Portugal

KEY FACTS

Official name: República Portuguesa (Portuguese Republic)

Head of State: President Aníbal Cavaco Silva (PSD) (from 2006; re-elected 23 Jan 2011)

Head of government: Prime Minister, Pedro Passos Coelho (PSD) (from 21 Jun 2011)

Ruling party: Coalition led by Partido Social Democrata (PSD) (Social Democratic Party), with the Centro Democrático e Social-Partido Popular (CDS-PP) (Democratic and Social Centre-Popular Party) (from 21 Jun 2011)

Area: 92,072 square km

Population: 10.54 million (10,561,614; 2011, census figure)

Capital: Lisbon

Official language: Portuguese

Currency: Euro (€) = 100 cents (from 1 Jan 2002; previous currency escudo, locked at esc200.48 per euro)

Exchange rate: €0.75 per US$ (Jul 2013)

GDP per capita: US$20,179 (2012)*

GDP real growth: -3.17% (2012)*

GDP: US$212.72 billion (2012)*

Labour force: 5.46 million (2012)*

Unemployment: 15.65% (2012)*

Inflation: 2.78% (2012)*

Balance of trade: -US$11.24 billion (2012)*

Annual FDI: US$13.07 billion (2011)

* estimated figure

The Portuguese are not, by nature, a particularly happy nation. Their national song is the *Fado*, a lament rather than a celebration. For most of the twenty-first century lamenting – times past – had certainly been more appropriate than celebrating. The first half of 2013 was spent teetering on the brink of a further financial bailout as an already battered economy failed to respond to treatment.

Nor was it just the economy in 2013 that gave cause for concern. In July the Portuguese weekly, *Sábado*, ran a headline: 'The feud between Messrs Coelho and Portas may leave us like Greece.' Prime Minister Passos Coelho, leader of the Partido Social Democrata (PSD) (Social Democratic Party), conservative party, had to deal with a political crisis which saw Portugal's foreign minister, Pablo Portas, the leader of the coalition partners of the PSD, the Centro Democrático e Social-Partido Popular (CDS-PP) (Democratic and Social Centre-Popular Party) resign on 2 July, eventually to end up as Portugal's vice prime minister in charge of economic policy and its relations with

the so-called Troika of the International Monetary Fund (IMF), the European Commission and the European Central Bank (ECB). The political confusion was such that it resulted in the quarterly visit of Troika representatives being delayed – in turn delaying the release of further rescue funding.

Intrigue

In many countries facing an economic crisis of Portuguese proportions, this crisid would be seen as something of a luxury. In a number of respects this was the case in 2013 with the Portuguese facing the deepest political crisis in their recent history. When Mr Portas resigned Portuguese international credibility had already been dented by the resignation 24 hours earlier of finance minister Vitor Gaspar. While the resignation of Mr Gaspar had been largely expected, that of Mr Portas had not. This was surprising, since the relationship between the two men had been described as 'poisonous' for some time. The reason given for Mr Portas' resignation was the appointment as finance minister of Maria Luisa Albuquerque. Rumours abounded and the panic surrounding the various announcements made itself felt in the fall of the stock market (by roughly the same amount as it had on the day of the Lehman Brothers collapse) and the increase in the interest levels of Portuguese bonds which had steadily been falling over the previous year.

As holders of Portuguese bonds and stocks began to offload them, public anger rose, focussed on the apparent cynicism of its political leaders who, for the sake of political pride, were prepared to see the results (such as they were) from the austerity inflicted on the electorate frittered away. The secretary general of the opposition Partido Socialista (PS) (Socialist Party), Antonio José Seguro, lamented: 'This government is playing with the lives of the Portuguese.' The net of it all was that an average middle class Portuguese family had to cope with higher taxes – value added tax (IVA) rose to 23 per cent – there were higher income tax and fewer allowances, tolls were imposed on motorways that were previously free of charge, health charges doubled and – on top of it all – there were four fewer public holidays per year. A number of Portugal's idiosyncratic benefits also disappeared. These included the abolition, or at least reduction, of the 'thirteenth' monthly pay cheque received by most Portuguese workers at Christmas. A similar bonus received each summer by civil servants and public employees was also ended. Although the government endeavoured to soften the blow for the more vulnerable members of Portuguese society, the overall result was widespread impoverishment.

Alongside the austerity measures, Portugal's economy was also hit by the weakening of the Spanish economy, which in recent years has accounted for around 25 per cent of Portuguese exports. This came at a time when the domestic economy was already on the ropes and exports seemed to offer the only serious prospect of revival. President Cavaco Silva also admitted to being surprised by the dizzy rise in unemployment, which reached around 14 per cent in 2012 (as against 25 per cent plus in Spain) in a country where unemployment has been traditionally in low single figures. More worryingly, youth unemployment had reached a record 35.4 per cent by the end of the year.

Embarrassed by the criticism that poured forth, not only from within Portugal, but from Brussels, Bonn and Washington, Passos Coelho and Paulo Portas were left with little choice but to cobble together some form of agreement, however reluctantly. It took them five separate meetings to do so. Whatever the resulting accommodation, the Passos Coelho government was left discredited, with the confidence of the Troika largely evaporated, presiding over an even more weakened economy.

In its January 2013 assessment of the Portuguese economy the IMF noted that Portugal's government had faced mounting funding pressures which resulted in an acute economic crisis and, ultimately, the first request for financial support from the European Union (EU) and the IMF in May 2011. The impact of the crisis had been severe, with gross domestic product (GDP) contracting by almost 5 per cent during 2011–12 and unemployment on the rise. In the view of the IMF, the roots of the crisis could be traced to Portugal's failure to adapt to the rigours of monetary union, in the face of a rapidly changing and more competitive international environment. Instead of delivering on the promise of sustainable catch-up growth to EU living standards, monetary union had facilitated the accumulation of economic and financial imbalances. The competitiveness of the tradable sector was reduced, while the government's policy responses were, at best, muted. Counter-cyclical fiscal policy during the 2008–09 crisis had led to ballooning government deficits and debt. Portugal's banks lost their access to the wholesale funding market in mid-2010; and in the first half of 2011, Portugal's government had been shut out from financial markets.

The IMF noted that Portugal had launched a comprehensive economic and financial programme to reverse the imbalances and regain market confidence. A front-loaded fiscal adjustment programme aimed to restore fiscal credibility, while jump-starting external adjustment. Financial sector measures sought to keep banks well capitalised and liquid, while facilitating orderly deleveraging. A number of important structural reforms were also implemented.

Despite some setbacks, Portugal's fiscal adjustment had advanced markedly – by

KEY INDICATORS — Portugal

	Unit	2008	2009	2010	2011	2012
Population	m	*10.63	*10.63	*10.64	10.56	*10.54
Gross domestic product (GDP)	US$bn	244.90	227.90	229.30	238.90	*212.72
GDP per capita	US$	23,070	21,408	21,559	22,413	*20,179
GDP real growth	%	–	-2.9	1.4	-1.5	*-3.2
Inflation	%	2.7	-0.9	1.4	3.6	*2.8
Unemployment	%	7.6	9.5	11.0	11.3	*15.7
Exports (fob) (goods)	US$m	57,871.0	44,494.0	48,913.0	59,248.8	*58,238.1
Imports (fob) (goods)	US$m	91,659.0	68,904.0	72,665.0	77,710.7	*69,483.0
Balance of trade	US$m	-33,787.0	-24,417.0	-23,751.0	-18,461.8	*-11,244.8
Current account	US$m	-31,852.0	-23,952.0	-22,605.0	-15,539.4	*-3,289.0
Total reserves minust gold	US$m	1,309.0	2,455.0	3,652.0	2,684.0	*2,196.0
Foreign exchange	US$m	1,022.0	811.0	2,013.0	984.0	*559.0
Exchange rate	per US$	0.68	0.78	0.76	0.75	*0.77

* estimated figure

an estimated 6 per cent of GDP in primary structural terms over 2011–12. External account adjustment had also made significant strides. Portugal's 12-month rolling deficit reached 2.5 per cent of GDP in September 2012 – representing an adjustment of 10 percentage points from the low point reached in late 2008. There was also a significant decline in sovereign spreads from the heights of early 2012.

Summing up, the IMF considered that 'While the near-term outlook remains negative with the economy likely to be in recession in 2013 and growth in trading partners slowing, growth was expected to gradually pick up over time. With fiscal adjustment proceeding as per the authorities' programme, this would allow debt to peak at about 122 per cent of GDP in 2013–14.' Had this assessment of the Portuguese economy been prepared six months or so earlier, it would no doubt have taken a more pessimistic view.

Times are hard

The international financial markets gave the July 2013 political reshuffle a grudging acceptance, as the interest level on Portuguese sovereign debt eased to 7 per cent from an earlier high of 8 per cent. The problems that had brought about Portugal's political crisis did not disappear, however. The underlying problem continued to be Portugal's difficulties in fulfilling the conditions imposed on Portugal as part of its €78,000 million (US$116 million) bailout in May 2011. The highest profile element of the rescue was the quarterly visit of representatives of the Troika to Lisbon to check that Portugal was sticking to its obligations before the next tranche of bailout funding could be released. Many observers were beginning to point out that however hard it was for Portugal to meet its lenders' terms and conditions, in 2014 things would become more difficult, as that aid would come to an end, leaving Portugal reliant on the international markets. The prospects were less than encouraging – Portugal's economy was forecast to shrink by as much as 2.3 per cent in 2013, with unemployment reaching a record 18.2 per cent (and projected to rise further), the third highest in Europe (after Spain and Greece). Youth unemployment was reported to be as high as 43 per cent. Unemployment in Portugal had not risen above 10 per cent until 2010. Portugal was certainly finding it tougher than Ireland, which, having found itself in a broadly similar situation had managed to restore some sort of economic equilibrium.

Portugal's re-adjustment programme seemed to have run into the buffers in the shape of an economy that simply would not grow. The overwhelming problems – amply recognised by the international credit rating agencies – were that Portugal continued to suffer from low competivity and unsustainable levels of public expenditure. For Brussels, home of the European Commission, the remedy was more of the same; in 2013 the Commission was negotiating a credit line from the European Stability Mechanism, a 'preventive' programme that still required the approval of the ECB. But these negotiations were still at a very early stage – so much so that the Commission had disowned any such initiative, saying that 'there are no negotiations under way at present.'

The re-shuffled government is not only expected to maintain Portugal's debt repayments. It is also expected to restore some level of economic growth. Post shuffle, the business community anxiously awaited news of proposed tax reforms. They were not alone; in the foreword of its May 2013 publication *Portugal: Reforming the State to Promote Growth* the Paris based Organisation for Economic Co-operation and Development (OECD) had noted that 'Over recent years, Portugal has implemented ambitious and courageous reforms to restore the sustainability of public finances, reduce external imbalances and put its economy back on a path of strong, jobs-rich growth. Indeed, after two decades of strong economic growth and convergence in living standards towards the levels of more prosperous OECD countries, Portugal's performance weakened in the 2000s, productivity growth slowed and competitiveness deteriorated.

In its overview of the economy, the OECD took a macro-economic stance, noting that improving the country's economic performance and the welfare of all the Portuguese required 'continued efforts, building on recent achievements'. The OECD acknowledged the government's reforms, saying that 'to illustrate the benefits of continued adjustment, the policies that have been put in place over the last five years to make product markets more competitive and the labour market more dynamic are likely to raise Portugal's potential GDP by about 3.5 per cent by 2020.' Rather optimistically, the OECD considered that the potential benefits from further reforms 'to improve product and labour market regulation, to up-grade education and skills and to enhance innovation are also very large.' In the view of the OECD, restoring Portugal's potential for strong, inclusive growth also called for a comprehensive reform of the state to improve its ability to plan, design, steer and implement reform. Portugal needs an efficient public administration to enable private sector development in a competitive global environment, as well as to meet social demands through cost-effective service delivery at a time when the public finances need to be strengthened. Important reforms of the State, including its organisation and human resource management, are therefore urgently needed to face these challenges. Despite the hardships brought about by the crisis, Portugal was 'now faced with a unique opportunity to modernise its economy, as well as building a fairer, more cohesive society and a more efficient, dynamic public administration.'

Answer was there none

As pointed out in the London *Economist*, 'Every forecast of what Pedro Passos Coelho, the prime minister, warned would be 'two terrible years' has been too optimistic.' The OECD, quoted above, has predicted further falls in GDP. Quoted by the British magazine, José Pacheco Pereira, a member of Sr Passos Coelho's ruling party, claimed that 'Adjustment is just another way of saying impoverishment, inequality (and) condemning thousands to unemployment.'

The short answer was that however many tax rises (of which there were many) and spending cuts (of which there were just as many) the government has introduced, there have been few beneficial effects. Faced with daunting levels of unemployment, Portugal's youth are packing their bags and looking for jobs in Brazil, Angola and the United Kingdom. For the third successive year Portugal's population shrank by 0.5 per cent in 2012. Until 2009, the population had simply been static. Unlike neighbouring Spain, Portugal has not received any significant immigration.

Left with so few alternatives and confronted with the chilling prospect of having to return to the verdicts of the financial markets in 2014, Mr Passos Coelho looked to be in denial, claiming that the bulk of the so-called adjustment programme was already in place and working. According to the *Economist*, 'support for staying in the euro remains stable at around 70 per cent, little altered by austerity, recession or unemployment.' Alongside a growing number of euro-zone countries, Portugal's fear of the unknown

appears to be the principal motivation for staying in the euro when any neutral observer would immediately advocate Portugal regaining control of monetary and fiscal policies. The uncertainty that surrounds leaving the euro was a bridge too far – for Portugal's people as well as its politicians.

Risk assessment

Politics	Poor
Economy	Poor
Regional stability	Good

COUNTRY PROFILE

Historical profile

1383 The seventh Portuguese King, Fernando I, died. The Spanish Castilians invaded Portugal in an attempt to claim the country's throne.
1385 João I of Avis defeated the Castilians and became King.
1400s Portugal expanded its trading routes by colonising parts of Africa, Asia and the Americas.
1558 Portugal tried to colonise Morocco. After Portugal was defeated, the country went into economic and imperial decline.
1580 King Phillip II of Spain invaded Portugal. It remained under Spanish rule until a revolt in 1640.
1600s Portugal colonised Brazil and became a major gold exporter. Portugal became a major trading partner to Britain.
1793–1801 Portuguese and Spanish troops invaded France, but were defeated. Portugal was forced to temporarily break relations with Britain as part of a peace settlement with France.
1807–10 Portugal re-established relations with Britain and declared its neutrality. France and Spain invaded Portugal three times after it had refused to break relations with Britain. A joint Anglo-Portuguese Army eventually expelled the occupation forces.
1822–24 Brazil declared its independence in 1822. An attempt to introduce a new constitution in Portugal failed. Royalists refused to accept the constitution, which would have separated the powers of the monarchy, government and judiciary, and launched uprisings against the government. Power remained in the hands of the monarchy.
1828–51 Liberals rebelled against the Royalist government. Despite splitting into moderate and radical elements, the Liberals eventually gained control of the government.
1907–08 The Republicans, who were gaining support among the population, failed in an attempt to overthrow the government of João Franco.
1908 Republican extremists assassinated King Carlos I. His son, Manuel II succeeded him, becoming Portugal's last king.
1910 The army overthrew the monarchy forcing the King to abdicate. A Republican government was installed and Portugal was declared a republic. Teófilo Braga was appointed as Portugal's first president.
1911 A new constitution was introduced confirming Portugal's republican status and introducing a bicameral legislature.
1914–18 Portugal fought alongside Britain and France in the First World War.
1926 A military *coup d'état* overthrew the government and replaced it with a *junta*. The coup leader, General Gomes da Costa, was temporarily appointed head of the *junta* before General Oscar Fragoso Carmona replaced him.
1928 General Carmona was appointed president and Colonel José Vicente de Freitas became prime minister.
1932 A civilian academic, António de Oliveira Salazar, was appointed prime minister. Salazar introduced a new constitution consolidating authoritarian government.
1939–45 Portugal was neutral during the Second World War, but allowed the Allies to establish military bases in the Azores.
1955 After initially being blocked by the Soviet Union, Portugal was allowed to join the UN.
1968 Marcello José das Neves Caetano succeeded Salazar who had suffered a stroke and was in a coma.
1970 António de Oliveira Salazar died.
1974 A group of army officers of the Movimento das Forças Armadasa (MFA) (Armed Forces Movement), and led by General António de Spínola staged a *coup d'état* and overthrew Caetano's government. A provisional coalition government restored civil liberties and freedom of the press, abolished the secret police and freed political prisoners.
1975 Portugal granted independence to its African territories, where wars against nationalist forces had long been a drain on the economy; military spending had absorbed about 40 per cent of GDP per annum. Portugal also withdrew from Timor-Leste. Many expatriates returned from former colonies. In the first free parliamentary elections victory went to the Partido Socialista (PS) (Socialist Party). Mário Lopes Soares became prime minister and General Antonio Ramalho Eanes won the presidency. Banks and many industries were nationalised.
1976 A new constitution was introduced, officially establishing Portugal as a parliamentary democracy. The constitution was later amended in 1982, 1989, 1992 and 1997.
1977–86 A period of political instability with 17 left-wing coalition governments in power.
1986 Portugal joined the forerunner of the EU, the European Community (EC). Former prime minister Mário Soares became the first civilian president for 60 years.
1987 In the general election, Partido Social Democrata (PSD) (Social Democratic Party) became the first majority party in parliament since the 1974 revolution. Anibal Cavaco Silva was elected prime minister.
1991 Mário Soares was re-elected president and PSD won re-election. Portugal took Australia to the International Court of Justice (ICJ), on behalf of then Timor-Leste, a former colony, alleging Australia had failed to observe the rights of the Timorese to national self-determination, when it recognised Indonesia's occupation of Timor-Leste in 1975.
1995 PSD lost to the PS in the general election. António Guterres became prime minister. The ICJ ruled it did not have jurisdiction in the matter of Australia actions concerning Timor-Leste.
1996 The presidential election was won by the PS's Jorge Sampaio.
1998 Portuguese voters narrowly rejected in a referendum a proposal to legalise abortion.
1999 António Guterres and the PS were re-elected. Macau, Portugal's last colonial territory was returned to China. Portugal joined the EU single currency unit.
2001 Jorge Sampaio was re-elected as president for a second five-year term. Guterres resigned, as prime minister after the PS was defeated in local elections.
2002 Euro currency replaced the escudos. José Manuel Durão Barroso (PSD) formed a coalition government comprising PSD and Partido Popular (PP) (Popular Party).
2003 The last extension on the Via Infante motorway Lisbon-Algarve-Spain (known as the A22) was opened.
2004 Prime Minister Barroso resigned; he assumed the presidency of the European Commission.
2005 The opposition PS won parliamentary elections and José Sócrates (PS) became prime minister. Portugal's constitutional court ruled against the government's decision to hold a referendum on relaxing the country's abortion laws. The country's economic rating was downgraded, by Standard and Poor's, from AA to -AA, as a result of the deterioration in public finances and the lack of fiscal reforms necessary to boost fiscal dynamics. The government introduced a radical budget designed to cut public spending in an attempt to revive the economy and cut

a deficit that was twice the level permitted under EU monetary rules.
2006 Aníbal Cavaco Silva won the presidency.
2007 Mass demonstrations protested the government's austerity measures. A new law permitting abortion within the first ten-weeks of pregnancy was introduced in alignment with most other EU countries.
2008 Official approval of Portuguese spelling in line with Brazilian practice was given by parliament.
2009 Portugal signed a loan agreement with São Tomé and Príncipe, to allow its former colony's currency, the dobra, to be anchored to the euro. In parliamentary elections, the ruling PS won 37.7 per cent of the vote (96 seats of 230) and the opposition PSD 30 per cent (78); Prime Minister José Sócrates (PS) remained in office.
2010 Torrential rain caused severe flooding on the island of Madeira, resulting in the death of 42 people; the flooding later caused landslides, further endangering islanders. Value added tax (VAT) was increased to 21 per cent and income tax raised, along with higher corporation taxes, as part of the government's latest austerity measures to cut the budget deficit. A heat wave resulted in massive forest fires across northern Portugal.
2011 Presidential elections were held in January, in which three candidates took part. Incumbent Aníbal Cavaco Silva (PDS) won 52.9 per cent and his closest rival, Manuel Alegre (PS), won 19.8 per cent. The turnout was low at 46.6 per cent. The government resigned in March following parliament's rejection of its third austerity budget. Socrates remained in office as caretaker prime minister until an early general election was called. Portugal became the third euro-zone state to request financial aid. The European Central Bank (ECB) and the International Monetary Fund (IMF) agreed in May to offer Portugal 78 billion (US$116 billion) in financial assistance. Caretaker Prime Minister Socrates, assured both parties that the deficit would be cut by 5.9 per cent in 2011/12, by 4.5 per cent in 2012/13 and 3 per cent in 2013/14. In parliamentary elections held in June, the ruling PS lost power, wining only 28.05 per cent of the vote. The opposition Partido Social Democrata (PSD) (Social Democratic Party) won 38.63 per cent (105 seats out of 230). Pedro Passos Coelho (PSD) became prime minister in June leading a coalition of PSD and the Centro Democrático e Social-Partido Popular (CDS-PP) (Democratic and Social Centre-Popular Party). In July Portugal's debt was downgraded to junk status by credit ratings agency Moody's.
2012 On 9 May, as part of the government's austerity measures, four public holidays (two religious and two secular) will be suspended (2013–18). With the removal of these holidays, the total number was reduced to 10 days. On 15 October a new draft budget was published for 2013, which was described as one of the harshest in Portugal's history. Average income tax will rise from 9.8 per cent in 2012 to 13.2 per cent and public spending will be cut by US$2.7 billion. The budget is designed to cut the deficit by 4.5 per cent and allow the country's spending to be below the 3 per cent of GDP as required under EU targets.
2013 Vitor Gaspar, finance minister, resigned on 1 July, followed the next day by Paulo Portas, foreign minister. Both pointed to unsustainable austerity measures as the reason. Prime Minister Coelho said he would not be standing down. On 5 July Mr Coelho presented President Silva with what he called an agreed 'deal' to keep his coalition intact. He said that his centre-right governing partner, the CDS-PP, lead by Cavaco Silva, had pledged to continue supporting his PSD party in government. The deal was approved by the president who also rejected opposition parties' demands for an early election. He said that 'The current government has all the authority to exercise its functions…' and urged the main parties to reach a compromise so as to prevent Portugal from asking for a second international bailout.

Political structure

Constitution
The constitution was promulgated in 1976 and amended in 1982, 1989, 1992 and 1999. Voting is by direct universal suffrage. Voting age: 18 years.
Form of state
Parliamentary democratic republic
The executive
The president, who is directly elected for a maximum of two consecutive terms of five years, appoints a prime minister, and, on his recommendation, the rest of the government. The president can dissolve parliament, call elections and is supreme commander of the armed forces.The president can dissolve parliament, call elections and is supreme commander of the armed forces.
The principal organ of executive power within the government is the Council of Ministers which is responsible to parliament.
National legislature
The unicameral Assembléia da República (Assembly of the Republic) has 230 members elected for four-year terms by proportional representation. There is a fixed number of representatives, two, for each autonomous region of the Azores and Madeira, Portuguese nationals living in Europe and Portuguese nationals living elsewhere in the world. The size of the electorate determines the number of representatives for all other mainland Portuguese constituencies.
Legal system
The legal system is based on the 1976 constitution.
Last elections
23 January 2011 (presidential); 5 June 2011 (parliamentary)
Results: Presidential: Aníbal Cavaco Silva (PSD) won 52.9 per cent, Manuel Alegre (PS) 19.8 per cent, Fernando Nobre (independent) 14.1 per cent, Francisco Lopes (Partido Comunista Português (PCP) (Portuguese Communist Party)) 7.1 per cent; turnout was 46.63 per cent.
Parliamentary: Partido Social Democrata (PSD) (Social Democratic Party) won 40.3 per cent of the vote (108 seats out of 230), Partido Socialista (PS) (Socialist Party) 29.3 per cent (74), Centro Democrático e Social-Partido Popular (CDS-PP) (Democratic and Social Centre-Popular Party), 12.2 per cent (24), Coligação Democrática Unitária (CDU) (Democratic Unity Coalition (alliance of the Partido Comunista dos Trabalhadores (Communist Party) and Partido Ecologista (Os Verdes) (Ecologist Party (The Greens)) 8.2 per cent (16), Bloco de Esquerda (BE) (Left Block) 5.4 per cent (eight); 12 other political parties each won less than 2 per cent of the vote and failed to win any seats. Turnout was 58.1 per cent.
Next elections
2016 (presidential); 2013 (parliamentary)

Political parties

Ruling party
Coalition led by Partido Social Democrata (PSD) (Social Democratic Party), with the Centro Democrático e Social-Partido Popular (CDS-PP) (Democratic and Social Centre-Popular Party) (from 21 Jun 2011)
Main opposition party
Partido Socialista (PS) (Socialist Party)

Population

10.54 million (10,561,614; 2011, census figure)

Population

Last census: 21 March 2011: 10,561,614
Population density: 109 inhabitants per square km. Urban population 61 per cent (2010 Unicef).
Annual growth rate: 0.4 per cent, 1990–2010 (Unicef).
Ethnic make-up
Predominantly Portuguese. There are immigrant groups from former African colonies – Cape Verde, Mozambique, Angola, Guinea-Bissau and São Tomé. Also from East Timor and Chinese from Macao. There were 200,000 members of ethnic

minorities in Portugal in 2000 (1.8 per cent of the total population).

Religions

Roman Catholic (97 per cent), Protestant denominations (1 per cent).

Education

Basic education is undertaken between the ages of six and 15. Secondary education is optional and is undertaken over three years. Higher education is divided into two sub-systems: university education and non-university higher education and it is provided in autonomous public universities, private universities, polytechnic institutions and private higher education institutions of other types. The two systems of higher education are linked and it is possible to transfer from one to the other. It is also possible to transfer from a public institution to a private one and vice versa.

Literacy rate: 94 per cent male, 89 per cent female; adult rates (World Bank).

Enrolment rate: 128 per cent gross primary enrolment of the relevant age group (including repeaters); 98 per cent gross secondary enrolment (World Bank).

Pupils per teacher: 12 in primary schools.

Health

Health care is delivered under a national health service, which is accessible to all Portuguese citizens and to citizens of member states of the EU.

HIV/Aids

HIV prevalence: 0.4 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 78 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 1.3 births per woman, 2010 (Unicef); maternal mortality 8.0 per 100,000 live births (World Bank).

Birth rate/Death rate: 11 deaths to 12 births per 1,000 people (World Bank).

Child (under 5 years) mortality rate (per 1,000): 4 per 1,000 live births (WHO 2012)

Head of population per physician: 3.42 physicians per 1,000 people, 2003 (WHO 2006)

Welfare

Portugal's social security system is characterised by a general contributory scheme covering all workers and their families, with special arrangements for self-employed persons and a non-contributory protection scheme for people facing social or economic problems. Benefits available under the general scheme include sickness (cash benefits), birth/adoption, accidents at work and occupational diseases, invalidity, old age and death, unemployment and dependants.

Self-employed persons are entitled to a compulsory insurance scheme and there is an opt-in extended benefits scheme relating to sickness, occupational diseases and dependants. Membership of the general scheme is compulsory. In addition, there is a voluntary social security scheme for those not in work or who are in work but are not covered by the general scheme. As a rule, the employer pays the contributions and deducts the employee's social security contribution from his or her pay. Employers are also responsible for full financing of the protection of employees against accidents at work and occupational diseases.

Main cities

Lisbon (capital, estimated population 475,353 in 2012), Oporto (219,099), Amadora (162,875), Braga (132,823), Queluz (130,895), Setúbal (121,506), Agualva-Cacém (115,577), Coimbra (106,824), Algueirão-Mem Martins (98,563).

Languages spoken

Business languages include English, Spanish and French.

Official language/s

Portuguese

Media

Press

Dailies: In Portugese, *Jornal de Noticias* (http://dn.sapo.pt) is the largest daily.. Others include *Diario de Noticias* (http://dn.sapo.pt), *Record*, *Correio da Manha* and *Público* (ww2.publico.clix.pt), *Destak* (www.destak.pt), government announcements and politics in *Diário da República* (www.dre.pt), and *Correio da Manha* (www.correiomanha.pt). On Madeira *Diário de Notícias* (www.dnoticias.pt), the *Tribuna da Madeira* (www.tribunadamadeira.pt) and *Jornal da Madeira (www.jornaldamadeira.pt); in English, The Madeira Times* (www.themadeiratimes.com), In the Azores, *O Açoriano Oriental* (http://acorianooriental.sapo.pt) and Diario Insular (www.diarioinsular.com).

Weeklies: Major weeklies are published in Lisbon. The most widely circulated is *Expresso* (http://expresso.clix.pt), others include *O Independente* (www.oindependente.pt) and *Sol* (http://sol.sapo.pt/). Political and news publications include *Courrier Internacional* (http://clix.courrierinternacional.com.pt), *Focus* (http://html.impala.pt) and *Sábado* (www.sabado.xl.pt). Women's magazines include *Mulher Moderna* (www.mulhermoderna.com), *Exame* and *Activa* are both imprints of (www.edipresse.com).*Máxima* (www.maxima.xl.pt), *Guia*, *Maria* and *Marie Claire* are also popular. *Sojornal* is a general interest weekly. *The News* is Portugal's national weekend newspaper. *Visão* (http://aeiou.visao.pt). In English, with news and current affairs are *The Portugal News* (www.the-news.net), *The Resident* (www.portugalresident.com) and *Euro Weekly News* (www.euroweeklynews.com).

Business: In Portuguese, the most influential business newspapers are *Diário Económico* (http://diarioeconomico.sapo.pt), *Jornal de Negócios* (www.jornaldenegocios.pt), *Oje* (www.oje.pt), and *Vida Económica* (weekly) (www.centroatl.pt). Many newspapers have economic sections.

Broadcasting

The national public broadcaster is Radio e Televisão de Portugal (RTP) (www.rtp.pt), which runs television, radio, teletext and online, transmits national and regional programmes including services to the Madeira Islands and the Azores.

Radio: There are over 280 radio stations, almost all of which are commercial, RTP runs Antena 1–3, and an external service broadcasting to Africa. The Roman Catholic Church operates Radio Renascença, the only private national radio station. The major commercial stations are Radio Comercial (radiocomercial.clix.pt), TSF (http://tsf.sapo.pt) and Radio Clube Portugues (http://radioclube.clix.pt)

Television: RTP operates two channels on the mainline and regional services to the Azores and Madeira and the external services RTP Africa and RTP Internacional. SIC (http://sic.sapo.pt) and TVI (www.tvi.iol.pt), which has close ties with the Roman Catholic church in Portugal, are private stations. There are satellite TV broadcasts from several international sources.

National news agency: Lusa News Press Agency

Other news agencies: Photonews (Agência Noticiosa) (www.photonews.com.pt)

Economy

Portugal has a small mixed economy with a heavy dependence on foreign trade and few natural resources. The service sector, which comprises tourism, government services, retail and recreation is the largest component of GDP at 66 per cent; it employs over 50 per cent of all workers. The industrial sector and an export-oriented manufacturing sector accounts for almost 30 per cent of GDP. It includes a globally recognised die and mould making industry for automobile assembly and one of Europe's largest electricity operators, EDP (Energias de Portugal), as well as textiles, clothing and footwear, cork and wood products, wine and port, porcelain and glass. Agriculture and fishing accounts for only 4 per cent of GDP; its world

renowned fortified wine is named after its second city Oporto (port wine).
The global economic crisis caused a deep recession in Portugal in 2008 as GDP growth fell from 2.4 per cent in 2007 to 0.0 per cent, before falling into a recessionary -2.9 per cent as the banking sector came under financial strain and a credit squeeze began affecting the private sector and domestic spending. In 2009 the international ratings agency Standard and Poor's lowered Portugal's long-term credit rating from 'stable' to 'negative'. It gave a pessimistic outlook concerning the country's structural weaknesses, with its poor competitiveness hampering growth and Portugal's capacity to strengthen its public finances and reduce debt. While the national unemployment rate was typically 7–9 per cent (2007–09), regionally it can be as high as 15 per cent, such as in the Vale do Ave. In 2011 the national unemployment rate was 11.2 per cent.
In 2010 GDP growth returned at 1.4 per cent, although the economy had not fully recovered. The economy was classed as underperforming, having one of the lowest GDP per capita rates (US$22,997) in Western Europe. Portugal's 10-year cost of borrowing reached a peak of almost 8 per cent of GDP on 2 March 2010, when it was required to borrow US$1.38 billion (€1 billion) through a Treasury bill sale. An austerity budget was announced later in March 2010, designed to cut the public deficit to 8.3 per cent of GDP (down from 9.3 per cent in 2009) and return the country's spending to the EU mandated 3 per cent of GDP by 2013. The measures planned included a public workers' pay freeze and cuts in pensions. Another austerity budget passed in November 2010. However in March 2011when Prime Minister Socrates could not convince his government to back his fourth austerity budget, he resigned, although remained as care taker prime minister until the June elections. The European Central Bank (ECB) and the International Monetary Fund (IMF) agreed on 3 May 2012 to offer Portugal €78 billion (US$116 billion) in financial assistance. The three-year loan agreement should allow Portugal to reach its budget deficit targets without a run on its economy. Caretaker Prime Minister Socrates, assured both parties that the deficit would be cut by 5.9 per cent in 2011/12, by 4.5 per cent in 2012/13 and 3 per cent in 2013/14.
Fresh elections were held in June 2011 and a new coalition government was formed and introduced its own austerity budget. In July 2011, Portugal's sovereign debt rating was downgraded to junk status by credit ratings agency Moody's. GDP growth in 2011 was estimated as a recessionary -1.5 per cent, and predicted to deepen to -3.3 per cent in 2012 as unemployment rose to around 15 per cent. The government estimated that the deficit for 2011 was close to 4 per cent of GDP, well below the official target of 5.9 per cent, as it cut 27 per cent of all managerial positions within central government and forced other cuts on public sector workers. In October another austerity budget was submitted to parliament, which prompted hundreds of thousands of protestors to strike before the budget was passed in November.
In September 2012, the EU, IMF and European Central Bank granted Portugal another year in which to bring its deficit to below the EU target of 3 per cent of GDP. On 22 September, the government agreed to reconsider its proposed increase in social security contributions (due in 2013) from 11 per cent to 18 per cent, as set out in Portugal's conditions for a US$101 billion EU-IMF, three-year, financial rescue plan (offered in May 2012). On 15 October 2012 a new draft budget was published for 2013, which was described as one of the harshest in Portugal's history. Average income tax will rise from 9.8 per cent in 2012 to 13.2 per cent and public spending will be cut by US$2.7 billion. The budget is designed to cut the deficit by 4.5 per cent and allow the country's spending to be below the 3 per cent of GDP as required under EU targets.

External trade

As a member of the European Union, Portugal operates within a community-wide free trade area, with tariffs sets as a whole. Internationally, the EU has free trade agreements with a number of nations and trading blocs worldwide.
Around 70 per cent of GDP is provided through foreign trade, of which 80 per cent is with other EU members. The modern manufacturing sector provides a major input of mould-making items for Europe's automotive industry. Important export products include marble, wine, especially port, and cork as well as mineral ores.

Imports

Main imports are machinery and transport equipment, chemicals, petroleum, textiles and agricultural products.
Main sources: Spain (31.8 per cent of total in 2012), Germany (11.5 per cent), France (6.5 per cent).

Exports

Main exports include clothing and footwear, machinery, chemicals, cork and paper products and hides, port and sherry.
Main destinations: Spain (22.5 per cent of total in 2012), Germany (12.3 per cent), France (11.8 per cent).

Agriculture

About 34 per cent of the land area is arable, 9 per cent is under pasture and 32 per cent is used for forestry or is woodland. Farming is the most backward sector of the economy and crop yields and animal productivity are well below the EU average due to a legacy of low agricultural investment, minimal machinery, little use of fertiliser, poor soil quality and a fragmented land tenure system.
The agricultural sector is subject to the reformed Common Agricultural Policy (CAP), whereby subsidies are no longer paid on farm output, which tended to benefit large farms and encourage overproduction, but rather on single farm payments not conditional on production.
Portugal is the world's largest exporter of tomato paste and a leading exporter of wine. Its principal agricultural imports are wheat and meat.
The main crops grown in Portugal are cereals (wheat, barley, corn and rice), potatoes, grapes, olives and tomatoes.
The waters around Portugal are rich fishing grounds. Sardines, anchovies and tuna are caught near the coast and species such as cod are caught by deep sea trawlers in the North Atlantic.
Portugal's territorial waters were ceded to the EU on its accession. This stimulated investment of the fishing sector and helped modernise the industry.
Portugal's forests are a major natural resource. More than one-third of the country's total continental territory (3.1 million hectares out of a total of 8.9 million hectares) is forested, notably with pine, cork oak and eucalyptus. More than 90 per cent of forested land is privately owned, the highest proportion in the EU.
Portugal's cork production supplies around 52 per cent of the world market. Cork forests are declining and being replaced by eucalyptus plantations as plastic corks become more popular in wine bottles. Eucalyptus trees are contributing to desertification as they require large amounts of water to grow.
The summers of 2003 and 2005 saw large-scale devastation of Portugal's forests through fire, particularly in the north and centre of the country. In 2003 alone, 215,000 hectares, an area approximately the size of Luxembourg, were destroyed.

Industry and manufacturing

Although it contributes around 38 per cent to GDP and employs 32 per cent of the workforce, industry remains relatively underdeveloped and dependent on imported energy and materials.
Portugal faces a difficult transition from traditional industries – clothing, textiles and footwear – afflicted by low value-added products, inefficient

management and outmoded technology, to a diversified industrial base.
Important industries include processed cork, paper, cement, fertilisers, steel and glassware. High-growth sectors include vehicle manufacture, semiconductors, electronics, plastics, food processing and franchising.
Industrial production increased by 1.5 per cent in 2003 and an estimated 1.1 per cent in 2004.

Tourism
Portugal is said to have an Atlantic front and Mediterranean heart. Its history is interwoven with world events, as its pioneering explorers opened up sea routes to start an empire spanning three continents. Portugal has 13 sites on the UN World Heritage list, including prehistoric rock art, the historic centre of Oporto, the landscape of Sintra and the largest surviving laurel forest (on the island of Medeira). Its lush northern lands produce the grapes necessary for its famous ports (fortified wines) and its sun-bathed southern regions attract many tourism from Northern Europe in particular.
Travel and tourism is an important component of the economy and typically accounts for 13–14 per cent of GDP and employs 16–17 per cent of workers annually. The global economic crisis impacted on the sector with visitor revenue falling from a high of US$14 billion in 2008 to US$12.3 billion in 2009; in 2010 spending increased marginally to US$12.9 billion and further still to an anticipated US$13.3 billion in 2011.
Capital investment in travel and tourism has included the increased use of broadband internet connections to boost bookings. In 2011 such investment was estimated to be over 10 per cent of total capital investment.

Mining
The mining sector contributes around 1 per cent of GDP and employs a similar fraction of the workforce. Although there is considerable mineral wealth, deposits are scattered and not easily exploitable on a large scale. The most important mineral resources include non-metallic ores such as rock salt, pyrites (the reserves in the Alentejo region make up nearly 23 per cent of total worldwide reserves) and excellent quality marble. Large reserves of uranium are also available. Small-scale mining of tin, copper, tungsten concentrates, marble, stone and iron pyrites takes place.
There are no known oil reserves so Portugal is investing over US$35 million (2006–11) in renewable energies in a concerted effort to reduce its hydrocarbon imports.
The state-owned Galp Energia (Petróleos e Gás de Portugal) is responsible for oil and gas businesses. It controls the only refining company Petrogal, which operates two oil refineries with a total capacity of 304,174 barrels per day (bpd) and its distribution operation, plus GDP which is responsible for natural gas imports, transport and distributions. It also has foreign energy interests, including exploration and production and energy generation.
Consumption of natural gas has grown considerably from 116 million cubic metres (cum) in 1997 to 4.4 billion cum by 2005. In March 2009 the Algerian state-owned Sonatrach which had been supplying 2.5 billion cum, was given a licence to sell its natural gas directly to Portuguese consumers, to be supplied via the Maghreb-Europe gas pipeline, and assuring Portugal's long-term energy supply.
A liquid natural gas (LNG) re-gasification terminal has been built at the port of Setubal, south of Lisbon, connected by a pipeline extended along the Atlantic coast to the northern town of Braga. The pipeline is linked to the European natural gas network via Spain, providing an alternative source of supply for Europe. LNG is imported from Algeria and Nigeria.
Reserves of coal are scarce and of poor quality, production ceased in 1994. Any use of coal is commercially insignificant.

Energy
Total installed generating capacity was 12.2 gigawatts (GW) in 2005.
Portugal has invested heavily in renewable energies and in 2008 had the world's largest photovoltaic (Serpa solar power plant) energy project, with an 11MW power plant, covering 61 hectares, producing 3,000MW hours (at maximum output), located in the south of the country. Another, larger solar plant is under construction nearby. In the north, the world's first commercial wave farm, offshore near Póvoa de Varzim, was opened in 2008. Wind farms provide 2,124MW in 2008, with an additional 908MW under construction.
Energias de Portugal (EdP) is the national power utility and one of the largest energy companies in Europe. Portugal and Spain's electricity grids are integrated.

Financial markets
Stock exchange
Euronext NV Lisbon
Commodity exchange
Liffe Connect

Banking and insurance
In November 2008 the government announced it was going to nationalise Banco Portugues de Negócios after the bank ran up losses of almost US$900 million.
Central bank
Banco de Portugal (Bank of Portugal); European Central Bank (ECB).
Main financial centre
Lisbon

Time
GMT (daylight saving, late March to late October, GMT plus one hour)

Geography
Mainland Portugal lies on the west side of the Iberian peninsula with the furthermost point of western Europe jutting into the Atlantic Ocean. The 837km coastline runs down along the west and south coast. Spain borders Portugal in the north and east. There are two archipelagos in the Atlantic Ocean – the Azores and the Madeira Islands.
All inclusive, Portugal is 92,080 square km in size. There are six major rivers, three of which rise in Spain and flow into the Atlantic Ocean. The Duoro in the mountainous north runs east-west across the country and used to provide an important shipping route. It flows through the city of Oporto. The longest river, the Tagus, has a large estuary, on which the capital, Lisbon, sits and is navigable for over 100km by seagoing ships. The Guadiana in the south, forms part of the border with Spain. The tallest peaks at 1,991 meters (m) are in the Serra da Estrela, in central Portugal. In the south the land is rolling hills and plains.
Lying south-west of the European mainland, the Azores consist of three scattered groups of nine inhabited islands and several uninhabitable ones, and include 12 active volcanoes. The Madeira archipelago is west of North Africa and has only two inhabited islands. The Azores and Madeira are volcanic in origin with steep topographies, the tallest – and youngest due to the continued lava flows that add to its mass – is located on Pico (Azores), at 2,321m high.
Hemisphere
Northern

Climate
Situated in the middle of the northern hemisphere, Portugal has a mild welcoming climate. However, the difference between the north/south and coast/inland weather is marked. Inland areas have more variable weather than coastal regions. To the south of the Tagus river the Mediterranean influences are clear. Long, hot, humid summers and dry, short, relatively mild winters. May–October dry and warm, November–April cool with rain in north, mild in south (though often wet and windy January–March). Temperatures vary between 8–28 Celsius.

Dress codes
Business people dress conservatively in dark blue or grey suits and ties.

Entry requirements
Passports
Required by all, except members of the EU, EEA and Switzerland who may use a valid national ID card. Passports must be valid for at least three months from date of arrival.
Visa
Required by all, except nationals of EU and Schengen Accord signatory countries, North America, Australasia and Japan. For further exceptions contact the nearest Portuguese consulate or a travel agent. Schengen visas cover all entry needs..For business trips, an original invitation from a business contact in Portugal is necessary, plus proof of accommodation booking and a letter from an employer giving the purpose and duration of the visit, when applying. A Schengen visa application (offered in several languages) can be downloaded from http://europa.eu/abc/travel/ see 'documents you will need'.
Currency advice/regulations
The import of local and foreign currency is unlimited but amounts over eur5,000 should be declared on entry. Export of local currency is limited to eur5,000 and an equivalent amount in foreign currency may require currency exchange receipts to be produced.
Travellers cheques are readily accepted.
Customs
Personal items are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption only. The export of luxury goods, such as gold, silver and jewellery, is limited to the value of eur150, without special permission.

Health (for visitors)
Nationals of the European Economic Area (EEA) countries and Switzerland can access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries, which joined the EU in 2004, whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.
Mandatory precautions
Yellow fever vaccination certificate required for Azores and Madeira only if arriving from infected areas.
Advisable precautions
Immunisations that may be recommended is for hepatitis A and tuberculosis (although not for a short duration stay).

Hotels
A full range of hotels are available throughout the country, and are classified from one- to five-star. There is a 10 per cent service charge but a tip is also expected.

Credit cards
All usual credit cards are widely accepted. ATMs are readily available.

Public holidays (national)
Fixed dates
1 Jan (New Year's Day), 25 Apr (Liberty Day), 1 May (Labour Day), 10 Jun (Portugal Day), 15 Aug (Assumption Day), 5 Oct (Republic Day), 1 Nov (All Saints' Day), 1 Dec (Restoration of Independence Day), 8 Dec (Immaculate Conception), 25 Dec (Christmas).
Variable dates
Carnival (Feb), Good Friday (Mar/Apr), Corpus Christi (May/Jun).
From 2013–18, public holidays on 1 Nov (All Saints' Day), 5 Oct (Republic Day), 1 Dec (Restoration of Independence) and Corpus Christi will be suspended.

Working hours
Banking
Mon–Fri: 0830–1500. Some banks in Lisbon open until 1800.
Business
Mon–Fri: 0900–1300 and 1500–1900.
Government
Mon–Fri: 0930–1200 and 1430–1800, closed 1730 on Mon and Tue.
Shops
Mon–Fri: 0900–1300, 1500–1900; Sat: 0900/1000–1300 general shops.
Mon–Sun: 1000–2300/2400 shopping centres/malls.

Telecommunications
Mobile/cell phones
There are 900/1800 and 3G GSM services available throughout the country.

Electricity supply
220V AC, with two round-pin plugs.

Social customs/useful tips
The Portuguese like to entertain. Lunch usually takes place between 1200 and 1400, dinner between 1900 and 2200. The Portuguese are extremely courteous, helpful and open to foreigners. Men always shake hands when they meet strangers or male friends. Women often kiss each other or their male friends once on each cheek.
It is impolite to refuse an offer of coffee. Tips should be given to anyone who carries out a service for you. There is no set rule on how much to tip.

Getting there
Air
National airline: TAP-Air Portugal.
International airport/s: Lisbon (LIS), 7km north of capital. Facilities include 24-hour *bureau de change*, banks, tourist information, post office, duty-free shops and car hire.
A special *aerobus* departs for the city centre every 20 minutes. Other express buses run to the railway station and other destinations around the country. Taxis are available, with a surcharge after 2200hrs.
Other airport/s: Oporto (OPO), 11km from city, Faro (FAO), 4km from city; Funchal (FNC) on Maderia; and Santa Maria (SMA) in the Azores, 3.2km from Vila do Porto.
Airport tax: None
Surface
Road: There are only road connections with Spain, of which the principle are motorways (with tolls), these in turn connect to the trans-European road network. Smaller cross-border roads maintain traditional routes.
Rail: There are four cross-border railway lines from Spain via either Salamanca, Santiago de Compostela, Badajoz or Madrid, which is the hub for lines to France.
Water: There are car ferry services from Plymouth or Portsmouth (UK) to Santander or Bilbao (northern Spain) respectively, from March–December.
The islands of Madeira and Azores have regular ferry services to the mainland of Spain and Portugal as well as to Grand Canary and Cape Verde.
Main port/s: The three most important ports are Lisbon, Leixes (Oporto) and Sines (south of Lisbon).

Getting about
National transport
Air: TAP and domestic charter airlines operate scheduled flights between most major cities, Madeira and the Azores.
Road: The Lisbon-Oporto, Lisbon-Algarve and Lisbon-Badajoz roads are national highway, toll roads. The road network has been upgraded in recent years and while local roads can often be narrow they link all rural communities with provincial roads.
Buses: Regular coach services, *Expresso* are inter-city and *Rápidas* link major regional towns, they can provide a quicker alternative service than by rail, although with a relatively higher priced ticket.
Rail: Caminhos de Ferro Portugueses (CP) operates about 3,600km of track, of which 500km are electrified. The *Alfa Pendular* provides a high-speed service between Oporto-Faro via Lisbon (journey time around six hours) reservations must be made and bookings can be made online. Regional services are available between cities and main towns.
Water: The 800km of inland waterways are only rarely used. Some coastal

shipping operates, including services to Madeira and the Azores.

City transport

Taxis: Lisbon taxis are green and black. They are relatively cheap and offer an efficient service. A tip of 15 per cent is expected. Taxis may be scarce during rush-hours.

Buses, trams & metro: Lisbon has some steep climbs and there are three *elevadors* (funiculars – cable cars) from Baixa to the Bairro Alto neighbourhood and the Santa Justa. Buses run throughout the city.

The metro (from 0630–0100) provides four lines within the city and links to five suburban lines. the remaining services for the city.

Other cities and towns have public bus services.

Ferry: There are two ferry companies operating in Lisbon on the river Tagus. CP provides links from the city centre to Barreiro, on the south shore, which connects with the railway line to the Algarve. Transtejo provides services to Montijo, Seixal and Cacilhas.

Car hire

Self-drive and chauffeur-driven cars are available throughout the country.

An international driving licence or full national licence is required, as well as an international insurance Green Card. The wearing of seat belts is compulsory and all vehicles must carry a warning red triangle and warning waistcoats (fluorescent jackets) when leaving a vehicle during a breakdown or emergency.

Detailed motoring information is available from Automovel Clube de Portugal in Lisbon.

Driving in Portugal can be hazardous. In proportion to the number of vehicles, the country has one of the highest death and accident rates in Europe.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international dialling code (IDD) for Portugal is +351, followed by area code and subscriber's number:

Beja	284	Faro	289
Braga	253	Lisbon	21
Braganca	273	Madeira	291
Coimbra	239	Oporto	22
Covilha	275	Ponta Delgado	296

Chambers of Commerce

American Chamber of Commerce in Portugal, 155 Rua D Estefânia, 1000-154 Lisbon (tel: 357-2561; fax: 357-2580; e-mail: nop37676@mail.telepac.pt).

British-Portuguese Chamber of Commerce, 8 Rua da Estrela, 1200-669 Lisbon (tel: 394-2020; fax: 394-2029; e-mail: info@bpcc.pt).

Coimbra Chamber of Commerce and Industry, Rua Coronel Júlio Veiga Simão, Edificio Novotecna, 3020-260 Coimbra (tel: 497-160; fax: 494-066; e-mail: geral@cec.org.pt).

Madeira Chamber of Commerce and Industry, 41 Avenida Arriaga, 9004-507 Funchal (tel: 206-800; fax: 206-868; e-mail: geral@acif-ccim.pt).

Oporto Chamber of Commerce and Industry, Rua Ferreira Borges, Palácio da Bolsa, 4050-253 Oporto (tel: 399-000; fax: 399-090; e-mail: cciporto@mail.telepac.pt).

Ponta Delgada Chamber of Commerce and Industry, 13 Rua Ernsto do Canto, 9504-531 Ponta Delgada, Azores (tel: 305-000; fax: 305-050; e-mail: ccipd@ccipd.pt).

Portuguese Chamber of Commerce and Industry, 89 Rua das Portas de Santo Antão, 1169-022 Lisbon (tel: 322-4050; fax: 322-4051; e-mail: geral@port-chambers.com).

Banking

ABN AMRO Bank NV, Av da Liberdade 131, 5, Lisbon (tel: 321-1800; fax: 321-1900).

Associação Portuguesa de Bancos (Portuguese Bankers' Association), 35 Avenida da República, Lisbon (tel: 357-9804; fax: 357-9533, 352-9682).

Banco BPI SA, Rua do Comércio 132, Lisbon (tel: 887-4801, 887-3161, 311-1000; fax: 346-7308).

Banco Comercial Português SA, International Division, Rua Augusta 62—74, Lisbon (tel: 321-1780, 312-5936; fax: 321-1789; e-mail: dint@bcp.pt); Investor Relations Division (tel: 321-1080; e-mail: investors@bcp.pt).

Banco Espírito Santo e Com de Lisbon, Avenida da Liberdade 195, Lisbon (tel: 315-8331; fax: 353-2931, 350-8977).

Banco Internacional de Crédito, Avenida Fontes Pereira de Melo 27, Lisbon (tel/fax: 315-7135).

Banco Mello, Av José Malhoa, Lote 1682, Lisbon (tel: 720-1500; fax: 720-1766, 720-1599; e-mail: investor@bancomello.pt).

Banco Nacional Ultramarino (commercial bank), Av 5 de Outubro 175, Lisbon (tel: 793-3223, 793-0112; fax: (International Department) 793-8952).

Banco Pinto e Sotto Mayor (commercial bank), Rua do Ouro 28, Lisbon (tel: 340-3000, 347-6261; fax: (International Department) 357-3973).

Banco Português do Atlântico SA, Tagus Park, Edif Serv 1, Piso 2, Oeiras (tel: 422-4000; fax: 422-4489).

Banco Santander Portugal SA, Praça Marquês de Pombal 2, Lisbon (tel: 310-7000; fax: 315-4963).

Banco Totta & Açores SA (commercial bank), Rua do Ouro 88, Lisbon (tel: 321-3000; fax: 321-1582).

Caixa Geral de Depósitos (savings bank), International Department, Largo do Calhariz, Lisbon (tel: 790-5018; fax: 790-5068).

Central Banco de Investimento SA, Rua Castilho 233-4, Lisbon (tel: 386-4097; fax: 387-3208).

Credito Predial Português, Rua Augusta 237, Lisbon (tel: 321-4200; fax: (International Department) 313-7438).

Finibanco, Av de Berna, 10-1064, Lisbon (tel: 790-2800; fax: 790-2801).

Central bank

Banco de Portugal, 27 Rua do Ouro 1100-150 Lisbon (tel: 321-3200; fax: 346-4843; email: info@bportugal.pt).

European Central Bank (ECB), Kaiserstrasse 29, D-60311 Frankfurt am Main, Germany (tel: (+49-69) 13-440; fax: (+49-69) 1344-6000; email: info@ecb.int).

Stock exchange

Euronext NV Lisbon, www.euronext.com

Chi-X, www.chi-x.com

Commodity exchange

Liffe Connect, www.nyse.com/nyseeuronext

Travel information

Comissão Municipal de Turismo de Lisboa, Pavilhao Carlos Lopes, Parque Eduardo VII, 1070 Lisbon (tel: 315-1915/6/7/8; fax: 352-1472).

Comissão Municipal de Turismo do Oporto, Rua Clube dos Fenianos 25, 4000 Oporto (tel: 323-303, 312-543; fax: 208-4548).

Costa Verde Tourism Office, Praça D Joao I 43, 4000 Oporto (tel: 317-514).

Lisbon Airport Tourism Office, 1700 Lisbon (tel: 849-4323/3689; fax: 848-5974).

Lisbon Tourist Office, Palácio Foz, Praça dos Restauradores, 1200 Lisbon (tel: 346-3314/3643; fax: 346-8772).

Madeira Tourism Office, Avenida Arriaga 18, 9000 Funchal (tel: (+091) 229-057,

225-658; fax: (+091) 232-151; internet: www.madeiraguide.com).

Pousadas of Portugal, Rua Soares de Passos, 3 Alto de Santo Amaro, 1300-314 Lisbon (tel: 844-2001; fax: 844-2085; internet: www.pousadas.pt).

Regiao de Turismo da Planicie Dourada, Praca da Republica 12, 7800 Beja (tel: 321-369; fax: 326-332).

National tourist organisation offices
Portuguese Tourism Board (ITP), Rua Ivone Silva, Lote 6, 1050-124 Lisbon (tel: 781-0000; fax: 793-7537; email: info@iturismo.pt; internet: www.iturismo.pt).

Ministries
Ministry of Agriculture, Food and Fisheries, Praça do Comércio, 1149-010 Lisbon (tel: 346-3151; fax: 347-7890).

Ministry of Culture, Palácio Nacional da Ajuda, 1349-003 Lisbon (tel: 361-4500; fax: 364-9999).

Ministry of Defence, Avenida Ilha da Madeira, 1400-204 Lisbon (tel: 303-4500; fax: 303-4525).

Ministry of Economy, Rua da Horta Seca 15, 1200-221 Lisbon (tel: 322-8600; fax: 322-8741).

Ministry of Education, Avenida 5 de Outubro 107-13, 1069-018 Lisbon (tel: 795-0330; fax: 793-3618).

Ministry for Employment, Praça de Londres 2-14, 1049-056 Lisbon (tel: 844-1700; fax: 847-0027).

Ministry of the Environment, Rua do Século 51-2, 1200-433 Lisbon (tel: 3223-2500; fax: 323-2531).

Ministry of Finance, Avenida Infante D Henriques 5, 1149-009 Lisbon (tel: 888-4675; fax: 886-0032).

Ministry of Foreign Affairs, Largo do Rilvas, 11399-030 Lisbon (tel: 394-6000; fax: 390-9708).

Ministry of Health, Avenida João Crisóstomo 9-6, 1049-062 Lisbon (tel: 354-4560; fax: 354-0302).

Ministry of Home Affairs, Praça do Comércio, 1149-015 Lisbon (tel: 323-3000; fax: 342-7372).

Ministry of Industry and Energy, Rua da Horta Seca 15, 1200 Lisbon (tel: 346-3091/6091; fax: 347-5901).

Ministry of Justice, Praça do Comércio, 1149-019 Lisbon (322-2300; fax: 347-9208).

Ministry of Planning, Public Works and Territorial Administration, Palacio Penafiel, Rua de S Mamede ao Caldas 21, 1149-050 Lisbon (tel: 886-1119; fax: 886-3827).

Ministry of Science and Technology, Praça do Comércio - Ala Oriental, 1149-003 Lisbon (tel: 881-2000; fax: 888-2434).

Ministry of Social Security, Rua Rosa Araújo 43, 1250-194 Lisbon (tel: 353-0049; fax: 353-0074).

Prime Minister's Office, Rua da Imprensa a Estrela 2, 1200 Lisbon (tel: 397-4091; fax: 395-1616).

Other useful addresses
Agencia de Informação LUSA (news agency), Rua Dr João Couto, Lote C, Lisbon (tel: 714-4099).

Associação Industrial Portuguesa, Apt 5200, Praça das Indústrias, 1301 Lisbon (tel: 360-1500).

Associação Industrial Portuense, Avenida da Boavista 2671, Oporto (tel: 615-8500; fax: 617-6840).

Bolsa de Valores de Lisboa (Lisbon Stock Exchange), Edificio da Bolsa, Rua Soeiro Pereira Gomes, Lisbon (tel: 790-0000; fax: 795-2021; e-mail: Infomktg@bvl.pt; internet site: www.bvl.pt/).

Comissão Co-ordenação Regiao (CCR) Norte, Rua Rainha D Estefania 251, Oporto (tel: 695-236/7/8/9/0; fax: 600-2040).

CCR Algarve, Praça da Liberdade 2, Faro (tel: 802-401; fax: 803-591).

CCR Lisboa e Vale do Tejo, Rua Artilharia Um 33, Lisbon (tel: 387-5541; fax: 691-292).

Instituto de Apoio às Pequenas e Médias Empresas Industriais (IAPMEI), Rua Rodrigo da Fonseca 73, Lisbon (tel: 562-211).

Instituto Nacional de Estatistica (INE), Av António José de Almeida 2, Lisbon (tel: 847-0050; fax: 848-9480; internet site: www.ine.pt).

Investimentos Comércio e Turismo de Portugal (ICEP), (e-mail: icepdiesnar@mail.telepac.pt; internet: www.icep.pt).

Portugal Telecom (PT), Investor Relations, Lisbon (tel: 500-1701, 500-8739; e-mail: manuel.j.castela@telecom.pt).

Portuguese Embassy (USA), 2125 Kalorama Road, NW, Washington DC 20008 (tel: (+1-202) 328-8610; fax: (+1-202) 462-3726; e-mail: embportwash@mindspring.com).

Privatisation Office, c/o Ministério das Finanças – Commissão de Acompanhamento das Privatizacões (c/o Ministry of Finance – Commission for the Accompaniment of Privatisations), Av Infante D Henrique 5, Lisbon (tel: 618-0057).

Radiotelevisão Portuguesa – RTP (Portugal's radio/television broadcaster), 197 Avenida 5 de Outubro, Lisbon (tel: 793-1774; fax: 796-6227).

Sociedade de Desenvolvimento da Madeira SA (SDM), 1st Floor, 9 Rua da Mouraria; PO Box 4164, Funchal, Madeira (tel: (351-291) 201-333; fax: (351-291) 201-399; email: sdm@sdm.pt; internet site: www.sdmadeira.pt).

Sociedade Independente de Comunicação – SIC (independent broadcasting company), 119 Estrada da Outurela, Carnaxide, Linda a Velha (tel: 417-3138; fax: 417-3118).

Televisão Independente – TVI (independent television broadcasting), Pt16-s 603-B Rua 3, Matinha, Lisbon (tel: 858-7968; fax: 858-2319).

National news agency: Lusa News Press Agency

Rua Dr Joao Couto, Lote C P 1503-809 Lisbon (tel: 711-6500; email: agencialusa@lusa.pt; internet:www.lusa.pt).

Other news agencies: Photonews (Agência Noticiosa) (www.photonews.com.pt)

Internet sites
Guide to business: www.portugaloffer.pt

Icep Portugal (business promotion): www.portugalinbusiness.com

Portugal portal: www.portugal.org

Lisbon Airport: www.ana-aeroportos.pt

Tourist portal: www.portugalvisitor.com

Yellow Pages: www.paginasamarelas.pt