

# Doing business in Portugal

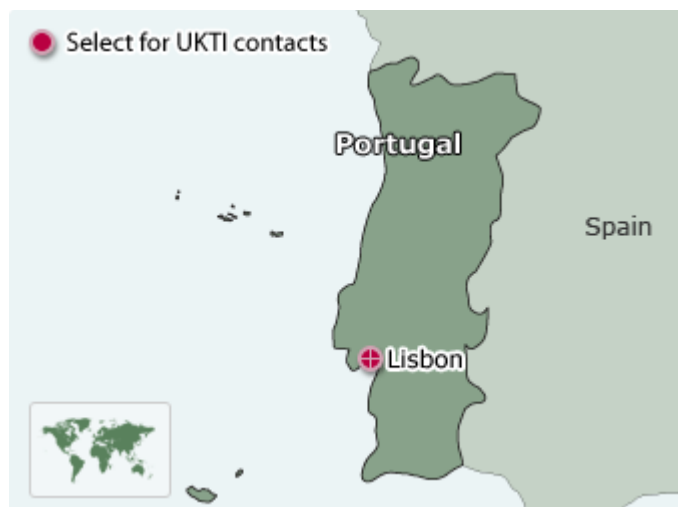


## Are you a member of a UK company wishing to export overseas?

### Interested in entering or expanding your activity in the Portuguese market? Then this guide is for you!

The main objective of this **Doing Business Guide** is to provide you with basic knowledge about Portugal; an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular will find it a useful starting point.

Further assistance is available from the UKTI team in Portugal. Full contact details are available at the end of this guide.



#### **Important Information - Sanctions and Embargoes**

Some countries maybe subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available on the [Businesslink site](#)

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# Introduction

Portugal is situated on the Southwest of Europe, in the Iberian Peninsula. Its geographical neighbours are Spain and the Atlantic Ocean (the continental coastline is 1,230 km in length).

Since joining the EU in 1986, Portugal has developed tremendously, striving to catch up with its European partners and develop its international trade.

The UK's alliance with Portugal is older than any other and began with a Treaty in 1373. The "oldest alliance" operates in modern times as well. Over 2 million British tourists visit Portugal every year and around 80,000 British nationals are part-time or permanent residents. There are an estimated 300,000 Portuguese nationals living and working in the UK.

Portugal is currently the UK's 11th largest export market in the EU and 28th worldwide, with sales of goods and services of £1.6bn in 2010. Links between the two countries have always been strong and bilateral trade is worth around £3bn.

## Strengths of the market

In brief these are:

- Open Economy, used to imports, early adopter of new technologies.
- English widely spoken & accepted as business language.
- Same time zone as UK.
- Low-cost flights from UK to Lisbon, Oporto, Faro, Funchal.
- Entry route to other Portuguese speaking markets (namely Brazil, Angola).
- Portugal is the UK's 11th largest export market in Europe (and 28th worldwide).
- UK is Portugal's 6<sup>th</sup> largest source of imports.
- 25% of tourists visiting Portugal are from the UK and there are more than 80,000 UK residents in Portugal.

## Opportunities in Portugal

Portugal has been benefiting from a major injection of EU funding to bring its infrastructure up to the standards of other EU countries.

The country has already received a larger part of the 22.5 billion Euros in funding granted by the EU for the period of 2007-2013. Infrastructure schemes planned included thousands of kilometres of new motorways; upgrading of main railway lines; redevelopment of the ports of Lisbon, Oporto and Setubal; expansion of the Lisbon underground system and building a new light railway in Porto; modernising the water system; improvements to post and telecommunication systems; and new hospitals, schools and housing. Though many of these projects are now completed, some are still in a development stage or on hold due to the recent economy developments. The Government is trying to renegotiate the use of EU funds under the current multiannual financial framework.

Despite the widely-reported economic crisis, Portugal still presents opportunities for both large and small UK companies. Priority sectors identified by UK Trade & Investment are:

- **Airports**
- **Healthcare**
- **Railways**
- **Renewable Energy**
- **Communications**
- **Environment**
- **Food & Drink**
- **Ports**
- **Security**
- **Tourism**
- **Financial Services**

In addition, there are other sectors which present good opportunities for business, including: ICT, Education & Training, Pharmaceuticals, Creative & Media, Marine, Construction and Aerospace.

### Why Portugal? Why now?

Many firms will ask why they should look at Portugal at this time. Here are a couple of reasons why.

#### Productivity, Competitiveness

One solution everyone agrees on – Portugal (like the UK) has to grow its economy. And new technologies are the key to this growth, to provide the jump in productivity and competitiveness that companies need (especially for export markets). And this is recognised by those Portuguese companies who will survive – unlike in previous recessions, this time they have not cut their investment budgets for new technologies (over €3billion in ICT alone in 2011, including €1billion in next generation fibre-optic networks). Linked to this is the long-term strategic objective to position Portugal as a leading example of a low carbon economy – over 50% of energy is already generated from renewables; 30k homes have smart metering installed in a large-scale pilot; and a single charging & billing platform for EVs is in place (like the banking ATMs), which is now being commercialised globally.

Although Portugal is currently complying with a bail out agreement signed with the IMF/ECB/EU, which will lead to a profound structural change in Portugal, we believe this will offer immediate businesses opportunities for UK companies in certain sectors eg professional services. The UK is well positioned to share with Portugal its experience with structural reforms, privatization and regulation. These changes will no doubt lead to the delivery of early investment and supply opportunities in certain sectors and longer term, the commercial benefits of a more productive and competitive economy.

#### New Markets = New Partners

Portugal is a starter-market to new exporters. There are a number of UK companies that choose Portugal for their first international experience, mainly driven by its openness, language skills, proximity and a good business partner for other parts of the world.

The best Portuguese companies are looking to **grow through exports**. This is not just a chance for UK firms to help them into their own market – it's a much bigger opportunity for them to **partner with Portuguese companies into other markets**. Brazil is an immediate destination, with many successful Portuguese subsidiaries already established. Angola, with it's high growth but complex structures, is another. And similarly, with Portuguese partners UK companies can enhance their exports into their target markets, such as India, Malaysia, Eastern Europe.

### Trade between UK and Portugal

Most of Portugal's trade is with countries in the European Union.

Portugal is the UK's 11<sup>th</sup> largest export market in Europe (and 28<sup>th</sup> worldwide), with sales of goods & services of £1.6bn in 2010. Links between both countries have always been strong and Britain is in the top 5 largest investors in Portugal (after Germany and France, and followed by Spain and the Netherlands). The UK was also Portugal's 6<sup>th</sup> largest source of imports in 2010.

The main products imported by Portugal include machinery and tools, mineral fuels, vehicles and transport-related materials, common metals, agricultural products, chemical products, plastic and rubber materials and food products. Overall the country's main suppliers are Spain, Germany, France, Italy, the Netherlands and the UK.

#### Trade statistics – Top 10 UK Exports to Portugal in 2010

Description	£million
Petroleum, related products and materials	236.4
Road vehicles	153.3

Medicinal and pharmaceutical products	137.6
Gas, natural and manufactured	120.0
Miscellaneous manufactured articles	84.8
Electrical machinery, apparatus and appliances	76.5
Metalliferous ores and metal scrap	72.9
Cereals and cereal preparations	61.2
Beverages	56.6
Iron & Steel	53.6

## Economic Overview

With a population of 10.6 million and a GDP of €172.837 million (2010) Portugal saw its economy expand rapidly since its accession to the EU in 1986 and until recent years.

The Portuguese economy is currently under pressure. Dragged into the eurozone sovereign debt crisis, Portugal has been facing increasing difficulties to access financing; and it is still suffering the impacts of the global economic downturn which brought to light some major structural problems which hinder competitiveness, and a large external imbalance. In the face of rising liquidity constraints to the sovereign and banks, the Portuguese Government negotiated a €78bn financial assistance package ('bail-out') with the EU and IMF.

Despite better-than-expected growth in 2010, on the back of strong exports, Portugal's economy will enter a recession in 2011 and 2012, as the unprecedented fiscal adjustment and widespread austerity measures arising from the macroeconomic adjustment programme (MoU) agreed with the European Commission/ECB/IMF 'troika' are implemented.

Low productivity is the key economic problem. The new Government is fully committed to implementing the MoU, which contains a comprehensive set of structural measures, including enhanced flexibility in the labour market; greater competition in products and services; a more efficient justice system; a smaller role for the State (including a vast privatisation programme). Although the measures appear to go in the right direction, sustained improvements should only come over the medium to long-term.

Under the current fiscal environment, public investment will play less of a role. Some of the largest infrastructure projects have been or are likely to be put on hold (the new Lisbon airport, the high-profile TGV link with Spain, etc.). And the Government is trying to renegotiate the use of EU funds under the current multiannual financial framework.

The consolidation of **clusters on key strategic sectors** will remain a priority, notably on life sciences, ICT, tourism and, above all, renewable energies. On the latter (where strong bilateral links exist, on both policy and business fronts), they aim at being amongst the top 5 in Europe in terms of the share of renewables in the energy mix; becoming self-sufficient in electricity production and consolidating an industrial/R&D cluster on wind, wave and solar.

The Government has emphasised that trade and investment will be key to overcoming the current crisis and is proactively looking into strengthening commercial links with its current trade partners in Europe, but also with other markets, such as the Portuguese speaking countries which include Angola and Brazil.

As far as the **standard of living** is concerned, following a period of strong catching-up to EU standards throughout the 90's, the real convergence process has come to a halt in recent years. GDP per head (2010) is €16.300. The minimum wage (monthly) is €485 (approximately £430). The average monthly wage is around €900 (approximately £812), excluding self-employment.

Portuguese industry is characterized by small and medium enterprises. 85% of them average 15 employees or less and many are still family-owned. Following the 1974 revolution many of the country's major industries, both manufacturing and services, were taken into public ownership. Since 1987 a series of privatizations has returned most back to private ownership, and in some

cases to former owners. The State still retains a handful of large concerns, which it intends privatising as soon as possible.

For additional information on Portugal's economy you may also wish to check the following sources:

[World Bank's Country Profile for Portugal](#)

[OECD's Country Pages](#)

[IMF's Country Information](#)

[Portuguese Government Official Portal](#)

[Portuguese National Statistics Institute - INE](#)

[Bank of Portugal](#)

## Population

The current population of Portugal is approximately 10.636 million. Portugal has gone from having one of the highest birth rates in Europe to one of the lowest. The population shows a sharp ageing trend, with 15.3% of the population under 15 years of age, 67.1% of working age and 17.6% over 65.

Most of the population live in the Northern 2/3rds of the country and the main urban centres are concentrated along the Atlantic coast. A high, albeit diminishing, proportion is still rural, living in settlements of less than 2,000 people.

## Political Overview

Portugal is currently ruled by a centre right coalition government formed by the Social Democratic Party (PSD) and the Christian Democratic Party (CDS). The PSD leader Pedro Passos Coelho is Prime Minister, and the CDS leader Paulo Portas is Foreign Minister. The two parties together achieved an overall majority at the 5 June 2011 early general election, which resulted in a massive defeat for the previous Socialist Government which was forced to request a €78b IMF/EU bail-out due to rapidly deteriorating financial and economic conditions.

President Cavaco Silva has been re-elected for a second term of office in January 2011. He is an economics professor and former leader of the Social Democratic Party. The implementation of the IMF/EU bail-out programme, involving severe austerity measures and tight deadlines, will be the main challenge for Portugal and its Government over the next three years. The programme focuses essentially on financial stabilisation, structural reforms (civil service, labour market, justice, education and health), privatisations and economic recovery.

## Portugal's Autonomous regions

Portugal has two Autonomous Regions that have their own parliament, government and administrative apparatus: Madeira and Azores.

### MADEIRA

Madeira (consisting of the islands of Madeira and Porto Santo) as an autonomous region of Portugal, offers opportunities within certain niche sectors. Although the economy is primarily based around tourism and agriculture, Madeira does offer some potential for UK companies, especially for those already exporting to mainland Portugal. The island also benefits from its position as an [International Business Centre](#) (which activities include an International Free Trade Zone and an Offshore Financial Centre).

Madeira's Industrial Free Trade Zone consists of an industrial park located in the eastern end of the island in the village Canical approximately 30km from Funchal. All industrial and commercial activities are permitted within the limited area of the free trade zone, subject to the preservation of the natural environment and to the standard rules of public health and national security.

### AZORES

As an autonomous region of the Portuguese Republic, the Azores has its own political administrative statute, which allows a large measure of financial and administrative freedom from the mainland. A regional assembly is elected from the Azores three administrative districts, which

are named after their capital cities: Ponta Delgada, Angra do Heroísmo and Horta (located on Faial).

## Getting here and advice about your stay

### FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice [please visit the FCO Travel section](#)

## Getting here

### By air

Most European and many international airlines operate services to the main international airports in Portugal in Lisbon, Oporto, Faro, Funchal (Madeira) Ponta Delgada (S. Miguel, Azores) and Lajes (Ilha Terceira, Azores).

### At the airport

Taxis from Lisbon airport into the city centre cost around €20-€25, with a single charge of approximately €3 for luggage. The journey may take up to take 30-45 minutes. Alternatively the Aerobus Shuttle service between the airport and the city costs approximately €4 and departs every 20 minutes.

### Visas

EU residents do not require a visa to enter Portugal but should hold a valid passport.

### Your stay

The [Portuguese Official Tourism Website](#) can help you plan your trip.

## Preparing to export to Portugal

In most cases doing business in Portugal requires local representation in the form of an agent or distributor.

The appointment of a local partner/representative will only be the first step. Portugal is a market in which family structures predominate in the business environment, and where personal relationships therefore are important. This requires an investment primarily of time and personal presence. Likewise, product training for the agent's workforce is essential, as are regular updates on developments, modifications, competitor activity etc. Therefore regular visits to the market, especially during the early phase, are an important part of a successful interaction with the agent / distributor.

British companies wishing to approach the Portuguese market are advised to undertake as much market research and planning as possible in the UK.

UKTI's team in Portugal can provide a range of services to British-based companies wishing to grow their business in the Portuguese market. Our services include the provision of market information, validated lists of agents/potential partners, key market players or potential customers; establishing the interest of such contacts in working with the company; and arranging appointments. In addition, they can also organise events for you to meet contacts or promote a company and its products/services.

You can commission these services under which are chargeable and operated by UK Trade & Investment (UKTI) to assist British-based companies wishing to enter or expand their business in overseas markets. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning work, please contact your local UKTI office. See [www.ukti.gov.uk](http://www.ukti.gov.uk)

Companies wishing to set up a local base may also benefit from support and advice by the UKTI Section of the British Embassy in Lisbon. The [British-Portuguese Chamber of Commerce](#) (BPCC) and the [Portuguese-UK Chamber - Portuguese UK Business Network](#) can also help with useful advice and contacts.

# How to do business in Portugal

## What companies should consider when doing business

Portugal has been an EU member since 1986, so European business practises and standards generally apply.

## Gateways/Locations – Key areas for business

Although Lisbon and Oporto are the two largest commercial centres (with a population of over 2.5 million and 1.5 million, respectively), there are industrial clusters and R&D centres in other major cities, including Braga (home to the Iberian International Nanotechnology Laboratory), Évora (where there are plans for the development of an Aerospace cluster), northern cities where the textile industry is very strong, and others.

## Market entry and start up considerations

British companies can approach the Portuguese market in several ways:

- Export direct;
- Set up an agency;
- Appoint a distributor;
- Form a joint venture or manufacture under licence agreement with a Portuguese company or they can acquire all or part of a Portuguese company.

In the case of direct exports it is advisable to have a local representative either on a commission basis or as an importer/distributor.

Joint venture partnerships and acquisition options are chosen by many foreign companies seeking a market share. The success in this form of relationship will very much depend on the nature of the product/service and the level of domestic competition. Portugal is a small market so personal acquaintances are important. Having Portuguese partners is recommended in establishing your own business. Personal contact with potential and existing clients and regular visits to the market are vital.

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## Advertising & Sales Promotion

The most successful types of advertising in Portugal are television and radio commercials, advertisements published in daily newspapers, magazines and in specialised trade directories. British Exporters should consult their Portuguese representative before embarking on a comprehensive advertising campaign. There are some fifty advertising agencies in Portugal, some specialising in television, others in radio commercials and direct mailing.

The Portuguese advertising standards authority is [ICAP](#) (Institute of Advertising Self-Regulation). British exporters are advised to consult their advertising agents before starting an advertising campaign.

Internet usage is currently lower than in some other European countries, but has increased considerably in recent years, especially with the investment being made by both the private and

public sector in broadband. However less than half of small-sized companies have their own website.

### Customs and Regulations

Portugal is a member of GATT, WTO and the European Union. If goods are produced in the UK (or in any other EU member state) they are not liable to pay import duty on entry into Portugal. If goods have entered the EU from a non-member country and had any necessary import duty paid on them, they can enter Portugal without any further import duties being levied.

### Legislation and Local Regulations

Companies are always advised to seek legal/taxation advice before entering into a joint venture or similar type of partnership. Lists of local lawyers and chartered accountants are available on request from the UKTI Section of the British Embassy in Lisbon.

'Honeymoon' periods of between 6 months and 1 year are recommended prior to signing lengthy agency contracts. The legal system is complex and slow.

### Local Regulations

Foreign investment has contributed greatly to the modernisation and globalisation of the Portuguese economy. There are no obstacles to capital coming into the country nor are there any restraints on the repatriation of profits, dividends or capital by non-residents.

Foreign investors only need to register their transactions with the relevant Portuguese authorities: AICEP - Agência para o Investimento e Comércio Externo de Portugal in the mainland; the Regional Secretariat of Planning in the autonomous regions of Madeira and the Azores - for data collection purposes.

Information relating to investment/tax treaties may be obtained through [AICEP - Business Development Agency](#) or directly through the [Ministry of Finance](#).

### Taxes

As of 1 January 1986 Portugal abolished all taxes and surcharges which were imposed prior to accession to the EU and introduced VAT (IVA).

The standard rate of VAT is currently 23% (the reduced rate is 6% and the parking rate is 13%). The VAT rate for goods imported into Madeira and the Azores (although treated in exactly the same way as those imported into mainland Portugal) is 16%.

For further information and enquiries please contact the Portuguese VAT Division (International Relations Service Office): Tel: +351 213 834 200 - Email: [dsri-duvidas@dgci.min-financas.pt](mailto:dsri-duvidas@dgci.min-financas.pt)

Relevant information on the Portuguese Tax System, namely on the conventions for the avoidance of double taxation is available at the [Portuguese Ministry of Finance](#) website.

### Responding to Tenders

In Portugal all major public projects select their suppliers of products and services through public tenders, published in [Diário da República](#), the Portuguese Official Government Gazette.

Projects which are considered an opportunity for UK companies will be published on the [UKTI website](#), under the 'Business Opportunities' section.

### Recruiting and Retaining Staffing

The local recruitment industry is well developed. Companies such as, Manpower, Hays, Stepstone and Grafton have a permanent base in Portugal. The UKTI Section of the British Embassy in Lisbon keep an up-to-date list of recruitment agencies which they can supply to companies free of charge.

The structure of the working population by economic sector shows an increase in the number employed in the services sector, which employ more than 50% of the total workforce against a decrease of 10% in the number employed in agriculture.

Portuguese workers are known for their dedication, flexibility and hard work. They are also skilled workers, highly productive and receptive to innovation and change. Local labour costs in Portugal are below those of other EU countries. The normal social security rate is 11%.

## Documentation

Goods which are in free circulation within the European Union (i.e. those which are not liable to pay customs duty in the EU as they either originate there or the duty has already been paid) can move between Member States without any documentation. This does not apply to excise or controlled goods which still need documentation.

However it is advisable to still send normal commercial documentation with the export (e.g. invoices, packaging lists) for despatches to Portugal.

## Labelling and Packaging Regulations

### Labelling

In 1986 the Portuguese Government passed a general law (Decree Law 238/86 of August 1986) stipulating that the Portuguese language must be used on all labels, packaging, brochures, catalogues, instruction manuals, trade literature, contracts, advertising, invoices, receipts, price-lists and all or any other printed or verbal material in any way relating to the provision of goods and services in the Portuguese market.

Between the 1970's and the present time, a plethora of specific laws have been passed regulating the provision of specific goods or services, but all have been unanimous in stipulating that the description of such goods or services must be in the Portuguese language. Following some controversy over this issue legal advice was sought with the conclusion that the Portuguese consumer is entitled to full information on the product or service on offer and the information must be provided in the Portuguese language. The legal opinion even goes as far as stipulating that the words 'Made in...' must be translated into 'Fabricado em...'.

From the UK exporter's perspective a label containing the requisite information in the Portuguese language, may be affixed over the original label - but the lettering must be the same size (or larger) than on the original label. The labels in Portuguese only need to be affixed prior to the goods being put up for retail sale.

### Packaging

With regard to packaging, from 1 January 1998 Portuguese legislation came into effect for the prevention and reduction of the impact which packaging is having on the environment (in particular consumer goods packaging). There are two options open to companies supplying to the Portuguese consumer goods market:

- Sale and return of packaging against deposit;
- Join the 'Green Point' scheme run in Portugal by [Ponto Verde](#) (a private non-profit making organisation that was set up to promote the selective collection, take-back and recycling of packaging waste in Portugal).

## Getting your Goods to the Market

The main options for Portugal are road, airfreight, sea-freight, post, air parcel post and express or courier service and rail freight. For all methods, except post, it is often easier to use a freight forwarder. Forwarders should be approached in the early stages of market research rather than waiting until the goods are ready to go.

For further information on freight forwarders operating in Portugal, contact the [Associação dos Transitários de Portugal](#).

## Standards and Technical Regulation

The Portuguese Standards/Technical regulatory authority is the [Instituto Português de Qualidade](#).

## Intellectual Property Rights

The [National Institute of Industrial Property](#) (INPI) is the Portuguese entity responsible for “the grant and protection of Industrial Property rights on a national and international level, in collaboration with the international organisations of which Portugal is a member, and also, processing and publication of patented technical and scientific information.” The INPI is under the supervision and guidance of the Minister of Justice.

The [Cultural Activities General Office](#), (IGAC), is the Ministry of Culture department responsible for Copyright and Intellectual Property in Portugal.

# Business Etiquette, Language and Culture

In general, Portuguese business people will speak reasonable English, and if they do not, they will let you know. But until it is clear that that person is fluent, it is advisable to speak clearly, slowly and without resorting to idiomatic expressions which may be difficult to understand for a non-native speaker.

The customary forms of address are *o Senhor* for men and *a Senhora* for women. The forms *o/a senhor/a doutor/a*, *o/a senhor/a engenheiro/a*, *o/a senhor/a arquiteto/a*, are often used, corresponding to the university qualification of the addressee (Bachelor degree, degree in engineering and degree in architecture, respectively). Letters should begin *Exmo./a. Senhor/a* (Dear Sir/Madam).

Depending on the type of company you will be in contact with, the relationship (even between colleagues) may be more or less formal. But in general, the Portuguese are relaxed about etiquette and attribute a higher value to how polite and considerate you prove to be.

People won't be surprised or offended if you do not know how to pronounce their name correctly, but will always be impressed if you try!

## Language

In general, English is widely spoken in Portugal, and by far the favoured second language used in the field of commerce.

Whilst it is preferable for written correspondence to be in Portuguese, it may also be conducted in English or French. Companies should avoid the use of Spanish. Trade literature should be in Portuguese.

A list of local translators and interpreters is available on request from the UKTI Section of the British Embassy in Lisbon.

## Meetings and Presentations

As in other countries, more than anything it is important to target the right person in your contacts, the decision-maker. It is also preferable to establish new business contacts via an introduction by mutual contact, someone the company already knows and trusts.

Portuguese normally prefer to have face-to-face (and often long) meetings, than keep to contacts by phone or email, which are seen as more impersonal. Portuguese generally also enjoy discussing business over a lunch meeting.

Appointments should be made at least with 1 or 2 weeks in advance, and confirmed a few days before the actual meeting. Punctuality is not a strong feature.

## Negotiations

When negotiating, companies will respond to your approach in an equal manner. Therefore, if a potential partner demonstrates flexibility and willingness to commit, they will gladly put the same effort into the partnership.

As mentioned, the success in any business relationship will very much depend on the nature of the product/service and the level of domestic competition given that Portugal is a relatively small market. But developing a personal relationship with a Portuguese partner can be just as significant as the product or service offering itself.

Personal contact with potential and existing partners/clients and regular visits to the market therefore of the utmost importance and it is natural for the business relationship to be built with time.

## What are the challenges?

As a member of the European Union, and an old trading partner of the UK, Portugal does not present major challenges to UK companies wishing to develop trade.

However, there may be some specific issues which British companies should consider, namely as far as language and terms of payment are concerned.

### Getting Paid – Terms of Payment

Credit is an important feature of the market. Many companies work on 90-120 days (this number tends to increase in State/Public Administration payments) and the method of payment is usually agreed when negotiating the contract. Open account is often used as payment method (Swift, bank draft and cheque).

It is advisable to quote in Euros. Large importers are more likely to want to use the Euro early on, given the advantages of lower transaction costs and transparent pricing between euro-zone countries.

Payment and accounting systems are more advanced in the financial sector and in large businesses than in small and medium-sized businesses.

Lists of local lawyers and chartered accountants are available on request from the UKTI Section of the British Embassy in Lisbon.

# How to Invest in Portugal

Portugal joined the European Union in 1 January 1986. Since accession, Portugal has been a major beneficiary of EU funds, which have enabled the Government to invest in large infrastructural projects.

At present, the UK is in the top 5 largest investors in Portugal, after Germany and France, and followed by Spain and the Netherlands.

Considerable investments continue to be made throughout Portugal in order to improve links with the rest of Europe. Rail networks are expected to be upgraded and expanded in integration with port facilities to improve connections with the Spanish border. Other future projects include the privatisation of Portugal's national airline TAP announced for 2011 and the privatisation of the airports authority ANA with an impact on the possible construction of a new Lisbon airport.

Major UK investors include GlaxoSmithKline, Vodafone, Barclays, BP, Logica, Scottish & Newcastle, United Biscuits, Unilever and Arriva.

## Financial Assistance

There are a number of incentives to encourage both local and foreign investment in Portugal. Primarily EU funded, these incentives are aimed at upgrading the country's infrastructure. Incentives are available to industry, but there is also a wide range of other EU incentives available to specific sectors such as energy, commerce, agriculture, fishing and tourism.

Incentives for training are also available under the European Social Fund. Conditions for application are governed by specific legislation for each incentive programme. The value of the incentive to be granted will be based on the technical evaluation of the project and on the Government's strategic plan.

[AICEP – Business Development Agency](#) is the single point of contact for strategic investment projects in Portugal. The Agency provides a one-to-one service throughout all the investment process. It supports projects involving tradable goods and services, generating high value added outcomes and that leverage on endogenous resources and capabilities. AICEP deals specifically with large projects/investors and is also responsible for receiving all applications from international investors.

The Agency will direct projects that do not fall under its area of intervention to other competent entities such as [IAPMEI](#) that also manages investment incentives.

A combination of tax and financial incentives may be negotiated by foreign investors with projects that (a) involve investment in an internationally-mobile production unit (b) cost more than 24.9m Euros and (c) contribute to the innovation and modernisation of Portuguese industry. Tax benefits may also be granted to investments not exceeding 24.9bn Euros provided they contribute to the internationalisation of Portuguese companies or to the reconversion, modernisation, merger or concentration of companies located in regions which are affected by the economic and social impact of industrial restructuring.

The banking system includes the Central Bank, the [Bank of Portugal](#); commercial and investment banks and savings institutions, most of which are now privately owned following privatisation. Only 'Caixa Geral de Depositos', the largest savings bank, remains in Government hands. Barclays Bank has over 110 branches throughout Portugal.

## Contacts

If you have a specific export enquiry about the Portuguese market which is not answered by the information on this report, you may contact:

### UK Trade & Investment Enquiry Service

Tel: +44 (0)20 7215 8000

Fax: +44 (0)141 228 3693

Email: [enquiries@ukti.gsi.gov.uk](mailto:enquiries@ukti.gsi.gov.uk)

You will be signposted to the appropriate section on our website or transferred **at local call rate** to the British Embassy in Lisbon.

Otherwise contact the team in Portugal directly:

### UKTI Trade & Investment Portugal

#### British Embassy in Lisbon

Rua de São Bernardo, 33

1249-082 Lisbon

Portugal

Tel: 00 351 213 924 000

Fax: 00 351 213 924 186

Email: [uktradeinvest.lisbon@fco.gov.uk](mailto:uktradeinvest.lisbon@fco.gov.uk)

We have 9 staff working at the British Embassy in Lisbon dedicated to helping British exporters win business in Portugal, as well as assisting Portuguese investors to the UK. The following provides details of the UKTI staff in Lisbon and the main sectors they cover:

#### Renata Ramalhosa, Director for UKTI Portugal

#### Frederico Lyra, Trade & Investment Assistant

Sectors: Creative Industries, Energy, Environment & Water

Email: [renata.ramalhosa@fco.gov.uk](mailto:renata.ramalhosa@fco.gov.uk) /

[frederico.lyra@fco.gov.uk](mailto:frederico.lyra@fco.gov.uk)

Tel: +351 213 924 057 / 068

#### John Goldsbrough, Trade & Investment Officer

#### Zélia Henriques, Trade & Investment Assistant

Sectors: Advanced Engineering, Aerospace, Automotive, Agri-Technology, Financial Services, ICT, Tourism

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#### Paulo Coimbra, Trade & Investment Officer

#### Cláudia Luís, Trade & Investment Assistant

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Tel: +351 213 924 058 / 059

#### Ana Cristina Abreu, Investment & Trade Officer

#### Manuela Rocha, Trade & Investment Assistant

Sectors: Education, Food & Drink, Healthcare

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[manuela.rocha@fco.gov.uk](mailto:manuela.rocha@fco.gov.uk)

Tel: +351 213 924 065 / 056

#### Investment Team

#### Ana Cristina Abreu, Investment & Trade Officer

#### Emília Baptista, Investment Assistant

Sectors: All sectors

Email: [ana.abreu@fco.gov.uk](mailto:ana.abreu@fco.gov.uk) /

[emilia.baptista@fco.gov.uk](mailto:emilia.baptista@fco.gov.uk)

Tel: +351 213 924 065 / 061

## Other useful contacts

The [British-Portuguese Chamber of Commerce](#) (BPCC) is also dedicated to supporting UK companies in the Portuguese market, offering a range of services to assist their associate members. Their website provides comprehensive information on the country, its economy, culture and business etiquette.

### **British-Portuguese Chamber of Commerce - BPCC**

Rua da Estrela, nº 8  
1200-669 Lisboa  
Tel: +351 213 942 020  
Fax: +351 213 942 029  
Email: [info@bpcc.pt](mailto:info@bpcc.pt)  
Website: [www.bpcc.pt](http://www.bpcc.pt)

The [AICEP - Business Development Agency](#) is the entity responsible for investment promotion and large scale investor support in Portugal. In the "Invest in Portugal" section you will find a link to an Investor's Guide containing further information.

### **Agência para o Investimento e Comércio Externo de Portugal - AICEP**

Avenida 5 de Outubro, 101  
1050-051 Lisbon, Portugal  
Tel: + 351 217 909 500  
Contact Centre: +351 808 214 214  
Email: [aicep@portugalglobal.pt](mailto:aicep@portugalglobal.pt)  
Web: [www.portugalglobal.pt](http://www.portugalglobal.pt)

Portugal is an open market and therefore presents good opportunities for UK companies to export and internationalize and, more crucially, can be an important test market for new exporters. Apart from this, Portugal can also be a springboard for UK companies wishing to enter other Portuguese-speaking markets, such as Angola, Mozambique and Brazil.

[UK Trade & Investment](#) can help you make the most of these opportunities and help you plan your approach to the market. You may find out more about the range of services available to UK companies trading internationally through your local International Trade Team.

**We hope that you have found this guide useful. For further information, please contact your International Trade Adviser or one of the UKTI team in Portugal.**

#### **IBERIA: A Key Destination For Your Business In Europe Spain and Portugal offer business opportunities as a single market**

There are considerable opportunities in a number of sectors for British companies to develop a successful business. These include agri-technology, environmental technologies, ICT, life sciences, financial services, leisure and renewable energies.

#### **Access to Spanish and Portuguese markets through one team**

The UKTI's teams in Portugal and Spain have been integrated into one team, **UKTI Iberia**, to offer better and more cost effective services to British companies and foreign investors. UKTI Iberia's offices in Lisbon, Madrid, Barcelona, Bilbao and Seville provide coordinated services in all of the key markets across the whole of the Iberian region. Those services include the provision of market information, validated lists of agents/potential partners, access to important market players and potential customers, visit programmes and the organisation of promotional events.

## Resources/Useful Links

### Country Information:

#### BBC Website

[http://news.bbc.co.uk/1/hi/country\\_profiles/default.stm](http://news.bbc.co.uk/1/hi/country_profiles/default.stm)

#### FCO Country Profile

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/>

#### EU Points of Single contact

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

#### Culture and communications

CILT – National Centre for Languages - Regional Language Network in your area:

[http://www.cilt.org.uk/workplace/employer\\_support/in\\_your\\_area.aspx](http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx)

Kwintessential culture guides:

<http://www.kwintessential.co.uk>

#### Customs & Regulations

HM Revenue & Customs:

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

#### Economic Information:

Economist

<http://www.economist.com/countries/>

#### Export Control

Export Control Organisation:

<http://www.businesslink.gov.uk/exportcontrol>

#### Export Finance and Insurance:

ECGD

<http://www.ecgd.gov.uk/>

#### Intellectual Property

Intellectual Property Office:

[www.ipo.gov.uk](http://www.ipo.gov.uk)

#### Market Access

Market Access Database for Tariffs (for non-EU markets only):

<http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>

SOLVIT – Overcoming Trade Barriers (EU Markets only)

[www.bis.gov.uk/EUMarketAccessUnit](http://www.bis.gov.uk/EUMarketAccessUnit)

#### Standard and Technical Regulations:

British Standards Institution (BSI):

<http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport/>

National Physical Laboratory:

<http://www.npl.co.uk/>

Intellectual Property:  
<http://www.ipo.gov.uk>

### Trade Statistics

National Statistics Information:  
<http://www.statistics.gov.uk/hub/index.html>

UK Trade Info:  
<https://www.uktradeinfo.co.uk/>

### Travel Advice

FCO Travel:  
<http://www.fco.gov.uk/en/travel-and-living-abroad/>

NHS:  
<http://www.nhs.uk/nhsengland/Healthcareabroad/>

Travel health:  
<http://www.travelhealth.co.uk/>

### Business Link: International Trade

Business Link's International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

#### Essential reading for exporters!

Find out more at:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.lc=en&topicId=1079717544>

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