

Research Project "Foreign Direct Investment - East and West: The Experiences of the Czech Republic, Hungary, Poland, Portugal and Spain"¹.

The "Contractual" Regime for Foreign Direct Investment in Portugal: a Brief Analysis².

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The "Contractual" Regime for Foreign Direct Investment in Portugal: a Brief Analysis.

ABSTRACT: This paper presents a description of the existing "contractual" regime (CR) for foreign direct investment (FDI) in Portugal, and shows its importance, in terms of the ratio to the total investments. We also tried to quantify the amount of subsidies received by this type of investment.

1. Introduction

In the Portuguese legal framework that regulates foreign direct investment (FDI) flows, there is a special legal regime, called the "contractual regime", available for investments "of special interest for the Portuguese economy", due to their size, profitability or to meaningful effects in the current account, regional development and technology transfer. The investment projects included in this category received several types of tax incentives and subsidies.

The importance of this kind of investment can be verified through Table I (below).

Table I

Investment Made Under the "Contractual" Regime³.

1000 ptes

YEAR	1978	1979	1980	1981	1982	1983	1984	1985*
Nº of Projects	1	0	2	2	0	1	2	2
CFDI (curr.)	1300000	0	24501377.3	750000	0	3700000	9755495	100244260
FDI (curr.)	28113000	53937000	46467000	13444395.08	14306972.76	19493938.69	33363081.02	51984482.84
CFDI/FDI	0.05	0	0.53	0.06	0	0.19	0.29	1.93

YEAR	1986	1987	1988**	1989	1990	1991***	1992	1993	1994
Nº of Projects	3	3	1	2	2	2	1	1	1
CFDI (nom)	4622102.445	2927838.211	0	29979740	48580000	467367571	16800976	10733195	161256
FDI (curr.)	51917113.73	88090160.26	165247008	237103604	385346379	466089147	405868646	391629000	187025000
CFDI/FDI	0.09	0.02	0	0.13	0.13	1.00	0.04	0.03	0.001

**Soporcel Project: Investments until 1992.

**Non-available.

***Autoeuropa Project: investments until 1995.

Despite its small number (only twenty-six investment projects were made under this legislation, from 1978 to 1994), the average percentage of

³ Values have been converted from USDs, FFs, DMs and ECUs through the years final rates, and converted to 1980's prices. These are contracted - not realized - investment figures. They can be greater than 1, too, when compared with realized investment, in cases of investment projects spread over several years, as happens in 1985 and 1991 (the years are, therefore, only indicative).

investment made under the "contractual" regime to the total investment made for the period 78/94 is 26,47%⁴, *i.e.*, more than a quarter of the total.

Not just that, but *virtually all* "structuring" investment - the projects that created, or at least aimed to create, new industrial "clusters" in the country's productive structure, like the auto vehicles industry - where made under this regime.

2. Subsidies and the Legal Framework for FDI

The today's structure of subsidies available for foreign investors in the Portuguese Republic is the one created by the first "Code of Foreign Investment", of 1976, a structure fully kept by the second Code of 1977, but the first comprehensive structure of subsidies was established during a period of greater internal political liberalization of the salazarist dictatorship: the "Marcellist Spring"⁵, that lasted from around 1969 to 1972.

Those liberalized tendencies, when FDI legislation is concerned, were reflected in the Decree n^o 393/70 of August 19, 1970, and the Decree-Law n^o 75174 of February 28, 1970 - know as the "Industrial Development Act" - , which reduced the number of restricted sectors⁶ and implemented a wide scheme of fiscal and financial incentives (tax breaks, import exemptions and especial credit lines for exporting industries), available not only to domestic investors but to foreign investors too.

The first time a comprehensive body of legislation called Code of Foreign Investment was enacted⁷ happened only in 1976, through the Decree-Law n^o 239/76 of April 6.

This code - despite a preamble in which the "interest of the foreign direct investment for the national development" was recognized - marked in reality an inflection on the liberalization process initiated in the sixties. This was due, of course, to the political and institutional changes associated with the "Carnation Revolution" in 1974⁸. A general, previous discretionary system was reintroduced, in which two types of authorizations were needed for the same investment project: a foreign exchange one by the Portuguese central bank, the Banco de Portugal (BP), and an economic one by the newly

⁴The values used here are the ones on the investment "contract". They do not necessarily mean that all the value was really invested: the real figures can be either bigger or smaller. Further, the values are of projected investment during all the installation phase: that's why some values are equal or even bigger (namely, in 1984 and 1991) than the total investment inflow.

⁵Named after Marcello Caetano, Salazar's failed reformist successor.

⁶FDI was forbidden in several industries. See Vinhas De Souza, L.; 1995.

⁷See Rosa, E., 1984.

⁸This military led uprising replaced the dictatorship by a socialist government. During the next two years, the country teetered on the brink of a soviet-style command-economy.

created - through the Decree-Law n^o 239/76 - FII, Foreign Investment Institute.

The FII's authorization conditioned the foreign exchange one: in fact, the FII was the only government' representative before the foreign investors, collecting all the technical evaluations on the FDI's projects by all departments of the government, all necessary authorizations and permits, and registering all the data on the projects.

Two types of previous authorizations were established in this first code: the "general regime", used for usual investment projects, in which the foreign investor had equal access to all tax incentives available to the national investors, and the "contractual regime" (CR), for investments of special interest for the Portuguese economy, due to their size, profitability or to meaningful effects in the current account, regional development and technology transfer, to which additional tax incentives or subsidies could be granted (the decisions concerning the latter category had to be approved by the Council of Ministers - CM, and published at the Government's legislative newspaper, the "Diário da República").

The organisms responsible for the project evaluation had a period of ninety days (which could be extended up to two times) to give or deny the investment's authorization, after which, if a decision was not given, it was automatically granted.

FDI in industries related to the security of the state, public utilities, finance, banking, insurance, advertising, publishing and communications and on the nationalized sectors were then forbidden - they are allowed in most sectors now⁹ - but the CM could allow minority capital stakes in these sectors if deemed necessary. Foreign firms already in these sectors were not affected.

Also on guarantees to the FDI, this legislation was more restrictive: repatriation of profits or of liquidation's revenues were restricted (the repatriation of profits, to 12% of the invested capital, except for exporting firms, that had a 20% limit, if they generated enough currency flows to cover it and exported over 50% of their production, and the repatriation of liquidation proceeds was only allowed after five years of the original investment, and only 20% of the total per year; this was not applied to sales in currency of assets among non-residents), bar previous permit of the FII, after a BP report on the country's currency reserves. Assets' transfers among non-residents also needed a previous permit, and residents had preferential rights.

The FII had also the power to authorize the agreements of technology transfer (the authority to allow technology's *exports* remained with the BP, after the Normative Dispatch n^o 151/78 of July 6). On the other side,

⁹See Vinhas De Souza, L.; *ibid.*

technical services needed not permit or even recording, until the Normative Dispatch n^o 327/76 of November 5 gave to the BP this function.

This first code, in fact, was never used, due the following reasons: 1) its very own restrictive elements; 2) the fast changing political situation between 1975 and 1977; 3) the country's international commitments, including the need to comply with the OECD's "Directive Principles Toward Multinationals" after 1976, ; 3) the need to adequate the legislation to the legal framework set by the new Portuguese Constitution. It was replaced on the next year by a new Code of Foreign Investment.

This new Code of Foreign Investment - enacted through the Decree-Law n^o 348/77 of August 24 - was somewhat "softer", but kept the whole system of previous discretionary differentiated authorizations (the "general" and "contractual" regimes) by the FII. The legal framework remained then almost untouched until the signing of the Treaty of Membership in 1985.

The legal liberalization process that was ensued (and also preceded) Portugal adhesion to the EU¹⁰ opened up most of the Portuguese economy for FDI, but kept the subsidies' structure available for the CR investment untouched.

3. Investment Projects Under the CR.

In Annex I we have a comprehensive list of the projects made under the CR. It's a short one: only 26 exist.

As we may see from it, that list reveals that thirteen, half of the projects (and over 78% of the nominal planned investment) are linked to the almost two-decades old aim of creating an auto-industry "cluster" in Portugal (which reached its apex with the "Autoeuropa" project, by itself responsible for almost 62% of all nominal planned investment), three to the chemical industry "cluster", and another three to the electronic/communications industry "cluster". The remaining are a *smorgasbord* of industries (including even "traditional", labor-intensive industries): mining, tourism, cellulose & paper, glass, cannery, snack-food and sugar refining.

4. Subsidies and Tax Incentives.

It is very difficult quantify precisely the amount of subsidies associated with each project: most of the required information is simple not publicly available. Nevertheless, we tried a partial assessment of this amounts using only the public available information.

The main sources for this were the "Diário da República", the government legal and administrative daily. Since the approval of each CR investment is a legal act of the CM, the minutes of the process have to be

¹⁰See Vinhas De Souza, L.; *ibidem*.

published in it. But the quantitative information concerning subsidies and types of incentives - with the exception of the first acts - are fairly scant.

The other sources were the execution reports for the PEDIP (Specific Program for Development of the Portuguese Industry) and the SIBR (System of Regionally based Incentives). Since both incentive schemes directly involve EU resources, this data is legally made publicly available. These two sources made possible a quantification of direct incentives by type for sixteen of the investment projects for the period between 1988 and 1992 (see Table II next page).

**Table II
PEDIP and SIBR Incentives: 1988-1992.**

FIRM	PEDIP ¹¹ (in 1000 PTEs)	SIBR (in 1000 PTEs)
Dow Chemical	75000 in 1989 as investment incentives (SINPEDIP).	-
Renault.	3232 in 1989, 51106 in 1991 and 41266 in 1992 as investment incentives (SINPEDIP); 172732 in 1990 and 75530 in 1992 as productivity incentives.	-
G. M. Corp. (Inlam).	-	56172 in 1988 (32.14% of eligible investment); 243171 in 1989 (46.05% of eligible investment); 95007 in 1991 (42.00% of eligible investment).
Texas Instruments.	2882 in 1989 for professional training; 331503 in 1989 and 100420 in 1992 as investment incentives (SINPEDIP and PITIE); 3500 in 1992 as productivity incentive.	-
Rio Tinto Limited (Somincor).	7827 in 1989 for professional training.	250000 in 1989 (4.03% of eligible investment).
Wiggins Teape Limited (Soporcel).	225000 in 1990 as investment incentive (SINPEDIP); 26990 in 1992 as productivity incentive.	-
Herman Heye (Ricardo Gallo).	1104 in 1991 for professional training; 200906 in 1989 and 83871 in 1990 as investment incentive (SINPEDIP); 69020 in 1990 as productivity incentive.	-
Siemens Aktiengesellschaft.	25974 in 1989 for professional training; 50200 in 1989 and 194896 in 1991 as investment incentives (SINPEDIP); 14168 in 1989, 3790 in 1991 and 27686 as productivity incentive; 25000 in 1990, 1875 in 1991 and 12132 in 1992 for quality and design.	62730 in 1988 (31% of eligible investment); 205154 in 1989 (43.24% of eligible investment); 250000 in 1991 (31.00% of eligible investment).
Standard Elektrik Aktiengesellschaft Alcatel, NV.	2507 in 1989 for professional training; 14020 in 1990 and 172109 in 1992 as investment incentive (SINPEDIP plus PITIE); 42250 in 1992 as productivity incentive.	-
Embalagens Garnaud S.A.	84537 in 1990 as investment incentive (SINPEDIP).	-
Ford Lusitânia.	7021 in 1989 as professional training.	-
Yazaki Corporation.	2449 in 1991 and 10960 in 1992 for professional training; 500000 in 1992 as investment incentives (SINPEDIP).	-
Ford Motor Company (Ford Electrónica).	-	9250129 in 1989 (62.20% of eligible investment).
G. M. Corp. (Delco Remi).	-	2910960 in 1989 (60.9% eligible investment).
Cofap S.A.	5025000 in 1990 as investment incentive (SINPEDIP).	-
Neste Oil.	-	1149200 in 1990 (11% of eligible investment)

sources: PEDIP and D-G DR.

SINPEDIP: PEDIP's Financial Incentives System.

PITIE: Integrated Program for Information Technologies and Electronic.

¹¹Even before the existence of the PEDIP, the Renault project (473000000 in 1980 PTEs) and the GM (Cimbor, 180000 1980' PTEs per employee) received direct incentives for professional training.

As we see, the direct incentives for this sample were not only very substantial (in some cases, over 60% of the total investment), but repeated in time: in some categories, they incentives were given almost every year.

We must make clear that even in the cases above, the amount of incentives is underestimated¹², since the investment agreements could also include: several types risk protection clauses (as was the case in the Renault project: protection against exchange rate and *internal market share* fluctuations were agreed); preferential and subsidized access to credit, or even the payment of interest by the Portuguese government (as was again the case with Renault, in a value of up to 1.4 billion of current PTEs up to 1983, with the DBA, Hotegal and with GM); preferential import quotas (again Renault); exemption of taxes (like the real estate tax, know as the "sisa", the stamp tax, the import, capital, profits and professional taxes, as happened with DBA, Hotelgal, Texas, Pepsico and Autoeuropa); "preferential" accounting procedures (DBA, Pepsico and Autoeuropa); preferential procurement procedures by the public sector (Siemens); construction of specific infra-structure projects (as for the Autoeuropa project).

All this makes extremely difficult the precise calculation of total incentives: we only know for sure that they were extremely significant. A recent figure by a newspaper puts the amount for the Renault project as roughly equivalent to the groups' domestic profits since it entered the country, in the early eighties¹³.

This bears evidence to the widespread belief that FDI incentives played a major role in attracting capital inflows to the country. This also poses the question of the long term permanence of these investment projects (specially in the case of the "footloose", "opportunistic" investment) inside the country, once the incentives' flow has dried-up, and on the adequacy of the policy options made, since the concession of incentives to foreign investors is made at a cost for the domestic ones and for the government budget, and, in the cases of the "opportunistic" investments, at the cost of the national welfare as a whole¹⁴.

5. Conclusion

The CR investment, as proportion of the total investment, is very significant. Beyond the figures, almost all "structuring" FDI, *i.e.*, those investment projects that aimed to create new industrial "clusters" in the country were of this type. The auto industry is the best example of that.

Nevertheless, the importance of the several types of incentives and tax exemptions associated with this type of investment - even when they are only partially calculated - may cast a doubt about the long term permanence of these industries in the country, and, therefore, on the correctness of the policies pursued, in terms of national aggregated welfare.

¹²The absence of the greatest CR project, the Autoeuropa, would suffice, by itself, to do this.

¹³See "Expresso", 26.02.95.

¹⁴See Gray, C.; 1993.

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Annex I

List of All Investments Made Under the Contractual Regime

A) INVESTING FIRM: Dow Chemical International (Upjohn Company).
GROSS INVESTMENT: PTEs 1.300.000.000,00
DATE OF THE SIGNATURE OF THE CONTRACT: 25.07.78
END OF THE CONTRACT: 92 (?)
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a chemical factory - exports, technology, backward/forward linkages.
NATIONAL FIRM: Dow Portugal LDA.

B) INVESTING FIRM: Regie Nationale des Usines Renault.
GROSS INVESTMENT: PTEs 23.000.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 13.02.80.
END OF THE CONTRACT: 31.12.85.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a auto-vehicles industrial complex - technology, exports, backward/forward linkages.
NATIONAL FIRM: Confrapor LDA. / Renault Portuguesa SARL. / Renault Gest LDA. / Renault Fic. SARL.

C) INVESTING FIRM: General Motors Corporation.
GROSS INVESTMENT: PTEs 1.501.377.300,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 28.08.80.
END OF THE CONTRACT: 28.08.90.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Acquisition, modernization and expansion of a auto-parts' factory (Cimbor) - technology, exports, backward/forward linkages.
NATIONAL FIRM: Inlam LDA.

D) INVESTING FIRM: Bendix France.
GROSS INVESTMENT: PTEs 750.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 28.07.81.
END OF THE CONTRACT: 28.07.91
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a auto-parts' factory (linked to the "Renault" project) - technology, exports, backward/forward linkages.
NATIONAL FIRM: Bendix Portuguesa LDA.

E) INVESTING FIRM: Regie Nationale des Usines Renault.
GROSS INVESTMENT: PTEs 3.700.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 28.11.83.
END OF THE CONTRACT: 31.12.93.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a metallurgic firm (to supply car parts) - technology, exports, backward/forward linkages.
NATIONAL FIRM: Funfrap S.A.

F) INVESTING FIRM: Ditco S.A.
GROSS INVESTMENT: PTEs 3.436.000.000,00 (at 1982 constant prices).
DATE OF THE SIGNATURE OF THE CONTRACT: 27.01.84.
END OF THE CONTRACT: 31.12.94.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of two hotels - management technology.
NATIONAL FIRM: Hotelgal SARL.

G) INVESTING FIRM: Texas Instruments France S.A. / Texas Instruments Holland B.V. / Texas Instruments Incorporated.
GROSS INVESTMENT: PTEs 6.325.495.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 19.12.84.
END OF THE CONTRACT: 31.12.93.

OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Expansion of a semi-conductor factory - technology, exports, backward/forward linkages.
NATIONAL FIRM: Texas Instruments LDA.

H) INVESTING FIRM: Rio Tinto Investments Bristol Limited / RTZ Metals Limited.
GROSS INVESTMENT: PTEs (?)
DATE OF THE SIGNATURE OF THE CONTRACT: 01.08.85.
END OF THE CONTRACT: 31.12.2001.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Exploration of a mine.
NATIONAL FIRM: Somincor S.A.

I) INVESTING FIRM: The Wiggins Teape Group Limited.
GROSS INVESTMENT: PTEs 100.000.000.000,00 (until 1992).
DATE OF THE SIGNATURE OF THE CONTRACT: 31.07.85.
END OF THE CONTRACT: 31.12.99.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a cellulose and paper factory - exports, technology, backward/forward linkages.
NATIONAL FIRM: Soporcel SARL.

J) INVESTING FIRM: Herman Heye / Larache Enterprises.
GROSS INVESTMENT: PTEs (?)
DATE OF THE SIGNATURE OF THE CONTRACT: 06.08.85.
END OF THE CONTRACT: 31.12.91.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Modernization and expansion of a glass factory - technology.
NATIONAL FIRM: Ricardo Gallo S.A.

K) INVESTING FIRM: Fiat Auto Spa. / Fiat Auto International Holding B.V. (FAIH).
GROSS INVESTMENT: PTEs 2.200.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 27.02.86.
END OF THE CONTRACT: 31.12.90.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Modernization of a auto-parts' factory - technology.
NATIONAL FIRM: Fiat Auto Portuguesa S.A.

L) INVESTING FIRM: Fermenco S.A. / Gist-Brocades, N.V. / MA-Delpt / Gijs Bresser.
GROSS INVESTMENT: PTEs 1.030.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 21.11.86.
END OF THE CONTRACT: 31.12.93.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Production of medicaments - technology, backward/forward linkages.
NATIONAL FIRM: Gist-Brocades S.A.

M) INVESTING FIRM: Siemens Aktiengesellschaft.
GROSS INVESTMENT: PTEs 1.392.158.102,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 22.12.86.
END OF THE CONTRACT: 31.12.95.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Development of digital systems and software - technology.
NATIONAL FIRM: Siemens S.A.

N) INVESTING FIRM: Standard Elektrik Aktiengesellschaft Alcatel, NV.
GROSS INVESTMENT (in fixed assets): PTEs 845.250.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 29.06.87.
END OF THE CONTRACT: 30.06.91 (prorogued until 06.96).
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Manufacturing, development and installation of digital telephonic systems and of the respective software - technology, backward/forward linkages.
NATIONAL FIRM: Alcatel Portugal S.A.

O) INVESTING FIRM: Envasages Garnaud S.A. / La Artística de Vigo S.A.
GROSS INVESTMENT: PTEs 389.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 01.07.87
END OF THE CONTRACT: 31.12.93.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a cannery.
NATIONAL FIRM: Embalagens Carnaud S.A.

P) INVESTING FIRM: Ford Motor Company.
GROSS INVESTMENT: PTEs 1.693.347.600,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 20.08.87.
END OF THE CONTRACT: 31.12.92.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Expansion and modernization of a auto vehicles' factory ("pick-up" trucks) - technology, exports, backward/forward linkages.
NATIONAL FIRM: Ford Lusitania S.A.

Q) INVESTING FIRM: Yazaki Corporation.
GROSS INVESTMENT: PTEs (?)
DATE OF THE SIGNATURE OF THE CONTRACT: 19.05.88.
END OF THE CONTRACT: 31.12.97.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a auto-parts' factory (cables) - technology, exports, backward/forward linkages.
NATIONAL FIRM: Yazaki-Saltano de Portugal LDA.

R) INVESTING FIRM: Ford Motor Company.
GROSS INVESTMENT: PTEs 22.310.000.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 07.07.89.
END OF THE CONTRACT: 31.12.99.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a consumer's electronic factory (radios for auto vehicles) - technology, backward/forward linkages.
NATIONAL FIRM: Ford Eletrônica Portuguesa S.A.

S) INVESTING FIRM: General Motors Corporation.
GROSS INVESTMENT: PTEs 7.669.740.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 11.12.89
END OF THE CONTRACT: 31.12.99
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a electronic auto-parts' factory - technology, backward/forward linkages.
NATIONAL FIRM: Delco Remi.

T) INVESTING FIRM: Cofap S.A.
GROSS INVESTMENT: PTEs 19.020.000,00
DATE OF THE SIGNATURE OF THE CONTRACT: 04.07.90
END OF THE CONTRACT: 31.12.2000.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a auto-parts' factory (linked to the "Autoeuropa" project) - technology, exports, backward/forward linkages.
NATIONAL FIRM: Cofap Europa S.A.

U) INVESTING FIRM: Continental Aktiengesellschaft.
GROSS INVESTMENT: PTEs 26.580.000.000,00
DATE OF THE SIGNATURE OF THE CONTRACT: 90 (?)
END OF THE CONTRACT: 31.12.2004
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a tires' factory - technology, exports, backward/forward linkages.
NATIONAL FIRM: Continental Mabor S.A.

V) INVESTING FIRM: Ford Motor Company / Volkswagen Aktiengesellschaft.
GROSS INVESTMENT: PTEs 453.964.497.200,00.

DATE OF THE SIGNATURE OF THE CONTRACT: 15.07.91.
END OF THE CONTRACT: 31.12.2001 .
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a motor-vehicles factory - technology, exports, backward/forward linkages.
NATIONAL FIRM: Autoeuropa LDA.

W) INVESTING FIRM: PepsiCo Inc.
GROSS INVESTMENT: PTEs 13.403.074.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 19.12.91.
END OF THE CONTRACT: 31.12.2002.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a "snack-food" factory and of the respective distribution network -technology, backward/forward linkages.
NATIONAL FIRM: Matutano S.A.

X) INVESTING FIRM: Neste Oil.
GROSS INVESTMENT: PTEs 16.800.976.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 13.03.92.
END OF THE CONTRACT: 31.12.2002.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Expansion of the petrochemical complex at Sines - technology, backward/forward linkages.
NATIONAL FIRM: Borealis S.A.

Y) INVESTING FIRM: Merali B.V. / Sommer Industrie S.A. / Allibert Industrie S.A. / Michel André Henri Cognet / Marc Jean Assa / Regis Gaston / Maurice Cretin-Maitenaz.
GROSS INVESTMENT: PTEs 10.733.195.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 29.12.93.
END OF THE CONTRACT: 31.12.2005.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of a auto-parts' factory - technology, backward/forward linkages.
NATIONAL FIRM: Sommer-Allibert Industries S.A.

Z) INVESTING FIRM: Azucareras Reunidas de Jaen S.A.
GROSS INVESTMENT: PTEs 16.125.600.000,00.
DATE OF THE SIGNATURE OF THE CONTRACT: 03.08.94
END OF THE CONTRACT: 31.12.2001.
OBJECTIVE OF THE INVESTMENT/JUSTIFICATION FOR THE SUBSIDES: Construction of sugar refinery - technology.
NATIONAL FIRM: DAI S.A.
source: FII (Portuguese Foreign Investment Institute)