

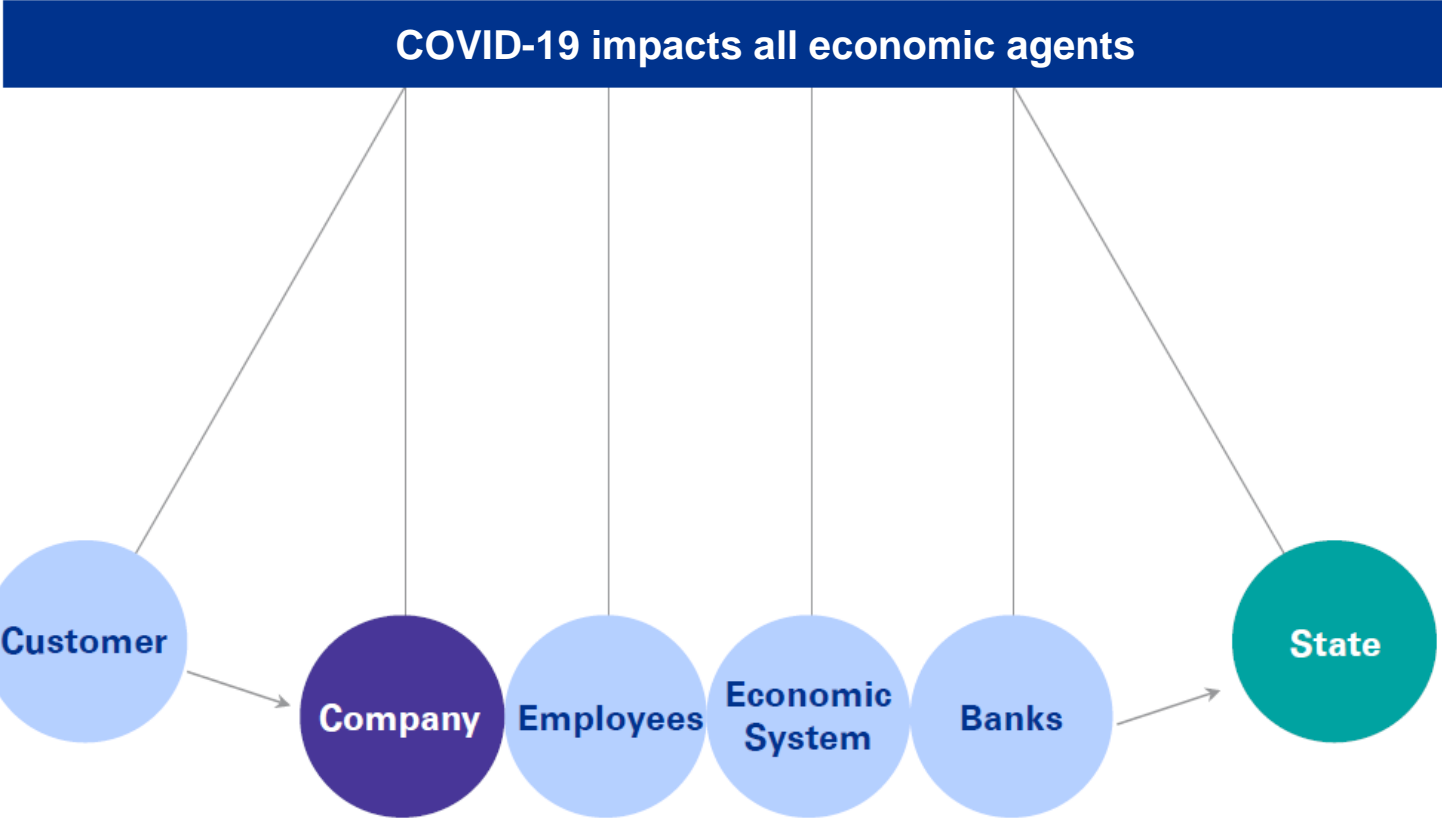


Conferência: Recuperar a nossa economia

kpmg.pt

December 2020

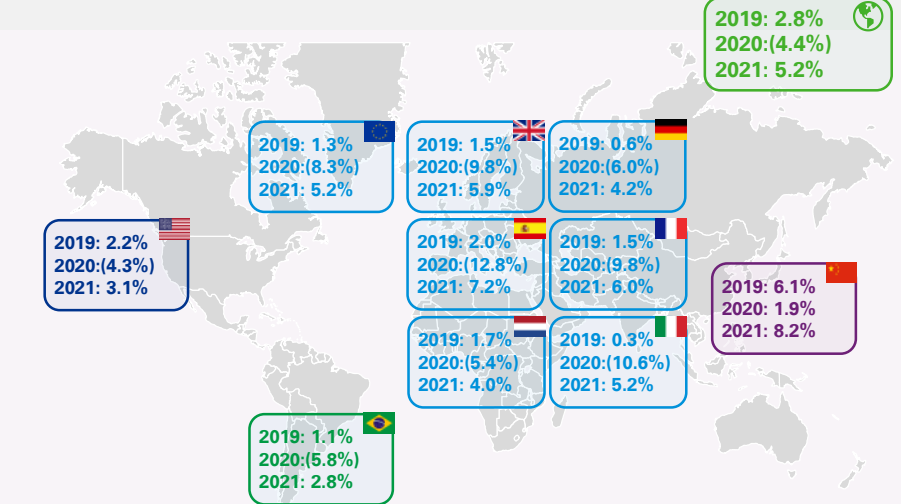
COVID-19 is still on the rise. While the health crisis ensues, the full extent of economic and social outcomes is still uncertain.



The pandemic has been severely disruptive on a truly global scale...

Growth perspectives

Real GDP Growth (% IMF perspective, October 2020)



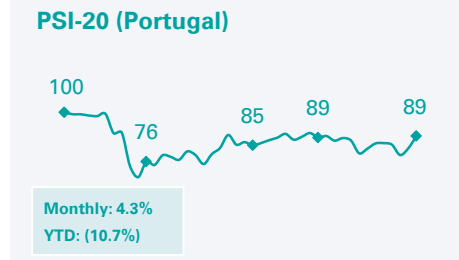
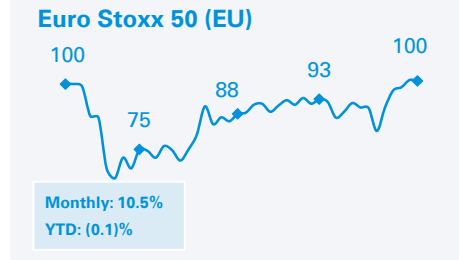
Portugal



						Average
2019	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
2020	(8.1%)	(8.4%)	(10.0%)	(8.2%)	(9.3%)	(8.8%)
2021	n/a	1.7%	6.5%	4.7%	5.4%	4.6%
	Oct-2020	Dez-2020	Oct-2020	Nov-2020	Nov-2020	

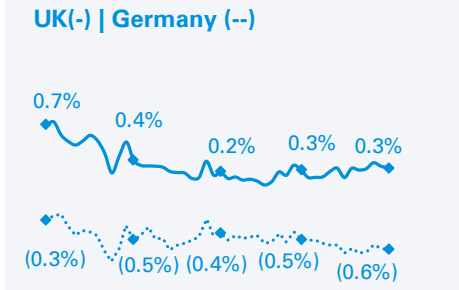
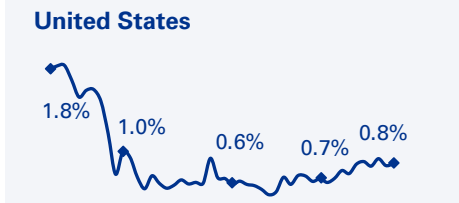
Equities

Market indices (YTD, based to 100)



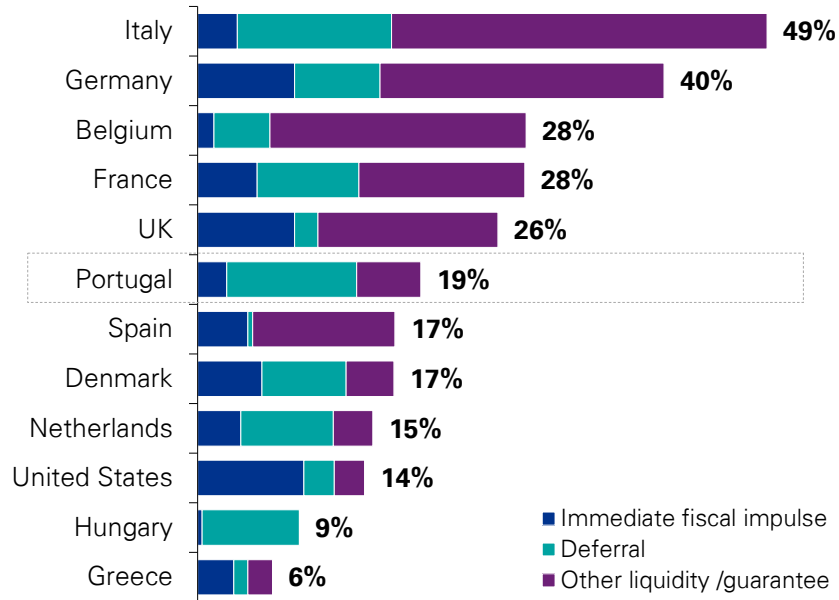
Debt

Sovereign Bond Yields (YTD, 10 year)



...thus prompting a range of public support measures...

Discretionary 2020 fiscal measures adopted in response to coronavirus by 18 November 2020*, % of 2019 GDP



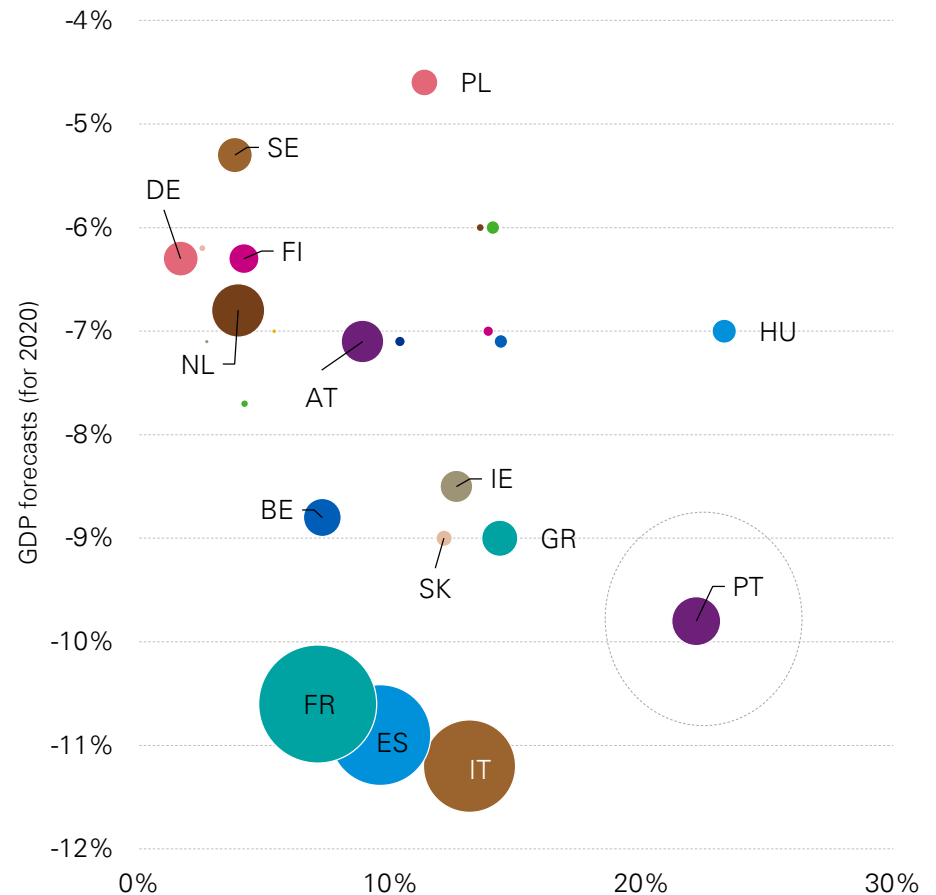
Immediate fiscal impulse: government spending (eg keeping people employed, subsidizing SMEs, public investment) and foregone revenues (eg cancellation of certain taxes).

Deferrals: deferral of certain payments (eg taxes, social security contributions, moratoria).

Other liquidity/guarantee: export guarantees, liquidity assistance, credit lines through national development banks













































Sources: Bruegel, European Banking Authority and KPMG analysis

Total volumes of loans granted moratoria (bubble size, €bn), % of loans granted moratoria and GDP forecasts (for 2020)



Loans granted moratoria as a percentage of total loans to HHs and NFCs

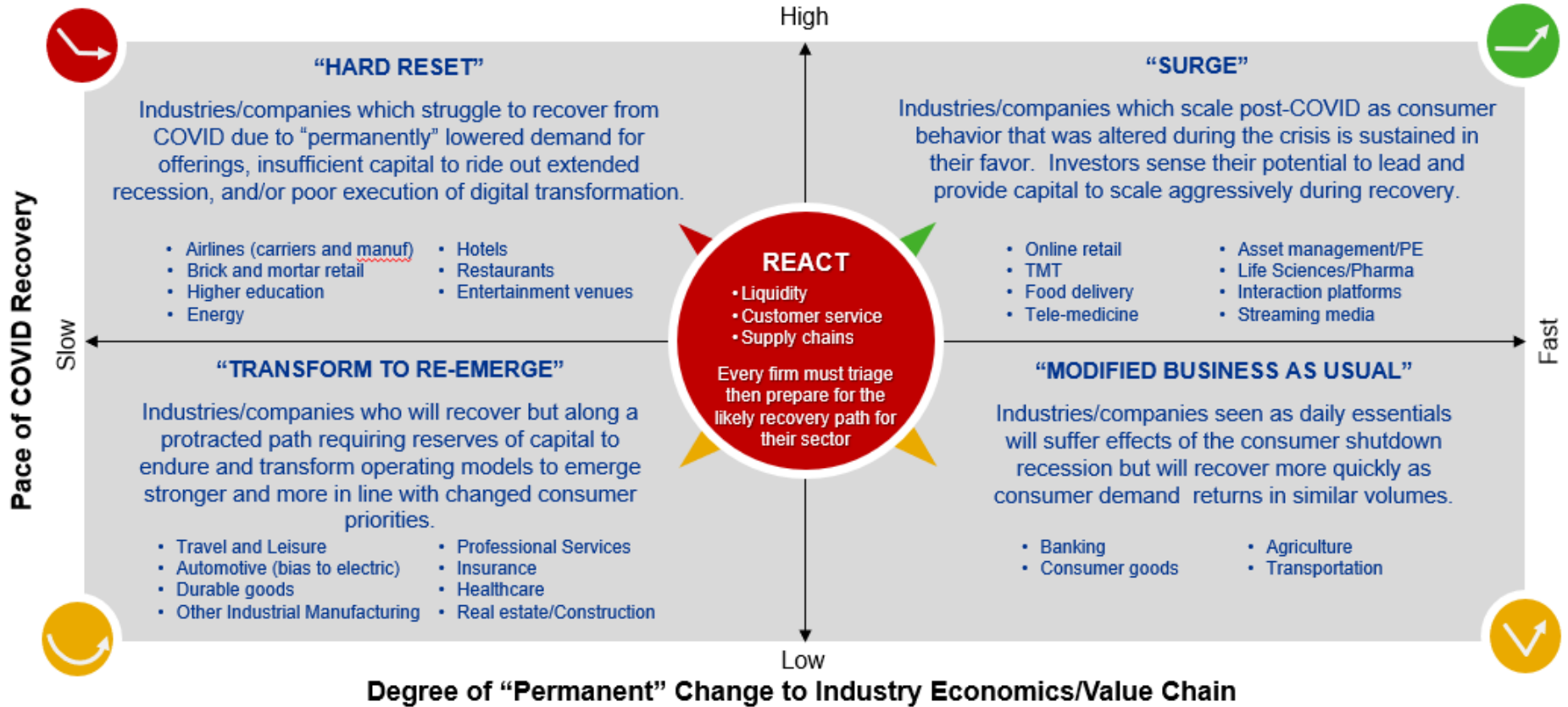
....however its effects have been asymmetric in nature...

1 Services & retail turnover (YoY, %Δ)		Q1	Q2	Q3	2 Industry turnover (YoY, %Δ)		Q1	Q2	Q3
	Land transport and transport via pipelines	(0.6)	(30.5)	(17.2)		Mining of metal ores	(18.4)	(16.9)	(17.3)
	Water transport	50.9	(15.5)	(12.1)		Other mining and quarrying ¹	6.3	(1.4.)	8.3
	Air transport	(4.5)	(84.9)	(73.8)		Food products	5.2	(7.7)	(4.0)
	W/h. and support activities for transportation	(7.0)	(39.6)	(24.5)		Beverages	(0.8)	(26.3)	(5.0)
	Postal and courier activities	1.4	(4.6)	2.1		Textiles	(7.2)	(31.9)	1.6
	Accommodation	(24.2)	(92.8)	(67.6)		Wearing apparel	(9.9)	(27.9)	(19.4)
	Food and beverage service activities	(13.8)	(62.6)	(36.1)		Leather and related products	(3.5)	(32.1)	(9.7)
	Publishing activities	(3.8)	(19.9)	3.7		Wood & related products (exc. furniture)	(5.7)	(22.9)	(14.2)
	Video, TV programme production & related	(20.5)	(56.0)	(46.5)		Paper and paper products	(5.0)	(21.9)	(13.4)
	Programming and broadcasting activities	(3.5)	(19.5)	4.4		Printing and reproduction of recorded media	(1.4)	(33.7)	(11.4)
	Telecommunications	5.7	3.6	8.5		Chemicals & chemical products	(3.2)	(22.6)	(8.4)
	Computer programming, consultancy & related	1.3	3.0	7.4		Pharma products & preparations	16.6	10.4	16.1
	Information service activities	9.0	6.5	10.0		Rubber and plastic products	(4.6)	(27.3)	(4.6)
	Architectural and engineering activities	(5.3)	(14.4)	(17.6)		Other non-metallic mineral products	1.8	(7.2)	7.4
	Advertising and market research	(0.2)	(42.7)	(17.3)		Basic metals	(8.3)	(24.9)	0.4
	Other prof., scientific & technical activities	(4.6)	(32.7)	(37.2)		Metal products (exc. machinery and eq.)	(11.8)	(21.4)	(1.5)
	Employment activities	(4.0)	(38.6)	(26.3)		Computer, electronic & optical products	(2.4)	(28.7)	14.9
	Travel agency, tour operator & related activities	(10.3)	(91.5)	(88.6)		Machinery & equipment n.e.c.	(3.6)	(22.0)	6.2
	Security and investigation activities	0.0	(11.0)	(6.3)		Motor vehicles, trailers and semi-trailers	(12.0)	(51.9)	(4.3)
	Services to buildings and landscape activities	13.2	1.3	14.0		Furniture	(5.3)	(30.1)	1.6
	Office adm., support & other business support	5.2	(21.0)	(10.3)		Other manufacturing	(17.2)	(38.3)	(17.7)
	Retail trade (exc. motor vehicles and fuel)	3.2	(11.9)	(2.9)		Repair and installation of machinery & eq.	(9.7)	(24.7)	(22.7)

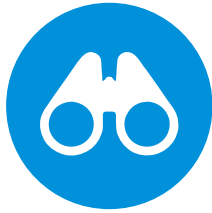
Notes: 1) July and August only.

Sources: Eurostat and KPMG analysis

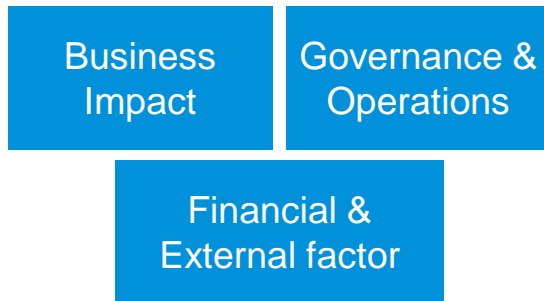
....both in terms of length and recovery period for different industries...



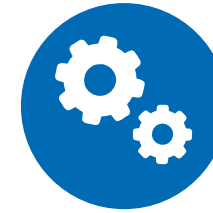
Companies must adapt to the “new normal”, adjusting their business...



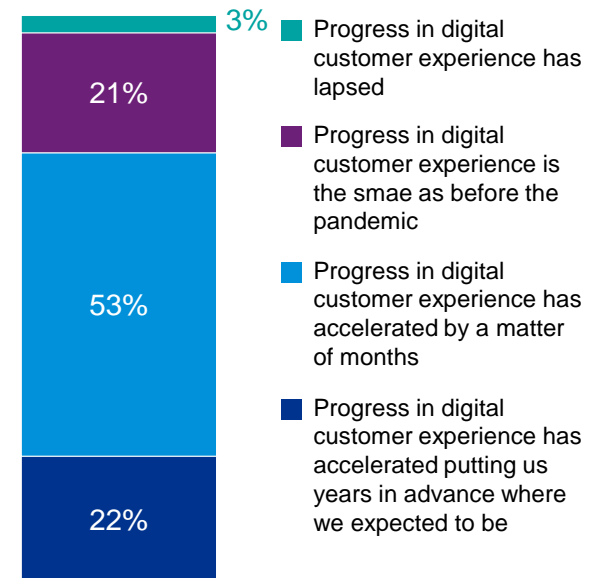
Perform strategic gap analysis to the “new normal”



Leverage on public stimulus



Organic/Digital transformation

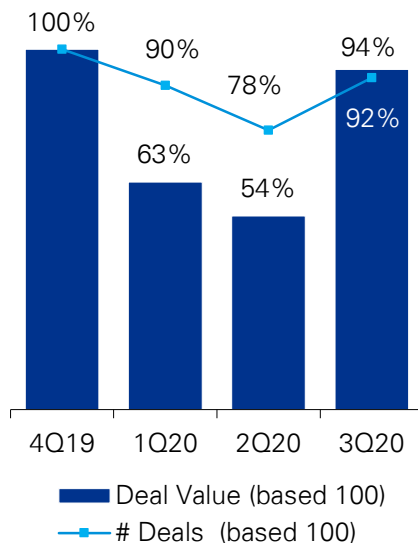


Source: KPMG 2020 CEO Outlook

...to take advantage of new opportunities and manage new risks.



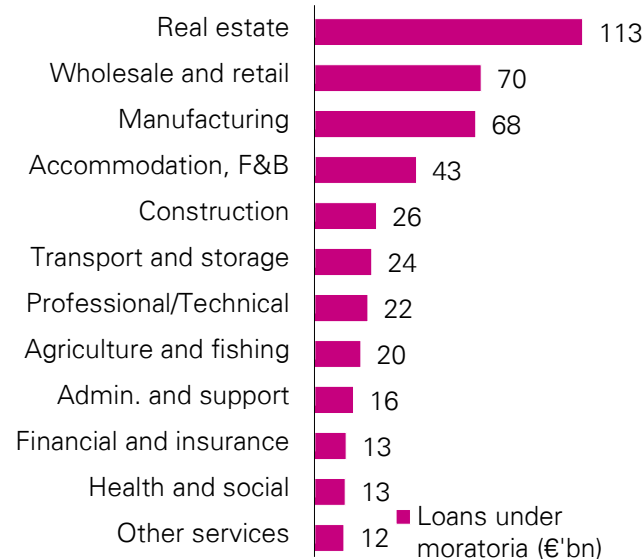
M&A activities to enhance strategy



Source: KPMG analysis



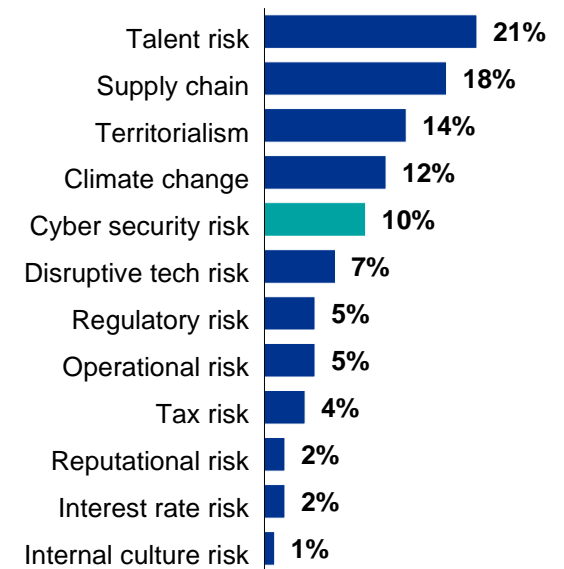
Restructuring post-moratoria



Source: European Banking Authority, dados agregados da União Europeia



Cyber security is a real risk (top 5)



Source: KPMG 2020 CEO Outlook



Thank you

Contact:

Luís Magalhães
Head of Tax
lmagalhaes@kpmg.com

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