

Portugal

Post-Pandemic Economic Outlook

Santander - CCILF

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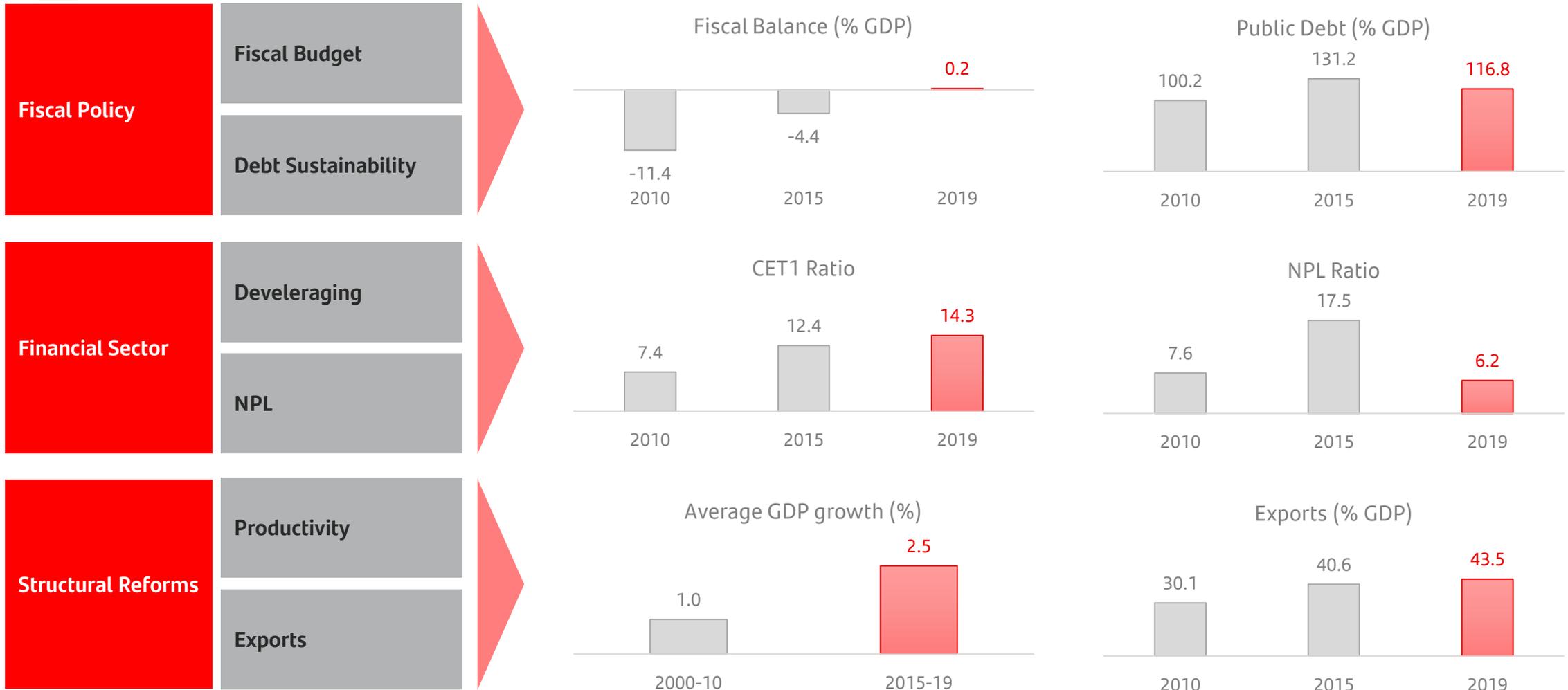
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Portugal



A more balanced economy...

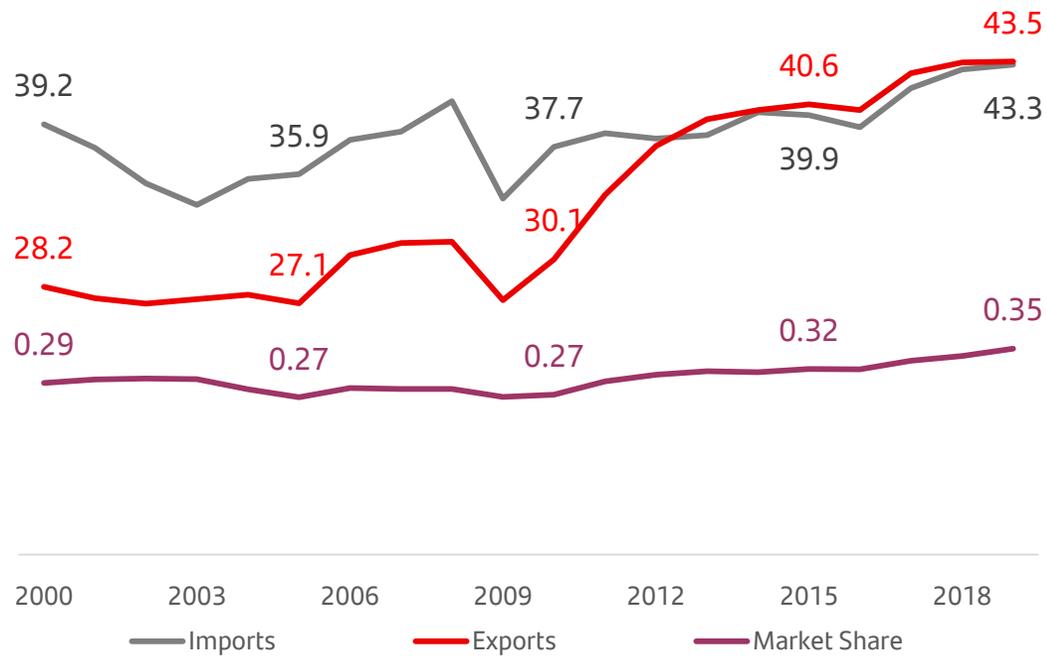


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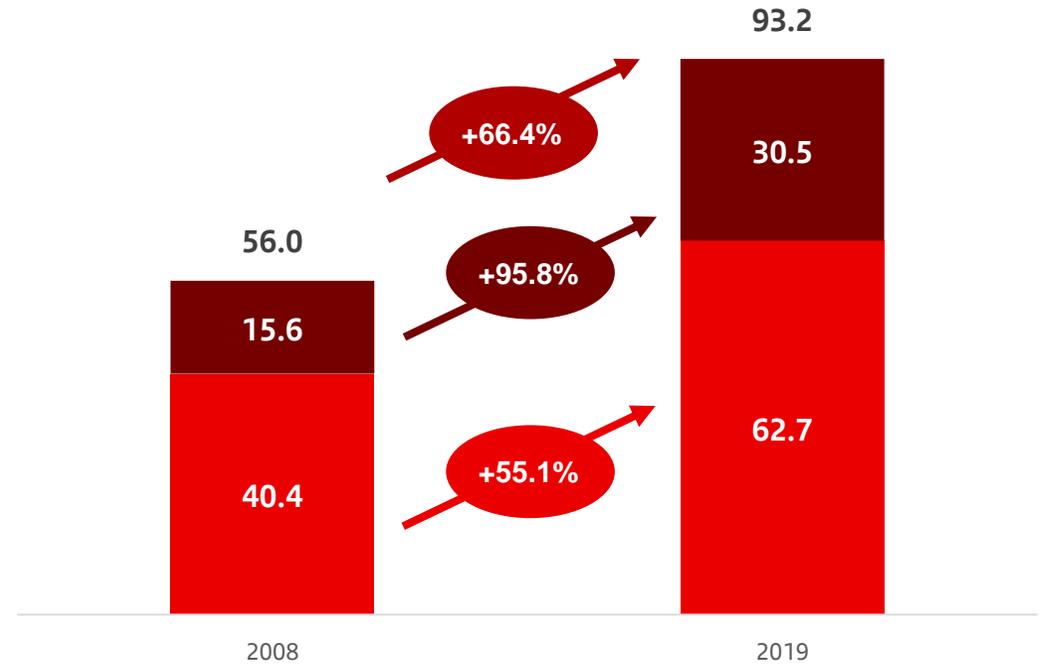


... with greater export orientation...

Export and Imports (% GDP)
Market Share in World Trade (%)



Exports of Goods and Services (€ bn)



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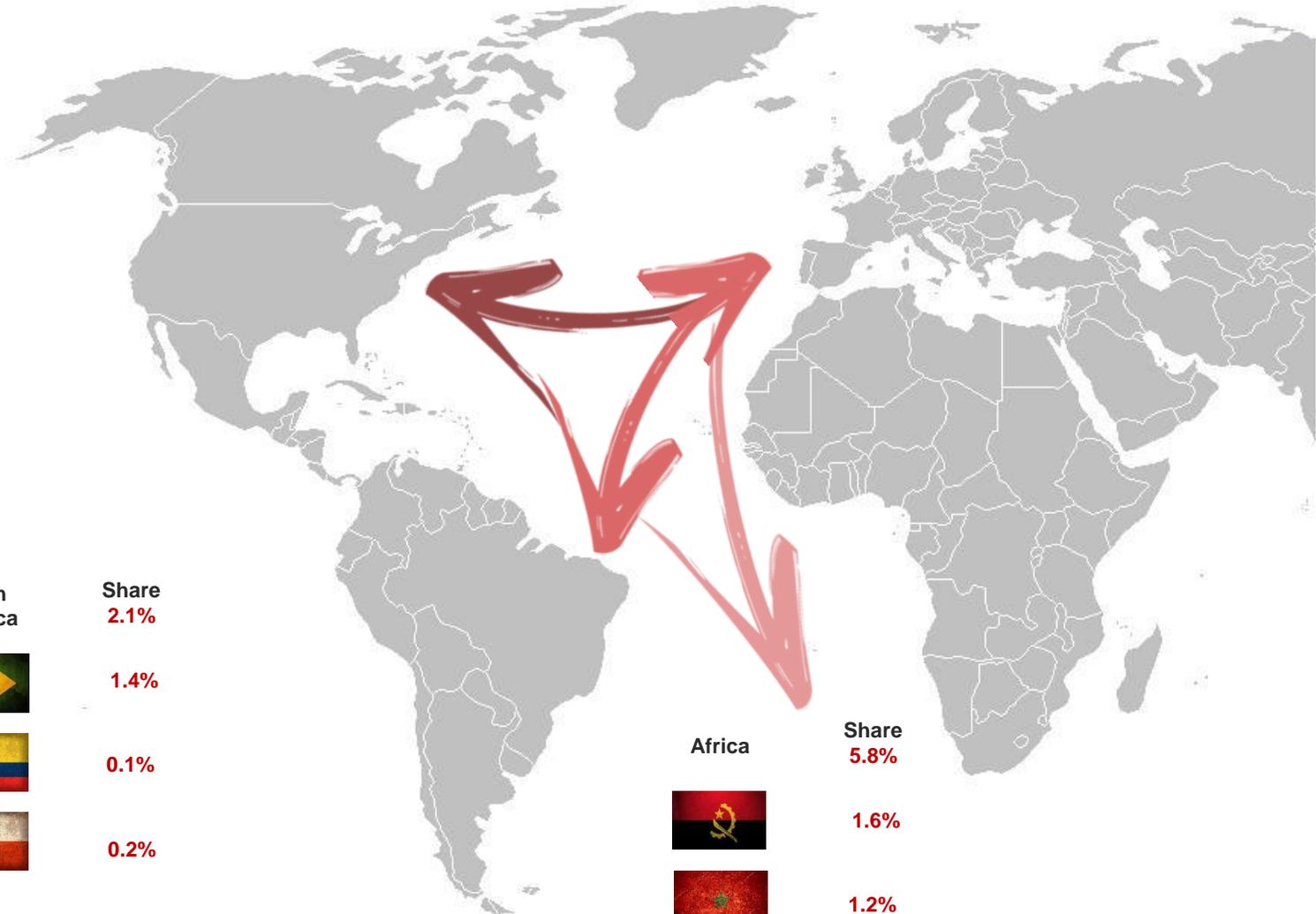


... with diversification into extra-EU markets, with room to improve

NAFTA	Share
	5.0%
	0.6%
	0.5%

South America	Share
	1.4%
	0.1%
	0.2%

Africa	Share
	1.6%
	1.2%
	0.3%



European Union	Share
	25.4%
	13.5%
	11.8%
	4.4%
	5.7%

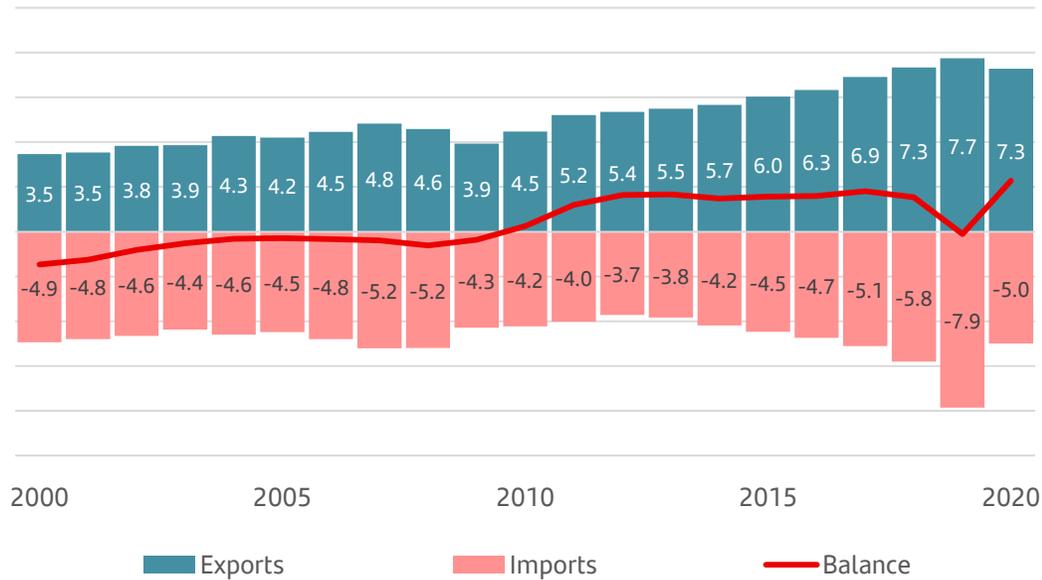
Asia	Share
	1.1%
	0.5%
	0.5%

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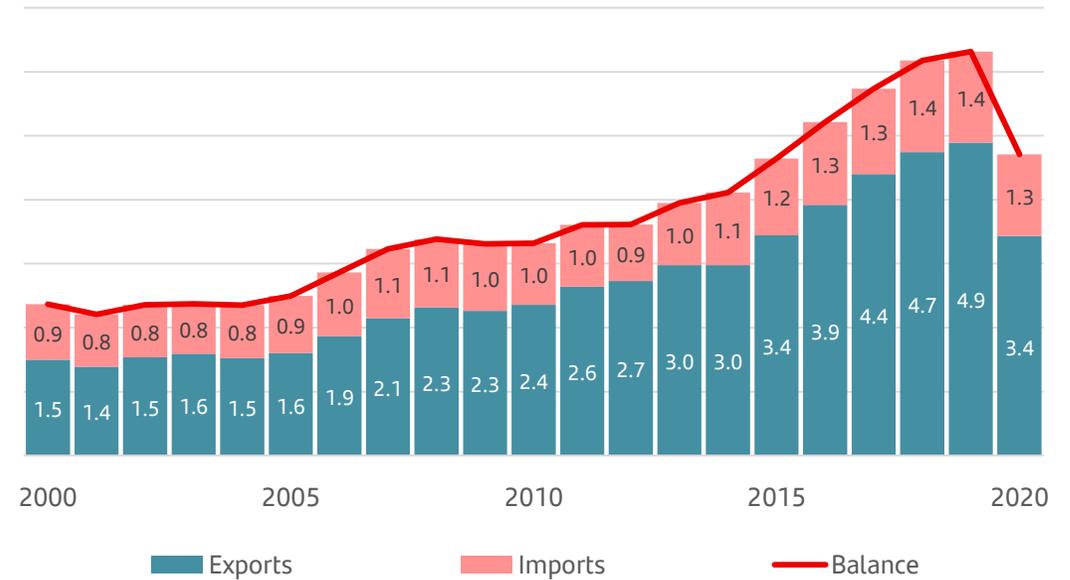


France is one of Portugal's most important partners, in terms of goods and services...

Trade of Goods (€ bn)



Trade of Services (€ bn)



**2nd export market
3rd import market**

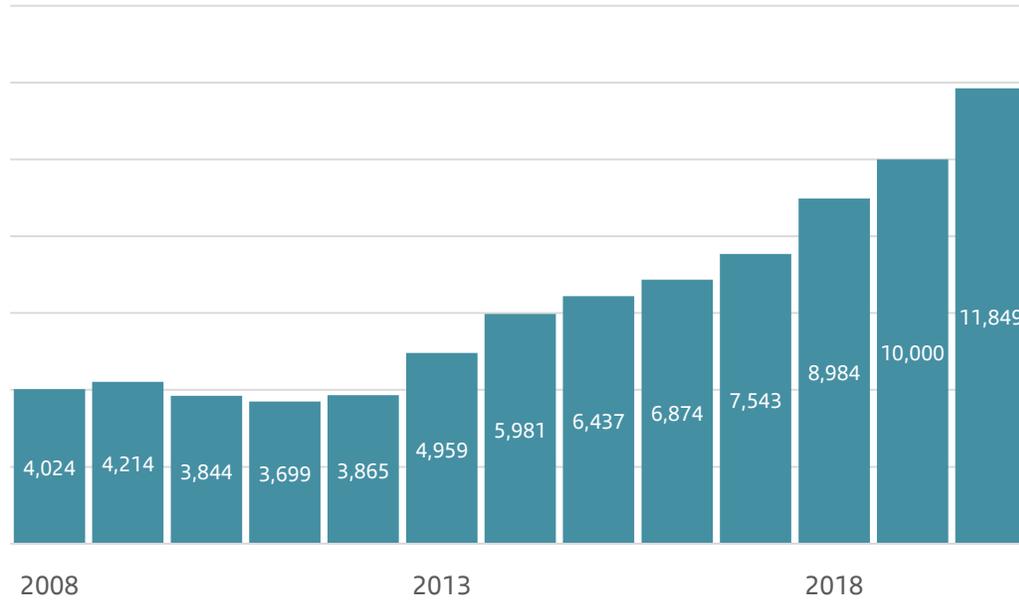
**13% of services
5th market for Tourism
~15% Tourism revenues**

Portugal



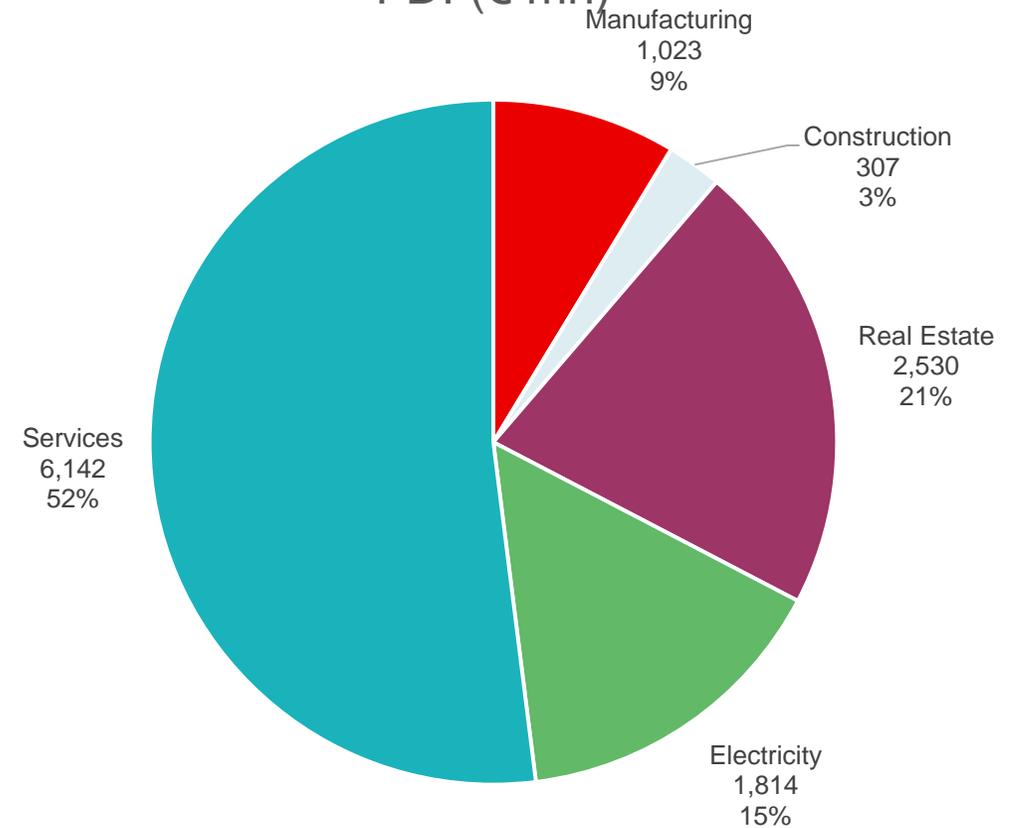
... and in terms of FDI

Foreign Direct Investment in Portugal (€ mn)



4th largest investor in Portugal

FDI (€ mn)





Economic Relation Portugal-France

Portuguese Exports to France by Product group

	2015	% Tot 15	2019	% Tot 19	Var % 19/18
Vehicles and transport material	915.3	15.2	1,690.1	21.8	10.5
Machinery and parts	609.5	10.1	862.9	11.1	-0.3
Metals	544.4	9.0	789.8	10.2	2.5
Plastic and Rubber	465.4	7.7	523.9	6.8	3.1
Clothing	401.1	6.7	425.5	5.5	0.9
Minerals	420.3	7.0	399.8	5.2	-1.1
Textiles	318.7	5.3	379.5	4.9	4.6
Food Items	287.8	4.8	337.9	4.4	1.2
Footwear	225.1	3.7	299.6	3.9	18.3
Agriculture	212.8	3.5	281.3	3.6	2.8
Wood and Cork	221.0	3.7	258.5	3.3	1.6
Pulp and paper	205.9	3.4	245.1	3.2	2.1
Chemicals	169.7	2.8	195.1	2.5	3.6
Fuels	246.6	4.1	122.5	1.6	68.5
Optical and precision equip	79.1	1.3	90.0	1.2	17.7
Furs and leather	43.6	0.7	53.8	0.7	6.5
Other products	664.9	11.0	791.1	10.2	8.5
Total	6,031.4	100.0	7,746.2	100.0	5.6

Source: INE - Instituto Nacional de Estatística; Unidade: million euro

Portuguese Imports from France by Product group

	2015	% Tot 15	2019	% Tot 19	Var % 19/18
Vehicles and transport material	1,022.6	22.9	3,849.9	49.0	107.3
Machinery and parts	636.1	14.2	970.8	12.4	4.2
Chemicals	589.1	13.2	548.7	7.0	3.6
Agriculture	466.3	10.4	454.4	5.8	-5.4
Metals	310.9	7.0	348.1	4.4	-2.0
Food Items	247.1	5.5	291.4	3.7	6.3
Plastic and Rubber	206.3	4.6	282.8	3.6	5.1
Optical and precision equip	220.0	4.9	234.8	3.0	1.5
Clothing	184.8	4.1	189.2	2.4	-9.8
Pulp and paper	84.2	1.9	84.6	1.1	-17.5
Textiles	79.2	1.8	82.8	1.1	-3.1
Footwear	55.8	1.2	65.3	0.8	-4.7
Fuels	40.9	0.9	59.9	0.8	141.7
Wood and Cork	50.4	1.1	59.5	0.8	-7.9
Minerals	60.2	1.3	59.0	0.8	2.6
Furs and leather	36.9	0.8	48.4	0.6	8.7
Other products	177.6	4.0	221.4	2.8	6.3
Total	4,468.6	100.0	7,851.1	100.0	35.5

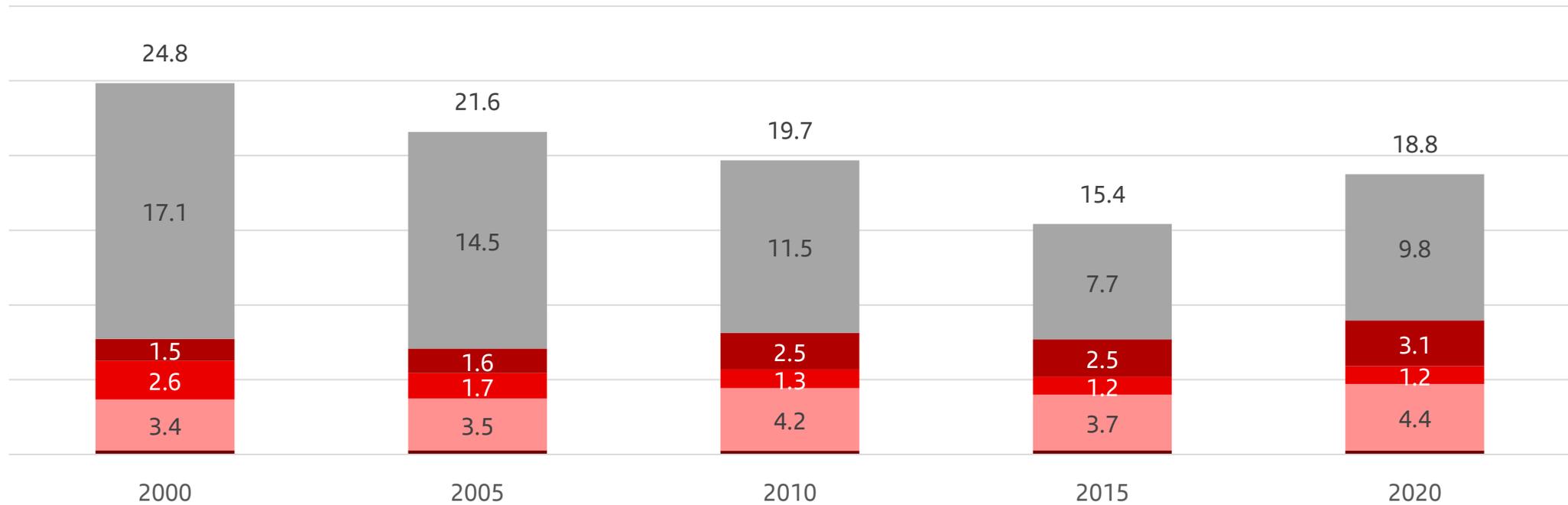
Source: INE - Instituto Nacional de Estatística; Unidade: million euro

Portugal



... and taking advantage of higher, but especially, sounder investment...

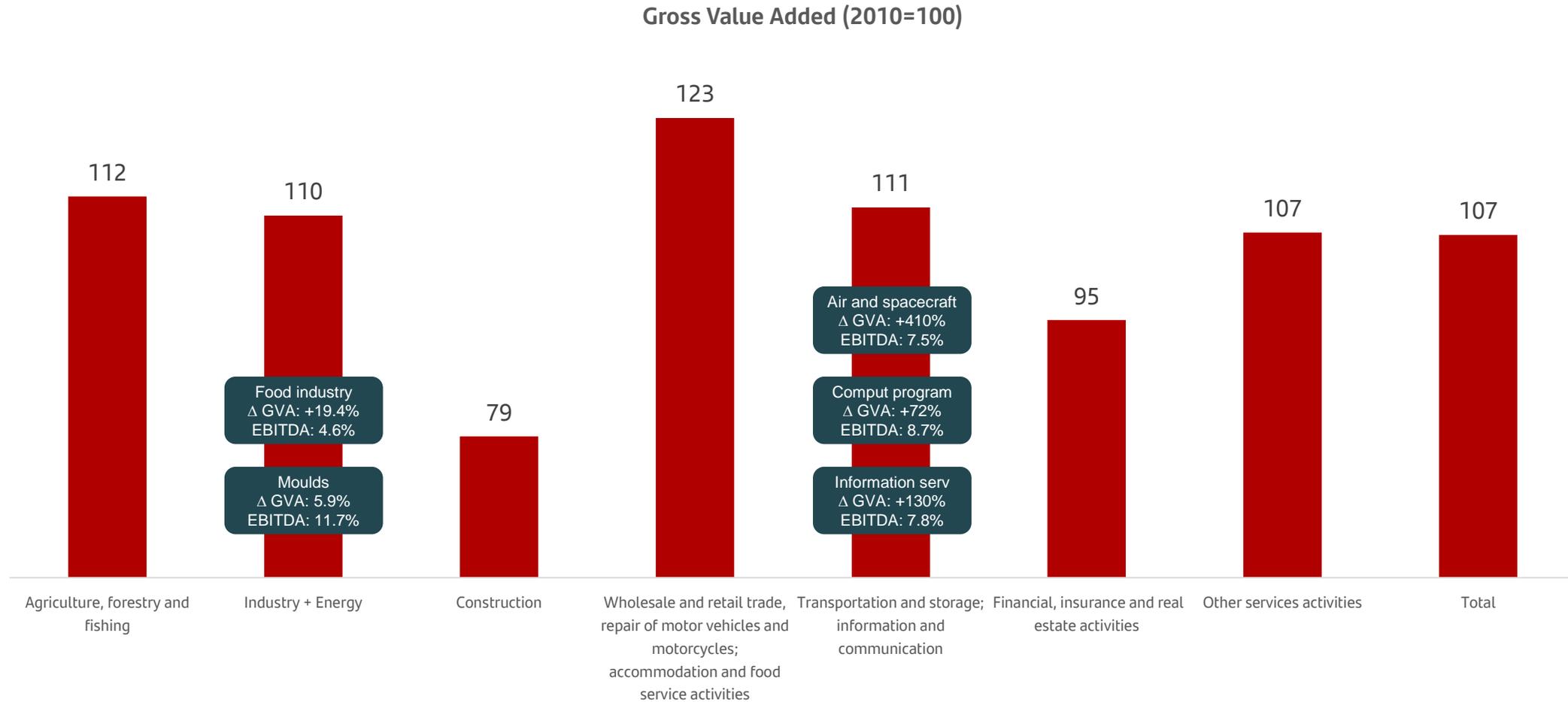
Investment (% PIB)



■ Cultivated biological resources ■ Other machinery and equipment and weapon systems ■ Transport equipment ■ Intellectual property products ■ Construction

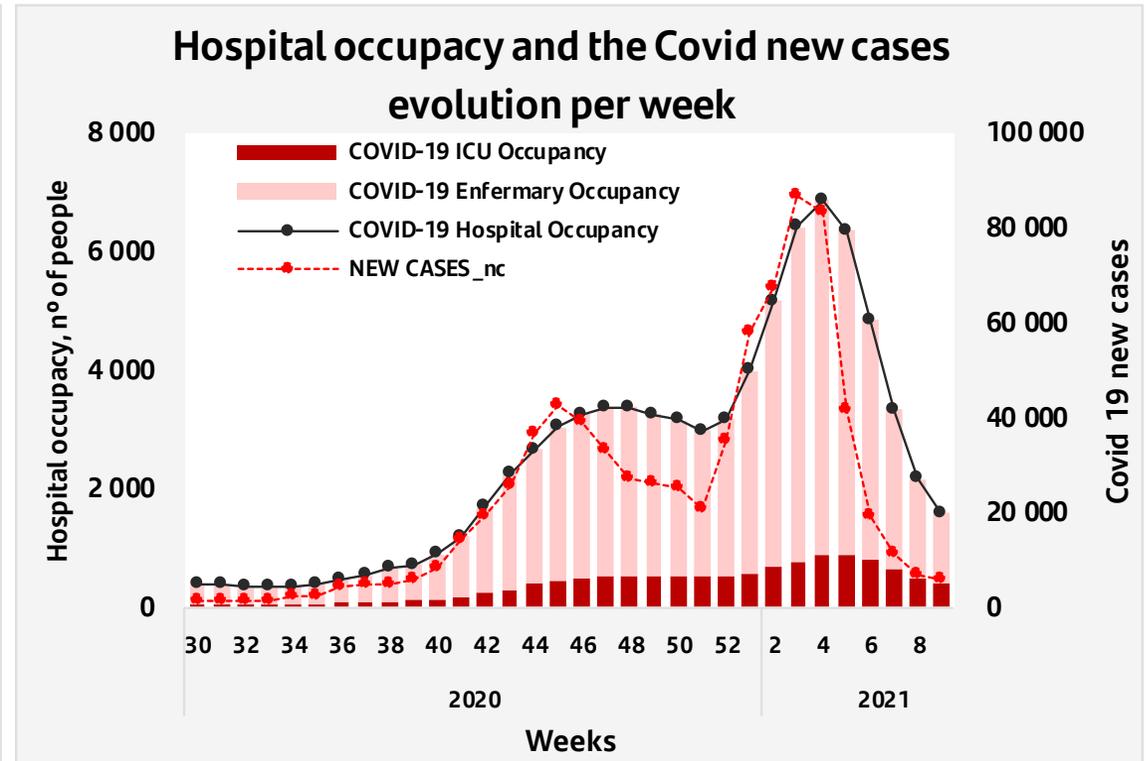
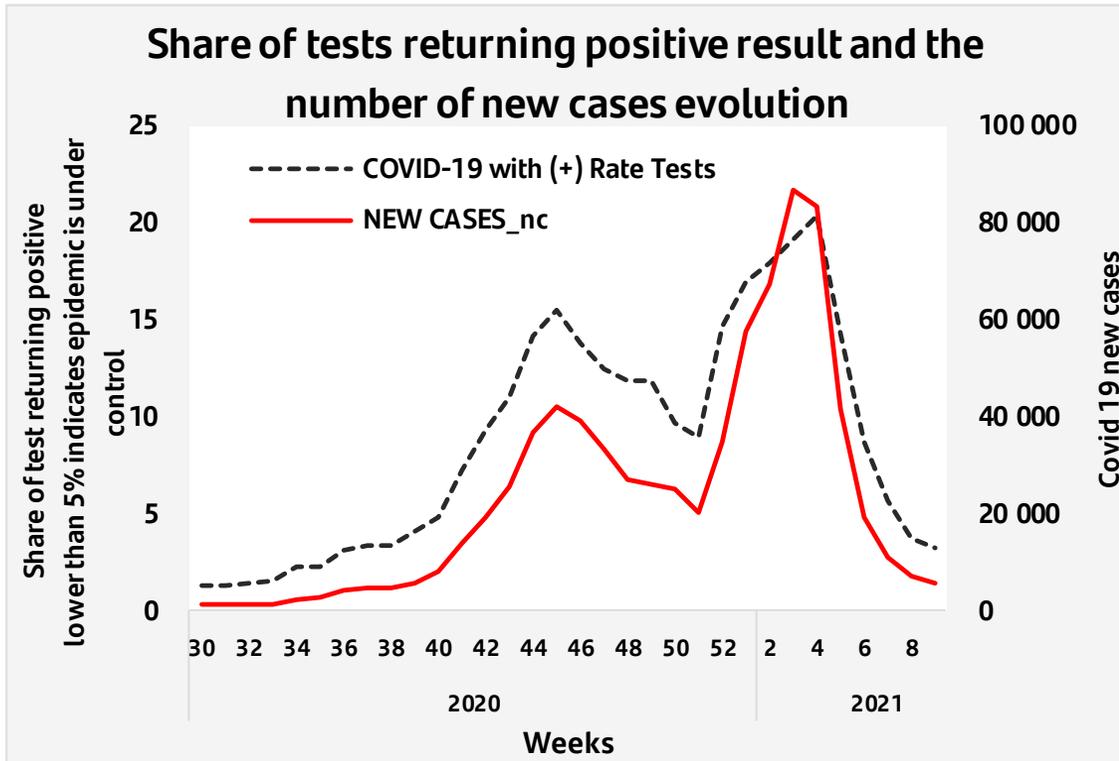


... materialized in growth led by the most productive sectors.



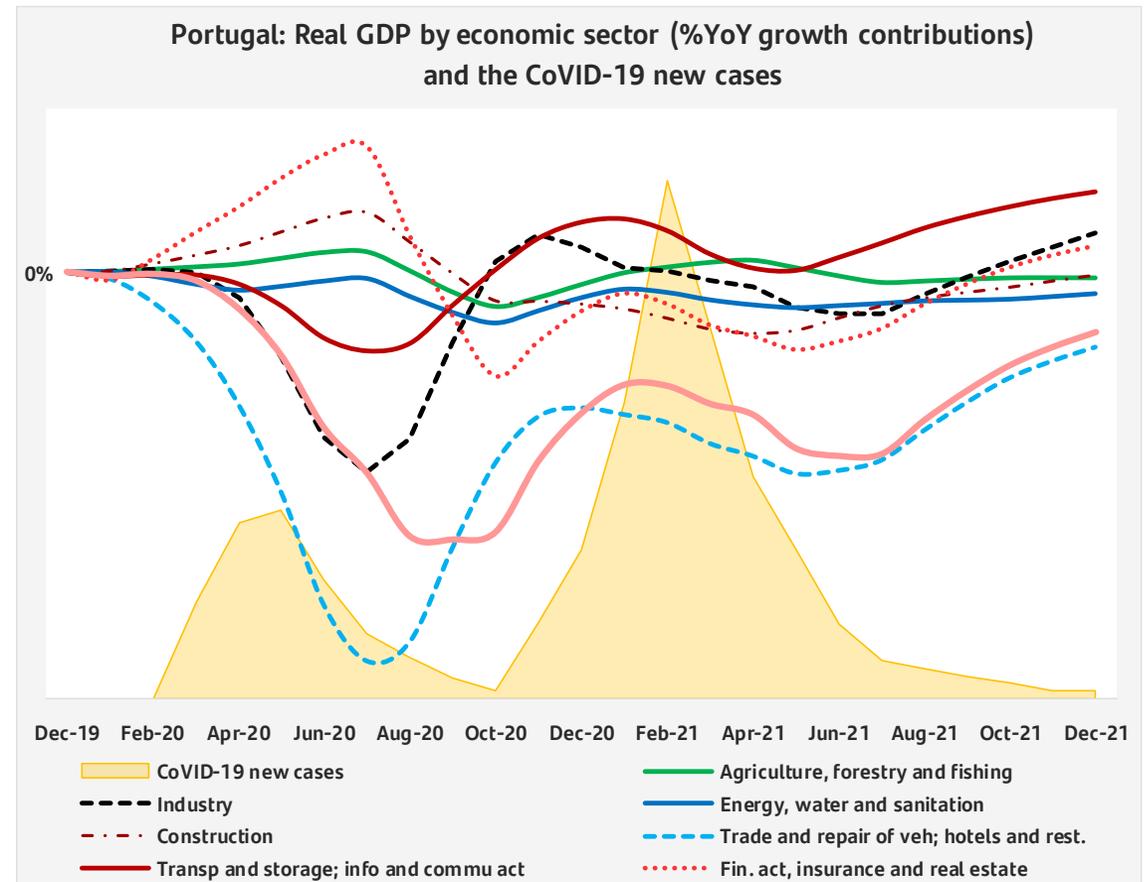
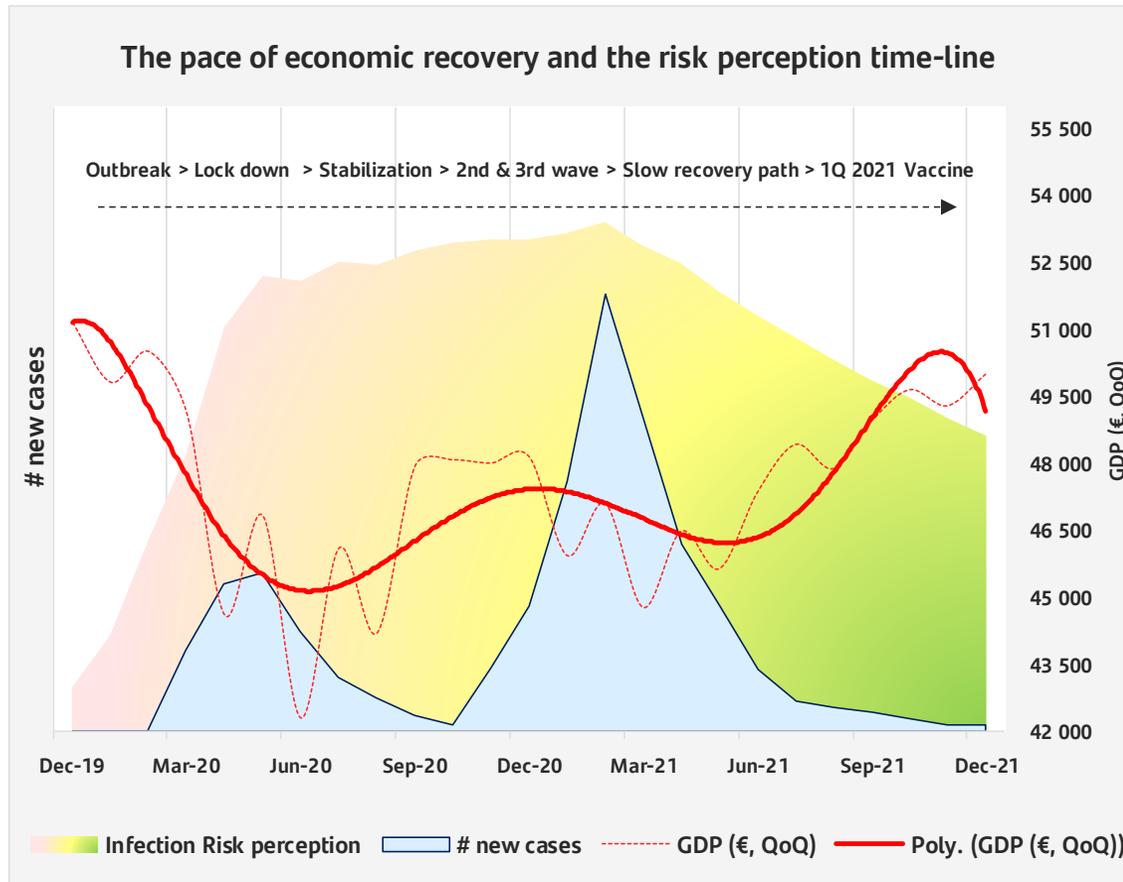


The lockdown in place in 1Q had economic impacts but allowed to control the pandemic





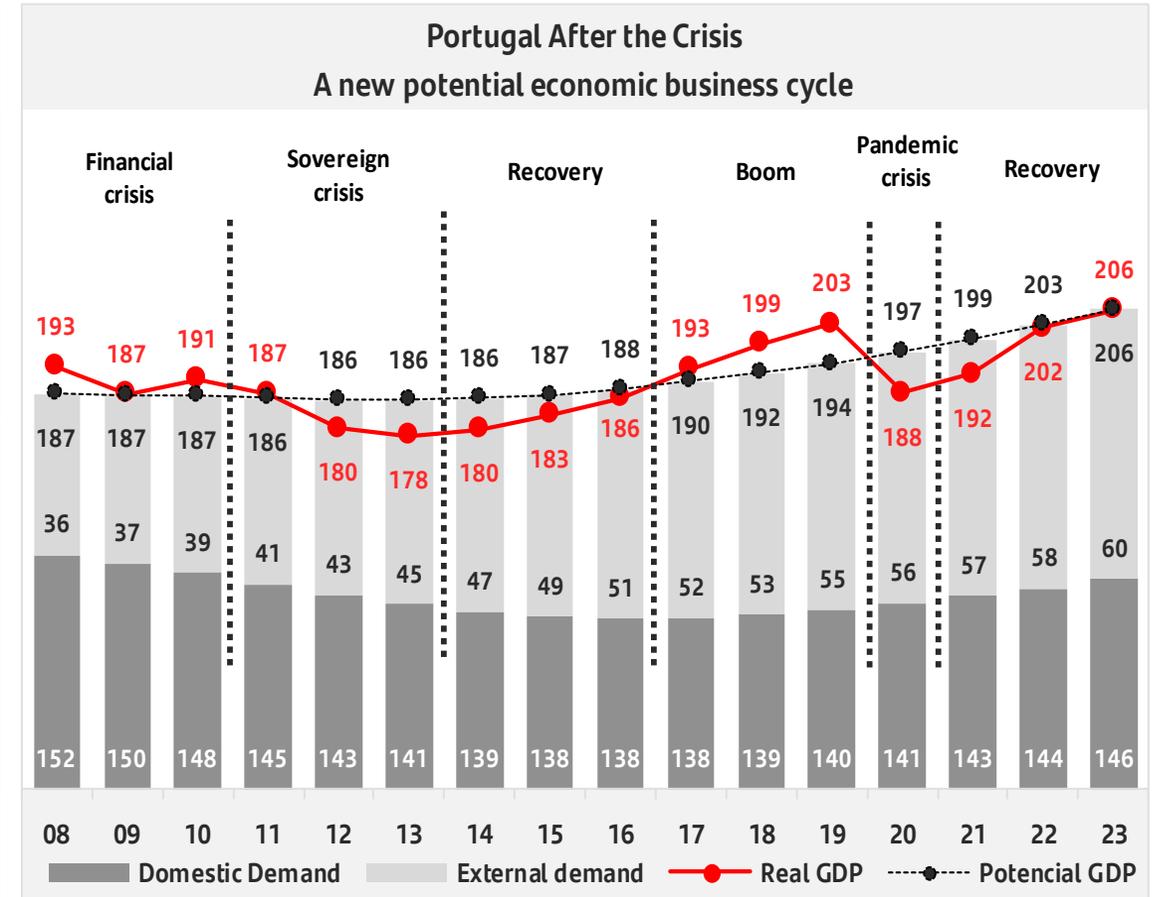
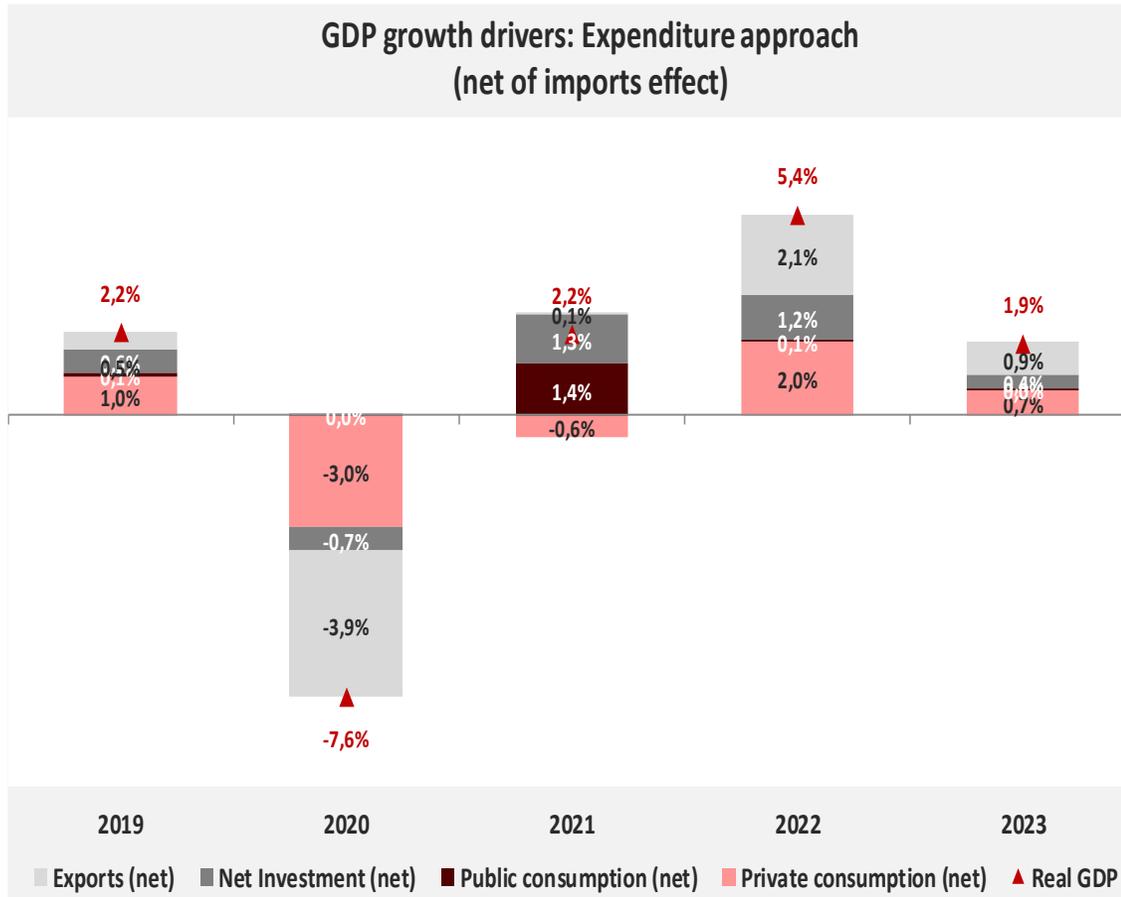
While the recovery will be delayed, it will benefit also from the vaccination



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Growth is expected to gather pace in 2H2021 and strengthen in 2022

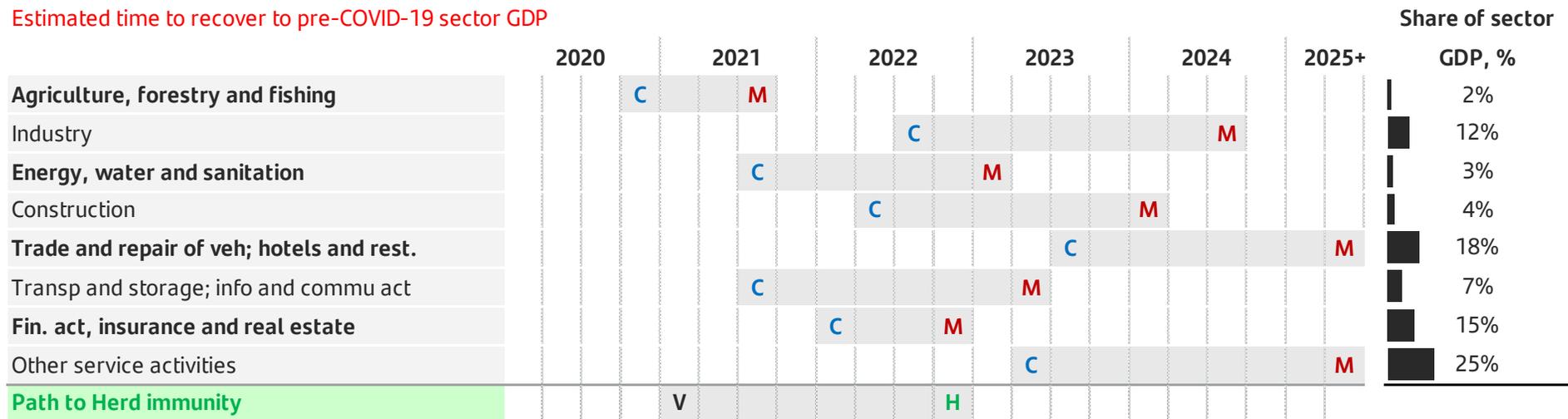




The recovery will be uneven between sectors, and those related to Tourism will likely be the laggards

In a muted recovery, it could take more than 5 years for the most affected sectors to get back to 2019-level contributions to GDP

Estimated time to recover to pre-COVID-19 sector GDP



C = Virus-contained scenario

M = Muted-recovery scenario

V = Available vaccine

H = Herd immunity (60-75% of total population)

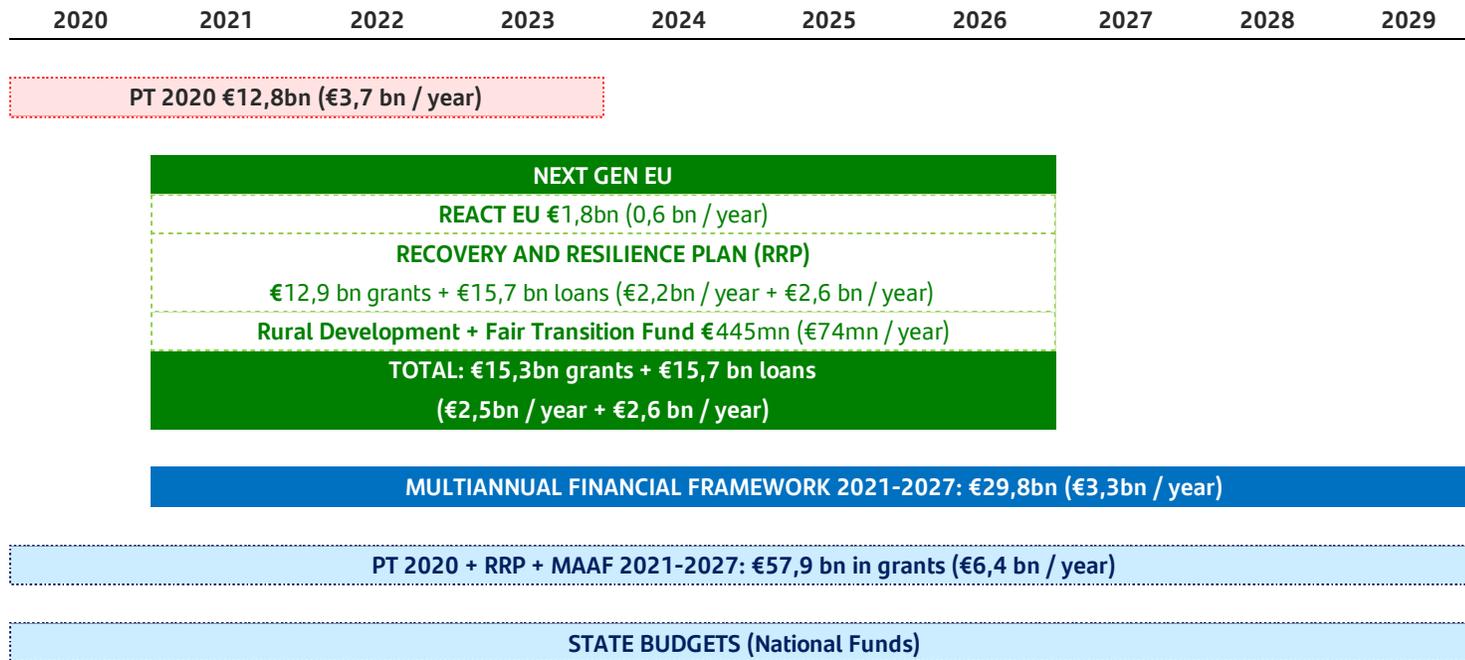
Time-line CoVID-19 response

Scenario	Preparation phase	Contention	Wider contention	Mitigation with Emergency State	Wider Contention	Contention						Wider contentio	Lockdown Emergency state	Vaccination process and recovery			
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	1Q 2021	2Q 2021	3Q 2021	4Q 2021			
Muted scenario																	

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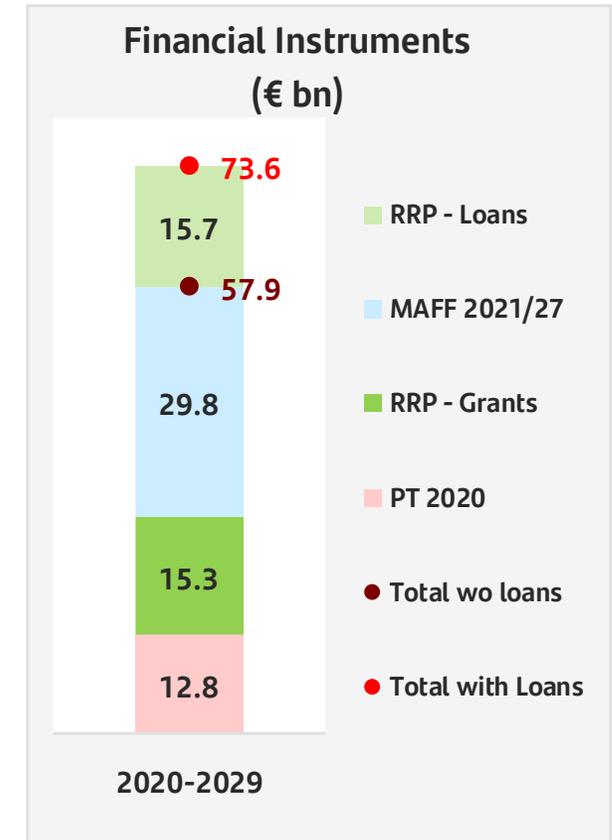


The recovery will be enhanced by the combined effects of European funds with the Recovery and Resilience Plan: Portugal will receive 58bn in grants until 2029



29% GDP

**7% MRR
15% PT2030
6% PT2020**

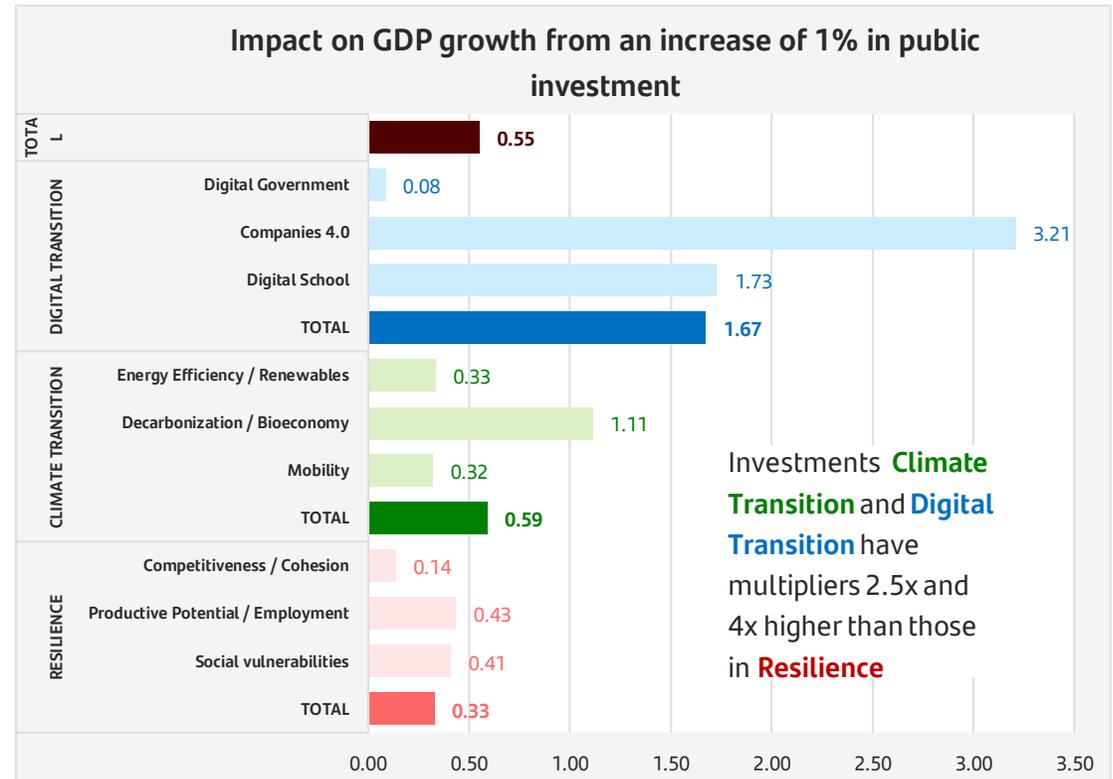
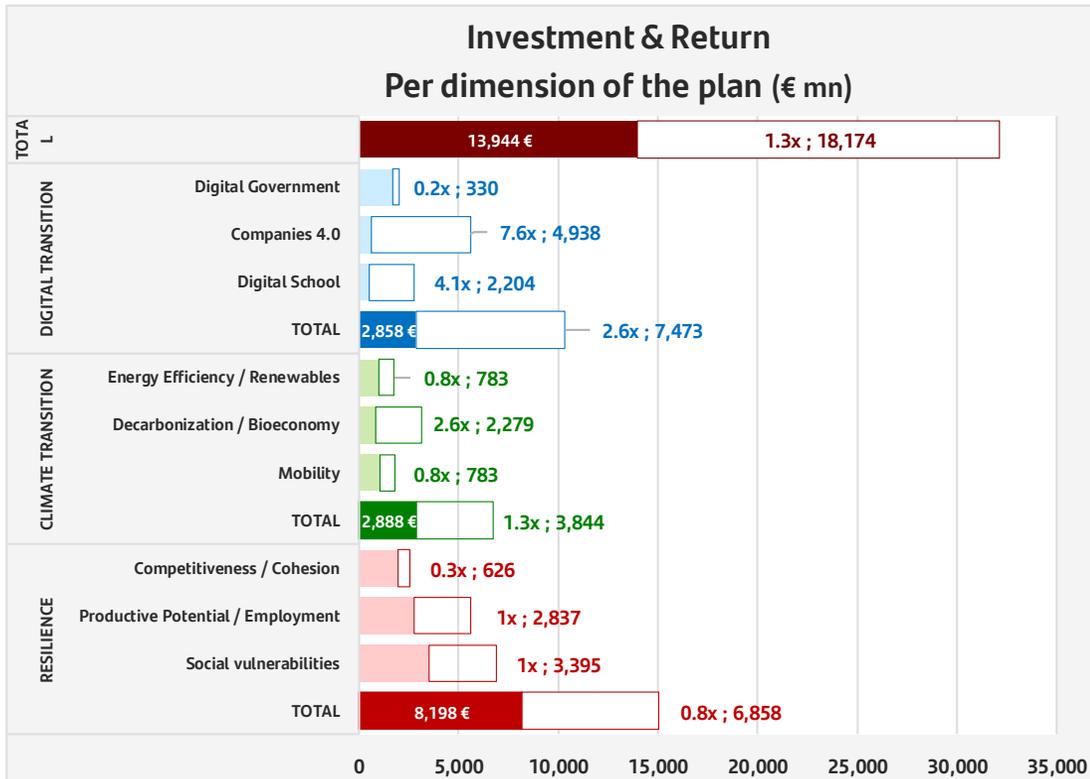




What are the GDP impacts from €1 in public investment based on the RRP?

Main conclusions:

- . Investments in Digital and Climate Transition have transversal positive impacts in terms of gains in competitiveness
- . €1 invested in Digital and Climate generate 1.4x and 2.7x more GVA



Thank You

Our purpose is to help people
and business prosper

Our culture is based on believing
that everything we do should be

Simple Personal Fair



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