

Enterprise and Industry

2014 SBA Fact Sheet

PORTUGAL



In a nutshell

SMEs account for 79% of Portugal's employment and 66% of value added, considerably higher proportions than in other EU countries. Microenterprises comprise the vast majority of firms in Portugal — 95.4% — and provide more than 40% of private sector jobs. Between 2008 and 2013 Portuguese SMEs had to shed a total of more than 350,000 jobs, a reduction of 13.5% of the total SME workforce in 2008. Value-added as well as the total number of SME also declined, although the latter to a much lesser extent.

The Portuguese economy has not yet recovered from the crisis but incipient signs of improvement over the last three quarters of 2013 suggest a brighter outlook. Projections point to a modest recovery of GDP growth in 2014 and 2015. Nevertheless, a number of structural constraints will continue to hold back the Portuguese economy's growth potential in the near term. These are, in particular, the high indebtedness of the public and private sector, the active population's relative lack of qualifications and long-term unemployment in some parts of the labour market.

Portugal's SBA profile remained in line with the EU average in 2013. By far the best performing SBA area was entrepreneurship, as the Portuguese economy is characterised by intense and high-quality entrepreneurial activity that is underpinned by a remarkably positive entrepreneurial culture. At the other end of the scale, the still limited access to finance and public procurement is a significant obstacle to small business growth. In 2013, the government introduced policy measures offering guarantees and risk capital to SMEs and took action on late payments, thereby helping to address the scarcity of finance in the economy.

About the SBA Fact Sheets¹

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from 'entrepreneurship' and 'responsive administration' to 'internationalisation'. To improve SBA governance, the 2011 review of the Act called for better monitoring. The SBA Fact Sheets are published annually and aim to improve understanding of recent trends and national policies affecting SMEs.

1. SMEs in Portugal – basic figures

	Number of enterprises			Number of employees			Value added		
	Portugal		EU-28	Portugal		EU-28	Portugal		EU-28
	Number	Proportion	Proportion	Number	Proportion	Proportion	Billion €	Proportion	Proportion
Micro	739 555	95.4%	92.4%	1 230 990	42.8%	29.1%	15	22.4%	21.6%
Small	30 732	4.0%	6.4%	588 424	20.4%	20.6%	15	22.6%	18.2%
Medium-sized	4 547	0.6%	1.0%	444 610	15.4%	17.2%	14	21.6%	18.3%
SMEs	774 834	99.9%	99.8%	2 264 024	78.7%	66.9%	44	66.5%	58.1%
Large	722	0.1%	0.2%	613 790	21.3%	33.1%	22	33.5%	41.9%
Total	775 556	100.0%	100.0%	2 877 814	100.0%	100.0%	66	100.0%	100.0%

These are estimates for 2013 produced by DIW Econ, based on 2008–11 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'business economy', which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

SMEs play a bigger role in the Portuguese economy than in other EU Member States. They account for 79% of employment and 66% of value added, both of which are considerably higher proportions than the EU average. Furthermore, microenterprises comprise the vast majority of firms in Portugal: they make up 95.4% of all businesses, a proportion that is about three percentage points above the EU average. They also generate more than 40% of private sector jobs. Most SMEs are active in services, manufacturing and trade, and in all of these areas they provide the majority of jobs.

Portugal was hit hard by the economic crisis and the subsequent sovereign debt crisis. After a fall in real GDP of almost 3% between 2008 and 2009, there was weak real GDP growth in 2010. GDP then decreased again under Portugal's economic adjustment programme and, in 2013, it was still 7% below its 2008 pre-crisis levels². As Portugal approached the end of the adjustment programme in the second half of 2013, signs of recovery emerged³. The deficit target of 5.5 per cent of GDP was more than achieved, with the deficit reduced to 4.9%.⁴ In the second quarter of 2013, after 10 quarters of recession, the Portuguese economy grew, albeit weakly, thanks primarily to a significant increase in exports and to domestic demand.⁵

However, the Portuguese business economy has not yet recovered from the crisis: value added and employment continue to fall, although the rate is slowing. The data indicates that SMEs and large companies are suffering to similar degrees. Between

2008 and 2013, value added generated by SMEs decreased by 11% and employment by almost 14%, while for large firms they both fell by around 10%. SMEs with limited financial resources of their own were particularly affected by credit constraints and have suffered significantly as a result. Furthermore, SMEs with little involvement in international trade were badly affected by the contraction in the EU's single market and could not benefit from more positive developments abroad.

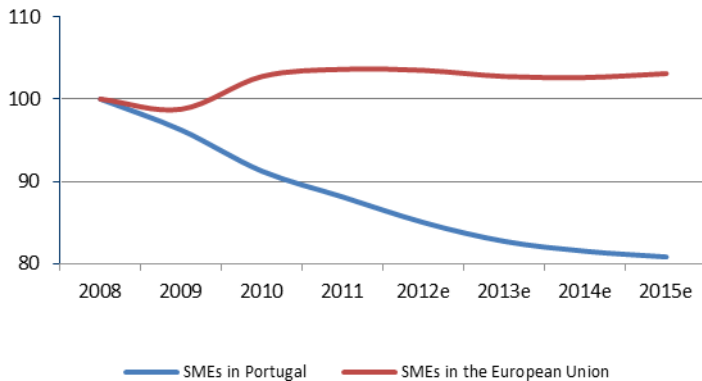
The performance of different sectors has varied. Water supply and sewerage and the accommodation and food services sectors have expanded. Value added generated by SMEs in accommodation and food services grew by about 20% between 2009 and 2013. This is partly due to the high number of self-employment initiatives for young entrepreneurs with good management skills, as well as efforts to combat fraud and tax evasion^{6,7}. By contrast, between 2009 and 2013 value added generated in the information and communication sector, by SMEs and large firms alike, fell sharply by around 11% due to tighter operating margins.

Despite the unfavourable economic environment for SMEs in Portugal, 2.4 new businesses were set up in 2013 for every one that closed⁸. The number of new companies created — 35 296 — was 12.8% higher than in 2012, and growth was consistent throughout the year and in all sectors, except for electricity, gas and water. Most new businesses were created in the services sector (accounting for almost one third of all new firms), trade (16%) and accommodation and food

SME trends in Portugal¹³

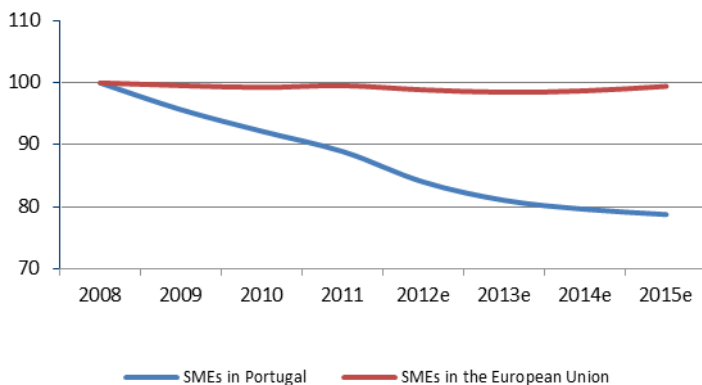
Number of SMEs

(Index: 2008=100, estimates from 2012 onwards)



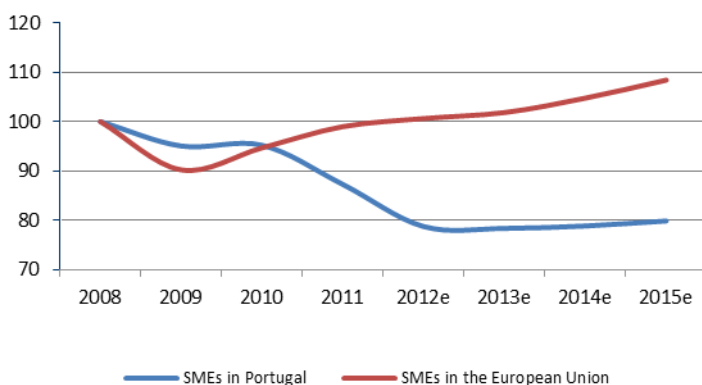
Employment in SMEs

(Index: 2008=100, estimates from 2012 onwards)



Value added of SMEs

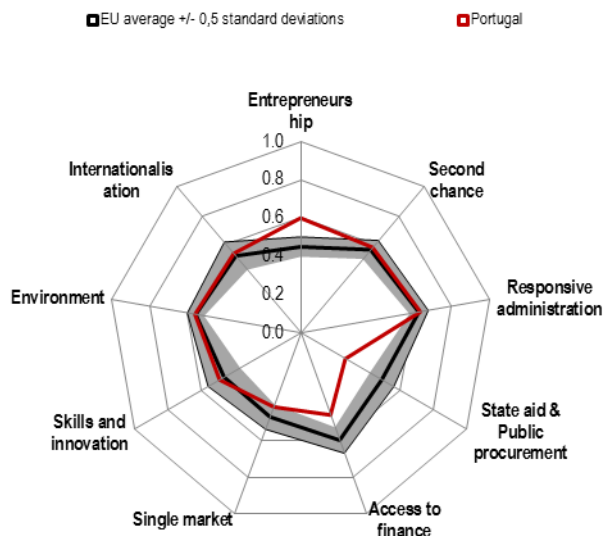
(Index: 2008=100, estimates from 2012 onwards)



services (11%)⁹. The number of businesses that closed fell 20% to 14504, returning to average pre-bailout levels. A 7.6% drop in the number of businesses starting insolvency procedures was the first such fall in five years. A government revitalisation plan contributed to this reduction and benefited 985 firms. Two thirds of the insolvent businesses were microenterprises¹⁰. The construction sector continued to lead the number of insolvencies with 1087 closures (20% of the 2013 total), followed by trade (18%) and manufacturing (17%). These sectors are more dependent on domestic demand and so suffer more from the weak state of the Portuguese economy¹¹.

Although Portugal is still experiencing a deep crisis, evident signs of recovery over the last three quarters of 2013 indicate a brighter outlook. Current projections point to a moderate recovery, with expected GDP growth of 0.8% in 2014 and 1.3% in 2015. This will be led by recovery in the private sector; public sector activity is expected to contract further. Nevertheless, a number of structural constraints will continue to hold back the economy's growth potential in the near term. These constraints concern, in particular, the high public and private sector indebtedness, the active population's relative lack of qualifications, and long-term unemployment in some parts of the labour market.¹²

2. Portugal's SBA profile¹⁴



Portugal's SBA profile remained in line with the EU average in 2013. By far the best-performing SBA area was entrepreneurship: the Portuguese economy is characterised by intense and high-quality entrepreneurial activity that is underpinned by a remarkably positive entrepreneurial culture. At the other end of the scale, the still limited access to finance and public procurement is a significant barrier to small business growth. Government policy measures taken in 2013 addressed the scarcity of finance in the economy by offering guarantees and risk capital and taking action against late payments. Measures on responsive administration — in the form of online platforms for administrative procedures — and public procurement (through e-procurement) were also implemented.

The umbrella initiative *+Empresas* ('+Enterprises') has been set up to facilitate the creation of new SMEs (see 'Entrepreneurship' section for further details). Specific credit lines, VAT cash measures and tax benefits for investments are examples of further measures adopted.

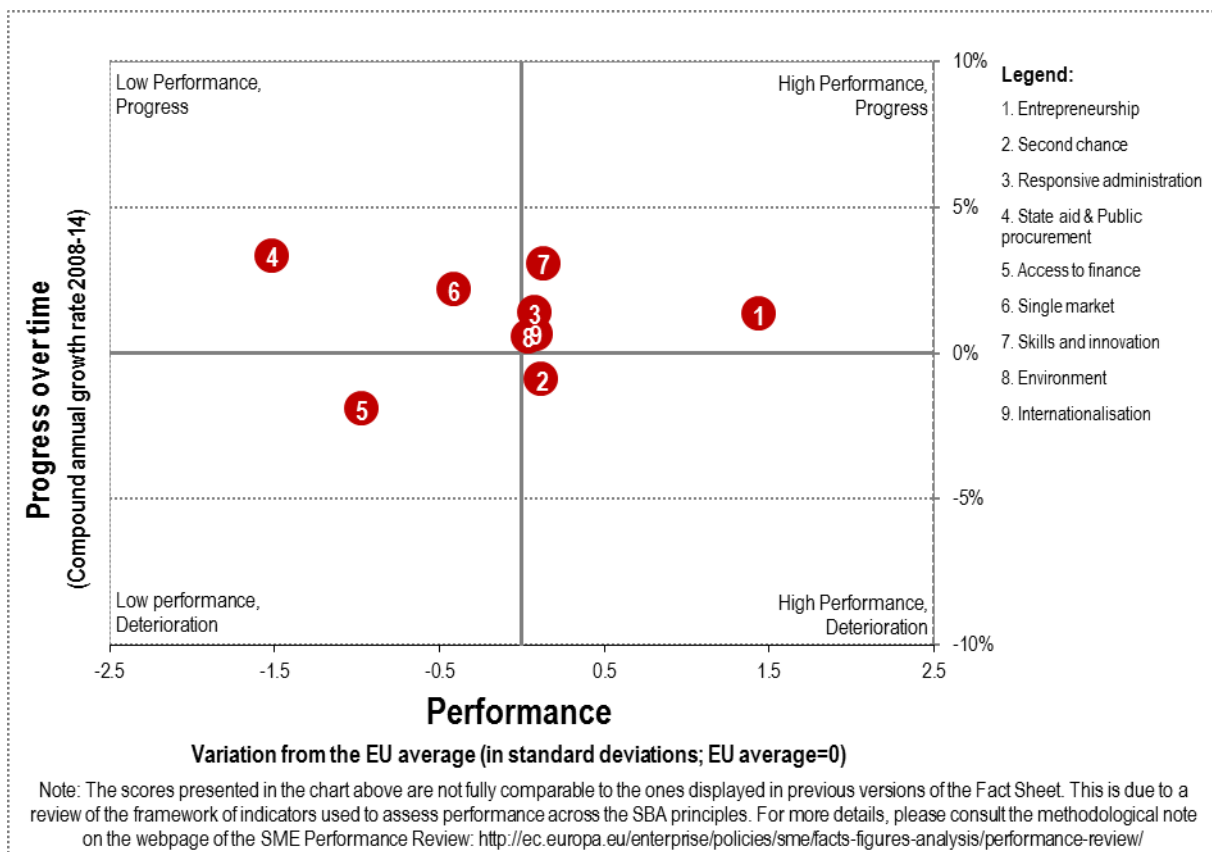
In November 2013, the Strategy for Industrial Development for Growth and Employment 2014-2020¹⁵ was launched. The strategy addresses similar topics and sets similar aims to those of the SBA. It

covers nine areas of major importance for SMEs, ranging from education and training to fiscal competitiveness and internationalisation.

It is worth noting that the National Council for Entrepreneurship and Innovation (CNEI) is an important advisory body to the government on national entrepreneurship and innovation policy. It is overseen by the cabinet member responsible for economic matters and is chaired by the prime minister.

It is widely understood that the main challenges facing the Portuguese economy — such as funding shortages and very high unemployment — still require significant political efforts. The Strategy for Industrial Development for Growth and Employment highlights the key areas to be addressed by policies to improve the conditions that allow SMEs to grow and create employment and prosperity in Portugal.

Portugal's SBA performance: status quo and development between 2008 and 2014¹⁶

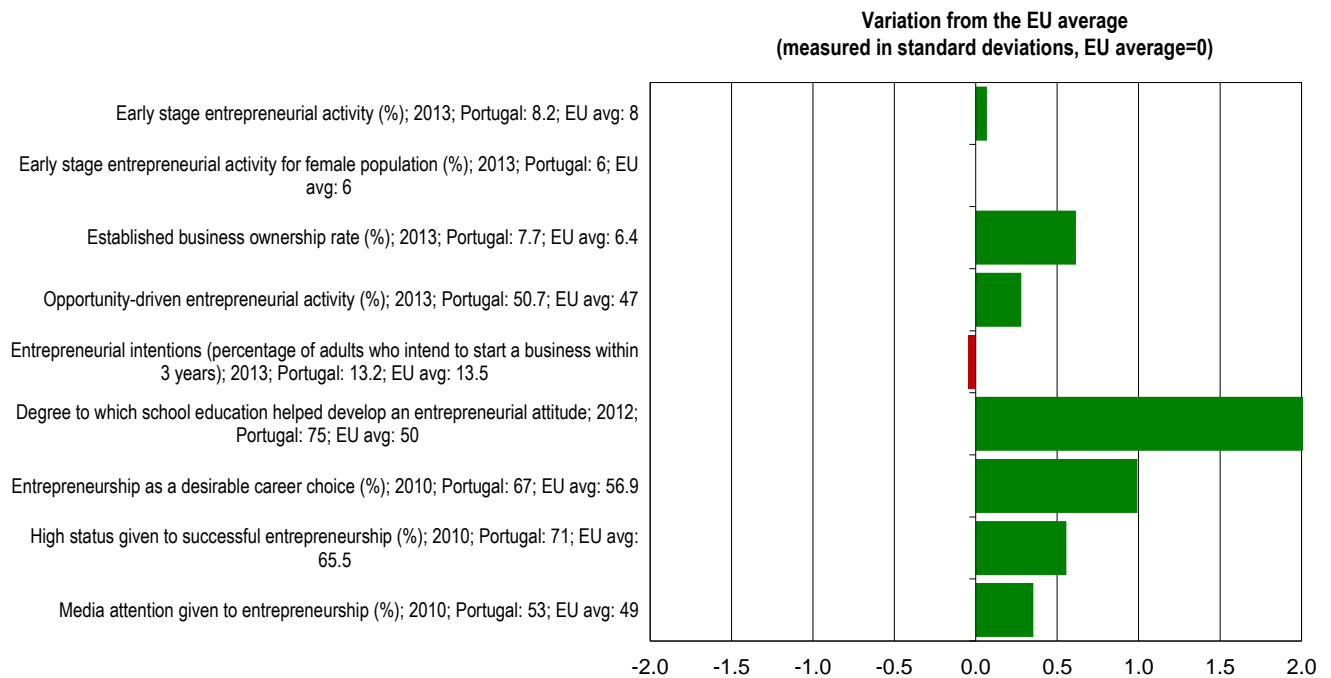


'Think small first' principle

The 'think small first' principle aims to ensure that SME concerns are brought into the mainstream of EU and national legislation and policies. Policymakers at all levels are expected to consult with small businesses and to keep their needs and limitations in mind during all phases of legislative and policy processes. The aim is to ensure that regulations do not unnecessarily or excessively burden SMEs or hamper their competitiveness. In recent years, Portugal's administration has become more willing to apply the 'think small first' principle in national legislation and policies, but this has yet to become systematic. To limit the flow of new regulations, ex ante regulatory impact assessments are mandatory for new legislative proposals affecting the country's competitiveness and a 'one-in, one-out' principle for legislative acts is now applied. Under this new rule, a department proposing a new regulation generating costs for businesses is obliged to eliminate one or more regulations with equivalent costs. Progress was made in 2013 with modernising the public administration and implementing the SME test, which checks the impact of normative acts on SMEs. The SME test comes under the 'Simplify Programme', a national programme to modernise the administration and reduce bureaucracy. The adoption of the SME test involves the creation of an inter-ministerial working group, which should submit a roadmap for implementing the SME test during the first half of 2014. The introduction of the SME test is one of the ex ante criteria requested by the European Commission for a country to use the structural funds. The Portuguese Government maintains regular consultations with SME associations and so-called Competitiveness and Technology Poles, but stakeholders say their influence in the decision-making process is limited.

Good progress has been made towards improving the business environment. The authorities have set up a new council for economic affairs and investment, although the licensing regimes for commerce and industry are not yet fully implemented. In an effort to reduce bureaucracy, simplified corporate tax procedures for SMEs were introduced in 2013. The government also announced its intention to reduce the bureaucracy surrounding fiscal and financial support measures for enterprises. in the next strategic framework. An inventory of the most burdensome legislation should be ready before the end of the first half of 2014 following assessment of the 300 questionnaires returned by businesses.

Entrepreneurship



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Entrepreneurship has progressed steadily in recent years and is by far the best-performing area of Portugal's SBA profile.

The country has a remarkably positive entrepreneurial culture: entrepreneurs are admired and accorded high social status, and the media frequently report on successful entrepreneurial ventures. This is further helped by the fact that three in four Portuguese — compared with only half of all Europeans — consider that school entrepreneurship education programmes are effective in helping youngsters develop an entrepreneurial mindset by teaching them independence, self-confidence and decision-making.

The level of entrepreneurial activity is on a par with the EU average.. Moreover, the quality of this activity

is high: a majority of Portuguese entrepreneurs (51 %) say they are motivated by an opportunity they have identified in the market and a desire to work for

On the policy side, the Ministry of Economy is trying to encourage the creation of new companies through the '+Enterprises' initiative — part of the Strategic Programme for Entrepreneurship and Innovation (+e+i) — by providing funding instruments for various stages of the life cycle of start-ups, from the initial project stage through the start of the company to its development. The initiative comprises monthly grants for developing ideas, mentoring, entrepreneurship vouchers, seed capital, incentives for hiring, and innovation support systems. Special groups such as

the young, the unemployed and immigrants are also addressed.

The Entrepreneurship Voucher, worth EUR 15 000, is intended to help SMEs buy in consultancy services and support for innovation. It aims to boost innovation and competitiveness by helping SMEs access new markets as well as develop cooperation with other businesses and universities. The voucher is available to companies less than one year old.

In addition, financial support measures are available for start-ups. These consist of the reimbursement of a percentage of the single social tax (TSU) paid by an employer who gives an employment contract to a qualified unemployed person registered with an employment centre or to a skilled worker to work in a start-up firm.

The ‘Movement for Employment’ is matching up the skills needed by Portuguese companies with those available among unemployed young people. The measure, developed under the ‘Young Impulse’ initiative, has particular significance because of Portugal’s high level of youth unemployment.

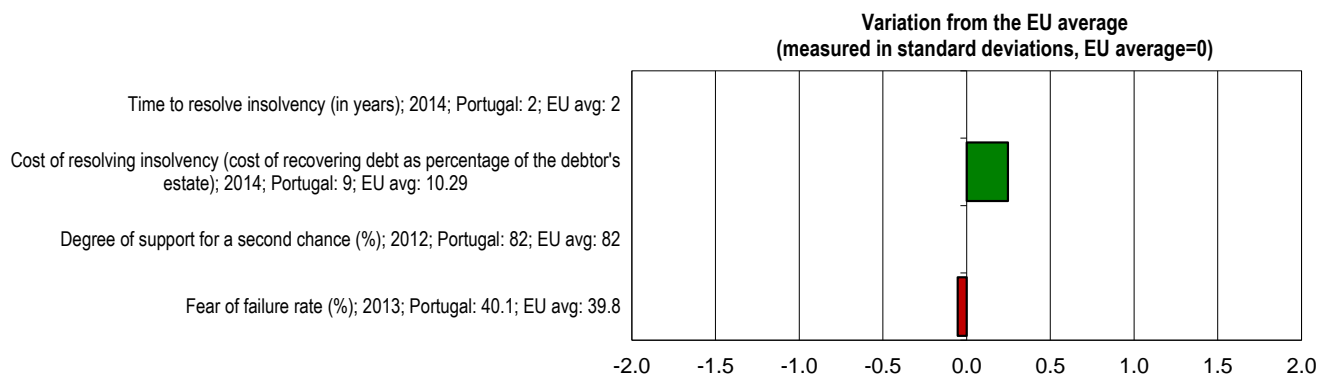
Estímulo 2013 is a new hiring incentive that offers financial support to employers who give people a work contract that obliges them to provide vocational training.

Portugal has also adopted the National Youth Guarantee Implementation Plan. This programme consists of six elements:

- Information and management;
- Integrated information and guidance for qualifications and employment;
- Education and training;
- Internships and employment;
- Partnerships and networks; and
- Coordination and monitoring.

The National Network of Mentors, implemented under the +e+i Programme, encourages contacts between professionals and entrepreneurs who are developing their business ideas and projects.

Second chance



Portugal has an average score on giving entrepreneurs a second chance when their business fails. Reforms in recent years have simplified the insolvency framework through a new insolvency law that accelerates liquidation procedures and allows for out-of-court settlements.

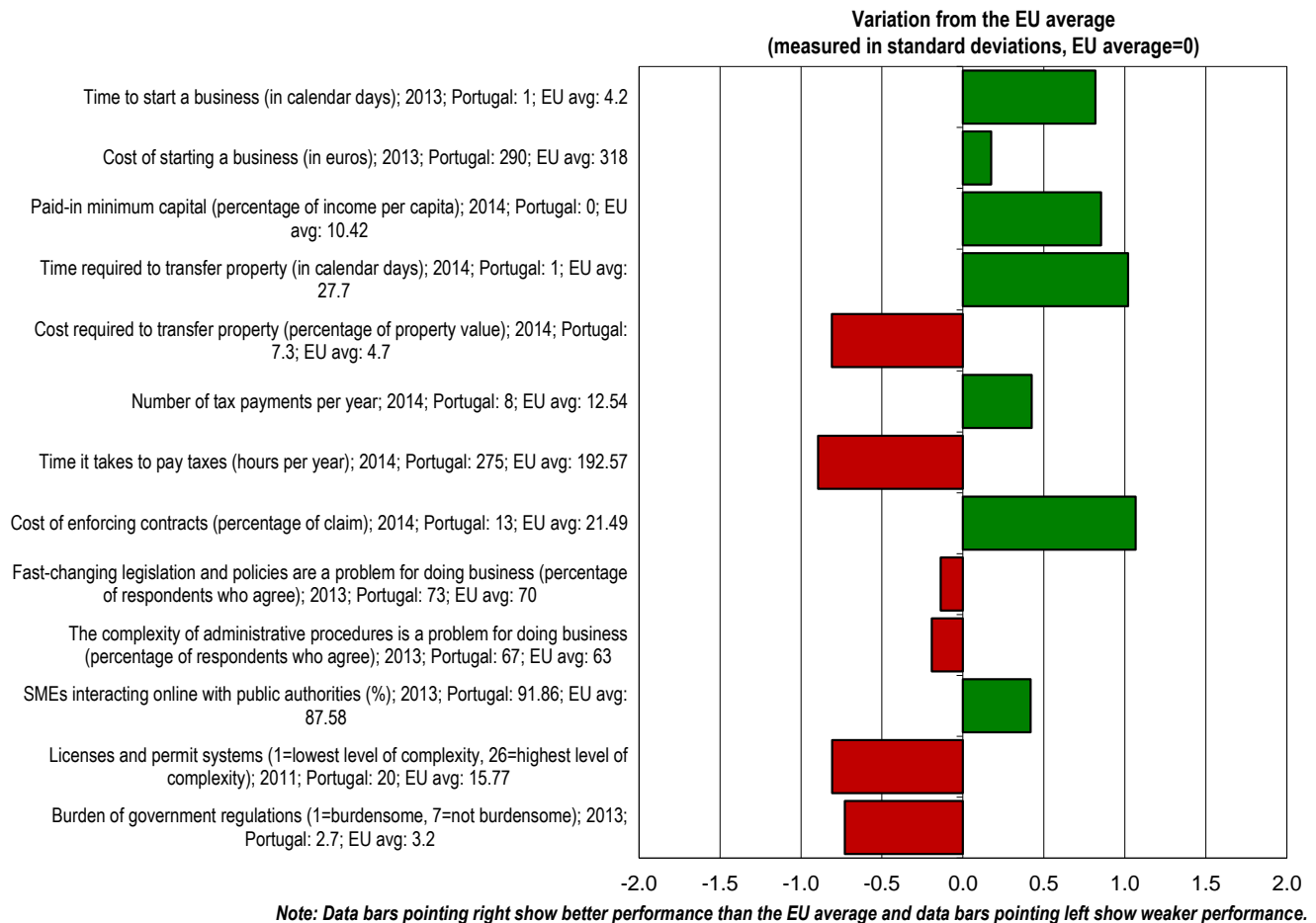
The number of businesses starting insolvency proceedings fell by 7.6% in 2013 — the first drop in five years. A revitalisation plan — PER — covered 985 businesses and thus contributed to the reduction.

Portugal also continues to offer relatively good conditions for honest entrepreneurs who failed in the past but would like to start a new business again: changing social attitudes towards insolvency are reducing the stigma of business failure. Thus, 82% of the public supported giving honest entrepreneurs a second chance and encouraging them to learn from their previous experience.

On the policy front, the Revitalise Programme provides an alternative to insolvency. It allows a

company facing impending insolvency to negotiate with its creditors on relaunching its activities.

Responsive administration



Portugal has a generally business-friendly administration, and its overall score in this SBA area is close to the EU average.

Today it is possible to start a business in one day, at a cost of around EUR 290, with no capital requirements. In 2013, Portugal continued to simplify start-up procedures by eliminating the requirement to report to the Ministry of Labour¹⁷. Moreover, the introduction of a ‘one-stop shop’ helped increase the number of registered companies by about 17% and created seven new jobs a month for every 100 000 inhabitants¹⁸. This is evidence that simplifying business registration is instrumental in creating new firms and employment.

There is nevertheless plenty of room for further improvement. A 2013 survey found that two thirds of Portuguese entrepreneurs see the complexity of

administrative procedures and the legislative framework’s lack of stability and predictability as problems in doing business.

The country has also made some progress in simplifying the framework for employing workers. The priority rules that applied to redundancy dismissals or layoffs have been scrapped and the wage premium for overtime work halved from 100% to 50%.

Other indicators important for doing business — including the number of taxes, the time it takes to transfer property and the cost of enforcing contracts — are all better than the EU average. However, the cost of transferring property is almost twice the EU average, while the time needed to prepare tax returns would need to be cut by at least a third to match the average.

The 2014 corporate income tax reform provides for a simpler scheme for SMEs as well as a reduction in corporate tax compliance procedures. Major deregulation of the retail sector in the first quarter of 2014 scrapped municipal levies and deregulated opening hours and promotions. It also removed all licensing procedures, so retailers opening or closing a business now only have to inform the authorities.

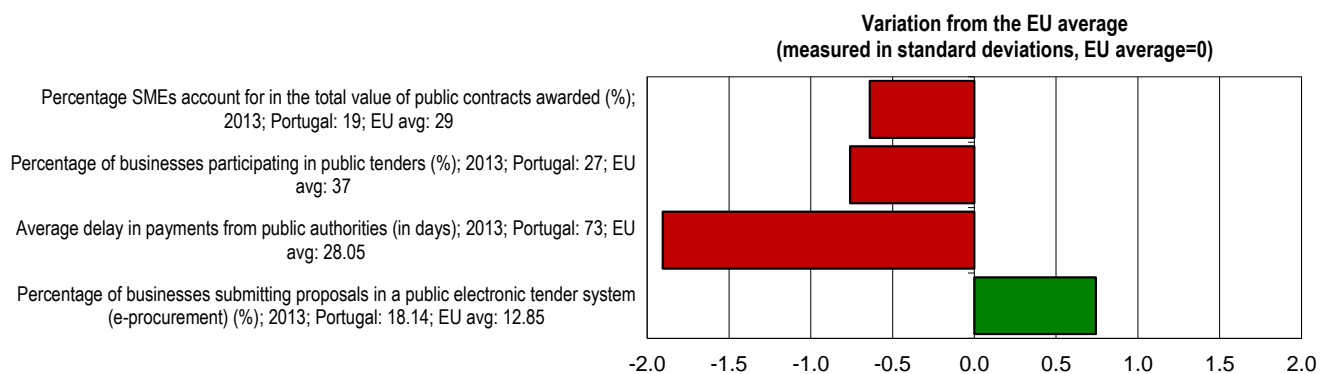
The ‘zero licensing’, ‘responsible industry system’, and ‘responsible business zones’ initiatives are continuing to be implemented.

Zero licensing is part of Portugal's simplification programme for businesses, which aims to lighten

administrative burdens on businesses and the general public. It removes the requirement for licences, permits and other such documentation, replacing them with increased monitoring and inspections. It also fine-tunes the ‘one-stop shop’ system for dealing with all business formalities. The ‘responsible industry system’ takes the same approach for industries with lower environmental risk.

However, Portugal's licensing system is still highly complex, with costly, inefficient and time-consuming procedures. This is clearly the area with the greatest scope for simplification in future.

State aid and public procurement



State aid and public procurement remain at the bottom end of Portugal's SBA performance, with the country trailing its EU peers by a wide margin.

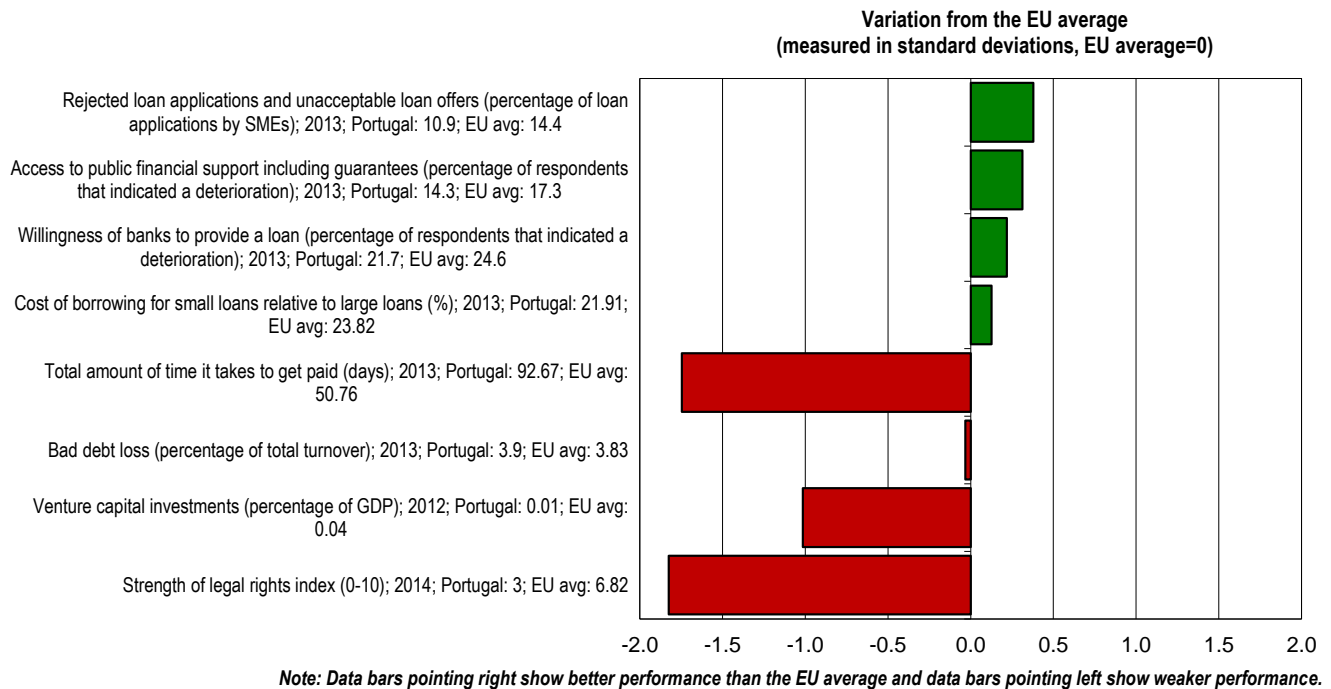
The share (by value) of public procurement contracts awarded in 2013 to SMEs — 19% — was no higher than in 2008, and far below the EU average of 29%. One of the possible reasons is that a much lower proportion of Portuguese businesses takes part in public procurement procedures — 27%, against an EU average of 37%. The silver lining is the good use SMEs make of e-procurement tools, which should make it easier for them to win public contracts.

The biggest and most persistent problem for Portuguese SMEs, compared with their peers across the EU as a whole, is the time it takes the public

administration to pay suppliers. In 2013, authorities took on average 73 days longer than contracts allowed.

However, in May 2014 Portugal put into national law the 2011 EU on Late Payments Directive, which establishes a legal framework for combating overdue payments and pursuing debtors. Public authorities will now have 30 days, and businesses 60 days, to pay for goods and services. Those that do not pay bills on time will be forced to pay interest and reimburse creditors' recovery costs in full.

Access to finance



Credit constraints are still one of the main problems facing SMEs in Portugal, but after several very difficult years credit conditions started to relax in 2013. By the end of 2013, lending levels began to increase slightly, while average interest rates on new credits to non-financial companies dropped.¹⁹ The proportion of loans rejected declined markedly from 27 % in 2012 to 11 % in 2013. Moreover, fewer Portuguese business owners reported a fall in banks' willingness to lend or in access to public financial support, including guarantees.

Nevertheless, the interest rate levels for new bank loans mean Portuguese SMEs still face tougher financing conditions than their peers in most other euro area countries. For example, interest rate spreads on new loans to non-financial corporations in Portugal are about twice as high as the euro area average. Portuguese interest rates on new loans up to EUR 1 million averaged 6.4 % in 2013, much higher than the euro area average of 3.8 %.

Regarding payments, Portuguese SMEs' average waiting time of 93 days is still almost double the EU average of 51, but the recent transposition of the Late Payment Directive is expected to improve this.

Given Portuguese companies' persistently high financing costs, a number of recent policy actions aim to improve SMEs' access to finance.

Several credit lines totalling around EUR 5 billion have been launched. Portuguese companies have already used about EUR 2 billion, 500 million is in the process of being allocated and 2.5 billion is still available.

On top of these incentives to encourage the launch of new businesses, access to finance has been eased by the government giving instructions to CGD, a public bank, to release over EUR 1 billion in 2013 and more than EUR 2.5 billion in 2014 to finance businesses. This measure preceded the announced creation of a Financial Institution for Development to promote growth and employment, smart, sustainable and inclusive development, and the competitiveness and internationalisation of Portuguese companies.

The government is also encouraging productive investment through tax incentives and has adopted some 'fair taxation' measures, such as VAT by cash (speeding up the time by which SMEs receive back the incurred VAT expenses) and the swift settling of state debts owed to SMEs. The latter measure establishes a system negotiated with the banking

sector, and primarily with CGD, and extends it to all state services. It will improve the cash flow situation by allowing faster depreciation of assets, reduced payment terms for tax returns, financing of working capital, and by providing cash flow management guidance.

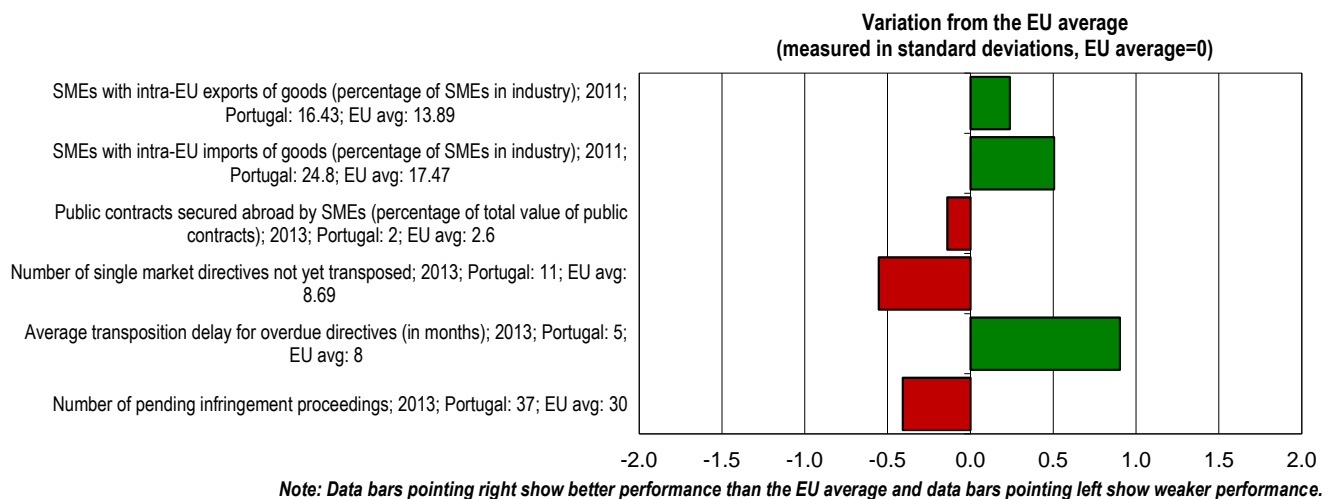
Moreover, three venture capital funds ('Revitalise' funds) have been created to promote the growth and expansion of SMEs, the development of new products and services, exports and internationalisation. The funds are managed on a regional basis by corporate entities (Explorer Investments-North, Oxy Capital-

Center and Capital Criativo-South) and have an overall budget of EUR 220 million.

Measures have also been brought in to ensure that the taxation of corporate profits encourages investment. They include an extraordinary investment tax credit.

In the first quarter of 2014, a new regime for issuing securitised short-term commercial paper was introduced. It will help SMEs diversify their sources of finance by easing the requirements on companies issuing commercial paper.

Single market



Portugal's overall performance in the area of the single market is on a par with the EU as a whole.

More than 16% of SMEs in manufacturing report exporting goods within the single market, a slightly higher level than the EU average. (Statistics on trade in services by size of company are not available.)

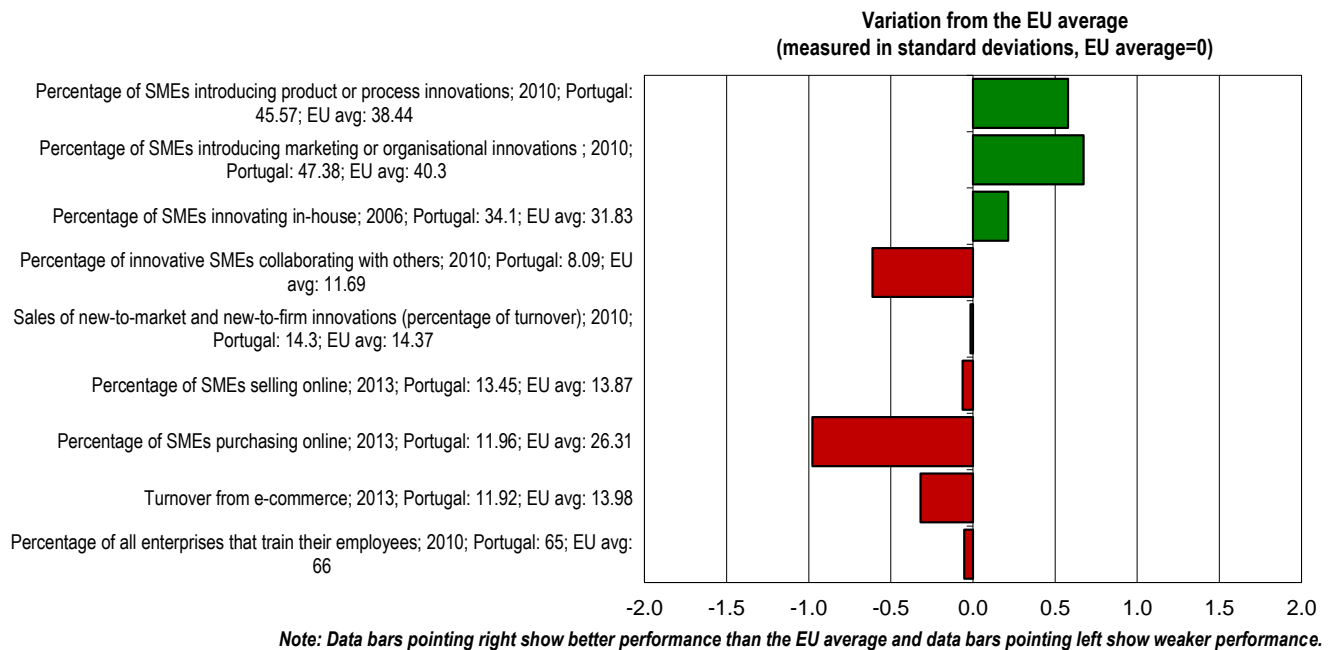
Less positive is that Portugal performs slightly worse than the EU average on putting internal market legislation into national law. It has more single market directives awaiting transposition and more

infringement procedures pending for presumed non-compliance with the relevant legislation or single market rules.

At the same time, the average delay in transposing overdue directives is three months shorter than the EU average.

No major public policy actions were reported in 2013.

Skills & innovation



The overall score on skills and innovation is also in line with the EU average, but the individual indicators show diverging performances.

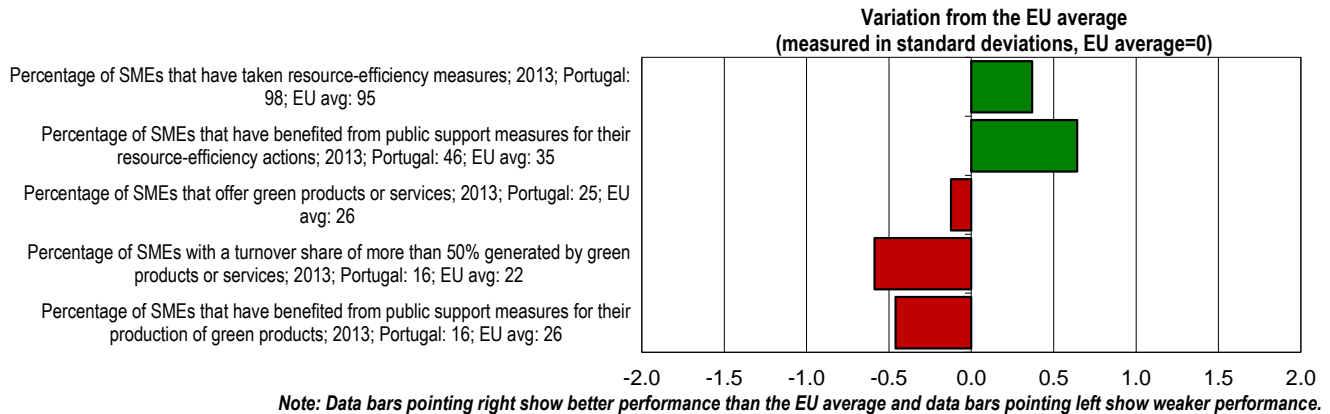
In general, SMEs in Portugal seem more inclined than their EU peers to introduce innovations in their products, processes, marketing or organisation. They are also more likely to produce these innovations thanks to in-house research. At the same time, they are less adept at purchasing or selling products or services online: only 12% of firms' turnover comes from e-commerce.

Policy-wise, a new measure provides funding for doctorates in Business Environment, based on collaboration between at least one Portuguese university or institute involved in R&D and a company with significant R&D activity. Through this programme, the Portuguese Foundation for Science

and Technology aims to promote postgraduate training based on scientific excellence and help establish close collaboration between universities, R&D units and companies. In addition, there are also the SIFIDE II (Tax incentives for research and business development system) and the Amendment to the Rules of the Fund to Support Innovation (RFAI).

Implementation of the Digital Agenda Portugal is continuing. This aims to strengthen the use of information and communication technologies (ICT) and the development of the digital economy, particularly in SMEs. Developing infrastructure for broadband, creating the conditions for e-commerce to develop, e-government, and expanding ICT exports are among the Digital Agenda's objectives.

Environment



Overall, Portugal is again in line with the EU average, but its performance is more positive on resource efficiency and less so on eco-innovation and green products.

The vast majority (98%) of Portuguese SMEs say they have taken measures to use resources more efficiently, and about half of them have received public sector support to this end.

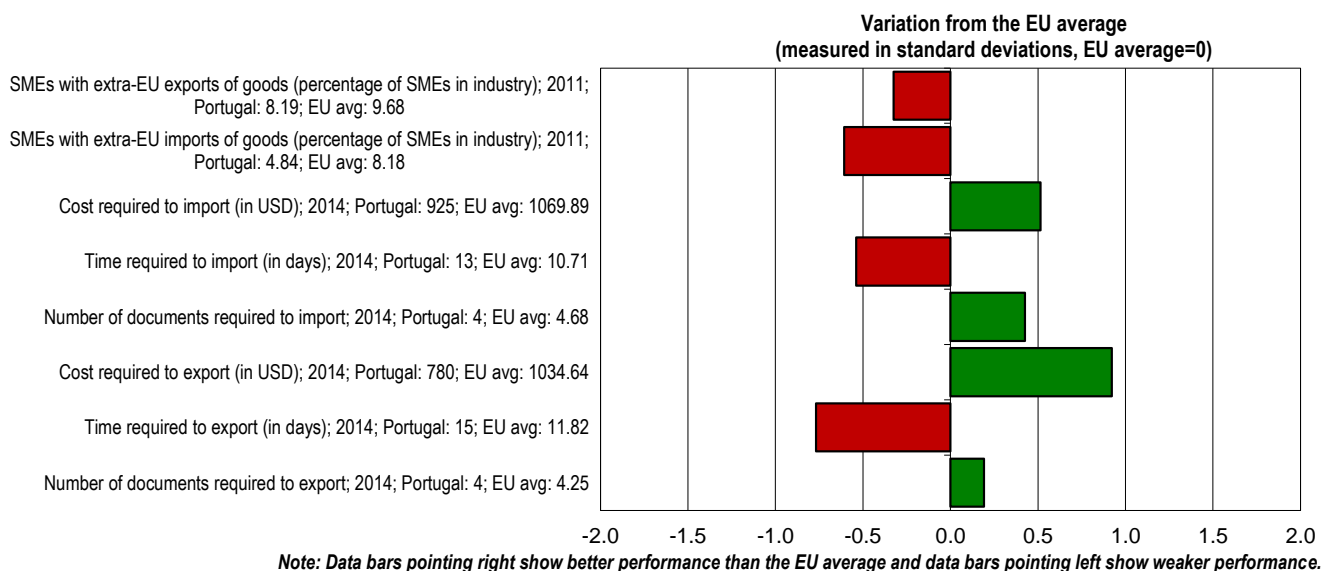
On the other hand, only a quarter of SMEs are active in providing green products and services, and only 16% have received public support.

2013 saw the launch of national action plans for energy efficiency (running until 2016) and for renewable energy (running until 2020). These plans

will have to be spelt out in detail and developed through ad hoc measures in the coming years.

Portugal is now developing an environmental tax reform with the aim of reconciling sustainable economic growth with environmental protection. An independent commission presented the main guidelines for the reform in the first quarter of 2014, and a final report with formal recommendations was to be presented to the government by the end of the first half of 2014.

Internationalisation



Here too, Portugal's overall performance matches the EU average. The country offers comparatively good conditions for trade with countries outside the EU, for example less costly and bureaucratic — although slower — procedures.

On the other hand, SMEs' involvement in goods trade with non-EU countries is slightly below average. (No statistics on SMEs' trade in services are available.)

Total exports are expected to have continued growing in 2011-13, increasing the trade surplus, thanks to the recovery in foreign demand. However, it is unlikely that exports will have resumed the growth rates seen before the financial crisis.²⁰

In 2013, simpler procedures for obtaining the proof of export certificate and accelerating VAT refunds for

exporting firms were implemented by the agency responsible. In addition to reducing administrative costs, the average time for issuing certificates has been cut from 42 to 4 days.

Since the beginning of 2014, remaining levies on ports' export operations have been completely abolished.

Portugal has a training programme for companies wanting to start or enhance their internationalisation or export activity. In addition, under the 'new exporters' initiative, companies have access to specialised and personalised consulting as well as proper training to develop an international marketing plan, thus helping them enter the US market, for example.

3. Good practice

Below is an example of an interesting policy practice from Portugal to show what governments can do to support SMEs:

SME Growth Credit Line (Linha de Crédito PME Crescimento)

This credit line, available from June 2013, has a total budget of EUR2 billion and comprises two specific lines: 'Micro and Small Enterprises' with EUR 400 million and 'General' with EUR 1.6 billion, of which EUR 700 million are allocated to general investments and EUR 900 million for exporting companies. This initiative addresses medium and long-term loans, real estate and equipment leasing. Credit operations under the SME Growth Credit Line benefit from a mutual guarantee covering 50% of the value of each financing, except transactions under the 'Micro and Small Enterprises' line where the coverage is 75%.

Eligible operations:

- New investments in tangible or intangible fixed assets (to be held for six months after contract date);
- Strengthening working capital or fixed capital;
- Up to 30% loan to settle debts with the financial system in the three months prior to the contracting of the operation and intended solely for the regularisation of arrears to tax and social security.

Given the general economic situation in Portugal, this measure has had a major impact on SMEs:

- Total amount of funding allocated: EUR 1.6 billion
- Number of transactions: 17600
- Number of companies that benefited from this support: 16000
- Number of jobs preserved or newly created: 284000

The SME Growth Credit Line directly addresses the SBA principle 'access to finance' and enables SMEs to build up their capacities in 'skills & innovation' and 'internationalisation'.

The Minister of Economy recently announced this measure would be renewed in 2014.

References: <http://www.pmeinvestimentos.pt/finova/linha-pme-crescimento.html>

http://www.pmeinvestimentos.pt/images/LInhas_PME_Investe/documento%20divulgacao%20linha%20credito%20pme%20crescimento_v6.pdf

<http://www.iapmei.pt/iapmei-art-03.php?id=2821>

Important remarks

The Small Business Act (SBA) Fact Sheets are produced by DG Enterprise and Industry as part of the (SPR), which is its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information for the 28 EU Member States and nine non-EU countries which also contribute to the EU's Competitiveness and Innovation Framework Programme (CIP). Produced annually, the Fact Sheets help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member States' policies but should be regarded as an additional source of information designed to improve evidence-based policy-making. For example, the Fact Sheets cite only those policy measures deemed relevant by local SME policy experts. They do not, and cannot, reflect all measures taken by the government over the reference period. More policy information can be found on a database accessible from the SPR website. Please also see the end notes overleaf.

For more information

SME Performance Review:

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

Small Business Act:

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

The European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

Entr-SPR@ec.europa.eu

¹ The 2013 SBA Fact Sheets benefited substantially from input from the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

² Calculated based on GDP in Euro provided by AMECO,
http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm (last update Feb. 25th 2014).

³ Statement by the EC, ECB, and IMF on the Tenth Review Mission to Portugal
(<http://www.imf.org/external/np/sec/pr/2013/pr13512.htm>; accessed: 14.02.2014).

⁴ Síntese de execução orçamental pela DGO, Dezembro de 2013
(<http://www.dgo.pt/execucaoorcamental/Paginas/Sintese-da-Execucao-Orcamental-Mensal.aspx?Ano=2014&Mes=Janeiro>; accessed: 14.02.2014.)

⁵ Indicadores de conjuntura do Banco de Portugal, Janeiro de 2014 (http://www.bportugal.pt/pt-PT/EstudosEconomicos/Publicacoes/IndicadoresConjuntura/Publicacoes/ind_jan_14_p.pdf; accessed: 14.02.2014.)

⁶ http://www.iefp.pt/apoios/candidatos/CriacaoEmpregoEmpresa/Documents/Apoios_Criacao_Empresas/Ficha_Sintese_Apoios_Criacao_de_Empresas.pdf; accessed: 14.02.2014.

⁷ <http://www.portugal.gov.pt/media/1180815/201308%20rel%20qt%20custos%20contexto%20hotelaria%20estauracao.pdf>; accessed: 14.02.2014.

⁸ Barómetro Empresarial Informa D&B, Janeiro de 2014
(http://www.informadb.pt/biblioteca/ficheiros/44_estudobarometroanual.pdf?utm_source=flipbook&utm_medium=link&utm_campaign=flipbook201401; accessed: 14.02.2014.)

⁹ Ibid.

¹⁰ Estudo Anual Insolvências COSEC 2013 (http://www.cosec.pt/downloads/file106_pt.pdf ; accessed: 14.02.2014.)

¹¹ Ibid.

¹² Boletim de Inverno do Banco de Portugal (http://www.bportugal.pt/pt-PT/EstudosEconomicos/Publicacoes/BoletimEconomico/Publicacoes/BOL_inverno_2013.pdf, accessed: 14.02.2014.

¹³ The three graphs below present the trend over time for the variables. They consist of index values for 2008 to 2015, with the base year 2008 set at a value of 100. As from 2012, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008–11 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'business economy', which includes industry, construction,

trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in the financial sector, agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm.

¹⁴ The policy measures presented in this SBA Fact Sheet represent only a selection of the measures taken by the government in 2013 and the first quarter of 2014. The selection was made by the national SME policy expert contracted by CARSA Spain (DG Enterprise's lead contractor for the 2014 Fact Sheets). The experts were asked to select only those measures that, in their view, were the most important, i.e. were expected to have the highest impact in the specific SBA area. The complete range of measures that the experts compiled in producing this year's Fact Sheets will be published alongside the Fact Sheets in the form of a policy database on the DG Enterprise website.

¹⁵<http://www.portugal.gov.pt/pt/os-ministerios/ministerio-da-economia-e-do-emprego/documentos-oficiais/20131107-me-efice.aspx>

¹⁶ The quadrant chart combines two sets of information. Firstly, it shows the status quo performance based on data for the latest available years. This information is plotted along the x-axis measured in standard deviations of the simple, non-weighted arithmetical average for EU-28. Secondly, it reveals progress over time, i.e. the average annual growth rates for 2008–14. The growth rates are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the rest of the EU at a given point in time, but also about the extent of progress made in 2008–14.

¹⁷ <http://www.doingbusiness.org/reforms/overview/economy/portugal>

¹⁸ Branstetter and others 2013

¹⁹ Ibid.

²⁰ Ibid.