

# Weekly Update COVID-19

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21st April – 27th April

# WHAT'S NEW?

## PM declarations on PT and EU economic recovery, political stability and tracing apps (23.04.2020)

- **The Government is not planning to cut salaries or raise taxes.** Portugal's competitiveness is not based on its tax system, but on the quality of its human resources. This crisis is different from 2008. Austerity deepens the economic crisis.
- **Portugal has to start producing goods which are currently imported from China.** It is not the end of globalization, but extended supply chains are extremely vulnerable to crises. Europe will have to rethink current value chains and increase European production.
- **The impact on tourism is going to be long lasting. Portugal must be showcased as a safe spot.** Tourism mobilizes several industries - food, furniture, hotels and restaurants - and employment.
- There must be collective debt issued by the EU to finance a common answer. At the European Council, there are still difficulties to reach an european collective response.
- Priorities for the portuguese Presidency of the Council of the EU are still valid, such as digital and climate transitions.
- Even without the "Geringonça" solution, the PM said a dialogue is still ongoing with PCP and BE. **The PM expects the broad political consensus reached for the crisis response to be continued along this mandate.**
- On tracing apps, there won't be changes to data protection. Citizens can voluntarily download apps. DGS may have access to the telephone numbers of individuals who were in close contact with someone infected with COVID-19, while respecting GDPR.

Full statement [here](#).

# WHAT'S NEW?

## PM declarations after the European Council meeting (23.04.2020)

- **A specific date is not yet defined for opening external and internal borders**, but the EC is currently evaluating a coordinated strategy, taking into account the summer season and the importance of the tourism sector to the European economy - PT insisted on this point.
- **EU is preparing a strategy for a possible second wave of infections, which will “inevitably occur” while there is no available vaccine.**
- Emergency plan devised by the Eurogroup last week should be available on June 1st.
- EC proposal on a recovery fund of 1,5 trillion EUR in articulation with the MFF 21-27 should be presented on May 6th. PT expects political agreement on the MFF to be reached by the summer.
- **The recovery fund should be financed by EC debt issuance, be large enough and coherent with the EU strategy on digital transition, climate change and strategic autonomy - to increase production capacity of essential goods in the EU and avoid dependency on large supply chains from other economic regions. Unanimity was also reached in a time-frame of 2 to 3 years period.**
- Questions pending: will it be transferred through grants or loans? Majority of member states want grants (PT included), Germany and others accept a balance between loans and grants and 4 MS only want loans.
- Despite questions pending on the recovery fund, the PM said this European Council was positive as there was consensus in many points of view.

Full declarations [here](#).

# WHAT'S NEW?

## Plenary Session with the PM (22.04.2020)

- Consensus among political institutions contributes to Portugal's external image as a safe and reliable country to attract foreign investment.
- Testing of COVID-19 needs to be used carefully, as it only makes sense within a high infection community.
- The VAT of individual protection equipment will be reduced.
- Creation of a sanitary guarantee seal and develop good practices with DGS, ASAE and AHRESP for several economic sectors.
- Gradual reopening of the economy - the calendar will be defined in a few days, taking into account what is already happening in other countries.
- Public investments will remain, with the expansion of the underground and new airport.

Full Plenary Session may be seen [here](#).

## Secretary of State for Digital Transition declarations (22.04.2020)

- Startups are particularly vulnerable, they need a pack of targeted measures. Data on the pandemic impact in startups, venture capital and investment is not yet available.
- The Government wants to promote digital reskilling. A protocol was signed with APDC to this end.
- Telecom operators and ANACOM are negotiating to lower costs of internet services (social tariff).
- Apps for contact tracing can be used, but on a voluntary basis. The debate on common principles is at a very advanced stage, as well as the design and development of the apps.

Full interview [here](#).

# WHAT'S NEW?

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## VAT reduction of protection equipment (23.04.2020)

The Government will submit to the Parliament a draft proposal on the [reduction of VAT](#) (from 23% to 6%) on masks and disinfection gel retail.

## Regulation of the Action Plan for Digital Transition and its Mission Structure (21.04.2020)

The Government published the [Action Plan for Digital Transition](#), as well as its [Mission Structure](#).

## ANACOM submits a proposal to strengthen the protection of electronic communication users (23.04.2020)

ANACOM, submitted to the Parliament a [proposal with amendments to Law 7/2020, of 10 April](#), to guarantee that the interpretation of the law does not result in a suspension of Internet and communications supply.

## Measures to support startups and entrepreneurs (21.04.2020)

Government has published [measures](#) to financially support startups, representing in average, 10 thousand EUR per startup.



## WHAT'S NEW?

**Portugal has a high digitization rate according to the European Investment Bank**

- Portugal ranks third among the strong countries in [EIB Investment Survey Digitization Index](#), after Slovenia and Sweden. The rate of adoption of technologies in Portugal is above the EU and US average for IoT, infrastructure sector and platforms in the services sector.

**Portugal is the most active OECD country for innovative projects to fight Covid-19**

- According with [OECD data](#), Portugal stands out as one of the countries with the largest number of innovative projects to face the pandemic: of the 150 responses worldwide, 19 are Portuguese, which corresponds to about 11% of the total.

**DGS guidelines on how to plan and purchase food**

- DGS published a [guideline](#) for a more responsible planning and purchase of food (foods with greater shelf life and high nutritional value), ensuring nutritional needs for longer periods of time to avoid frequent trips to the supermarket.



# WHAT'S TO COME?

## Deconfinement strategy: possible declaration of state of calamity after the end of the state of emergency

- Movement restrictions between municipalities will be in force between May 1st and 3rd
- **On April 30th, the Government will announce the calendar for the deconfinement strategy:** confinement measures will be lifted every 15 days (May 4th, May 18th and June 1st), for different economic activities, depending on DGS evaluation of the sanitary situation. Safety measures are being negotiated with each economic sector in articulation with professional associations and will have to be validated by DGS.
- The State of Emergency will end at 0:00 on May 2nd, but movement restrictions may continue thereafter under the Situation of Calamity which is being considered.
- The Situation of Calamity doesn't need the PR's approval, only a Resolution approved by the Council of Ministers.
- The Situation of Calamity doesn't need to be renewed every 15 days and does not have a maximum term.
- **Its implementation will depend on the outcome of the experts meeting on Tuesday (28.04) and the decision will be announced on Thursday (30.04), after deliberation between the PM and the PR.**

## Hearings in the Parliament

- **Hearing of Minister of Foreign Affairs** after the European Council in the Parliamentary Committee for European Affairs. (28.04, 4pm)
- **Hearing of Minister of Infrastructures and Housing** in the Parliamentary Committee for Economy, Innovation, Public Works and Housing. (29.04, 9:30am)
- **Hearing of MEPs Margarida Marques e José Manuel Fernandes** regarding the Multiannual Financial Framework 2021-2027 in the Parliamentary Committee for European Affairs. (30.04, 10am)



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