

U.S. Country Commercial Guides



Portugal 2019

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Doing Business in Portugal

Market Overview

Mainland Portugal, along with the autonomous island regions of the Azores and Madeira, offers American exporters a market of approximately 10.3 million people in a country roughly the size of the State of Indiana. As a member of the European Union (EU) and the euro zone, it is fully integrated with the EU, uses the euro currency, and follows directives from the European Commission in Brussels. As with all EU countries, Portugal's borders and ports are completely open to the free flow of trade with other EU member countries. Portugal has a politically stable environment with a democratically elected parliamentary government and is welcoming of foreign business and investment.

Portugal continued an upward trajectory in 2017, registering a record 2.7% growth and witnessing important declines in unemployment, which fell to 8%. In 2018, however, GDP growth decreased from 2.7 to 2.1%. Nevertheless, unemployment fell even further, to 6.8%. The structural reforms implemented since 2011 have created an economic and regulatory climate that is favorable to foreign investment which remains a priority for the Government with a focus on tourism, renewable energy, high quality industrial components, technology services, and value-added agricultural products.

U.S. Census data indicates that Portuguese consumers bought approximately \$1.19 billion dollars' worth of U.S. goods and services in 2017, a slight increase compared with 2016. In 2018, that number grew to approximately \$1.46 billion. In that same period, U.S. imports of Portuguese goods and services grew from \$3.5 billion, in 2017, to \$3.88 billion in 2018. The top U.S. states exporting to Portugal are Louisiana, Texas, Pennsylvania, New Jersey, Kansas, California, Maryland, Indiana, New York, and Virginia. Top U.S. exports include transportation equipment, oil and gas products, agricultural products, and machinery parts.

The United States is Portugal's largest trading partner outside the European Union. The total amount of U.S. goods sold into Portugal is likely higher than what the statistics reflect, as census data does not account for U.S. products imported into other EU countries and subsequently transported into Portugal for sale. It is common throughout the European Union for goods to be shipped to one EU location – often to take advantage of lower value added tax rates – and then to be distributed by ground transport to neighboring member state markets.

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

Market Challenges

Following national legislative elections in November 2015, the center-left Socialist Party formed a minority government that got off to a somewhat shaky start as it sought to undo certain privatizations and public transport contracts. However, the government has since publicly promoted the importance of foreign investment and fostered both economic stability and growth, enabling Portugal to surpass EU growth predictions. In 2018, Portugal registered its lowest budget deficit since the restoration of democracy in 1974, and the country exited the EU's Excessive Deficit Procedure in mid-2017.

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

Market Opportunities

Portuguese tend to perceive American products as being of high quality, but not price competitive. U.S. firms should stress price/quality competitive advantages when trying to enter the Portuguese market.

The Portuguese market is larger than it may initially appear. While there are only 10.3 million people in Portugal, there are well over 250 million people who speak Portuguese worldwide. Former Portuguese colonies, including Macau, Mozambique, Angola and Brazil, have close business ties with Portugal. U.S. companies can often find avenues to these other markets through Portugal and, indeed, the Portuguese Business Promotion Agency (AICEP) actively markets the country as a “gateway” economy into third markets, particularly in Lusophone Africa.

Portugal is an excellent entry point or test market for U.S. firms looking to establish access into the EU. The country is politically stable; the crime rate is relatively low; the bilateral relationship is strong; English is widely spoken; and the population is very friendly toward Americans. Both physical and IT Infrastructure are well developed, and the cost of doing business in Portugal is significantly lower as compared to other countries in Western Europe. Companies that have already penetrated one EU country will have met the requirements for Portugal as well.

Market Entry Strategy

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

First time exporters are also urged to contact the nearest of over 100 U.S. Export Assistance Centers (USEAC). These USEACs are part of the worldwide network of U.S. Department of Commerce offices that support U.S. exporters.

The U.S. Commercial Service in Portugal recommends that U.S. firms become acquainted with the Portuguese market through the standard market research reports we publish, and which are publicly available through the USEACs and the Internet.

Political Environment

For background information on the political and economic environment of the country, please check [U.S. Department of State website](#).

Selling US Products & Services

Using an Agent to Sell US Products and Services

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

- **Local Representative:** Having a local representative with good contacts is very important in order to establish business contacts. Portugal is a small country; knowing people in your industry is very important.
- **Exclusive Distributor:** One distributor that is appointed on an exclusive basis is ideal.
- **The Iberian Peninsula:** Portugal and Spain do not constitute a homogeneous marketing area. Normally, your Spanish distributor should not be asked to cover Portugal unless the Spanish company is willing to set up a separate Portuguese entity to handle this area.
- **Impact of the EU:** Many projects are EU-funded, so an EU partner is desirable (and often fundamental) when bidding.
- **Slow Down:** Conducting business takes longer compared to the U.S. or northern Europe as personal contacts are very important. Your customers will want to get to know you before they fully trust you.
- **Business is Honorable:** There are relatively few trade complaints. The business community is close-knit and many distributors are family-owned companies, which mean trade disputes are few and are often resolved out of court. If you do have to resort to the courts, be prepared to wait. Despite some recent reforms and improvements, the Portuguese legal system remains slow and is the single biggest cause of unresolved U.S. company trade complaints.
- **English is Common:** Although Portugal is a European country; it faces the Atlantic and has a long tradition of international trade. Portugal discovered trade routes to Africa before Columbus landed in America. The Portuguese also opened the first major trading routes to India and the Far East and administered a vast colonial empire for 500 years. The U.S. is well respected in the market and companies can usually do business in English.

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

Key Link:

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

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are often exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an

annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted (Commission Notice 2014/C 291/01).

Key Link:

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C .2014.291.01.0001.01.ENG>

The EU also looks to combat payment delays. Directive 2011/7/EU covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of eight percent above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:

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

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

Key Links:

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

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

Establishing an Office

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

The "On-the-Spot Firm" method facilitates the establishment of a single shareholder limited liability company, a private limited company or partnership, or a public limited company in less than 60 minutes. All the procedures are carried out in one place if the partners have all the necessary documentation and the company is registered through the "On-the-Spot Firm" Program. This service is available throughout the country.

Key Link: http://www.empresanahora.pt/ENH/sections/PT_inicio.html

To use the On-Line Company method, digital certification from the user is required (e.g., citizen ID card). Through this method, it is possible to set up companies of any type, except for European Public Limited companies and companies whose capital is paid through contributions in kind. For the latter, transfer of assets to the company by shareholders must be done through a more formal process.

Key Link: http://www.empresanahora.pt/ENH/sections/PT_inicio.html

The traditional method requires various visits to different entities, but has the advantage of personal contact. Espaço Empresa provides information and assistance in setting up a business.

Key Link: <https://bde.portaldocidadao.pt/evo/landingpage.aspx>

Companies must also register with the Directorate General for Economic Activity (DGAE), the Tax Authority (AT), and with the Social Security administration. The online registration process can take as little as one to two days.

In line with the EU, Portugal defines an enterprise as micro, small, and medium-sized based on its headcount, annual turnover, or the size of its balance sheet. To qualify as a micro-enterprise, a company must have less than 10 employees and no more than €2 million in revenues or €2 million in assets. Small enterprises must have less than 50 employees and no more than €10 million in revenues or €10 million in assets. Medium-sized enterprises must have less than 250 employees and no more than €50 million in revenues or €43 million in assets. The SME Support Institute (IAPMEI) offers financing, training, and other services for SMEs based in Portugal: <http://www.iapmei.pt/>

More information on laws, procedures, registration requirements, and investment incentives for foreign investors in Portugal is available here, at AICEP's website:

<http://www.portugalglobal.pt/EN/InvestInPortugal/howtsetupacompany/Paginas/HowtoSetupaCompany.aspx>

Any American entity interested in establishing a company in Portugal should both visit the U.S. Commercial Service office of the U.S. Embassy in Lisbon to discuss the project and obtain additional information.

Key Link: <http://www.portugalglobal.pt/EN/INVESTINPORTUGAL/Pages/index.aspx>

For further information on establishing an office in Europe, please consult the European Commission which manages the Your Europe (http://europa.eu/youreurope/business/index_en.htm) website where investors can find useful information.

Franchising

Overall, the economic climate in Portugal is open to franchises, especially for new and innovative concepts. The outlook for the franchise sector continues to be fairly positive, mainly due to the number of outlets and shopping malls in the country. There are about 610 franchises operating in the market. Local franchisors represent 66% of the total market share, followed by Spain with 18% and the U.S. with 5%). Portugal continues to offer opportunities for expansion and the market still has room for new, internationally known franchising concepts.

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: <http://www.eff-franchise.com/>; <https://associacaofranchising.pt>

Direct Marketing

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

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

The EU has yet to adopt legislation harmonizing the direct-selling of consumer products. However, there is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions

flowing from EU-wide rules on distance-selling and on-line commerce. In addition, it is important for exporters relying on a direct-selling business model to ensure they comply with member state requirements.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities.

Distance Selling Rules

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive". The provisions of this Directive have been in force since June 13, 2014. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes.

Alternative Dispute Resolution

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation, operational in January 2016, sets up an EU-wide online platform to handle consumer disputes that arise from online transactions.

New Legislation

In December 2015 the European Commission released a package of two draft Directives, respectively on "contracts for the supply of digital content" and another on "contracts for the online and other distance sales of goods." This package addresses the legal fragmentation and lack of clear contractual rights for faulty digital content and distance selling across the EU. The package only addresses B2C contracts, although its scope uses a very broad definition of both digital content (including music, movies, apps, games, films, social media, cloud storage services, broadcasts of sport events, visual modelling files for 3D printing) and distance selling goods so as to cover Internet of Things (such as connected households' appliances and toys). It could also apply to transactions whether in the context of a monetary transaction or in exchange of (personal) consumer data. Healthcare, gambling and financial services are excluded from the proposal.

The package is currently under scrutiny at both the European Parliament and Council. Its adoption is expected in the course of 2018.

Key Links:

Consumer Affairs Homepage: http://ec.europa.eu/consumers/index_en.htm

Consumer Rights: http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services

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

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

Direct Marketing over the Internet

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

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/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 foreign investment operations, which may take the form of any type of business firm. With regard to tax treatment and incentives, both domestic and foreign-owned firms are treated equally.

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

American firms should be reminded that, as a fully integrated member of the EU, Portugal abides by the foreign trade and investment rules that govern the rest of the EU. Whatever applies in other EU countries applies to Portugal. If an American firm is complying with 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 continues to be weak.

Selling to the Government

Portuguese Public Procurement Regulation derives mostly from the European Union's regulations on public procurement. Government procurements may be issued in various ways, based on the amount or characteristics of the tender. The Portuguese Public Contracts Portal (BASE) created by the Portuguese Government back in 2010 improved the transparency of award procedures in Portugal.

Key Link: <http://www.base.gov.pt/Base/pt/Homepage> | <http://www.base.gov.pt/Base/en/FrequentlyAskedQuestions>

Government procurement in Europe is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives. U.S.-based companies are allowed to bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union. The EU directives on public procurement have recently been revised and new legislation on concession has also been adopted. Member States were required to transpose the provisions of the new directives into domestic law by April 16, 2016. The four relevant pieces of legislation are:

- [Directive 2014/24/EU](#) (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;
- [Directive 2014/25/EU](#) (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;

- [Directive 2009/81/EC on defense and sensitive security procurement](#). This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
- [Directive 2014/23/EU](#) on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The EU has three remedy directives imposing common standards for all member states to abide by in case bidders identify discriminatory public procurement practices.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for all public contracts from October 2018. Central purchasing bodies are required to publish their contracts and requests for tenders since April 2017.

Electronic invoicing (e-invoicing) will be introduced beginning the 3rd quarter of 2018, based on the requirement set forth in [Directive 2014/55/EU](#). The Directive makes the receipt and processing of electronic invoices in public procurement obligatory. Standards for e-invoicing are being developed by the European Committee for Standardization (CEN).

There are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the GPA. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- Water sector
- Airport services
- Urban transport sector as described above, and railways in general
- Dredging services and procurement related to shipbuilding

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

Advocacy

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department’s International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Click here for more information: <https://2016.export.gov/advocacy/>.

Multilateral Development Banks and Financing Government Sales

Price, payment terms, and financing can be a significant factor in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). Please refer to the Project Financing Section in Trade and Project Financing for more information. A helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#).

The U.S. Department of Commerce's (USDOC) International Trade Administration (ITA) has a Foreign Commercial Service Officer stationed at each of the five different Multilateral Development Banks (MDBs): the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank.

Distribution & Sales Channels

The Portuguese population is concentrated along the coast. The major distribution centers are Lisbon in the south and Porto in the north, although the regional centers of Braga (north of Porto) and Setubal (south of Lisbon) have come into their own in recent years. The Lisbon region accounts for 29% of Portugal's population with 63% employed in services and 33% employed in industry. Major industries as well as the head offices of many large corporations are located in Lisbon. Most financial institutions have also chosen the capital to locate their headquarters. The Lisbon area has the highest purchasing power in the country and suffers, like many metropolitan areas, from traffic congestion and rising costs.

Porto is the most dynamic industrial development area in Portugal. It accounts for 13% of the Portuguese population and is also an area of high purchasing power. Most importers and distributors have offices in Porto; U.S. firms looking to appoint a distributor in Portugal should not overlook this fact. Porto is connected to Lisbon by a direct and well-maintained highway and a bridge over the Douro River, and is also easily reached by train and direct flights.

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

Express Delivery

Major global organizations such as DHL, FedEx, UPS and others operate in Portugal and offer express delivery services. Transit times vary but for packages shipped from the US to Portugal, the average time is 2-5 days, not including the customs clearance process.

Customs procedures and requirements are standard and can be found on the Portuguese Customs Website.

Key Link: <https://aduaneiro.portaldasfinancas.gov.pt/jsp/main.jsp>

Selling Factors & Techniques

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

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

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

eCommerce

According to the latest information available, 75% of the Portuguese population, about 7 million people, use the internet and 3.8 million of these internet users shop online. These online shoppers or e-shoppers on average spend €543 per year.

The European Union's Digital Single Market Initiative

Creating a Digital Single Market (DSM) is one of the ten priorities of the European Commission (EC). The overall objective is to bring down barriers, regulatory or otherwise, and to unlock online opportunities in Europe, from e-commerce to e-government. By doing so, the EU hopes to do away with the current fragmented national markets and create one borderless market with harmonized legislation and rules for the benefit of businesses and consumers alike throughout Europe.

The EC set out its vision in its May 6, 2015 DSM Strategy which has been followed by a number of concrete legislative proposals and policy actions. They are broad reaching and include reforming e-commerce sector, VAT, copyright, audio-visual media services, consumer protection, and telecommunications laws. New legislation has already been finalized on portability of online content and geo-blocking.

Many DSM proposals are still going through the legislative process. DSM-related legislation will have a broad impact on U.S. companies doing business in Europe.

In addition, a new data protection legislation, the General Data Protection Regulation (GDPR) entered into force on 25 May 2018 (see separate section in this report). The three main pillars of the strategy are:

Pillar I: Better access for consumers and businesses to digital goods and services across Europe

- Better access for consumers and businesses to online goods and services across Europe
- Remove key differences between the online and offline worlds to break down barriers to cross-border online activity.

Pillar II: Shaping the right environment for digital networks and services to flourish

- Achieve high-speed, secure and trustworthy infrastructures and content services
- Set the right regulatory conditions for innovation, investment, fair competition and a level playing field.

Pillar III: Creating a European Digital Economy and society with growth potential

- Invest in technologies such as cloud computing and Big Data, and in research and innovation to boost industrial competitiveness and skills
- Increase interoperability and standardization

For more information: http://ec.europa.eu/priorities/digital-single-market/index_en.htm

DSM Strategy: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0192&from=EN>

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

Comprehensive Market Research on e-commerce in the EU is available upon request.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

Value Added Tax (VAT)

The EU's VAT system is semi-harmonized. While the guidelines are set out at the EU level, the implementation of VAT policy is the prerogative of Member States. The EU VAT Directive allows Member States to apply a minimum 15 percent VAT rate. However, they may apply reduced rates for specific goods and services or temporary derogations. Therefore, the examination of VAT rates by Member State is strongly recommended. These and other rules are laid out in the VAT Directive.

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. From January 1, 2015, all supplies of telecommunications, broadcasting and electronic services are taxable at the place where the customer resides. In the case of businesses this means either the country where it is registered or the country where it has fixed premises receiving the service. In the case of consumers, it is where they are registered, have their permanent address, or usually live.

As part of the legislative changes of 2015, the Commission launched the Mini One Stop Shop (MOSS) scheme, the use of which is optional. It is meant to facilitate the sales of ESS from taxable to non-taxable persons (B2C) located in Member States in which the sellers do not have an establishment to account for the VAT.

This plan allows taxable persons (sellers) to avoid registering in each Member State of consumption. A taxable person who is registered for the Mini One Stop Shop in a Member State (the Member State of Identification) can electronically submit quarterly Mini One Stop Shop VAT returns detailing supplies of ESS to non-taxable persons in other Member States (the Member State(s) of consumption), along with the VAT due.

The Commission has received numerous complaints in relation to the new rules on ESS and is in the process of revising them ([draft proposal](#)).

The most important pieces of legislation on VAT are the [EU VAT Directive 2006/112/EC](#) and its [Implementing Regulation 282/2011](#).

Further information relating to VAT on ESS:

https://ec.europa.eu/taxation_customs/business/vat/telecommunications-broadcasting-electronic-services/

Trade Promotion & Advertising

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

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

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

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this issue in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in

October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member States can authorize even more extensive protection under their national laws.

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

The EU's Audiovisual Media Services Directive (AMSD) lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising has been lifted. However, a 12-minute/hour maximum remains. The AMSD is currently under revision. The European Commission is aiming to extend the scope of the Directive to video-sharing platforms which tag and organize the content. The Commission is also aiming to provide more flexibility about the 12-minute/hour maximum restriction. Children's programming is subject to a code of conduct that includes a limit on junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller.

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

Key Links:

http://ec.europa.eu/consumers/consumer_rights/unfair-trade/false-advertising/index_en.htm

http://ec.europa.eu/consumers/consumer_rights/unfair-trade/unfair-practices/index_en.htm

<https://ec.europa.eu/digital-single-market/en/audiovisual-media-services-directive-avmsd>

Medicines

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

Key Link: http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as "low fat" or "high in vitamin C" and health claims such

as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU’s positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

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

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. The original proposal has been withdrawn. In October 2015 the European Commission released a new roadmap on the potential development of nutrient profiles and botanicals. To obtain stakeholders’ inputs, two consultations and an external study was launched in mid-2017. The European Commission is now assessing the opportunity to proceed with a proposal and then potentially draft it. Nutrition claims, in place since 2006, can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU’s Nutrition and Health Claims policy can be found on the USEU/FAS website at [USEU/FAS website](#) and in the [USDA Food and Agricultural Import Regulations and Standards EU 28 2017](#)

Key Link: [EU Register of Nutrition and Health Claims](#)

Food Information to Consumers

In 2015, the EU adopted a new regulation on novel foods ([2015/2283](#)) amending the provision of food information to consumers ([1169/2011](#)). Novel foods and food ingredients must not present a danger for the consumer or mislead him and should not differ from the ingredients that they are intended to replace to such an extent that normal consumption would represent a nutritional disadvantage for the consumer. It is important to mention that the European Commission may decide, on its own initiative or upon a request by a Member State, by means of implementing acts (a sort of decree), whether or not a particular food falls within the definition of novel food. More information can be found on the Commission’s website. Most provisions of this new Novel Foods Regulation become applicable on January 1, 2018.

Detailed information on the EU’s new food labeling rules can be found on the USEU/FAS website at [EU Labelling Requirements](#) and in the [USDA Food and Agricultural Import Regulations and Standards EU 28 2017](#)

Key link: [Provision on Food Information](#)

Food Supplements

Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by Member States.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently

revised in 2014. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many Member States. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A 2016 revision to the legislation includes the requirement for bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

Key link: <http://ec.europa.eu/health/tobacco/products/>

Pricing

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

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

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

The value-added tax (VAT) on most products and services is 23% in mainland Portugal, 18% in Azores, and 22% in Madeira. This tax is charged upon sale.

Sales Service/Customer Support

Business customers demand a high level of support and most wholesalers or distributors offer excellent customer service. The need to replace broken parts very quickly can present a logistics problem for smaller U.S. suppliers who do not warehouse replacement parts in Europe. Thus, we recommend that U.S. companies make sure that their prospective partners have the capacity and the intent to provide some local warehousing.

Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim. The first step in the review process of this law was launched at the end of 2016.

Key link: http://ec.europa.eu/growth/single-market/goods/free-movement-sectors/liability-defective-products/index_en.htm

Product Safety

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

Key link: http://ec.europa.eu/consumers/consumers_safety/product_safety_legislation/index_en.htm

Legal Warranties and After-sales Service

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

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

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

Key link: http://ec.europa.eu/consumers/consumer_rights/rights-contracts/sales-guarantee/index_en.htm

Protecting Intellectual Property

Protecting Your Intellectual Property in Europe:

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. For example, your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Granting patents registrations generally is based on a first-to-file (or first-to-invent, depending on the country) basis. Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the EU. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

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

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with the EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

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

These include:

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

IP Resources

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the United States and other countries -- call the STOP! Hotline: 1-866-999-HALT or visit [STOP Fakes](#)
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the [U.S. Patent and Trademark Office](#) (USPTO) at: 1-800-786-9199
- For more information about registering for copyright protection in the United States, contact the [U.S. Copyright Office](#) at: 1-202-707-5959.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the [STOPfakes website](#).

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [STOPfakes Business tools](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

In any foreign market, companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property \(at <https://www.uscib.org/register-and-apply-ud-859/>\)](#) and [Stopfakes.gov](#) for more resources).

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. Contact information for European based IP attachés in below:

Geneva, Switzerland

Deborah Lashley-Johnson

deborah_e_lashley-johnson@ustr.eop.gov

European Union

Susan Wilson

Susan.Wilson@trade.gov

Kyiv, Ukraine

Dominic Keating

Dominic.Keating@uspto.gov

For more information, contact ITA's Office of Intellectual Property Rights:

<https://www.trade.gov/mas/ian/oipr/index.asp>

Due Diligence

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods should perform due diligence in accordance with mandatory EU legislation prior to exporting.

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

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

Commercial background checks on Portuguese companies can be obtained through the U.S Commercial Service in Portugal as well as private sector resources.

Local Professional Services

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

The same professional services that are available in other highly developed market economies are readily available locally in Portugal.

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at: <http://export.gov/europeanunion/businessserviceproviders/index.asp>

Principle Business Associations

The Confederation of Portuguese Business (CIP) is the most representative business confederation in Portugal. It represents about 114,000 companies of all sizes and sectors, through both sectorial and regional associations, as well as all Chambers of Commerce and Industry of Portugal.

Key Link: <http://cip.org.pt/en/about-cip-confederation-of-portuguese-business/>

The Portuguese Industrial Association (AIP) is headquartered in Lisbon. Its primary objective is to contribute to the progress of the companies and associations affiliated, in the areas of technical, economic, commercial, social, cultural and associative network.

Key Link: <http://www.aip.pt/?lang=en&page=homepage/homepage.jsp>

The Portuguese Business Association (AEP) is a national and multi-sectorial business organization that has its headquarters in Porto. Its main objective is the defense of the business interests and the representation of its members by providing a wide range of services including business exhibitions and conferences, information and business support, consultancy, missions, promotion for investors and professional training.

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

Limitations on Selling US Products and Services

N/A

Web Resources

EU websites:

[**Coordination of the laws of the Member States relating to self-employed commercial agents \(Council Directive 86/653/EEC\)**](#)

[Agreements of Minor importance which do not appreciably restrict Competition under Article 101\(1\) of the Treaty establishing the European Community](#)

[Directive on Late Payment](#)

[European Ombudsman](#)

[EU's Data Protection Directive \(95/46/EC\)](#)

[EU's General Data Protection Regulation \(GDPR\) \(2016/679/EC\)](#)

Information on contracts for transferring data outside the EU: http://ec.europa.eu/justice/data-protection/data-collection/data-transfer/index_en.htm

EU-U.S. Privacy Shield: <https://www.privacyshield.gov/>

EU Data Protection Homepage: https://ec.europa.eu/commission/index_en Consumer Rights Directive: http://ec.europa.eu/consumers/consumer_rights/rights-contracts/directive/index_en.htm

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

E-commerce Directive (2000/31/EC): http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service: [EU VAT Directive 2006/112/EC and its Implementing Regulation 282/2011.](#)

The Unfair Commercial Practices Directive: <http://ec.europa.eu/consumers/rights/>

Nutrition and health claims made on foods - Regulation 1924/2006: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF>

Regulation on Food Information to Consumers: [Regulation 1169/2011](#)

EU-28 FAIRS EU Country Report on Food and Labeling requirements: [USDA Food and Agricultural Import Regulations and Standards EU 28 2014](#)

Health & Nutrition Claims: http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco: http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability: http://ec.europa.eu/growth/single-market/goods/free-movement-sectors/liability-defective-products/index_en.htm

Product Safety: http://ec.europa.eu/consumers/consumers_safety/product_safety_legislation/index_en.htm

Legal Warranties and After-Sales Service: http://ec.europa.eu/consumers/consumer_rights/rights-contracts/sales-guarantee/index_en.htm

Copyright: <https://ec.europa.eu/digital-single-market/en/modernisation-eu-copyright-rules>

European Patent Office (EPO): <http://www.european-patent-office.org/>

EU Intellectual Property Office (EUIPO): <https://euipo.europa.eu/ohimportal/en/home>

World Intellectual Property Organization (WIPO) Madrid: <http://www.wipo.int/madrid/en>

U.S. websites:

IPR Toolkit: <https://www.stopfakes.gov/servlet/servlet.FileDownload?file=015t00000004q81>

EU Public Procurement:

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

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

Leading Sectors for US Exports & Investments

Agricultural Sector

For more information on opportunities for U.S. agricultural exports to Portugal, please contact the Foreign Agricultural Service at the American Embassy in Madrid.

Office of Agricultural Affairs covering Spain and Portugal

Foreign Agricultural Service, USDA U.S. Embassy Madrid

Tel: +34-91-587-2555

Email: AgLisbon@fas.usda.gov

Soybeans

Overview

	2017	2018	2019 (estimate)
Total Market Size	343,738	461,581	474,100
Total Local Production	0	0	0
Total Exports	326	710	900
Total Imports	344,064	462,291	475,000
Imports from the U.S.	49,732	220,635	250,000

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

Data corresponding to Soybeans, (HS Code 1201) GTA.

Opportunities

Soybeans in Portugal are crushed to obtain soybean meal for the feed industry and soybean oil for the biodiesel industry. Soybean oil represented nearly 10 percent of the feedstock used for biofuel production in 2018. Price competitiveness with other suppliers of feed ingredients (mostly located in South America) and other oilseeds determines demand for U.S. soybeans in the feed and biofuel markets. Since 2015, the extensive use of Used Cooking Oils has resulted in a reduction of soybean oil use in biodiesel production. Portugal is also an importer of soybean meal. In 2018, Portuguese soybean crushers registered a nearly four-fold increase in the value of U.S. soybean imports and have plans to expand imports in 2019.

Web Resources

National Institute of Statistics Portugal

FAS GAIN Attaché Reports

FAS Contact - AgMadrid@fas.usda.gov

Coarse Grains

Overview

	2017	2018	2019 (estimate)
Total Market Size	983,992	1,080,324	1,225,000
Total Local Production	211,762	227,528	250,000
Total Exports	38,191	70,498	25,000
Total Imports	810,421	923,294	1,000,000
Imports from the U.S.	21,583	45,676	25,000

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

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

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

Opportunities

Over the past five years the gap between Portuguese grain consumption and production has consistently grown. Regardless of the size of the domestic grain crop, Portugal has a grain deficit of over 3.5 million metric tons. Bulk commodity trading companies based in the Iberian Peninsula are the main gateway to the Portuguese feed and food grains market. With an estimated consumption of 1.8 MMT, the Portuguese compound feed industry is the main grains buyer. Grains represent nearly 60 percent of the feed formula. The country's compound feed production was declining until 2015, when a combination of favourable input prices and increased efficiencies due to the consolidation of industries, resulted in higher compound feed production levels. This trend became very noticeable in 2016, and has continued throughout 2017 and 2018. In 2019, Portugal will continue to import grain in order to meet its structural grains shortfall and to satisfy Portugal's thriving livestock sector demand. U.S. exports of corn to Portugal are limited by EU biotechnology approvals, however the United States has opportunities to export sorghum and other feed ingredients to Portugal such as corn processing by-products (DDGS), in quantities that fluctuate based on competition from other sources. The U.S. also exports wheat, including durum wheat to Portugal, with export opportunities depending on competition from other origins.

Web Resources

National Institute of Statistics Portugal

FAS GAIN Attaché Reports

FAS Contact - AgLisbon@fas.usda.gov

Seafood

Overview

	2017	2018	2019 (estimate)
Total Market Size	3,235,599	3,378,408	3,400,000
Total Local Production	2,000,000	2,050,000	2,100,000
Total Exports	918,209	989,832	1,000,000
Total Imports	2,153,808	2,318,240	2,300,000
Imports from the U.S.	15,286	26,963	25,000

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

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

Opportunities

The level of development of the fishing industry reflects the high level of consumption of fish and seafood in Portugal. Per capita consumption of seafood is the highest in the European Union and is amongst the highest in the world at around 60 kg/year per capita. The country is a net importer of fish and fish products. U.S. seafood products are very well rated and in demand in the Portuguese market. Cod, salmon and caviar sturgeon were among the top imports from the United States in 2018.

Web Resources

[Ministry of the Sea](#)

[NOAA Seafood Inspection Program](#)

[NOAA Fisheries “How to export seafood to the European Union”](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Contact - AgLisbon@fas.usda.gov

Hardwood

Overview

	2017	2018	2019 (estimate)
Total Market Size	224,550	229,423	235,000
Total Local Production	170,000	175,000	180,000
Total Exports	14,657	20,436	20,000
Total Imports	69,207	74,859	75,000
Imports from the U.S.	15,750	18,223	18,500

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

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

Opportunities

U.S. hardwood has a good reputation in the Portuguese market for its high quality and reliability. Economic recovery and increased confidence creates opportunities in Portugal for U.S. hardwoods.

Web Resources

[National Institute of Statistics Portugal](#)

[Ministry of Agriculture, Forestry and Rural Development](#)

[American Hardwood Export Council \(AHEC\)](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Contact - AgLisbon@fas.usda.gov

Tree Nuts

Overview

	2017	2018	2019 (estimate)
Total Market Size	39,721	50,128	52,000
Total Local Production	53,000	52,000	54,000
Total Exports	75,655	74,638	75,000
Total Imports	62,376	72,766	73,000
Imports from the U.S.	8,528	10,215	10,000

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

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

Opportunities

The main source of tree nuts for Portugal is Spain. It is likely that part of these tree nuts have their origin in the United States, imported though Spain and finally re-exported to Portugal. U.S. nut exports to Portugal are led by almonds, followed by pistachios and walnuts. The nuts are imported and reprocessed domestically to then re-export them to third countries. Outside the European Union, the main destination of these nuts in 2018 were Brazil, Canada and the United States.

Web Resources

[National Institute of Statistics Portugal](#)

[Almond Board of California](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Contact - AgLisbon@fas.usda.gov

Pulses/Legumes

Overview

	2017	2018	2019 (estimate)
Total Market Size	40,237	47,584	47,500
Total Local Production	4,500	4,500	4,500
Total Exports	31,737	24,828	24,500
Total Imports	67,474	67,912	67,500
Imports from the U.S.	6,725	3,925	5,000

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

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

Opportunities

Domestic consumption of pulses is high in the Portuguese market, particularly for dry edible beans, which are an important component of the local diet. In 2018, U.S. exports were led by chickpeas and red kidney beans. Companies also process and re-export dry edible beans within the EU market.

Web Resources

[Statistics Portugal](#)

[United States Dry Bean Council and USA Dry Peas and Lentil Council](#)

[FAS USEU Mission](#)

[FAS GAIN Attaché Reports](#)

FAS Contact - AgLisbon@fas.usda.gov

Meat

Beef

Overview

	2017	2018	2019 (estimate)
Total Market Size	994,092	1,122,578	1,190,000
Total Local Production	476,407	520,082	550,000
Total Exports	41,222	59,449	60,000
Total Imports	558,907	661,945	700,000
Imports from the U.S.	0	0	0

Unit: USD thousands

Total Market Size = (Total Local Production + Total Imports) - (Total Exports)

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

Data corresponding to HS Code 0201, 0202 for Portugal.

Opportunities

Beef (only from non-hormone treated cattle) has good sales potential in Portugal. Domestic production and consumption of beef is increasing especially high value beef meat. Portugal is not self-sufficient in the production of beef and its main source of beef is Spain. Due to the growth of tourism and beef domestic demand, beef imports in Portugal may increase.

Web Resources

[Statistics Portugal](#)

[FAS GAIN Attaché Reports](#)

FAS Contact - AgLisbon@fas.usda.gov

Pork

Overview

	2017	2018	2019 (estimate)
Total Market Size	1,441,688	1,470,978	1,480,000

Total Local Production	1,169,091	1,181,710	1,200,000
Total Exports	126,013	110,313	120,000
Total Imports	398,610	399,581	400,000
Imports from the U.S.	0	0	0

Unit: USD thousands

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

Data Sources:

Total Local Production: FAS Madrid estimates

Total Exports: Global Trade Atlas (GTA)

Total Imports: Global Trade Atlas (GTA)

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

Data corresponding to HS Code 0203, 0210 for Portugal.

Opportunities

Pork has good sales potential in Portugal. Pork domestic production and consumption is increasing. Portugal is not self-sufficient in the production of pork and its main source of pork is Spain. Due to the growth of tourism, domestic demand, and pork exports, pork imports in Portugal may increase.

Web Resources

[Statistics Portugal](#)

[FAS GAIN Attaché Reports](#)

FAS Contact - AgLisbon@fas.usda.gov

Education & Training

Overview

Portuguese students are actively seeking study abroad opportunities, and many take full advantage of the European Union's Erasmus program for exchanges within Europe. Portuguese students value educational opportunities in non-EU countries, namely the United States. According to the 2018 Open Doors Report on International Educational Exchange, there were 937 students from Portugal studying in the United States, an increase of 0.9% compared with the previous year. This represents a 6.8% increase since 2014, which is namely due to Portugal's economic recovery since it successfully exited its three-year bailout program in June 2014.

Students from Portugal in the United States study primarily at the undergraduate level, with 29% at the graduate level in 2017/18, 48.5% enrolled at the undergraduate level, 11.6% pursuing optional practical training, and 10.7% in non-degree programs such as English language or short-term studies. The number of students pursuing non-degree programs increased by 38.9% percent while those engaged in optional practical training decreased by 12.1% compared with the previous year.

The report also found the number of U.S. students studying abroad in Portugal increased 63.8% since 2015. The number of U.S. students in Portugal increased from 523 to 693 in 2015/16, representing a 32.5% percent jump from the previous year.

Portugal is presently an important recruiting destination because the country attracts international students from all over the world.

Leading Sub-Sectors

Portuguese students are primarily attracted to these types of U.S. programs:

- Four-year universities and community colleges
- Undergraduate, graduate, and master's programs
- Short-term and summer camps
- Online programs.

Opportunities

In order to effectively enter the Portuguese market, you should consider the following:

- Seek partnerships or agreements with public or private universities to facilitate joint-programs and exchange programs for students and faculty;
- Participate in local recruitment fairs, trade missions, and outreach events, as well as meet face-to-face with school counselors and other stakeholders.

U.S. schools should provide clear and in-depth information about programs and the application processes, as well as describe opportunities for fully or partially funded scholarships.

U.S. schools may also take advantage of two major education events in Portugal:

Futurália, March 2020, <http://futuraia.fil.pt/>

Study Abroad Portugal, October 2019, <http://www.studyabroadportugal.pt/>

Web Resources

Fulbright Commission Portugal, <http://www.fulbright.pt>

Portuguese National Council of Education, <http://www.cnedu.pt>

Council of Rectors of Portuguese Universities, <http://www.crup.pt>

Portuguese Polytechnic Institutes Coordinating Council, <http://www.ccisp.pt>

Portuguese Association of Private Higher Education, <http://www.apesp.pt>

Portuguese Foundation of Science and Technology, <http://www.fct.pt/apoios>

Design and Construction

Overview

The design and construction sector in Portugal has been growing primarily due to infrastructure projects that the government defined as priority investments mainly in transportation with the Strategic Plan for Transport and Infrastructure 2014-2020 worth 6.7 billion EUR, as well as the Railway Investment Plan 2016-2020 worth 2 billion EUR.

These investments in infrastructure include major upgrades and the development of new terminals at several ports across the country. The landlord model is used in Portugal which means that the port authority is responsible for infrastructure and operations are carried out via concessions or licensed private operators.

In alignment with the European Strategy for the sustainable competitiveness of the construction sector, as part of the Europe 2020 initiative, the Portuguese Government and the Portuguese Confederation of Construction and Real Estate signed a commitment for the sustainable competitiveness of the construction and real estate sectors that mainly focuses on building renovations and infrastructure upgrades, as opposed to new construction works.

The National Program of Investments 2030, which is expected to further stimulate the construction sector provides for several investments in the areas of railway, roadway, public transportation and urban mobility, environment and energy.

The Portuguese market for green buildings is growing and experiencing increasing demand by companies across various sectors looking to save on energy costs, while also becoming increasingly eco-friendly.

The construction of green buildings in Portugal is regulated by international bodies who grant certifications, such as LEED and BREEM. The Portuguese market is an excellent opportunity for American companies to export their products and services. Companies from all sectors look to retrofit or construct new cost-saving and environmentally friendly alternatives to traditional construction.

There is a high demand for quality construction materials and knowledge in this sector. American companies may compete in providing high quality goods in the market that are accredited according to international Green Councils and EU standards. The following products have the best sales potential:

- LEED certified building products.
- BREEAM (Building research Establishment Environmental Assessment Method) certified building products.
- Products that are certified in reducing the usage of water.
- Indoor air quality sampling and testing
- Energy Management Systems and Certification – EN16001 and ISO 50001

Leading Sub-Sectors

- Residential
- Road
- Ports
- Rail

Information and Communications Technology

Overview

Growth in Portugal's ICT market has continued to expand rapidly and its value is expected to reach €8 billion this year (2.2% growth compared to last year). This growth is driven by interest in cloud computing, big data and analytics, cyber security solutions, mobile and social business industries. There are a number of Portuguese ICT companies with a strong presence in Portuguese speaking countries in Africa and Brazil.

As one of the EU countries with the highest fibre to the home penetration and a front runner 3G, 4G infrastructure investment, the Portuguese market is quite attractive to cloud computing, big data and analytics, mobile and social business industries.

Internet of Things (IoT) will also play a key role in the coming years and according to IDC's estimates there will be 68.1 million devices in use and connected to the internet in Portugal by 2020.

Leading Sub-Sectors

- Smart Cities
- HealthIT
- e-Commerce
- Cyber Security

Opportunities

There are significant opportunities in clouding, data analysis and software development, as Portuguese companies are shifting.

The use of Information and Communications Technology in Smart Cities is also creating several opportunities as cities want to implement technologies that increase public benefit and improve the standard of living, as well as promote greater cooperation among citizens, business and the city, as well as other actors in the public sector.

Portugal also has tech savvy and well-educated younger generation. In this new era of digital transformation, consumers are becoming more aware of the benefits and ease of using health IT services and products. End users, particularly in the younger generation, are increasingly aware of new innovations and are seeking these products. Customized mobile platforms that address needs of users are well accepted. Portugal is open to new products, new services and welcomes new strategic health ideas to be applied in different industries covering all areas in the health sector.

Health IT companies should focus on creating platforms or apps that are easy to use and satisfy both users and clinicians. As healthcare prices rise, digital health must look at the economic benefit of payers. Cyber security is another challenge, all digital platforms must secure personal information as well as satisfy legal regulators.

Events

Web Summit 2019 (Lisbon Portugal - November 4-7, 2019): <https://websummit.com>

Web Resources

Portuguese Software Association: <https://www.assoft.org>

Portuguese Association for the Development of Communications: <http://www.apdc.pt/>

Portuguese Innovation Center (INTELI): <http://www.inteli.pt/pt/go/smart-cities-portugal>

World Health Organization: <http://www.euro.who.int/en/countries/portugal>

Energy

Overview

During the first half of 2019, renewable energy sources have represented 55.2% of the electricity production mix in mainland Portugal, mainly from wind and hydro energy. Fossils fuels represented 44.8%, where natural gas reached 18.9%.

The renewable energy sector continues to be important to the national energy mix but it is still affected by scarce wind and water resources during periods of the year. The Government continues to support renewable energy development by focusing on renewable technologies, such as concentrated solar, photovoltaic (tenders continue to be issued), and wave energy. Portugal aims to have 80% of the electricity production coming from renewable energy by 2030. Additionally, plans are underway to close two existing coal-fired power plants.

The Portuguese coastline is well-suited to offshore renewable energy solutions. As a result, there is favorable offshore wind potential in selected areas. Portugal has an offshore pilot zone devoted to the development and installation of renewable energy projects (i.e. offshore wind and ocean energy), from early conception stages to full commercialization stages, accommodate 250 MW.

In April 2016, Portugal received the first shipment of U.S. LNG exported to Europe from the lower-48 states, with more subsequent shipments throughout 2017 and 2018. The Portuguese industry and government officials have begun to seriously consider how to position the country as a center for U.S. exports onwards to Europe and Africa. Sines' deep-water harbor, available storage capacity, rail and maritime links, and status as the closest European LNG port to U.S. shippers in the Gulf of Mexico have lent credibility to the discussion. Between Portugal and Spain, the Iberian Peninsula possesses roughly one third of Europe's LNG regasification capacity.

Leading Sub-Sectors

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

Opportunities

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

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

The renewable energy sector will continue to be an active sector due to government and EU commitments to reduce oil dependency and greenhouse gas emissions.

Portugal is eager to see U.S. LNG play a major role in Europe's energy mix, both to improve Europe's energy security and increase competition. U.S. exporters involved in natural gas will find increasing opportunities as Portugal continues to be committed to becoming an alternative energy supplier to Europe. Portuguese companies are also looking for partnerships at all levels.

Web Resources

DGEG - Direcção Geral de Energia e Geologia (Directorate-General for Energy and Geology)

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

Associação Portuguesa de Energia (Portuguese Renewable Energy Association)

<http://www.apren.pt>

Aerospace, Defense and Security

Overview

Portugal is a founding member of NATO and a full member of the European Union. The Portuguese Armed Forces comprise of the Army, Navy and the Air Force and are in charge of protecting Portugal's sovereignty and interests, and supporting international peacekeeping efforts. In addition to the three branches of the armed forces there is the Republican National Guard, a militarized security force under the authority of both the Defence and the Internal Affairs Ministry.

Portugal recently approved a new military programming law with a total of \$5.3 billion until 2030. Among the structural projects that represents around one-third of the total spending there are plans to acquire strategic and tactical air transportation aircrafts, oceanic patrol vessels, evacuation helicopters, a multi-purpose vessel and a refueling vessel. The United States accounted for 40% of total defense equipment imports during 2012-2016.

The aerospace and defense cluster in Portugal has a strong industrial base in several areas including engines, air traffic infrastructures, aircrafts, cabin interiors, electronics, tools and support technologies, structures, material and production, among others. The aviation maintenance sector has also grown in importance.

Leading Sub-Sectors

Aero Systems

Maritime Systems

Land Systems

Maintenance, Repair and Operations

Defense Electronics

Aerial Firefighting

Opportunities

There are opportunities arising as the aerospace and defense cluster solidify, as well as result of the integrated management system within the Portuguese Armed Forces and Ministry of Defense. In terms of the civil defense, the United States is highly regarded as a supplier of security products and services of excellence.

Portuguese companies often seek technology that may add value to the projects they aim at delivering in Portugal and abroad. They are often pro-active in reaching out to U.S. suppliers with specific requests for quotes.

There are a wide range of areas related safety and security that can be explored by U.S. suppliers such as electronic surveillance, traffic control radars, amongst other solutions related with specific projects being carried out by the Ministry of Justice, Ministry of Internal Affairs and the Portuguese Civil Protection Authority.

Events

AED Days 2019 (Lisbon Portugal - October 28-30, 2019): <https://aeddays-2019.com/>

Web Resources

APSEI - Associação Portuguesa de Segurança Electrónica e de Protecção Incêndio: <http://www.apsei.org.pt>

Portuguese National Civil Protection : <http://www.prociv.pt/en-us/Pages/default.aspx>

Portuguese Ministry of Defense: <https://www.portugal.gov.pt/en/gc21/ministries/national-defense>

Portuguese Ministry of Internal Affairs: <https://www.portugal.gov.pt/en/gc21/ministries/internal-administration>

Agricultural Equipment

Overview

Traditionally agriculture has been the backbone of the Portuguese economy. For many years there was a large number of small farmers using only traditional farming methods, most were over 65 years old and mostly illiterate. This tendency changed dramatically during the crisis in 2008, when a new wave of young farmers began revolutionizing the agriculture industry. The new generation is educated, has knowledge of new techniques and applies these to increase productivity. Younger farmers are more dynamic, open to new products and to modern farming equipment. In 1986, the active population in agriculture was 25%. Now it is 5%; yet agricultural production is at an all-time high in monetary terms.

Agriculture in Portugal is still based on small to medium-sized family-owned dispersed units; but , the sector also includes larger-scale intensive farming export oriented agribusinesses backed by companies (like Discoll's , Grupo RAR's Vitacress, Sovena, Lactogal, Vale da Rosa, Companhia das Lezírias and Valouro). The extent of cooperative organization has been reaching a greater importance with globalization.

New farmers have a more business-oriented approach becoming real entrepreneurs. This new approach has made this sector one of the most innovative in the Portuguese economy and has been internationally awarded multiple times for its forward-thinking and modern adaptation to global markets.

Leading Sub-Sectors

- Agricultural high technology equipment
- Agricultural crops equipment
- Cattle raising
- Industrial processing of fruits and vegetables

- Industrial processing of meat
- Industrial processing of dairy products
- Wine Industry
- Olive and pine oil processing

2017 and 2018 8 Exports from the USA to Portugal (\$)			
Item	2017	2018	2017 to 2018 (%t Change)
TOTAL	135,595,674	158,262,452	17%
8201--HANDTOOLS & TOOLS USED IN AGRICULT ETC, B MET PTS	4,034	13,972	246%
8423--WEIGHING MACHINES & WEIGHING MACHINE WEIGHTS; PTS	18,443	89,098	383%
8428--LIFTING, HANDLING, LOADING & UNLOAD MACHINES NESOI	964,323	1,920,146	99%
8429--SELF-PROPELLED BULLDOZERS, GRADERS, SCRAPERS ETC	463,869	883,495	90%
8430--MACH NESOI, MOVING, GRAD ETC; PILE-DR; SNOFLOW ETC	147,500	196,094	33%
8431--PARTS FOR MACHINERY OF HEADINGS 8425 TO 8430	769,396	2,005,310	161%
8432--AGRICULT ETC MACH FOR SOIL ETC; LAWN ROLLERS; PTS	41,446	129,680	213%
8433--HARVEST ETC MACHINES, CLEANING EGGS ETC NESOI, PTS	426,130	1,098,163	158%
8434--MILKING MACHINES & DAIRY MACHINERY & PARTS	37,089	3,692	-90%
8435--PRESSES ETC FOR WINE, CIDER, FRUIT JUICE ETC, PTS	5,830	0	-100%
8436--AGRI ETC & POULTRY ETC EQUIP, INC INCUBATORS, PTS	432,385	314,049	-27%
8437--MACH FOR CLEANING SEED ETC & WORK CEREAL ETC, PTS	10,539	42,619	304%
8438--MACH NESOI, IND PREP OF FOOD OR DRINK ETC, PARTS	1,971,499	9,563,912	385%
8708--PARTS & ACCESS FOR MOTOR VEHICLES (HEAD 8701-8705)	5,360,282	9,961,885	86%
8716--TRAILERS ETC; OTHER VEHICLES, NOT MECH PROPELD, PT	161,554	247,749	53%
8706--CHAS W ENG F TRAC, MTR VEH F PASS/GD & SPECIAL PUR	6,300	8,629	37%

Source: <http://tse.export.gov/tse/>

Opportunities

Despite tough competition from European and Chinese firms, there are many opportunities for U.S. firms to collaborate, consult and contract for agricultural projects. The US opportunities to be the number one supplier of tractors and heavy agricultural machinery. Foreign companies should be prepared to either register locally or pre-qualify with developers and government agencies in order to respond to tenders.

Web Resources

Confederation of Portuguese Farmers - <https://www.cap.pt/>

Portuguese Association of Young Farmers - <https://www.ajap.pt/>

Portuguese Association of Biologic/Organic Farming - <https://agrobio.pt/>

Customs, Regulations & Standards

Trade Barriers

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website: <https://ustr.gov/about-us/policy-offices/press-office/reports-and-publications/2017/2017-national-trade-estimate>

Information on agricultural trade barriers can be found at the following website: <http://www.usda-eu.org/>

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

Import Tariff

When products enter the EU, they need to be declared to customs according to their classification in the Combined Nomenclature (CN). The CN document is updated and published every year, and the latest version can be found on the European Commission's website:

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/what-is-common-customs-tariff/combined-nomenclature_en

U.S. exports to the European Union enjoy an average tariff of just three percent. All the same, U.S. exporters should consult "The Integrated Tariff of the Community", referred to as TARIC (Tarif Intégré de la Communauté), to identify the various rules which apply to specific products being imported into the customs territory of the EU. To determine if a license is required for a particular product, check the TARIC.

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

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

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

Import Requirements & Documentation

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product. Moreover, the European Commission maintains an export helpdesk with information on import restrictions of various products:

<http://trade.ec.europa.eu/tradehelp/import-restrictions>

Many EU Member States maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides <https://export.gov/ccg/> or conduct a search on the Commerce Department's Market Research Library, available from:

<https://www.export.gov/Market-Intelligence>

Import Documentation

[The Single Administrative Document](#)

The official model for written declarations to customs is the Single Administrative Document (SAD). The SAD describes goods and their movement around the world and is essential for trade outside the EU, or of non-EU goods. Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

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

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

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

More information on the SAD can be found at:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions went into effect on 1 May 2016. It has replaced the Community Customs Code (CCC). In addition to the UCC, the European Commission published delegated and implementing regulations on the actual procedural changes.

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

Economic Operator Registration and Identification (EORI)

Since July 1, 2009, all companies established outside of the EU are required to have an EORI number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. An EORI number must be formally requested from the customs of the specific member state to which the company first exports. Member state customs authorities may request additional documents to be submitted alongside a formal request for an EORI number. Once a company has received an EORI number, it can use it for exports to any of the 28 EU Member States. There is no single format for the EORI number. Once an operator holds an EORI number s/he can request the Authorized Economic Operator (AEO: see below under "MRA") status, which can give quicker access to certain simplified customs procedures.

More information about the EORI number can be found at

http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

The U.S. and the EU have had a Customs Cooperation and Mutual Assistance in Customs Matters Agreement (CMAA) since 1997 when the U.S. - EU Agreement on Customs Cooperation and Mutual Assistance in Customs Matters came into force. For additional information, please see [Agreements with the United States](#)

In 2012 the United States and the EU signed a Decision recognizing the compatibility of AEO (Authorized Economic Operator) and C-TPAT (Customs-Trade Partnership Against Terrorism), thereby facilitating faster and more secure trade between U.S. and EU operators. The World Customs Organization (WCO) SAFE

Framework of Standards provides the global standard for AEO. AEO certification is issued by a national customs authority and is recognized by all Member States' customs agencies. As of April 17, 2017, an AEO can consist of two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplification related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition. Under the revised Union Customs Code, in order for an operator to make use of certain customs simplifications, the authorization of AEO becomes mandatory.

The United States and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by the Decision will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. It officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators.

[Additional Information on the Decision](#)

Introduction

A key EU priority is ensuring products marketed in the region are safe for the environment and human health. U.S. manufacturers exporting to the European Union need to ensure their products meet these requirements to enter the market.

New Initiatives: Circular Economy & Plastics Strategy

On 25 September 2014, the European Commission published the Communication "Towards a circular economy: A zero waste programme for Europe". The Communication acknowledges the intense competition for resources within Europe and the need to ensure market mechanisms eliminate waste. When implementing this package, the European Commission will promote regulatory and voluntary measures that encourage the "design out" of waste during the product development cycle. These measures include introducing mandatory recycling targets for waste, improvements to energy and resource use (e.g. water) and eliminating the use of materials in products that inhibit the collection, recycling and reuse of materials in products.

On 16 January 2018, the European Commission published what is arguably the most important measure towards implementing the circular economy. On that day it adopted a strategy document entitled, "A European Strategy for Plastics in a Circular Economy". The strategy acknowledges that plastics have a positive and negative impact on the environment, while calling for voluntary and regulatory measures aimed at mitigating the environmental harm caused by plastics. These measures address marine litter caused by the shipping industry; measures addressing the chemical composition of plastics to encourage recycling; potential regulation on single use plastics; and funding for the development of chemical and mechanical recycling.

Batteries

The [EU Battery Directive](#) adopted in 2006 applies to all batteries and accumulators placed on the EU market. This includes automotive, industrial and portable batteries. The Directive seeks to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. The European Commission publishes a FAQ document to assist interested parties in interpreting its provisions. For more information, see our [market research report](#).

Registration, Evaluation and Authorization and Restriction of Chemicals (REACH)

REACH applies to all chemicals manufactured or imported into the EU in quantities exceeding one metric ton. The regulation entered into force in 2007 (Regulation 1907/2006) and touches virtually every industrial sector, from automobiles to textiles. REACH imposes a registration obligation on all entities affected by the one metric ton criteria by May 31, 2018. The European Chemicals Agency (ECHA) is the agency responsible for receiving and ensuring the completeness of such registrations. U.S. companies without a presence in Europe need to rely on an EU-based partner, typically either an importer or a specialized 'Only Representative'.

In addition to the registration requirement, U.S. exporters should carefully review the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Under certain conditions, substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export chemicals on the 'Authorization List' will require an authorization. The Candidate List can be found at: <http://echa.europa.eu/web/guest/candidate-list-table>.

The Authorization List is available at <https://echa.europa.eu/authorisation-list>

Waste Electrical and Electronic Equipment (WEEE) Directive

EU rules on WEEE, while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. It also requires manufacturers to inform the consumer that their product should be recycled by including the "crossed out wheelee-bin" symbol on the product or with the packaging. (See the section entitled "Mandatory Marks and Labels" for more information.) The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. U.S. exporters seeking more information on the WEEE Directive should visit:

<http://apps.export.gov/article?id=European-Union-Waste-Electrical-and-Electronic-Equipment-WEEE>

Restriction on Hazardous Substances RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant and affix a "CE" mark. (See the section entitled "Mandatory Marks and Labels" for more information.) The 2011 revisions to the ROHS Directive significantly expanded the scope of covered products. Generally, U.S. exporters have until July 22, 2019 to bring products into compliance that were once outside the scope. U.S. exporters seeking more information on the RoHS Directive should visit: <http://www.export.gov/article?id=European-Union-Restriction-of-the-Use-of-Certain-Hazardous-Substances-Directive-RoHS-II>

Cosmetics Regulation

The EU legislation harmonizing the regulation of cosmetic products has applied since July 11, 2013. The most controversial element of the regulation was the introduction of an EU-wide system for the notification of cosmetic products to the European Commission prior to their placement on the EU market. Only an EU-established entity may submit such a notification. Therefore U.S. exporters must either retain a "Responsible Person" to act on their behalf, rely on the entity responsible for the import of their product into the EU, or establish a presence in an EU Member State.

For more general information, see: <http://www.export.gov/article?id=The-EU-Cosmetics-Regulation>

Agricultural Documentation

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

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly

for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU but the harmonization process is still ongoing. Most recently, certificates for a series of highly processed products including chondroitin sulphate, hyaluronic acid, hydrolyzed cartilage products, chitosan, glucosamine, rennet, isinglass and amino acids are being harmonized. Until harmonization is finalized, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>.

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system to be equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the United States are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

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

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

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following [NOAA dedicated website](#).

Labeling/Marking Requirements

Summary

There is a broad array of EU legislation pertaining to the marking, labeling and packaging of products, with neither an "umbrella" law covering all goods nor any central directory containing information on marking, labeling and packaging requirements. This overview is meant to provide the reader with a general introduction to the multitude of marking, labeling and packaging requirements or marketing tools to be found in the EU.

Introduction

The first step in investigating the marking, labeling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary. Decisions related to mandatory marking, labeling and/or packaging requirements may sometimes be left to individual Member States. Furthermore, voluntary marks and/or labels are used as marketing tools in some EU Member States. This report is focused primarily on the mandatory marks and labels seen most often on consumer products and packaging, which are typically related to public safety, health and/or environmental concerns. It also includes a brief overview of a few mandatory packaging requirements, as well as more common voluntary marks and/or labels used in EU markets.

It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors and end-users with information concerning safety, health, energy efficiency and/or environmental issues relating to a product. Labels, on the other hand, appear in the form of written text or numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).

OVERVIEW

Mandatory Marks & Labels

- Textiles
- Cosmetics
- Dangerous Substances
- Explosive Atmosphere
- Electrical & Electronic Equipment
- Household Appliances
- Pricing
- Footwear
- Units of Measurement
- Automotive
- Tire labeling
- Maritime
- Materials in Contact with Food
- Noise Emissions
- Wood packaging
- Energy Efficiency
- Recycling - Separate Collection

Voluntary Marks and Labels

- Cup/Fork Symbol (material in contact with food)
- Eco-Label
- Green Dot
- Energy Star
- 'e' Mark

Recycling Marks

Voluntary and mandatory marks and labels apply to all Member States of the EU, countries in the European Economic Area, European Free Trade Association, as well as candidate countries seeking membership to the EU.

MANDATORY MARKS AND LABELS

CE MARKING

This is probably the most widely used and recognized marking required by the EU. Found in all “New Approach” legislation with a few exceptions, the CE marking demonstrates that a product meets all essential requirements (typically related to safety, health, energy efficiency and/or environmental concerns). CE marking is required for the following products/product families



- Cableway installations
- Civil explosives
- Construction products
- Electrical/electronic products
- Electromagnetic compatibility
- Low voltage
- Restriction of Hazardous Substances
- Energy efficiency
- Equipment and protective systems in potentially explosive atmospheres (ATEX)
- Gas appliances
- Hot water boilers
- Lifts
- Machinery
- Medical devices (3)
- Non-automatic weighing instruments
- Personal protective equipment
- Pressure equipment
- Radio equipment
- Recreational crafts
- Refrigeration appliances
- Simple pressure vessels
- Toys

For each “New Approach” law there is a separate list of references to harmonized European standards, the use of which provides the manufacturer with the ‘presumption of conformity’ with essential requirements. While other non-EU standards may be used to demonstrate a product’s compliance with the applicable directive(s), the manufacturer will have to provide detailed information regarding the compliance process. An array of standardized safety warning symbols/pictograms may also be applicable to each of the above product categories.

In 2008, the EU adopted a package of measures known as the New Legislative Framework (NLF) which provides a regulatory ‘toolbox’ for new and revised EU product safety legislation. The framework is designed to improve market surveillance, more clearly define the responsibilities of manufacturers, importers and distributors, and clarify the meaning of CE marking across a wide-range of product groups. In February 2014, to align product harmonization legislation with the provisions of the NLF (most notably Decision 768/2008), the European Union adopted an “Alignment Package” consisting of eight revised CE marking directives. These newly aligned directives are in force since 2016.

Note: The EU is currently finalizing new legislation that will impact CE marking for medical devices. Upon finalization of the new legislation in mid-2017, there will be a transition period with the new measures coming into force in 2020 for medical devices and 2022 for in-vitro medical devices.

For more information

http://ec.europa.eu/growth/single-market/ce-marking/index_en.htm

http://ec.europa.eu/growth/single-market/european-standards/harmonised-standards/index_en.htm

http://ec.europa.eu/growth/single-market/goods/new-legislative-framework/index_en.htm

<http://apps.export.gov/article?id=Revised-CE-Marking-Laws-Applicable-in-2016>

THE WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT DIRECTIVE (WEEE)



This directive is designed to tackle the rapidly increasing waste stream of electrical and electronic equipment, and complements European Union measures on landfills and waste incineration. Increased recycling of electrical and electronic equipment, in accordance with the directive requirements, limits the total quantity of waste going to final disposal. This directive affects the following product categories:

- Large and small household appliances
- Consumer equipment
- Lighting equipment
- IT and Telecommunications equipment
- Electrical and Electronic Tools
- Toys and Sports equipment
- Medical Devices
- Monitoring and control equipment
- Automatic dispensers

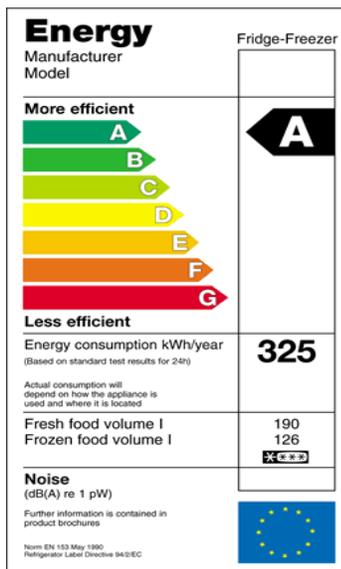
The symbol shown above must be displayed on all products that fall under this directive, and indicates that the product is not to be discarded with normal household waste. It is a required mark on batteries. In instances where this symbol cannot be displayed on the equipment itself, it should be included on the packaging.

For more information:

Directive 2012/19/EU is available online at:

http://ec.europa.eu/environment/waste/weee/legis_en.htm

ENERGY LABELING



Directive 2010/30/EU “on the indication by labeling and standard product information of the consumption of energy and other resources by energy-related products” sets a framework for the adoption of product-specific directives on the proper energy efficiency labeling for each concerned product. This 2010 directive broadens substantially the energy labeling scope. This law is undergoing review; the proposed legislation, simplifying labeling categories and extending the scope will likely be adopted in 2017.

Suppliers are to supply free of charge labels or product fiches containing information about consumption of electric or other energy sources to their dealers. Dealers display labels in a visible and legible way, and make the fiche available in product brochures or other literature.

For more information:

<http://www.consilium.europa.eu/en/press/press-releases/2017/06/26/clearer-energy-labelling/>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0001:0012:EN:PDF>

DEVICES FOR USE IN POTENTIALLY EXPLOSIVE ATMOSPHERE (ATEX)



In addition to applying a CE marking for products falling under the ATEX Directive (2014/34/EC), it is necessary to display the Ex mark, which is a specific marking of explosion protection. Located next to the 'Ex' mark will be a symbol designating the product group or category as specified in the directive.

The revised ATEX Directive (2014/34/EC) was adopted in February 2014 as part of the New Legislative Framework alignment package. It replaced the existing directive and became applicable on April 20, 2016.

For more information:

http://ec.europa.eu/growth/sectors/mechanical-engineering/atex/index_en.htm

Directive 2014/34/EU:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0034&from=EN>

NOISE EMISSION OF OUTDOOR EQUIPMENT



Machines used outdoors are subject to CE marking requirements. Noise emission levels are covered separately. The sample mandatory label shown above specifies noise emission levels.

For more information:

http://ec.europa.eu/growth/sectors/mechanical-engineering/noise-emissions/index_en.htm

MARITIME



The "steering wheel" mark shown above is the equivalent of CE marking for marine equipment. It applies to equipment for use on board any new EU ship, wherever the ship is situated at the time of construction, and to equipment placed on board existing EU ships, whether for the first time or to replace equipment already carried on board. It does not apply to equipment already on board on the date on which the directive entered into force in 1997. The directive applies to the following equipment categories:

- Life-saving appliances
- Marine pollution prevention
- Fire protection
- Navigation equipment
- Radio-communication equipment

A revised Marine Equipment Directive (2014/90/EC) was adopted in July 2014 and is applicable since September 18, 2016.

For more information:

Directive 2014/90/EC is available online at:

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L .2014.257.01.0146.01.ENG>

TEXTILES

Textile products must be labeled or marked whenever they are put onto the market for production or commercial purposes (sale). The names, descriptions and details of a textile's fiber content must be indicated on products available to consumers. With the exception of trademarks or the name of the undertaking, information other than that required by the directive must be listed separately. Member States may require that their national language be used on the labeling and marking required by the directive.

For more information:

http://ec.europa.eu/growth/sectors/fashion/textiles-clothing/legislation/index_en.htm

FOOTWEAR



lining & sock

Labels must convey information relating to the upper, the lining and insole sock, and the outer-sole of the footwear article. The information must be conveyed by means of approved pictograms or textual information, as defined by the directive.

The label must be legible, firmly secured and accessible, and the manufacturer or the authorized agent established in the Community is responsible for supplying the label and for the accuracy of the information contained therein. Only the information provided for in the directive need be supplied. There are no restrictions preventing additional information being included on the label.

For more information:

http://ec.europa.eu/growth/sectors/fashion/footwear/index_en.htm

COSMETICS

Containers and/or packaging (in certain cases) must bear, in indelible, easily legible and visible characters, the following:

- The name, trade name and address, or registered office, of the manufacturer or person responsible for marketing the cosmetic product within the Community
- The nominal contents at the time of packaging (by weight or volume)
- The date of minimum durability indicated by "Best before end", for products with a minimum durability of less than 30 months. In this case the following must figure on the packaging:



- The period after opening during which the product can be used without harm to the consumer, for products with a minimum durability of less than 30 months (indicated by a symbol representing an open cream jar, as shown below):



- Particular precautions for use
- The batch number or product reference, for identification
- The product's function

If it is impossible for practical reasons to print on the packaging all the conditions of use and particular warnings, an enclosed leaflet, label or tape has to be provided and the following symbol has to be on the packaging:



The Member States are to draw up procedures for providing the information set out above in the case of cosmetic products that have not been pre-packaged. The product function and list of ingredients also have to appear on the container or packaging. Member States may stipulate that the information on the label is provided in their national or official language(s).

About the labeling of nanomaterials present in cosmetics:

The Cosmetics regulation indicates that from July 2013 “all ingredients present in the form of nanomaterials shall be clearly indicated in the list of ingredient” and that “the names of such ingredients shall be followed by the word ‘nano’ in brackets”.

For more information:

Regulation 1223/2009 is available online at:

http://ec.europa.eu/growth/sectors/cosmetics/legislation/index_en.htm

Market Research Report on “EU Cosmetics Legislation”

<http://apps.export.gov/article?id=The-EU-Cosmetics-Regulation>

DANGEROUS SUBSTANCES

Regulation on the Classification, Labeling and Packaging of Chemicals



The labeling of dangerous substances must indicate the following:

- The name of the substance

- The origin of the substance (the name and address of the manufacturer or distributor)
- The danger symbol and an indication of danger involved in the use of the substance
- A reference to the special risks arising from such dangers.

The dimensions of the label must not be less than a standard A8 sheet (52 x 74mm), and each symbol must cover at least one-tenth of the label's surface area. Member States may require their national language(s) to be used in the labeling of dangerous substances. Where the packaging is too small, the labeling may be affixed in some other manner. The packaging of products considered dangerous which are neither explosive nor toxic may go unlabeled if the product contains such small quantities of dangerous substances that there is no danger to users.

Symbols must be employed if the substance can be defined as any one of the following (as shown above): explosive, oxidizer, flammable, harmful, toxic irritant, corrosive, or harmful to environment. Containers of hazardous substances should include, in addition to the appropriate symbols, a raised triangle to alert the vision-impaired to their contents. Note that this directive has undergone numerous amendments relating, amongst other things, to the marking and labeling of additional substances. Accordingly, it is advisable to consult all literature.

Regulation 1272/2008 implements the classification, labeling and packaging requirements for chemicals based on the Worldwide United Nation's Globally Harmonized System (UN GHS).

For more information:

Regulation 1272/2008/EC on the classification, labeling and packaging can be found at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:353:0001:1355:EN:PDF>

Legal Metrology and Metric Units of Measurement

This legislation specifies permissible ranges of nominal quantities, container capacities and the weights or volumes of prepackaged products. Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable.

For more information:

http://ec.europa.eu/growth/single-market/goods/building-blocks/legal-metrology/index_en.htm

PRICE DISPLAY

The directive requires an indication of the selling price, and price per unit of measurement, on all products offered to consumers. The aim is to improve the information available to the consumer and to facilitate price comparison. This information must be unambiguous, clearly legible and easily identifiable. If advertising mentions the item's selling price, it must also indicate its unit price. For products sold in bulk, the unit price is the only item whose indication on the label is mandatory. National authorities may provide alternatives for products sold by small retail business operations.

For more information:

Directive 98/6/EC, on the indication of the prices of products offered to consumers, available online at: http://eur-lex.europa.eu/resource.html?uri=cellar:b8fd669f-e013-4f8a-a9e1-2ff0dfce7de6.0008.02/DOC_1&format=PDF

AUTOMOTIVE



Nearly every vehicle component must be certified for safety as specified under the various directives relating to automobiles. The number shown in the rectangle on the label indicates the particular Member State in which the approval process was conducted. A "base approval number" must also be provided adjacent to this

certification. This four-digit number will correspond to the directive and type of device in question. The country-number correlation is as follows (this is not an exhaustive list):

1	Germany	6	Belgium	18	Denmark
2	France	9	Spain	21	Portugal
3	Italy	11	UK	23	Greece
4	Netherlands	13	Luxembourg	24	Ireland

For more information:

All existing directives on motor vehicles, in chronological order, are available online at:

http://ec.europa.eu/growth/sectors/automotive/legislation/index_en.htm

Photometry

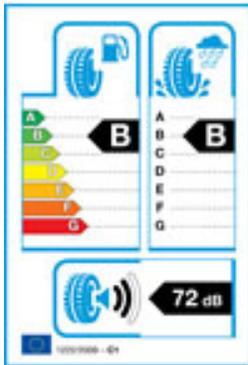


A similar marking is an 'E' surrounded by a circle, which applies to the testing of headlight lamps, brake light lamps and turning signal lamps of all vehicles seeking EU market entry. These include consumer vehicles, low-volume production trucks, light and heavy goods vehicles, trailers, motorcycles, cranes, agriculture and forestry tractors, and special-purpose and off-road vehicles.

For more information:

http://ec.europa.eu/growth/sectors/automotive/legislation/index_en.htm

TIRE LABELING



Tire label legislation requires that tire manufacturers declare fuel efficiency, wet grip and external rolling noise performance of C1, C2 and C3 tires (i.e. tires mainly fitted on passenger cars, light and heavy duty vehicles).

The objective of the regulation is better information for the consumer and a contribution to a more energy efficient transport policy.

For more information:

<http://ec.europa.eu/energy/en/topics/energy-efficient-products-and-labels/tyres>

Directive 1222/2009/EC:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009R1222&from=EN>

Directive 228/2011/EC:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:062:0001:0016:EN:PDF>

PACKAGING MATERIAL

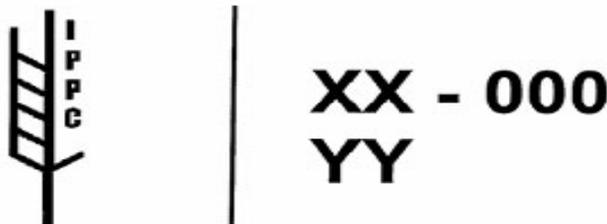
The EU Packaging and Packaging Waste Directive harmonized member state legislation regarding packaging material composition and the management of packaging waste. Composition of packaging material is addressed in a series of EU-wide standards. For the management of packaging waste through recycling targets and collection and recycling systems, Member States have adopted voluntary marking mentioned in the following pages.

For more information:

Directive 94/62/EC, available online at:

<http://ec.europa.eu/environment/waste/packaging/legis.htm>

Wood Packaging



XX represents the ISO country code.
000 represents the unique number assigned by the national plant protection organization.
YY represents either HT for heat treatment or MB for methyl bromide fumigation.

Like the United States, the EU has adopted legislation to ensure pest control in wood packaging. The marking used for regulated materials is based on the International Plant Protection Convention compliance symbol shown above.

For more information:

http://ec.europa.eu/food/plant/plant_health_biosecurity/non_eu_trade/wood_packaging_dunnage/index_en.htm

VOLUNTARY MARKS AND LABELS

MATERIALS IN CONTACT WITH FOOD



Manufacturers of containers, plates, cups, and other material that is intended to come into contact with food are required to check the compliance of their product with EU chemical safety requirements. Using the symbol shown above shows compliance with these requirements. It is mandatory to comply with the legislation, but the use of the symbol is voluntary.

For more information:

http://ec.europa.eu/food/safety/chemical_safety/food_contact_materials/legislation/index_en.htm

THE e-MARK



The e-mark, shown above, acts as a metrological "passport" to facilitate the free movement of prepackaged goods. It guarantees that certain liquids and other substances have been packed by weight or volume in accordance with the directives. While compliance is not mandatory, free movement throughout the EU is guaranteed for prepackaged products that do comply with the provisions of the directive.

Containers with an e-mark also bear an indication of the weight or volume of the product, known as its "nominal" weight or volume. The packer (or importer, if the container is produced outside the EU) is responsible for ensuring that the containers meet the directive's requirements.

For more information:

http://ec.europa.eu/growth/single-market/goods/building-blocks/legal-metrology/pre-packaging/index_en.htm

THE ECO-LABEL



The European Eco-label enables European consumers, including public and private purchasers, to easily identify officially approved green products across the European Union, Norway, Liechtenstein and Iceland. Introduced in 1992, the label communicates to the customer that the marked products meet specific eco-friendly criteria that have been developed to apply to everyday consumer goods and services.

The symbol may apply to the following product and services groups:

All-purpose cleaners and cleaners for sanitary facilities	Household cleaning products	Textile products
Bed mattresses	Laundry detergents	Tissue paper
Campsite Services	Light bulbs	Tourist accommodation service
Copying and graphic paper	Lubricants	Vacuum cleaners
Detergents for dishwashers	Paints and varnishes	Washing machines
Dishwashers	Personal computers	Wooden coverings
Footwear	Printed paper products	Wooden furniture
Furniture	Refrigerators	
Growing media and Soil improvers	Soaps, shampoos and hair conditioners	
Hand dishwashing detergents	Soil improvers	

Hard floor coverings	Televisions	
Heat pumps	Textile coverings	

Manufacturers should be aware that similar eco-friendly markings are often used nationally, such as the Nordic Swan or the German Blue Angel, shown below.



The Eco-label program has recently been expanded to cover fish and fishery products. This means that eco-labeled products have been produced in accordance with specific environmental standards.

Private Eco labels have been developed by the seafood industry to “influence the purchasing decision of consumers and the procurement policies of retailers selling seafood products, in order to reward producers involved in responsible fishing and aquaculture practices leading towards sustainable use of natural resources.”

There are multiple eco-label schemes, and logos, developed by a variety of operators and according to different characteristics. This confusing situation has led to a need for harmonization and coherence. In response, the UN Food and Agriculture Organization (FAO) has developed a “Guideline for the Eco-Labeling of Fish and Fishery Products from Marine Capture Fisheries” (<http://www.fao.org/docrep/012/i1119t/i1119t.pdf>).

The U.S. government has decided not to engage in the development of such marketing tool. Instead, NOAA Fisheries has developed a comprehensive website where stakeholders, including consumers, can find facts about a specific species of fish and related fisheries. Consumers can then make their own purchasing choice:

<http://www.fishwatch.gov/>

The European Commission is currently preparing, at the request of the European Parliament and the Council, a feasibility report on options for a Union-wide eco-label scheme for fishery and aquaculture products. Some EU Member States have already created their own National eco label.

For more information:

European Eco-label website

http://ec.europa.eu/environment/ecolabel/index_en.htm

http://ec.europa.eu/dgs/maritimeaffairs_fisheries/consultations/ecolabel/index_en.htm

RECYCLING



The “mobius loop” (sometimes known as the “chasing arrows”), based on an international standard, may be found on products throughout Europe and is meant to help consumers identify and participate in recycling schemes for product packaging and materials. As well as being used on printed packaging, the chasing arrows symbol is sometimes featured in the molds of glass, metal, paper, or plastic

products. Various kinds of loops indicate whether the product is recyclable, recycled or contains recycled material.

For more information:

http://ec.europa.eu/environment/waste/target_review/consultation.htm

Plastics



The symbol above is an example of how a plastic's type may be indicated on a product. As part of the EU voluntary identification system for plastics, the following marks are used for the most common types of plastics (Decision 97/129/EC):

EU Number	Abbreviated Description	Full Plastic Description
1	PET	Polyethylene Terephthalate
2	HDPE	High Density Polyethylene
3	PVC	Poly Vinyl Chloride
4	LDPE	Low Density Polyethylene
5	PP	Polypropylene
6	PS	Polystyrene

Glass



There are no EU-wide symbols used to designate the recyclable nature of glass. However, it is certainly encouraged on the national level with an array of symbols. The one shown above is just one small sample of the total existing to show recyclability.

GREEN DOT



The Green Dot system is a scheme in which participating bodies coordinate the collection, sorting and recovery of used packaging. This system is actually administered according to national packaging

laws (adhered to by packaging manufacturers, fillers, retailers and importers), and it should be noted that all participating national systems operate independently. The umbrella organization, PRO-Europe, is responsible for managing the Green Dot labeling system in Europe. More than 460 billion pieces of packaging marked with the Green Dot, shown above, are distributed worldwide. Interested applicants should contact one of the national administering authorities.

<http://www.pro-e.org/>

U.S. Export Controls

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

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at:

<http://www.bis.doc.gov/licensing/exportingbasics.htm>

For more information: <https://www.bis.doc.gov/index.php/enforcement>

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR.

The list can be found in the "Know Your Customer" guidance document available at:

<https://www.bis.doc.gov/index.php/forms-documents/pdfs/1320-know-your-customer/file>

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at +1(800) 424-2980, or via the confidential lead page at:

<https://www.bis.doc.gov/index.php/component/rsform/form/14?task=forms.edit>

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

<http://www.bis.doc.gov>.

It is important to note that in August 2009 a broad-based interagency review of the U.S. export control system was initiated, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

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

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

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

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

Temporary Entry

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

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

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

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

ATA Carnet: An ATA carnet is a special international customs document designed to simplify and streamline customs entry procedures for merchandise into participating countries for up to one year. The initials "ATA" are an abbreviation of the Portuguese and English words "Admissão Temporária/Temporary Admission." Customs authorities in the United States and Portugal accept carnets as a guarantee that all customs duties and taxes will be paid if any of the items covered by the carnet are not re-exported within the time period allowed. Carnets may be used for commercial samples, professional equipment, and goods destined for exhibitions and fairs.

To inquire about or apply for an ATA Carnet, please consult the following website:

<http://www.atacarnet.com>

Further information on the ATA Carnet customs procedure used for temporary importation, transit and temporary admission of goods designed for specific purposes, duty-free and tax-free (such as professional equipment for presentations or trade fairs, for example) can be found here:

<https://www.export.gov/article?id=ATA-Carnet>

Prohibited & Restricted Imports

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

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

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

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions apply from 1 May 2016. It replaces the Community Customs Code (CCC). In addition to the UCC, the European Commission has published delegated and implementing regulations on the actual procedural changes. These are included in Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341 and the Implementing Regulation (EU) 2015/2447.

There are a number of changes in the revised customs policy which also require an integrated IT system from the customs authorities. In April 2016 the European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC. The EC continues to evaluate the timeline by which the EU-wide integration of the customs IT system can be implemented. The current deadline of December 2020 may be extended.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

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

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

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

These objectives are met using a single instrument - the rules on customs value.

The EU applies an internationally accepted concept of 'customs value'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link: http://ec.europa.eu/taxation_customs/business/customs-procedures_en

Standards for Trade

Overview

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

European Union legislation and standards created under the New Approach are harmonized across the Member States and European Economic Area countries to allow for the free flow of goods. An example of the New Approach is CE marking.

The concept of New Approach legislation is slowly disappearing as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Existing legislation has been reviewed to bring them in line with the NLF concepts, which means that, as of 2016, new requirements are being addressed and new reference numbers are to be used on declarations of conformity. For more information about the NLF, go to <http://ec.europa.eu/growth/single-market/goods/new-legislative-framework/>

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

Agricultural Standards

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

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Standards

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

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

1. [CEN, European Committee for Standardization](#)
2. [CENELEC, European Committee for Electrotechnical Standardization](#)
3. [ETSI, European Telecommunications Standards Institute](#)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and delegate experts to participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and provides some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental, labor and consumer groups. The Commission also

provides money to the European standards bodies when it mandates standards development for harmonized standards that will be linked to EU legislation. Mandates – or requests for standards - can be checked on line at: <http://ec.europa.eu/growth/tools-databases/mandates/index.cfm?>

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

To view what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) links to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a relatively recent mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization. The Joint Initiative on Standardization, launched in 2016 with a number of action items to improve European standardization, involves a large group of stakeholders who are committed to deliver results by 2019.

Key Link: http://ec.europa.eu/growth/single-market/european-standards/policy/index_en.htm

Testing, Inspection and Certification

Conformity Assessment

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual Member States are listed in the New Approach Notification and Designated Organizations (NANDO) information system.

Key Link: <http://ec.europa.eu/growth/tools-databases/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

To sell products in the EU market of 28 Member States as well as in EFTA (Norway, Liechtenstein Iceland, Switzerland) and Turkey U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity

assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. The CE marking process is very complex and this section attempts to provide some background and clarification.

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

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

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

Accreditation

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

"European Accreditation" (<http://www.european-accreditation.org>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of Technical Regulations

[Official Journal of the EU](#) is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees. It also lists the standards reference numbers linked to legislation ([Harmonized Standards](#)).

National technical regulations are published on the [Commission's website](#) to allow other countries and interested parties to comment.

National Institute of Standards and Technology's (NIST) Notify U.S. Service

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

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National Institute of Standard & Technology

Gordon Gillerman Standards Coordination Office

100 Bureau Dr.

Mail Stop 2100

Gaithersburg, Maryland 20899

Tel: (301) 975-4000

CEN- European Committee for Standardization

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.550.08.11

Fax: 32.2.550.08.19

CENELES- European Committee for Electrotechnical Standardization

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.519.68.71

Fax: 32.2.519.69.15

ETSI- European Telecommunications Standards Institute

Route des Lucioles 650

Sophia Antipolis

F-06560 Valbonne France

Tel: 33.4.92.94.42.00

Fax: 33.4.93.65.47.16

[SBS- Small Business Standards](#)

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: 32.2.285.07.27 Fax : +32-2/230.78.61

[ANEC- European Association for the Co-ordination of Consumer Representation in Standardization](#)

Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30

[ECOS- European Environmental Citizens Organization for Standardization](#)

Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.68
Fax: 32.2.894.46.10

[EOTA- European Organization for Technical Assessment](#)

Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14

Trade Agreements

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see <http://ec.europa.eu/trade/policy/countries-and-regions/agreements/>

Licensing Requirements for Professional Services

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in correspondence with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualification earned in third countries is also a national responsibility.

However, the European Commission takes initiative to facilitate recognition procedures. For example:

- Recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36.

- Recognition of qualifications for academic purposes in the higher education sector, including school-leaving certificates is subject to the *Lisbon Recognition Convention*. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognise skills and qualifications an understanding of the level, content and quality is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

The “Your Europe” website maintains a webpage dedicated to help citizens identify what the regulated professions are and what document are needed for their recognition in each Member State. Please see: http://europa.eu/youreurope/citizens/work/professional-qualifications/recognition-of-professional-qualifications/index_en.htm

Web Resources

EU websites:

[TARIC](#)

[The Modernized Community Customs Code](#)

[ECHA](#)

[Taxation and Customs Union](#)

[Security and Safety Amendment to the Customs Code](#)

[Electronic Customs Initiative](#)

[Modernized Community Customs Code Regulation](#)

[Legislation related to the Electronic Customs Initiative](#)

Trade Helpdesk <http://trade.ec.europa.eu/tradehelp/>

[What is Customs Valuation?](#)

[Establishing the Community Customs Code](#)

[Pre-Arrival/Pre-Departure Declarations](#)

[AEO: Authorized Economic Operator](#)

[Contact Information at National Customs Authorities](#)

[New Legislative Framework](#)

[Cenelec, European Committee for Electrotechnical Standardization](#)

[ETSI, European Telecommunications Standards Institute](#)

[CEN, European Committee for Standardization](#)

[Standardisation- Mandates](#)

[ETSI- Portal- E-Standardisation](#)

[CEN- Sector](#)

[CEN- Standard Search](#)

[NANDO \(New Approach Notified and Designated Organizations\) Information System](#)

[European Co-Operation for Accreditation](#)

[Eur-Lex- Access to European Union Law](#)

[Standards Reference Numbers](#)

[What's New?](#)

[National Technical Regulations](#)

[NIST- Notify U.S.](#)

[European Union Eco-Label Homepage](#)

U.S. websites:

[National Trade Estimate Report on Foreign Trade Barriers](#)

[Agricultural Trade Barriers](#)

[Trade Compliance Center](#)

[U.S. Mission to the European Union](#)

[The New EU Battery Directive](#)

[The Latest on REACH](#)

[CE Marking](#)

[WEEE and RoHS in the EU](#)

[Overview of EU Certificates \(FAS\)](#)

[Center for Food Safety and Applied Nutrition](#)

[Trade Agreements](#)

Investment Climate Statement

Executive Summary

Portugal's economy is fully integrated into the European Union (EU). Fellow EU member states are Portugal's primary trading partners and investors. Portugal complies with EU law for equal treatment of foreign and domestic investors. Beyond Europe, Portugal maintains significant links with former colonies including Brazil, Angola, and Mozambique. Portugal is one of 19 Eurozone members; the European Central Bank (ECB) acts as central bank for the euro (EUR) and determines monetary policy.

The services sector in general, and Portugal's tourism industry in particular, has been an engine of economic recovery, while traditional sectors like textiles, footwear, and agriculture have moved up the value chain and become more export-oriented. The auto sector, together with heavy industry, the tech sector, construction and energy also remain influential clusters.

Portugal's economic recovery and pro-business policies continue to make it an attractive market for investment. In 2018, Portugal attracted EUR 118.6 billion in FDI inflows, including USD 2.1 billion from the United States. In 2018, the economy continued its upward trajectory and completed its EUR 78 billion EU-IMF-ECB bailout program. Unemployment dropped below 7 percent and GDP growth was 2.1 percent, falling from 2.7 percent in 2017. Despite slowing growth, Portugal has continued to reduce its public debt, slashing it to 121.5 percent of GDP in 2018, compared to 124.8 percent the year before. Nonetheless, the country's high debt-to-GDP ratio remains a weak point.

Portugal's banking sector has faced challenges in recent years, including the costly central bank-led resolution of Banco Espírito Santo (succeeded by Novo Banco) in 2014 and Banif in 2015. Even so, the sector's biggest private banks have regained momentum while continuing to undergo restructuring and recapitalizations to address the lingering stock of non-performing loans.

Table 1: Key Metrics and Rankings

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2018	30 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report	2019	34 of 190	http://www.doingbusiness.org/en/rankings
Global Innovation Index	2018	32 of 126	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (\$M USD, stock positions)	2017	\$2,060	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2017	\$19,820	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment

The Government of Portugal recognizes the importance of foreign investment and sees it as a driver of economic growth. Portuguese law is based on a principle of non-discrimination, meaning foreign and domestic investors are subject to the same rules. Foreign investment is not subject to

any special registration or notification to any authority, with exceptions for a few specific activities.

The Portuguese Agency for Foreign Investment and Commerce (AICEP) is the lead for promotion of trade and investment. AICEP is responsible for the attraction of foreign direct investment (FDI), global promotion of Portuguese brands, and export of goods and services. It is the primary point of contact for investors with projects over EUR 25 million or companies with a consolidated turnover of more than EUR 75 million. For foreign investments not meeting these thresholds, AICEP will make a preliminary analysis and direct the investor to assistance agencies such as the Institute of Support to Small- and Medium- Sized Enterprises and Innovation (IAPMEI), a public agency within the Ministry of Economy that provides technical support, or to AICEP Capital Global, which offers technology transfer, incubator programs, and venture capital support. AICEP does not favor specific sectors for investment promotion. It does, however, provide a “Prominent Clusters” guide on its website where it advocates investment in Portuguese companies by sector: <http://www.portugalglobal.pt/EN/SourceFromPortugal/prominent-clusters/Pages/prominent-clusters.aspx>.

The Portuguese government maintains regular contact with investors through the Confederation of Portuguese Business (CIP), the Portuguese Chamber of Commerce and Industry and AICEP. More information can be found at these websites:

- <http://cip.org.pt/en/>;
- <http://www.portugalglobal.pt/EN/Pages/Index.aspx>;
- <http://www.ccip.pt/en/>.

Limits on Foreign Control and Right to Private Ownership and Establishment

There are no legal restrictions in Portugal on foreign investment. To establish a new business, foreign investors must follow the same rules as domestic investors, including mandatory registration and compliance with regulatory obligations for specific activities. There are no nationality requirements and no limitations on the repatriation of profits or dividends.

Shareholders not resident in Portugal must obtain a Portuguese taxpayer number for tax purposes. EU residents may obtain this number directly with the tax administration (in person or by means of an appointed proxy); non-EU residents must appoint a Portuguese resident representative to handle matters with tax authorities.

There are national security limitations on both foreign and domestic investments with regard to certain economic activities. Portuguese government approval is required in the following sectors: defense, water management, public telecommunications, railway, maritime transportation, and air transport. Any economic activity that involves the exercise of public authority also requires government approval; private sector companies can operate in these areas only through a concession contract.

Portugal additionally limits foreign investment with respect to the production, transmission, and distribution of electricity, the manufacturing of gas, the pipeline transportation of fuels, wholesale services of electricity,

retailing services of electricity and non-bottled gas, and services incidental to electricity and natural gas distribution. Concessions in the electricity and gas sectors are assigned only to companies with headquarters and effective management in Portugal.

Portugal also limits foreign investment in the provision of executive search services, placement services of office support personnel, and publicly-funded social services.

Investors wishing to establish new credit institutions or finance companies, acquire a controlling interest in such financial firms, and/or establish a subsidiary must have authorization from the Bank of Portugal (for EU firms) or the Ministry of Finance (for non-EU firms). Non-EU insurance companies seeking to establish an agency in Portugal must post a special deposit and financial guarantee and must have been authorized for such activity by the Ministry of Finance for at least five years.

Portugal enacted a national security investment review framework in 2014, giving the Council of Ministers authority to block specific foreign investment transactions. Reviews can be triggered on national security grounds in strategic industries like energy, transportation and communication. Investment reviews can be conducted in cases where the purchaser acquiring control is an individual or entity not belonging to the European Union. In such instances, the review process is overseen by the relevant Portuguese ministry according to the assets in question.

Other Investment Policy Reviews

The OECD presented in February 2019 its latest Economic Survey of Portugal, including an updated macro overview and a set of policy recommendations. The report can be found at: <http://www.oecd.org/economy/surveys/Portugal-2019-economic-survey-overview.pdf>

Business Facilitation

Since 2010, the Portuguese Government has prioritized policies to increase the country's appeal as a destination for foreign investment. In 2007, the Government established AICEP, a promotion agency for investment and foreign trade that also, through its subsidiary AICEP Global Parques, manages industrial parks and provides business location solutions for investors.

The government has developed effective warehouse and transport logistics, especially at the Sines Port terminal southwest of Lisbon, and telecommunications infrastructure has improved. In March 2018, construction began on an 80-kilometer railway line between Evora and Elvas, which will improve commercial transportation between the Portuguese ports of Sines and Lisbon, and the Southwestern European Logistics Platform (PLSWE) in Badajoz, Spain, reducing freight transportation times to the rest of Europe. On January 11, the Portuguese Government launched a EUR 22 billion infrastructure investment plan for 2019 to 2030, listing 72 projects across transportation, energy and water.

Established in 2012, Portugal's "Golden Visa" program gives fast-track residence permits to foreign investors meeting certain conditions, including making a capital transfer of at least EUR 1 million, creating at least 10 jobs in Portugal, or acquisition of real estate worth at least EUR 500

million. Since 2012, Portugal has issued 7,208 golden visas to investors. Visa programs such as Portugal's "Golden Visa" initiative have recently come under scrutiny in the European Union.

Other measures implemented to help attract foreign investment include the easing of some labor regulations to increase workplace flexibility and the creation of a special EU-funded program, Portugal 2020, for projects above EUR 25 million. Finally, to combat the perception of a cumbersome regulatory climate, the Government has created a "Cutting Red Tape" website detailing measures taken since 2005 to reduce bureaucracy, and the *Empresa na Hora* ("Business in an Hour") program that facilitates company incorporation by citizens and non-citizens in less than 60 minutes. More information is available at http://www.empresanahora.pt/ENH/sections/EN_homepage and <http://www.cuttingredtape.mj.pt/uk/asp/default.asp>.

Portuguese citizens can alternatively register a business online through the "Citizen's Portal" available at: <https://bde.portaldocidadao.pt/evo/landingpage.aspx>. Companies must also register with the Directorate General for Economic Activity (DGAE), the Tax Authority (AT), and with the Social Security administration. The government's service standard for online business registration is a two to three day turnaround but the online registration process can take as little as one day.

Portugal defines an enterprise as micro-, small-, and medium-sized based on its headcount, annual turnover, or the size of its balance sheet. To qualify as a micro-enterprise, a company must have less than 10 employees and no more than EUR 2 million in revenues or EUR 2 million in assets. Small enterprises must have less than 50 employees and no more than EUR 10 million in revenues or EUR 10 million in assets. Medium-sized enterprises must have less than 250 employees and no more than EUR 50 million in revenues or EUR 43 million in assets. The Small- and Medium-Sized Enterprise (SME) Support Institute (IAPMEI) offers financing, training, and other services for SMEs based in Portugal: <http://www.iapmei.pt/>.

More information on laws, procedures, registration requirements, and investment incentives for foreign investors in Portugal is available on AICEP's website: <http://www.portugalglobal.pt/>

[EN/InvestInPortugal/investorsguide2/howtsetupacompany/Paginas/ForeignInvestment.aspx](http://www.portugalglobal.pt/EN/InvestInPortugal/investorsguide2/howtsetupacompany/Paginas/ForeignInvestment.aspx).

Outward Investment

The Portuguese government does not restrict domestic investors from investing abroad. On the contrary, it promotes outward investment through AICEP's Customer Managers, Export Stores and its External Commercial Network that, in cooperation with the diplomatic and consular network, are operating in about 80 markets. AICEP provides support and advisory services on the best way of approaching foreign markets, identifying international business opportunities of Portuguese companies, particularly SMEs. See more at: <http://www.portugalglobal.pt/PT/sobrenos/Paginas/sobre-nos.aspx#sthash.aifdjkOs.dpuf>.

Bilateral Investment and Taxation Treaties

Portugal does not have a bilateral investment agreement with the United States. However, it has investment agreements with over 100 countries. For a complete list of investment agreements currently in force, please see the UNCTAD Navigator: <http://investmentpolicyhub.unctad.org/IIA/CountryBits/169#iiaInnerMenu>.

Portugal signed an Income Tax Treaty with the United States in 1994 to prevent double taxation and tax evasion. In 2015, Portugal signed an agreement with the United States to improve international tax compliance and implement the U.S. Foreign Account Tax Compliance Act (FATCA). See details at [Portugal-tax-treaty-documents](#) and [Department of Treasury website](#).

Legal Regime

Transparency of the Regulatory System

The Government of Portugal employs transparent policies and effective laws to foster competition, and the legal system welcomes FDI. Regulations drafted by ministries or agencies must be approved by Parliament, and, in some cases, by European authorities. All proposed regulations are subject to a 20 to 30 day public consultation period during which the proposed measure is published on the relevant ministry or regulator's website. Only after ministries or regulatory agencies have conducted an impact assessment of the proposed (not yet adopted) regulation, can the text be enacted and published at: www.parlamento.pt. Ministries or regulatory agencies report the results of the consultations through a consolidated response published on the website of the relevant ministry or regulator.

Rule-making and regulatory authorities exist within several sectors including the energy, telecommunications, securities markets, financial and health sectors. Regulations are enforced at the local level through district courts, on the national level through the Court of Auditors, and at the supra-national level through EU mechanisms including the European Court of Justice, the European Commission, and the European Central Bank.

The government regularly publishes key regulatory actions here: <http://www.en.parlamento.pt/>.

The OECD, EC, and IMF also publish key regulatory actions and/or summaries thereof at: <https://www.oecd.org/portugal/>, https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country_en and <http://www.imf.org/external/country/PRT/index.htm>.

Parliament publishes draft bills on its website, <http://www.en.parlamento.pt> and at <http://www.portugal.gov.pt/pt/pm/documentos.aspx>, allowing for public review of proposals before they are voted on and become law. UTAO, the Parliamentary Technical Budget Support Unit, is a nonpartisan body composed of economic and legal experts that supports parliamentary budget deliberations by providing the Budget Committee with quality analytical reports on the executive's budget proposal(s). More information on UTAO can be found here: https://www.parlamento.pt/OrcamentoEstado/Paginas/UTAO_UnidadeTecnicaDeApoioOrcamental.aspx.

In addition, the Portuguese Public Finance Council conducts an independent assessment of the consistency, compliance with stated objectives, and sustainability of public finances, while promoting fiscal transparency, and publishing all of its assessments online at: <http://www.cfp.pt/?lang=en>.

The legal, regulatory, and accounting systems are transparent and consistent with international norms. Since 2005, all listed companies have been required to comply with International Financial Reporting Standards as adopted by the European Union ("IFRS"), which closely parallels the U.S. GAAP (Generally Accepted Accounting Principles). See more at: http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_en.htm#related-information.

Portugal's Competition Authority enforces adherence to domestic competition and public procurement rules. The European Commission further ensures adhesion to EU administrative processes among its member states.

Public finances are generally deemed transparent, closely scrutinized by Eurostat and monitored by an independent technical budget support unit, UTAO, and the Supreme Audit Institution 'Tribunal de Contas'. Over the last decades, Portugal has also consolidated within the State accounts many state-owned enterprises, making budget analysis more accurate.

International Regulatory Considerations

Portugal has been a member of the EU since 1986, a member of the Schengen area since 1995, and joined the Eurozone in 1999. Portugal complies with EU directives regarding equal treatment of foreign and domestic investors. Portugal has been a member of the World Trade Organization (WTO) since 1995.

With the Treaty of Lisbon's entry into force in 2009, trade policy and rules on foreign direct investment became exclusive EU competencies, as part of the block's common commercial policy.

The European Central Bank (ECB) is the central bank for the euro (EUR) and determines monetary policy for the 19 Eurozone member states, including Portugal.

Legal System and Judicial Independence

The Portuguese legal system is a civil law system, based on Roman law. The hierarchy among various sources of law is as follows: (i) Constitutional laws and amendments; (ii) the rules and principles of general or common international law and international agreements; (iii) ordinary laws enacted by Parliament; (iv) instruments having an effect equivalent to that of laws, including approved international conventions or decisions of the Constitutional Court; (v) regulations used to supplement and implement laws.

The country's Commercial Company Law and Civil Code define Portugal's legal treatment of corporations and contracts. Portugal has specialized family courts, labor courts, commercial courts, maritime courts, intellectual property courts, and competition courts. The judicial system is independent of the executive branch.

Regulations or enforcement actions are appealable, and are adjudicated in national Appellate Courts, with the possibility to appeal to the European Court of Justice.

Laws and Regulations on Foreign Direct Investment

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

The Embassy is not aware of any new laws over the last 12 months that regulate FDI, or significant decisions that have changed how foreign investors or their investments are treated. Current information on laws, procedures, registration requirements, and investment incentives for foreign investors in Portugal is available at AICEP's website: [http://www.portugalglobal.pt/](http://www.portugalglobal.pt/EN/InvestInPortugal/investorsguide2/howtsetupacompany/Paginas/ForeignInvestment.aspx)

[EN/InvestInPortugal/investorsguide2/howtsetupacompany/Paginas/ForeignInvestment.aspx](http://www.portugalglobal.pt/EN/InvestInPortugal/investorsguide2/howtsetupacompany/Paginas/ForeignInvestment.aspx).

Competition and Anti-Trust Laws

The domestic agency that reviews transactions for competition-related concerns is the Portuguese Competition Authority (Autoridade de Concorrencia) and the international agency is the European Commission's Directorate General for Competition (DG Comp).

The Competition Authority's mandate derives from Law No. 19/2012 (dated May 8, 2012). It specifically prohibits collusion between companies to fix prices, limit supplies, share markets or sources of supply, discriminate in transactions, or force unrelated obligations on other parties. Similar prohibitions apply to any company or group with a dominant market position. The law also requires prior government notification of mergers or acquisitions that would give a company more than 30 percent market share in a sector, or mergers or acquisitions among entities that had total sales in excess of EUR 150 million in the preceding financial year. The Competition Authority has 60 days to determine if the merger or acquisition can proceed. The European Commission may claim authority on cross-border competition issues or those involving entities large enough to have a significant EU market share.

Expropriation and Compensation

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

Under Portugal's Expropriation Code, the government may expropriate property and its associated rights if it is deemed to support the public interest, and upon payment of prompt, adequate, and effective compensation. The code outlines criteria for calculating fair compensation based on market values. The decision to expropriate as well as the fairness of compensation can be challenged in national courts.

Dispute Settlement

ICSID Convention and New York Convention

Portugal has been a member of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention - also known as the Washington Convention) since 1965. Portugal has been a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral

Awards since January 1995. Portugal's national arbitration law No. 63-2011 of December 14, 2011 enforces awards under the 1958 New York Convention and the ICSID Convention.

Investor-State Dispute Settlement

Portugal ratified the 1927 Geneva Convention on the Execution of Foreign Arbitral Awards, and in 2002 ratified the 1975 Inter-American Convention on International Commercial Arbitration.

Portugal's Voluntary Arbitration Law, enacted in 2011, is based on the UNCITRAL Model Law, and applies to all arbitration proceedings based in Portugal. The leading commercial arbitration institution is the Arbitration Center of the Portuguese Chamber of Commerce and Industry: <http://www.centrodearbitragem.pt/index.php?lang=en>.

The government promotes non-judicial dispute resolution through the Ministry of Justice's Office for Alternative Dispute Resolution (GRAL), including conciliation, mediation, or arbitration. More information is available in English on AICEP's website:

<http://www.portugalglobal.pt/EN/InvestInPortugal/investorsguide2/howtsetupacompany/Paginas/DisputeResolution.aspx>.

The GRAL website, in Portuguese, is here: <http://www.dgpj.mj.pt/sections/gral>.

Portugal has no bilateral investment or free trade agreements containing investor-state dispute settlement provisions with the United States. The UN Conference on Trade and Development (UNCTAD) "investment navigator" database and the World Bank's International Center for Settlement of Investment Disputes (ICSID) database show no cases of investment disputes, pending or concluded, between foreign investors and Portugal.

Portuguese courts recognize and enforce foreign arbitral awards issued against the government. There have been no recent extrajudicial actions against foreign investors.

International Commercial Arbitration and Foreign Courts

Arbitration is the preferred alternative dispute resolution mechanism in Portugal. The country has a long-standing tradition of and success in utilizing arbitration in administrative and contract disputes. It has also become the standard mechanism for resolving tax disputes between private citizens or companies and tax authorities, as well as in pharmaceutical patent disputes.

Portugal has four domestic arbitration bodies: 1) The Arbitration Center of the Portuguese Chamber of Commerce and Industry (CAC); 2) CONCORDIA (Centro de Conciliacao, Mediacao, de Conflictos de Arbitragem); 3) Arbitrare (Centro de Arbitragem para a Propriedade Industrial, Nomes de Dominio, Firmas e Denominacoes); and 4) the Instituto de Arbitragem Commercial do Porto. Each arbitration body has its own regulations, but all of them comply with the Portuguese Arbitration Law 63/11, which came into force in March 2012. The Arbitration Council of the Centre for Commercial Arbitration also follows New York Convention, Washington Convention and Panama Convention guidelines. Arbitration Law 63/11 follows the standard established by the UNCITRAL Model Law, but is not an exact copy of that text.

Under the Constitution of the Portuguese Republic (CPR), the Civil Code of Procedure (CCP) and the New York Convention (applied in Portugal since 1995), awards rendered in a foreign country must be recognized (i.e., an exequatur is obtained) by the Portuguese courts before they can be enforced in Portugal. There is no legal authority in Portugal on the enforceability of foreign awards set aside at the seat of the arbitration.

The CCP sets forth the legal regime applicable to all judicial procedures related to arbitration, including appointment of arbitrators, determination of arbitrators' fees, challenge of arbitrators, appeal (where admissible), setting aside, enforcement (and opposition to enforcement) and recognition of foreign arbitral awards.

While Portugal's judicial system has historically been considered inefficient, the country has taken several important steps to increase the efficiency and quality of judicial proceedings in recent years. According to the World Bank 2019 Doing Business Index, enforcing a contract in Portugal takes an average of 755 days compared to the OECD average of 582 days, and costs 17.2 percent of the claim value, below the OECD average of 21.2 percent.

Bankruptcy Regulations

Portugal's Insolvency and Corporate Recovery Code defines insolvency as a debtor's inability to meet his commitments as they fall due. Corporations are also considered insolvent when their liabilities clearly exceed their assets. A debtor, creditor, or any person responsible for the debtor's liabilities can initiate insolvency proceedings in a commercial court.

The court assumes the key role of ensuring compliance with legal rules governing insolvency proceedings, with particular responsibility for ruling on the legality of insolvency and payment plans approved by creditors.

After declaration of insolvency, creditors may submit their claims to the court-appointed insolvency administrator for a specific term set for this purpose, typically up to 30 days. Creditors must submit details regarding the amount, maturity, guarantees, and nature of their claims. Claims are ranked as follows: (i) claims over the insolvent's estate, i.e. court fees related to insolvency proceedings; (ii) secured claims; (iii) privileged claims; (iv) common, unsecured claims; (v) subordinated claims, including those of shareholders. Portugal ranks highly (16th of 190 countries) in the World Bank's Doing Business Index "Resolving Insolvency" measure.

Industrial Policies

Investment Incentives

The Portuguese government offers investment incentives that can be tailored to individual investors' needs and capital, based on industry, investment size, and project sustainability. More information can be found at: www.portugalglobal.pt/EN/InvestInPortugal/Documents/IncentivesOverviewinPortugal.pdf.

The Autonomous Regions of Madeira and the Azores also offer investment incentives. For more information on the International Business Centre of Madeira's corporate tax regime, please visit <http://www.abc-madeira.com/>.

Since Portugal is an EU Member, potential investors may be able to access European aid programs providing further incentives to invest in Portugal. Such funds have been used by Portugal to co-finance key investments in the areas of research and development, information and communications technology, transport, water, solid waste, energy efficiency and renewable energy, urban regeneration, health, education, and culture. Except for the use of EU funds, the government does not issue guarantees or jointly financing foreign direct investment. For more information, visit: https://www.portugal2020.pt/Portal2020/lista_noticias.

Foreign Trade Zones/Free Ports/Trade Facilitation

Portugal has one foreign trade zone (FTZ)/free port in the Autonomous Region of Madeira, established in 1987. Continued operation of this foreign trade zone/free port has been authorized in accordance with EU rules on incentives granted to member states. Industrial and commercial activities, international service activities, trust and trust management companies, and offshore financial branches are all eligible. Companies established in the foreign trade zone enjoy import- and export-related benefits, financial incentives, tax incentives for investors, and tax incentives for companies. Under the terms of Portugal's agreements with the EU, companies incorporated in the Madeira FTZ can take advantage of a reduced corporate tax rate of 5 percent until 2020. For more information on the International Business Centre of Madeira's corporate tax regime, please visit <http://www.abc-madeira.com/>.

In March 2019, the EU Commission expressed concern that Portuguese authorities are not providing proper oversight of tax breaks offered in the Madeira FTZ to ensure they comply with EU regulations. Under EU rules, company profits benefitting from income tax reductions must originate exclusively from activities carried out in Madeira and these companies must create and maintain jobs in Madeira, conditions the Commission is concerned Portuguese authorities may have failed to respect.

Performance and Data Localization Requirements

Portugal does not impose performance requirements or mandate local employment conditions for foreign investors. Qualification standards for investment incentives are applied uniformly to domestic and foreign investors. As a member of the EU, there is a high level of labor mobility between Portugal and other member states. To work in Portugal, non-EU foreign nationals must be sponsored for a work permit by a Portuguese employer. There are no nationality-related restrictions that affect a foreign national's ability to serve in senior management or on a board of directors. Foreign or expatriate workers with appropriate work authorizations are entitled to the same rights and subject to the same duties as employees with Portuguese citizenship.

While Portugal does not force data localization, according to the Portuguese Data Protection Law (pursuant to the EU's 1995 Data Protection Directive) "data controllers," i.e., people or corporations that process personal data, must register in Portuguese with the National Commission for Data Protection (CNPD). Data transfers outside of the EU are only allowed if the recipient country or company ensures an adequate level of protection. Portugal is subject to new rules stipulated in the EU's General Data Protection Regulation: <https://www.eugdpr.org> as of May 25, 2018.

There are no requirements for foreign IT providers to turn over source code and/or provide access to encryption; the same rules apply to foreign IT providers as apply to national providers.

Data transfers to other countries within the EU do not require prior authorization from the CNPD. Data transfers to countries outside the EU can only take place in compliance with the Data Protection Law, meaning the receiving state must also provide an adequate level of protection to personal data. If the receiving state does not ensure an adequate level of protection, the CNPD can authorize the transfer under specific conditions, as outlined in Act 67/98. The full English text can be found here: <https://www.cnpd.pt/english/bin/legislation/Law6798EN.HTM>

CNPD can also authorize a transfer or a set of transfers of personal data to a receiving state that does not provide an adequate level of protection only if the controller provides adequate safeguards to protect the privacy and fundamental rights and freedoms of individuals. This can be through appropriate contractual clauses or if a transfer to the United States, through adherence to the U.S.-EU Privacy Shield principles. The CNPD is responsible for overseeing all enforcement of local data storage rules.

Protection of Property Rights

Real Property

Portugal reliably enforces property rights and interests. The Portuguese Constitution provides for the right to private property and grants Parliament the power to establish rules on the renting of property, the determination of property in the public domain, and the rules of land management and urban planning. The Civil Code of 1967 provides for the right to absolute and full ownership, which can be restricted by mortgage, liens, or other security interests. Additional laws have established or modified rules on time-sharing, condominiums, and land registration.

Property registration can be done online at <https://www.predialonline.pt/PredialOnline/>. According to the World Bank's 2019 Doing Business Index, the number of days to process registration rose from one in 2015 to 10 in 2018, in part due to staffing cuts. Portugal ranked 36 out of 190 countries in the World Bank's 2019 ease of registering property ranking. The cost to register a property remains slightly higher than average, at 7.3 percent of the property value.

Foreign investors can directly own/purchase property freehold or leasehold, to build industrial and commercial premises or can purchase through a real estate company.

As of 2013, between 10 and 20 percent of land in Portugal had no clear title. In 2018, Portugal launched an initiative to improve land ownership registration.

If legally purchased property is unoccupied, Portuguese law allows ownership to revert to other owners (including squatters), through an adverse domain process set out in Chapter VI of the Portuguese Civil Code (CCP), Article 1287. For details, see: www.stj.pt/ficheiros/fpstjptlp/portugal_codigocivil.pdf.

Intellectual Property Rights

Intellectual property rights (IPR) infringement and theft are not common in Portugal. It is fairly easy for investors to register copyrights, industrial property, patents, and designs with Portugal's Institute of Industrial Property (INPI) and the Inspectorate-General of Cultural Activities (IGAC). Intellectual property can be registered online for a small fee. For more details, consult: <https://inpi.justica.gov.pt/Servicos> and <https://www.igac.gov.pt/>.

The Portuguese government adopted the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and provisions of the General Agreement on Tariffs and Trade (GATT) in 2003. Portuguese legislation for the protection of IPR has been consistent with World Trade Organization (WTO) rules and EU directives since 2004. The Arbitration Centre for Industrial Property, Domain Names, and Company Names (ARBITRARE) was established in 2009 to facilitate voluntary arbitration of IPR disputes in English or Portuguese, and in 2012, the government created an intellectual property court with two judges. No new IPR related laws or regulations were enacted in 2018. See more at: <http://www.wipo.int/wipolex/en/profile.jsp?code=pt>.

Portugal is a participant in the eMAGE and eMARKS projects, which provide multilingual access to databases of trademarks and industrial designs. Portugal's Food and Economic Security Authority (ASAE), in partnership with other national law enforcement agencies, provides statistics on seizures of counterfeit goods at: <http://anti-contrafaccao.com/en/statistics/>.

Portugal is not listed in the United States Trade Representative (USTR) Special 301 Report, nor is it on the Notorious Markets List.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Financial Sector

Capital Markets and Portfolio Investment

The Portuguese stock exchange is managed by Euronext Lisbon, part of the NYSE Euronext Group, which allows a listed company access to a global and diversified pool of investors. The Portuguese Stock Index-20 (PSI20) is Portugal's benchmark index representing the largest (only 18, not 20, since 2018) and most liquid companies listed on the exchange. The Portuguese stock exchange offers a diverse product portfolio: shares, funds, exchange traded funds, bonds, and structured products, including warrants and futures.

The Portuguese Securities Market Commission (CMVM) supervises and regulates securities markets, and is a member of the Committee of European Securities Regulators and the International Organization of Securities Commissions. Additional information on CMVM can be found here: <http://www.cmvm.pt/en/Pages/homepage.aspx>.

Portugal respects IMF Article VIII by refraining from placing restrictions on payments and transfers for current international transactions. Credit is allocated on market terms, and foreign

investors are eligible for local market financing. Private sector companies have access to a variety of credit instruments, including bonds.

Money and Banking System

Portugal has 149 credit institutions, of which 59 are banks. Online banking penetration stood at 31 percent in 2017, but is below the European average of 51 percent.

Portugal's banking assets totaled EUR 383.6 billion at the end of the third quarter of 2018.

Though gradually improving, Portuguese banks' non-performing loan portfolios are among the largest in Europe. Total loans stood at EUR 227.8 billion, with EUR 31.2 billion in non-performing loans, equivalent to an 11.3 percent ratio, above the Eurozone average of around 5 percent. However, the financial sector is actively tackling the legacy of the debt crisis.

Banks' return on equity and on assets remained in positive territory in 2018. In terms of capital buffers, the Common Equity Tier 1 ratio deteriorated slightly to 13.2 percent as of December 2018 from 13.9 percent a year before.

Foreign banks are allowed to establish operations in Portugal. In terms of decision-making policy, a general 'four-eyes policy' with two individuals approving actions must be in place at all banks and branches operating in the country, irrespective of whether they qualify as international subsidiaries of foreign banks or local banks. Foreign branches operating in Portugal are required to have such decision-making powers that enable them to operate in the country, but this requirement generally does not prevent them from having internal control and rules governing risk exposure and decision-making processes, as customary in international financial groups.

No restrictions exist on a foreigner's ability to establish a bank account and both residents and non-residents may hold bank accounts in any currency. However, any transfers of EUR 10,000 or more must be declared to Portuguese customs authorities. See more at: <https://www.bportugal.pt/>.

Foreign Exchange and Remittances

Foreign Exchange

Portugal has no exchange controls and there are no restrictions on the import or export of capital. Funds associated with any form of investment can be freely converted into any world currency.

Portugal is a member of the European Monetary Union (Eurozone) and uses the euro, a floating exchange rate currency controlled by the European Central Bank (ECB). The Bank of Portugal is the country's central bank; the Governor of the Bank of Portugal participates on the board of the ECB.

Remittance Policies

There are no limitations on the repatriation of profits or dividends. There are no time limitations on remittances.

Sovereign Wealth Funds

The Ministry of Labor, Solidarity, and Social Security manages Portugal's Social Security Financial Stabilization Fund (FEFSS), with total assets of around EUR 14 billion. It is not a Sovereign Wealth Fund (SWF) and does not subscribe to the voluntary code of good practices (Santiago Principles), or participate in the IMF-hosted International Working Group on SWFs. Among other restrictions, Portuguese law requires that at least 50 percent of the fund's assets be invested in Portuguese public debt, and limits FEFSS investment in equity instruments to that of EU or OECD members. FEFSS acts as a passive investor and does not take an active role in the management of portfolio companies.

State-Owned Enterprises

There are currently over 40 major state-owned enterprises (SOEs) operating in Portugal in the banking, health care, transportation, water, and agriculture sectors. Portugal's only SOE with revenues greater than one percent of GDP is the Caixa Geral de Depósitos (CGD). CGD has the largest market share in customer deposits, commercial loans, mortgages, and many other banking services in the Portuguese market.

Parpublica is a government holding company for several smaller enterprises that audits and reports on smaller SOEs. More information can be found at: <http://www.parpública.pt/>. The activities and accounts of Parpublica are fully disclosed in budget documents and audited annual reports. In addition, the Ministry of Finance publishes an annual report on SOEs through a specialized monitoring unit (UTAM) that presents annual performance data by company and sector: <http://www.utam.pt/>. At the end of the first semester of 2018, total assets were above EUR 13 billion, net income of Parpublica was EUR 48.7 million.

When SOEs are wholly owned, the government appoints the board, although when SOEs are majority-owned the board of executives and non-executives nomination depends on the negotiations between government and the remaining shareholders, and in some cases on negotiations with European Authorities as well.

According to Law No. 133/2013, SOEs must compete under the same terms and conditions as private enterprises, subject to Portuguese and EU competition laws. Still, SOEs often receive preferential financing terms from private banks.

In 2008 Portugal's Council of Ministers approved resolution no. 49/2007, which defined the Principles of Good Governance for SOEs according to OECD guidelines. The resolution requires SOEs to have a governance model that ensures the segregation of executive management and supervisory roles, to have their accounts audited by independent entities, to observe the same standards as those for companies publicly listed on stock markets, and to establish an ethics code for employees, customers, suppliers, and the public. The resolution also requires the Ministry of Finance's Directorate General of the Treasury and Finances to publish annual reports on SOEs' compliance with the Principles of Good Governance. Credit and equity analysts generally tend to criticize SOEs' over-indebtedness and inefficiency, rather than any poor governance and ties to government.

Privatization Program

Portugal launched an aggressive privatization program in 2011 as part of its EU-IMF-ECB bailout, including state-owned enterprises in the air transportation, land transportation, energy, communications, and insurance sectors. Foreign companies have been among the most successful bidders in these privatizations since the program's inception. The bidding process was public, transparent, and non-discriminatory to foreign investors.

Responsible Business Conduct

There is strong awareness of responsible business conduct in Portugal and broad acceptance of the need to consider the community among the key stakeholders of any company. The Group of Reflection and Support for Business Citizenship (GRACE) was founded in 2000 by a group of companies, primarily multinational enterprises, to expand the role of the Portuguese business community in social development.

The Ministry of Economy and AICEP encourage foreign and local enterprises to observe the OECD Guidelines for Multinational Enterprises, and both agencies jointly comprise the National Contact Point (NCP) for the promotion of these guidelines or facilitation of resolving disputes that may arise regarding the Guidelines. For contact information: <http://www.portugalglobal.pt/PT/Internacionalizar/GuiadoExportador/OutrosAspectosRelevantes/Paginas/outros-aspetos-relevantes.aspx>.

The Portuguese Business Ethics Association (APEE) is dedicated to promoting corporate social responsibility and works in collaboration with the Ministry of Economy's Directorate-General of Economic Activities. It promotes events like Social Responsibility Week and celebrates protocols and agreements with companies to assure they follow RBC principles incorporated into the Labor Code through Law 99/2003 and Law 35/2004. For more, please see: <http://www.apee.pt/normalizacao/normalizacao-nacional>.

Portugal's Competition Authority both encourages and enforces competition rules, including ethical business practices. The Competition Authority operates a leniency program for companies that self-identify lapses. For more information, see: http://www.concorrencia.pt/vEN/Praticas_Proibidas/Leniency_Programme/Pages/Leniency-Programme.aspx.

There have not been any high profile, controversial instances of private sector impact on human rights. The Portuguese government enforces domestic laws effectively and fairly through the domestic courts system, and through the supra-national European Court of Human Rights. Within its constitution, Portugal states that constitutional precepts concerning fundamental rights must be interpreted and completed in harmony with the Universal Declaration of Human Rights.

The Portuguese legal and regulatory framework on corporate governance includes not only regulations and recommendations from the Portuguese Securities Market Commission (CMVM), but also specific legal provisions from the Portuguese Companies Code and the Portuguese Securities Code. CMVM promotes sound corporate governance for listed companies by setting

out a group of recommendations and regulations on the standards of corporate governance. CMVM regulations are binding for listed companies.

Non-governmental organizations also promote awareness of environmental and good governance issues in business. These include Quercus Portugal, which publishes guidelines and organizes events to promote environmental responsibility in business practices, and Transparencia e Integridade Associacao Civica (TIAC), which produces reports on corruption on everything from football match-fixing to conflicts of interest in public and private enterprise. TIAC also allows whistle-blowers to anonymously submit reports of corruption through their website.

Portugal does not participate in the Extractive Industries Transparency Initiative (EITI), or the Voluntary Principles on Security and Human Rights.

Corruption

U.S. firms occasionally report encountering limited degrees of corruption in the course of doing business in Portugal; they do not identify corruption as an obstacle to foreign direct investment.

Portugal has made legislative strides toward further criminalizing corruption. The government's Council for the Prevention of Corruption, formed in 2008, is an independent administrative body that works closely with the Court of Auditors to prevent corruption in public and private organizations that use public funds. Transparencia e Integridade Associacao Civica, the local affiliate of Transparency International, also actively publishes reports on corruption and supports would-be whistleblowers in Portugal.

In 2010, the country adopted a law criminalizing violation of urban planning rules and increasing transparency in political party funding. In 2015, Parliament unanimously approved a revision to existing anti-corruption laws that extended the statute of limitations for the crime of trading in influence to 15 years and criminalized embezzlement by employees of state-owned enterprises with a prison term of up to eight years. The laws extend to family members of officials and to political parties.

Still, according to a 2018 report by the Council of Europe's Group of States against Corruption (GRECO), Portugal should improve efforts to reform its legal framework to prevent corruption from MPs, judges, and prosecutors. The report concluded that Portugal has only satisfactorily implemented one of fifteen previous recommendations. Three have been partly implemented, and eleven have not yet been implemented. The situation is qualified by GRECO as "globally unsatisfactory." GRECO, however welcomed a reform to bolster integrity, enhance accountability and increase transparency of a wide range of public office holders, including MPs. See more here: <http://bit.ly/2FjbQTu>.

Portugal has laws and regulations to counter conflict-of-interest in awarding contracts or government procurement. See more at: <http://www.portugal.gov.pt/pt/o-governo/referenda.aspx>.

The Portuguese government encourages (and in some cases requires) private companies to establish internal codes of conduct that, among other things, prohibit bribery of public officials.

See more at: <http://www.portugal.gov.pt/pt/o-governo/referenda.aspx>. Most private companies use internal controls, ethics, and compliance programs to detect and prevent bribery of government officials. As described above, the Competition Authority operates a leniency program for companies that self-identify infringements of competition rules, including ethical lapses.

Portugal has ratified and complies with both the UN Convention against Corruption and the OECD Anti-Bribery Convention.

Resources to Report Corruption

Contact at government agency responsible for combating corruption:

Jose Tavares

Director General, Council for the Prevention of Corruption

Avenida da Republica, 65

1050-189, Lisbon, Portugal

+351 21 794 5138

cp-corrupcao@tcontas.pt

Contact at “watchdog” organization:

Luis de Sousa

President, Transparency International – Transparencia e Integridade Associacao Civica

Rua dos Fanqueiros, 65-3º A

1100-226, Lisbon, Portugal

+351 21 8873412

secretariado@transparencia.pt

Political and Security Environment

Since the 1974 Carnation Revolution, Portugal has had a long history of peaceful social protest. Portugal experienced its largest political rally since its revolution in response to proposed budgetary measures in 2012. Public workers, including nurses, doctors, teachers, aviation professionals, and public transportation workers organized peaceful demonstrations periodically in protest of salary levels and other measures throughout 2018.

Labor Policies and Practices

Numerous labor reform packages aimed at improving productivity were implemented after the 2011 bailout, but overall low labor productivity remains a challenge. In its February 2018 post-program monitoring report, the International Monetary Fund (IMF) said after declining for several years, unit labor costs have started to rise and could threaten competitiveness if the trend continues. In January 2019, the annual minimum wage increased to EUR 600.

Numerous experts and international bodies have identified labor market flexibility as a challenge and ripe for structural policy changes. Nonetheless, as economic recovery has picked up, certain sectors are facing labor shortages, including the tourism, information technology, and engineering fields. More information can be found at: <https://www.iefp.pt/>.

In 2016, 125,400 foreign workers were legally employed in Portugal. Foreign workers, particularly Asian migrants, generally work in the commercial and service sectors and, overall, are self-employed; Africans, most of whom are salaried employees or wage earners, tend to hold low-skilled jobs in the industrial sector. EU and American citizens tend to hold highly skilled jobs or engage in entrepreneurial activities. Additionally, a large European retirement community has invested in vast properties for agricultural use. Agricultural labor relies on Asian migrants in particular.

Employers are allowed to conduct collective dismissals linked to adverse market or economic conditions, or due to technological advancement, but must provide advance notice and severance pay. Depending on the seniority of each employee, an employer must provide between 15 to 75 days of advance notice, and pay severance ranging from 12 days' to one month's salary per year worked. Employees may challenge termination decisions before a Labor Court.

Labor laws are uniformly applicable and enforced, including in Portugal's foreign trade zone/free port in the Autonomous Region of Madeira.

Collective bargaining is common in Portugal's banking, insurance, and public administration sectors. More information is available at: <http://www.dgert.msess.pt/>.

Portugal has labor dispute resolution mechanisms in place through Labor Courts and Arbitration Centers. Labor strikes are more common than in the United States, but are nonviolent and of short duration.

Portugal is a member of the International Labor Organization (ILO), and has ratified all eight Fundamental Conventions as well as all four Governance (Priority) Conventions.

The Labor Code caps the work schedule at eight hours per day, and 40 hours per week. The public sector employee workweek, with certain exclusions, was capped at 35 hours in July 2016. Employees are entitled to at least 22 days of annual leave per year. Employers must pay employees a Christmas and vacation bonus, both equivalent to one month's salary. In 2016, rules on access to early retirement were amended. Applicants must now be at least 60 years of age and have at least 40 years of employment and social security contributions to qualify.

OPIC and Other Investment Insurance Programs

Portugal is a country with low political risk; there is no active OPIC program in Portugal. However, OPIC is authorized to operate in Portugal.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Year	Amount	Year	Amount	Host Country Statistical source*	USG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Host Country Gross Domestic Product (GDP) (\$M USD)	2017	€194.6	2017	\$217.57			www.worldbank.org/en/country www.ine.pt http://ec.europa.eu/eurostat/
Foreign Direct Investment	Host Country	Statistical source*	USG or international statistical source	USG or international statistical source	Source of data: BEA; IMF; Eurostat; UNCTAD, Other		
U.S. FDI in partner country (\$M USD, stock positions)	2018	€2,098	2017	\$2,060			www.bportugal.pt BEA data available at https://www.bea.gov/international/direct-investment-and-multinational-enterprises-comprehensive-data
Host country's FDI in the United States (\$M USD, stock positions)	2018	€1,263	2017	\$1,066			www.bportugal.pt BEA data available at https://www.bea.gov/international/direct-investment-and-multinational-enterprises-comprehensive-data

Total inbound stock of FDI as % host GDP	N/A	2017	70.8%	UNCTAD data available at https://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Country-Fact-Sheets.aspx
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* Source for Host Country Data: Bank of Portugal (www.bportugal.pt)

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data 2017					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	\$143,637	100%	Total Outward	\$60,976	100%
Netherlands	\$33,470	23%	Netherlands	\$17,216	28%
Spain	\$30,915	22%	Spain	\$14,613	24%
Luxembourg	\$27,771	19%	Angola	\$4,651	8%
United Kingdom	\$11,830	8%	Brazil	\$3,006	5%
France	\$8,021	6%	United Kingdom	\$2,768	5%

"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets

Top Five Partners (Millions, US Dollars)

Total			Equity Securities			Total Debt Securities		
All Countries	\$168,268	100%	All Countries	\$43,251	100%	All Countries	\$125,017	100%
Spain	\$25,973	15%	Luxembourg	\$16,975	39%	Spain	\$21,764	17%
Luxembourg	\$19,574	12%	Ireland	\$6,045	14%	Italy	\$17,677	14%
Italy	\$17,855	11%	United States	\$4,702	11%	France	\$13,220	11%
France	\$14,883	9%	Spain	\$4,209	10%	Germany	\$9,578	8%
United States	\$13,238	8%	France	\$1,663	4%	Netherlands	\$9,004	7%

Contact for More Information

Embassy of the United States

Avenida das Forças Armadas

1600-081

+351 21-770-2000

icsportugalqueries@state.gov

Trade & Project Financing

Methods of Payment

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

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

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

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

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

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

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

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

A U.S. exporter looking to recover debts should contact the Portuguese Credit and Collection Management Association (APEREC) for information on and contact with debt collecting agencies. The Association can be reached at: <http://www.aperc.pt>

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

Dun & Bradstreet Portugal

R Barata Salgueiro 28,3º

1250-044 Lisboa, Portugal

Tel.: +351 213 500 300 Fax: +351 213 578 939

Igerinform - Relatórios de Crédito

Avenida Columbano B Pinheiro 75,7º

1070-061 Lisboa, Portugal

Tel.: +351 213 588 800 Fax: +351 213 588 801

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

Banking Systems

The Portuguese banking system has witnessed significant structural changes over the last three decades, with a shift from a government-controlled system to a market-driven environment fully integrated with the European Union. These profound structural and operational changes such as the abolishment of administrative interest rates in the 1980s, liberalization and harmonization in the 1990s and related implementation legislation have brought Portuguese banking regulations in line with EU legislative practices.

In a February 2016 post-bailout program monitoring report, the IMF warned that the Portuguese banking system's balance sheets needed "to be strengthened to avoid further negative surprise and protect taxpayers." The report also noted banks need to further reduce their debt burden, which was "holding back the economy's growth potential." The government has taken steps to address problems in the banking sector, facilitating the recapitalization or restructuring of four of the five largest banks in 2016 and 2017.

Portugal's largest bank by assets, Caixa Geral de Depositos (CGD), is state-owned and, at the end of 2017, had assets worth €93.2 billion. It has revenues greater than one percent of GDP. CGD has the largest market share in customer deposits, commercial loans, mortgages, and many other banking services in the Portuguese market. CGD was recapitalized by the Government in €3.9 billion in 2017 according to market terms and in line with EU state aid rules.

According to the Bank of Portugal, the banking system's total assets broke the downward trend observed in recent years, reaching €386 billion in the second quarter of 2018. This development stems from an increase of cash balance in key banks and to a lesser extent, in the portfolio of loans to customers. In the second trimester, however, the downward trend returned, bringing the banking system's assets to €384 billion due to the decrease of cash balance in key banks. The last trimester of 2018 brought a 0.2% increase in relation to the previous trimester.

As a member of the EU, Portugal offers a modern banking system with advanced financial products. The country has one of the most advanced inter-banking networks in the world. ATMs and bank branches are easily found all over Portugal. Electronic banking is widespread, and Internet banking is offered by all major banks. Major credit and debit cards are accepted in most Portuguese hotels, shops, restaurants and gas stations.

Most banks are open Monday to Friday from 8:30 am to 3:00 pm and are closed on weekends and public holidays.

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

Foreign Exchange Controls

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

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

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

US Banks & Local Correspondent Banks

CITIGROUP/ CITIBANK

Edifício Fundação

Rua Barata Salgueiro, 30-4º

1269-056 Lisboa, Portugal

Tel.: (+351) 21 311 63 00

Fax: (+351) 21 311 63 99

<http://www.citibank.com>

JP MORGAN CHASE (former Chase Manhattan Bank)

Rua Barata Salgueiro, 30 - 3º Dto.

1250-044 Lisboa, Portugal

Tel.: (+351) 210 403 520

Fax: (+351) 213 551 454

<http://www.jpmorganchase.com>

MERRILL LYNCH (acquired by Bank of America)

Global Wealth Management

EDIFICIO DUARTE PACHECO 26

Av. Engenheiro Duarte Pacheco, 26 6 Piso A Lisboa, 1070-110

Tel: +351-21-351-2350

<http://www.ml.com>

AMERICAN EXPRESS (Credit Card Service Company)

MillenniumBCP

Departamento American Express

Av. Professor Doutor Cavaco Silva Ed.3/2B Tagus Park

2740-256 Porto Salvo, Portugal

Tel.: 707 504 050

From Abroad: (+351) 214 278 205

<http://www.americanexpress.com/portugal/homepage.shtml>.

Project Financing

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

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries.

The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the Member States' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development and the European Social Fund, were created in 1975 with the aim to mitigate economic and social differences between the regions of the European Union. New budgets are approved every seven years for all Member States. The budgets and the allocation of funding between the different priorities (social, economic or environmental) are based on the conclusions of the "Partnership Agreements" (PAs) which are negotiated between the European Commission and the member state national authorities. For the period of 2014 – 2020, the EU has earmarked 352 billion euros for regional development and cohesion policy projects. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/index_en.cfm

For projects financed through ESIF, member state regional managing authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the Member States, it is advisable for would-be contractors to develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by Member States' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: <https://www.export.gov/Market-Intelligence>

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's regional policy. Its 63 billion euro (2014-2020) budget is used to finance projects in two areas:

Trans-European transport projects including transport infrastructure, and environment, including areas related to sustainable development and energy for projects with environmental benefits.

The fund supports projects in Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the EU average, such as Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:

Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States

Other sets of sector-specific grants such as Horizon 2020 offer assistance to EU Member States in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the websites of the European Commission and the relevant Member State authorities. Participation is usually restricted to EU-based firms or tied to EU content. Information pertaining to each of these programs can be found at: [EU Funding and Tenders](#)

External Assistance Grants

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

For more information: http://ec.europa.eu/europeaid/index_en.htm

The European Neighborhood Instrument (ENI) provides assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU. ENI is the follow-up to the European Neighborhood Policy program (ENPI) covering the countries of Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine. The ENI budget is 15.4 billion euros for 2014-2020. Additional information can be found at: [EU External Action](#)

Instrument for Pre-accession Assistance II (IPA II) is an EU program for pre-accession countries that provides support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership and that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II runs from 2014 to 2020 and finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-2020 is 11.7 billion euros.

For more information, see:

http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2

The Connecting Europe Facility (CEF) is an EU financing mechanisms that uses the EC budget as well as the Cohesion Funds to finance projects in three key areas: energy, transport and telecom. It was created by Regulation 1316/2013 on December 11, 2013.

Along with the European Fund for Strategic Investments (EFSI), CEF is expected to play a role in bridging the investment gap in Europe, which is one of the Commission's top priorities. In all three main categories the focus is on creating better conditions for growth and jobs. Annual and multi-annual work programs specify the priorities and the total amount of financial support allocated for these priorities in a given year.

Only actions contributing to projects of common interest in accordance with Regulations 1315/2013, No 347/2013 and a Regulation on guidelines for trans-European networks in the area of telecommunications infrastructure, as well as program support actions, are eligible for support.

Projects supported through the CEF mechanism focus on the following:

- cleaner transport modes,
- high speed broadband connections, and
- the use of renewable energy (in line with the Europe 2020 Strategy), integration of the internal energy market, reduction of the EU's energy dependency and ensuring security of supply.

The total budget of the CEF for the period 2014 to 2020 is set at €33.24 billion. This amount is distributed between the main priority areas as follows:

- a) transport sector: €24.05 billion;
- b) telecommunications sector: €1billion;
- c) energy sector: €5.35 billion

Please see: <https://ec.europa.eu/inea/en/connecting-europe-facility>

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As a non-profit banking institution, the EIB assesses reviews and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB makes loans to both private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate action, and strategic infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). In 2016, the EIB loaned 76 billion euros for projects, an 11% decrease from 2015. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research, and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects that contribute to the European objectives cited above, as EIB lending rates are lower than most other commercial rates.

Projects financed by the EIB must contribute to the socio-economic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The EIB website displays lists of projects to be considered for approval. <http://www.eib.org/projects/pipeline/index.htm>

Multilateral Development Banks

World Bank

With 189 member countries, the World Bank is an international financial institution that provides loans to countries of the world for capital programs.

Web Resources

[Commercial Liaison Office to the World Bank](#)

Financing Web Resources

EU websites:

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

http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: https://europa.eu/european-union/about-eu/funding-grants_en EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tenders Database: <http://ted.europa.eu/TED/main/HomePage.do>

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

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

U.S. websites:

Market research section on the website of the U.S. Mission to the EU: <https://www.export.gov/Market-Intelligence>

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

Country Limitation Schedule: <https://www.exim.gov/tools-for-exporters/country-limitation-schedule> OPIC: <http://www.opic.gov>

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

SBA's Office of International Trade

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

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

Business Travel

Business Customs

Portugal is a democratic republic located on the Iberian Peninsula in south-western Europe and is the westernmost country in continental Europe. Portugal is bordered by Spain to the north and east and by the Atlantic Ocean to the west and south. In addition, Portugal includes two archipelagos in the Atlantic, the Azores and Madeira Islands.

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

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

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

The quality of housing in Portugal is of European standards but so are rents. Executive location costs in Portugal are now in the same category as any major commercial center in the European Union. Food supplies are plentiful though there are seasonal variations in prices for perishable items. Supermarkets are fully stocked. Prices are very close to those found in the United States and often exceed them for packaged goods.

Travel Advisory

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

Visa Requirements

Portugal is a party to the Schengen Agreement. This means that U.S. citizens may enter Portugal for up to 90 days for tourist or business purposes without a visa within any 180-day period. Your passport should be valid for at least three months beyond the period of stay. You need sufficient funds and a return airline ticket. For additional details about travel into and within Schengen countries, please see our Schengen fact sheet.

State Department Portugal Information:

<https://travel.state.gov/content/passports/en/country/Portugal.html>

Currency

ATMs are commonplace in cities and towns throughout Portugal, both on street, in retail outlets and gas stations and visitors should be aware that bank transaction fees may apply, including foreign transaction fees and conversion fees. Traveler's checks are not generally accepted for purchases.

For currency or other numerical quantities, a decimal point (period) is commonly used to mark off the thousands position and a comma to denote decimal amounts - unlike the practice in the United States.

Telecommunications/Electronics

Portugal is a fully "wired" country with regard to communications, making available all the services found anywhere else in Europe: long-distance calls on Stateside credit cards; cellular telephones (can be rented from Vodafone at the airport departures area); video-conferencing in state-of-the-art facilities; Internet services; e-mail, etc. In Europe, Electrical sockets can be either "Type C" Europlug or "Type E" and "Type F" Schuko. If your appliance's plug doesn't match the shape of these sockets make sure that you bring a travel plug adapter in order to plug in. Portugal Electrical sockets usually supply electricity at between 220 and 240 volts AC. The ATM system in Portugal is one of the best in the world, as it enables you to do most payments and money transfers at an ATM terminal anywhere in Portugal.

Transportation

Portugal has direct airline connections from Lisbon, Porto and Ponta Delgada hubs to all major cities in the European Union, Atlanta, Chicago, San Francisco, New York, Newark, Miami, Philadelphia, Boston and Washington, DC. Direct connections also exist between Lisbon and a number of Portuguese-speaking countries in Africa and major cities in Brazil.

Language

Many Portuguese speak two, often three or four languages. English is the second language of choice followed by Spanish and French. American business travelers can generally conduct their meetings with business and government contacts in English.

Health

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

Portugal has a National Vaccination Plan which is universally available and free of charge to everyone. Babies born in Portugal are routinely given vaccinations at birth and then they follow a calendar of regular vaccinations during their first six months. There are no special immunizations or medications necessary for most trips to Portugal. However, it is recommended the revaccination every 10 years for Tetanus-diphtheria.

Local Time, Business Hours and Holidays

Listed below are the American and Portuguese holidays which will be observed by the American Embassy in Lisbon in 2019:

URL: https://pt.usembassy.gov/holiday-calendar/?_ga=2.179560420.1133188734.1498817711-22992714.1401793631

Temporary Entry of Materials or Personal Belongings

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

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

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

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

Travel Related Web Resources

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

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

URL: <http://pt.usembassy.gov/>