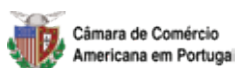


October 2020

Barometer of U.S. Companies in Portugal

Connections with impact on the domestic market



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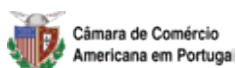


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October 2020

Barometer of U.S. Companies in Portugal

Connections with impact on the domestic market



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Executive Summary

In chapter I of the Barometer we characterize U.S. investment in Portugal by comparing several indicators.

Between 2014 and 2019, 48 projects with U.S. investment were made in Portugal totaling 1,17552 billion dollars, and creating 6,806 jobs. In 2019 Portugal ranked eighth in attracting foreign investment projects, and the U.S. was the largest investor in the country with 26 projects announced, followed by Germany and France.

Besides these investment projects, the U.S. demonstrated that it is an important player in Portugal as reflected in its impact on several indicators. 13.7% of the foreign affiliates in Portugal are American, and their Gross Added Value (GAV) represents 15% of the total.

Additionally, in Mergers and Acquisitions (M&A), Private Equity (PE) and Venture Capital (VC), the U.S. plays a dominant role.

The U.S. is the source of the largest share of foreign capital financing the startup ecosystem, and in 2019 accounted for about 59% of the venture capital in Portuguese startups.

In chapter II we analyze the impact of U.S. companies in the Portuguese economy, using a database provided by elnforma. Analysis of the data indicates that as regards the weight of sales in the Gross Domestic Product (GDP), U.S. companies represent about 4.5% of the national total, with a total value of over 9 billion euros, and that between 2016 and 2018 sales went up by 12%.

In 2018 we further conclude that Lisbon is the region of the country with the largest number and highest sales volume of U.S. companies.

Framework

About the Barometer

AmCham Portugal is pleased to publish the second Barometer of U.S. companies in Portugal.

The “Barometer of U.S. companies in Portugal” is a study conducted in partnership between AmCham and PwC which aims to reflect on the relevance of U.S. companies in the Portuguese economy and their financial evolution over the past three years.

This Barometer is addressed to the business, politics, legislative and academic world and, in general, to all those interested in FDI and transatlantic economic and business relations.

The study we herewith present looks at U.S. investment in Portugal and aims to characterize, by analyzing various economic / financial indicators, U.S. companies operating in Portugal and their weight in the Portuguese economy.

We believe that conducting and publishing an objective analysis of the current situation of U.S. companies in Portugal is a relevant initiative which can be useful in helping take decisions on policies to attract and retain foreign direct investment.

Other than the quantitative analysis of the available data, the project team had initially planned to include a chapter based on the survey completed by managers of key companies with majority U.S. capital operating in Portugal in order to hear their views on the economic situation, business conditions, market and investment dynamics and outlook of the country.

Due to the current COVID-19 pandemic crisis, the findings of this survey have become outdated, and AmCham and PwC decided defer off the dissemination of these results until a new survey is conducted allowing even a comparative analysis of opinion before and after COVID-19.

Message



Mr. George E. Glass U.S. Ambassador to Portugal

The United States and Portugal have been strong and longstanding allies for over two centuries. Our commitment to democratic values, our close cooperation on everything from fighting terrorism to expanding trade and investment opportunities, as well as the constant flow of people and ideas between our two countries illustrate our enduring relationship.

An important part of that relationship is investment, and I'm pleased to support the new edition of the Barometer of U.S. Companies in Portugal developed by the American Chamber of Commerce in Portugal and PwC.

For years, the United States has been Portugal's top non-EU trading partner and a source of foreign direct investment, creating jobs and wealth on both sides of the Atlantic. In addition, the United States receives one quarter of Portugal's total exports to non-EU countries and the United States is Portugal's second largest Non-EU supplier. The increase in these numbers, over the last three years, is a testament to our deep economic ties.

U.S. companies from all sectors continue to flow into Portugal to establish or expand their operations. This trend reflects the wealth of opportunities Portugal has to offer. From advanced renewable energy resources, to an ever-more qualified workforce, in addition to access to the broader European Union market, makes Portugal an attractive destination for American businesses.

The U.S. companies in Portugal make a significant and long-lasting economic impact. We are all aware that the United States has been a leading partner to the Portuguese startup ecosystem and in financing Portuguese startups, fueling innovation and job creation. But many don't know that the majority of U.S. companies have been operating in Portugal for more than ten years and a half of them for more than twenty years. Furthermore, many of these U.S. companies locate their regional operations in Portugal to support and grow their business in Europe, Africa, and other parts of the world. When American companies come to Portugal, they come to stay and become part of the community.

The United States also contributes to the tourism sector, in 2019 over 1,2 million U.S. tourists visited Portugal representing an annual of 23%. It also makes the United States the second non-EU country in terms of visitors and the fifth largest contributor to tourism revenue by country of origin; Americans have a special affinity for Portugal.

Our bonds grow stronger each day as U.S. education institutions continue their fruitful partnerships in Portugal and promote the mobility of students, teachers, researchers and non-teaching staff, and foster collaborative work with the Portuguese academic and the scientific community. These types of relations promote mutual prosperity, create jobs, and boost growth in Portugal, as well as in the United States.

Despite the current global economic turmoil thrust upon us by the pandemic and uncertainty in the year ahead, Portugal's economy seems well-positioned to weather the storm due to the leadership Portuguese government. At the same, improving trade and investment ties remains a priority for both our nations – in trying times friends support and turn towards each other.

With a goal of mutual prosperity in mind, I would like to thank each of you who contributed to the growing success of business relations between Portugal and the United States. I would also like to express my gratitude to AmCham Portugal for the hard work they have done, and will continue to do to help American companies succeed in Portugal.

Message



Mr. António Martins da Costa President of the Board of AmCham

Despite the COVID- 19 pandemic crisis we are living through, with strong negative impacts on the world economy, the results of this Barometer reveal the ever-closer business ties between the U.S. and Portugal, in both trade and investment.

The U.S., as the world main economic power, are a key partner for the Portuguese economy, and our country has been gaining an ever-growing visibility and weight in the perception of the various political, economic and social agents on the other side of the Atlantic.

Besides the always important numbers we must also highlight the contribution that the U.S. business model has given to the way in which companies are managed in an increasingly global world.

Fundamental principles like separation between ownership and management, efficient capital markets, companies oriented towards value creation, regulation, meeting E.S.G. criteria, corporate ethics and risk management, compliance and auditing, are examples of widely-accepted values which are now embedded in the management practices of the most effective Portuguese companies.

Equally, the concept of entrepreneurship that the american model has disseminated – of which some of the best examples are venture-capital and seed-capital, or the creation of startups – reveal the role that innovation and R&D play, as clear examples of successful links between the business world and academia.

In the academic world, we must highlight the role that U.S. Business Schools have played, and continue to play, in developing new business, governance and leadership models, in an ever-more demanding context of market economies with growing social and environmental concerns.

A special word of recognition to the leadership of U.S. companies in digital transformation and in medical-pharmaceutical advances, which overcome difficulties and harness new opportunities created by the current pandemic.

Message



Mr. António Rodrigues

PwC Partner, responsible for Strategy, Markets & Clients

U.S. companies, byword for innovation and investment in Portugal

PwC came together with AmCham Portugal – the American Chamber of Commerce in Portugal - to launch a new edition of its “Barometer of U.S. Companies in Portugal”, the result of a partnership between AmCham and PwC which aims to reflect on the dynamics and impact of U.S. companies operating in Portugal.

Globally, U.S. companies have always been a byword for innovation. Investment and constant search for innovation, using the most advanced technologies, are their hallmark. Whether through their impact in the countries where they operate and are drivers of a global organizational culture, or through their impact in job creation or skills development, there is an ever-wider acknowledgement of this reality. We stand before “the American dream 2.0”: that where a marked corporate identity, strong business orientation and technological impetus have been transforming work environments and business strategies worldwide.

This adaptation, over the years, does not disregard the parameters of what we consider today to be good corporate examples, from social to economic ones. And it is not by chance or oversight that the United States, as the world economic powerhouse, has had a relevant impact on international trade and on many sectors of activity in our country.

Recently, some U.S. giants like Google, Uber and Amazon, amongst others, chose Lisbon to establish their operations – a sign that our country is becoming increasingly attractive to foreign businesses, becoming part of global value chains. The current symbiosis between U.S. corporate culture, adopted by Portuguese companies, and the establishment of U.S. companies in Portugal is the result of the longstanding positive relationship between our two countries and evidence that the bridge between mindset, signature and origin is drawing us closer, both from a local and an International perspective.

This Edition of the AmCham barometer seeks to demonstrate, by means of an objective analysis, how U.S. companies operating in Portugal contribute to the national economy. It is a relevant initiative, which we hope may help in future decisions on foreign direct investment of U.S. companies in our country.



1

The United States as a relevant partner for Portugal

1. The United States as a relevant partner for Portugal

United by the Atlantic Ocean, the United States have been for many years one of Portugal's main strategic partners.

Historically, the two countries have longstanding bilateral relations in several fields, ranging from security to defense – they are both founding Members of NATO –, to justice and internal affairs, including science, technology and the environment. A case in point of these close links are the 1,36 million Americans of Portuguese descent living in the U.S. and whose numbers, according to the estimates of the American Community Survey, are on the rise.

Besides NATO, the two countries are also members of various International organizations like the United Nations, the OECD, the IMF, the World Bank and the WTO. Portugal is also an observer in the Organization of American States.

In turn, Portugal has attracted, particularly over the past few years, many foreign investors – among them American – who set up business in our country, due to various differentiating features, including the quality of infrastructures (physical and technological), highly skilled talents at competitive rates, investment incentives (fiscal or others), competitive prices in real estate, safety of the country, quality of life and geographical location.

The presence and connection to the U.S. is particularly strong in the tourism sector, whether through the hotel brands with operations in Portugal or through the many direct connections operated by Portuguese and U.S. airlines, which in recent years have significantly expanded their business operations in Portugal.

In 2019, over 1,2 million U.S. tourists visited Portugal accounting for about 2.7 million overnight stays. The U.S. has had an annual growth of 23% in these two indicators and it is the second largest non-EU country in terms of visitors, only outranked by Brazil. It is also the fifth largest contributor to tourism revenue by country of origin, representing 7% of the total.

The U.S. is Portugal's fifth-largest export market for goods and services and the largest trading partner outside the EU, accounting for 24% of total exports to non-EU countries¹.

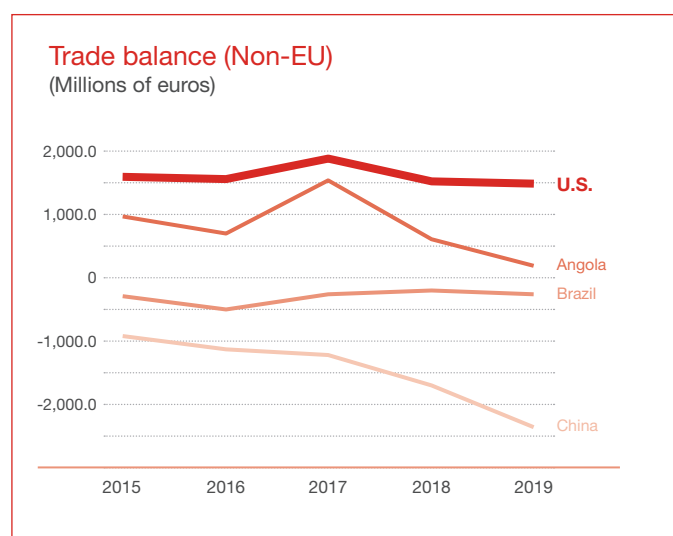
Portuguese exports to the U.S. totaled about 3.2 billion euros in 2019, which meant a 5%, increase compared to 2018. Mineral products, transports and machinery, account for 62.4% of the total exported goods

Regarding importations, the U.S. ranks 9th as country of origin of imports of goods to Portugal and the second most important non- EU country, representing about 11% of the total non-EU imports in 2019. Mineral products, textiles and machinery rank first in order of importance, amounting to 44.5% of the total.

The trade balance has been positive over the years and data shows the clear dominant position of the U.S. comparatively to other non-EU partners. Consequently, the U.S. is one of Portugal's top trading partners and the largest non-EU partner.

The U.S. is the 5th largest country of destination for Portuguese exports and the leading non-EU country.

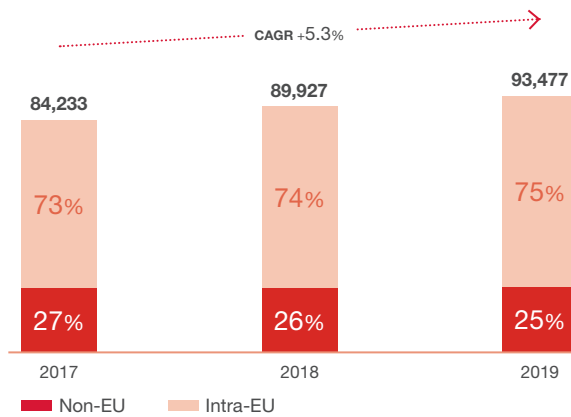
Figure 1



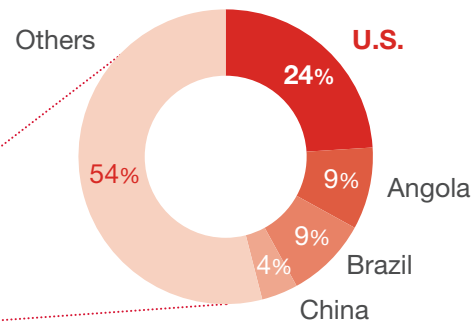
Source: elnforma | PwC Analysis

Figures 2 & 3

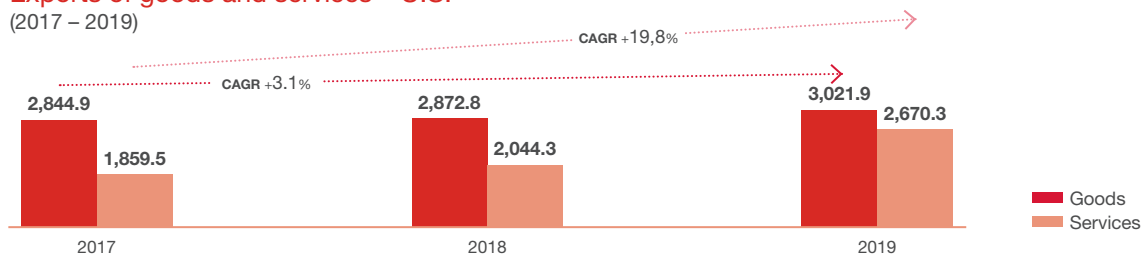
Evolution of the value of exports of goods and services in Portugal (2017-2019)



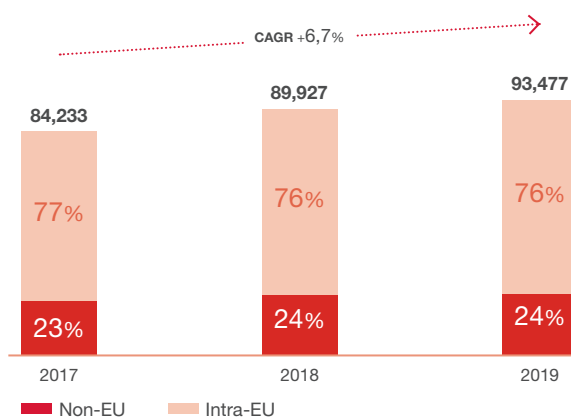
Main exports destinations (Non-EU) (2019)



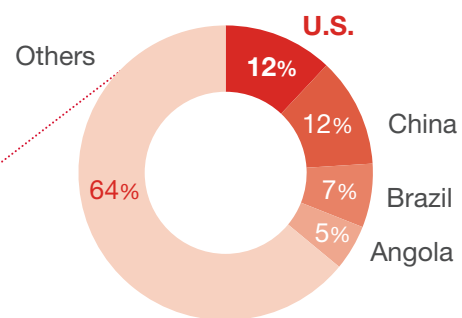
Exports of goods and services – U.S. (2017 – 2019)



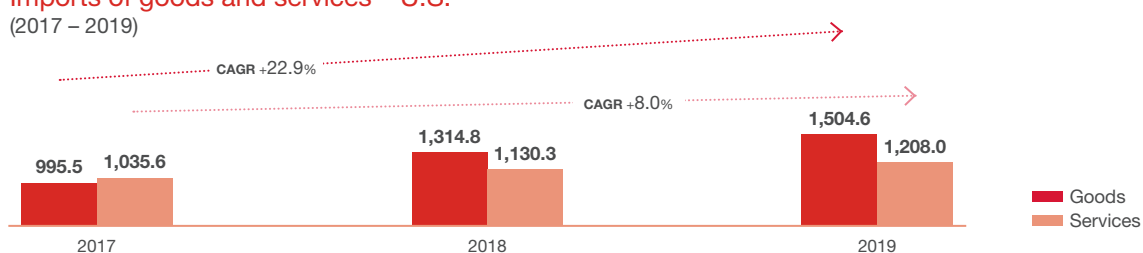
Evolution of the value of imports of goods and services in Portugal (2017-2019)



Main sources of imports (Non-EU) (2019)



Imports of goods and services – U.S. (2017 – 2019)



Source: 2 National Statistics Bureau (Instituto Nacional de Estatística (INE))



2

Analysis of U.S. Investments in Portugal

2. Analysis of U.S. Investments in Portugal

In this chapter we briefly analyze U.S. investment in Portugal over the past few years, in global and relative terms and in Mergers and Acquisitions (M&A), Private Equity and Venture Capital, as well as the dynamics of investment in startups.

At the end, we describe some specific cases, dated between 2018 and 2019, which illustrate the diversity of the U.S. presence in Portugal.

2.1. U.S. investments

In terms of direct investment, in December 2019 the stock of U.S. direct investment in Portugal was valued at 1.9383 billion euros, representing 1.3% of the total FDI in our country, and it rose to 1.956 billion euros (1.4% of the total)² in the first quarter of 2020.

In 2019, Portugal ranked eighth as the most attractive country in the European Union for foreign investors, according to the recent EY “Attractiveness Survey Portugal 2020” reports, and attracted a record number of 158 Foreign direct investment (FDI) projects. The countries that invested more in our country were our longstanding economic partners, like France, the U.K and Germany, but the U.S. reinforced its presence, and became the leading investor in Portugal in 2019, with a total of 26 FDI projects.

According to a PwC analysis, between 2014 and 2019 there were 48 U.S. investment projects in Portugal, valued at 1.176 billion dollars (about 4% of the total investment made in the country, between 2014 and 2018).

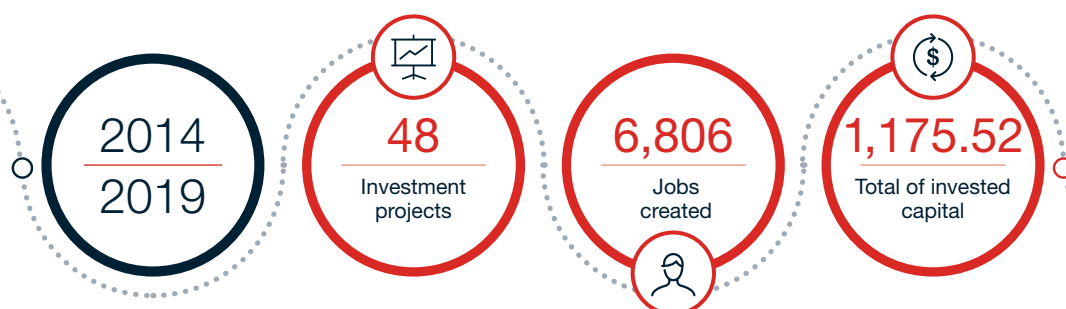
These investment projects, promoted by 39 companies, created 6,806 jobs. The majority of these investments were in new projects (77%) and the remaining in expanding already existing projects (23%).

The IT sector leads U.S. investment (29.7%) in both number and value of projects.

U.S. investors in our country have been mostly technology-oriented, with some U.S. giants such as Google, Amazon and Uber, establishing and expanding their operations in Portugal.

In the period under analysis, the largest number of investments were made in 2018 – 18 projects, in total –, corresponding to 37.5% of the total number of projects between 2014 and 2019. Investments, in that year alone, created 3,065 jobs, which represent about 590 million euros in invested capital.

U.S. Investments



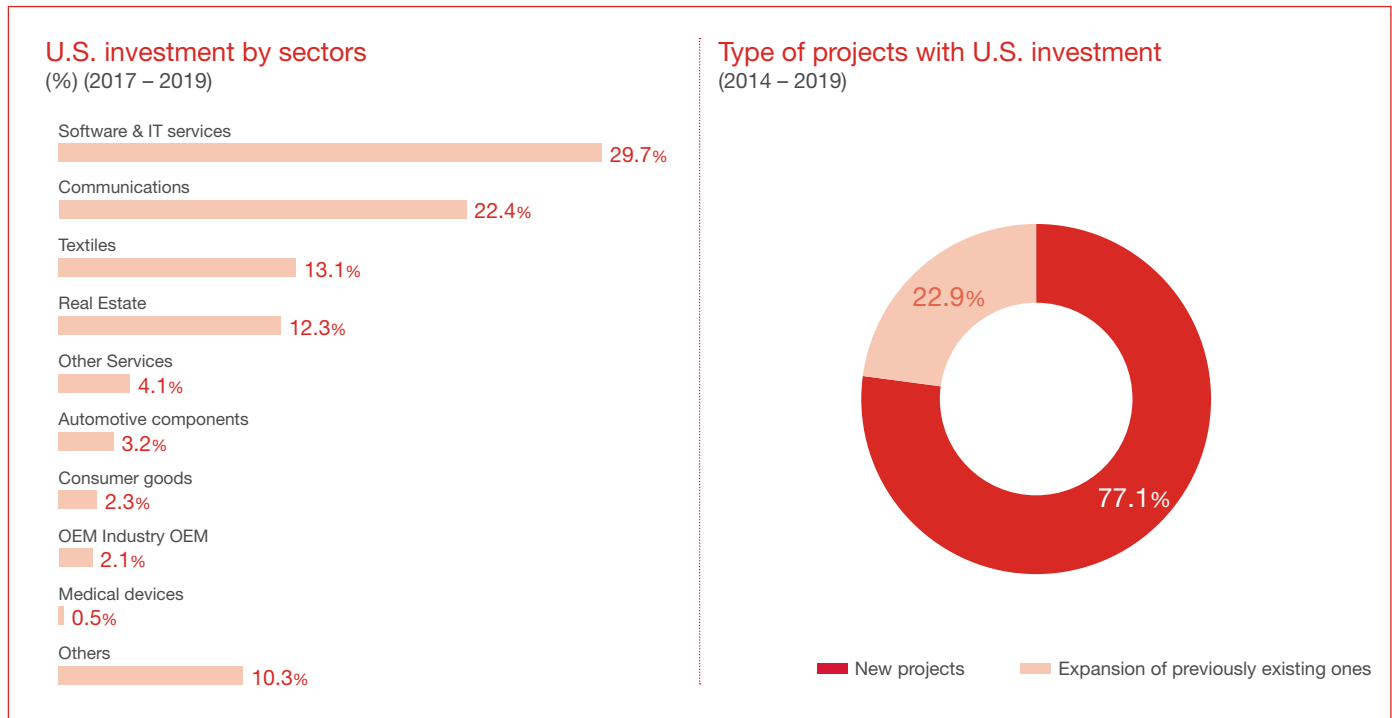
Lisboa
Leading Location



Software and IT Services
Leading sector (27.1% of all projects)

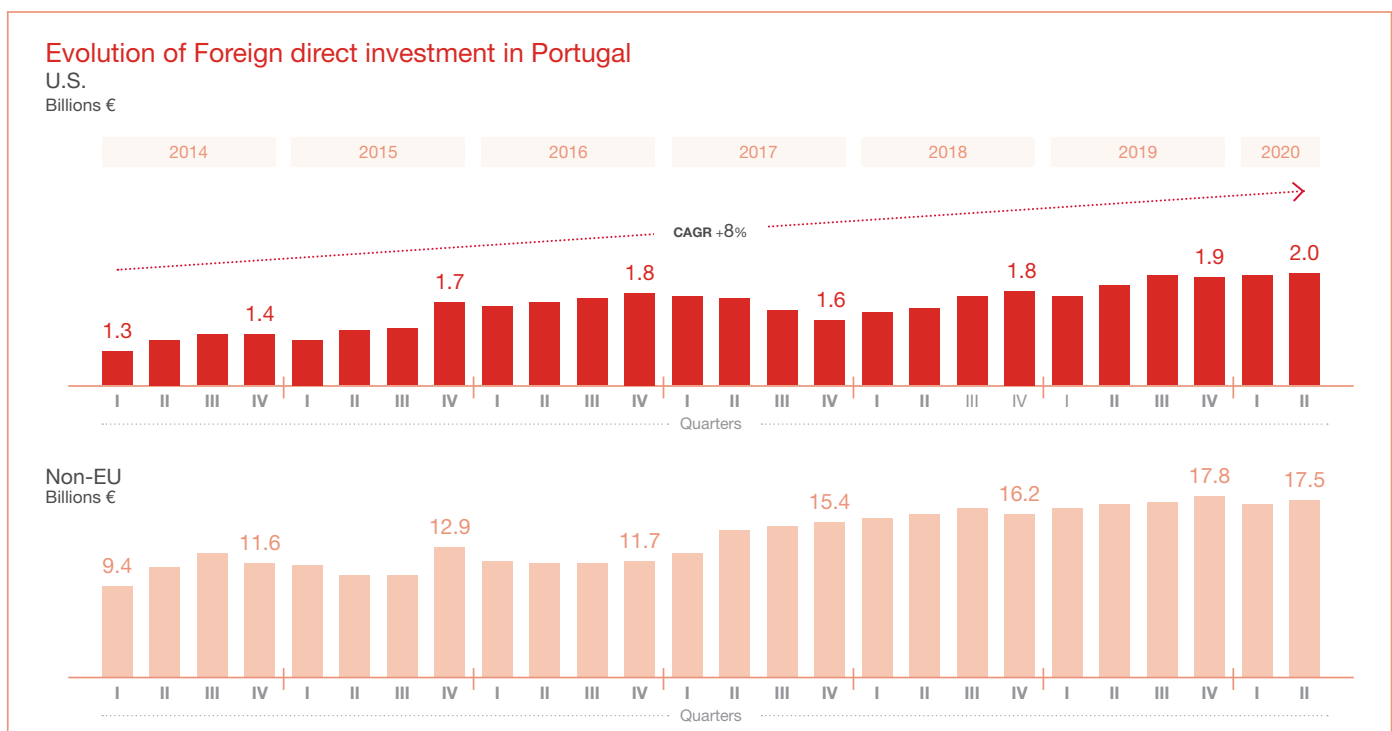
In 2019 the U.S. was the largest investor in Portugal with 26 new FDI projects.

Figures 4 & 5



There has been a constant inflow of investment (between the first quarter of 2018 and the second quarter of 2020) from the U.S. to Portugal, with a relatively constant weight of about 11% of the total non-EU investment.

Figure 6



2.2. Foreign affiliates

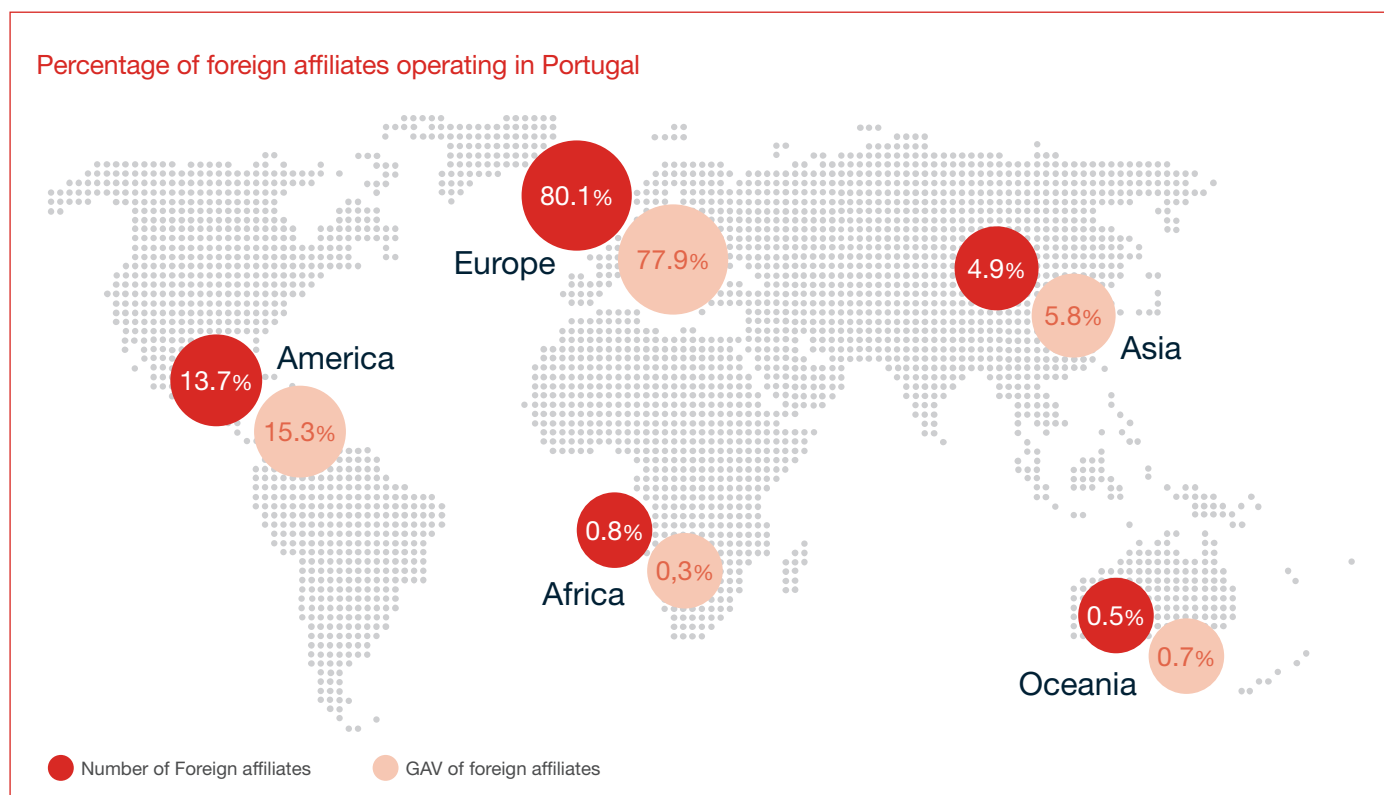
In 2018, there were 6,825 foreign affiliates in Portugal – 1.8% more than the number recorded in the previous year, – a number which illustrates the capacity of the country to attract foreign investment.

It must be noted, however, that foreign affiliates in that year only accounted for 1.7% of the total nonfinancial corporations, the remaining 98.3% being domestic companies. Nevertheless, their importance in the national economy is undeniable.

In 2018 alone, these companies employed about 487 thousand people and generated a Gross Added Value (GAV) of 22 billion euros.

Of the foreign affiliates operating in Portugal, about 935, representing approximately 3 billion euros of GAV generated, are affiliates whose country of origin are the U.S.

Figure 7



Source: National Statistics Bureau (Instituto Nacional de Estatística – INE)

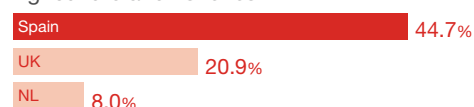


According to the sectorial distribution of the countries of origin of capital control of foreign affiliates with the largest weight in the Gross added value (GAV), U.S. affiliates came out in the top three in four distinct categories: in 2018 they were sectorial leaders in “Other services”, with 18.6% of the GAV generated by foreign affiliates; they came second in the “Hotels and restaurants”, contributing 15% to the GAV of said affiliates; and ranked third in both “Construction and Real Estate”, and “Information and Communication”, contributing 11.1% and 14.9% to the GAV of the affiliates, respectively.

Figure 8

Sectorial distribution of the countries of origin of capital control of foreign affiliates with the greatest weight in GAV

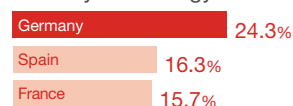
Agriculture and fisheries



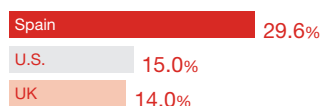
Transports and storage



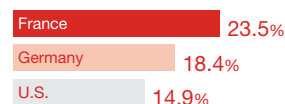
Industry and energy



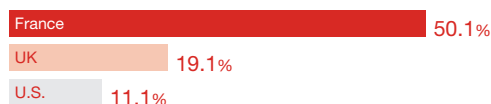
Hotels and restaurants



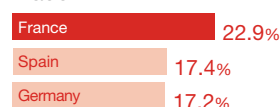
Construction and real estate



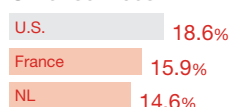
Information and communication



Trade



Other services



Source: National Statistics Bureau (Instituto Nacional de Estatística – INE)



2.3. M&A, Private Equity e Venture Capital

In 2018, market transactions in Portugal represented an added value of 5,724 million euros, between M&A, Private Equity and Venture Capital operations and a total volume of 246 transactions.

Analysis of the number and value of these operations in that year highlights the importance of the U.S. in this market. In terms of M&A operations, the U.S. were responsible for the largest added value of acquisitions conducted in our country, which totaled 962 million euros.

The same holds true for Private Equity operations, where these investments represent an added value of 495 million euros.

In Venture Capital, although the U.S. is not the country with the largest added value in transactions, it is, nevertheless the country that accounts for the highest volume of transactions.

Figures 9 & 10

Transactions by type

Number, Value (Million euros) (2018)

Number



Value (Million euros)

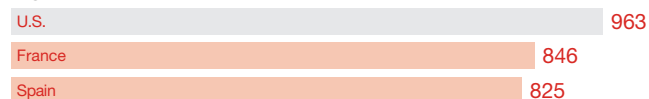


■ M&A ■ Private Equity ■ Venture Capital

Countries with the largest number of operations

Value (Million euros) (2018)

M&A



Private Equity



Venture Capital



Source: M&A Handbook (TTR)

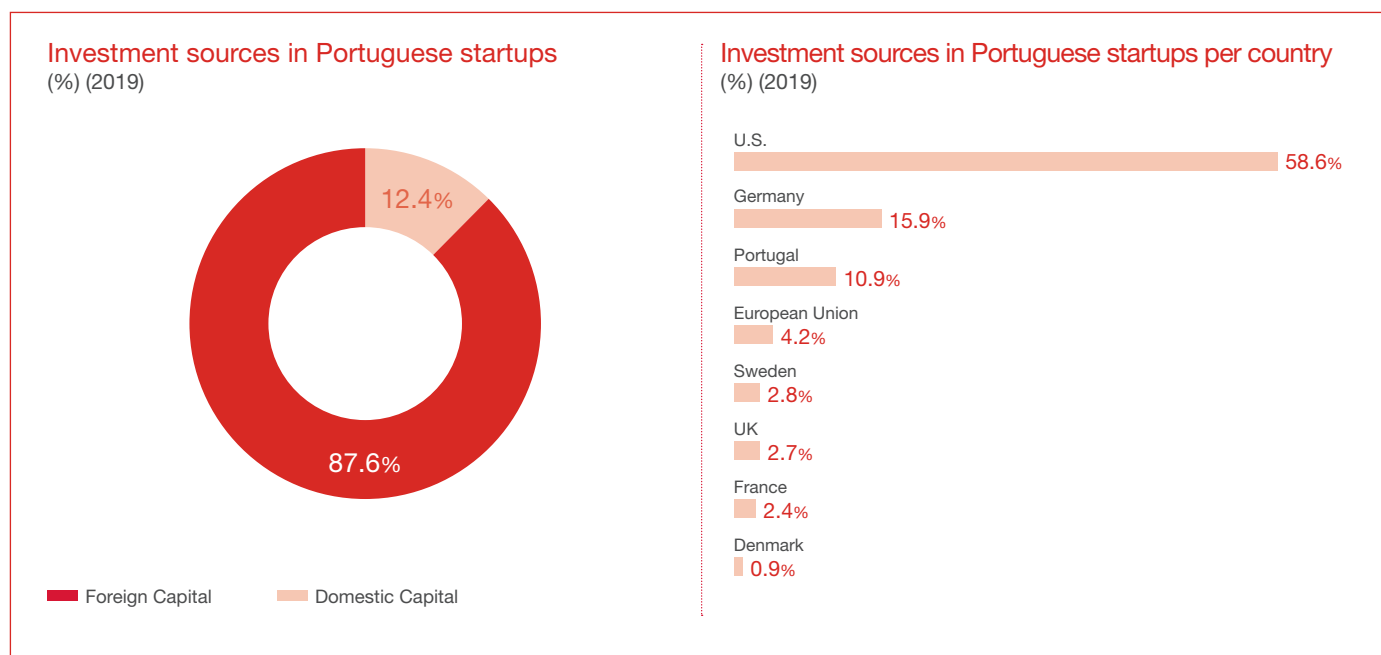
2.4. Startups

Over the past few years, Portugal has been able to project itself in the sectors of innovation and entrepreneurship, and it has become part of the roadmap of countries where establishing operations is not only welcome but actively promoted. Since the Web Summit, with more incubation centres, accelerator programs, investment (national and foreign), entrepreneurs and new highly skilled talents, this segment has grown and attracted a growing number of investors.

The development of the startup ecosystem over the past few years, together with the growing reputation of the country in matters like innovation, talents and entrepreneurship, was decisive in the direction taken in our analysis of foreign investment in this area.

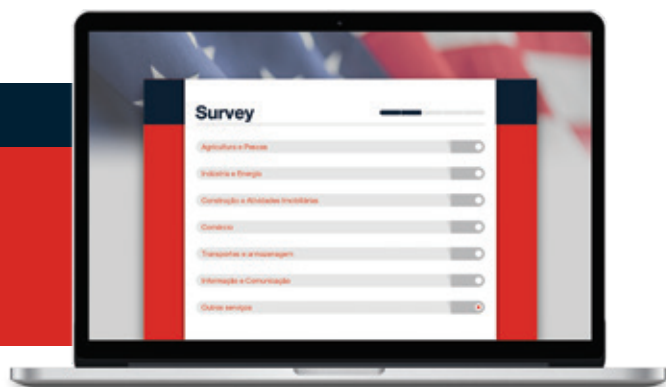
In 2019, the financing of the Portuguese Top 25 startups came mainly from foreign capital (> 85%) and the remaining percentage from domestic capital. This indicator shows the dependency of the Portuguese economy on foreign capital and the impact that the U.S. has as it accounts for almost 60% of the foreign capital obtained by the startup ecosystem. Over the last three years the U.S. have been the top source of venture capital obtained by the 25 largest Portuguese startups. In 2019 U.S. contributions rose by 22,4% comparatively to the previous year³.

Gráfico 11 & 12



Source: ScaleUp Portugal Report (2019)

Over the last three years the U.S. have been the largest source of venture capital obtained by the Top 25 Portuguese startups.



2.5. Case studies

In this part of the Barometer we will present some concrete cases of U.S. investments made over the last years and/or to be rolled out over the next two years, with a significant impact on the dimension of their sector and on their geographical location.

Data on the cases herewith presented was collected from interviews.

2.5.1. The case of CISCO

Cisco is a North American company that provides hardware, software, telecommunications solutions and other high technology services. Founded in 1984 by two young computer scientists, this multinational corporation operates currently in over 70 countries, and in 2018 it ranked among the 500 largest companies in the world, according to Forbes. It ranked first in the 2019 World's Best Workplaces series.

One of its strategies is expanding its operations and, in June 2019, Cisco expanded its capacity to provide support to businesses in Europe, the Middle East, Africa and Russia (EMEAR) setting up a new Customer Experience (CX) center in Lisbon.

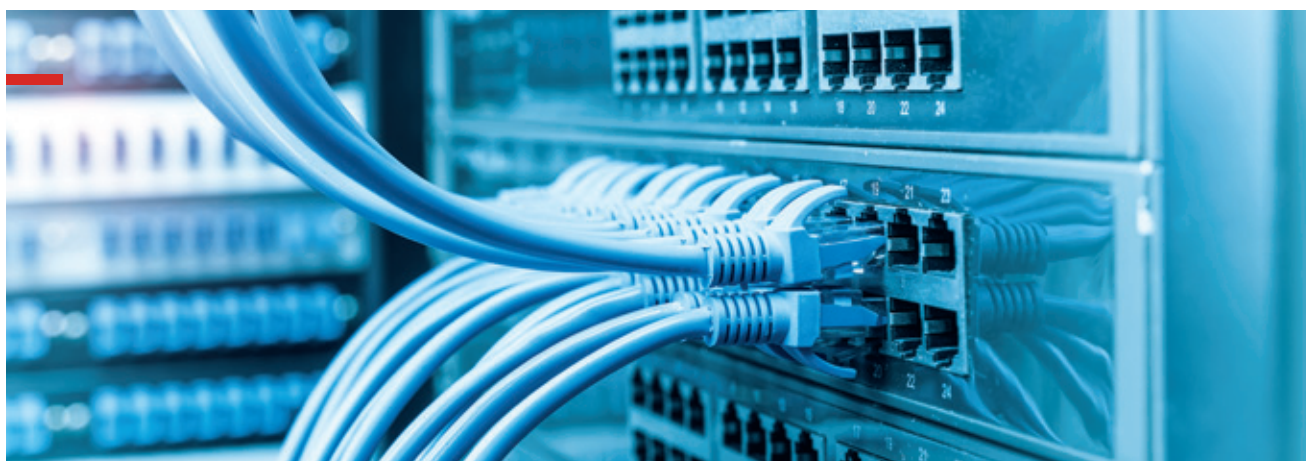
Together with the Brussels and Krakow facilities, the center of the Portuguese capital provides the best services in technology, network management and optimization across all the EMEAR. Regarding the choice of location, a spokesperson for the company stated that "Portugal is home to one of the most promising technological ecosystems in Europe" and, with the establishment of this new center, Cisco reinforces its commitment as a partner in the digital journey of the country and its clients, at the same time that it consolidates its presence in Portugal.

In fact, among the main criteria for Cisco to establish itself on national territory are the ease in finding qualified local talents with linguistic skills, the competitive costs and the quality of telecommunications. In the vision of the company, the country has "a robust and diversified talent pool".

"Both experienced engineers and new graduates will find opportunities for serving our clients in planning, design, implementing, optimizing and providing technical support", stated a manager of the multinational corporation.

Bearing in mind that clients are, all over the world, expediting digitization across the board, this new center aims to serve costumers and partners in Portugal as they implement the most recent Cisco technologies as the basis for their digital transformation, thereby assisting them in getting maximum value from available technological solutions.

With this investment, Cisco hopes to make a positive impact on its business environment in the short and long term, increasing its sales, productive capacity and number of workstations.



2.5.2. The case of Maravilha Farms

Established in Portugal since 2007, Maravilha Farms is an affiliate of the North American Reiter Affiliated Companies based in Oxnard, California, the world's largest producer of red fruits.

Since the launch of its operations 22 million have been invested in its productive capacity in red fruits (10 million until 2014 and 12 million between 2014 and 2019), namely for the production of raspberries, blackberries, bilberries and strawberries, in the municipalities of Odemira and Tavira. The company intends to make new investments over the next few years.

The choice of Portugal by this U.S. investor was based on the fact that the southwest of the country has soil and climate conditions that are unique in Europe for fruit and vegetable production throughout the entire year, a feature it shares with California. "the similarity of the natural conditions, latitude and climate, allow for an easy adaptation of plants and production models", stated a source connected to the company.

Among the main impacts caused by the investment in Portugal was the creation of 600 jobs, on average, reaching 900 during the company's production peak. 99% of sales are exports, and the largest markets are, ranked, Germany, the United Kingdom, Benelux, the Northern countries and Spain.

Looking to the future and with the red fruits segment growing more than 10% a year in the main European markets, Maravilha Farms estimates an average annual growth rate of 8% over the next few years. Domestically it hopes to attract a larger workforce.

In terms of investment in Portugal, the company expects to continue to grow – it may even increase its sales volume by 60% – and create about 300 additional jobs. "Our investment estimates over the next five years is of 10 million euros".





3

Analysis of the Economic Impact

3. Analysis of the Economic Impact

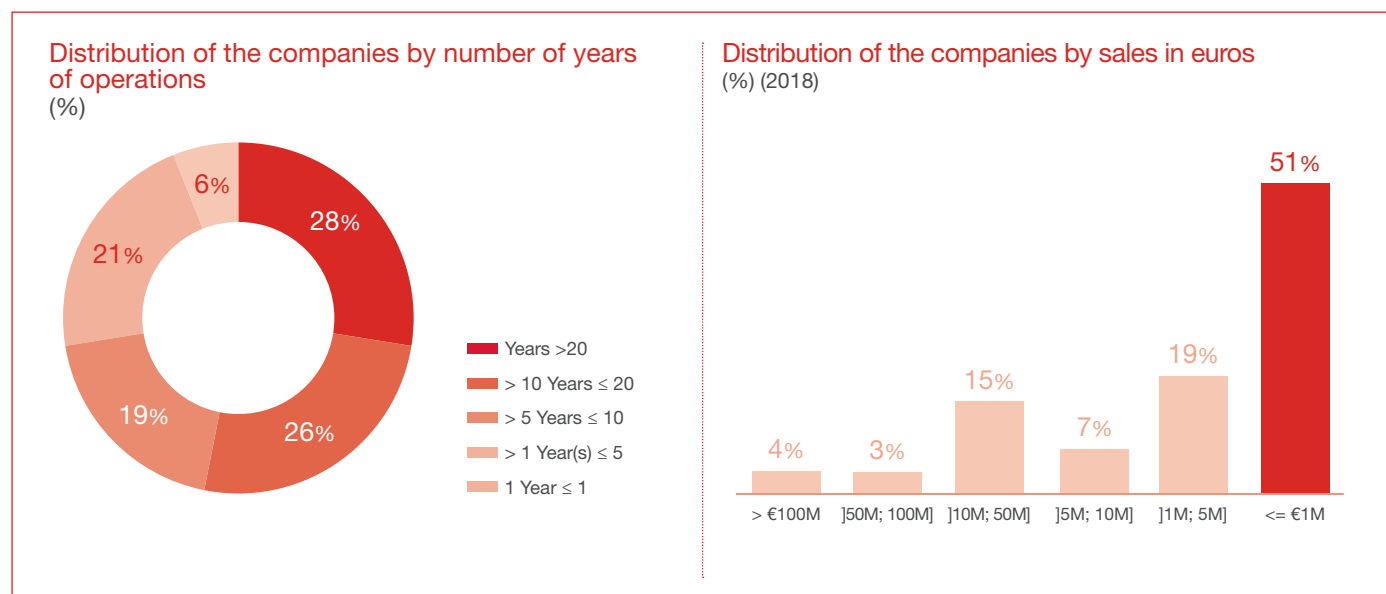
To demonstrate the relevance of U.S. companies in the national economy we analyzed the financial performance of 963 U.S. companies operating in Portugal between 2016 and 2018. In this chapter we present the findings of the analysis performed by PwC, considering its impact on the main macroeconomic indicators.

In terms of sample characterization, of the almost 1.000 U.S. companies analyzed, over 50% have been operating in Portugal⁴ for ten or more years, and 28% of the total for more than 20 years, which illustrates the continuity of U.S. investment in Portugal.

As to sales values in 2018, about half showed values equal to or exceeding 1 million euros. 4% of the companies analyzed exceeded 100 million euros.

4% of the U.S. companies analyzed exceeded 100 million euros.

Figures 13 & 14



Source: elnforma | PwC Analysis

⁴ Data made available by elnforma. For details on the selection of analyzed companies see 'Methodology'.

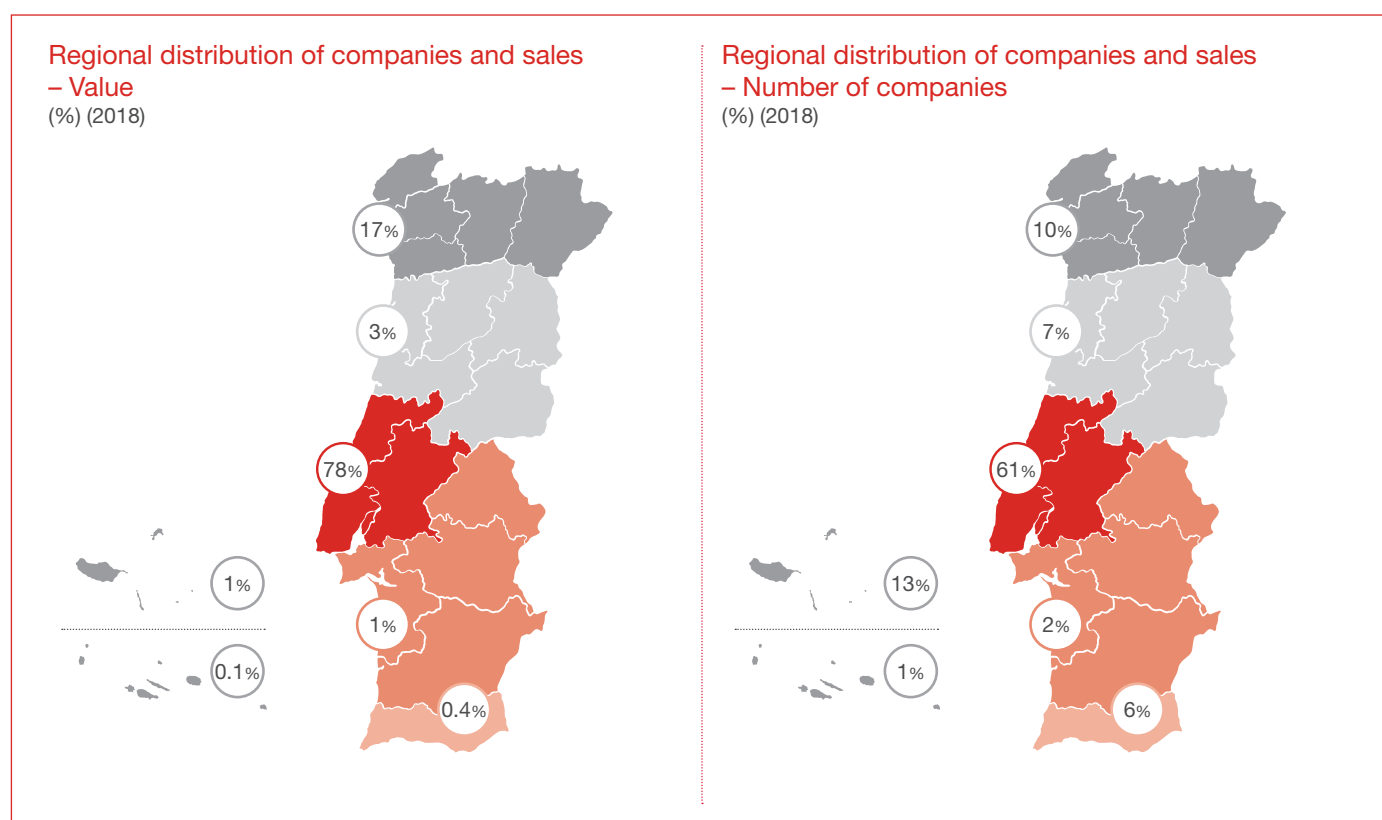
3.1. Regional Distribution

In 2018 Lisbon was the region of the country where the largest number of U.S. companies were located, representing 61% of the companies analyzed and reaching the highest sales figures, about 78% of the total.

The Autonomous Region of Madeira was the second region with more U.S. companies. However, it was the “Norte” (the Northern Region) where sales values were highest, second only to Lisbon. In terms of average annual sales growth, between 2016 and 2018 (CAGR 16-18), the Alentejo region came out on top, with an average growth rate of 8.3%.

As to the sales value, about half reached, in 2018, values equal to or exceeding 1 million euros. 4% of the companies analyzed exceeded 100 million euros.

Figures 15 & 16



Source: eInforma | PwC Analysis

3.2. Distribution by sector of activity

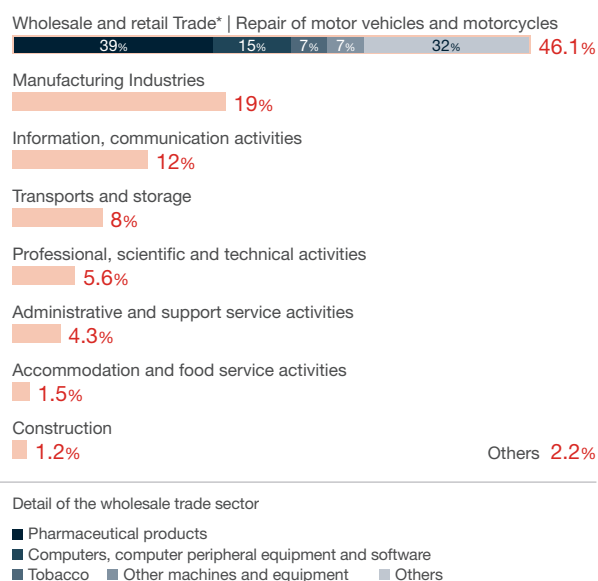
As to the key sectors of activity, in 2018, wholesale and retail trade was the largest contributor to total sales, representing about 46%. Next came the manufacturing sector, amounting to 19% of the total.

According to the available data, real estate showed the highest average annual growth rate, between 2016 and 2018 (CAGR 16-18), growing by 52%.

Nevertheless, the companies that comprise the top 3 in turnover in 2018 are in the sectors of distribution of pharmaceutical products, air passenger transport and distribution of IT products.

Figure 17

Distribution of sales por sector of activity (%) (2016-2018)



Source: elnforma | PwC Analysis

3.3. Weight in the portuguese economy

In 2018 the 963 U.S. companies analyzed had a significant weight in the Portuguese economy.

In terms of sales weight in the Gross Domestic Product (GDP), the U.S. companies accounted for about 4.5% of the total, with a total value exceeding 9 billion euros.

Relatively to the Gross added value (GAV), U.S. companies in Portugal represented about 0.6% of the national GAV,

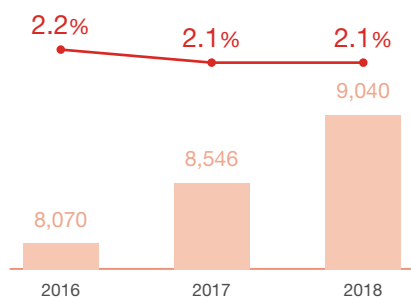
totaling 1.041 billion euros (compared to a national total of over 174 billion euros) in 2018.

In 2018 U.S. companies represented about 2.1% of the total turnover in Portugal, registering over 9 billion euros in sales of goods and services. This value remained relatively constant for the years 2016 and 2017, which represented 2.2% and 2.1% respectively.

Figures 18 & 19

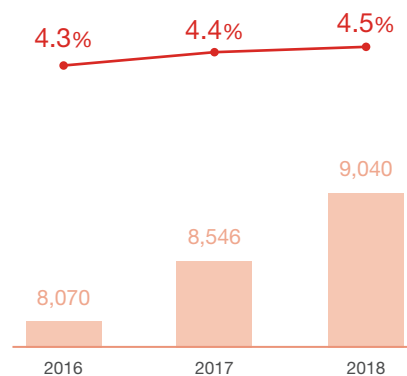
Sales of goods and services by U.S. companies in Portugal

Weight in turnover
(Million euros)



■ Weight in total turnover (%)

Weight in national GDP (at constant prices)
(Million euros)



■ Weight in total GDP (%)

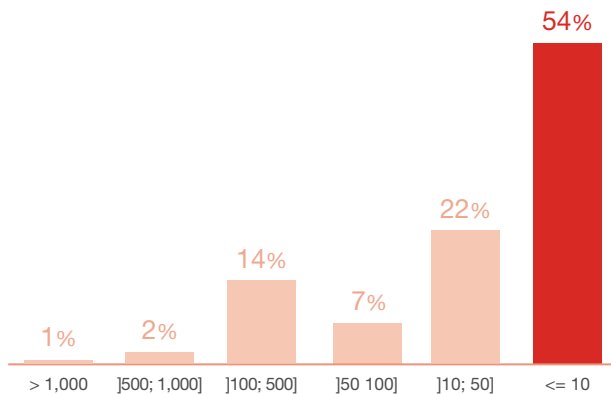
Source: elnforma | PwC Analysis

In terms of number of employees, over half of the companies analyzed (54%) employed 10 or less people and 17% employed over 100 (83 companies accounted for over 42 thousand jobs).

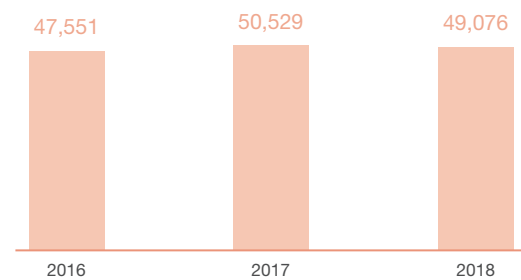
In total, in 2018 the companies analyzed had a headcount of over 49 thousand employees, which represented 1% of the total working population in Portugal. Between 2016 and 2017 the number of employees grew by 6.3%, and fell by 2.9% in 2018.

Figures 20 & 21

Distribution of companies by number of employees (%) (2018)



Employees and total weight in Portugal (number)



Source: elnforma | PwC Analysis



In 2018 sales of goods and services of the U.S. companies in Portugal represented about 4.5% of GDP.

Final considerations

This second edition of the Barometer of U.S. Companies in Portugal aimed to present an analysis of the main investments of U.S. companies in Portugal. Additionally, through an economic analysis, additionally sought to characterize these companies through various economic and financial indicators.

In view of the challenge we face as a result of the COVID-19 pandemic, which may be extended over an indeterminate period of time, we have chosen to delay the dissemination of the findings of the survey completed by managers in December 2019 as we feel that they no longer reflect the reality of the companies at this time.

For that reason we intend to launch a new survey at a later stage in order to compare findings after the outbreak to findings of the survey conducted before the pandemic on the economic outlook.

Methodology

01

In writing the first chapter of this Barometer on U.S. investment in Portugal over the past few years, several sources were considered, all of them duly listed in the bibliographic references of this study.

In addition, witness interviews were conducted, with the aim of obtaining information on a number of recent U.S. investments cases in Portugal.

02

The second chapter of this Barometer, on the relevance of the U.S. companies in the Portuguese economy, was based on a database provided by elnforma, established in accordance with a number of prerequisites, with the aim of quantifying the impact of these companies in Portugal.

For confidentiality purposes, the values presented are always the added value of the companies.

The companies considered for this study comply with the following requirements:

- they do not need to be members of AmCham;
- Active national entities with a sum of 50% or more equity participation of several American companies;
- they must be national entities with a direct capital share of an U.S. company equal to or higher than 50%;
- they must be national entities that have as Global Ultimate Parent Company (GUP) an entity based in the U.S. and which have had sales in one of the three years analyzed above 500,000€/year.

The universe considered, in view of the above-mentioned prerequisites, comprised 963 companies.

Acknowledgements

AmCham Portugal would like to thank all those who made it possible to develop this Barometer with their support and sponsorship, namely the support received from the U.S. Embassy, FLAD and AON.

A special thanks to all the managers of the companies that cooperated by completing the survey, thereby making this study possible.

A final word of thanks to the companies that provided information on their recent investments in Portugal.

About AmCham

The American Chamber of Commerce in Portugal (AmCham Portugal) is an independent, not-for-profit business association, which aims to promote economic and commercial relations between Portugal and the U.S., based on mutual interest.

AmCham Portugal, with almost 70 years of existence and approximately 230 partners, is the largest bilateral business association between Portugal and the U.S.

Undeniably a relevant institution in the context of Portuguese society, it plays an active role in economic diplomacy.

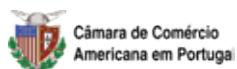
It supports U.S. companies based in Portugal, as well as Portuguese companies that seek to establish operations in the American market.

It is also a forum for business leaders, enabling the exchange of views and sharing of know-how and experience, facilitating high quality networking and adding value to its members.

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