

Portugal - Basic Data

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aicep Portugal Global

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Background

Mainland Portugal is geographically located in Europe's West Coast, on the Iberian Peninsula. It is bordered by Spain to the North and East and by the Atlantic Ocean to the West and South, therefore being in a geo strategic location between Europe, America and Africa.

In addition to the mainland, Portugal's territory also includes the Autonomous Regions of the Azores and Madeira, two archipelagos located in the Atlantic Ocean.

Portuguese borders have remained unchanged since the XIII Century, making Portugal one of the oldest countries in the world, with nearly 900 years of history that clearly demonstrates its strong identity and internal cohesion.

Population and language

Portugal's population is estimated at 10.3 million, of which 50% are economically active. The demographic concentration is higher near the coastal areas, with Lisbon (the capital city) and Porto showing the highest population density.

The Portuguese language is spoken by more than 250 million people spread over all continents: Europe, Africa, America and Asia. This diversity greatly contributes to the strong historical and cultural ties that Portugal has with the world.

Politics

The Republic of Portugal is a Parliamentary democracy, based on the respect and the effective guarantees for fundamental rights and freedoms and the separation and interdependence of powers. Under the Portuguese Constitution, sovereign powers are vested in the President of the Republic, the Assembly of the Republic, the Government and the Courts.

The President of the Republic is the Head of State, elected by direct universal suffrage for a five year term, with a maximum of two terms. The current President of the Republic is Marcelo Rebelo de Sousa, who was elected in January 2016.

Legislative power lies with the Parliament (Assembly of the Republic) represented by 230 members which are elected by popular vote to serve a four year term.

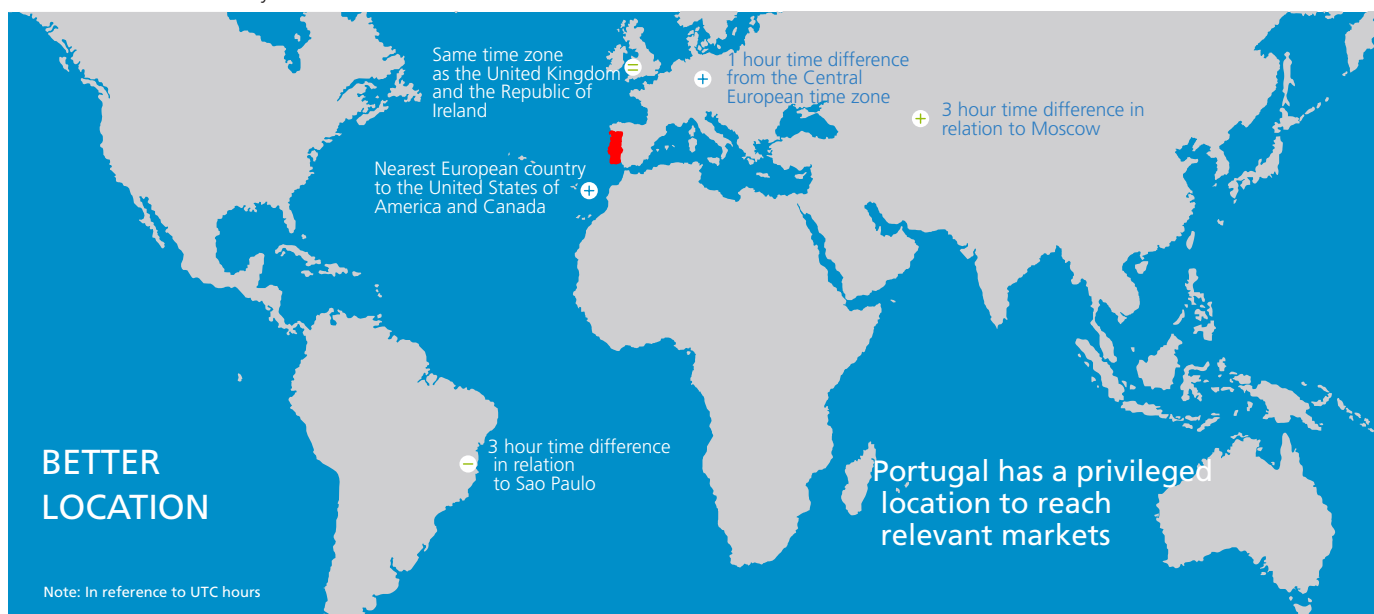
Executive power lies with the Government, headed by the Prime Minister, the Ministers and the Secretaries of State. The current Prime-Minister is António Costa, leader of the socialist party, who took office in November 2015.

The Portuguese judicial system consists of several categories of Court, independent of each other, with their own structure and rules. Two of these categories are composed only by one Court (the Constitutional Court and the Court of Auditors). The Judicial, Administrative and Fiscal Courts are numerous, hierarchically structured and respond to a Supreme Court. In addition, there are Maritime Courts, Courts of Arbitration and Justices of the Peace.

Summary

Area:	92 212 .0 sq km
Population (thousands):	10 306 (2016)
Working population (thousands):	5 178 (2016)
Population density (inhabit./sq km):	111.8 (2016)
Official designation:	Republic of Portugal
Capital:	Lisbon (2.1 million inhabit.– metropolitan area)
District Capitals:	Aveiro, Beja, Braga, Bragança, Castelo Branco, Coimbra, Évora, Faro, Funchal (in Madeira), Guarda, Leiria, Ponta Delgada (in the Azores), Portalegre, Porto, Santarém, Setúbal, Viana do Castelo, Vila Real and Viseu.
Main religion:	Roman Catholic
Language:	Portuguese
Currency:	Euro (in units of 100 cents)
	EUR = 200.482 PTE (fixed parity 1/01/99)
	EUR = 1.0614 USD (average rate in 2016)
	EUR = 1.1807 USD (average rate in August 2017)

Source: INE (National Statistics Office), Banco de Portugal



Infrastructures

Portugal is ranked 13th (among 137 countries) in terms of the “Quality of Overall Infrastructure” according to the Global Competitiveness Report 2017-2018/World Economic Forum (WEF).

Telecommunications: The country has an advanced telecommunication infrastructure network. The fibre optic network is state-of-the-art and already covers the majority of the country. The proportion of broadband fibre optic connections was 32.3% in December 2016, much higher than the OECD average (21.2%), placing Portugal in 9th place in the OECD and 5th in the EU. According to Digital Economy and Society Index 2017 Portugal’s position is above the EU average, in Connectivity terms (10th), Integration of Digital Technology (9th) and Digital Public Services (10th). Portugal is the 10th country in the EU with the highest subscription rate to high velocity broadband per resident (17th in the OECD).

Road Infrastructures: Portugal has a developed road network, comprised of motorways (AE), main roads (IP), secondary roads (IC), national roads (EN) and municipal routes. The mainland road network reached 14 310 km, of which 2 988 km was motorway, more than 1/5 of the total road network.

Rail Network: The rail network comprises 2 544 km providing North-South connection down the coastline and East-West across the country. Railway network density tends to be more significant in regions with a higher population concentration.

Airports: There are 15 airports. On the mainland the three major international airports are located in the coastal cities of Lisbon, Porto and Faro. Due to the isolation of the Autonomous Regions there are a larger number of airports. The Azores have nine and Madeira has two. The airports managed by ANA - Aeroportos de Portugal serve about 66 regular airlines, connecting the Portuguese regions with nearly 149 destinations around the world (passenger traffic reached 44.5 million in 2016, +14% in relation to the previous year).

Maritime Routes: Mainland Portugal has nine major ports: Viana do Castelo and Leixões, in the North; Aveiro and Figueira da Foz, in the Centre; Lisbon and Setúbal in the Lisbon region; Sines in the Alentejo; Faro and Portimão in the Algarve. The Autonomous Region of the Azores has five ports and the Autonomous Region of Madeira has three. Only Lisbon and Leixões on the mainland offer passenger services. The port infrastructure is thus primarily geared to handling goods. This is particularly so at Sines (52.9% of total in January-July 2017), Leixões (19.7%), Lisbon (12.2%), Setúbal (7.2%) and Aveiro (5.4%).

Economy

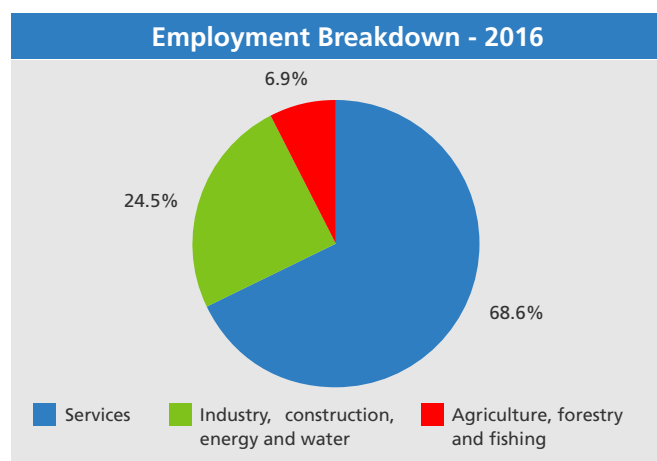
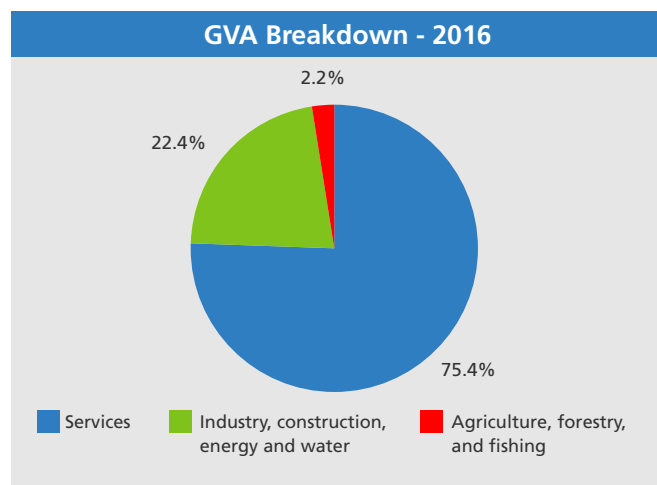
Economic structure

Following the trend of its European partners, over the last decades one of the most important characteristics of the structure of the Portuguese economy is the increase in the services sector which contributed, in 2016, with 75.4% of GVA and employed 68.6% of the population. Agriculture, forestry and fishing generated only 2.2%

of GVA and 6.9% of employment while industry, construction, energy and water represented 22.4% of GVA and 24.5% of employment.

In the last decade, apart from a greater focus and diversification of services within the economic activity, there was in the transformation industry in Portugal a significant change in its specialization. Coming from a dependence on traditional industrial activities to a situation where new sectors, with a larger amount of technology, have gained importance and significant growth, sectors such as the automotive and components sector, electronics, energy, pharmaceutical sector and industries related to new technologies of information and telecommunications. Within the services sector, the importance of tourism should be emphasized, benefiting from Portugal’s geographical position, the Mediterranean climate, moderated by the influence of the Atlantic and its extensive coastline.

Portugal has shown, according to EY Consulting, a positive improvement in the development of an ecosystem of start-ups, in order to encourage foreign direct investment (FDI) and to promote the country’s attractiveness. Within this context, various national level programmes have already been created and implemented by the Government, with the aim of promoting technological development and innovation, emphasis is given to “Horizonte 2020” (the largest investigation and innovation programme of the EU), “CITEC - Conectividade, Inovação e Tecnologia” with the intention of training the Portuguese industry and “Indústria 4.0 – Economia Digital”, with its principal objective to direct resources towards new technologies.



Source: INE (National Statistics Office)
Note: GVA - Gross Value-added

Current economic situation and outlook

In May 2014, the Government announced the end of the Economic and Financial Assistance Programme - PAEF (agreed with the EU and the IMF in May 2011), without resorting to additional external financial assistance thus gaining access to international debt markets. After three years of the Programme, the Portuguese economy has made significant progresses in the correction of a number of macroeconomic imbalances, having implemented measures of a structural character in several areas.

The Portuguese Government submitted, in April 2017, the "Programa Nacional de Reformas - PNR" (national reform programme) and the "Programa de Estabilidade" (stability programme) for the period 2017-2021. The PNR, is the key element in defining the medium term strategy that will allow Portugal to launch a set of structural reforms destined to promote investment and contribute towards the sustainability of public finances. These reforms are based on the following aspects: qualification, promotion of economic innovation, territorial enhancement, modernisation of the state, capitalisation of companies and social cohesion and equality.

In 2016, according to Banco de Portugal (BdP), the Portuguese economy registered an increase in GDP of 1.5% in real terms, in relation to the previous year (+1.6% in 2015 and +0.9% in 2014). The contribution of domestic demand to the annual variation of GDP was reduced to 1.6% in 2016, largely reflecting the reduction of the formation of gross fixed capital and a slight slowdown in private demand. The real increase in exports and imports of goods and services was 4.1%, in both cases, last year.

During the first half of 2017, the Portuguese economy grew 2.9% driven by exports and investment. This growth was faster than the European average and the highest seen during the last decade. According to BdP, this performance crossed all industry sectors and benefited from a favourable international climate. Exports of goods and services increased 8.9%, reflecting sharp gains in market share of around 4.6%. In the first six months domestic demand was marked by an increase in the gross fixed capital formation, 10.1%, and covered various areas including construction. Private demand increased 2.1%, within the perspective of improved consumer confidence and an increase in disposable income.

It is worth mentioning that Banco de Portugal (BdP)¹ revised its projected growth for the Portuguese economy, to 2.5% in 2017 and 2.0% in 2018, above the European Union's² projection (1.8% and 1.6%, respectively), as well as the Euro Zone forecast, that is 2.2% in 2017 and 1.8% in 2018.

The anticipated development should be the result of a strong increase in the exports of goods and services (+7.1% in 2017 and +6.8% in 2018, according to BdP) which should continue to be the area where global demand is the major contributing factor to economic growth. The buoyancy of the Portuguese economy will continue, equally, by the recuperation of domestic demand, namely by a strong rise in gross fixed capital formation (+8% in 2017 and +5.3% in 2018),

driven by public investment and housing and by the continuation of a strong business investment growth (around 7% during this year). On the other hand, domestic demand should decelerate (+1.9% in 2017 and +1.7% in 2018), while public demand will only grow moderately (+0.3% and +0.6% respectively).

Both exports of goods and services should develop favourably in 2017, with new gains in market quota, also predicting that tourism will remain highly dynamic, being one of the sectors that have most contributed to the recuperation of the Portuguese economy.

The share of exports in GDP should continue to increase in the years ahead, expecting them to go from around 40.3% in 2016 to 46% in 2019. According to the BdP, the Portuguese economy's financing capacity should stabilise, foreseeing the combined balance of current and capital accounts, close to 1.8% of GDP in 2017.

The job market should show a positive improvement, with the continued increase in employment (+3.1% in 2017). The unemployment rate has fallen during the last years, reaching 11.1% of the active population in 2016 and this trend should continue (9% in 2017 and 8.2% in 2018).

In relation to the budgetary situation, it is worth mentioning that the public sector deficit was significantly reduced to 2.0% GDP in 2016 (becoming for the first time since entry into the Euro Zone, below the target of 3%). Due to this result, in June 2017, the EU Council decided to terminate the Excessive Deficit Procedure (EDP), which has existed in Portugal since 2009.

The Government's forecast is that the budget deficit will continue to decrease to 1.5% of GDP in 2017 and 1.0% in 2018 (while the European Union points to a 1.8% of GDP in 2017 and 1.9% in 2018). The gross public debt-to-GDP ratio is forecast to decrease to 127.7% in 2017 and 124.2% in 2018 (128.5% and 126.2%, according to EU).

In the last few years the Portuguese authorities have carried out early repayments of the loan granted by the IMF under the Economic and Financial Assistance Programme (PAEF). In June 2017, the European Financial Stabilisation Fund (EFSF) authorised the request from Portugal to make further advanced payments. According to the IGCP (Portuguese Treasury and Debt Management Agency), in 2017, there were four early repayments made (February, June, July and August) to the value of 5.2 billion Euros, with the percentage paid, up to the end of August, rising to around 63% of the initial loan from the IMF.

Standard & Poor's decision, announced in September 2017, to raise Portugal's rating to investment grade (BBB-) will contribute to a reduction in financing costs to the Portuguese economy, the future stability of the Portuguese budget and financial process and increase the awareness of Portugal as a business destination.

Portugal is ranked 25th (among 190 economies) in the "Ease of doing business" section of the report "Doing Business 2017", carried out by the World Bank. Recently it rose to 42nd position (among 137 countries) in the "Global Competitiveness Index 2017-2018" of the WEF.

1 "Projections for the Portuguese Economy: 2017-2019" - Banco de Portugal (june 21, and october 4 of 2017)

2 "Economic European Forecast - Spring 2017" - European Commission (may 2017), BCE (september 2017)

Economic Indicators		2013	2014	2015	2016	2017 ^a	2018 ^a
GDP	Million EUR	170 269	173 079	179 504	184 934	190 879	196 618
	Real change	-1.1	0.9	1.6	1.5	2.5	2.0
	Million USD	226 135	229 936	199 160	204 703	215 694	232 009
Per capita (PPS)	EU = 100	76.6	76.7	76.8	76.8	77.1	77.1
Private consumption	Million EUR	111 144	114 060	117 821	121 768	125 942	129 531
	Real change	-1.2	2.3	2.6	2.1	1.9	1.7
Public consumption	Million EUR	32 501	32 206	32 610	33 347	33 916	34 495
	Real change	-2.0	-0.5	0.7	0.6	0.3	0.6
Investment/GFCF	Million EUR	25 122	25 993	27 417	27 478	29 392	31 124
	% of GDP	14.8	15.0	15.3	14.9	15.4	15.8
	Real change	-5.1	2.3	4.5	1.6	8.0	5.3
GFCF (excl. construction)	% of GDP	7.0	7.5	7.7	7.6	n.a.	n.a.
	Real change	4.1	8.7	4.9	2.3	n.a.	n.a.
Population	'000 inhabitants	10 457	10 401	10 358	10 325	10 308	10 298
Employment	'000 individuals	4 450	4 513	4 576	4 650	4 715	4 757
Unemployment	'000 individuals	855	726	647	573	505	469
Rate of economic activity	% of total population > 15 years old	59.3	58.8	58.6	58.5	n.a.	n.a.
Unemployment rate Portugal	% of active population	16.2	13.9	12.4	11.1	9.0	8.2
Overall balance - General Government	% of GDP	-4.8	-7.2	-4.4	-2.0	-1.5	-1.9
Public Debt	% of GDP	129.0	130.6	128.8	130.1	127.7	126.2
Current Account Balance	Billion EUR	2.7	0.2	0.2	1.3	0.7	0.5
	% of GDP	1.6	0.1	0.1	0.7	0.4	0.3
HCPI – Portugal	Annual change – average	0.4	-0.2	0.5	0.6	1.6	1.4
HCPI – Euro Area	Annual change – average	1.3	0.4	0.0	0.2	1.5	1.2

Sources: INE - National Statistics Office, Banco de Portugal, European Commission, Eurostat

Notes: (a) Forecast: Banco de Portugal (June and October 2017), INE, Ministério das Finanças, European Commission (European Economic Forecast-Spring 2017), Banco Central Europeu, Ameco

Average exchange rate EUR/USD - Banco de Portugal; n.a. - not available

International trade

According to Banco de Portugal data, in the last five years, exports and imports of goods and services registered an average growth rate of 4.2% and 2.9%, respectively. In the first half of 2017, exports of goods and services grew by 12.6%, year on year, and imports increased 14.2%, taking the rate of coverage to 101.8%. In the last five years the trade balance of goods and services was positive, reversing the previous negative trend.

During the first six months of 2017, exports and imports of goods increased from 12.3% to 14.3% respectively, year on year, according to data from INE. The trade balance of goods continues to show a deficit in the first half of 2017 corresponding to a rate of coverage of 81.2%.

In the first half of 2017 machinery and tools continue to be the most exported group of products (15.5% of the total), followed by vehicles and other transport material (11.6%), base metals (7.8%), plastics and rubber (7.7%) and mineral fuels (7.3%). These five main product groups represent about 50% of the total exported by Portugal during this period (against 48% in the same period of 2016.).

The principal destination for the export of goods is the EU (74.5% of the total in the first half of 2017, an increase of 8.7% in relation to the same period in 2016). Followed by North America (5.8%), Asia (4.9%), PALOP (4.3%), Africa excluding PALOP (3.6%), Central and South America (2.7%) and non-EU countries (2.6%). It should be noted that the EU reduced its quota over the same period in 2016, while North America, Asia, PALOP and Central and South America increased their quota.

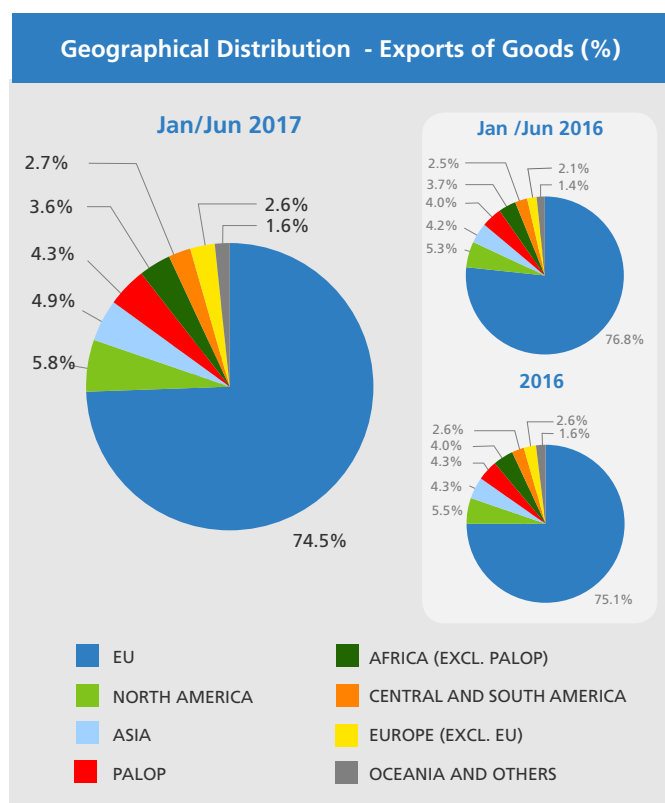
Portugal's five main clients - Spain, France, Germany, United Kingdom, and the USA - which together represent 61.5% of the total exported by Portugal during this period (63.4% in 2016). It is worth mentioning the increase in exports to the USA (+25% in relation to the same period in 2016), Spain (+9%), France (+8.1%), Germany (+4.3%) and the United Kingdom (+3.7%).

In relation to the import of goods, machinery and tools, vehicles and other transport material, mineral fuels, agricultural products and chemical products lead the *ranking* of purchases made by

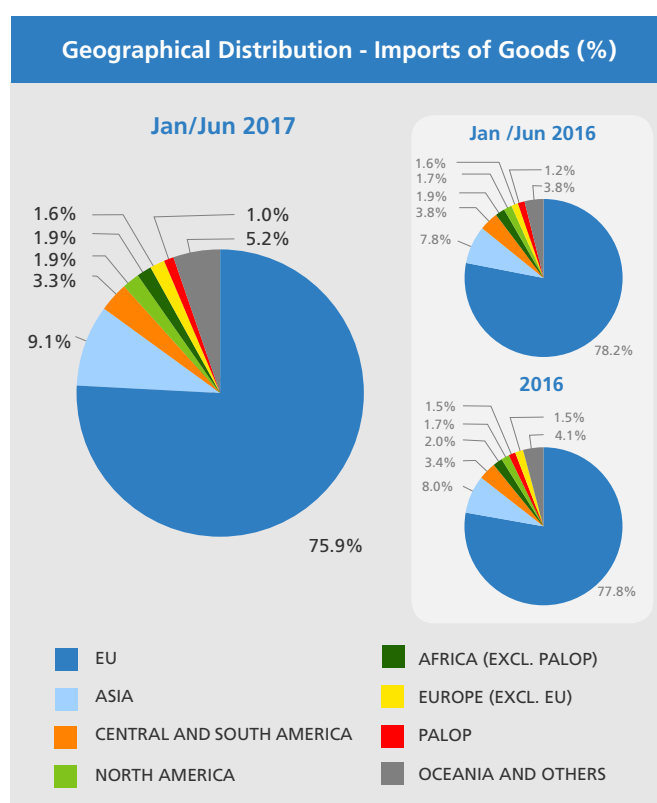
Portugal during the first half of 2017, representing 63% of the total (62% over the same period in 2016). The EU was the origin of most of the products imported during this period with 75.9% of the total, followed by Asia (9.1%, Central and South America (3.3%), North America (1.9%), Africa excluding PALOP (1.9%) non-EU Countries (1.6%) and PALOP (1%). Spain, Germany, France, Italy and the Netherlands continue to be the five main suppliers, that together represent 63.4% of imports during the first six months of 2017 (64.9% in 2016).

Portugal's International Trade		2012	2013	2014	2015	2016	Var. % 2016/2012 ^c	Jan/Jan 2017	Var. % 2017/2016 ^d
Trade in goods and services ^(a)									
Exports (fob)	Million EUR	64 380	68 610	70 718	74 422	75 807	4.2	40 443	12.6
Imports (fob)	Million EUR	64 151	65 414	68 827	71 230	71 774	2.9	39 730	14.2
Balance (fob)	Million EUR	229	3 196	1 891	3 191	4 034	--	713	--
Coverage Ratio	%	100.4	104.9	102.7	104.5	105.6	--	101.8	--
Trade in goods ^(b)									
Exports (fob)	Million EUR	45 213	47 303	48 054	49 634	50 022	2.6	27 694	12.3
Imports (cif)	Million EUR	56 374	57 013	59 032	60 345	61 243	2.1	34 116	14.3
Balance (fob-cif)	Million EUR	-11 161	-9 710	-10 978	-10 711	-11 221	--	-6 423	--
Coverage Ratio	%	80.2	83.0	81.4	82.3	81.7	--	81.2	--

Source: a) Banco de Portugal (Trade in Goods and Services); b) INE - National Statistics Office (Trade in Goods);
Notes: c) Arithmetical average of the annual growth rate during the period of 2012-2016 ; d) 2017/2016 rate of change;
2017 - preliminary results

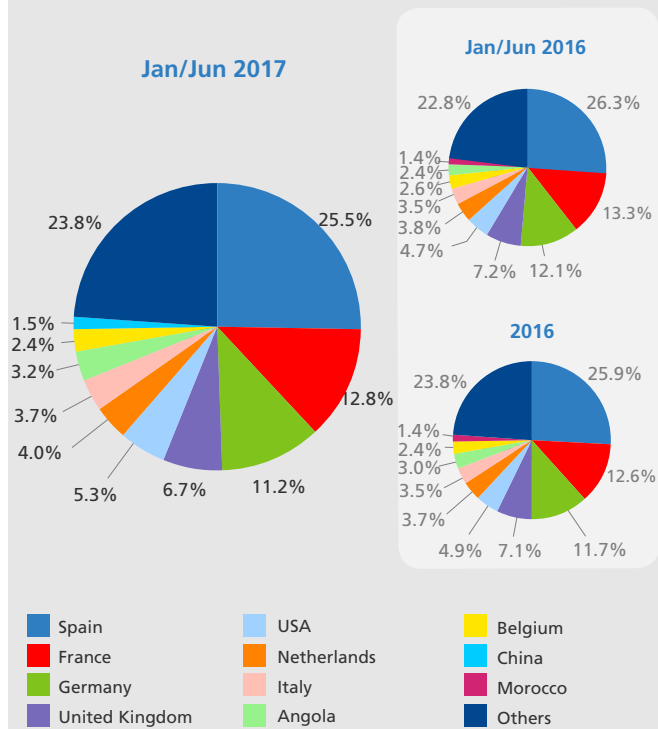


Source: INE - National Statistics Office
Note: 2017 - preliminary results

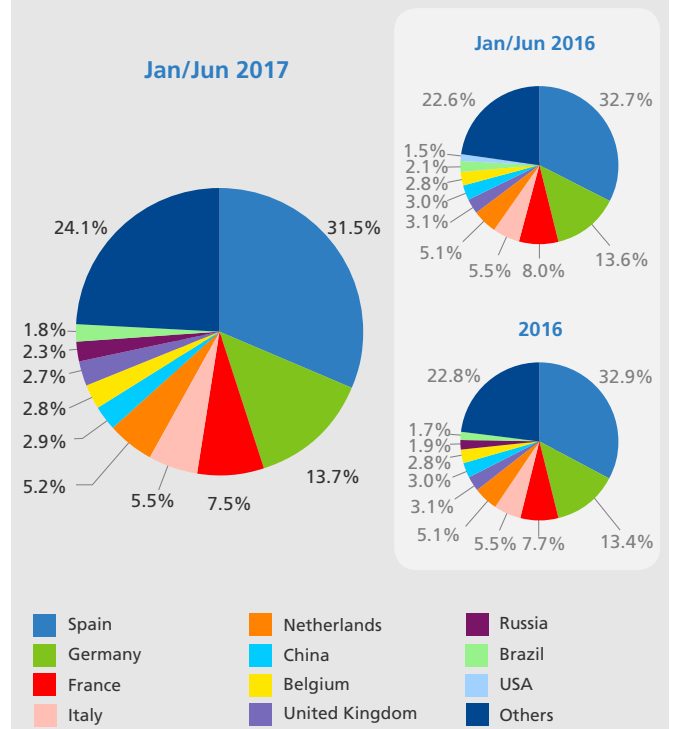


Source: INE - National Statistics Office
Note: 2017 - preliminary results

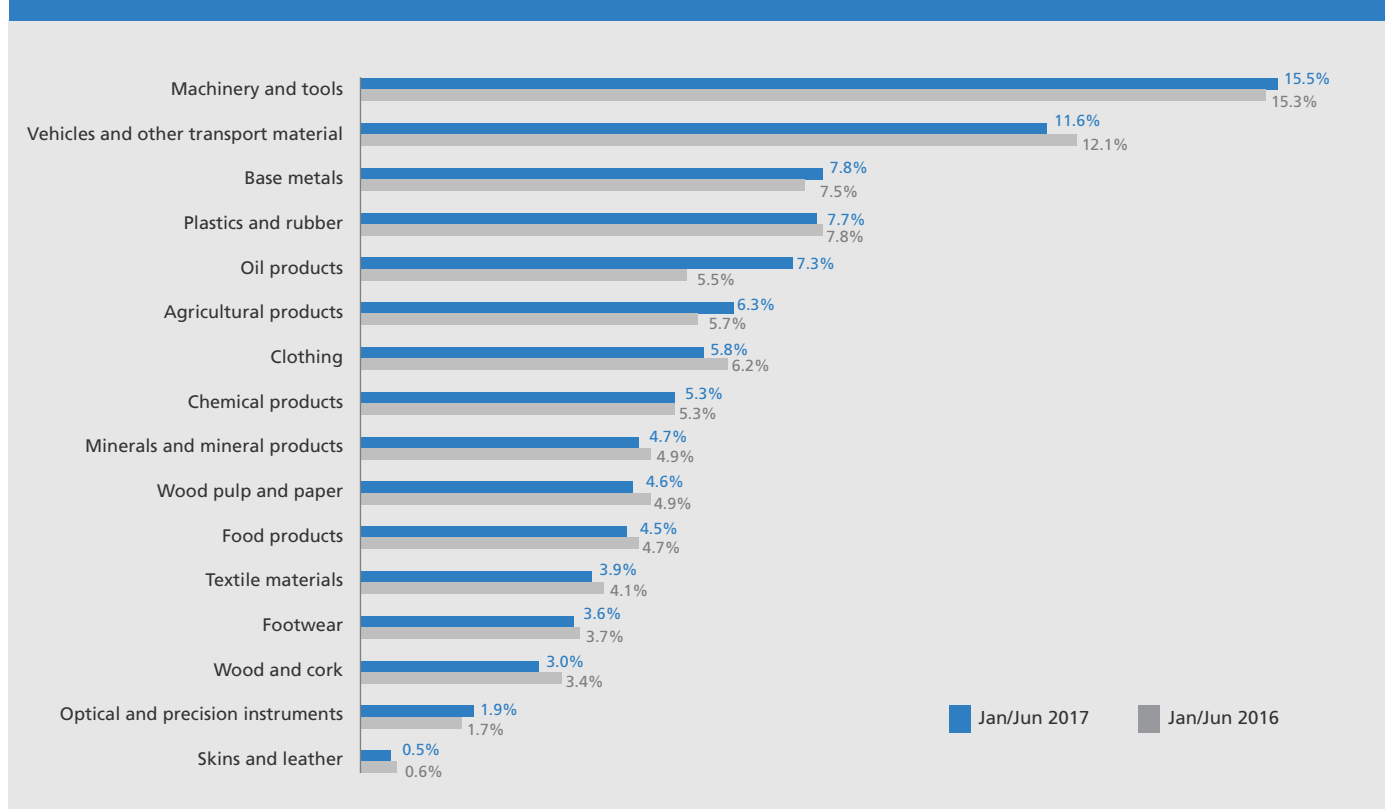
Trading Partners - 10 Main Clients of Goods (%)



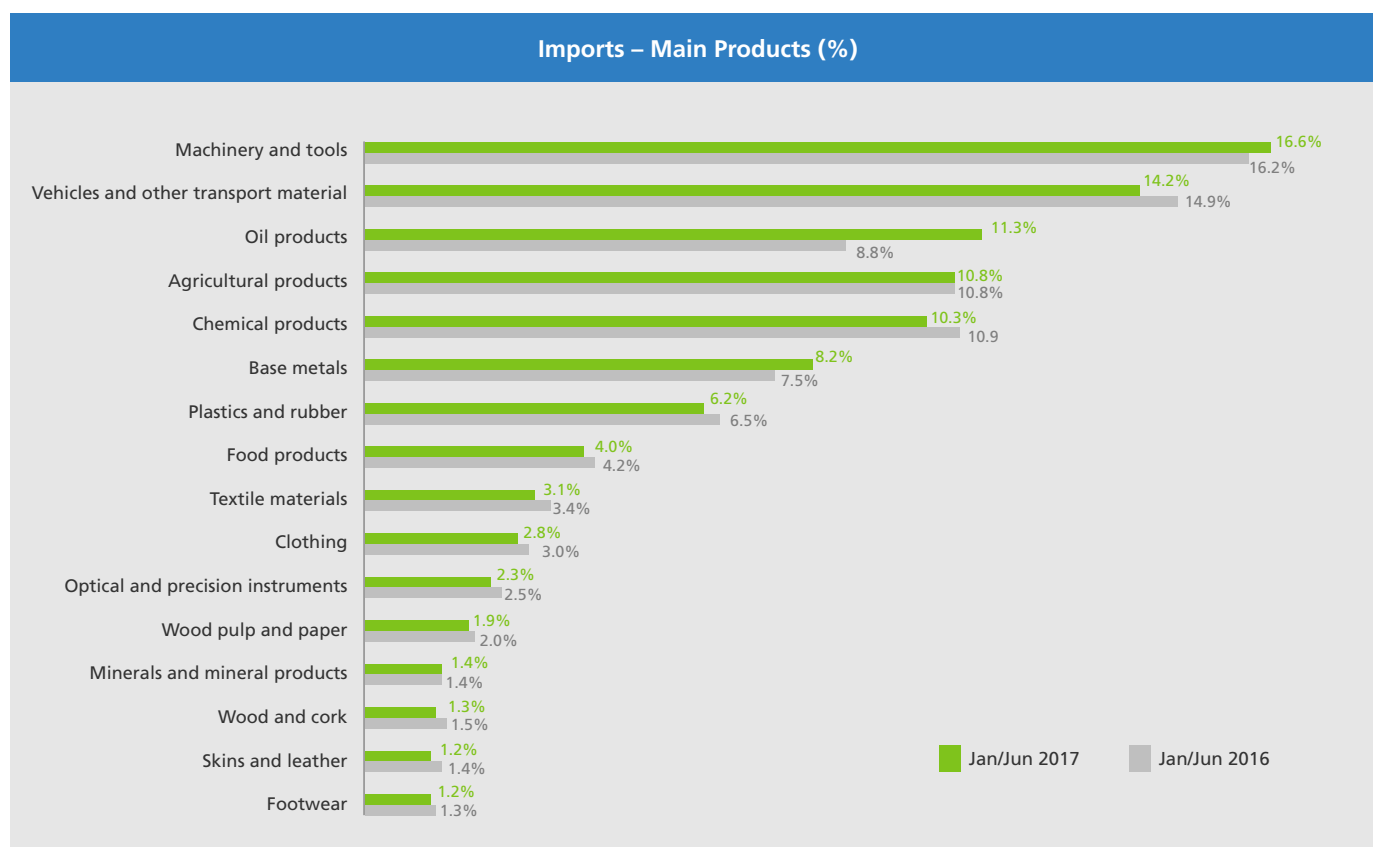
Trading Partners - 10 Main Suppliers of Goods (%)



Exports – Main Products (%)



Source: INE - National Statistics Office
Note: 2017 - preliminary results



Source: INE - National Statistics Office
Note: 2017 - preliminary results

International Investment

The publication “Doing Business 2017”, by the World Bank, places Portugal in 25th place (among 190 countries) in the ranking of “Ease of Doing Business” and 12th place within the EU, being the best placed South European country.

According to the recent EY’s report “Attractiveness Survey Portugal 2017”, 2016 was the year with the highest number of foreign investment projects in Portugal, with Portugal now on the international investors’ radar, registering investment intentions above the European average and with an expected increase in its appeal. Some of the key factors given by the surveyed companies were stability of the social climate, labour costs, skill levels of the local workforce, telecommunication infrastructure, the potential to increase productivity, as well as transport and logistics infrastructures.

Foreign direct investment flow into Portugal (Directional principle)

According to data from the Banco de Portugal (in accordance with the Directional Principle) the flow of foreign direct investment into Portugal (FDI), in net terms, reached an amount close to 5.6 billion Euros in 2016. The highest values during the

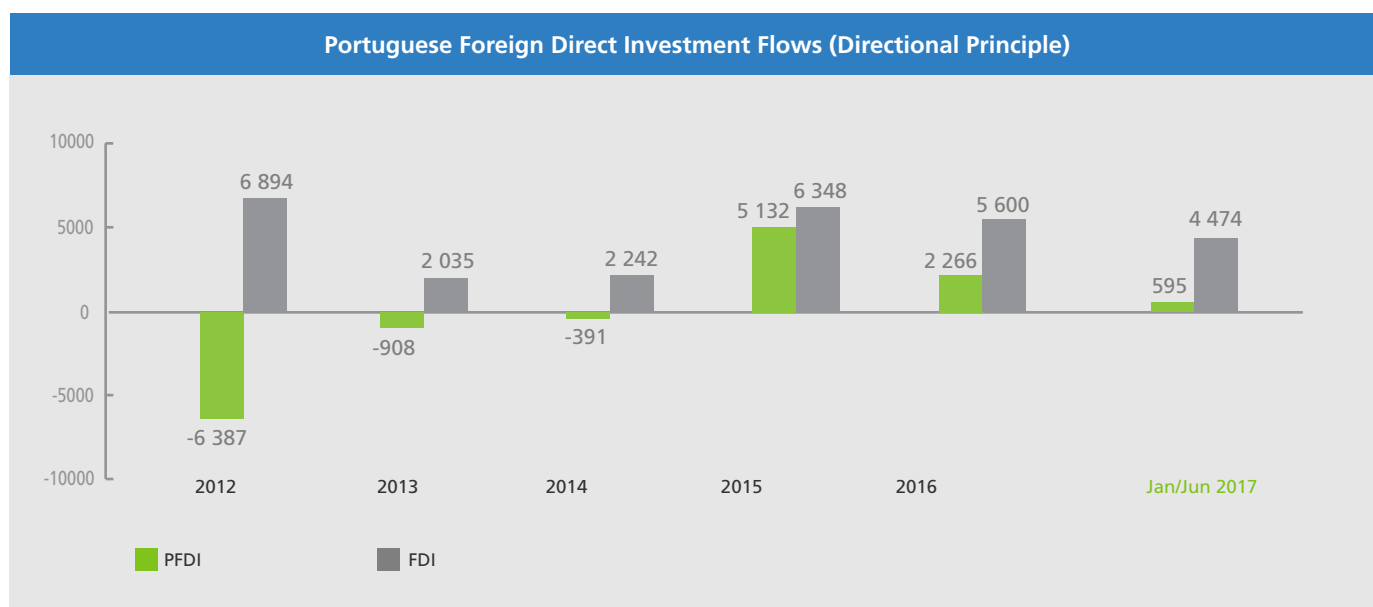
last five years were recorded in 2012. In this year FDI reached 6.9 billion Euros and in 2015 6.3 billion Euros. In the first half of 2017, the registered FDI value was around 4.5 billion Euros (+15.8% in comparison to the same period in 2016).

In 2016 Portugal’s external direct investment (PFDI), in net terms, was close to 2.3 billion Euros (-56% in comparison to the previous year), with the highest value seen, during the 2012-2016 period, in 2015 (close to 5.1 billion Euros). In the first half of 2017, PFDI reached around 595 million Euros (-44.1% in comparison to the same period in 2016).

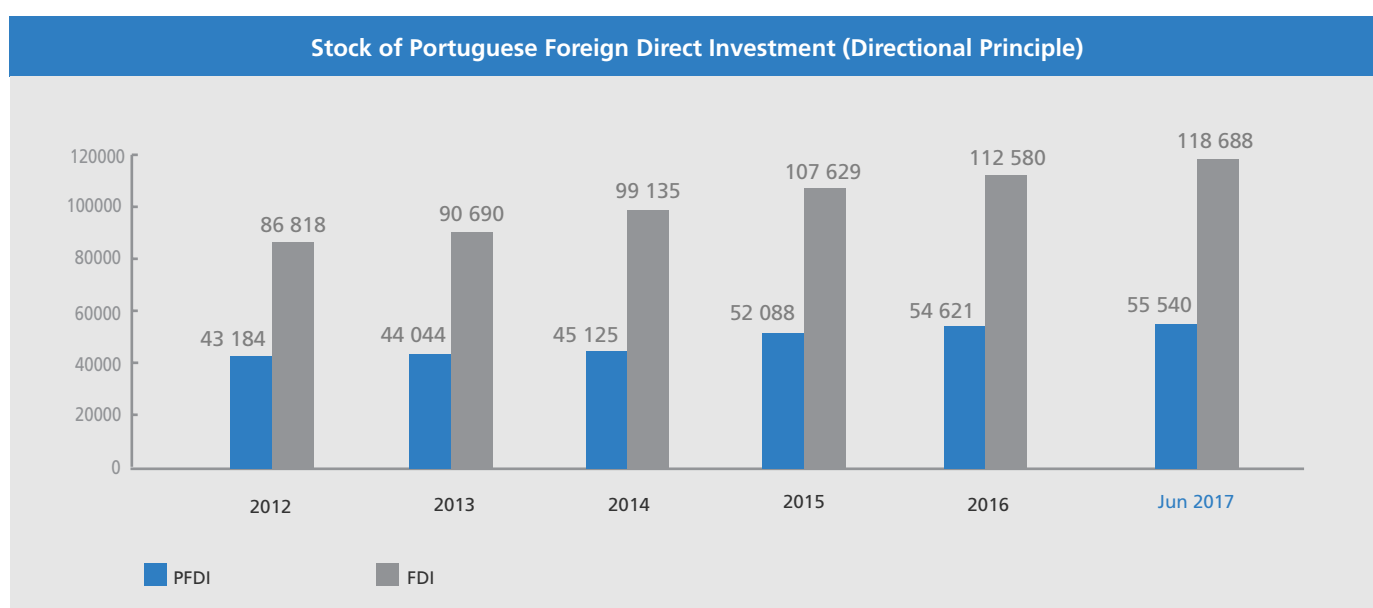
Portuguese external direct investment stock (Directional principle)

In terms of stock of Foreign Direct Investment (FDI) in Portugal, at the end of December 2016 there was around 112.6 billion Euros (+4.9% in relation to the amount registered in December 2015). At the end of June 2017, FDI stock in Portugal totalled 118.7 billion Euros (+6.9% in comparison to June 2016).

In the opposite direction, in December 2016 the stock of Portugal’s external direct investment (PFDI) represented close to 54.6 billion Euros. In June 2017, PFDI stock rose to 55.5 billion Euros (+5.4% in relation to June 2016).



Source: Banco de Portugal
Unit: Million of Euros (net values)
Note: Directional Principle: reflects the direction or influence investment, that is, Portuguese Foreign Direct Investment (PFDI) and Foreign Direct Investment in Portugal (FDI)



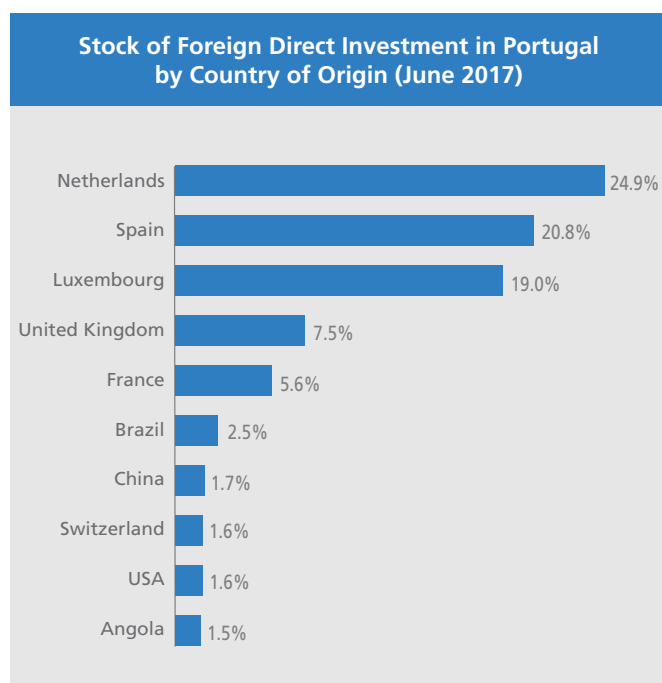
Source: Banco de Portugal
Unit: Position at the end of the period in Million Euros
Note: Directional Principle: reflects the direction or influence investment, that is, Portuguese Foreign Direct Investment (PFDI) and Foreign Direct Investment in Portugal (FDI)

Foreign direct investment stock in Portugal by country of origin (Directional principle)

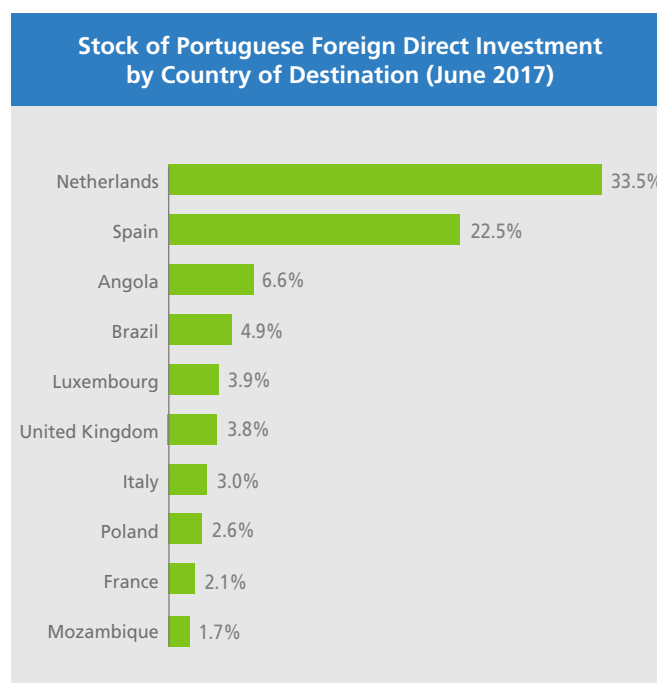
In accumulated terms the principle origin of FDI in Portugal came from the European Union, with quotas of 85.5% in June 2017, highlighting, within the intra-Community, the Netherlands and Spain (with 24.9% and 20.8% of the total respectively), Luxembourg (19%), United Kingdom and France (7.5% and 5.6% respectively). Within the non-EU countries (14.5% of the total), it is worth pointing out Brazil (with 2.5% of the total), China (1.7%), Switzerland and the USA (1.6% each) and Angola (1.5%).

Portuguese foreign direct investment stock by country of destination (Directional principle)

In accumulated terms the European Union was also the principle destination of PFDI, with a share of 75.3% in June 2017, highlighting within the intra-Community, the Netherlands and Spain (with quotas of 33.5% and 22.5% of the total, respectively), followed by Luxembourg (3.9%). Within the non-EU countries (24.7% of the total in June 2017), it is worth highlighting the following Angola, Brazil and Mozambique (with quotas of 6.6%, 4.9% and 1.7% respectively).



Source: Banco de Portugal
Unit: Position at the end of June 2017 (% of the total)



Source: Banco de Portugal
Unit: Position at the end of June 2017 (% of the total)

Tourism

Portugal has, over the last few years, improved its position in "The Travel & Tourism Competitiveness Index 2017" (WEF), being ranked 14th among 136 countries (7th in the EU).

In 2016, the Portuguese tourism trade balance was 8.8 billion Euros, having increased by 12.7% in relation to 2015. During the first half of 2017 the balance nearly reached 4 billion Euros (+25.7% year on year).

According to the Banco de Portugal, tourism revenue in Portugal has seen a sustainable growth during the period 2012-2016, having reached an annual average increase of 10.2%. In 2016, revenue nearly reached 12.7 billion Euros (value that represents about 16.7% of the total Portuguese exports of goods and services), registering a significant increase of 10.7% in relation to the previous year.

It is worth highlighting that in the first half of 2017, tourism revenue increased by 21% in relation to the previous year, reaching nearly 6.1 billion Euros.

The key markets generating tourism revenue to Portugal, in the first half of 2017, were the United Kingdom (with 17.5% of the total), France (14.5%), Spain (13.5%), Germany (11.7%) and the USA (5.3%), that together make up 62.4% of the total for this period.

These five markets registered significant increases. The following should be mentioned USA (+37.3% in the first half of 2017, in relation to the same period of the previous year), Spain (+23.4%),

Germany (+18.4%), the United Kingdom (+15.2%), and France (+13.1%). Also worth a mention is Brazil (6th market in relation to revenue with 4.5% quota, +58.1% in the first six months of 2017) and Switzerland (10th with 2.5% quota, +13.4%).

In terms of foreign bed nights, there was also an increase over the last five years, reaching 38.3 million in 2016 (+11.4% in relation to the previous year). The progress registered during the first half of 2017 showed an increase of 11.6% of bed nights in relation to the previous year, reaching 18.7 million.

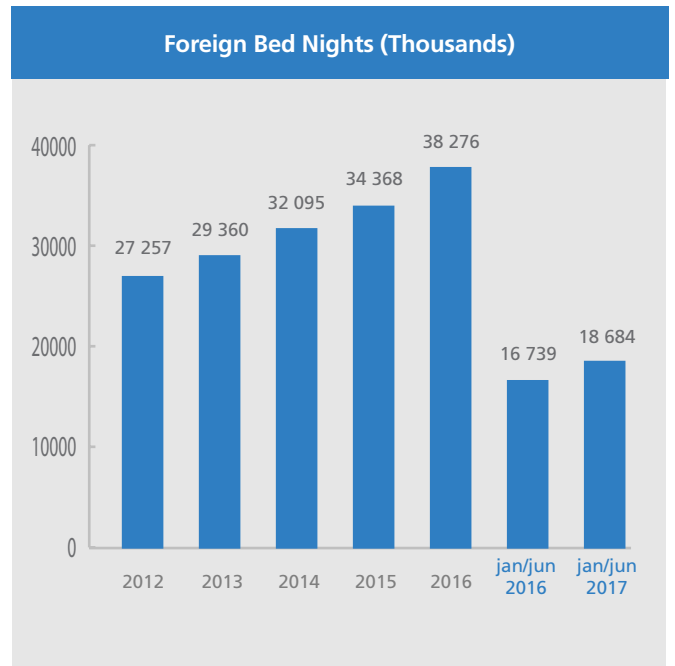
There are five countries that make up 61.6% of the total bed nights in hotels in the first half of 2017 - United Kingdom, Germany, France, Spain and the Netherlands - the bed nights that increased the most, in that period, were the German tourists (+9% in relation to the same period in 2016), British (+5.8%), Spanish (+4.9%), French (+4.4%) and Dutch (+3.6%). Even though the following markets, Brazilian and American, have a more reduced quota, the increase in bed nights were notable (+55.4% and +31.4% respectively, in relation to the first six months of 2016).

According to the World Tourism Organisation (*UNWTO World Tourism Barometer – August 2017*), in 2016 Portugal was the 25th world market (and 9th in the EU) in terms of tourism revenue and 30th market receiver, having registered 10.4 million tourist arrivals.

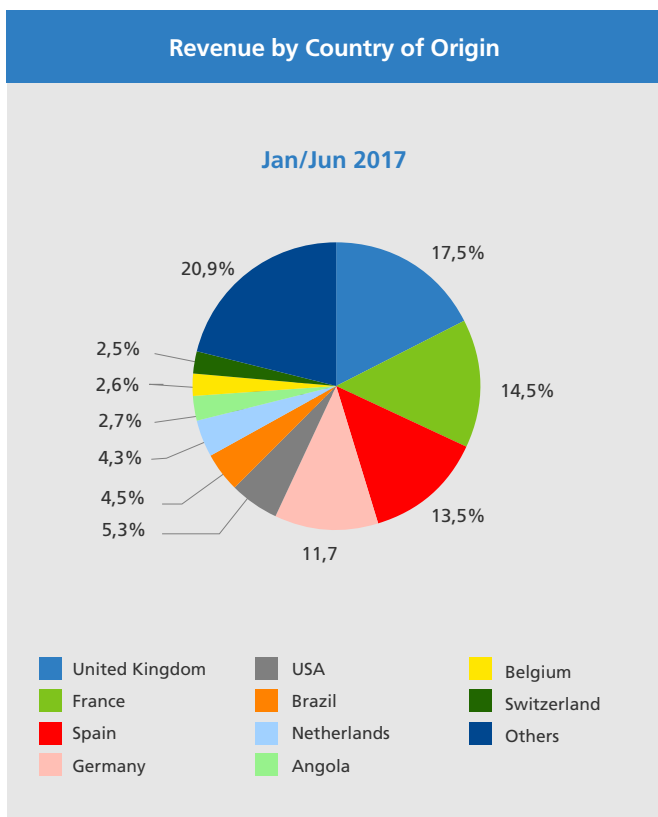
The Government's strategic plan for the tourism sector - "Estratégia Turismo 2027" – defines strategies, over a 10 year period, to double tourism revenue, to 26 billion Euros in 2027, and to increase the number of bed nights to around 80 million.



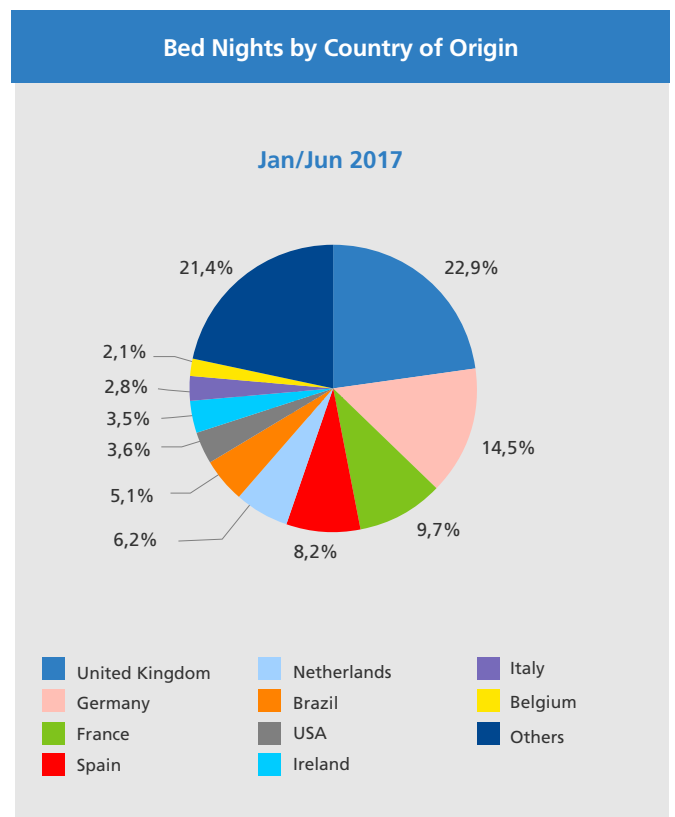
Source: Banco de Portugal



Source: INE - National Statistics Office
Note: Bed nights (of foreigners in official accommodation)



Source: Banco de Portugal



Source: INE - National Statistics Office

Better Competitive Advantages



● + Market

Portugal is an open door to a market of 500 million people in Europe and more than 250 million Portuguese speaking consumers.

● Better Technology

Portugal is a Top Country in providing technological services.

● Better Infrastructures

Portugal ranks #13 among 137 countries in quality of overall infrastructures.

● Better Skills

61% of Portuguese people speak at least 1 foreign language.

● Better Quality Of Life

Portugal is not only a good country to invest in but also a great place to live and enjoy. Safe, sunny, with unique nature, rich leisure and cultural amenities, and with high quality healthcare facilities.

● Better Talent

Portugal has a strong, flexible, committed and productive workforce with a high level of education in business-oriented areas.

● Better Location

Portugal has a privileged location to reach relevant markets.

● Better FDI Track Record

Satisfied customers.



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