since 2005 to reduce bureaucracy in the incorporation, registration, certification, liquidation, dissolution and merging of businesses in Portugal. Other initiatives include the "Empresa na Hora" (Business in an Hour), which allows for the incorporation of companies in less than one hour at Corporate Formalities Centers and Business Registration Offices. Other services provide online company incorporation, labor mediation, bilingual commercial registration, and patents and trademarks. Between

January and November 2010, a total of 17,040 companies were incorporated under the "Empresa na Hora" program. Since its inception, more than 100,000 companies have been incorporated under the "Empresa na Hora" program.

In an effort to promote small and medium-sized businesses, on December 30, 2010, the Portuguese Council of Ministers approved new measures to simplify further company formation procedures. It eliminated the €5,000 minimum share capital to establish limited liability companies, individual shareholder limited companies, and limited liability sole proprietorships, giving entrepreneurs the flexibility to determine the share capital of their companies without any restrictions and to deposit the share capital, as little as €1, by the end of the first year of operations rather than prior to initiation of economic activity. The minimum share capital for public limited companies remains €50,000.

## Efficient Capital Markets and Portfolio Investment

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One result of Portugal's participation in the European Monetary Union is the country's increasing integration into a European-wide financial market. As a member of the eurozone, Portugal offers low exchange rate risk for foreign investors; however, with Portuguese banks resorting to the European Central Bank (ECB) for liquidity, the Bank of Portugal anticipates increased bank spreads and more limited access to credit for individuals and companies. In January 2013, the average interest rate on new corporate loans was approximately 6.8%, well above the eurozone average of 3.9%. The Bank of Portugal regulates the effective annual interest rate (TAEG) on loans in accordance with Decree-Law No. 133/2009 (June 2009), which established the maximum TAEG. In addition to bank lending, the private sector has access to a variety of credit instruments, including bonds. Legal, regulatory, and accounting systems are consistent with international norms.

The Portuguese capital markets code (the CVM) went into effect on March 1, 2000, and has rationalized and streamlined Portuguese capital markets legislation. The Lisbon stock market is part of Euronext, which also includes the Paris, Brussels and Amsterdam markets. Yields on long-term government bonds remained among the highest in the eurozone. The sovereign debt crisis led to a loss of access to wholesale debt markets in 2010. Portugal returned to the bonds market in October 2012 and successfully conducted a short-term bond exchange. Government authorities hope to regain full access to the medium- and long-term debt markets in 2013.

Portugal has 44 banking institutions, with the four largest bank groups accounting for over 70% of the sector's total assets. Debt redemptions in 2012 total €17 billion. The country's largest bank, Caixa Geral de Depositos (CGD), is state-owned. Despite economic challenges due to the global and eurozone financial crises, Portuguese banks have maintained a Tier 1 capital ratio over 8%, as required by the Bank of Portugal. However, they have had to resort to the ECB for liquidity. In June 2012, ECB borrowing reached an all time high of €60 billion which has decreased when banks returned to bond markets.

In addition to banks and stock markets, Portugal has taken specific steps to ensure that the financial needs of SMEs are met. IAPMEI has a program of mutual guarantees so that SMEs do not have to use their assets or those of their shareholders to collateralize

debt. The companies pay an initial evaluation fee and an annual fee equal to 0.75 - 3.00% of the guarantee.

IAPMEI has also supported the creation of venture capital funds and venture capital firms to channel capital to SMEs. In 2008, the European Investment Fund, together with private financial institutions, public bodies, and select foundations, launched the Portugal Venture Capital Initiative (PVCi), a €111 million private equity/venture capital fund of funds, to invest in Portuguese and international funds focused primarily on Portugal and to accelerate growth of Portugal's SME sector. PVCi investors include the Portuguese government, state-owned Caixa Geral de Depositos, the Gulbenkian Foundation, and major private banks.

## **Competition from State Owned Enterprises**

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The Portuguese system is based on non-discrimination regarding national origin of investment. Foreign and domestic private companies are limited in certain economic activities, such as water utilities, postal services, rail transport, and maritime ports. Private sector companies, regardless of national origin, can operate in these restricted fields only through a concession contract. As part of its financial bailout agreement, Portugal will privatize several SOEs. Privatization has begun in Portugal's energy and aviation industries. Further sales of Portuguese assets in the sanitation and telecommunications sectors are planned. There is no sovereign wealth fund in Portugal.

## **Corporate Social Responsibility**

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There is strong awareness of corporate social responsibility in Portugal and broad acceptance of the need to consider the community among the key stakeholders of any company. GRACE (Group of Reflection and Support for Business Citizenship) Association was founded in 2000 by a group of companies, primarily multinational corporations, to expand the role of the Portuguese business community in social development. It was the first non-profit organization in Portugal dedicated to corporate social responsibility.

Since its founding, GRACE has engaged in various community projects, participating in the International Day of Volunteers and partnering with local civic groups to rehabilitate public spaces and facilities, create community gardens, and improve the environment. GRACE's GIRO project, the largest corporate volunteer project in Portugal, has organized over 3100 volunteers to the benefit of more than 50 institutions and 13,000 people throughout Portugal. There are several other prominent organizations, such as the Portuguese Business Ethics Association, dedicated to corporate social responsibility in collaboration with the Ministry of Economy's General Directorate of Economic Activities.



## Political Violence

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Portugal has a long history of peaceful social protest. Portugal experienced its largest political rally since its revolution in response to proposed budgetary measures in 2012. Subsequent demonstrations against government austerity measures and economic policies have resulted in isolated and low levels of vandalism, generally directed at parliamentary facilities. Public workers, including nurses, doctors, teachers, aviation professionals and public transportation workers have organized strikes periodically in protest of salary cuts and other austerity measures throughout 2012. A prolonged port worker strike in 2012 is estimated to have impacted Portugal's import/export trade by €1.2 billion.

## Corruption

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Corruption plays a limited role in Portugal's business culture. Although U.S. firms occasionally encounter limited degrees of corruption in the course of doing business in Portugal, they do not identify corruption as an obstacle to foreign direct investment. Portugal has ratified the OECD Anti-bribery Convention and has passed legislation to bring its criminal code in compliance with the Convention. Tax evasion remains a problem for the government, which has implemented several initiatives to improve collection rates. In July 2010, Portugal passed a series of laws to combat corruption that included increased penalties for bribery (both active and passive) and extended statutes of limitations for certain corruption-related crimes, such as bribery and abuse of official function.

## Bilateral Investment Agreements

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Portugal has signed investment agreements with the following countries: Albania, Germany, Angola, Algeria, Argentina, Bosnia Herzegovina, Brazil, Bulgaria, Cape Verde, Chile, China, South Korea, Croatia, Cuba, Egypt, Slovakia, Slovenia, Philippines, Gabon, Guinea-Bissau, Hungary, India, Kuwait, Latvia, Libya, Lithuania, Macao, Morocco, Mauritius, Mexico, Mozambique, Pakistan, Paraguay, Peru, Poland, Qatar, Czech Republic, Romania, Russia, Sao Tome and Principe, Timor, Tunisia, Turkey, Ukraine, Uruguay, Uzbekistan, Venezuela and Zimbabwe.

## OPIC and Other Investment Insurance Programs

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Portugal is a country with low political risk, and the potential for significant OPIC insurance programs in Portugal is limited. Portugal is a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank

Numerous labor reform packages aimed at improving the productivity of Portugal's workforce have been implemented in recent years. A package of labor reform laws took effect in 2003 permitting greater geographic and functional mobility for employees. The labor code limits the role of unions and makes it more difficult for workers to strike. It also addresses absenteeism and fraudulent leave. Additional changes were implemented in 2009 clarifying rules concerning intermittent and seasonal employment, specifying leave flexibility regarding parenthood and family support, and other issues.

However, low productivity and difficulty in firing workers have hampered Portugal's ability to attract foreign investment. Among southern periphery eurozone countries, Portugal ranks lowest in labor productivity. In 2012, Portugal enacted a series of labor market reforms geared at increasing productivity and flexibility in the Portuguese workforce. Notable reforms include easier dismissals, severance pay decreases, and a reduced number of paid holidays. Changes to work-time arrangements, employment-protection rules, and collective bargaining practices are expected to further aid firms in adapting to changing market conditions.

Labor strikes and work stoppages in Portugal, as in much of Europe, are more common than in the United States. Most strikes, however, are nonviolent and of short duration. In recent years, work stoppages have been more common among public sector workers, including transport sector workers, teachers, and nurses, than in the private sector. In November 2012, Portugal labor unions staged a general strike to protest government austerity measures and economic policies which resulted in low levels of vandalism.

Portugal is a member of the International Labor Organization (ILO) and adheres to the ILO Conventions Protecting Labor Rights. Portugal ratified ILO Convention 138, which establishes a minimum employment age of 15 for all economic sectors. As of January 1, 1997, the minimum age for employment in Portugal is 16.

*Unemployment:* Portugal's unemployment rate reached 16.3% in 2012, a near 6% increase from 2010 (10.6 %). Youth employment reached nearly 40% in 2012. The total number of unemployed was estimated at 609,400 individuals, the highest figure in 30 years.

Portugal has one foreign trade zone (FTZ)/free port in the Autonomous Region of Madeira, established in 1987. Continued operation of this foreign trade zone/free port was authorized in accordance with EU rules on incentives granted to member states. Industrial and commercial activities, international service activities, trust and trust

management companies, and offshore financial branches are all eligible. Companies established in the foreign trade zones enjoy import/export-related benefits, financial incentives, tax incentives for investors, and tax incentives for companies.

As of December 31, 2009 (the latest available figure), the Madeira FTZ had 3,221 active registered companies, including 240 ships registered in the International Shipping Register. Under the terms of Portugal's agreements with the EU, companies in the Madeira FTZ can take advantage of revised tax incentives until 2020. For additional information on Madeira's tax regime, please visit the International Business Centre of Madeira at: [http://www.ibc-madeira.com/Tax\\_Benefits.aspx?ID=29](http://www.ibc-madeira.com/Tax_Benefits.aspx?ID=29)

## Foreign Direct Investment Statistics

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According to the Central Bank of Portugal, foreign direct investment (FDI) in Portugal was €84.6 billion in 2012, a slight decrease from 2011 figures. Portuguese investment abroad reached €50.3 billion, a €4 billion decrease from 2011. In 2012, the EU-member states accounted for 92.1 % of FDI to Portugal. According to AICEP, the top countries of origin for FDI to Portugal were Luxemburg, Spain, the United Kingdom, France, the Netherlands, Germany, Austria, Switzerland, Belgium, Ireland, and the United States during the first semester of 2012.

The leading industries for receipt of FDI were wholesale and retail services, financial and insurance activities, manufacturing, utilities, and information and communication activities, representing approximately 92% of FDI. According to the U.S. Census Bureau, the United States exported \$1 billion in goods to Portugal and imported \$2.4 billion in Portuguese goods. For more information on Portugal's international investment position, please visit: <http://www.bportugal.pt/en-US/Estatisticas/PublicacoesEstatisticas/BolEstatistico/Publicacoes/C30.pdf>

Prominent U.S. businesses represented in Portugal include Cisco, Johnson & Johnson, Mattel, Oracle, General Electric, and Citibank. For information on other U.S. companies operating in Portugal, please visit the American Chamber of Commerce in Portugal at: <http://www.amcham.org.pt>.

For those interested in establishing a business in Portugal, information on doing business in Portugal is maintained by the U.S. Foreign Commercial Section at: <http://export.gov/portugal/doingbusinessinportugal/index.asp> .

Portuguese trade with the U.S.  
<http://www.census.gov/foreign-trade/balance/c4710.html>

Major foreign investors in Portugal  
<http://www.portugalglobal.pt/EN/Biblioteca/Pages/homepage.aspx>

Bank of Portugal

<http://www.bportugal.pt>

Portuguese Agency for Foreign Investment and Commerce

<http://www.portugalglobal.pt>

Empresa na Hora

<http://www.empresanahora.pt>

QREN (National Strategic Reference Framework 2007-2013)

<http://www.qren.pt>

EUROSTAT (Statistical Office of the European Union)

<http://ec.europa.eu/eurostat>

U.S. Census Bureau

<http://www.census.gov>

Technological Plan

<http://www.planotecnologico.pt>

"Cutting Red Tape" Investment Incentive Program

[www.cuttingredtape.mj.pt](http://www.cuttingredtape.mj.pt)

Portuguese Government

<http://www.portugal.gov.pt>

American Chamber of Commerce in Portugal

<http://www.amcham.org.pt>

IAPMEI (Institute for SME Support and Innovation)

<http://www.iapmei.pt>

INPI (Portuguese Patent and Trademark Office)

<http://www.inpi.pt>

Portuguese Directorate General for Economic Activities

<http://www.dgae.min-economia.pt>

U.S. Commercial Service in Portugal

<http://www.buyusa.gov/portugal/en>

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## Chapter 7: Trade and Project Financing

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### How Do I Get Paid (Methods of Payment)

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(Depending on the size of the order and payment history of the buyer, the terms of the sale will vary. For larger transactions or where the seller is less comfortable with the credit worthiness of the seller, foreign products are often imported by using irrevocable letters of credit against documents, particularly during the first year of business. Opening irrevocable letters of credit is a straightforward process in Portugal through which importers can insure against exchange risk with their banks. When a long-term relationship has been established between a supplier and a customer, more favorable credit terms may be negotiated.

Payment terms are frequently 30, 60 and 90 days. Large corporations, including large retailers, negotiate or impose longer payment terms that can last up to six months. The government defers all payments. Depending on the department, payments can be deferred up to one year. Product pricing must also include the necessary financial charges.

Aside from letters of credit, methods of payment most commonly used in Portugal for international trade are:

**Checks (Cheques):** While bank checks offer security in transactions, (since the bank issuing the check needs the guarantee of the transfer to issue it), personal checks do not provide adequate guarantees against commercial risk, as the bank does not guarantee the funds in the account of the person issuing the check.

**Payment Order (Letras):** In this case, the importer gives an order to the bank and, by using a correspondent bank in the same country, pays the exporter's bank the amount due. The initiative for the payment in this case is the importer's responsibility. These transfers, via SWIFT, are a common practice in the Portuguese banking system.

**Documents against payment (Cartas de Crédito):** Exporters use this instrument to ensure the possession of the merchandise until the collection of funds, or at least until the importer accepts a bill of exchange.

**Documentary Credit (Credito Documentário):** This method of payment offers safer conditions in the transaction, due to the involvement of banks in both countries. In this case, the importer's bank ensures against the entrance of a third party (an exporter, the bank or a correspondent bank).

Credit Card (Cartão de Crédito) for Small Online Purchases: Even though credit card purchases over the Internet are still not widespread in Portugal this option should not be excluded.

A U.S. exporter looking to recover debts should contact the Portuguese Credit and Collection Management Association (APERC) for information on and contact with debt collecting agencies. The Association can be reached on:  
[http://www.aperc.pt/en/pagina\\_inicial.html](http://www.aperc.pt/en/pagina_inicial.html)

Credit reports on Portuguese companies can be obtained by contacting any of the sources below:

Dun & Bradstreet Portugal  
R Barata Salgueiro 28,4º  
1250-044 Lisboa, Portugal  
Tel.: 351 213 500 300 Fax: 351 213 578 939  
<http://www.dbportugal.pt>

Coface-Serviços Portugal SA  
Avenida Columbano B Pinheiro 75,7º  
1070-061 Lisboa, Portugal  
Tel.: 351 213 588 800 Fax: 351 213 588 801  
<http://www.coface.pt>

You may also take advantage of customized credit report provided by the U.S. Commercial Service at the U.S. Embassy in Lisbon. Our reports will help you assess the risk, reliability and capability of the Portuguese company. This service is called the International Company Profile (ICP).

## **How Does the Banking System Operate**

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The Portuguese banking system witnessed very important structural changes over the last three decades from a government-controlled system to a market-driven environment fully integrated in the European Union. These profound structural and operational changes such as the abolishment of administrative interest rates in the 80's, liberalization and harmonization in the 90's and related implementation legislation has brought Portuguese banking regulations in line with EU legislative practices.

The Portuguese banking system is still quite concentrated, with the six largest banks accounting for around 95% of the sector's total assets..

These banks also have substantial holdings in non-traditional banking business sectors, such as insurance and brokerage firms. The largest banking groups in Portugal include Millennium BCP, Banco Espírito Santo (BES), Banco Português de Investimento (BPI), Banco Comercial Português (BCP), Banco Santander Totta, and state-owned Caixa Geral de Depósitos (CGD).

The recent crisis in international financial markets and the resultant global economic slowdown has led to particularly unfavorable conditions for banking activities worldwide.

The Portuguese economy is relatively small and highly integrated in the eurozone and, therefore, susceptible to market conditions. The Portuguese banking sector, like other sectors of the Portuguese economy, has been affected by the eurozone debt crisis. Banks have faced difficulties obtaining financing in the international wholesale markets and have increasingly resorted to the European Central Bank for liquidity. Some banks have also suffered losses on financial assets although they have not been exposed significantly to the subprime market and related transactions. Nevertheless, Portuguese banks continue to maintain Tier 1 capital ratios of over 10 percent and to show strong capacity for adapting to adverse conditions.

At present, only Banco Portugues de Negocios (BPN) has been nationalized (2008), the first bank nationalization in Portugal since 1975. At the time of nationalization BPN had lost approximately 700 million euros from declining investment values due to the global financial crisis. The Ministry of Finance stressed that BPN was taken over as a result of an ongoing investigation into mismanagement and malfeasance.

As a member of the EU, Portugal offers a modern banking system with advanced financial products. The country has one of the most advanced inter-banking networks in the world. ATMs and bank branches are easily found all over Portugal. Electronic banking is widespread, and Internet banking is offered by all major banks. Major credit and debit cards are accepted in most Portuguese hotels, shops, restaurants and gas stations. Most banks are open Monday to Friday from 8:30 am to 3:00 pm and are closed on weekends and public holidays.

The entity supervising the banking sector in Portugal is the Portuguese central bank (Bank of Portugal), a member of the European System of Central Banks (ESCB).

## **Foreign-Exchange Controls**

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There are no exchange controls in Portugal. Portugal does not restrict currency holdings by residents or nonresidents, nor does it limit the foreign exchange supply. Residents and nonresidents are free to hold deposits in any currency with Portuguese banks. There are no official guarantees against inconvertibility.

Reporting requirements apply to banks and other financial institutions. Such institutions must provide information between March and April on their positions in derivatives and report cross-border investments and lending in excess of EUR 50 million on an annual calendar year basis.

Transactions of less than EUR 12,500 are exempt from the notification requirement. Any party that transfers an amount larger than this outside Portugal in foreign banknotes, gold, travelers' checks or bearer securities must declare it to the Portuguese customs authority. Money laundering rules are being tightened in accordance with the worldwide trend. Full information about clients, notaries, art dealers and any other entities are required when transactions of more than EUR 10,000 are undertaken. Suspicious transactions must be reported.

**CITIGROUP/ CITIBANK**

Edifício Fundação  
Rua Barata Salgueiro, 30-4º  
1269-056 Lisboa, Portugal  
Tel.: (+351) 21 311 63 00  
Fax: (+351) 21 311 63 99  
<http://www.citibank.com>

**JP MORGAN CHASE (former Chase Manhattan Bank)**

Rua Barata Salgueiro, 30 - 3ºDto.  
1250-044 Lisboa, Portugal  
Tel.: (+351) 21 351 5400  
Fax: (+351) 21 352 63 02  
<http://www.jpmorganchase.com>

**MERRILL LYNCH (acquired by Bank of America)**

International Lisbon Rep. Office  
Atrium Saldanha  
Praca Dq. De Saldanha 1-9o. F  
1050-094 Lisboa, Portugal  
Tel.: (+351) 21 351 2350  
Fax: (+351) 21 351 2359  
<http://www.ml.com>

**AMERICAN EXPRESS (Credit Card Service Company)**

MillenniumBCP  
Departamento American Express  
Tagus Park, Ed. 6, Piso 0, Ala B  
2704-254 Porto Salvo, Portugal  
Tel.: (+351) 21 421 9041  
Fax: (+351) 21 006 6851  
<http://www.americanexpress.com/portugal/homepage.shtml>

**Project Financing**

Project finance and Public Private Partnerships (PPP) had been popular models in Portugal since the early 90's, thanks to a stream of state-funded projects that included the construction of the second Tagus Bridge, development of major roads and highways, hospitals and more recently the high-speed rail and airports. Energy projects had also been abundant, particularly renewable energy projects like solar, wind and photovoltaic plants.

Nevertheless, the agreement Portugal reached with the troika of the European Commission, the European Central Bank (ECB) and the International Monetary Fund for a three-year €78 billion bail-out in 2011 required austerity measures which have limited the number of new projects in Portugal since then.



Other aspects that have to be considered:

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The EU provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds program are distributed through the member states' national and regional authorities, and are only available for projects in the 27 (soon to be 28) EU member states. All grants for projects in non-EU countries are managed through the Directorate-General EuropeAid in conjunction with various European Commission departments, such as DG Regional Development.

### ***EU Structural Funds***

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. From 2007 – 2013, the EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs. In addition to funding economic development projects proposed by member states or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member states negotiate regional and "sectoral" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit: [http://ec.europa.eu/regional\\_policy/atlas2007/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/index_en.htm)

For projects financed through the Structural Funds, member state officials and regional authorities are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to meet with DG Regional Development officials and local officials in Member States to discuss local needs.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation and EU Treaty rules. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is highly advisable to team up with a local partner to gain credibility and demonstrate references..

All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU:

<http://export.gov/europeanunion/marketresearch/index.asp>

### ***The Cohesion Fund***

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU member states from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector.

Key Link: [http://ec.europa.eu/regional\\_policy/thefunds/cohesion/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm)

### ***Other EU Grants for Member States***

Another set of sector-specific grants offers assistance to EU member states in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on:

[http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)

### ***External Assistance Grants***

“Development and Cooperation – EuropeAid” is a new Directorate–General (DG) responsible for designing EU development policies and delivering aid through programs and projects across the world. It incorporates the former Development and EuropeAid DGs. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary country and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link:

[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the “Instrument for Pre-accession Assistance” (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission

law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is €11.4 billion.

Key Link: [http://ec.europa.eu/enlargement/index\\_en.htm](http://ec.europa.eu/enlargement/index_en.htm)

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is €11.9 billion for 2007-2013.

[http://ec.europa.eu/world/enp/index\\_en.htm](http://ec.europa.eu/world/enp/index_en.htm)

### ***Loans from the European Investment Bank***

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2012, the EIB lent EUR 52 billion for projects. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: <http://www.eib.org/projects/pipeline/index.htm>

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

EU websites:

The EU regional policies, the EU Structural and Cohesion Funds:

[http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)

EU Grants and Loans index: [http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)

EuropeAid Co-operation Office: [http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)

EU tender repository: <http://ted.europa.eu/TED/main/HomePage.do>

The European Investment Bank: <http://www.eib.org>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

U.S. websites:

Market research section on the website of the U.S. Mission to the EU:

<http://export.gov/mrktresearch/index.asp>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade

<http://www.sba.gov/about-offices-content/1/2889>

U.S. Agency for International Development: <http://www.usaid.gov>

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## Chapter 8: Business Travel

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### Business Customs

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Portugal is a democratic republic located on the Iberian Peninsula in south-western Europe and is the western-most country in continental Europe.

Portugal is bordered by Spain to the north and east and by the Atlantic Ocean to the west and south. In addition, Portugal includes two archipelagos in the Atlantic, the Azores and Madeira Islands.

The Portuguese business community is very formal; titles such as Doctor, Engineer, and Architect are commonly used. Make sure you ask the title of the person with whom you are meeting and always use it before the person's last name. Writing in red ink is considered an insult and, therefore, never used in the business community. When greeting a businessperson a handshake is proper.

Courtesy, in business and other spheres, is expected and easily extended. Legal contracts don't have the strength in business associations that personal confidence, built over years of experience, offers. Aggressiveness is not acceptable in marketing because it may be interpreted as socially offensive. Pragmatism, of the American variety, is respected but only when presented as a possible option, not as a hard sell.

In terms of everyday business the Portuguese are outstanding and civil. They respect the time of their appointments and expect the same from others. They are thorough to a fault, often poring over all documents relative to a negotiation, and not eager "to just hit the highlights." This is done partly to be careful (conservative) but also to demonstrate their grasp of the matter - - exhibiting pedantic merit rather than pragmatic merit. Many Portuguese speak two, often three languages, English being the preferred second language.

Housing in Portugal is to European standards but so are the rents. Executive location costs in Portugal are now in the same category as any major commercial center in the European Union.

Food supplies are plentiful though there are seasonal variations in prices for perishable items. Supermarkets are fully stocked. Prices are very close to those found in the United States and often exceed them for packaged goods.

## **Travel Advisory**

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There are no travel advisories for Portugal nor have there been for many years.

## **Visa Requirements**

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American citizens do not require a visa to visit Portugal for stays of 90 days or less. U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Further information regarding Portuguese visas should be sought through the websites of Portuguese Embassies or Consulates in the United States:

[http://www.embassyportugal-us.org/Embassy\\_of\\_Portugal/Home.html](http://www.embassyportugal-us.org/Embassy_of_Portugal/Home.html)

General information regarding visas for travel to the United States and for U.S. citizens traveling abroad is available at the Department of State website: <http://travel.state.gov/>

Questions regarding American Citizen Service at the U.S. Mission in Portugal can be sent via e-mail to: [conslisbon@state.gov](mailto:conslisbon@state.gov)

The website for the U.S. Embassy in Lisbon: <http://portugal.usembassy.gov>

### **International mailing address:**

Secção Consular  
Embaixada dos Estados Unidos da América  
Apartado 43033  
1601-301 Lisboa  
Portugal

### **Codex. Mail from the U.S.:**

Consular Section  
Unit 5320 Box CON  
DPO AE 09726-6858

### **Telephone/FAX Numbers**

Consular Main Number	+351-21-727-3300
After Hours/ Emergency	+351-21-770-2222

## **Telecommunications**

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Portugal is a fully "wired" country with regard to communications, making available all

the services found anywhere else in Europe: long-distance calls on Stateside credit cards; cellular telephones (can be rented from Vodafone at the airport departures area); video-conferencing in state-of-the-art facilities; Internet services; e-mail, etc. The ATM system in Portugal is one of the best in the world, as it enables you to do most payments and money transfers at an ATM terminal anywhere in Portugal.

## **Transportation**

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Portugal has direct airline connections from Lisbon with all the major cities in the European Union, New York, Miami, Philadelphia, Boston and Newark. Direct connections also exist between Lisbon and a number of Portuguese-speaking countries in Africa and the major cities in Brazil. Porto serves fewer cities directly in the European Union, offers one weekly direct flight to Newark, operated by TAP, the national airline, but does serve major cities in Brazil.

## **Language**

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Many Portuguese speak two, often three languages, English being the second language of choice. American business travelers can generally conduct their meetings with business and government contacts in English.

## Health

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Health care in Portugal is a constitutional right, but the public health facilities are overburdened and, therefore, not able to offer the level of service considered normal in the United States. There are a number of private clinics and small private hospitals that are adequate, plus there are several new hospitals planned to be built in the near future to offer better conditions to patients.

## Local Time , Business Hours, and Holidays

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Local time is Greenwich Mean Time (GMT) – the same as London. Normal business hours are from 09:00 AM through 06:00 PM. Stores are open from 09:00 AM to 07:00 PM but shopping malls operate from 10:00 AM to 11:00 PM everyday of the week and on public holidays (except for Christmas and New Year).

The American Embassy in Lisbon is open from 08:00 AM to 05:00 PM and it is closed for business on both American (A) and Portuguese (P) holidays. Appointments must be scheduled through the Embassy website for Visa services and routine American Citizen Services in the Consular Section.

Listed below are the American and Portuguese holidays which will be observed by the American Embassy in Lisbon in 2013:

Jan 01	Tue	New Year's Day (A/P)
Jan 21	Mon	Birthday of Martin Luther King Day (A)
Feb 18	Mon	Washington's Birthday (A)
Mar 29	Fri	Good Friday (P)
Mar 31	Sun	Easter (P)
Apr 25	Thu	Liberty Day (P)
May 01	Wed	May Day (P)
May 20	Mon	Holly Spirit Day (in the Azores only) (P)
May 27	Mon	Memorial Day (A)
June 10	Mon	Portugal Day (P)
June 13	Thu	St. Anthony's Day (in Lisbon only) (P)
July 01	Mon	Day of the Region (in Funchal only) (P)
July 04	Thu	Independence Day (A)
Aug 15	Thu	Assumption Day (P)
Sept 02	Mon	Labor Day (A)
Oct 14	Mon	Columbus Day (A)
Nov 11	Mon	Veterans Day (A)
Nov 28	Thu	Thanksgiving Day (A)
Dec 08	Sun	Feast of Immaculate Conception (P)
Dec 25	Wed	Christmas Day (P/A)

(A) = American

(P) = Portuguese



## **Temporary Entry of Materials and Personal Belongings**

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Personal belongings may enter the country without barriers imposed by Portuguese Customs. If Portuguese Customs see that personal belongings are of very high value (such as jewelry, and other high end electronic material) they may require a money guarantee that will be reimbursed when leaving the country.

Entry of materials to hand out at trade shows such as promotional literature, gadgets, tourism and technical information and brochures may enter the country but the company carrying these will have to fill out a customs request to bring them into the country and hand them out.

Companies that plan to temporarily bring materials and equipment not for sale will be requested to fill out a formal request of Temporary Importation of Products.

The Portuguese Customs Authority supplies this form upon entering the country. This will enable the U.S. company to take the equipment back without having to pay customs. If the equipment is sold while in Portugal, the U.S. company will have to pay the duties related to the specific equipment.

## **Web Resources**

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URL: <http://www.buyusa.gov/portugal>

URL: <http://www.export.gov>

URL: <http://www.american-embassy.pt>

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## **Chapter 9: Contacts, Market Research and Trade Events**

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- [Market Research](#)
- [Trade Events](#)

### **Contacts**

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#### **U.S. Embassy Trade Related Contacts:**

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Senior Commercial Officer

American Embassy Lisbon  
U.S. Commercial Service  
Av. das Forças Armadas  
Sete Rios  
1600-081 Lisbon, Portugal

Tel.: (+351) 21727 33 00  
Fax: (+351) 21726 89 14

American Embassy Lisbon  
U.S. Commercial Service  
Unit 5320 Box 199  
DPO AE 09726 - 0199

#### **U.S. Commercial Service Websites:**

<http://www.buyusa.gov/portugal>  
<http://www.export.gov/cs>

#### **Other U.S. Embassy Contacts (same address as U.S. Commercial Service):**

Jenny Malheiro  
Economic Officer

Robert Hanson  
Agricultural Counselor  
(Resident in Madrid)

Office of Defense Cooperation  
Navy Section Head: CDR Oscar Monterrosa  
Army Section Head: LTC John Vail  
Tel.: (+351) 21770 22 76  
Fax: (+351) 21726 89 13

International Mail:  
Unit 5320

Box 150  
DPO AE 09726-0150  
USA

**U.S. Embassy Military Contacts:**

Senior Defense Officer/ Defense Attaché: Col. William Hampton  
Chief, Army Section: LTC John Vail  
Chief, Air Force Section: Major James Binns  
Navy Attaché: Capt. Joseph W. Beadles

**Amcham and Bilateral Business Councils:**

Portugal-U.S. Chamber of Commerce  
590 5th Ave # 4,  
New York, NY 10036  
Tel.: (212) 354-4627  
Fax: (212) 575-4737

American Chamber of Commerce in Portugal  
Rua D. Estefânia, 155, 5<sup>o</sup>-E  
1000-154 Lisbon, Portugal  
Tel.: (+351) 21357 25 61/ 8208  
Fax: (+351) 21357 25 80  
Contact: Graça Didier, Executive Secretary  
<http://www.amcham.org.pt>

**Portuguese Trade or Industry Private Associations in Key Sectors:**

Associação Comercial de Lisboa  
(Lisbon Commercial Association)  
Rua das Portas de Santo Antão, 89  
1150-266 Lisbon  
Tel.: (+351) 21342 32 77 / 213224050  
Fax: (+351) 21342 43 04 / 213224052  
<http://www.port-chambers.com/>

Associação Comercial do Porto - Câmara de Comércio e Indústria do Porto  
(Porto Chamber of Commerce and Industry)  
Rua Ferreira Borges, Palácio da Bolsa  
4050-253 Porto  
Tel.: (+351) 22339 90 00  
Fax: (+351) 22339 90 90  
<http://www.cciporto.com/>

Associação Empresarial de Portugal  
(Portuguese Business Association)  
Av. da Boavista, 2671  
4410-135 Porto  
Tel.: (+351) 229981537  
Fax: (+351) 229981639

<http://www.aeportugal.pt/>

Associação Industrial Portuguesa  
(Portuguese Industrial Association)  
Praça das Indústrias  
1301-965 Lisbon  
Tel.: (+351) 213 60 11 10  
Fax: (+351) 213 64 13 01  
<http://www.aip.pt/>

Exponor - Feira International do Porto  
(International Fair of Porto)  
4450-610 Leça da Palmeira  
Tel.: (+351) 229 98 14 00  
Fax: (+351) 229 98 14 08  
<http://www.exponor.pt/>

FIL – Feira Internacional de Lisboa  
(International Fair of Lisbon)  
Rua do Bojador, Parque das Nações  
1998-010 Lisbon  
Tel.: (+351) 218 92 15 00  
Fax: (+351) 218 92 15 55  
<http://www.fil.pt/>

Confederação dos Agricultores de Portugal (CAP)  
(Portuguese Confederation of Farmers)  
Av. Colegio Militar, 1786  
1549-012 Lisbon  
Tel.: (+351) 21710 00 00 / 20  
Fax: (+351) 21716 61 23  
<http://www.cap.pt/>

Confederação do Comércio e Serviços de Portugal (CCP)  
(Portuguese Business Confederation)  
Av. D. Vasco da Gama, 29  
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Tel.: (+351) 21303 13 80  
Fax: (+351) 21303 14 01  
<http://www.ccp.pt/>

Confederação Empresarial Portuguesa (CIP)  
(Portuguese Industrial Confederation)  
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1069-193 Lisbon  
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Associação Portuguesa de Hospitalização Privada  
(Portuguese Association of Private Hospitalization)  
Av. Luís Bivar, 36, 1º- E

1050-145 Lisbon  
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e-mail: [geral.aphp@mail.telepac.pt](mailto:geral.aphp@mail.telepac.pt)  
<http://www.aphp-pt.org/>

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Website: [www.pm.gov.pt](http://www.pm.gov.pt)

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E-mail: [gseapm@pm.gov.pt](mailto:gseapm@pm.gov.pt)  
Website: [www.portugal.gov.pt](http://www.portugal.gov.pt)

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E-mail: [gab.mf@mf.gov.pt](mailto:gab.mf@mf.gov.pt)  
Website: [www.min-financas.pt](http://www.min-financas.pt)

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Maria Luís Albuquerque, Secretary of State for the Treasury

Manuel Rodrigues, Secretary of State for Finance

Paulo Nuncio, Secretary of State for Tax Affairs

Hélder Rosalino, Secretary of State for Public Administration

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Sérgio Monteiro, Secretary of State for Public Works, Transport and Communications

Artur Trindade, Secretary of State for Energy

Adolfo Mesquita Nunes, Secretary of State for Tourism

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Website: [www.min-agricultura.pt](http://www.min-agricultura.pt)

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Website: [www.portaldasaude.pt](http://www.portaldasaude.pt)

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Website: [www.min-edu.pt](http://www.min-edu.pt)

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Leonor Parreira, Secretary of State for Science

João Casanova de Almeida, Secretary of State for Education and Educational Administration

João Grancho, Secretary of State for Basic Education

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Fax: (00351) 218 424 115  
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Website: [www.mtss.gov.pt](http://www.mtss.gov.pt)

Marco António Costa, Secretary of State for Solidarity and Social Security

**Other Public Entities:**

Direcção Geral de Energia e Geologia  
(General Directorate of Energy and Geology)  
Av. 5 de Outubro, 87  
1069-039 Lisbon  
Tel.: (+351) 21792 27 00  
Fax: (+351) 21793 95 33  
<http://www.dgge.pt/>

Agência para o Investimento e Comércio Externo de Portugal – AICEP  
(Business Development Agency)  
Porto:  
O' Porto Bessa Leite Complex  
Rua António Bessa Leite, 1430, 2º  
4150-074 Porto  
Tel: (+351) 22605 53 00 / 226 055 368  
Fax: (+351) 22605 53 99  
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Av. 5 de Outubro, 101  
1050-051 Lisbon  
Tel: (+351) 21790 95 00  
Fax: (+351) 21795 00 38 / 217 961 176  
<http://www.investinportugal.pt/>

Instituto Nacional de Engenharia e Tecnologia Industrial  
(Engineering and Technological Institute)  
Az. Lameiros à Estrada do Paco do Lumiar, 22  
1649 – 038 Lisboa  
Tel.: (+351) 21470 54 00 / 210924600  
Fax: (+351) 21471 90 18 / 217127195  
<http://www.ineti.pt/>

IAPMEI - Instituto de Apoio às Pequenas e Médias  
Empresas e ao Investimento  
(Small Business Institute)  
Estrada do Paço do Lumiar, Edifício A  
1649-038 Lisbon  
Tel.: (+351) 21383 60 00 / 6049  
Fax: (+351) 21383 62 83  
<http://www.iapmei.pt/>

IIF – Instituto Informação e Franchising SA  
(Franchise Institute)  
Rua Basilio Teles 35-1º. Dto.  
1070-020 Lisbon  
Tel: (+351) 21003 38 00  
Fax: (+351) 21003 38 88  
<http://www.infofranchising.pt>

APF – Associação Portuguesa de Franchise  
(Portuguese Franchise Association)  
Rua Viriato 25-3o. Dto.  
1050-234 Lisboa  
<http://www.apfranchise.org>

Instituto Nacional de Propriedade Industrial  
(National Institute of Industrial Property)  
Campo das Cebolas  
1149-035 Lisbon  
Tel.: (+351) 21881 81 00 /09 /01  
Fax: (+351) 21886 98 59 / 218 875 308  
<http://www.marcaspatentes.pt/>

Arbitrare – Centro de Arbitragem de Propriedade Industrial,  
Nomes de Domínio, Firms e Denominações  
(Arbitration Centre for Industrial Property, Domain Names, Companies and  
Designations)  
Av. Eng. Duarte Pacheco, Torre 2, Piso8 Sala9  
1070-102 Lisbon  
Tel.: (+351) 211 203 100  
Fax: (+351) 211 203 131  
<http://www.arbitrare.pt/>

Sociedade Portuguesa de Autores  
(Authors Portuguese Association)  
Av. Duque de Loulé, 31  
1069 - 153 Lisbon  
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Fax: (+351) 213 530 257  
<http://www.spautores.pt/>

Associação Portuguesa de Software – ASSOFT  
(Portuguese Association of Software)  
Rua da Junqueira, Praça das Indústrias, 39. 1º  
1300 - 307 Lisbon  
Tel.: (+351) 21 361 70 40  
Fax: (+351) 21 364 33 16  
<http://www.assoft.pt/>

IGAC - Inspeção-Geral das Actividades Culturais  
(General Inspection of Cultural Activities)  
Palácio Foz, Praça dos Restauradores  
Apartado 2616  
1116-802 Lisbon  
Tel.: (+351) 21 321 25 00  
Fax: (+351) 21 321 25 66  
<http://www.igac.pt>

Instituto Português da Qualidade  
(Portuguese Quality Institute)  
Rua António Gião, 2  
2829-513 Caparica  
Tel.: (+351) 21294 81 00  
Fax: (+351) 21294 81 01  
<http://www.ipq.pt/>

Direcção Geral das Alfândegas e dos Impostos Especiais sobre o Consumo  
(Bureau of Customs and Special Consumption Taxes)  
Rua da Alfandega, 5  
1149-006 Lisbon  
Tel.: (+351) 21881 38 01 /02  
Fax: (+351) 21881 39 90  
<http://www.dgaiec.min-financas.pt/>

Direcção Geral de Estudo e Previsão  
(General Directorate of Study and Prevision)  
Rua da Alfândega, 5, 2º  
1100-016 Lisbon, Portugal  
Tel.: (+351) 21884 05 00  
Fax: (+351) 21884 05 51 / 218 878 227  
<http://www.dgep.pt/>

Instituto Nacional de Estatística  
(National Institute of Statistics)  
Av. António José de Almeida  
1000-043 Lisbon, Portugal  
Tel.: (+351) 21842 61 00  
Fax: (+351) 21842 63 80 / 64  
<http://www.ine.pt/>

Laboratório Nacional de Engenharia Civil  
(National Laboratory of Civil Engineering)  
Av. do Brasil, 101  
1700-066 Lisbon  
Tel.: (+351) 218 44 30 00  
Fax: (+351) 218 44 30 10/11  
<http://www.lnec.pt/>

ITIC – Instituto Técnico para Indústria de Construção  
(Technical Institute for the Construction Industry)  
Praça de Alvalade nº67 frente  
1700-036 Lisbon  
Tel.: (+351) 213 110 221  
Fax: (+351) 213 554 810  
<http://www.itic.pt>

AECOPS – Associação de Empresas de Construção e Obras Públicas  
(Association of Construction and Public Works' Companies)  
SEDE  
Praça de Alvalade, nº6, 7ºFte  
1700-036 Lisboa  
Tel.: (+351) 21311 02 00  
Fax: (+351) 21355 48 10  
<http://www.aecops.pt>

Instituto das Comunicações de Portugal - ANACOM  
(Portuguese Communications Institute)  
Av. Jose Malhoa, 12  
1099-017 Lisbon, Portugal  
Tel.: (+351) 217 21 10 00  
Fax: (+351) 217 21 10 01  
<http://www.anacom.pt/>

Instituto Nacional de Aviação Civil  
(National Institute of Civil Aviation)  
Rua B, Edifícios 4, 5, 6 Aeroporto de Lisboa  
1749-034 Lisboa  
Tel: (+351) 21842 35 00 / 61/ 62/ 63  
Fax: (+351) 21847 35 85  
<http://ww2.inac.pt/>

Fundação para a Ciência e a Tecnologia  
(Science and Technology Foundation)  
Av. D. Carlos I, 126-2º  
1249-074 Lisbon  
Tel.: (+351) 21392 43 00  
Fax: (+351) 21390 74 81  
<http://alfa.fct.mctes.pt/>

Instituto de Meteorologia  
(Institute of Meteorology)  
Rua C, 5 - Aeroporto de Lisboa  
1749-077 Lisbon  
Tel.: (+351) 21844 70 00  
Fax: (+351) 21840 23 70  
<http://www.meteo.pt/>

Direcção-Geral de Agricultura e Desenvolvimento Rural  
(General Directorate for Agriculture and Rural Development)  
Av. Afonso Costa, 3  
1949-002 Lisbon  
Tel: 218442 20 0/1  
Fax: 21844 22 02  
<http://www.dgadr.pt/>

Direcção Geral das Pescas e Aquicultura  
(General Directorate for Fisheries and Aquiculture)  
Av. Brasília  
1449-030 Lisbon  
Tel.: (+351) 21303 57 00  
Fax: (+351) 21303 57 01/2  
<http://www.dgpa.min-agricultura.pt/>

IFADAP - Instituto Financeiro de Apoio ao Desenvolvimento da Agricultura e Pescas  
(Financial Institute for Assistance to Agricultural and Fishing Development)  
Rua Castilho, 45-51  
1250-068 Lisbon  
Tel.: (+351) 21384 60 00  
Fax: (+351) 21384 61 70 / 71  
<http://www.ifap.min-agricultura.pt/>

Agência Portuguesa do Ambiente  
(Portuguese Agency for the Environment)  
Rua da Murgueira, 9-9A,  
Apartado 7585  
2611-865 Amadora  
Tel: 21472 82 00  
Fax: 21471 90 74  
<http://apambiente.pt/>

Entidade Reguladora dos Serviços de Águas e Resíduos  
(Regulatory Entity for Water Services and Waste)  
Av. Tomás da Fonseca, Centro Empresarial Torres de Lisboa, Torre G-8.º  
1600-209, Lisbon  
Tel: 21005 22 00 / 01 /02 /03  
Fax: 21005 22 59  
<http://www.irar.pt/>

Instituto da Água  
(Water Institute)  
Av. Almirante Gago Coutinho, 30  
1049-066 Lisbon  
Tel.: (+351) 21843 00 00 / 218 406 094  
Fax: (+351) 21847 35 71  
<http://www.inag.pt/>

Autoridade para as Condições de Trabalho  
(Working Conditions Authority)  
Av. Casal Ribeiro, 18-A  
1000-092 Lisbon  
Tel: (+351) 21330 87 00  
Fax: (+351) 21330 87 10  
<http://www.igt.gov.pt/>

Direcção Geral do Emprego e das Relações de Trabalho  
(General Directorate of Employment and Working Relations)  
Praça de Londres, 2 , 9.º  
1049-056 Lisbon  
Tel.: (+351) 21844 14 00  
Fax: (+351) 21844 14 25  
<http://www.dgert.mtss.gov.pt/>

Instituto do Emprego e Formação Profissional  
(Institute of Employment)  
Rua de Xabregas 52  
1949-003 Lisbon  
Tel.: (+351) 21861 41 00  
Fax: (+351) 21722 70 13  
<http://www.iefp.pt/>

Autoridade de Segurança Alimentar e Económica (ASAE)  
(Food and Economic Security Authority)  
Av. Conde de Valbom, 98  
1069-185 Lisbon  
Tel: (+351) 21798 36 00  
Fax: (+351) 21798 38 34 / 3671  
<http://www.asae.pt/>

Registo Nacional das Pessoas Colectivas  
(National Registry of Collective Persons)  
Praça Silvestre Pinheiro Ferreira, 1-C  
Apartado 4064  
1501-803 Lisbon  
Tel.: (+351) 21771 43 00  
Fax: (+351) 21778 3724 / 774 12 64 / 00 09  
<http://www.dgrn.mj.pt/>

Direcção Geral de Saúde  
(General Directorate of Health)  
Alameda D. Afonso Henriques, 45  
1049-005 Lisbon  
Tel.: (+351) 21843 05 00  
Fax: (+351) 21843 05 30  
<http://www.dgs.pt/>

Serviço de Utilização Comum dos Hospitais  
(Hospitals Common Utilization Service)  
Av. do Brasil, Parque de Saúde de Lisboa, n.º 53, Pavilhão 33-A  
1749-003 Lisbon  
Tel.: (+351) 21792 34 00  
Fax: (+351) 21795 85 26  
<http://www.somos.pt/>

Direcção Geral de Armamento e Equipamentos de Defesa  
(General Directorate of Armament and Defense Equipment)  
Av. Ilha da Madeira, 1  
1400-204 Lisboa  
Tel.: (+351) 21303 85 68 / 213 038 000  
Fax: (+351) 21301 84 83 / 213 043 533  
<http://www.mdn.gov.pt/mdn/pt/>

Estado-Maior do Exército  
(Army)  
Rua Museu de Artilharia  
1149-065 Lisbon  
Tel.: (+351) 21884 23 00  
Fax: (+351) 21844 25 00  
<http://www.exercito.pt/>

Estado-Maior da Armada  
(Navy)  
Praça do Comércio  
1100-148 Lisbon  
Tel.: (+351) 21092 52 00 / 213 255 421  
Fax: (+351) 21092 52 01 / 213 424 137  
<http://www.marinha.pt/>

Estado-Maior da Força Aérea  
(Air Force)  
Av. Leite de Vasconcelos  
2700 Amadora  
Tel: (+351) 21472 35 09  
Tel.: (+351) 21471 57 94  
<http://www.emfa.pt/>

Offsets:

EMPORDEF - Empresa Portuguesa de Defesa SGPS, SA  
(Portuguese Defense Co.)

Rua Braancamp, 90 – 7.º e 8.º

1250-052 Lisbon

Tel.: 21380 51 00

Fax: 21380 51 09

<http://www.empordef.pt/>

**Banks and Stock Exchange**

Banco de Portugal

(Bank of Portugal)

Rua do Comércio, 148

1100-150 Lisbon

Tel.: (+351) 21321 32 00 / 213 215 436/3249

Fax: (+351) 21346 48 43 / 213 223 905

<http://www.bportugal.pt/>

Bolsa de Valores de Lisboa

(Lisbon Stock Exchange)

Avenida Liberdade 196, 7º,

1250-147 Lisbon

Tel.: (+351) 217 900 000

Fax: (+351) 217 952 021

e-mail: [geral@euronext.pt](mailto:geral@euronext.pt)

**Publications**

The following publications are useful sources of economic and commercial information:

Area Handbook for Portugal

Superintendent of Documents

U.S. Government Printing Office

Washington, D.C. 20402

TOP Export of Portugal

(English-Portuguese)

Jovitur, Lda.

Av. Infante Santo, 23 3 B

1300 Lisbon, Portugal

Estatísticas Indústrias

(Industrial Statistics)



Anuário Estatístico  
(Statistical Yearbook)

Estatísticas do Comércio Externo  
(Foreign Trade Statistics)  
Instituto Nacional de Estatística  
Av. António José de Almeida  
1000 Lisbon, Portugal

OECD Economic Surveys--Portugal  
OECD Publications Center  
1750 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

International Customs Journal - Portugal  
International Customs Tarif Bureau  
Rue de l'Association, 38  
B-1000 Brussels, Belgium  
Business Report

Portugal-U.S. Chamber of Commerce  
590 Fifth Av., third floor  
New York, NY 10036  
Tel.: 212 354 4267/fax: 212 575 4737

The U.S. Commercial Service in Portugal also provides upon request contact lists according to industry sector. Unscreened contact lists will be assembled from directories published in Portugal. Screened contact lists include evaluation by a commercial specialist for suitability and currency of contact information, but will not include direct contact with the listed company.

## **Market Research**

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

## **Trade Events**

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: <http://www.export.gov>

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.buyusa.gov/portugal>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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