U.S. Department of State
FY 2001 Country Commercial Guide: Portugal

The Country Commercial Guide for Portugal was prepared by U.S. Embassy Lisbon and released by the Bureau of Economic and Business in July 2000 for Fiscal Year 2001.

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I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Portugal's commercial environment using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordination Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

Portugal offers an emerging market within the framework of the European Union (EU). Portugal’s emerging market status means new opportunities and high growth rates. European Union membership and participation in the first tier of the Monetary Union mean stability and continued growth due to EU infrastructure funds.

Portugal is a European Union success story of the 1990s. From a politically and economically isolated nation a decade ago, it has managed to transform itself into a leader at the center of the European and world stage. Just in the past two years it has served as President of the European Union (January to June, 2000) during which time it fostered an EU-Africa dialogue; focused attention on the need for European competitiveness in the New or Digital Economy; and played a leading roll in developing the EU's Security and Defense Program. President Clinton's visit to the U.S. - E.U. Summit in May, 2000 highlighted Portugal's EU Presidency and gave U.S. - Portuguese relations greater attention than at any time in the past decade.

The Portuguese economy is thriving, with record highs in its stock market, low unemployment, and a founding membership in the European Monetary Union of which its leaders are justifiably proud. After years at the periphery of the Iberian Peninsula, Portugal is finally fulfilling its geo-strategic and economic potential as the gateway to a unified Europe - especially Southern Europe and Africa.

Since Portugal's entry into the European Community in 1986, the country has undergone a tremendous transformation. Portugal has successfully parlayed a dozen years of well-managed EU infrastructure funds into strong economic growth, low inflation and substantial new foreign investment in productive capacity. Portugal has increased its standard of living closer to that of its EU partners. GDP per capita on a purchasing power parity basis rose to over 70% of the EU average in 1997 from just over half of the EU average in 1986.

Imports and exports expanded rapidly during the 1990s. Exports, in particular, mushroomed over the past decade as Portugal has benefited from the EU open market and the takeoff in imports underscores strong Portuguese demand for foreign goods. From 1998 to 1999, U.S. exports to Portugal increased from $888 million to $1.091 billion, a 23% jump. The increasing influence of both imports and exports show the rapid integration of Portugal into the global economy.

In agriculture, corn gluten feed is the number one export to Portugal in value terms (USD 46 million in 1999 followed by soybeans (USD 41 million). Grain exports to Portugal (and the EU) are subject to high tariffs. Policy problems related to the clearance process for new bio-engineered corn varieties seeded in the U.S. led to a temporary suspension of corn imports during 1998. Another product which continues to have high market potential in Portugal is hardwood lumber, accounting for USD 19 million in U.S. exports in 1999.

For U.S. firms, Portugal's emergence as a full partner in Europe has meant a stable location open to foreign investment and an increasingly attractive market for exports. Portugal today should be viewed for what it is -- an Independent European market of 10 million people that is somewhat under-served by U.S. suppliers since many of these firms have yet to discover the country. As only the 50th largest market for the direct export of U.S. goods and services, Portugal does not frequently rank on top of the lists of new markets to explore. But, Portugal does have a number of things going for it that argue for U.S. firms to pay closer attention to the market: significant indirect U.S. imports; strong trade links as the pre-eminent supplier to Lusophone Africa; and the prospect for continued growth stemming in part from ongoing EU investment.

Statistics would have one believe that the U.S. is primarily involved in selling heavy equipment, machinery and agricultural commodities to Portugal. But this is only part of the story. The U.S. offers a strong market presence in high technology including computers, software and telecommunications equipment. The U.S. accounts for more than 50% of the computer equipment in Portugal and probably close to 70% of software. In addition to these items, best prospects for non-agricultural exports include; telecommunications equipment, medical equipment, scientific and laboratory instruments, pollution control equipment, and franchising, especially for services. Due to transportation, distribution and taxes, many of these goods are shipped to Portugal indirectly from the U.S. arriving from distribution centers or suppliers located in other EU countries. Actual U.S. exports and market share are probably double the official figures of USD 1.1 billion and 2.7%, respectively.

Portugal is also the pre-eminent supplier of goods and services to the Lusophone African countries of Angola, Mozambique and Cape Verde. For example, Portugal accounts for more than 50% of Angola's imports. Many of Portugal's key distributors and firms have offices in Africa or travel there on a regular basis. It is not uncommon for 10% of the total market for products in Portugal to actually be accounted for by the re-export of goods to Africa.

EU, INFRASTRUCTURE AND INVESTMENT

Scratch the surface of almost any major project in Portugal and you turn up the presence of EU funds. Much of Portugal's strong growth and investment can be attributed to Portugal's membership in the European Union. EU co-funding has been used for a variety of infrastructure, development and training projects. While the funds offer a key boost to continued growth, they also mean that U.S. firms need to deal through their U.S. subsidiaries in Europe or through EU partners to bid on the many EU-funded projects. Although these projects are not officially tied to any one country, in practice, contracts are awarded only to EU firms and their subcontractors.

Over the period 2000 - 2006, the Government of Portugal (GOP) will invest some USD 49 billion in regional development projects in virtually every sector of the economy. The GOP will fund 29% ($14.7 billion) and the private sector 19% ($9.4 billion) of the investment. Some $25.3 billion (51%) of the total investment will come from the EU in the form of structural and cohesion funds and special EU initiatives. Some of these projects will include: construction of 800 kilometers of main roads, modernization of railroads and ports, improving environmental quality for 90 - 100% of the population (including the supply of water, solid waste and industrial waste disposal), aid to industry and agriculture, and plans for intensive promotion of regional integration.

EU funds remain instrumental in attracting private direct investment to Portugal. In 1993, Portugal and the EU agreed on a USD 7 billion package of subsidies and grants to encourage foreign investment in industrial development during the period 1994 - 1999. EU-backed incentives, often-totaling 25-40% or more of total project costs have been used effectively as a decisive factor in plant location decisions. In addition to the financial incentives, international comparisons show that Portuguese labor costs in manufacturing are among the lowest of all industrialized countries.

STRONG AND STABLE

The political leadership, regardless of whether it is the center right or left, supports broadly similar policies on most issues. The government has been able to guide Portugal with a steady hand due in part to its successful campaign to be in the first tier of countries entering the European Economic and Monetary Union (EMU).

On May 2, 1998, European Union (EU) leaders approved Portugal's membership in the group of eleven EU member states that adopted a single currency, the Euro, on January 1, 1999. Declining inflation and long-term interest rates and rising confidence in Portugal resulted in investment- and private consumption-led real economic growth of 3.1% in 1998. That growth should remain in the 3.1 - 3.3% range in 2000. Portugal's external accounts remained broadly in balance and financial markets were buoyant in 1998 and 1999. Bond yields fell sharply to match their German equivalents and the stock market expanded rapidly. Unemployment declined to 3.8% in the second quarter of 2000. Labor regime rigidities such as high severance and social costs continue to hamper even greater employment growth. Government bureaucracy remains burdensome and commercial legal channels are still very slow.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Ban's CD-ROM or via the Internet. Please contact Stat-USA at 1-800-Stat-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at http://www.stat-usa.gov; http://www.state.gov/; and http://mac.doc.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE.

For more information on Portugal and on other European markets, visit the Commercial Service's Showcase Europe home page at www.sce.doc.gov.

II. ECONOMIC TRENDS AND OUTLOOK

MAJOR TRENDS AND OUTLOOK

In the twenty-five since the Portuguese revolution, Portugal has completed a remarkable transformation from the poor man of Europe to one its faster growing economies. The revolution unleashed dramatic political and social changes in the country and triggered profound changes to the Portuguese economy. A significant element of Portugal's economic transition was entry into the European Union in 1986. Since joining the EU, Portugal has witnessed steady economic convergence with its wealthier European neighbors. Portugal's GDP per capita, which had been only 53 percent of the EU average in 1985, had risen to more than 70% of the EU average by 1997. Membership in the European Union has also deepened Portugal's trade relations with Europe, with other EU member states accounting for 77.4% of Portuguese imports and 86.1% of exports in 1999.

The Portuguese economy has experienced robust economic growth since 1993, driven primarily by investment and by domestic consumption. In 1999, the economy grew at an estimated 3.1%, which is above the EU average. Portugal's unemployment rate, currently at 4.1% is also significantly better than those of its neighbors. Finally, the government budget deficit, which stood at 6.1% of GDP in 1993, is projected to fall to 1.5% of GDP in 2000.

Most of the prosperity of the last few years is linked to Portugal's decision to join the European Monetary Union (EMU), effective January 1, 1999. Although qualifying for EMU required fiscal and monetary discipline, the steps taken to do so created a virtual circle with exchange rate stability leading to price stability and falling interest rates. Lower interest rates, in turn, stimulated the economy and reduced the government's cost of borrowing, both of which made it fairly easy for the government to reach the fiscal targets required by EMU.

While the benefits have been substantial, Portugal has also exhibited signs of an overheating economy, based primarily on high rates of consumption. As a result of falling interest rates and a greater availability of credit, household debt, largely in the form of home mortgages, had risen from 28.6% of disposable income, in 1994, to 60.8% in 1998. While it appears that the borrowing boom has cooled off, the higher level of indebtedness leaves consumers, and the economy, more vulnerable to rises in Euro-zone interest rates, particularly since most of the lending is on a floating rate basis. More symptoms of overheating are worsening trade and current account deficits. The trade deficit reached 11.3% of GDP in 1998. The current account deficit was equal to 6.6% of GDP for the same year.

PRINCIPAL GROWTH SECTORS

Over the longer term, Portugal has been in a transition from a largely agrarian and fishing-based economy to one based on manufacturing and services. In 1971, the percentage of the Portuguese workforce engaged in agriculture, forestry, hunting and fishing was 26.2%. By 1998, this had fallen by half, to 13.6%. Over the same period, the percentage of the Portuguese workforce involved in the services sector of the economy rose from 39% to 50.7%. Over the last three decades, the percentage of the workforce engaged in manufacturing has remained steady at about one-quarter of all workers.

From a national accounts basis, over the period 1997-98, the sectors of the economy experiencing the fastest real growth have been banking and insurance (29%/yr), construction (6.3%/yr.), and other services (4.4%/yr.). The sectors of trade, restaurant and hotels, agriculture, fishing, energy and manufacturing lagged behind the rest of the economy.

GOVERNMENT ROLE IN THE ECONOMY

One result of Portugal's 1974 revolution was a state takeover of many of the country's industries. Following accession to the EU, however, Portugal began dismantling its system of state ownership and the country has adopted an aggressive privatization program. In 1988, the Portuguese public sector accounted for 19.7% of GDP and 5.5% of the country's total employment. By the end of 1997,these numbers had fallen to 8% and 2.6%, respectively.

The primary privatization mechanism has been to sell shares in these companies, either through a public offering or a private sale, often through a series of tranches involving both. In a number of cases, the government has retained a "golden share" which accords it vetoes rights over certain corporate decisions. According to the Ministry of Finance, to date, there have been approximately 150 such sales involving the shares of almost 100 companies. Receipts from privatizations totaled approximately $24 billion between 1989 and 1999, and in 1998, these privatized firms accounted for 58% of the total market capitalization in the Lisbon Stock Exchange.

INFRASTRUCTURE

Portugal's economic growth over the last decade has been accompanied by a heavy investment in infrastructure improvements, largely funded by the EU. From 1987 to 1999, Portugal received net financial flows from the EU of approximately $27 billion. The greatest portion of these funds was disbursed through the European Regional Development Fund. As a result, the country has made a number of major infrastructure improvements, most notably a system of modern highways. Additional infrastructure projects are expected over the next several years, including a new international airport (to be built at Ota, north of Lisbon), new metro systems in Porto and Lisbon, an upgrade of the country's rail system, a second phase of a natural gas pipeline system and additional highways, dams and port projects. Portugal is scheduled to receive approximately $25 billion from the EU for the period 2000-2006. Approximately $20 billion of this total is earmarked for basic infrastructure.

III. POLITICAL ENVIRONMENT

NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES

Bilateral relations between the United States and Portugal are excellent, characterized by shared democratic values and similar foreign policy perspectives. Ties between the two countries are strengthened by approximately two million Americans who claim Portuguese descent. A charter member of NATO, Portugal is a strong proponent of vigorous bilateral and U.S.- EU transatlantic ties and of active American involvement in European security affairs. The United States has maintained a military presence in the Azores, an autonomous region of Portugal, since World War II.

MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

Currently, there are no major political issues, which would have a negative effect on Portugal's business climate.

BRIEF SYNOPSIS OF POLITICAL SYSTEM

Portugal is a small country and the oldest nation state in Europe, having essentially established its current borders in the 12th century. As a result, the Portuguese have a strong sense of national identity and regional fragmentation is not a potent political issue here. The country is a stable parliamentary democracy with a directly elected President who wields significant authority, including that of appointing the Prime Minister and the cabinet. In appointing the government, the President must be guided by the results of the legislative assembly elections. The Prime Minister is responsible for managing Portugal's domestic and foreign policy, except in a few issue areas where the constitution gives the President direct responsibility.

Antonio Guterres, of the center-left Socialist Party (PS), has been Prime Minister since 1995. From 1995-1999, the Socialists ruled with a minority government, and in the October 1999 elections, won exactly half the 230 seats in Portugal's unicameral legislature. The next largest political party is the center-right Social Democrats (PSD). Other political parties include the right wing Popular Party (PP), the left-wing Bloca de Esquerda and the Portuguese Communist Party (PCP). While there is vibrant national debate among these political groupings, there is commonly a broad consensus on issues of vital national interest.

The Socialist-backed candidate, former Socialist Party leader Jorge Sampaio, won the presidential election in January 1996. For the first time since the 1974 revolution, the presidency and the government are in the hands of a single party. The next presidential election is due January 14, 2001.

IV. MARKETING U.S. PRODUCTS AND SERVICES

In doing business in Portugal, U.S. business should keep the following points in mind.
- Local Representative. You need a local representative who must have good contacts in order to be aware of future contracts and to participate in tenders. Portugal is a small country and knowing people in your industry is important.

- Exclusive Distributor. One distributor that is appointed on an exclusive basis is the ideal.

- The Iberian Peninsula. Portugal and Spain is not one 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. The Portuguese may resent the assumption that the Spanish know the Portuguese market. If Spanish distributors consider Portugal an extension of the Spanish market, they are largely ineffective in Portugal.

- Impact of the EU. If homework has been done for other EU markets it is basically done for Portugal. Many projects are EU-funded so an EU partner is desirable and may be fundamental when bidding on these.

- Slow Down. Business takes longer as compared to northern Europe because personal contacts are important. Your customers want to get to know you before they will trust you.

- Business is Honorable. There are relatively few trade complaints. Because the business community is close knit and many distributors are family run operations, trade disputes are few and are normally resolved out of court. But, if you do have to resort to the courts be prepared to wait and wait. The Portuguese legal system is hopelessly slow and is the biggest single cause of unresolved U.S. Company trade complaints.

- English is Common. Although Portugal is a European country it looks to the Atlantic and to trade with others. After all, 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 companies can usually do business in English.

DISTRIBUTION AND SALES CHANNELS

The Portuguese population is concentrated on the coast. The major distribution centers are Lisbon in the South and Porto in the North, though the regional centers of Braga (north of Porto) and Setubal (South of Lisbon) have come much 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 here. Most financial institutions have also chosen Lisbon 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 and US firms looking to appoint a distributor in Portugal should not overlook this fact. The Commercial Service maintains an office in Porto primarily to locate and to service these distributors. Porto is now connected to Lisbon by a new motorway and a new bridge over the Douro River. The coastal region between these two, and extending into Braga and Setubal, is where the large majority of Portuguese industries are located.

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

USE OF AGENTS/DISTRIBUTORS; FINDING A PARTNER

American firms interested in selling in Portugal generally start by appointing an agent or distributor. The establishment of local facilities through wholly owned subsidiaries or joint ventures may follow this. Most manufacturers/exporters are commonly represented in the market through exclusive importers/distributors who may appoint sub-distributors and dealers.

Generally agent/distributors who operate a sales network that covers the entire country expect exclusive representation agreements. They tend to be quite specialized in their respective market segment. It is often the case that an American firm offering a wide range of products may require representation in the Portuguese market by different local firms depending on the particular product.

Large retail stores and hypermarkets (Jumbo, Continente, Carrefour, Feira Nova, Lidl, Macro, Grula) are growing very quickly. This may be an alternative sales channel for some products. Some of these organizations buy/import directly and generally do not raise problems of financial/credit reliability.

Portuguese law distinguishes two types of distribution contracts: agency agreements and commercial concession agreements. Generally, relationships established between American and Portuguese companies, with or without a written agreement, meet the requirements of Portuguese law. However, a good Portuguese agent/distributor respects any informal type of commercial agreement made with his/her suppliers. As an EU country, Portugal is subject to EU directive 86/653/CEE, which protects commercial agents in their relations with the companies for which they work.

The Commercial Service (CS) at the American Embassy in Lisbon can help American exporters find a partner in Portugal. The services offered in Lisbon include all the export assistance core programs of the United States Department of Commerce. They are targeted to the development of sales leads or finding potential partners and have a low cost.

FRANCHISING

The Portuguese franchising market has grown steadily over the past decade and enjoys an annual growth rate of 20-25%. Even though the most developed segment of franchising in Portugal is clothing, the fast-food sector represents about 15% of the total market. Services are currently the fastest growing segment. However, other sectors should be considered, since Portugal offers many opportunities for expansion and the market has considerable room for new, internationally known franchising concepts.

DIRECT MARKETING

Since 1989 mail order and TV-sales have become effective direct marketing methods and have grown rapidly. Between 1998 and 1999 sales growth was estimated at 15% and presently there are 50 direct marketing firms in the market. The most popular direct marketing sectors are cultural, instruction/training and amusement materials (33% of sales) and apparel and clothing (17% of sales). Other successful areas are housedress, 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 low. Portuguese consumer protection regulations and laws are considered adequate, however authorities implementing controls and conducting inspections, nevertheless, 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 a new life to the sector and allowed the emergence of very successful shops of office supplies, computer hardware and software and groceries.

JOINT VENTURE/LICENSING

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 a foreign investment operation, 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. Special regulations apply to investment in some sectors as explained in Chapter VII.
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, perhaps, be reminded of the obvious: 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.

STEPS TO ESTABLISH AN OFFICE

To establish an office in Portugal, that is, to create a new Portuguese company recognized as such under Portuguese law, may be a process that offers some difficulties to a foreigner. However, it is not so difficult if some simple steps are followed. Any US entity interested in establishing a company in Portugal should visit and discuss the project with both the CS of the American Embassy in Lisbon and ICEP-Portuguese Institute of Foreign Commerce.

Generally, CS-Lisbon recommends that the following steps be taken to establish a company in Portugal with the assistance of a documentation agent (an individual or company specialized in handling administrative procedures to obtain legal documents), a lawyer or through the newly created “Formality Centers" for companies:

- Apply for a name (which may be the parent company name in the United States), a certificate of approval and a provisional I.D. card at the RNPC-Registo Nacional de Pessoas Colectivas (National Companies Registry Office).

- Deposit a copy of the company's contract (memorandum and articles of association) at a Notary Public for evaluation.

- Open a bank account in the name of the new company being created and deposit its initial capital (registered capital) in one of the local banks.

- Sign the company's contract at a Notary Public.

- Have the company's contract published in the Official Bulletin (Diario da Republica) and also in a local newspaper.

- File a declaration of activity commencement at the local revenue office.
- Apply to register the company at the RNPC and request a definitive I.D. Card.

  After the approval of the name, all the above steps can be taken care of with a single visit to the “Formality Center” for companies.

- Register the company also at the Commercial Registry Office (CRC-Conservatoria do Registo Comercial)

- Industrial activities must be licensed by any delegation of the Ministry of Industry co-located at one of the five Regional Coordinating Committees of the national government. Commercial activities generally do not require licensing. For commercial activities related to public health or security a license must be issued by the DGC-Direccao Geral do Comercio (General Directorate for Commerce).

- Register the company at the local Social Security Regional Center.

- Have the company's work schedule approved at the Ministry of Employment and Social Security.

- Register the company's account records at the local Revenue Office, at the Court and at the Bankruptcy Office.

- Additional requirements may apply: mandatory insurance, registration of employees at Social Security and the registration of any foreign workers at the Ministry of Employment and Social Security.

- Register investment of foreign capital in Portugal with the Foreign Trade, Tourism and Investment Promotion Agency (ICEP) within 30 days of the date of making investment.

SELLING FACTORS/TECHNIQUES

In Portugal modern techniques still coexist with some traditional practices. Modern sales techniques are generally accepted and effective but traditional values continue to be respected. Many businesspeople still consider a personal contact and a handshake stronger than a contract but they will not be offended if a formal contract is requested.

Portuguese consumers have seen their purchasing power increase every year and increasingly buy on impulse. Direct sales, large hypermarkets and shopping malls are becoming 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 and its market size sometimes make Portugal a difficult market 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.

ADVERTISING AND TRADE PROMOTIONS

As in all Western countries some of the preferred techniques to reach Portuguese buyers effectively are advertising and trade promotions. Portugal offers a reasonably priced market in which to advertise. Advertising media is the same as in the majority of developed Western countries. Newspapers, magazines, TV and more recently advertising in automatic bank teller machines are the most popular.

In Portugal there are a number of annual specialized international trade shows at the Feira Internacional de Lisboa (FIL) at the Expo 98 site and at the EXPONOR trade center near Porto.

Following are some of the major newspapers and business journals:

- PÚBLICO (daily)

Comunicação Social, SA
Direcção Editorial e Administrativa
Rua Amilcar Cabral, lt. 1
1750 Lisbon, Portugal
Tel: (351-21) 750 10 75
Fax: (351-21) 758 71 38

- DIÁRIO DE NOTÍCIAS, SA (daily)
  Av. da Liberdade, 266
  1250 Lisbon, Portugal
  Tel: (351-21) 318 75 00
  Fax: (351-21) 318 75 08

- JORNAL CORREIO DA MANHÃ (daily)
  Av. Joao Crisostomo 72
  1050 Lisbon, Portugal
  Tel: (351-21) 318 52 00
  Fax: (351-21) 354 03 82

- JORNAL DE NOTÍCIAS (daily)
  Av. Boavista, 1588-2.
  4000 Porto, Portugal
  Tel: (351-22) 606 6065
  Fax: (351-22) 200 7762

- JORNAL EXPRESSO (weekly)
  R Duque de Palmela, 37
  1250 Lisbon, Portugal
  Tel: (351-21) 311 4000
  Fax: (351-21) 354 3858

- JORNAL O INDEPENDENTE (weekly)
  R. Antonio Pedro, 111-2.
  1150 Lisbon, Portugal
  Tel: (351-21) 311 85 01
  Fax: (351-21) 311 8591

- JORNAL SEMANÁRIO (weekly)
  Rua Sacadura Cabral, 26
  1495 Dafundo (Lisbon), Portugal
  Tel: (351-21) 414 7965
  Fax: (351-21) 414 3328

- JORNAL VIDA ECONÓMICA
  Cp. Pequeno, 50 - 5º Esq.
  1000 Lisbon, Portugal
  Tel: (351-21) 793 77 47
  Fax: (351-21) 793 77 48

- SEMANÁRIO ECONÓMICO (weekly)
  Avenida Almirante Reis, 113-8o.
  1150 Lisbon, Portugal
  Tel: (351-21) 352 8525
  Fax: (351-21) 314 8847

REVISTA VISAO
ACJ Abril Controljronal
Largo da Lagoa, 15-C
2795-116 Linda-a-Velha, Portugal
Tel: 351-21) 416 8700
Fax: (351-21) 416 8701

Revista EXAME
ACJ Abril Controljronal
Largo da Lagoa, 15-C
2795-116 Linda-a-Velha, Portugal
Tel: 351-21) 416 8700
Fax: (351-21) 416 8701

PRICING A PRODUCT

Pricing is the most common reason why a number of American products offered in Portugal are not competitive. Pricing of American products as now practiced tends to directly reflect the dealer's 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 with the Portuguese market; 2) must not be a "double-counted" expense that is, the adding of Portuguese marketing expenses on top of "built-in" American marketing expenses.

The most appropriate method of 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. To this would then be added, when justifiable, a profit margin which, when added to the other pricing components, would still render 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 descriptions, gross and net shipping weight, volume and time of shipment (from where the delivery is made) and delivery. Proforma invoices with all the above details are not mandatory but are advisable and desirable.

SALES SERVICE/CUSTOMER SUPPORT

In Portugal there are no rules or current practices regarding sales service/customer support. It is the special nature of the American product or service exported that determines the desirability of this support. However, in representation/agency/distributorship agreements, sharing promotion expenses and cooperating in marketing strategies or technical assistance could add valuable marketing leverage.

SELLING TO THE GOVERNMENT

Portugal follows the EU directive to the GATT Procurement Code but has a derogation covering utilities such as water, transportation, energy and telecommunications. Portugal also ratified the decisions of the Uruguay Round, regarding government procurement.

Depending on the amount, government procurement may be made by direct consultation, national, or international tenders. National and international tenders are published in the Portuguese Official Journal (Diario da Republica, Series III) and in the two largest daily Portuguese newspapers. International tenders are also published in the EU Official Journal (Series F).

PROTECTING YOUR PRODUCT FROM IPR INFRINGEMENT

Trademark Protection - Portugal is a member of the International Union for
The Protection of Industrial Property (WIPO), a party to the Madrid Agreement on International Registration of Trademarks and Prevention of the Use of False Origins. Portugal's current trademark law entered into force on June 1, 1995 and is consistent with the terms of the trade related intellectual property provisions of GATT (TRIPS).

Copyright Protection - The Government of Portugal is in the process of amending national copyright legislation to conform to EU directives and the copyright provisions of TRIPS. Most recently (July 4, 2000), the country adopted the EU directive on protection of databases. However, unauthorized reproduction of software remains a problem, despite modest success of efforts by the Portuguese Association of Software Distributors (ASSOFT) to discourage piracy and improve enforcement. While the piracy rate has decreased over the last two years, it remains one of the highest in Europe.

Patent Protection - As stated above, Portugal is a member and a party to the Madrid Agreement. The Munich Convention on European Patents went into effect on January 1, 1992. To conform to the trademark and patent provisions of the WTO (TRIPS), Portugal passed a new Code of Industrial Property that took effect on June 1, 1995, but this law proved inconsistent with TRIPS in certain regards. Specific legislation was passed in 1996 extending the term of patents applied for or already in force on January 1, 1996, to the TRIPS-consistent 20-year-from-date-of-filing term. The existing code, however, still does not include provisions to protect test data unless submitted as part of a patent application.

NEED FOR A LOCAL ATTORNEY

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

V. LEADING SECTORS FOR US EXPORTS AND INVESTMENT

BEST PROSPECTS FOR NON AGRICULTURAL GOODS AND SERVICES
(USD million, unless otherwise noted)

01 - INTERNET, E-COMMERCE AND SERVICES: (CSV-TES)

Data Transmission Services (DTS), including Internet services, are fully liberalized in Portugal. Presently, there are 30 licensed operators offering services, such as; data transmission services, E-mail, EDI, fax storage and transmission and videotext. Internet linkage is an important DTS in Portugal, especially for large companies. The Internet has also become very popular and as a result, Internet-based services have expanded quickly. However, growth has been slower than experienced in other Western European countries, but since January 2000, this situation has been changing due to the great majority of Portuguese ISPs which are offering free access to the Internet.

Telepac, a PT owned company, is chartered to provide all types of DTS (Data Transmission

Services) and is the principal Internet service provider. DTS, excluding Internet services, accounted for 95% of Telepac's business in 1996. However, Telepac has started to face some competition from other operators offering DTS. The most important is Comnexo with a market share of 8%. Comnexo maintains a strategic agreement with British Telecom. Other operators are starting to offer a growing presence in DTS. They include AT&T, Global One, TMI and Eunet, Compensa (100% owned by IBM), etc.

Internet services are new to Portugal. In fact, there were about 46,000 paying subscribers and 200,000 non-paying users in 1996. Approximately one quarter of the total investments contributed to this sector was made for the offering of Internet services. Presently, 19 companies offer Internet access. Telepac still controls more than 80% of the market with 245 POPs (Points of Presence) throughout the country serving some100,000 clients.

E-Commerce revenues are expected to grow from $110 million in 1999 to $1.76 billion in 2002, which would represent an increase of 150%. GOP Minister of Science and Technology, Mariano Gago, said recently that E-Commerce revenues could reach $3 billion by 2003. The GOP plans to invest about $730 million in the next three years to "close the digital divide" bringing Internet access to the majority of Portuguese. EU structural and cohesion funds should account for approximately $150 million of this investment.

In terms of advertising on the Internet, revenues should grow from 14 million dollars in 2000 to 100 million dollars in 2004, and should reach 124 million dollars in 2005. By that time, E-advertising should represent about four percent of the total Portuguese advertising investment.

Nevertheless, in 1999, only 5.3% of Portuguese sites permitted commercial transactions. A majority of online traders use the Internet only to provide information regarding their products and services. The quality level of these sites, measured in terms of interactivity, personalization, and after sale support to clients is low.

U.S. companies are in an excellent position to take advantage of Portugal's entry to the "New Economy" because of their advanced technology. The GOP is looking at unbundling the local loop in favor of fixed wireless and broad band technologies. The EU seeks to reach 50% penetration of the Internet in all EU countries by 2002. Portuguese penetration is expected to reach 25% by then, but it will require more investment in personal computers and a major effort to encourage Portuguese companies to sell over the Internet.

02 - TELECOMMUNICATIONS EQUIPMENT (TEL)

The telecommunications market is the most important business area of the Portuguese economy. The market reflects all of the dynamics originated by total liberalization of the market which began two years ago and shall be completed before the end of year 2003. Portugal's telecommunications market offers huge opportunities for investors, service providers, and equipment suppliers. This fact contributed decisively to the stimulated creation of several new services, the start-up of new companies, and increased demand for equipment.

The strong performance of the telecommunications industry in Portugal has been a result of improved infrastructure accompanied by a significant decrease in equipment costs, and gradual liberalization of the sector. The primary driver of growth is cellular telephone service, which has experienced an average growth rate of almost 100% since 1992, and has already gained a 25% share of the telecommunications services market.

Anticipating a fully liberalized market in the current year, all Portuguese telecommunications companies have been making large investments in order to increase their competitiveness levels.

The equipment market is expected to grow at a remarkable annual rate of 18% over the next two years. Imports constitute 75% of the total market and the U.S. real share is much higher than the 3% reported because most U.S. exports to Portugal are made through other European countries. There are many opportunities for American companies to expand their business in this area.

The most promising subsectors within the sector and corresponding market size are:

- Cellular terminals
- Switching equipment
- Fixed terminals

DATA TABLE:

Year		1998	1999	2000
A)	Total Market Size:	994	1150	1352
B)	Total Local Production:	280	282	305
C)	Total Exports:	63	65	68
D)	Total Imports:	659	777	1153
E)	Imports from the U.S.:	18	21	35
	Exchange rate (1999)	214		

Import and export statistics for 1999 were provided by ICEP-Instituto do Comercio Externo de Portugal (the Portuguese Foreign Commerce Institute). All other statistics are unofficial estimates.

03 - COMPUTER SOFTWARE (CSF)

Portuguese demand for computer software should present positive long-term prospects with the introduction of the latest generation of micro-computers, the development of telecommunications, the interconnection of heterogeneous systems and the creation of valued-added networks.

Portuguese demand for computer software, USD $482 million in 1999, should continue to experience a high growth rate reaching an 18% annual average over the next three years. Some 76% of Portuguese demand is met by imports. Last year, the U.S. import share was 35,6%, but the estimated real market share for U.S. trademarks, some of which are bought from U.S. companies with branch offices in Portugal or imported from European subsidiaries, is about 75%. Five U.S. companies are among the 15 largest computer software companies in Portugal.

The most promising subsectors within the sector, along with an estimated total market size of each subsector at U.S. $2 million is the following:

- Business Software (applications for financial institutions, especially integrated financial systems)
- Operative Software (manufacturing applications, CAD/CAM, production control and software for main frames)

- Home Games and other Software

DATA TABLE:

Year	1998	1999	2000
A) Total Market Size	410	482	567
B) Total Local Production	214	220	231
C) Total Exports	103	110	112
D) Total Imports	299	365	458
E) Imports from the U.S.	105	130	165
Exchange Rates (1999):	214		

SPA -Software Publishers Association, BSA - Business Software Alliance, and the Portuguese Software Association (ASSOFT) provided import and export statistics for 1999. All other statistics are unofficial estimates.

04 - FRANCHISING (FRA)

NARRATIVE:

Franchising in Portugal has grown steadily over the past decade. The current estimated annual growth rate is 16% versus 30% in 1998/99. The year 1999 stands out as the beginning of a maturer phase in Portugal and also the end of the boom period. However, franchises will continue to grow at a significant rate. Presently, there are 360 franchisers operating in the market and the number of franchised units is estimated at 4,670.

Portugal's greatest concentration of franchises is in the retail clothing area with 31% of the market share, followed by services with 13.2%. There are good opportunities for U.S. apparel franchises to successfully penetrate the market, especially in the sportswear sector.

Best Prospects:

- Apparel/Fashion
- Sportswear
- Child care
- Educational products and services
- Company support services
- Entertainment

There is no legislation covering franchising. The financial sector, nevertheless, is now better aware and more interested in financing the specific needs of this segment of the economy. The implementation of a single currency in Europe in the year 2002 should also encourage more U.S. companies to take advantage of the excellent Portuguese market.

05 - TOURISM (TRA)

Narrative

The tendency to travel to the U.S. is increasing. The Visa Waver program created a sudden increase in Portuguese tourism to the United States. In August 1999, Portugal qualified for the U.S. Visa Waver Program. A direct result is that the entry of Portuguese visitors in the U.S. increased by 18% from 57,000 in 1998 to 70,000 in 1999. Portugal has a large number of emigrants living in certain areas of the U.S., thus generating a reasonable amount of Portuguese citizens traveling to those regions. In addition, the U.S./Portugal "Open Skies" Agreement, signed in December, 1999, is creating greater opportunities for U.S. and Portuguese/EU commercial airlines, travel and tourism operators to serve each other's markets, especially through airline code-share agreements.

CS Portugal is promoting States that have large Portuguese communities as tourist destinations and is emphasizing tourist attractions in each of those States. The objective is to increase the interest and visits by Portuguese tourists to these attractions when they are in the U.S. CS Portugal works closely with State Tourism Offices and other Tourism entities and organizes Familiarization and Press trips to the destinations that CS Portugal promotes. Current destinations are California, Florida, Louisiana, Maryland, Massachusetts, Nevada, New Jersey and Rhode Island.

The media, travel agents, and tour operators exert a major influence in promoting specific countries as holiday destinations outside Portugal among end-users. State and local travel and tourism offices should work closely with U.S. airlines, hotels and other holiday resorts in order to arrange attractive packages to promote European travel to the U.S.

Commercial Service Programs

In an effort to increase tourism from Portugal to the U.S.A., the Commercial Service Portugal is working closely with Portuguese travel market players and media to generate interest among Portuguese travelers to visit the U.S.A.

From January 17-21, 2001, CS Lisbon is organizing a U.S. Pavilion and "Visit USA Seminar" at the annual Lisbon Tourism Exchange (BTL) for 20-30 U.S. travel companies in Portugal and travel/tourism promoters in the U.S.

06 - AUTOMOTIVE PARTS / SERVICE EQUIPMENT

NARRATIVE:

The total Portuguese market for auto parts and accessories was U.S. $5.2 billion in 1998 and U.S. $5.5 billion in 1999. Estimated growth of 16% is expected over the next two years. It should be kept in mind that local auto assembly plants use a large percentage of this. Spain was the primary source for supplying auto parts and service equipment, accounting for 23% of the total market, followed by Germany with 19%.

The Portuguese automobile market exploded six years ago, with a rise in the standard of living, but it is now saturated. However, the market for automotive components continues to have a good potential to complement more than 50% of the demand that the local industry has no capacity to meet.

Investment in the automotive component industry continues to be attractive to many investors and is strongly supported by the Government of Portugal (GOP) and EU funds under the Community Support Framework for 2000 - 2006. Demand for automotive components is expected to increase five to seven percent in the next few years due to exports and customer expectations.

Best prospects:

HS 842123	Oil or fuel filters
HS 851110	Sparkplugs
HS 851180	Motor Diagnosis Equipment
HS 870839	Brakes
HS 870870	Wheels/rubber tires

DATA TABLE:

Year	1998	1999	2000
A) Total Market Size	5238	5519	6411
B) Total Local Production	4646	5128	5948
C) Total Exports	2058	2328	2329
D) Total Imports	2650	2719	2792
E) Imports from U.S.	4.4	4.6	5.1

Exchange Rates (1999): 1 US$ = 214 ESCUDOS

TRADE BARRIERS: The EU Customs Code (Code) was fully adopted in Portugal as of January 1, 1993. Special tariffs exist for tobacco, alcoholic beverages, petroleum and automotive vehicles. The Code adopts the directives of the General Agreement on Tariffs and Trade (GATT) including the amendments that resulted from the Uruguay Round of which Portugal is a signatory member.

Portugal uses the Harmonized Tariff and Classification System (HS) and applies import duties according to a maximum and minimum rate schedule. The minimum tariff schedule is applied to goods originating in countries entitled to the benefits of most-favored nation treatment (that is, members of the GATT and countries with which the EU has signed trade agreements) including the U.S. and most other countries.

07 - COMPUTERS AND PERIPHERALS (CPT)

The Portuguese market for computers and peripherals (C&P) reached U.S. $774 million in 1998, U.S. $874 million in 1999, and it is expected to increase to U.S. $988 million in 2000. Domestic demand must be met by imports, which totaled U.S. $940 million in 1999 and are expected to continue growing at an average high level of 13% per year.

The share of U.S. imports in the Portuguese market for C&Ps is about 10%. The U.S.'s major competitors are Holland with a market share of 26%, followed by France and Germany with shares of 13% each, but most of the equipment shipped from Europe comes from subsidiaries of U.S. companies. The real market share of U.S. C&Ps is more than 66%. The U.S.'s very large multiuser systems dominate their market segment. Four U.S. companies are among the ten largest C&P suppliers and own about 60% of the market. Demand and imports are expected to continue growing over the next three years with the share of U.S. products experiencing a moderate recovery.

DATA TABLE:

Year		1998	1999	2000
A)	Total Market Size:	774	874	988
B)	Total Local Production:	37	42	48
C)	Total Exports:	95	108	123
D)	Total Imports:	832	940	1067
E)	Imports from the U.S.:	73	87	100
	Exchange rate (1999):	214		

Import and export statistics for 1999 were provided by ICEP-Instituto do Comercio Externo de Portugal (the Portuguese Foreign Commerce Institute). All other statistics are unofficial estimates.

08 - POLLUTION CONTROL EQUIPMENT (POL)

NARRATIVE:
As a member of the EU, Portugal is required to incorporate into its environmental laws all the EU's environmental directives issued by the Community, including standards for water and air quality, and urban solid waste treatment and recycling. Accordingly, best sales prospects for U.S. exporters include filtering and purifying machinery and apparatus, sensors and analyzers, recycling equipment, and heavy metal collecting equipment. Over the next five to ten years, several billion dollars will be spent on solutions to Portugal's environmental problems. Over the next six years, Portugal will receive a total EU grant of about USD 25.3 billion dollars. Approximately $3 billion is programmed for environmental projects in the GOP's Regional Development Plan for 2000 - 2006.

The most promising subsectors within the sector, along with estimated 2000 total market size of each subsector (USD million):
- Filtering and Purifying Machinery and Apparatus 137

DATA TABLE:

Year	1998	1999	2000
A) Total Market Size	169	185	201
B) Total Local Production	28	30	31
C) Total Exports	16	17	18

D) Total Imports	157	172	188
E) Imports from the U.S.	10	12	13

Exchange Rates (1999): 1 US$ = 214 ESCUDOS

Environmental Engineering and Public Utilities Services

Municipalities are responsible for water supply, waste water treatment and urban solid waste management in the geographical areas under their jurisdiction. Following EU strategies, the municipalities are more and more interested in privatization of environment services. The trend to privatize services has created a market for engineering/consulting and environmental services companies in Portugal. U.S. environmental service companies may be interested in making specific joint-venture agreements with Portuguese companies to enter this market.

Some areas that offer the best opportunities are:
- Environmental impact studies and assessment
- Hazardous waste
- Privatization of water and waste water treatment
- Privatization of street cleaning, waste collection, separation, recycling, incineration and operation of sanitary landfills and solid urban waste (SUW).

09 - ENERGY SERVICES:

NARRATIVE:

Portugal is a small energy market with ten million inhabitants. It has the lowest per capita energy consumption in the European Union (EU), but energy consumption per unit of GDP is 30% above the EU average. Portugal does not have its own fossil energy resources and the country imports 85% of the energy consumed. Its dependence, in energy terms, is therefore, much higher than the community average. Historically, Portugal has a structure of consumption, which is based more on oil products than that of the other European Union countries. This is changing, however, with the development of a natural gas transportation and distribution system within the country.

Portugal has considerable potential for the use of renewable sources. The few indigenous energy resources currently used in Portugal are renewable (biomass and hydropower). Although renewable energies require much greater development, Portugal is currently the EU country which makes most use of these resources as part of its energy mix. Wind energy is already a significant source of electricity and the country is well positioned for solar energy applications. Finally, some sites in the Azores offer potential for geothermal energy.

Current Portuguese energy policy is designed to reduce the shortcomings existing within the country's energy system and improve the facilities for the development of its indigenous resources. The Portuguese Government spells out the following objectives as a major priority for the 2000-2006 period:

- Reducing Portuguese energy dependency on imports;
- Reducing polluting emissions;
- Reducing Portuguese energy consumption per unit of GDP to levels closer to the EU average;
- Strengthening Portuguese market competitiveness and improving living conditions;
- Betting on innovation and technological development in a market perspective, including renewable energy and more efficient equipment usage.

Energy efficiency should to support the modernization of the various economic sectors and reflects an objective by itself. The Community Support Framework 2000-2006 provides substantial structural funds for this purpose. However, the regulation also calls for the use of private financing to reduce the cost and the amount of public investment required.

The projected investment for the 2000-2006 period and the need to bring the Portuguese energy sector to European levels suggests that a number of opportunities exist for U.S. specific energy engineering and management consulting sectors. Complementary services such as private sector financing or venture capital financing is also desirable.

10 - MEDICAL EQUIPMENT (MED)

NARRATIVE:

The Portuguese Government is still considering the health sector a high priority. During the past four years, many new hospitals were built and others renewed. The renovation and upgrade of health facilities will continue until all European Union standards/requirements are met. Construction of new hospitals is still on course and will continue for the next two years. An increase of new hospitals creates an exceptional demand for all types of equipment and also adds to the regular demand of supplies, as well as, replacement of instruments and equipment.

The Portuguese market for medical equipment, instruments and supplies will continuously grow at a steady rate of 7% per year. Local production does not meet the increased demand for new equipment and high point technology. Also, as new technologies invade the markets, the need for new electronic products and services will grow. New opportunities for U.S. exporters/manufacturers exist in the service areas of hospital administration/management systems, on-line emergency patient centers, and calls centers. The area of emergency and rescue also is a good opportunity for sales.

Although the U.S. is not the number one supplier to Portugal, it is still traditionally perceived as a preferential supplier of dependable top quality products. Germany and Spain remain the U.S.' main competitors. The U.S. import market share for 1999 was about 20%. Quality and assurance provided by U.S. manufacturers gives a relative advantage among their competitors and is slowly increasing their share of the market. Below is a list of the medical equipment/devices of which the U.S. was one of the main suppliers to Portugal in 1999, and which are considered best prospects:

HS CODE	DESCRIPTION	VALUE	SHARE OF TOTAL IMPORTS
901819	Electro-diagnostic apparatus	4.1	15%
901839	Medical needles, catheters, canulae and parts and accessories	7.4	35%
901850	Ophthalmic instruments and appliances	2.3	20%
901890	Instruments and appliances for medical/surgical or veterinary sciences and parts and accessories	10.5	17%

Note: Value is in US$ millions.

There is EU harmonized legislation governing the importation of medical devices in Europe. As in other EU countries, it is required that medical devices imported from third countries being sold in Portugal undergo an analysis test by a credited entity in the EU. If devices pass this test, they are marked "CE" and may then move freely and may be sold in all countries throughout the EU.

DATA TABLE:

Year		1998	1999	2000
A)	Total Market Size:	229	245	260
B)	Total Local Production:	116	117	121
C)	Total Exports:	111	104	111
D)	Total Imports:	225	243	257
E)	Imports from the U.S.:	42	48	55

Exchange Rates (1999): 1 US$ = 214 ESCUDOS

Import and export statistics for 1999 were provided by ICEP-Instituto do Comercio Externo de Portugal (the Portuguese Foreign Commerce Institute). All other statistics are unofficial estimates.

11 - DEFENSE ARTICLES AND SERVICES

NARRATIVE:

Note: Although Defense is a best prospect, it is not rated, since products come from a variety of sectors.

The Portuguese military sector has experienced recent declines in both personnel and spending. Although nominal spending shows an increase, real buying power is down and is holding at less than 5% of the national budget. Because Portugal is in the lower income category of the EU, it has been the recipient of financial assistance for most major acquisitions and will continue to try to utilize these programs to the greatest extent in the future. The forecast for defense spending in 1999 was approximately U.S. $2.5 billion. This was 2.3% of GDP and represented a 2% increase over 1998 spending and 4.5% over 1997 spending. Almost 8% of the 1999 defense budget or approximately U.S. $194 million was earmarked for procurement.

The defense sector is being reorganized through the creation of a private structure under state ownership. In 1997, the Portuguese Government created a company, Empordef-Empresa Portuguesa de Defesa, SA to hold its 100% ownership of OGMA and INDEP. Through INDEP, Empordef also became the owner of the following shares: 100% IDD-Industria de Desmilitarizacao de Defesa, SA (obsolete ammunition disposal), 51% of SPEL-Soc. Portuguesa de Explosivos (manufacturer of military and industrial explosives), 38% of EID (electronics investigation and development), 33% of EDISOFT (software development), 40% of NAVALROCHA-Sociedade de Construcao e Reparacao Navais, SA (Shipbuilding and repair industry) and 30% of SUBLOC-Locacao de Submarinos, SA (Leasing of Submarines). Empordef's charter centers on a five-year investment and development plan for Portuguese defense industries. It is the decision-maker for investments required to modernize and to expand the Portuguese defense industry. Privatization in this sector is being discussed. While nothing is being decided regarding the privatization of OGMA or INDEP, the smaller non-military participation gained through INDED is expected to be sold soon.

The greatest opportunities for U.S. businesses are in cooperative production in Portugal. The U.S.' reputation for low prices, high quality and large market share makes it a valuable business partner. As the emphasis continues on unity within the European Union, the barriers to U.S. access to this market will grow, but Portugal could still be the gateway through which American firms gain access to the much larger European market.

In order to stretch limited budget resources, new systems acquisitions will be tightly controlled with financial incentives remaining a key part of the negotiation. There will be an ongoing need for logistical support in addition to periodic planned upgrades. Major planned or desired acquisition and upgrade projects are listed below by service:

Army: Air defense, helicopters, artillery wheeled armored vehicles, and simulations.

Navy*:* Ocean going Patrol Craft, Amphibious Assault Ships, Mine warfare, missile system improvements, shipboard self defense systems, equipment upgrades for marines, hydrographic/ oceanographic outfitting for new ships, and communications enhancements.

Air force*:* New squadron of F-16 aircraft with mid-life upgrades and AMRAAM missiles; ground radar upgrade, and self-protection suites for aircraft and SAR helicopters.

BEST PROSPECTS FOR AGRICULTURAL PRODUCTS
(1,000 Metric Tons)

01 - SOYBEANS

NARRATIVE:

Total CY-1999 soybean volume imports from the U.S. were up relative to the previous year as a consequence of the mid-1999 re-activation of leading local soybean crushing plant, closed for almost the whole preceding year. On a value basis, imports of soybeans remained almost unchanged, totaling $ 41 million during CY-1999, against $ 40 million in CY-1998. Favored by the operation of a local mature oils industry and an overall stable demand from the feed sector, soybean imports, total and from the U.S., will tend to be up in CY-2000 as the industry gears up towards a normal processing activity.

DATA TABLE:

	1998	1999	2000
A) Total Market Size:	493	573	680
B) Total Local Production:	0	0	0
C) Total exports:	8	4	4
D) Total Imports:	501	577	684
E) Imports from the U.S.:	146	256	320

The National Statistics Institute (INE) provided imports and exports for 1998 and 1999. Market size indicated for both years is an AgOffice estimate. Data for 2000 is an AgOffice forecast.

02 - HARDWOOD LUMBER

NARRATIVE:

Due to forest conservation issues, Portugal has been forced to turn to foreign exporters to replace locally produced sawn, hardwood, and lumber. Light-colored wood types, like cherry and tulipwood have reportedly been facing an increasing demand for the manufacture of contemporary furniture. Darker colored temperate woods, like sawn oakwood have been in demand to replace French oakwood, currently also in short supply, to produce "classical" furniture to export to France. Currently the leading supplier of sawn hardwood lumber to Portugal, U.S. CY-1999 hardwood lumber exports into Portugal totaled $ 19 million, unchanged from CY-1998, of which $ 10 million were accounted for by White Oak. Other hardwood product segments have also been expanding, in addition to hardwood lumber. U.S. CY-1999 hardwood log exports to Portugal totaled $ 10 million, of which $ 8 million were cherrywood. Also hardwood veneer accounted for $ 4 million. Fast growth market niches include wood pallets - $ 898,000 in CY-1999, up from $ 19,000 in CY-1998 - and oak staves for wine casket production - $ 608,000 in CY-1999, up from $ 160,000 in CY-1998.

DATA TABLE:

	1998	1999	2000
A) Total Market Size:	1806	1777	1759
B) Total Local Production:	1700	1660	1630
C) Total exports:	2	3	4
D) Total Imports:	108	120	133
E) Imports from the U.S.:	23	27	31

Data refer to temperate sawn hardwood only. Tropical hardwood, logs, veneer, pallets, staves, etc. are not included. Hardwood production is AgOffice estimate, derived from official 1997 logwood production statistics. According to USDA data, U.S. hardwood exports to Portugal totaled 32,000 Mt in 1998 and 31,000 Mt in 1999.

03 - CORN GLUTEN FEED

NARRATIVE:

Corn Gluten Feed led the CY-1999 U.S. agricultural value exports into Portugal, with $ 46 million, unchanged from CY-1998. Very sensitive to price variations of competing feedstuffs, local demand for C.G.F. was supported throughout 1999 by high incorporation levels of manioc in feed, while prices in the oilseed complex remained high. A reduction in total C.G.F. use in feed is anticipated for 2000 as a consequence of dropping EU grain prices. Nevertheless, with the need to keep feed manufacturing costs low, the high transportation costs of grains from surplus EU grain producing regions, and the growth of cattle feed production will tend to keep local C.G.F. demand relatively high in the future by comparison with EU average levels.

DATA TABLE:

	1998	1999	2000
A) Total Market Size:	467	516	470
B) Total Local Production:	0	0	0
C) Total exports:	13	23	30
D) Total Imports:	480	539	500
E) Imports from the U.S.:	480	534	500

The National Statistics Institute (INE) provided imports and exports for 1998 and 1999. Market size indicated for both years is an AgOffice estimate. Data for 2000 is an AgOffice forecast. Note, that according to USDA statistics, CGF exports to Portugal were 562,000 Mt in 1998 and 599,000 Mt in 1999, considerably above INE levels. The discrepancy can be explained by the importation of C.G.F. via foreign EU harbors for distribution outside Portugal.

SIGNIFICANT INVESTMENT OPPORTUNITIES

As Portugal rapidly integrates into the EU and Portuguese economic development approaches the level of other economies in the Union, the number of business opportunities increases and the country becomes a more attractive destination to exporters and investors.

Importation will grow because industrial modernization requires a large volume of machinery, equipment and instruments. Consumers also require more and better products. Inter-EU import duties have ended. Import duties vis-a-vis third countries have been reduced to EU levels.

Given the priorities of the EU and the Portuguese Government in the spending of structural funds and considering where U.S. companies have a clear technological and industrial edge, the following sectors are the most attractive:

- Telecommunications
- Environmental pollution control/waste management

- Health systems and medical equipment
- Computers and peripherals, software
- Energy conservation
- Franchising
- Upscale tourism
- Port renovation

VI. TRADE REGULATIONS AND STANDARDS

TRADE BARRIERS

The EU Customs Code (Code) was fully adopted in Portugal as of January 1, 1993. Special tariffs exist for tobacco, alcoholic beverages, petroleum and automotive vehicles. The Code adopts the directives of the General Agreement on Tariffs and Trade (GATT) including the amendments that resulted from the Uruguay Round of which Portugal is a signatory member.

Portugal uses the Harmonized Nomenclature and Classification System (HS) and applies import duties according to a maximum and minimum rate schedule. The minimum tariff schedule is applied to goods originating in countries entitled to the benefits of most-favored nation treatment (members of the GATT and countries with which the EU has signed trade agreements) including the United States and most other countries.

Most import duties are levied on an ad valorem basis. However, specific tariffs and compound tariffs (the basis for weight may be gross, legal net or actual net weight) are also used for some imports. Please note that importers must pay the value-added tax (IVA) which ranges up to 17% in full at the time of importation from a non-EU country. 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 EU countries.

CUSTOMS VALUATION

The customs value of imported goods is found by a set of six methods. The most commonly used customs value is the "transaction value method," which is the sales price in open market conditions when the product is sold in EU Customs Territory. If this method cannot be applied the others may be successively used, the sixth being a last resort. The "transaction value method" is based on the price actually paid by the importer to receive the merchandise in EU territory (no matter the port of entry).

The invoice price is generally used as the "transaction value method" of an import if it is clear that the price reflects market conditions and no doubt exists as to the accuracy of the details supplied. The transaction value method is usually the CIF price including any brokerage commissions and packing and excluding any duties payable in Portugal or EU countries.

IMPORT LICENSES

Because Portugal is a member of the EU, the majority of imported products enjoy liberal import procedures. However, there are certain products which require import licenses called import certificates for agriculture products and international import certificates for strategic/dual use products (products that may be used for both military and civilian purposes). For dual use products a certificate of delivery may also be required. There are also some licenses required for the import of textile products and for some industrial products from certain countries although not from the United States. Applications for import licenses should be submitted to the General Directorate of External Commerce. Tobacco, alcoholic beverages and automobiles are still subject to some import controls, generally resulting from bilateral agreements.

EXPORT CONTROLS

Since May 1988 Portugal has adopted EU directives regarding exportation. Presently, Portuguese exporters need to obtain an export declaration (this is a simplified procedure generally handled by a customs house broker) before they ship their merchandise. The export declaration is used for Portuguese Customs purposes but one copy should stay together with other export documentation.

In principle, the export declaration cannot be obtained without a receipt of deposit confirming that the merchandise is physically deposited in a customs area or an export warehouse. Export warehouses are approved by Customs authorities and generally facilitate the process of exporting. They do so by issuing export declarations as soon as the exporter informs the Customs authorities that the merchandise is available, and by making said merchandise available for Customs inspection.

Portuguese Customs regulations adopted a system of simplified export proceedings. This allows authorized exporters, exporters of perishables and express mail operators to export merchandise directly from their establishments. They are only required to present a commercial invoice to the Customs Authorities. The deposit of a guarantee is no longer required for exporters to have access to simplified export procedures.

IMPORT/EXPORT DOCUMENTATION

The following documents are required for ocean or air cargo shipments to Portugal: a bill of lading or an airway bill accompanied by commercial invoices.

Certain products require special documents: food products need a certificate of health in Portuguese; electric materials and construction equipment/machinery need a certificate of conformity to EU directives; grapes, alcoholic beverages and tobacco need a certificate of authenticity. Certificates of origin may also be required if the origin can in any way be attributed to a country subject to quantitative or other restrictions.

Bills of Lading and Airway Bills - Bills of lading and airway bills require no consular legalization. However, these documents should, if possible state the origin. "To order" bills of lading are acceptable if they bear the shipper's endorsement. Two copies of the document used in Portuguese or English are required.

Commercial Invoices - Portuguese Customs requires two copies of commercial invoices, but at least one additional copy should be provided to the importer. Commercial invoices should have an accurate and specific description of the goods with Free On Board (F.O.B.) value followed by an itemized description of expenses or Cost Insurance and Freight (C.I.F.) value. The invoice should indicate the country of origin. 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 manufacture in the country of origin, or which have passed through free ports or zones, the respective commercial invoice shall bear notation issued by the Portuguese Consulate having jurisdiction in that area.

Certificate of Origin - Certificates of origin are not required on direct shipments (ocean, air or parcel post) or for goods transshipped via a waybill in which the origin is stated. For shipments not covered by a commercial invoice, a through bill of lading or air waybill stating the origin must be accompanied by a certificate of origin if the origin can be attributed to one country being subject to quantitative or any other restrictions.

Certificates of origin forms are obtainable from Portuguese Consulates or authorized Chambers of Commerce. Certificates must be authenticated by an authorized Chamber of Commerce or a Portuguese Consul, upon presentation of satisfactory evidence of origin, either at the port of original shipment or the port of transshipment.

TEMPORARY ENTRY

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. However, in some cases, exemptions and partial guaranties can be made. In transit merchandise can be entered without guarantee by residents of the EU who make regular entries in transit or under carnet TIR, carnet ATA or a NATO 302 form. Guaranties are reimbursed when the merchandise leaves the territory of the EU. Professional materials, merchandise to be presented in exhibitions, teaching materials, medical/surgical and laboratory equipment, and other materials listed in the EU customs code 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.

LABELING, MARKING REQUIREMENTS

Generally, all products must be marked according to EU directives.

Imported goods need to be marked with an indication of origin. The indication "made in" is no longer accepted in Portugal. All imported products sold directly to the public must be marketed with the label "Fabricado em" which is the Portuguese translation of "Made in". False indication of origin is prohibited.

Generally all products sold directly to the public must have their labels or markings translated into Portuguese. The composition and usage instructions and should clearly indicate product validity and the name and address of the importer.

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.

There are no special requirements for marking the outside of cases for shipment to Portugal except that weights, when marked, should be in kilograms. Dangerous products must be marked according to the instructions of the UN.

PROHIBITED IMPORTS

As an EU country Portugal follows the EU Customs Code and has no prohibited imports. However, some products are subject to strict controls such as strategic products, wildlife, hazardous articles, non-sport firearms and ammunition, etc.

STANDARDS (E.G. ISO 9000 USAGE)

Portugal uses NP EN ISO 9000 Standards, which are equivalent to ISO 9000 standards. American exporters must demonstrate through a certifying entity that the products offered meet equivalent quality standards. On July 2, 1983 the legal framework for the "Portuguese Quality System" was established to monitor quality methods in Portugal. The "Portuguese Quality System" is organized in three areas: metrology, normalization, and qualification. The IPQ (Portuguese Institute for Quality) certifies standards in Portugal and is one of the entities responsible for the "Portuguese Quality System."

Product “MARK” Required for U.S. Exports to Europe: The “CE” mark is now mandatory for a wide range of products sold in the European Union. The letters “CE” indicate that the manufacturer has undertaken all assessment procedures required for the product. The “CE” mark is not a quality mark and does not indicate conformity to a standard, rather it indicates conformity to the legal requirements of the EU.

FREE TRADE ZONES/WAREHOUSES

Madeira: The Madeira International Business Center includes an Industrial Free Zone (41 licensed firms), a Financial Services Center (43 licensed bank branches), an International Services Center (2,833 licensed firms) and an International Shipping register (148 licensed firms). Madeira offers exemptions from corporate or individual income tax on licensed companies through the year 2011. It also offers grants of up to 100% of employee training costs and up to 50% of the cost of energy-saving changes in production measures. The Free Zone offers total exemption from customs duties on goods and raw materials imported into the zone; exemption from quotas on exports to the EU of goods produced in the zone; no payment of EU duties on local value-added; and no payment of EU duties on products incorporating EU raw materials and components. Foreign-owned firms have the same opportunities as domestic firms.

Azores: The Azores has established a Free Trade Zone on the island of Santa Maria with tax and financial incentives.

Bonded warehouses: Foreign products may be brought into Portugal and be stored in bonded warehouses duty-free for an unlimited period of time. There are five types of bonded warehouses depending on its public or private nature and whether its management is endorsed by the Customs authorities or by private entities (established in the territory of the EU). In some bonded warehouses it is possible to do some handling, assembling and or manufacturing of the stored goods.

SPECIAL IMPORT PROVISIONS

Advanced rulings on classification: Advanced rulings on tariff classifications for each type of product may be obtained upon request, in writing, to Customs at Porto or Lisbon. The request should include the name and address of the person who wants the ruling plus detailed descriptions, composition, applications of the product as well as samples duly packed and labeled or photographs, plans or catalogs. The nomenclature on which the classification is desired, the suggested classification and other information necessary for an adequate ruling may also be supplied.

An advanced ruling may lose validity if it is no longer compatible with new regulations or with a new interpretation of the nomenclature used, and this information is given to the holder of the ruling. There may be a postponement of up to six months or the period of validity of any import certificate issued. Also, there may be a loss of validity of an advanced ruling -- for duty determination purposes or calculation of quantity restrictions -- if import/export contracts have already been made or certificates of importation have been issued.

Entry and re-export: Foreign merchandise landed in Portugal must be declared for importation or temporary entry into the EU territory within a period of 45 days if landed by sea or 20 days if landed by air or from land. After arrival, if the merchandise cannot be immediately declared to customs because documentation is missing or because of any other reason, it will be stored ex-officio by the port authority in temporary storage customs warehouses, the cost of which is variable according to the nature of the merchandise. Any merchandise may be reshipped out of EU territory either before or after customs clearance. Normal re-exportation is made when the merchandise is entered under one of the temporary entry regimes. Re-exportation may be done after submission of a special customs declaration.

Samples and advertising materials: As an EU country and member of the Convention to Facilitate the Importation of Samples and Advertising Matter, Portugal grants duty free entry to giveaway samples properly labeled (except Tobacco and Matches), up to a duty value of 175 Euros and up to a VAT (value added tax) value of the same amount.

Samples for which the duty is greater than these amounts may also be admitted duty free if they are intended for exhibitions, conventions or similar events, or other promotional purposes that justify the quantity being imported. The person making the declaration should provide justification for the larger quantity.

Samples are subject to the same documentation requirements that apply to ordinary commercial shipments and require a symbolic value for customs declaration purposes on the shipping documents or commercial invoices.

Catalogs, price lists, brochures, pamphlets may also be entered duty free under the same conditions as the samples, if the name of the manufacturer/seller is readily apparent.

Duty refund: Once goods have been cleared through customs, collected duties or excess payments may be refunded if at the moment of payment they were not due. Refund for undue and excess payments can be claimed within a period of three years. Refund of duties can also be obtained if a customs clearance declaration is cancelled after the payment of duties. If imported merchandise is defective or does not meet the contracted specifications and is refused and re-exported by the importer, he/she may request a duty refund within a period of 12 months.

There are other conditions, defined by the EU Committee, under which paid import duties may be refunded. The interested parties must request all refunds.

Drawback: Importers may take advantage of "drawbacks" for all types of merchandise, except those subject to quantity restrictions or any agricultural leveling duty or similar imposition when the merchandise was cleared. Drawbacks allow the reimbursement of any duties paid on raw materials, parts, or components imported for the manufacture of a product in country for later exportation. This will be possible only if there are no restrictions to the exportation of the products that resulted from the imported merchandise and that the intended exportation took place.

VII. INVESTMENT CLIMATE

A. 1. OPENNESS TO FOREIGN INVESTMENT

The Portuguese Government promotes foreign investment in Portugal through a government agency, ICEP (Investimentos, Comercio e Turismo). The country maintains a simple, post facto registration regime for foreign investment. On the Portuguese mainland, foreign investors need only register with ICEP within thirty days from the day they make their investment. For investments in Madeira or the Azores, investors need to register with the Regional Secretariat of Planning and Finance.

Under Portuguese law, foreign direct investment is defined as an act or contract which obtains or increases enduring economic links with an existing Portuguese institution or one to be formed. In addition to the usual definitions of investment, these acts can include long-term loans (5 years or more); subscription for acquisition of 10 percent of a Portuguese company; acquisition of shareholdings in a Portuguese company in which non-residents hold at least 20 percent of the share capital; or other types of transactions, such as supplemental capital contributions or technical agreements in which the licensor holds the capital of the Portuguese licensee.

Foreigners are allowed to establish themselves in almost all economic sectors open to private enterprise. However, investments which may affect public health or security or which relate to the arms industry require the prior approval of government authorities. Also, Portugal restricts non-EU investment in regular air transport to 49%, and restricts non-EU investment in television operations to 15% (by a single non-EU investor). It subjects complementary telecommunications services to licensing and restricts non-EU investors' participation in the capital of complementary telecommunications operators to 25%. Portugal also restricts foreign investors' participation in the capital of public service telecommunications operators to 25%.

Finance/Insurance: The creation of new credit institutions or finance companies, acquisition of a controlling interest in such financial firms, and establishment of subsidiaries require authorization by the Bank of Portugal (for EU firms) or the Ministry of Finance (for non-EU firms). In both cases, the authorities take prudential considerations into account, but in the case of non-EU firms, the Ministry of Finance also considers the impact on the efficiency of the financial system and the internationalization of the economy. Foreign insurers from non-EU countries seeking to establish an agency in Portugal must post a special deposit and financial guarantee and must have been authorized for such activity for at least five years.

Foreign Workers: Foreigners who want to work in Portugal are required to obtain a work permit and a residence permit. Companies employing more than five workers must limit foreign workers to 10% of the workforce. Companies can request exceptions to this limit if the foreign workers have special technical expertise. Workers from other EU countries are not included in this limitation. EU workers must obtain a residence card for EU nationals but are not required to have work permits. Non-EU workers are required to have both a residence visa and a work permit.

A. 2. CONVERSION AND TRANSFER POLICIES

Portugal maintains no current or capital account restrictions. Since January 1, 1999, Portugal and 10 other European countries have formed the European Monetary Union which has adopted a new single currency, the Euro. During a transition period, the Portuguese Escudo exchange rate has been fixed at 200.482 Escudos equals 1.0 Euro. In 2002, the Escudo will disappear altogether.

A. 3. EXPROPRIATION AND COMPENSATION

There have been no cases of expropriation of foreign assets or companies in Portugal in recent memory, nor is there concern for future expropriation. In the past, at least one U.S. firm, however, claimed that the retroactive application of environment/zoning standards denied it the right to build a hotel on property purchased for that reason. The firm was never able to win its claim in court.

A. 4. DISPUTE SETTLEMENT

The Portuguese legal system is slow and ineffective, with cases taking years, if not decades, to be resolved. Portugal does accept, however, binding arbitration of investment disputes between foreign investors and the state. It is a member of the International Center for the Settlement of Investment Disputes (ICSID), also known as the Washington Convention and/or the New York

Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

A. 5. PERFORMANCE REQUIREMENTS/INCENTIVES

Portugal offers a number of incentives to foreign investors. For the period 2000-2006, the country has adopted an “Economic Operation Plan” (POE) with the objective of reinforcing the productivity and competitiveness of existing businesses and promoting new areas for development. The POE will cost an estimated 10.6 billion Euros over the period. Of that sum, an estimated 4.9 billion Euros will be used for direct financial incentives for companies.

The financial incentives are designed to stimulate investment in industry, trade, construction, tourism, and services such as transportation, business services, information technology and audiovisual. The incentives are also targeted towards investments in the poorer regions of the country, such as the Alentejo and Tras os Montes, towards investments in small and medium-sized enterprises, and towards entrepreneurs under 35 years of age.

The principle incentive scheme, which goes under the acronym SIME (Sistema de Incentivos a Modernização Empresarial), covers investments larger than 150,000 Euros. The incentives consist essentially of tax-free loans and grants for a percentage of qualifying investments. The incentives apply differently to three different categories of investments:

- For tangible investments, such as buildings, equipment and technology transfers, the loan can range from a base of 30%, to as much as 60% of the investment depending on factors such as the location of the investment, the size of the company, the age of the entrepreneur, etc. In addition, on successful completion of the project, a portion of the loan may be forgiven, ranging from 15% for large companies in the Lisbon region, to 60% for small companies in the less-developed regions of the country.

- For certain preferred intangible investments, such as research and development and employee training, SIME can provide non-reimbursable grants equal to 30-70% of the investment.

- Finally, to encourage international competitiveness of companies in Portugal, SIME offers interest free loans of 30-60 % of these companies’ overseas investments.

Projects will compete for SIME funding under three criteria, including: 1) sectoral merit, such as the degree of innovation, the quality of jobs created, and international competitiveness; 2) economic impact of the project, including return on capital and its investment profile, and; 3) the risk profile of the project.

A second incentive scheme for small projects (less than 150,000 Euros) goes under the acronym SIPIE. The incentives under SIPIE consist of direct grants equal to 40-45% of eligible investments. Competition for these grants is based on a point system, weighted on such factors as priority investments, investment in underdeveloped regions, job-creation and the company's own stake in the project. Both SIME and SIPIE have a number of other criteria. Interested parties should contact ICEP for more details.

In addition to these two programs, Portuguese decree law number 401/99, published on October 10, 1999, establishes tax credits for Portuguese companies which invest abroad. Companies that invest abroad in manufacturing, tourism, agriculture, fish-farming, livestock, forestry, construction, wholesale and retail trade, environment, energy, telecommunications, transports, information technology, audiovisual and multimedia can qualify for tax credits of 10 percent. The credit can be increased by 5% for investments in the EU, Lusophone Africa or Brazil, and another 5% for small and medium sized enterprises.

Taxes: Portugal has one of the lowest corporate tax rates in the EU, with rates on the Portuguese mainland set at 32% for 2000 (versus 34% before), with an additional municipal tax in certain areas of up to 3.2%. Other tax regimes are in place for the country's autonomous regions, the islands of the Azores and Madeira.

A. 6. RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

Private Ownership/Enterprise: 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 that affect public health, order or security, or which relate to the arms industry, require prior approval of the competent authorities.

Competitive Equality: Decree-law No. 371/93, of October 29, 1993, governs protection and promotion of competition in Portugal. It specifically outlaws 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 notification of the government of mergers or acquisitions which would serve to give one company more than 30% market share in one sector or among entities which had total sales in excess of 30 billion Escudos (approximately $150 million) in the preceding financial year. The law is administered by the Directorate General for Competition and Prices (Ministry of Economy) and the Council of Competition, which is appointed by the Prime Minister.

Under EU agreements, the European Commission may claim authority on cross-border competition issues or those involving entities large enough to have a significant EU market share. In 1999, there was a well-publicized dispute between Portugal and the European Commission over the attempted takeover of a Portuguese banking group by a Spanish bank, Banco Santander

Centro Hispano (BSCH). Despite protests by the EC, the Government of Portugal effectively blocked the transaction for 5 months, and ultimately negotiated a deal in which BSCH took control of part of the group and the remainder was purchased by the Portuguese state-owned bank, Caixa Geral do Depositos (CGD).

Privatization Program: Portugal has engaged in a wide-ranging privatization program that has generated approximately $24 billion in proceeds between 1989 and 1999. The government used the bulk of these proceeds to reduce public debt. Privatization involves selling off government shares in state-owned companies, typically in a series of share offerings. These share offerings often include private transactions, usually to attract a "strategic partner" as an equity holder, and public offerings.

Major privatizations in 1999 included sales of interest in Soporcel (paper), Portugal Telecom (telecommunications), and Brisa (toll-road concessionaire). In 2000, an additional tranche of EDP (electricity) is expected to be sold, as well as an initial offering for Papercel (paper). Firms which are expected to begin the privatization process in 2001-2002 include Cimpor (cement), TAP (airline), ANA (airport management), and GALP (petroleum refining and marketing, natural gas distribution). In addition, additional tranches of stock of Portugal Telecom and Brisa are expected.

As a result of Portugal's privatization program, the share of GDP attributable to state-owned companies fell from 19.7% in 1988 to 8% by the end of 1997. Similarly, state-owned companies' share of total employment fell from 5.5% to 2.6% over the same period.

A.7. PROTECTION OF PROPERTY RIGHTS

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 entered into force on June 1, 1995. The law, however, is not considered to be entirely consistent with the terms of the trade related intellectual property provisions of GATT (TRIPS).

Copyright Protection: Portugal is finishing the process of adopting EU directives in the form of national legislation. Most recently, the country adopted the EU directive on protection of data bases (Decree Law 122/2000, July 4, 2000). Software piracy remains a problem, however, with one survey indicating the rate is 3 percent higher this year than last.

Patent Protection: Currently, Portugal's patent protection is afforded 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. The current code, however, remains inconsistent with TRIPS in certain regards. A new industrial property code has been drafted and is currently open for public comment.

A.8. TRANSPARENCY OF THE REGULATORY SYSTEM

In the past, one of the most common complaints by American companies wishing to invest in Portugal was the abundance of bureaucratic red tape. Decision-making tends to be overly centralized and obtaining government approvals or permits can be time-consuming and costly, particularly for small- and medium-sized foreign investors and entrepreneurs. Some U.S. firms report substantial delays and red tape in accomplishing such basic tasks as registering companies, filing taxes, receiving value-added tax refunds, and importing vehicles. To counter these problems, Portugal has created "Formality Centers" for companies. These are intended to act as one-stop shops where all the bureaucratic and administrative procedures necessary to register companies are carried out quickly and efficiently.

A.9. EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

With European monetary integration, Portugal is increasingly integrated into a European wide financial market. As a member of the Euro-zone, Portugal now offers low exchange rate risk for foreign investors, interest rates comparable to other EU countries and a greater availability of credit. 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 new Portuguese capital markets code (the CVM) came into effect on March 1, 2000. According to one legal group here, the CVM has gone a long way to rationalize and streamline Portuguese capital markets legislation. In one area, pertaining to the definition and regulation of financial intermediaries, the CVM appears to have put greater regulation on the activities of stockbrokers and investment advisors. Although the Lisbon stock market (Bolsa de Valores Lisboa or BVL) is one of the smaller markets in Europe, total capitalization has grown rapidly (from 29% of GDP in 1987 to more than 99% of GDP in 1998). The Oporto Stock Exchange deals in derivatives, essentially futures and options contracts on financial instruments.

As of mid-year 1999, Portugal had 54 banks. The largest five bank groups, however, accounted for 75% of the sector's total assets. Nevertheless, Portugal's bank sector is still undergoing consolidation in order to create banks large enough to compete in an EU marketplace. Two banks, including the country's largest, Caixa Geral do Depositos (CGD), are still controlled by the Portuguese government.

In addition to banks and stock markets, Portugal has taken specific steps towards assisting the financial needs of small and medium sized enterprises (SME's). Portugal's Institute for Supporting Small and Medium-sized Enterprises and Investment (IAPMEI) has promoted a program of mutual guarantees so that SME's 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 percent of the guarantee. Between 1995 and 1999, 286 such loans were approved. IAPMEI has also supported the creation of 11 venture capital funds and 9 venture capital companies, which will channel capital to SME's.

A. 10. POLITICAL VIOLENCE

There have been no incidents involving politically motivated damage to projects and/or installations. Potentially destructive civil disturbances are not likely.

A. 11. CORRUPTION

Corruption is a relatively limited but enduring aspect of the business culture in Portugal. The "1999 Corruption Perceptions Index" published by Transparency International, ranked Portugal 21st out of a total of 99 countries considered (listed from least corrupt to most corrupt). Within the EU, Portugal ranked 10th out of 15 countries on the list. Both rankings were slight improvements on the 1998 survey. (As a point of comparison, Transparency ranked the U.S. 18th out of 99 countries considered.) Although U.S. firms acknowledge occasional encounters with 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, but has not yet passed legislation to bring its criminal code in compliance with the Convention. The country hopefully will do so over the coming year.

B. BILATERAL INVESTMENT AGREEMENTS

As of June, 1999, Portugal had bilateral investment treaties with twenty-five countries.

Country	Signed	Publication	Entry In Force
Germany	09/16/80	07/08/81	04/23/82
Morocco	10/18/88	03/01/90	03/22/95
Cape Verde	10/26/90	04/26/91	10/04/91
China	02/03/92	07/23/92	12/01/92

Guinea-Bissau	06/14/91	10/08/92	04/08/96
Hungary	02/28/92	10/30/92	10/08/97
Poland	03/11/93	10/09/93	08/03/94
Romania	11/17/93	07/26/94	12/06/94
Czech Republic	11/12/93	07/21/94	08/03/94
Brazil	02/09/94	08/10/94	--n/a--
Tunisia	05/11/92	11/17/94	12/06/94
Venezuela	06/17/94	04/15/95	05/11/95
Peru	11/22/94	07/15/95	10/02/95
Russian Federation	07/22/94	07/21/95	--n/a--
Argentina	10/06/94	08/08/95	05/03/96
Mozambique	09/01/95	05/28/96	--n/a--
South Korea	05/03/95	05/28/96	09/30/96
Pakistan	04/17/95	10/11/96	11/28/96
Latvia	05/27/95	05/20/97	07/17/97
Republic of Croatia	05/10/95	06/20/97	11/27/97
Sao Tome and Principe	05/12/95	07/18/97	--n/a--
Slovakia	07/10/95	09/08/97	--n/a--
Chile	04/28/95	12/24/97	02/05/98
Uruguay	07/25/97	12/30/97	--n/a--
Slovenia	05/14/97	01/24/98	--n/a--
Mauritius	12/12/97	07/22/98	07/27/98
Cuba	07/08/98	12/04/98	--n/a--
Angola	10/24/97	12/17/98	12/22/98
Albania	09/11/98	05/12/99	--n/a--

DOUBLE TAXATION TREATIES:

U.S. companies benefit from the U.S. – Portugal tax treaty, which protects U.S. investors from double taxation and extends exceptional tax reductions on profits and capital gains to investors. It reduces the withholding tax rate for the Portuguese-source income of non-residents to 15% for dividends and 10% for royalties and interest. The double tax treaty does not apply to Madeira. Other countries with which Portugal has taxation treaties (as of June, 1999) include:

Country	Signed	Publication	Entry In Force
United Kingdom	03/27/68	07/24/68	--n/a--
Norway	06/24/70	10/27/70	--n/a--
Finland	04/27/70	10/23/70	--n/a--
Belgium	07/16/69	12/15/70	--n/a--
Austria	--n/a--	03/08/71	--n/a--
France	01/14/71	03/26/71	--n/a--
Brazil	04/22/71	06/02/71	--n/a--

Denmark	ratified by Portugal	07/19/73, not ratified by Denmark	
Sweden	--n/a--	12/12/74	--n/a--
Germany	--n/a--	06/03/82	10/08/82
Italy	--n/a--	01/07/83	01/15/83
Mozambique	--n/a--	12/30/92	01/01/94
Ireland	--n/a--	06/24/94	01/01/95
Spain	--n/a--	01/28/95	--n/a--
United States of America	--n/a--	10/12/95	01/01/96
Bulgaria	06/15/95	04/11/96	--n/a--
Czech Republic	05/24/94	05/09/97	05/14/97
Poland	05/09/95	09/09/97	05/09/95
Venezuela	04/23/96	12/15/97	01/08/98
Morocco	09/27/97	12/23/98	12/28/98
Hungary	05/16/95	01/28/99	02/02/99

C. OPIC and Other Investment Insurance Programs

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

D. LABOR

The Portuguese unemployment rate in the fourth quarter of 1999 was only 4.1%, considerably below EU averages. The rate dropped further to 3.8% in the second quarter of 2000. According to studies by ICEP, Portugal has the lowest labor costs in the EU. In 1998, according to ICEP, Portugal’s manufacturing labor costs were $5.48 per hour, 70 percent lower than the United States and 80 percent lower than Germany.

Despite Portugal’s favorable comparison to most other EU countries, one of the more common complaints of U.S. investors is that the Portuguese labor market is overly rigid. Portuguese labor law explicitly defines the conditions under which an employer can hire and fire workers. The dismissal of an employee, for example, is allowed only when his behavior makes it impossible to allow him to continue in the job. Furthermore, there are a number of restrictions on part time or temporary employment contracts.

Labor strikes and work stoppages in Portugal, as in much of Europe, are much more common than in the United States. Fortunately, most strikes are of short duration. Over the last year, work stoppages have been much more common among public sector workers than in the private sector, including public transportation and health. Portugal is a member of the International Labor Organization and adheres to the ILO Conventions Protecting Labor Rights. Portugal ratified and is the most recent signatory to ILO Convention 138, which establishes a minimum employment age of 15 for all economic sectors. As of January 1, 1997, the minimum working age in Portugal is 16, except for light work, thereby exceeding the ILO norm.

E. FOREIGN TRADE ZONES/FREE PORTS

Portugal has two foreign trade zones/free ports in the autonomous regions of the islands of Madeira and the Azores. These foreign trade zones/free ports were authorized in conformity with EU rules or incentives granted to member states. The authorized activities are industrial and commercial activities, international service activities, trust and trust management companies and offshore financial branches. Companies established in the foreign trade zones enjoy several benefits including import/export-related benefits, financial incentives, tax incentives for investors and tax incentives for companies.

The Madeira free trade zone has some success, with approximately 4000 companies registered there, according to press reports. According to those same reports, however, the European Union has opened an investigation of the Madeira FTZ to see whether it functions as a platform for tax evasion. Under the terms of Portugal's agreements with the EU, companies in the Madeira FTZ can take full advantage of the tax incentives provided until December 2011, when those incentives will begin to be phased out. The foreign trade zones of the Azores islands has not achieved the same degree of international acceptance as Madeira.

F. Foreign Direct Investment Statistics

As shown in the table below, gross foreign direct investment inflows into Portugal continue to rise, reaching 11.5 billion Euros in 1999. They fell in 1998 to $870 million, or 0.8% of GDP. The largest component of new foreign direct investment in Portugal is in the manufacturing sector, with the bulk of investment coming from other EU countries, led by the UK and France. The U.S. is the largest non-EU investor in the country.

FOREIGN DIRECT INVESTMENT INFLOWS INTO PORTUGAL
Gross Inflows in Thousands of Euros

	1997	1998	1999
Total Foreign Direct Investment	7,806,583	11,384,767	11,570,015
Breakdown by Sector			
Agriculture, Forestry, Fishing	6,948	14,101	9,639
Mining and Quarrying	2,537	2,597	2,906
Manufacturing	2,902,227	4,399,139	6,232,195
Electricity, gas and water	42,623	324,112	53,728
Construction & Public Works	70,461	92,483	98,691
Wholesale & Retail Trade	2,392,066	2,395,668	2,306,863

Transport & Communications	562,048	102,094	247,358
Banks & Financial Services	359,647	288,897	234,360
Real Estate, Rentals & Bus. Activities	1,333,730	3,582,275	2,129,662
Other	134,296	183,400	254,613
Breakdown by Country of Origin			
Germany	493,063	340,762	842,472
Spain	692,463	773,392	654,876
France	633,115	1,002,450	1,676,955
U.K.	2,263,482	2,241,915	2,044,150
Other EU Countries	2,341,537	2,902,116	4,834,852
Total EU	6,423,660	7,260,635	10,053,305
U.S.	318,781	1,246,774	552,581
Switzerland	470,195	967,472	353,337
Other Non-EU Countries	593,947	1,909,886	610,792
Total Non-EU	1,382,923	4,124,132	1,516,710

Source: Bank of Portugal

As shown below, Portuguese direct investment abroad has witnessed a remarkable increase over the last few years, although 1999 was slightly below 1998's record figures. The largest component of investment abroad has been in the communications and transport sectors. While Brazil appears to continue to attract the largest single chunk of this investment, other countries, including those in Eastern Europe, are growing targets for Portuguese investment abroad.

PORTUGUESE DIRECT INVESTMENT ABROAD
Gross Outflows in Thousands of Euros

	1997	1998	1999
Total Direct Investment Abroad	1,855,099	7,928,218	7,342,480
Breakdown by Sector			
Agriculture, Forestry, Fishing	5,079	7,891	1,585
Mining and Quarrying	1	101	6
Manufacturing	89,417	91,047	180,399
Electricity, gas and water	5,784	644,483	694,096
Construction & Public Works	15,863	38,245	79,902
Wholesale & Retail Trade	119,958	53,494	83,797
Transport & Communications	196,749	3,492,471	3,805,038
Banks & Financial Services	366,815	501,275	268,582
Real Estate, Rentals & Bus. Activities	993,326	3,026,275	1,846,957
Other	62,106	72,936	382,117
Breakdown by Country of Destination			

Germany	2,441	55,592	56,616
Spain	285,472	316,678	427,893
France	41,507	25,999	25,284
U.K.	53,137	50,969	126,170
Other EU Countries	614,990	941,037	863,082
Total EU	997,547	1,390,275	1,499,045
U.S.	57,268	76,847	55,595
Brazil	435,157	3,677,844	1,554,416
Lusophone Africa	80,496	67,203	126,443
Other Countries	284,631	2,716,049	4,106,981
Total Non-EU	857,552	6,537,943	5,843,435

MAJOR FOREIGN INVESTORS

Selected Major Foreign Direct Investors in Portugal

Company	Industry	Foreign Control
Autoeuropa (Volkswagen)	Motor Vehicles and Parts	Germany
BP Portuguesa, SA	Fuel Distribution	UK
Shell Portuguesa, SA	Fuel Distribution	Netherlands/U.K.
Renault Portuguesa, SA	Motor Vehicles and Parts	France
Opel, SA	Motor Vehicles and Parts	USA
Asea Brown Boveri, SA	Construction	Sweden
G.M.A.C.	Vehicle Rental	USA
Siemens	Electrical Component Mfg.	Germany
Fiat Auto Portuguesa, SA	Motor Vehicles and Parts	Italy
Ford Electronics	Electrical Components	USA
Carrefour, SA	Food Distribution	France
Citroen-Automóveis, SA	Motor Vehicles and Parts	France
Mitsubishi, SA	Motor Vehicles and Parts	Japan
Delphi Packard	Motor Vehicles and Parts	USA
Tisep, LDA	Electronics	USA/Japan
Repsol, SA	Fuel Distribution	Spain
Peugeot Portugal, SA	Motor Vehicles and Parts	France
Sony Portugal, LDA	Electronics (trade)	Japan
IBM, SA	Electronics	USA
Lever, LDA	Soaps and Cosmetics	Netherlands
Esso Portuguesa, SA	Fuel Distribution	USA
Citroen Lusitana, SA	Motor Vehicles and Parts	France
Philip Morris (Portugal), LDA	Trade	USA
Rover, LDA	Motor Vehicles and Parts	UK
Mobil Oil Portuguesa, LDA	Fuel & Lubricants	USA

Ericsson	Telecommunications	Sweden
Hewlett-Packard, SA	Computers and Electronics	USA
Dow Portugal, SA	Chemicals	USA
Iglo, LDA	Food	Netherlands

VIII. TRADE AND PROJECT FINANCING

BRIEF DESCRIPTION OF BANKING SYSTEM

In the aftermath of the Revolution of 1974, most of the country's banking system was nationalized. However, Portugal's accession to the EC, in 1986, prompted a series of policy measures which liberalized the sector. As a result, the government's share of total shareholder equity in the banking system declined from 90% to 30% in the ten years after joining the EU. The only major financial institution, which remains in government hands, is Caixa Geral de Depositos (CGD). Five banking groups dominate Portugal's banking sector. Nevertheless, Portuguese banks remain relatively small by European standards and the next few years could witness considerable cross-border integration within the EU. An effort by the Portuguese Government to limit Spanish ownership in the Champalimaud group of banks has prompted criticism from the European Union.

Foreign businesspeople should find the Portuguese banking system to be similar to that of the U.S. or other Western European countries. Portugal has transposed into national law key EU financial Directives covering banking coordination (the "community passport"), auditing on a consolidated basis, capital structure, solvency, and money-laundering. A deposit guarantee fund is in place and the Fund's resources stood at PTE 52 billion (USD 350 million) at the end of 1995. In June 1995, deposit guarantees were extended to include deposits taken by Portuguese banks in other EU countries. Banks' shares trade freely on the stock exchange.

GENERAL FINANCING AVAILABILITY

Short-term and medium-term financing are readily available. Overdrafts are the most common source of short-term finance for corporations. The issuance of commercial paper began in 1993 and has grown rapidly. The placement of bonds by corporations is the preferred medium-term-financing instrument. Intercompany borrowing is also common.

EXPORT FINANCE/METHODS OF PAYMENT

Banker's acceptances and supplier credit are commonly used to finance international trade. Most international trade is handled by commercial banks. Both Exim-Bank and OPIC programs are available in Portugal, but are little used because commercial credit is widely available and political risks are not perceived to be high. Project financing from multilateral institutions such as the World Bank (IBRD) and the European Investment Bank (EIB) are available. Commercial banks also offer project financing.

PROJECT FINANCING

Contractors may be required to bring financing proposals for major projects bids on a case-by-case basis although generally the Government finances the project. Project financing is available for a wide variety of projects ranging from bridges to gas pipeline construction (see also "PERFORMANCE REQUIREMENTS/INCENTIVES" above)

LIST OF COMMERCIAL BANKS

Banco Alves Ribeiro, SA
Av. Eng. Duarte Pacheco, Torre 1, 11 Piso
1070 Lisboa, Portugal

Banco Comercial Português, SA
Rua Augusta 62/74
1100 Lisbon, Portugal
Tel: (351-21) 342 73 81
Fax: (351-21) 342 16 77

Banco Espírito Santo
Av. da Liberdade, 195
1250 Lisbon, Portugal
Tel: (351-21) 315 83 31
Fax: (351-21) 350 89 15

Banco Essi, SA
Torre 3, Tierno Galvan 14°
1070 Lisbon, Portugal
Tel: (351-21) 380 85 00
Fax: (351-21) 388 82 59

Banco Finantia, SA
Rua Gen. Firmino Mig, 5, 1
1600 Lisbon, Portugal
Tel: (351-21) 720 20 00
Fax: (351-21) 726 53 10

Banco Finibanco
Av. Berna, 10
1050 Lisbon, Portugal
Tel: (351-21) 790 28 00
Fax: (351-21) 790 28 01

Banco Internacional de Credito
Av. Fontes Pereira de Melo, 27
1050 Lisbon, Portugal
Tel: (351-21) 311 55 55
Fax: (351-21) 314 61 65

Banco Internacional do Funchal
Av. Jose Malhoa, lote 1792
1070 Lisbon, Portugal
Tel: (351-21) 721 12 00
Fax: (351-21) 721 12 01

Banco Nacional Ultramarino
Av. 5 de Outoubro, 175
1050 Lisbon, Portugal
Tel: (351-21) 791 80 00

Banco Pinto & Sotto Mayor
Rua do Ouro, 28-3º
1100 Lisbon, Portugal
Tel: (351-21) 347 62 61
Fax: (351-21) 342 70 78

Banco Portugues do Atlantico
Rua Augusta, 84
1100 Lisbon, Portugal
Tel: (351-21) 321 10 00
Fax: (351-21) 422 44 59

Banco Santander Portugal
Praça Marques de Pombal, 2
1250 Lisbon, Portugal
Tel: (351-21) 310 70 00
Fax: (351-21) 310 72 34

Barclays Bank PLC

Av. da Republica, 50-2º
1000 Lisbon, Portugal
Tel: (351-21) 793 50 20
Fax: (351-21) 797 96 10

Caixa Geral de Depósitos
Lg. do Calhariz
1100 Lisbon, Portugal
Tel: (351-21) 346 03 51
Fax: (351-21) 342 13 06

Banco Chemical Finance, SA
Rua Barata Salgueiro, 33
1200 Lisbon, Portugal
TEL: (351-21) 313 7300
Fax: (351-21) 352 2905

IX. BUSINESS TRAVEL

BUSINESS CUSTOMS

Portugal is a country in transition culturally as well as economically. Courtesy, in business and other spheres, is simply 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 yet keen 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 to be taken, not as an opportunity that must be breathlessly seized.

In terms of everyday business the Portuguese are correct and civil. They respect the time of their appointments and expect the same from others. They are thorough to a fault, often pouring over all the documents relative to a negotiation, and not too ready "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. Many have relatives in the U.S. and have visited North America.

No visas are required to visit Portugal for stays of 60 days or less. There are no travel advisories for Portugal nor have there been for many years.

LEGAL HOLIDAYS FOR 2000-2001

2000

August 15	(P)	- Assumption Day

August 21	(P)	- Funchal Day (Funchal, Madeira only)
September 4	(A)	- Labor Day
October 5	(P)	- Proclamation of The Portuguese Republic
October 9	(A)	- Columbus Day
November 1	(P)	- All Saint’s Day
November 11	(A)	- Veteran’s Day (Embassy will close on Nov. 10)
November 23	(A)	- Thanksgiving Day
December 1	(P)	- Restoration of Portuguese Independence
December 8	(P)	- Feast of the Immaculate Conception
December 25	(A/P)	- Christmas Day

2001

January 1	(A/P)	- New Year’s Day
January 15	(A)	- Martin Luther King Jr.’s Birthday
February 19	(A)	- President's Day
February 27	(P)	- Carnival
April 13	(P)	- Good Friday
April 15	(P)	- Easter Sunday
April 25	(P)	- Liberty Day
May 1	(P)	- May Day
May 28	(A)	- Memorial Day
June 10	(P)	- Portugal Day
June 12	(P)	- Holy Ghost Day (In Azores only)
June 13	(P)	- St. Anthony’s Day (In Lisbon only)
June 14	(P)	- Corpus Christi Day
July 4	(A)	- Independence Day

BUSINESS INFRASTRUCTURE

Portugal has direct airline connections from Lisbon with all the major cities in the European Union, New York, Boston and Newark in the United States, a number of Portuguese-speaking countries in Africa, and with the major cities in Brazil. Porto serves fewer cities directly in the European Union, none in North America, but does serve major cities in Brazil.

English is a widely spoken second language in Portugal and American business travelers generally can conduct their meetings with business and government contacts in English.

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 Telecel at the airport departures area); video-conferencing in state-of-the-art facilities; Internet services; e-mail, etc.

Housing in Portugal is at 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.

Health care in Portugal is a constitutional right, which means that 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.

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.

X. ECONOMIC AND TRADE STATISTICS

APPENDIX A. COUNTRY DATA

(All figures USD millions except where noted)

1. Profile

Population:	9 .9 million
Population growth rate:	0.0 %
Religion(s):	Predominantly Roman Catholic
Government system:	Parliamentary Democracy
Language(s):	Portuguese
Work week:	40 hours

APPENDIX B: DOMESTIC ECONOMY

(All figures in million USD unless otherwise noted)

Year	1998	1999	2000
GDP	106780	108904	102520
GDP Growth Rate, Percent	3.9%	3.1%	3.3%
GDP Per Capita, $U.S.	10717	10908	10252
General Govt. Current Expenditures, Bill PTE	7656	8402	9336
General Govt. Capital Expenditures, Bill PTE	1229	1510	1647
Total Govt. Expenditures, Bill PTE	8885	9912	10983
Government Expenditures as a Percent of GDP	46.2%	48.4%	50.8%
Inflation (Consumer Price Index), %	2.8%	2.2%	2.1%
Unemployment, Percent	4.6%	4.5%	4.0%

Foreign Exchange Reserves (1)	15054	8005	8000
Average Exchange Rate, Escudos/USD	180	188	211
Average Total Govt debt, billion PTE	11697	12625	13278
Foreign Debt, billion PTE	2906	2667	2610
Total Interest Payments on debt, bill PTE	551	612	739
Cost of Foreign Debt Service (est.)	154	133	170
Foreign Debt Service Ratio	3.5%	3.0%	3.6%

Note: (1) 1999 numbers are not comparable to earlier years due to European Monetary Union

APPENDIX C: TRADE

(All figures in million USD unless otherwise noted)

Year	1998	1999	2000
Total Exports, FOB	24751	23936	22168
Total Imports	38365	38646	38201
U.S. Exports to Portugal	1051	1129	1036
U.S. Imports from Portugal	1192	1215	1136

APPENDIX D: INVESTMENT STATISTICS

PORTUGUESE DIRECT INVESTMENT ABROAD
Gross Outflows in Thousands of Euros

Year	1997	1998	1999
Total Direct Investment Abroad	1,855,099	7,928,218	7,342,480
Breakdown by Sector			
Agriculture, Forestry, Fishing	5,079	7,891	1,585
Mining and Quarrying	1	101	6
Manufacturing	89,417	91,047	180,399
Electricity, gas and water	5,784	644,483	694,096
Construction & Public Works	15,863	38,245	79,902
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Transport & Communications	196,749	3,492,471	3,805,038
Banks & Financial Services	366,815	501,275	268,582
Real Estate, Rentals & Bus. Activities	993,326	3,026,275	1,846,957
Other	62,106	72,936	382,117
Breakdown by Country of Destination			
Germany	2,441	55,592	56,616
Spain	285,472	316,678	427,893
France	41,507	25,999	25,284
U.K.	53,137	50,969	126,170
Other EU Countries	614,990	941,037	863,082
Total EU	997,547	1,390,275	1,499,045
U.S.	57,268	76,847	55,595
Brazil	435,157	3,677,844	1,554,416
Lusophone Africa	80,496	67,203	126,443
Other Countries	284,631	2,716,049	4,106,981
Total Non-EU	857,552	6,537,943	5,843,435

XI. U.S. AND COUNTRY CONTACTS

APPENDIX E: U.S. AND COUNTRY CONTACTS

- U.S. Embassy Trade Related Contacts

Lisbon - Commercial Service
American Embassy
Av. das Forças Armadas
Sete Rios
1600-081 Lisbon, Portugal
Phone: (351-21) 727 3300
Fax: (351-21) 726 8914

or

Commercial Section
American Embassy
PSC 83 Box FCS
APO AE 09726

Robert M. Shipley
Commercial Attache
Ext. 2526

Porto - Commercial Services - Porto
Av. da Boavista, 3523, 5º sala 501
4100-139 Porto, Portugal
Phone: (351-22) 618 6607
Fax: (351-22) 618 6625

Adolfo Coutinho
Commercial Specialist
Showcase Europe World Wide Web: www.sce.doc.gov

Andrew Dowdy
Chief, Economic Section
Ext. 2242

Robert Wicks
Agricultural Counselor
Ext. 2358
(resident in Madrid)

OCD:

Office of Defense Cooperation
(same address as The Commercial Service)
Tel: (351-21) 770-2276,
Fax: (351-21) 726-8913

For International Mail:
PSC 83
APO AE 09726

Contact:
Chief, DOC: Capt. Roy Merrill (SUN), ext. 2277
Chief, Army Section: Maj. Scott Barker (USA), ext. 2251
Chief, Air Force Section: Col. Earl Hanson (USAF), ext. 2233
Chief, Navy Section: Cdr. Peter Latta (USN), ext. 2236

- Washington-Based USG Country Contacts

Ann Corro
USDOC, Portugal Desk Officer
14th & Constitution Ave., NW
Room 3042
Washington, D.C. 20230
Tel: (202) 482-3945
Fax: (202) 482-2897

- Amcham and Bilateral Business Councils

Portugal-U.S. Chamber of Commerce
5 West 45th Street
New York, NY 10036
Tel. (212) 354-4627
Fax: (212) 575-4737
Contact: Ana Osorio

American Chamber of Commerce in Portugal
Rua D. Estefânia, 155-5.E
1000 Lisbon, Portugal
Tel: (351-21) 357 25 61
Fax: (351-21) 357 25 80
Contact: Dr. Henrique Brito do Rio, Executive Secretary

- Country Trade or Industry Associations in Key Sectors

Associação Comercial de Lisboa
(Lisbon Commercial Association)
Rua das Portas de Santo Antão, 89
1150 Lisbon
Tel: (351-21) 342 32 77
Fax: (351-21) 342 43 04

Câmara de Comércio e Indústria do Porto
(Porto Commercial Association)
Palácio da Bolsa
Rua Ferreira Borges
4000 Porto

Tel: (351-22) 339 90 00
Fax: (351-22) 339 90 90

Associação Industrial Portuguesa
(Portuguese Industrial Association)
Praça das Indústrias, Apt. 3200
1301 Lisbon Codex
Tel: (351-21) 360 10 00
Fax: (351-21) 363 90 47

R. Oliveira Monteiro, 453
4050 Porto
Tel: (351-22) 600 64 48
Fax: (351-22) 606 49 82

Associação Industrial Portuense
(Porto Industrial Association)
Exponor
Feira International do Porto
4450 Leça da Palmeira
Tel: (351-22) 996 15 30
Fax: (351-22) 996 42 13

Confederação dos Agricultores de Portugal (CAP)
Av. Colegio Militar, Lt. 1786
1500 Lisbon
Tel: (351-21) 710 00 00
Fax: (351-21) 716 61 23

Confederação do Comércio Português (CCP)
Av. Vasco da Gama, 29
1400 Lisbon, Portugal
Tel: (351-21) 302 05 08/60
Fax: (351-21) 302 06 15

Confederação da Indústria Portuguesa (CIP)
Av. 5 de Outubro, 35 - 1
1050 Lisbon, Portugal
Tel: (351-21) 354 74 54
Fax: (351-21) 354 50 94

- Portuguese Government Agencies

Ministry of Agriculture, Rural Development and Fisheries (MADRP)
(Ministerio da Agricultura, Desenvolvomento Rural e Pescas)
Praça do Comércio
1100 Lisbon, Portugal
Tel: (351-21) 346 31 51
Fax: (351-21) 347 78 90

Direccao Geral de Fiscalizacao e Controlo da Qualidade Alimentar
(General Directorate for Food Quality Control and Supervision)
Av. Conde de Valbom, 98
1050 Lisbon, Portugal
Tel: (351-21) 798 36 00
Fax: (351-21) 798 38 34

Secretario de Estado de Agricultura e Desenvolvimento Rural
(Secretary of State for Agriculture and Rural Development)
Praça do Comércio
1100 Lisbon, Portugal
Tel: (351-21) 346 33 66
Fax: (351-21) 342 03 71

IFADAP - Instituto Financeiro de Apoio ao Desenvolvimento
da Agricultura e Pescas
(Institute of Finance for Agricultural and Fishing Development)
Av. João Crisóstomo, 11
1000 Lisbon, Portugal
Tel: (351-21) 311 62 00
Fax: (351-21) 352 80 30

Secretaria de Estado das Pescas
(Secretary of State for Fishing)
Av. Brasilia, (Alges, Praia)
1400 Lisbon, Portugal
Tel: (351-21) 301 33 91
Fax: (351-21) 301 65 16

Direcção Geral de Pescas
(General Directorate for Fishing)
Edificio Vasco da Gama
Doca de Alcântara
1350 Lisbon, Portugal

Tel: (351-21) 391 35 83
Fax: (351-21) 397 97 90/1

Ministry of Environment
Ministerio do Ambiente
(Ministry of the Environment)
Rua do Século, 51-2º
1200 Lisbon, Portugal
Tel: (351-21) 323 25 00
Fax: (351-21) 323 25 31

Secretário de Estado do Ambiente e do Consumidor
(Secretary of State for the Environment)
Rua do Século, 51-2º
1200 Lisbon, Portugal
el: (351-21) 323 15 00
Fax: (351-21) 323 25 88

Direcção Geral do Ambiente
(General Directorate for the Environment)
Murgueira, Zambujal
Alfragide
2720 Amadora, Portugal
Tel: (351-21) 472 8200
Fax: (351-21) 471 9074

Instituto da Água
(Water Institute)
Av. Almirante Gago Coutinho, 30
1000 Lisbon, Portugal
Tel: (351-21) 843 00 00
Fax: (351-21) 847 35 71

Instituto de Meteorologia
(Institute of Meteorology)
Rua C, 5- Aeroporto de Lisboa
1700 Lisbon, Portugal
Tel: (351-21) 848 39 61
Fax: (351-21) 840 23 70

Ministry of Economy (ME)

Direcção-Geral das Relações Económicas e Internacionais
(General Directorate of Economic and International Relations)
Av. da Republica, 79-5
1050 Lisbon, Portugal
Tel: (351-21) 793 30 02
Fax: (351-21) 793 05 08

Investimento, Comércio e Turismo de Portugal - ICEP
Av. 5 de Outubro, 101/103
1050 Lisbon Codex, Portugal
Tel: (351-21) 790 95 00
Fax: (351-21) 795 00 38

Direcção Geral do Turismo
(General Directorate of Tourism)
Av. António Augusto de Aguiar, 86
1050 Lisbon, Portugal
Tel: (351-21) 357 50 86
Fax: (351-21) 353 85 19

Instituto Nacional de Engenharia e
Tecnologia Industrial
(High-Tech Institute)
Estrada do Paço do Lumiar
1649-038 Lisboa Codex, Portugal
Tel: (351-21) 716 51 41
Fax: (351-21) 716 09 01

Praça do Principe Real, 19
1269 Lisboa, Portugal
Tel: (351-21) 322 47 10
Fax: (351-21) 342 33 62

Instituto Nacional Geológico e Mineiro
(Director of Mines and Geological Services)
Rua Almirante Barroso, 38
1049-025 Lisboa, Portugal
Tel: (351-21) 353 75 96
Fax: (351-21) 353 77 09

Secretário do Estado da Indústria e Energia
(Secretary for Industry)
Av. da Republica, 79-9.

1050-243 Lisbon, Portugal
Tel: (351-21) 791 17 50
Fax: (351-21) 796 34 27

Direcçao-Geral da Indústria
(General Directorate of Industry)
Av. Conselheiro Fernandes Sousa, 11
1070 Lisbon, Portugal
Tel: (351-21) 389 00 00
Fax: (351-21) 383 10 42

IAPMEI - Instituto de Apoio às Pequenas e Médias
Empresas e ao Investimento
(Industrial Small Business Institute)
Rua Rodrigo da Fonseca, 73
1099-063 Lisbon, Portugal
Tel: (351-21) 383 60 00
Fax: (351-21) 383 62 83

Direcção Geral de Energia
(General Directorate of Energy)
Av. 5 de Outubro, 87
1069-039 Lisboa, Portugal
Tel: (351-21) 792 27 00
Fax: (351-21) 793 95 40

Instituto Nacional de Propriedade Industrial
(National Institute of Industrial Property)
Campo das Cebolas
1149-035 Lisboa, Portugal
Tel: (351-21) 888 11 01
Fax: (351-21) 887 53 08

Instituto Portugues da Qualidade
(Portuguese Quality Institute)
Rua Antº Galvão, 2
2829 Monte da Caparica, Portugal
Tel: (351-21) 294 81 00
Fax: (351-21) 294 81 01

Ministry of Work and Solidarity
Ministério do Trabalho e da Solidariedade

(Ministry of Labor)
Praça de Londres, 2
1000-190 Lisboa, Portugal
Tel: (351-21) 844 17 00
Fax: (351-21) 844 18 18

Inspecção Geral do Trabalho
(Inspector General of Employment)
Praça do Alvalade,1-1º
1700 Lisbon, Portugal
Tel: (351-21) 797 51 76
Fax: (351-21) 795 70 58

Direcção Geral do Emprego e Formação Profissional
(General Directorate of Employment)
Praça de Londres, 2
1000-190 Lisboa, Portugal
Tel: (351-21) 844 11 00
Fax: (351-21) 847 00 27

Instituto do Emprego e Formação Profissional
(Institute of Employment)
Av. José Malhoa, 11
1099-018 Lisbon, Portugal
Tel: (351-21) 722 70 00
Fax: (351-21) 722 70 09

Ministry of Finance (MF)
Ministério das Finanças
(Ministry of Economy and Finance)
Av. Infante D. Henrique, 1
1100-278 Lisboa, Portugal
Tel: (351-21) 888 46 75
Fax: (351-21) 886 23 60

Gabinete do Secretário de Estado Orçamento
(Secretary of State for the Budget)
Av. Infante D. Henrique
1100 Lisbon, Portugal
Tel: (351-21) 888 46 75
Fax: (351-21) 886 36 58

Direcção Geral de Estudo e Previsão
(General Directorate of Study and Prevision)
Rua da Alfândega, 5-2º
1100 Lisbon, Portugal
Tel: (351-21) 881 11 95
Fax: (351-21) 887 82 27

Direcção Geral das Alfandegas
(Customs Directorate)
Rua da Alfandega, 5
1149-006 Lisboa, Portugal
Tel: (351-21) 886 81 85
Fax: (351-21) 887 83 35

Ministry of Justice (MJ)
Ministerio da Justiça
(Ministry of Justice)
Praça do Comercio
1149-019 Lisboa, Portugal
Tel: (351-21) 322 23 00
Fax: (351-21) 346 76 92

Registo Nacional das Pessoas Colectivas
(National Registry)
Praça Silvestre Pinheiro Ferreira, 1-C
Apartado 1501-803 Lisboa, Portugal
Tel: (351-21) 774 12 75
Fax: (351-21) 778 3724 / 774 12 64

Ministry of Equipment, Planning and Territorial Administration(MEPAT)
Ministerio do Equipamento, Planeamento e Administracao do Territorio
Rua de S. Mamede ao Caldas, 21
1100-533 Lisboa, Portugal
Tel: (351-21) 886 11 19
Fax: (351-21) 886 18 95

Secretario de Estado dos Transportes
(Secretary of State for Transportation)

Rua de S. Mamede ao Caldas, 21
1149-050 Lisbon, Portugal
Tel: (351-21) 886 11 19
Fax: (351-21) 886 18 95

Secretario de Estado das Obras Publicas
(Secretary of State of Public Works)
Rua de S. Mamede ao Caldas, 21
1149-050 Lisbon, Portugal
Tel: (351-21) 886 11 19
Fax: (351-21) 886 23 16

Secretaria do Estado da Habitação e Comunicações
(Secretary for Housing and Communication)
Rua de S. Mamede ao Caldas, 21
1149-505 Lisbon, Portugal
Tel: (351-21) 886 50 77
Fax: (351-21) 886 23 00

Direcção-Geral de Aviação Civil
(General Directorate of Civil Airlines)
Ed. 4/6, Rua B, Aeroporto de Lisboa
1700 Lisbon, Portugal
Tel: (351-21) 842 35 00
Fax: (351-21) 840 23 98

Direcção-Geral de Transportes Terrestres
(General Directorate of Overland Transportation)
Av. Forças Armadas, 40
1649-022 Lisbon, Portugal
Tel: (351-21) 794 90 00
Fax: (351-21) 793 62 57

Instituto das Comunicaçoes de Portugal
(Institute of Communication)
Av. Jose Malhoa, 12
1099-017 Lisbon, Portugal
Tel: (351-21) 721 00 14
Fax: (351-21) 721 10 01

Laboratorio Nacional de Engenharia Civil
(National Laboratory of Civil Engineering)
Av. do Brasil, 101

1700-066 Lisbon, Portugal
Tel: (351-21) 848 21 31
Fax: (351-21) 849 76 60

Instituto National de Estatística
(National Institute of Statistics)
Av. Antonio Jose de Almeida
1000-043 Lisbon, Portugal
Tel: (351-21) 842 61 00
Fax: (351-21) 842 63 80

Fundação para a Ciência e a Tecnologica
(Science and Technology Foundation)
Av. D. Carlos I, 126-2º
1200-651 Lisbon, Portugal
Tel: (351-21) 392 43 00
Fax: (351-21) 390 74 81

Ministry of Health (MS)
Ministerio da Saude
(Health Ministry)
Av. João Crisostomo, 9
1093 Lisbon, Portugal
Tel: (351-21) 330 50 00
Fax: (351-21) 330 50 03

Secretario de Estado da Saude (Secretatry of State for Health)
Av. João Crisostomo, 9-5º
1000 Lisbon, Portugal
Tel: (351-21) 354 45 60
Fax: (351-21) 353 66 87

Direcção Geral de Saude
(General Directorate of Health)
Alameda D. Afonso Henriques, 45
1049-005 Lisbon Codex, Portugal
Tel: (351-21) 843 05 00
Fax: (351-21) 843 05 30

Misterio da Defesa

Director Nacional do Armamento
e Equipamento
Avenida Ilha da Madeira 1
1400 Lisboa, Portugal
Tel: (351-21) 301 00 01

Army:
Divisão de Logistica
Estado-Maior do Exército
Rua Museu de Artilharia
1100 Lisboa, Portugal
Tel: (351-21) 888 21 31

Navy:
Chefe de Divisão de Logistica
Estado-Maior da Armada
Praca do Comércio
1100 Lisboa, Portugal
Tel: (351-21) 347 62 38

Air Force:
Chefe da Quarta Divisão (Logistica)
Estado-Maior da Forca Aerea
Avenida Leite de Vasconcelos
Alfragide
2720 Amadora, Portugal
Tel: (351-21) 471 57 94

Offsets:

Empresa Portuguesa de Defesa
(Empordef)
Avenida Julio Dinis, 9-11
1050 Lisboa, Portugal

Investimentos, Comércio e Turismo de Portugal (ICEP)
Direcção de Desenvolvimento de Mercados
Avenida 5 de Outubro, 101
1050 Lisboa, Portugal
Tel: (351-21) 790 95 00

Banks and Stock Exchange

Banco de Portugal
Rua Francisco Ribeiro, 2
1150-165 Lisbon, Portugal
Tel: (351-21) 346 29 31
Fax: (351-21) 346 48 43

Bolsa de Valores de Lisboa
(Lisbon Stock Exchange)
Rua Soeiro Pereira Gomes
Edifico da Bolsa
1649-017 Lisbon, Portugal
Tel: (351-21) 790 99 04
Fax: (351-21) 795 20 22

Bolsa de Valores do Porto
(Porto Stock Exchange)
Av. da Boavista, 3433
4149-017 Porto, Portugal
Tel: (351-22) 618 58 58
Fax: (351-22) 618 55 66

LIST OF COMMERCIAL BANKS

Banco Comercial Português, SA
Rua Augusta 62/74
1100 Lisbon, Portugal
Tel: (351-21) 342 73 81
Fax: (351-21) 342 16 77

Banco Borges & Irmao (Grupo BPI)
Praça do Municipio, 31
1100 Lisbon, Portugal
Tel: (351-21) 322 65 00

Banco Espírito Santo
Av. da Liberdade, 195
1250 Lisbon, Portugal
Tel: (351-21) 315 83 31
Fax: (351-21) 350 89 15

Banco Essi, SA
Torre 3, Tierno Galvan 14°
1070 Lisbon, Portugal
Tel: (351-21) 380 85 00
Fax: (351-21) 388 82 59

Banco Finantia, SA
Rua Gen. Firmino Mig, 5, 1
1600 Lisbon, Portugal
Tel: (351-21) 720 20 00
Fax: (351-21) 726 53 10

Banco Finibanco
Av. Berna, 10
1050 Lisbon, Portugal
Tel: (351-21) 790 28 00
Fax: (351-21) 790 28 01

Banco Fonsecas & Burnay SA (Grupo BPI)
Praça do Comercio, 132
1100 Lisbon, Portugal
Tel: (351-21) 321 37 00

- Country Market Research Firms

A.C. Nielsen Co.
Rua D. Filipa Vilhena 38-3º
1049-004 Lisbon, Portugal
Tel: (351-21) 781 12 00
Fax: (351-21) 781 14 45

CEMASE
Av. Marquês de Tomar, 106, 3º E
1050-158 LISBOA
Tel: 351-21/793-2129
Fax: 351-21/796-5644

Consulmark - Gabinete Consultor de Marketing Lda.
Rua Pascoal de Melo 67-4º
1000-232 Lisbon, Portugal

Tel: (351-21) 843 90 62
Fax: (351-21) 843 90 62

Data E
Av. da Liberdade 244, 6
1250-149 LISBOA
Tel: (351-21) 355 32 80
Fax: (351-21) 356 09 51

Dun & Bradstreet Lusitana, Lda.
Rua Barata Salgueiro, 28, 3º
1250-044 LISBOA
Tel: (351-21) 314 66 36
Fax: (351-21) 315 75 51

Ecotel Portugal - Estudos de Mercado SA
Rua Alexandre Herculano, 9-4.
1150-005 Lisbon, Portugal
Tel: (351-21) 354 32 69
Fax: (351-21) 354 32 83

ESEO - E M Estudos de Mercado Lda.
Rua Marques da Fronteira, 76-5º
1070 Lisbon, Portugal
Tel: (351-21) 385 81 81
Fax: (351-21) 388 12 77

MARKTEST - Marketing, Organização e Formação Lda.
Rua S. José 183-2º
1169-116 Lisbon, Portugal
Tel: (351-21) 354 32 69
Fax: (351-21) 354 32 83

SELGEC
Rua Alexandre Herculano, 39, 1 D
1250-009 LISBOA
Tel: (351-21) 351 14 90
Fax: (351-21) 351 14 98

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. Antonio Jose 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 Tariff 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
Contact: Ana Osorio, Exec. Dir.

XII. MARKET RESEARCH AND TRADE EVENTS

APPENDIX F. MARKET RESEARCH

List of Available Industry Subsector Analysis ISAs

Automotive Parts and Accessories, February 2000
Analytical and Scientific Instruments, February 2000
Clothing and Apparel Franchising, April 2000
Cable TV in the Portuguese Telecommunications Market Environment, April 2000
Travel and Tourism, April 2000
Solid Waste Recycling Equipment, June 2000
Air Pollution Control Equipment, June 2000
Internet, E-Commerce and Services, July 2000
Liberalization of the Energy Market, August 2000
Dental Equipment, August 2000

List of Upcoming Industry Subsector Analyses (ISAS)

Defense Equipment and Services, November 2000
Automotive Parts and Services, December 2000
Internet Security, February 2001
Water Treatment Equipment, February 2001
Environmental Engineering Consulting Services, March 2001
Energy Efficiency, March 2001
Biotechnology for Medical/Pharmaceutical Applications, April 2001
Hospital Administration/Management services, April 2001
Franchising Services, May 2001
Wireless Commerce (M Commerce), June 2001
Tourism Service Industry, July 2001

A complete list of market research is available on the National Trade Data Bank.

APPENDIX G. TRADE EVENT SCHEDULE

DATE	EVENT	CITY	SCE
November, 2000	Expotelecom (Telecommunications Trade Fair)	Lisbon	TFO
January, 2001	BTL (Travel and Tourism Trade Fair)	Lisbon	TFO