



2022 SME COUNTRY FACTSHEET'S EVIDENCE BACKGROUND DOCUMENT

Portugal

This document faithfully reproduces evidence from various relevant sources, thus providing SME-focused “pure facts” in the form of concise facts. This factual information arises from national evidence, data and insights, such as the SME-relevant recent national studies, surveys, publications, policy measures, etc. (including those published only in the national language) as well as relevant international studies and other relevant sources, indicators and statistics.

Table of contents

KEY NOWCASTS & FORECASTS	2
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY.....	2
SOCIAL ASPECTS OF SUSTAINABILITY.....	3
DIGITALISATION.....	3
INNOVATION.....	4
SKILLS	5
ADMINISTRATIVE BURDEN	6
REGULATORY OBSTACLES	7
ACCESS TO FINANCE	7
LATE PAYMENTS.....	8
ACCESS TO MARKETS	8
START-UP ENVIRONMENT	9
SCALE-UP ENVIRONMENT	9
IMPACT OF THE COVID-19 CRISIS	10
NATIONAL RECOVERY AND RESILIENCE PLAN.....	10
NATIONAL INDUSTRIAL ECOSYSTEMS*	11
OTHER RELEVANT TOPICS	12

Factual SME-related evidence	Source
KEY NOWCASTS & FORECASTS  KEY NOWCASTS & FORECASTS	
In 2021, SMEs in Portugal recovered both in terms of value added and employment, increasing by 6.2% and 3.6% respectively, following a sharp decline of 11.1% and 4.0% in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
The <i>construction</i> ecosystem grew particularly strongly in 2021, with growth rates of 7.7% in value added and 5.4% in employment.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
SMEs in the <i>tourism</i> ecosystem partially recovered from a sharp downturn in value added (-18.5%) and employment (-6.4%) in 2020, increasing by 4.6% and 0.4%, respectively, in 2021.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
Based on data from early 2022, it was expected that SME value added and employment in Portugal would continue to grow strongly by 9.6% and 2.6% respectively, but Russia's war of aggression against Ukraine will affect these estimates.	Estimates and forecasts produced by JRC, based on figures from the Structural Business Statistics Database, provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database and forecasts from the AMECO database.
SMEs in Portugal accounted for 67.7% of value added and 76.0 % of employment in 2021, well above the corresponding EU averages of 51.8% and 64.4%.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY  ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	
The 2021 Global Sustainability Competitiveness Index (GSCI), published in October 2021, ranks Portugal 16 th out of 180 countries. The metric is a combination of indicators on governance, intellectual capital, resource efficiency, natural capital and social capital. However, according to the Natural Capital dimension, Portugal was in 64 th place.	Global Sustainability Competitiveness Index Solability, 2021 https://solability.com/the-global-sustainable-competitiveness-index/the-index
In July 2019, the Portuguese government set out a roadmap for Carbon Neutrality 2050, establishing a reduction of GHG emissions between 85% and 90% by 2050 (compared to 2005 levels). Using land and forests to offset emissions, the goal is a reduction by 45%-55% in 2030 and 65%-75% by 2040. Furthermore, 18 decarbonisation vectors and lines of action for a carbon neutral society were established. Under the national Recovery and Resilience Plan (RRP) Portugal aims to expand the production of renewable hydrogen. Projects for the greening of industry shall also be supported.	Resolution of the Council of Ministers no. 107/2019 Publication: Diário da República No. 123/2019, Series I of 2019-07-01, pages 3208 - 3299 Issuer: Presidency of the Council of Ministers Publication Date: 01/07/2019 https://dre.pt/home/-/dre/122777644/details/maximized
According to the YALE 2020 Environmental Performance Index (EPI) Country Ranking, Portugal was 27 th (out of 180). Despite a rise in Portugal's overall score in the last 10 years (from 63 to 67), the country's climate change rating decreased (from 65.3 to 63.3). This was most stark with the Greenhouse Gas intensity growth rate, with Portugal ranking in 173 rd out of the 180 countries considered. Furthermore, only 27% of Portuguese SMEs offer green products or services compared with the EU average of 32%. However,	Environmental Performance Index 2020, Country Profile, Portugal, Yale, 2020 https://epi.yale.edu/sites/default/files/files/PRT_EPI2020_CP.pdf Flash Eurobarometer on small and medium enterprises (SMEs), resource efficiency and green markets, 2022. https://europa.eu/eurobarometer/surveys/detail/2287

<p>the 2021 Flash Eurobarometer 498 survey also shows an improvement since the similar 2017 survey in terms of the share of SMEs that already offer or intend to offer green products or services in the next two years, as this has increased from 39% to 48%, thus being above the corresponding EU average of 43% and indicating further progress.</p>	
SOCIAL ASPECTS OF SUSTAINABILITY	
<p>In September 2021, the Portuguese government approved the National Strategy to Combat Poverty 2021-2030. The Strategy is a central element of the poverty eradication objective and part of the wider strategic challenge of reducing inequality. It is based on six axes of intervention and is closely aligned with the European Pillar of Social Rights (plus its respective Action Plan) and with the Sustainable Development Goals of the 2030 Agenda.</p>	<p>Council of Ministers Government of Portugal 30 September 2021</p> <p>https://www.portugal.gov.pt/pt/gc22/governo/comunicado-de-conselho-de-ministros?i=446</p> <p>and Resolution of the Council of Ministers No. 184/2021, 29 December 2021</p>
<p>In 2019, 1.7 million people were at risk of poverty in Portugal. This is despite a comprehensive social security system that aims to ensure the maintenance of the basic rights of the population. The system tries to reduce risks or needs in case of old age, survival, disability, unemployment, maternity and parenthood, family care, sickness, accidents at work, occupational diseases and social exclusion.</p>	<p>Sustainable Development Goals 2030 Agenda - Indicators for Portugal - 2010 - 2020 National Statistical Institute Edition Year: 2021 https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=508331316&PUBLICACOESmodo=2</p>
DIGITALISATION	
<p>In August 2021, the Portuguese government approved the Strategy for the Digital Transformation of Public Administration 2021-2026 and the respective Transversal Action Plan for the period 2021-2023. The implementation of the Action Plan for the legislature represents a total investment of €643 million. These documents are aligned with other overarching national policies, namely the Strategy for Innovation and Modernisation in the State and Public Administration 2020-2023, the Action Plan for the Digital Transition of Portugal and the national Recovery and Resilience Plan.</p>	<p>Communication from the Council of Ministers Government of Portugal 26 August 2021 https://www.portugal.gov.pt/pt/gc22/governo/comunicado-de-conselho-de-ministros?i=438</p> <p>Resolution of the Council of Ministers No. 131/2021, 10 September 2021 https://files.dre.pt/1s/2021/09/17700/0001700034.pdf</p>
<p>The Digital Economy and Society Index (DESI) 2021 shows that the level of basic digital skills of the population remains at 52%, thus below the EU average of 56%. Overall, Portugal ranks 16th out of the 27 EU Member States in the Digital Economy and Society Index (DESI) 2021, three positions above the previous edition, reflecting the country's digital development efforts. Portugal ranks 18th in the EU in the "Human capital" dimension, thanks to the improvements in ICT specialists indicators, and it ranks 17th in the "Integration of digital technology in businesses", whereas 51% of enterprises manifest at least basic digital intensity versus the EU average of 60%.</p> <p>The "Digital public services" dimension continues to be the one in which the country shows the best performance (14th rank among the EU countries).</p>	<p>Digital Economy and Society Index European Commission 2021 https://digital-strategy.ec.europa.eu/en/policies/desi-portugal</p> <p>https://ec.europa.eu/newsroom/dae/redirection/document/80499</p>

<p>For the digital transformation of all businesses, Industria 4.0 was the main programme referenced in DESI 2020.</p> <p>The second phase of the programme, called Advantage 4.0, proceeded in 2021. Furthermore, the Digital Transition Action Plan is being implemented, aligned with the Industria 4.0/Advantage 4.0.</p> <p>In the first phase, more than 80 companies and entities were consulted and proposed a set of recommendations and measures for an accelerated adoption and implementation in the second phase of the initiative by several stakeholders.</p> <p>With a horizon of one decade, until 2030, the initiative aims to requalify and train more than 200,000 workers, involving about 20,000 companies. The financing of more than 350 projects has been planned. This new approach involves three axes:</p> <p>Generalize i4.0 aims to stimulate the widespread sharing of knowledge, experiences and i4.0 benefits between companies, technological suppliers, and institutions;</p> <p>Train i4.0 aims to adapt the skills (human capital) to the i4.0 reality through i) academic offer of training in digital skills and ii) requalification of the existing workforce, due to a new impetus for collaboration between companies and training entities;</p> <p>Assimilate i4.0 aims to promote the experimentation and adoption of i4.0 solutions and technologies by facilitating access to technical skills and with the financing support necessary for the implementation.</p>	<p>Industry 4.0 – Second Phase Official Communication from the Government of Portugal 2019-04-09 https://www.portugal.gov.pt/pt/gc21/comunicacao/documento?i=industria-40-segunda-fase</p>
<p>The Action Plan for the Digital Transition, launched in 2020, includes specific measures for the digital transformation of SMEs, specially through its Pillar 2 – Businesses’ digital transformation.</p> <p>Part of the Action Plan for the Digital Transition are also the Digital Innovation Hubs (DIHs). Through the Digital Innovation Hubs (DIHs) Network, companies can take advantage of various digital opportunities. With the support of these hubs, SMEs will be able to test new digital technologies, access advanced digital skills and get specialized training, advice and access to the funding needed for their digital transition as well as promote collaboration with other SMEs, large enterprises and entities from the research and innovation ecosystem.</p> <p>By the end of 2021, 17 DIHs were officially recognised for integration in the National Network.</p>	<p>The Action Plan for the Digital Transition, 2020 https://eportugal.gov.pt/en/noticias/governo-lanca-plano-de-acao-para-a-transicao-digital</p>
<p>INNOVATION</p>	
<p>According to the European Innovation Scoreboard 2021, Portugal is a <i>Moderate Innovator</i>. Until 2020,</p>	<p>European Innovation Scoreboard 2021 European Commission, 2021</p>






INNOVATION

<p>performance relative to the EU increased before a large drop in 2021 (-8.2%), partly due to methodology improvements regarding statistical indicators.</p> <p>Portugal's strengths are in Attractive research systems, Digitalisation, and Use of information technologies. The top-3 indicators include Foreign doctorate students, International scientific co-publications, and Job-to-job mobility of HRST.</p> <p>Portuguese SMEs are underperforming compared with the EU average in terms of introducing business process innovations (32%, EU: 40%) and introducing product innovations (27%, EU: 29%).</p>	<p>https://ec.europa.eu/docsroom/documents/45931 Community innovation survey, Eurostat, 2021: https://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/ddn-20210115-2</p>
<p>In June 2021, the Portuguese government approved the creation of Technological Free Areas (TFAs), physical spaces intended for demonstrating and testing new technologies through the creation of specific and adapted regulatory regimes. TFAs, using the logic of a regulatory sandbox, enable testing and experimentation of innovative technologies, products and processes.</p>	<p>Technological Free Zones Official Communication from the National Innovation Agency, 2021 https://www.ani.pt/pt/valorizacao-do-conhecimento/interface/zonas-livres-tecnol%C3%B3gicas</p>
<p>According to WIPO Global Innovation Index (GII), Portugal is the world's 31st most innovative economy (out of 132) and is performing in line with its level of development. Its best rank is in "human capital and research" (24th), scoring particularly well in "education" (15th), and its worst rank is in "market sophistication" (56th), especially in its "investment regime" (93th).</p>	<p>Global Innovation Index WIPO, 2021 https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021.pdf</p>
<p>Portugal ranks 32nd globally in terms of the European patent applications due to its applicants having submitted 286 of them in 2021 (i.e. 13,9% more than in 2020).</p>	<p>EPO's Patent Index, 2021 https://www.epo.org/about-us/annual-reports-statistics/statistics/2021.html</p>
<p>SKILLS</p>	
<p>The European Skills Index (ESI) ranked Portugal 24th in the 2022 release, remaining at the same position as in 2020. This made it the last country in the "middle-achieving" group. It ranked 27th in skills development, 21st in skills activation and 24th in skills matching.</p>	<p>European Skills Index, CEDEFOP, 2022 https://www.cedefop.europa.eu/en/tools/european-skills-index/country/portugal?y=2022</p>
<p>In June 2021, the Portuguese government announced the Impulso Jovens STEAM and Impulso Adultos programmes, the first two programmes to be launched under the RRP (Recovery and Resilience Plan). Through €252 million of funding, Impulso supports initiatives that seek to increase the qualifications of the population. These are developed by higher education institutions in collaboration with other entities such as public and/or private entities and employers.</p>	<p>Launch of the Impulso Youth STEAM and Impulso Adults programmes presented Recovery and Resilience Programme 2021 https://www.dges.gov.pt/pt/noticia/programa-impulso-jovens-steam-e-impulso-adultos-apresentados</p>
<p>In 2021, the second edition of the Upskill programme was implemented, with a goal of reaching 3,000 new ICT professionals until 2023.</p>	<p>UPskill Programme, 2021 https://upskill.pt/wp-content/uploads/2021/04/APDC_UPSKILL_ENG.pdf</p>
<p>During the first semester 2021, to increase the percentage of population with at least basic digital skills, Portugal launched the "EU SOU DIGITAL" ("I am digital") programme. This programme aims to target 1 million adults that do not have basic digital</p>	<p>EUSOUDIGITAL, 2021 https://www.eusoudigital.pt/</p>





SKILLS

skills, and aims to include a network of about 30,000 volunteers and 1,500 centres.	
ADMINISTRATIVE BURDEN	 ADMINISTRATIVE BURDEN
<p>The IMD World Competitiveness Ranking places Portugal in 36th position, up one position from 2020. In 2020, the national economy became more competitive mainly due to slight improvements in Scientific Infrastructures (34th to 31st), in the social environment (22nd to 20th) and in qualified labour (44th to 42nd). Among the country's greatest competitive strengths are its immigration laws (3rd position), female labour force (5th), qualified engineering professionals (5th) and its export capacity (6th). However, Portugal still has a long way to go to become more competitive and lags behind in the training of employees (60th position) and the resilience of its economy (57th position). The same report also identifies key challenges at the level of public sector reforms, specifically in the areas of justice, health, education and social security. The report also recommended the adoption of political agreements for a national strategy to respond to urgent demographic issues such as the ageing population.</p>	<p>World Competitiveness Ranking, IMD, 2021</p> <p>https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness</p>
<p>Simplex, the most emblematic measure of attempts to reduce the administrative burden (and regulatory obstacles), was launched in 2006. Currently organised into two blocks and eight categories, Simplex focuses on strengthening capacity in the provision of better public services. The measures integrated in the Better Public Service Block aims to make life easier for people and companies by reducing administrative burdens. These measures try to:</p> <ol style="list-style-type: none"> 1. Simplify the fulfilment of obligations. 2. Decrease the number of interactions with the Administration 3. Extend digital services 4. Strengthen proximity to people and the territory <p>The measures integrated in the Modern and Innovative Administration block express the internal transformation processes of the Public Administration. These measures focus on:</p> <ol style="list-style-type: none"> 1. Developing the skills of male and female workers 2. Promoting collaboration between entities and sectors 3. Increasing efficiency through technology 4. Stimulating participation <p>In addition, in the context of the COVID-19 pandemic, several further measures were identified to promote digital public services, such as an extension of the validity period of citizens' eID mechanisms, which allowed many people to keep up with their interaction with the government during confinement.</p> <p>Also, the resolution of the Council of Ministers (No. 129/2021) approved the coordination procedure for the integration of Public Administration's Digital</p>	<p>Official homepage of the SIMPLEX Programme - Simplification and Modernisation of Public Administration</p> <p>2021</p> <p>https://www.simplex.gov.pt/</p>


Transition initiatives into the Recovery and Resilience Plan.	
REGULATORY OBSTACLES  REGULATORY OBSTACLES	
<p>In March 2017, the Portuguese government approved a model for ex-ante legislative impact assessment to measure the impact of legislative initiatives on people's lives and the activity of companies especially SMEs. This legislative impact assessment exercise was carried out by the Technical Unit for Legislative Impact Assessment. In 2021, following the publication of Decree-Law 21/2021 of 15 March, UTAIL was integrated into the Competence Center for Planning, Policy and Foresight for Public Administration.</p>	<p>Order No. 5061/2020 Publication: Official Gazette no. 84/2020, Series II of 2020-04-29, pages 19 - 20 Issuer: Presidency of the Council of Ministers, Finance and State Modernization and Public Administration - Offices of the Minister of State and Finance and the Secretaries of State of the Presidency of the Council of Ministers and Public Administration Part: C - Government and Direct and Indirect State Administration Publication Date: 2020-04-29 https://dre.pt/web/guest/home/-/dre/132720677/details/maximized?serie=II&day=2020-04-29&date=2020-05-</p> <p>Decree-Law No. 169-B/2019 Publication: Official Gazette no. 232/2019, 1st Supplement, Series I of 2019-12-03, pages 2 - 46 Issuer: Presidency of the Council of Ministers Proponent Entity: Presidency of the Council of Ministers Publication Date: 2019-12-03 https://dre.pt/home/-/dre/126869983/details/maximized</p>
ACCESS TO FINANCE  ACCESS TO FINANCE	
<p>The 2020 OECD Survey on Access to Finance in Portugal showed that internal funds, in the form of retained earnings, was the most important source of financing for 85% of the companies. Bank loans and credit lines ranked second and third as sources of funding.</p>	<p>Survey on Access to Finance OECD, 2021 https://www.oecd.org/corporate/ca/Improving-Access-to-Capital-for-Portuguese-Companies.pdf</p>
<p>In the 3rd quarter of 2021, the cost of borrowings for SMEs increased to 2.6%. The financial autonomy of companies remained at 40.0% and the financial autonomy of SMEs increased to 39.2% in the 3rd quarter of 2021.</p>	<p>Quarterly economic and financial indicators for non-financial companies. Banco de Portugal, January 2022. https://bpstat.bportugal.pt/serie/12587303 https://bpstat.bportugal.pt/conteudos/noticias/1513</p>
<p>SMEs' access to finance has been a major priority for the Portuguese government. Several credit lines were made available to facilitate SME access. Secured credit lines have become an important instrument in accessing finance.</p>	<p>Official homepage from SME Investment Credit Lines. 2021. https://www.pmeinvestimentos.pt/linhas-de-credito/apresentacao Banco Português de Fomento, official homepage. https://www.bpfomento.pt/pt/catalogo/instrumentos-de-garantia/</p>
<p>The 2020 World Bank Doing Business Ranking revealed a particularly low performance of Portugal on the dimension <i>Getting Credit</i> (119th position). However, a lower percentage of loan applications by SMEs are rejected in Portugal (about 6%) compared with the EU average (about 8%). Furthermore, using a Likert scale of 1-5, business angel funding for new and growing firms was 3.3 for Portugal while the EU average was 2.9.</p>	<p>Doing Business Ranking. World Bank, 2020, https://www.doingbusiness.org/en/rankings National Expert Survey (NES) of the Global Entrepreneurship Monitor (GEM), 2020: http://www.gemconsortium.org/data/sets Survey on the Access to Finance of Enterprises (SAFE), 2020/2021: https://ec.europa.eu/growth/access-finance-smes/data-and-surveys-safe_en</p>

LATE PAYMENTS  LATE PAYMENTS	
<p>In 2021, the Portuguese public authorities were still among the most delayed in terms of payments in the European Union. This was despite the Decree-Law No. 62/2013, which determined that the legal deadline for payment of invoices in contracts involving public entities should not exceed 30 days. However, there were improvements achieved in this respect in 2021, thus continuing the previous years' trend of decreasing payment delays.</p>	<p>European Payment Report 2021 Intrum Justitia</p> <p>https://www.intrum.com/publications/european-payment-report/european-payment-report-2021/</p> <p>https://www.intrum.com/publications/european-payment-report/</p>
<p>As per the "Payment Study 2021", only about 16% of national companies met the payment deadlines agreed with their suppliers. Among the 36 countries studied, only two of them had this share even lower than Portugal.</p>	<p>InformaDB, March 2022.</p> <p>https://biblioteca.informadb.pt/read/document.aspx?id=2651</p>
<p>Data from the Directorate General of the Budget, dating to the end of February 2022, indicated that late payments from public entities reached €453.5 million.</p>	<p>Summary of Budget Execution. Government of Portugal - Directorate-General for the Budget, 2022</p> <p>https://www.dgo.gov.pt/execucaoorcamental/Sintese daExecucaoOrcamentalMensal/2022/mar%C3%A7o/0322-SinteseExecucaoOrcamental_fevereiro2022.pdf</p>
ACCESS TO MARKETS  ACCESS TO MARKETS	
<p>Regarding the International Trade Balance of Goods and Services for Portugal, the second quarter of 2021 shows a coverage rate of 91.9, on a downward path since 101.0 in the third quarter of 2020. Regarding Trade of Goods and Services as a percentage of GDP, this was 37.4% down from the maximum of 44.0% in the fourth quarter of 2019. The impact of the COVID-19 pandemic should be taken into account.</p> <p>In 2019, the export intensity was 19.97%. The percentage of SMEs in Portugal with intra-EU exports of goods were approximately in line with the EU average (PT a bit less than 19%, EU a bit over 16%) and the same was true concerning the extra-EU exports (PT close to 9%, EU close to 10%).</p>	<p>International Trade - Pocket Statistics. Strategy and Research Office - Ministry of Economy and Digital Transformation. 2021</p> <p>https://www.gee.gov.pt/pt/?option=com_fileman&view=file&routed=1&name=EB%20Com%C3%A9rcio%20Internacional%2009%202021.pdf&folder=publicacoes%20estatisticas%20de%20comercio%20internacional%202021-1&container=fileman-files</p> <p>Export intensity: total and per product. PORDATA database, 2021:</p> <p>https://www.pordata.pt/Portugal/Intensidade+exportadora+total+e+por+produto-2277</p> <p>Comext, International trade by enterprise characteristics, 2018:</p> <p>http://ec.europa.eu/eurostat/web/structural-business-statistics/data/database</p> <p>SME Performance Review, SPR indicators, 2020/2021</p> <p>https://ec.europa.eu/growth/smes/sme-strategy/sme-performance-review_en</p>
<p>In March 2021, the Portuguese government approved the Internationalisation Programme 2030, establishing the strategic priorities and objectives for the internationalisation of Portuguese companies particularly in terms of exports, external markets and foreign direct investment.</p>	<p>Resolution of the Council of Ministers No. 20/2021 Publication: Official Gazette no. 55/2021, Series I of 2021-03-19, pages 32 – 49. Issued by: Presidency of the Council of Ministers. Publication Date: 2021-03-19</p> <p>https://dre.pt/web/guest/home/-/dre/159792487/details/maximized?serie=I&dreId=159792478</p>
<p>SMEs' participation in the public procurement market remains limited, as reflected in the low share of bids coming from SMEs and the low share of public contracts awarded to them, as these are among the lowest in the EU. However, public procurement procedures have experienced several changes either in Portugal or Europe in general over the past years (and things have progressed in other aspects of access to markets) and all this</p>	<p>European Commission, Single Market Scoreboard, 2021</p>

would be better captured in the next editions of the SPR indicators.	
START-UP ENVIRONMENT  START-UP ENVIRONMENT	
Portugal's position improved in the Global Entrepreneurship Index rankings (GEDI) 2019, where Portugal was 31 st of all 137 countries.	Global Entrepreneurship Index GEDI. 2019 https://thegeedi.org/global-entrepreneurship-and-development-index/
In October 2021, the Portuguese Secretary of State for Digital Transition announced that Portugal's level of investment in start-ups had reached one billion dollars. Regarding the number of unicorns 'per capita', Portugal stands above France or Germany and has more of them than any other country in southern Europe in terms of absolute numbers.	Quote from the Secretary of State for Digital Transition, André Azevedo in JORNAL ECONOMICO (Portuguese Economy Newspaper). 2021 https://jornaleconomico.sapo.pt/noticias/portugal-atingiu-mil-milhoes-de-dolares-de-investimento-em-startups-799048
In the pandemic year 2020, there was a reversal of the growth trend in the number of new companies created in Portugal. From 49,538 in 2019, this level of companies created dropped to a total of 38,005 in 2020, which corresponds to a drop of -23.3%.	Business Fabric Barometer Trend Analysis. InformaDB, 2021 https://barometro.informadb.pt/barometro-tecido-empresarial/tendencias
According to the Portugal Start-up Outlook 2021, there was a steady decline in the number of start-ups created annually in Portugal, similar to the trend observed in previous editions of the Portugal Startup Outlook. The top 3 challenges for starting a startup in Portugal are securing funding (23.98%), the bureaucracy of public and private services (16.96%) and finding the right customers (13.45%).	Portugal Start-up Outlook. Scale-Up Portugal, 2021 https://www.scaleupportugal.tech/files/ugd/0bd59fb5ac7ae77444a4abade8ede6cbf0d3d.pdf
According to the Startup & Entrepreneurial Ecosystem Report 2021, with a small domestic market, Portuguese startups have no alternative than looking to international markets, especially to the European Market, taking advantage of the open economic zone. However, some startups prioritise USA markets in their business plans and are even already born global.	The Startup & Entrepreneurial Ecosystem Report, Portugal 2021 https://idcportugal.com/wp-content/uploads/2021/12/Startup_Entrepreneurial_Ecosystems2.0_v32_small_compressed-1.pdf
SCALE-UP ENVIRONMENT  SCALE-UP ENVIRONMENT	
The Startup Nations Standard (SNS), launched in 2021 in Portugal, is a set of practices designed to foster entrepreneurship in the European Union and accelerate the growth of startups into successful innovative small and medium-sized enterprises with all the conditions to scale even further. Portugal has been one of the Member States signing and joining to these standards. The launch of the ESNA, which aims to be permanently represented in Lisbon, sets the start of the new EU Startup Nations of Excellence (EU SNS) implementation.	Startup Nations Standard, 2021 https://startupnationsstandard.eu/
According to the Portugal Start-up Outlook 2021, the top 3 challenges to growing a startup in Portugal are cash flow management (27.14%), the demands of a growing workforce (15.71%) and government regulations (14.29%).	Portugal Start-up Outlook 2021 https://www.scaleupportugal.tech/files/ugd/0bd59fb5ac7ae77444a4abade8ede6cbf0d3d.pdf
The 2021 TOP 25 scaleups have raised a total of €195,050,423 and generated €68,706,032 in revenues between 2016 and 2021. This group only featured one Health IT & Medical Devices startup. The gap between domestic and foreign sources of	Scale-Up Portugal Report, 2021 https://www.scaleupportugal.tech/files/ugd/0bd59f18dc355f7501458686fab8642d51ba51.pdf

funding fluctuates, with foreign sources always dominating.	
IMPACT OF THE COVID-19 CRISIS  IMPACT OF THE COVID-19 CRISIS	
<p>In the midst of a promising outlook on the eve of the COVID-19 pandemic (whereas the Portuguese economy had largely recovered from the previous crisis & the lead indicators were suggesting a positive economic and employment outlook), Portugal recorded the first confirmed cases of COVID-19 on the 2nd of March 2020. Relevant measures were adopted quickly, both by the public authorities and the general population. On 12 March, the government announced extraordinary containment and mitigation measures in broad areas. The economic climate deteriorated rapidly. After a significant fall in March, the European Commission Economic Sentiment Indicator for Portugal plummeted in April to 66.9 points, the lowest value ever recorded and far below the long-term average of 100. The collapse extended to all confidence indicators estimated by Statistics Portugal. In the first quarter of 2020, real GDP fell by 2.4 per cent (year-on-year) and 3.9% (quarter-on-quarter).</p> <p>However, Portugal has been recovering fast since mid-2021. The economic activity has been constantly supported by policy measures and rebounded markedly each time when diverse restrictive measures were lifted. Nonetheless, the recovery has been uneven, as the hit was particularly strong in the tourism, hospitality and transport sectors that have a relatively large weight in the national economy. By contrast, the activity in construction and manufacturing remained strong in 2020. As the health situation improved and most of the restrictions were removed, the activity in the services sector has gained momentum, associated with strong household consumption since the second quarter of 2021.</p>	<p>Portugal: Rapid assessment of the impact of COVID-19 on the economy and labour market. International Labour Organization. 2020 https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_749191.pdf</p> <p>OECD Economic Surveys: Portugal 2021 https://www.oecd-ilibrary.org/sites/f8f2e0b9-en/index.html?itemId=/content/component/f8f2e0b9-en</p>
The end of July 2020 and January 2021 saw peaks in layoff requests from around 115,000 companies, corresponding to more than 1,300,000 workers. About half saw their request approved.	<p>Crisis Numbers. PORDATA Database. 2021 https://www.pordata.pt/NumerosDaCrise/Indicador/Entidades+empregadoras+e+trabalhadores+em+Lay+off+simplicado-12-193</p>
NATIONAL RECOVERY AND RESILIENCE PLAN  NATIONAL RECOVERY AND RESILIENCE PLAN	
In April 2021, the Portuguese government submitted the National Recovery and Resilience Plan (NRRP) to the European Commission. The document incorporates contributions from the public consultation process and interaction with the Commission. On 16 June 2021, the Commission approved the NRRP.	<p>Recovering Portugal, Building the Future - Recovery and Resilience Plan. Official Communication from the Government of Portugal. 2021 https://www.portugal.gov.pt/pt/gc22/comunicacao/documento?i=recuperar-portugal-construindo-o-futuro-plano-de-recuperacao-e-resiliencia</p>
The NRRP has an overall budget of €16.6 billion. It is comprised of three main dimensions: Resilience (€11.125 million), Climate Transition (€3.059 million) and Digital Transition (€2.460 million).	<p>Official Homepage from the Recovery and Resilience Programme. 2021 https://recuperarportugal.gov.pt/</p>

<p>The NRRP's governance model has several levels of coordination, including:</p> <ul style="list-style-type: none"> • Strategic level of political coordination Overseen by the NRRP's Interministerial Commission, chaired by the Prime Minister and composed of the members of the government responsible for the areas of Economy and Digital Transition, Foreign Affairs, Presidency, Finance, Planning and Environment and Climate Action; • Monitoring level Overseen by the National Monitoring Commission, chaired by an independent personality and personalities of recognised merit, and which integrates a broad range of entities from the business sector, science and knowledge, the social and cooperative area, and the territories; • Level of technical coordination and monitoring Overseen by the Mission Structure to Recover Portugal, in coordination with the Agency for Development and Cohesion, I. P. and the Planning, Strategy, Evaluation and International Relations Office of the Ministry of Finance (GPEARl); • Level of audit and control Overseen by an Audit and Control Committee (CAC), chaired by the Inspectorate General for Finance (IGF) and which includes a representative of the Agency for Development and Cohesion, I. P. and a person of recognised merit in the area of audit and control, and other members. 	<p>Official Homepage from the Recovery and Resilience Programme 2021 https://recuperarportugal.gov.pt/plano-de-recuperacao-e-resiliencia/</p>
<p>NATIONAL INDUSTRIAL ECOSYSTEMS*</p> <div data-bbox="1129 1189 1214 1267" data-label="Image"> </div> <p>NATIONAL INDUSTRIAL ECOSYSTEMS</p>	
<p>In June 2021, the Portuguese government approved the 'Reactivate Tourism Plan Build the Future'. This Plan is structured along the following four pillars of actions and objectives:</p> <p>(a) Pillar 1: Supporting businesses - aims to adopt measures that preserve the productive potential and employment in the tourism sector;</p> <p>(b) Pillar 2: Fostering security - aims at creating the conditions to strengthen the confidence of businesses and tourists, as well as to strengthen the confidence of residents in tourism and to contribute significantly to their well-being;</p> <p>(c) Pillar 3: Generating business - aims at generating business for enterprises, globally, in a scenario of strong international competition; and</p> <p>(d) Pillar 4: Building Future - aims at creating the conditions, in the medium and long term, for promoting a true transformation of the tourism sector and positioning it in a higher level of development, to be more sustainable, more responsible and capable of generating more added value.</p>	<p>Resolution of the Council of Ministers no. 76/2021 Publication: Official Gazette no. 115/2021, Series I of 2021-06-16, pages 27 - 49 Issuer: Presidency of the Council of Ministers Publishing Date: 2021-06-16 https://data.dre.pt/web/guest/pesquisa/-/search/165228578/details/maximized</p>
<p>In 2019, tourism businesses with less than €1 million in revenue accounted for 27% of the sector's total revenue. This figure is around 8% for</p>	<p>The recovery of tourism has begun, but it will take years for Portugal to fully recover. What can the main players in the sector do? McKinsey Report. 2021:</p>

the rest of the sectors in the country. As many of these tourism businesses are sole sources of income for many families, these are also more exposed to tourism-related crisis.	https://www.mckinsey.com/featured-insights/europe/travel-recovery-in-portugal/pt-PT
Portugal has 18 recognised clusters. The clusters are made up of companies, business associations, public entities and non-business entities from the research and innovation system. The national public support granted in this domain is conveyed through the Support System for Collective Actions (SIAC) to the Networks and other forms of Partnership and Cooperation. This support is aimed at boosting the activities of the recognised competitiveness clusters, with the specific objective of strengthening networks and other forms of partnership and cooperation within the scope of the Collective Efficiency Strategies (EEC). Between 2019 and 2021 the government and the clusters ensured the formalisation of a set of 16 Pacts for Competitiveness.	Competitiveness Clusters. Official IAPMEI website. 2021 https://www.iapmei.pt/PRODUTOS-E-SERVICOS/Empreendedorismo-Inovacao/Eficiencia-Coletiva-e-Clusters.aspx
OTHER RELEVANT TOPICS  OTHER RELEVANT TOPICS	
In April 2021, the Portuguese government approved the National Reform Programme for 2021 (NRP 2021) to act upon the Specific Recommendations made in 2019 and 2020 by the European Union and to proceed with the reforms and investments included in the Recovery and Resilience Plan (RRP) that Portugal formally submitted on 22 April 2021. This is in line with the main strategic planning reference of the country - the Portugal 2030 Strategy.	National Reform Programme 2021. Government of Portugal. 2021 https://www.gpeari.gov.pt/documents/35086/43170/PNR+2021_20210430_final.pdf/60f16236-47a6-60f0-1bbe-19427073ffc5?t=1620037328145
In April 2021, the Portuguese government approved the 2021-2025 Stability Programme aimed to foster inclusive economic growth, create greater social cohesion and maintain a sustainable trajectory for public accounts. This update of the Stability Programme, which is the national medium-term budgetary plan, was presented by the government to the parliament on 15 April (in compliance with article 33 of the Budgetary Framework Law).	Stability Programme 2021-2025. Official site of the Portuguese Parliament. Date of entry 2021-04-16 https://www.parlamento.pt/ActividadeParlamentar/Paginas/DetalheActividadeParlamentar.aspx?BID=116618&ACT_TP=PEC
In June 2021, the government created the National Anti-Corruption Mechanism, an independent administrative entity under public law. The financially and administratively autonomous mechanism has authority powers and develops activities at the national level in the fields of prevention of corruption and related infractions.	Official Communiqué of the Ministry of Justice. Official Site of the Ministry of Justice. 2021 https://justica.gov.pt/Noticias/Conselho-de-Ministros-aprova-diplomas-de-combate-a-corrupcao

* "National industrial ecosystems" refer to the national aspects of the industrial ecosystems as defined by the EC.

<https://op.europa.eu/en/publication-detail/-/publication/6355326c-ae95-11eb-9767-01aa75ed71a1/language-en>