

# Portugal: Green and digital investment highlighted as key to COVID-19 recovery by Banco de Portugal and EIB



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- The European Investment Bank and Banco de Portugal hosted today a virtual conference entitled *“Investment, digitalization and green financing: The Portuguese case.”*
- The EIB presented the results of its latest annual EIB Investment Report and [Survey \(EIBIS\) for Europe and Portugal](#), providing insights on investment dynamics and investment needs in Portugal.
- Nearly half of firms in Portugal expect to invest less due to COVID-19.
- Almost two-thirds of firms are investing or planning to invest in climate related projects and 50% of companies innovated new products, processes or services.

As part of a series of events organised to debate on current trends in investment in different EU Member States, the European Investment Bank (EIB) and Banco de Portugal hosted a conference entitled *“Investment, digitalization and green financing: The Portuguese case.”*

During the virtual event, attended by more than 400 business leaders, economists and public sector partners, Governor of Banco de Portugal, Mario Centeno, European Investment Bank Vice President, Ricardo Mourinho Félix presented the main results of the 2020 EIB Investment Survey for Portugal. The EIB Chief Economist, Debora Revoltella, moderated the debate.

In the opening remarks, **Mário Centeno, Governor of the Banco de Portugal**, stated: *“Understanding the dynamics of digital transition and climate change is very important in itself, but also to envision the economic recovery. The*

*pandemic hit activity and has accelerated structural changes that will transform our economies and our way of living. So, the challenge will not only be to recover from the crisis, but also to adapt to the changes set in motion, using the drive of the recovery to implement the necessary changes."*

*"In our efforts to drastically cut greenhouse gases, more investment, public and private, will be essential to build a new cleaner, more competitive and digital economy that can support our European way of life. We all have work to do: at the European Commission, at the European Investment Bank, but also at Banco de Portugal and the European System of Central Banks. We have been the guarantors of financial stability in the EU. Now we also need to be the enablers of a successful transition. All hands on deck! must become our motto",* **Commissioner Elisa Ferreira** said.

During his closing remarks, **Ricardo Mourinho Félix, European Investment Bank Vice President responsible for the Bank's operations in Portugal**, said: *"Notwithstanding the devastating economic crisis caused by COVID-19, Portuguese companies will need to continue to invest in their future and where it matters the most: innovation, digitalisation and climate action. As the EU Climate Bank, the EIB Group is one of the main financiers of climate action. We are also one of Europe's largest investors in innovation. We are supporting, more than ever, Portuguese companies of all sizes to overcome current and future challenges. We stand side by side with Portuguese businesses and their workers."*

### **COVID-19 impact and outlook of green and digital transition**

Leading economic stakeholders outlined how investment needs and priorities for Portugal evolved because of Covid-19 and emphasised the needs to strengthen financing and best-practice advisory cooperation to accelerate the transition towards a digital and green economy.

The discussion focused on business's readiness and adaptability to the new constraints caused by the outbreak of the pandemic and the need to implement key digital technologies to support resilience and competitiveness.

### **Impact of COVID-19 on business investment in Portugal**

The EIB Investment Survey for Portugal reveals that the COVID-19 pandemic is expected to add pressure on private investments.

The new investment survey highlights how businesses have been affected by the economic crisis caused by the pandemic. Nearly half (47%) of firms in Portugal expect to invest less due to COVID-19. Moreover, about one-third of these abandoned or delayed investment plans because of the pandemic, fewer than the EU average (35%), while nearly a quarter (24%) of firms expect to continue at least with some of their investment plans, but with a reduced scale or scope, higher than the EU average (18%).

For firms impacted by COVID-19, developing new products or services is the most cited investment priority (38%), higher than the EU average (30%). In the last financial year, the main purpose of investment was to replace

existing buildings, machinery, equipment and IT (52%), and the highest share of investment was in machinery and equipment (53%).

The EIB investment survey showed that, over the last financial year, more firms increased than reduced investment. However, the investment outlook is still negative. Firms in Portugal became, on balance, more pessimistic about the short-term outlook, very similar to EU peers and uncertainty about the future remains the most cited long-term barrier to investment (92%).

### **Portuguese firms innovated more than the EU average**

Around half of all firms innovated and developed or introduced new products, processes or services as part of their investment activities, higher than the EU average (43%). This includes 18% of firms reporting innovations new to the country, also higher than the EU average (15%).

*Despite the economic disruptions caused by COVID-19, Portuguese businesses place innovation at the top of their agenda. Firms affected by the economic crisis caused by COVID-19, realised that innovation and digitalisation might be the best available tools to keep up with the current crisis. As matter of fact, Portuguese businesses have, on average, implemented more digital technologies than their EU counterparts have and are more likely to develop or introduce new products, processes or services as part of their investment activities. Portugal still lags behind the EU average in investment in Research and Development but the results from the EIBIS show that Portuguese firms are taking steps in the right direction " said **EIB Chief economist Debora Revoltella.***

### **Portuguese businesses reflecting climate change challenges and opportunities**

Three-quarters of firms (76%) say that climate change currently has an impact on their business, well above the EU average (58%). Almost two-thirds of firms (64%) are already investing or planning to invest in climate related projects, in line with the EU average (67%). Moreover, almost half of firms (48%) invested in measures aimed to improve energy efficiency, in line with EU average.

[\*\*This country overview\*\*](#) presents selected findings based on interviews with **481 firms in Portugal in May-August 2020**. The survey is part of the annual EIB Group Survey on Investment and Investment Finance (EIBIS), an EU-wide survey of 13 500 firms that gathers quantitative information on the investment activities of both SMEs and larger corporates, their financing requirements and the difficulties they face.

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[\*\*EIB President Hoyer and Prime Minister\*\*](#)

# Zaev agree to boost green investments and support the economic recovery of North Macedonia



- EIB will support the Republic of North Macedonia in accelerating recovery of SMEs from COVID-19
- EIB to support the transition towards a greener and more sustainable economy in North Macedonia, in line with the European Commission's Economic and Investment Plan. This includes participation as lead IFI in the last phase of Rail Corridor VIII, a priority European corridor connecting the Black Sea to the Adriatic Sea
- To date, the EIB Group has invested some €1 billion in the economic and social development of North Macedonia, including key infrastructure projects and private sector development

The European Investment Bank (EIB) will continue to invest in the social and economic development of the Republic of North Macedonia, while supporting the faster economic recovery of the country's economy and its backbone – small and medium-sized enterprises (SMEs) – from the COVID-19 pandemic. EIB President Werner Hoyer and Vice-President Lilyana Pavlova welcomed North Macedonia's Prime Minister Zoran Zaev, Minister of Finance Fatmir Besimi and Foreign Affairs Advisor to the Prime Minister Edmond Ademi. The EIB presented plans to boost support from Team Europe, expand cooperation, step up its activities in North Macedonia and support the European Commission's rollout of its Economic and Investment Plan for the Western Balkans.

The EU bank is ready to expand its successful cooperation with the Government of North Macedonia, contribute further to the competitiveness of the country's economy, and support major infrastructure projects and the transition towards a greener and more sustainable economic model. To date, the EIB has invested close to €970 million in 29 projects in North Macedonia, supporting key sectors of the economy – infrastructure, energy, transport and SMEs.

The EU bank's priority in North Macedonia will be to facilitate the faster recovery of SMEs from the COVID-19 crisis and to unlock new sources of accessible financing, helping this segment sustain jobs, overcome liquidity issues and continue investing, which will ultimately increase its competitiveness in the region's markets. The EIB Group's support for SMEs in form of loans and guarantees will also bolster the domestic financial sector and strengthen its ability to fuel economic growth without jeopardising its long-term stability.

**EIB President Werner Hoyer** said: "Our priority is to help North Macedonia recover as quickly as possible from COVID-19, support its EU accession path and its transition to a greener, more inclusive and more sustainable economy. Prime Minister Zaev and I share a European vision and commitment to an

economically strong North Macedonia and Western Balkans region and we would like to see North Macedonia benefit as much as possible from the opportunities unlocked by the Economic and Investment Plan of the European Commission. As the EU climate bank, the EIB welcomes Prime Minister Zaev's strong commitment to supporting the rollout of the Green Agenda and I am pleased to see an impressive pipeline of green investments for North Macedonia going forward. The EU bank's ambition is to do even more and support investments in the renewable energy, energy efficiency and digital sectors. The pandemic has hit North Macedonia particularly hard but the country, Prime Minister Zaev and his government can count on tangible EIB technical and financial support for the recovery.

**The Prime Minister of the Republic of North Macedonia Zoran Zaev** stated: "North Macedonia recently endorsed the Green Scenario for structural development of the transport, energy, environment and climate change sectors. We have an ambitious agenda that depends on substantial investments as well as multi-generational contribution to the future not only of North Macedonia, but also of Europe as a whole. Such are the two projects that we have applied for – the Wastewater Treatment Plant in Skopje and the third phase of the railway connection along Corridor 8, the east wing to Bulgaria. We believe the European Investment Bank can be our key partner in this endeavour and I am looking forward to **close** and successful cooperation in the years to come."

On the same occasion, **the EU Ambassador to North Macedonia David Geer** stated: "If we have learned something from the COVID-19 pandemic, it is that we all must work together as a team, in order to have results that benefit our societies. Team Europe has shown that if we are united we can achieve great results and that solidarity is possible even during the most difficult times. The European Union has adapted its priorities and programmes with North Macedonia to address the crisis, and has contributed more than €226 million to mitigate health, social and economic risks. As we all try to move on and improve our resilience to crises, the European Union and the Government of North Macedonia are building a partnership that strives for more. We are trying to develop the best solutions to take forward the Green Agenda, promote connectivity and boost trade within the WB6 Common Regional Market. The implementation of the Economic and Investment Plan is key in this context and the European Investment Bank has a crucial role to play in its realisation. Together we can help build back better, more sustainable and greener economies, and we can jointly help North Macedonia transit towards and be fit for the digital age."

**EIB Vice-President responsible for North Macedonia Lilyana Pavlova** added: "We are glad to see that our cooperation with the Republic of North Macedonia is moving forward and that we are recognised as a reliable partner for the whole region of the Western Balkans. We aim to strengthen our partnership with new investments that will enable a green and digital transition towards more competitive market and new job opportunities. Our focus will be to help the country embrace the opportunities set out in the Economic and Investment Plan as an opportunity for fast and sustainable COVID-19 recovery, creation of a stronger regional market and a better investment climate."

**COVID-19 support for North Macedonia and the Western Balkans**

As part of the overall EU efforts under Team Europe to mitigate the economic fallout of the COVID-19 pandemic, the EIB mobilised over €1 billion for the economies of the Western Balkans in 2020 alone. These funds are part of the EIB's €1.7 billion contribution to the Team Europe package of €3.3 billion announced by the European Commission at the Zagreb EU Western Balkans Summit in May 2020.

To support Macedonian SMEs, the EIB Group invested €20 million enabling SMEs to access new sources of financing to overcome liquidity constraints and preserve jobs during the pandemic. The Bank is ready to unlock significant sums for Macedonian SMEs in 2021 and beyond.

As a long-standing partner to North Macedonia, the EIB Group has unlocked €653 million for Macedonian SMEs and mid-caps since the beginning of its operations in the country, sustaining over 99 000 jobs.

### **Climate action for a green Western Balkans**

As the EU climate bank, the EIB is ready to extend its support for energy efficiency, renewable energy and digital projects in the Western Balkans and contribute to its faster transition towards a greener, more inclusive and sustainable economic area.

These initiatives support the implementation of the European Commission's Economic and Investment Plan. The EIB stands ready to contribute with financing and technical advisory support towards creating a common market in the region that is consistent with EU value chains.

### **Investments in transport, digitalisation and SMEs**

In the context of the Economic and Investment Plan, the EIB is currently considering a number of new projects in North Macedonia, including the expansion of the railway network along Corridor VIII to create more sustainable transport infrastructure for North Macedonia and the Western Balkans. In addition, new investments are planned in the environmental protection sector and SME recovery.

These investments will reinforce the position of the EIB as one of the leading financiers in the Western Balkans region, and expand on the €8.5 billion it has invested since 2009 in support of the region's socioeconomic development and accession process.

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**[Media advisory – Press briefing ahead of the informal video conference of](#)**

## environment ministers, 18 March 2021



The **press briefing** ahead of videoconference of environment ministers will take place on **Wednesday, 17 March at 18:00**. This briefing will be “off the record”.

**Please note that this press briefing will take place remotely.**

In order to participate and ask questions, EU accredited journalists should register using [this link](#).

Those who already registered for the previous briefings of Environment Council do not need to do it again.

**Deadline for the registration: Wednesday, 17 March at 17:00.**

Further instructions will be sent to all registered participants shortly after the deadline.

[Visit the meeting page](#)

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## CPVO's DUS reports in the United States of America

On 3 March 2021, the President of the CPVO met virtually with a delegation of the U.S. Department of Agriculture.

During the meeting, it was recalled that the United States of America's Plant Variety Protection Act was amended to include asexually reproduced plant varieties, which allows the U.S. Plant Variety Protection Office to accept applications for these genera. With the ability to accept these new varieties, the U.S. Plant Variety Protection Office adopted the UPOV Test Guidelines for all asexually reproduced varieties. As a result, DUS reports can now be accepted from the CPVO and its entrusted Examinations Offices in EU Member States for all asexually reproduced plant variety applications.

DUS reports for sexually propagated varieties can also be accepted, on a case-by-case basis, if the applications fulfill certain criteria. For example, DUS reports for certain crops that are new to the U.S. Plant Variety Protection Office can be acceptable.

Applicants who are interested in using a DUS report from the EU in an application procedure before the U.S. Department of Agriculture are invited to contact Jeffery Haynes, Commissioner, to learn more and discuss in further

detail. Mr. Haynes can be contacted at Jeffery [dot] Haynes [at] usda [dot] gov.

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## Macroeconomic dialogue at political level, 15 March 2021



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