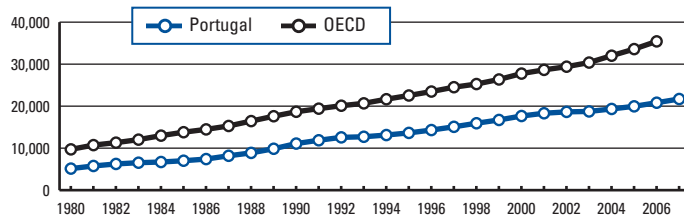


# Portugal

## Key indicators

|   |          |
|---|----------|
| Total population (millions), 2007 .....           | 10.6     |
| GDP (US\$ billions), 2007 .....                   | 223.3    |
| GDP per capita (US\$), 2007 .....                 | 21,018.8 |
| GDP (PPP) as share (%) of world total, 2007 ..... | 0.36     |

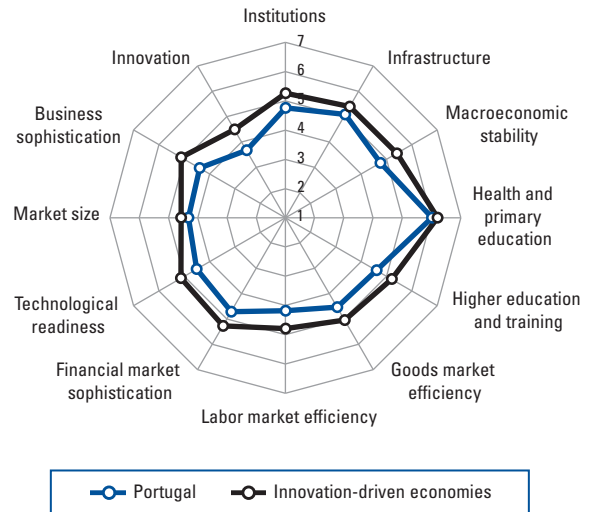
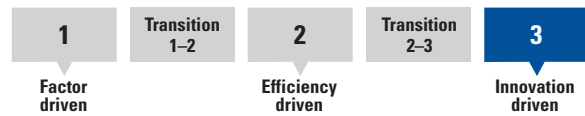
GDP (PPP US\$) per capita, 1980–2007



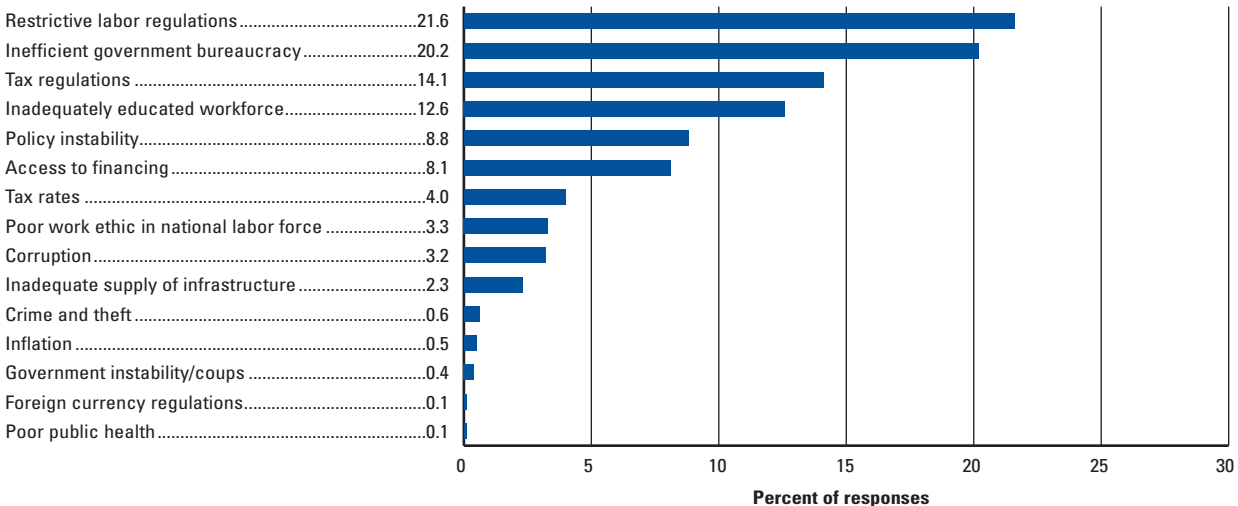
## Global Competitiveness Index

|  | Rank<br>(out of 134) | Score<br>(1–7) |
|--|----------------------|----------------|
| <b>GCI 2008–2009</b> .....                         | <b>43</b>            | <b>4.5</b>     |
| GCI 2007–2008 (out of 131) .....                   | 40                   | 4.5            |
| GCI 2006–2007 (out of 122) .....                   | 43                   | 4.5            |
| <b>Basic requirements</b> .....                    | <b>37</b>            | <b>5.1</b>     |
| 1st pillar: Institutions .....                     | 35                   | 4.7            |
| 2nd pillar: Infrastructure .....                   | 26                   | 5.1            |
| 3rd pillar: Macroeconomic stability .....          | 82                   | 4.7            |
| 4th pillar: Health and primary education .....     | 33                   | 6.0            |
| <b>Efficiency enhancers</b> .....                  | <b>34</b>            | <b>4.5</b>     |
| 5th pillar: Higher education and training .....    | 37                   | 4.6            |
| 6th pillar: Goods market efficiency .....          | 45                   | 4.5            |
| 7th pillar: Labor market efficiency .....          | 87                   | 4.2            |
| 8th pillar: Financial market sophistication .....  | 43                   | 4.7            |
| 9th pillar: Technological readiness .....          | 32                   | 4.5            |
| 10th pillar: Market size .....                     | 43                   | 4.3            |
| <b>Innovation and sophistication factors</b> ..... | <b>43</b>            | <b>4.0</b>     |
| 11th pillar: Business sophistication .....         | 48                   | 4.4            |
| 12th pillar: Innovation .....                      | 35                   | 3.7            |

## Stage of development



## The most problematic factors for doing business



Note: From a list of 15 factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

## The Global Competitiveness Index in detail

| INDICATOR   | RANK/134 | INDICATOR  | RANK/134 |
|---|----------|--|----------|
| <b>1st pillar: Institutions</b>                           |          | <b>6th pillar: Goods market efficiency</b>           |          |
| 1.01 Property rights                                      | 35       | 6.01 Intensity of local competition                  | 41       |
| 1.02 Intellectual property protection                     | 29       | 6.02 Extent of market dominance                      | 69       |
| 1.03 Diversion of public funds                            | 33       | 6.03 Effectiveness of anti-monopoly policy           | 30       |
| 1.04 Public trust of politicians                          | 46       | 6.04 Extent and effect of taxation                   | 95       |
| 1.05 Judicial independence                                | 32       | 6.05 Total tax rate*                                 | 69       |
| 1.06 Favoritism in decisions of government officials      | 33       | 6.06 No. of procedures required to start a business* | 34       |
| 1.07 Wastefulness of government spending                  | 57       | 6.07 Time required to start a business*              | 9        |
| 1.08 Burden of government regulation                      | 74       | 6.08 Agricultural policy costs                       | 79       |
| 1.09 Efficiency of legal framework                        | 65       | 6.09 Prevalence of trade barriers                    | 21       |
| 1.10 Transparency of government policymaking              | 63       | 6.10 Trade-weighted tariff rate*                     | 5        |
| 1.11 Business costs of terrorism                          | 20       | 6.11 Prevalence of foreign ownership                 | 71       |
| 1.12 Business costs of crime and violence                 | 21       | 6.12 Business impact of rules on FDI                 | 34       |
| 1.13 Organized crime                                      | 13       | 6.13 Burden of customs procedures                    | 30       |
| 1.14 Reliability of police services                       | 34       | 6.14 Degree of customer orientation                  | 59       |
| 1.15 Ethical behavior of firms                            | 37       | 6.15 Buyer sophistication                            | 57       |
| 1.16 Strength of auditing and reporting standards         | 38       |  |          |
| 1.17 Efficacy of corporate boards                         | 69       | <b>7th pillar: Labor market efficiency</b>           |          |
| 1.18 Protection of minority shareholders' interests       | 39       | 7.01 Cooperation in labor-employer relations         | 73       |
| <b>2nd pillar: Infrastructure</b>                         |          | 7.02 Flexibility of wage determination               | 96       |
| 2.01 Quality of overall infrastructure                    | 23       | 7.03 Non-wage labor costs*                           | 99       |
| 2.02 Quality of roads                                     | 14       | 7.04 Rigidity of employment*                         | 99       |
| 2.03 Quality of railroad infrastructure                   | 25       | 7.05 Hiring and firing practices                     | 125      |
| 2.04 Quality of port infrastructure                       | 42       | 7.06 Firing costs*                                   | 113      |
| 2.05 Quality of air transport infrastructure              | 43       | 7.07 Pay and productivity                            | 44       |
| 2.06 Available seat kilometers*                           | 31       | 7.08 Reliance on professional management             | 61       |
| 2.07 Quality of electricity supply                        | 25       | 7.09 Brain drain                                     | 52       |
| 2.08 Telephone lines*                                     | 31       | 7.10 Female participation in labor force*            | 33       |
| <b>3rd pillar: Macroeconomic stability</b>                |          | <b>8th pillar: Financial market sophistication</b>   |          |
| 3.01 Government surplus/deficit*                          | 104      | 8.01 Financial market sophistication                 | 30       |
| 3.02 National savings rate*                               | 116      | 8.02 Financing through local equity market           | 67       |
| 3.03 Inflation*   | 37       | 8.03 Ease of access to loans                         | 45       |
| 3.04 Interest rate spread*                                | 49       | 8.04 Venture capital availability                    | 43       |
| 3.05 Government debt*                                     | 109      | 8.05 Restriction on capital flows                    | 73       |
| <b>4th pillar: Health and primary education</b>           |          | 8.06 Strength of investor protection*                | 26       |
| 4.01 Business impact of malaria                           | 21       | 8.07 Soundness of banks                              | 35       |
| 4.02 Malaria incidence*                                   | 1        | 8.08 Regulation of securities exchanges              | 34       |
| 4.03 Business impact of tuberculosis                      | 32       | 8.09 Legal rights index*                             | 72       |
| 4.04 Tuberculosis incidence*                              | 52       | <b>9th pillar: Technological readiness</b>           |          |
| 4.05 Business impact of HIV/AIDS                          | 17       | 9.01 Availability of latest technologies             | 28       |
| 4.06 HIV prevalence*                                      | 79       | 9.02 Firm-level technology absorption                | 39       |
| 4.07 Infant mortality*                                    | 10       | 9.03 Laws relating to ICT                            | 23       |
| 4.08 Life expectancy*                                     | 22       | 9.04 FDI and technology transfer                     | 26       |
| 4.09 Quality of primary education                         | 62       | 9.05 Mobile telephone subscribers*                   | 11       |
| 4.10 Primary enrollment*                                  | 21       | 9.06 Internet users*                                 | 45       |
| 4.11 Education expenditure*                               | 22       | 9.07 Personal computers*                             | 48       |
| <b>5th pillar: Higher education and training</b>          |          | 9.08 Broadband Internet subscribers*                 | 30       |
| 5.01 Secondary enrollment*                                | 36       | <b>10th pillar: Market size</b>                      |          |
| 5.02 Tertiary enrollment*                                 | 33       | 10.01 Domestic market size*                          | 39       |
| 5.03 Quality of the educational system                    | 73       | 10.02 Foreign market size*                           | 51       |
| 5.04 Quality of math and science education                | 97       | <b>11th pillar: Business sophistication</b>          |          |
| 5.05 Quality of management schools                        | 38       | 11.01 Local supplier quantity                        | 54       |
| 5.06 Internet access in schools                           | 29       | 11.02 Local supplier quality                         | 50       |
| 5.07 Local availability of research and training services | 34       | 11.03 State of cluster development                   | 68       |
| 5.08 Extent of staff training                             | 70       | 11.04 Nature of competitive advantage                | 55       |
|   |          | 11.05 Value chain breadth                            | 32       |
|   |          | 11.06 Control of international distribution          | 54       |
|   |          | 11.07 Production process sophistication              | 37       |
|   |          | 11.08 Extent of marketing                            | 36       |
|   |          | 11.09 Willingness to delegate authority              | 43       |
|   |          | <b>12th pillar: Innovation</b>                       |          |
|   |          | 12.01 Capacity for innovation                        | 32       |
|   |          | 12.02 Quality of scientific research institutions    | 33       |
|   |          | 12.03 Company spending on R&D                        | 53       |
|   |          | 12.04 University-industry research collaboration     | 42       |
|   |          | 12.05 Gov't procurement of advanced tech products    | 31       |
|   |          | 12.06 Availability of scientists and engineers       | 48       |
|   |          | 12.07 Utility patents*                               | 42       |

\* Hard data

Note: For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" at the beginning of this chapter.