

STUDY ON THE
**ECONOMIC FOOTPRINT
OF TABAQUEIRA/PMI IN
PORTUGAL**



iscte
— Executive Education
Real-Life Learning

T TABAQUEIRA
SUBSIDIÁRIA DA PHILIP MORRIS INTERNACIONAL

Table of Contents

1	Introduction	Page 3
2	Summary	Page 5
3	Forewords	Marcelo Nico Page 8 José Crespo Page 9
4	PMI Group and its presence in Portugal	Page 10
5	Tabaqueira's Contribution to Portugal	5.1. Economic Page 17 5.2. People Page 25
6	Annexes	Page 33

Introduction

Introduction

Philip Morris International Inc. is a leading international consumer goods company, actively delivering a smoke free future and evolving its portfolio for the long term to include products outside of the tobacco and nicotine sector.

As of December 31, 2024, PMI employs over 83 000 people globally, operates in around 170 countries, and serves around 51 owned manufacturing facilities.

In 2016, PMI publicly declared its vision to deliver a smoke-free future. In 2023, PMI announced its ambition to become a substantially smoke-free company by 2030.

Since 2008, the company has invested over \$14 billion to develop, scientifically substantiate and commercialize innovative smoke-free products for adults who would otherwise continue to smoke, with the goal of completely ending the sale of cigarettes.

Tabaqueira became Philip Morris International's affiliate in Portugal following its privatization and acquisition in 1997, marking the beginning of its integration into PMI's global operations.

In 2027, Tabaqueira will celebrate its 100th anniversary – a century of history and significant contribution to the Portuguese economy and the country.

In Portugal, Tabaqueira employs approximately 1 500 people. The factory located in Sintra, near Lisbon, produces tobacco products. The local IT and Finance Hubs are also headquartered in Sintra. While the IT Hub operates remotely, its teams are distributed across the country, contributing to economic activity and job creation in many Portuguese districts.

This report provides a comprehensive picture of PMI's economic footprint in Portugal, including its role in supporting the economic and social contribution for the country.

The report is based on Iscte input-output model and data obtained from PMI and INE - Instituto Nacional de Estatística.

This report was commissioned by PMI and prepared by Iscte Executive Education.

Summary

Summary

With almost a century of history and national roots, Tabaqueira/PMI has consolidated its position as one of Portugal's leading companies - and the largest American corporation in the country - thanks to sustained investment by its parent company, Philip Morris International. From its industrial plant in Sintra to its Global Service Centers, Portugal serves as a strategic global hub for PMI.



91%
production
exported



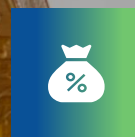
€ 887 M
exported goods
and services



€ 422 M
direct foreign
investment¹



€ 436 M
contribution to
the Portuguese
trade balance



+ € 3M
paid taxes avg. per
day to the
Portuguese
Government²



2,47
added value
multiplier



+ 2x
employee growth
from 2017



+ 3 000
portuguese
suppliers

¹Cumulative value of investment in CAPEX since PMI's acquisition; ²The value represents the arithmetic average of the total amount paid per year

Forewords



Foreword by Marcelo Nico

General Manager of Tabaqueira

Portugal is a country with a long-standing industrial tradition and a track record of production excellence. With nearly 100 years of history, Tabaqueira is proud to contribute to the country's economic, social, and technological development. This report confirms the positive impact we generate every day—for our employees, our partners, the communities in which we operate, and the Portuguese State.

We are ambitiously embracing the challenge of leading the transformation of the tobacco sector by investing in science, innovation, and combustion-free products based on scientific evidence. We are committed to positioning Portugal as a strategic hub for talent, technology, and high value-added service exports.

We are fully aware of the responsibility we bear towards society. That is why we put people at the center of everything we do: we promote safe, inclusive, and dynamic work environments; we invest continuously in training and the development of our teams; and we foster close relationships with the communities where we are present.

This report is not just a snapshot of a company's impact—it is proof of our commitment to the future: to a stronger, export-oriented economy, to skilled jobs, and to more sustainable practices. A better future is built through responsibility. That is the path we have chosen to follow.



Foreword by José Crespo de Carvalho

President of Iscte Executive Education

Today, in 2025, we are navigating a global landscape that has transformed past challenges into new opportunities for innovation and sustainable growth. Portugal continues to adapt and prosper, and at the heart of our national industry, Tabaqueira is leading the way by driving transformation, advancing sustainable development, and fostering economic progress amid evolving global dynamics. It is also a pioneering company, one of the boldest exporters, an innovator almost without parallel in the Portuguese market.

In recent years, Tabaqueira has evolved from its traditional roots in the tobacco sector into a forward-thinking leader that embraces both heritage and modernity. With the accelerating pace of digitalization, increasing environmental demands, and changing consumer preferences, the company has strategically invested in state-of-the-art production processes, robust research and development initiatives, and the exploration

of sustainable, smoke-free alternatives. These efforts not only stimulate local employment and spur economic growth but also contribute significantly to Portugal's broader digital and green transition. Tabaqueira's impact on the Portuguese and global markets, via exports, is critical, making it a flagship company.

Recognizing that innovation is the cornerstone of long-term success, Tabaqueira has streamlined operations, reduced regulatory hurdles, and reinforced its commitment to social and environmental responsibility. This proactive approach has generated positive ripple effects across various sectors, fortifying our economy and helping Portugal stay resilient in an ever-changing world.

Tabaqueira's shared mission is clearer than ever: to leverage technological advancements, foster continuous improvement, and implement sustainable practices that secure a resilient future for Portugal..

As its guiding principle reminds us, "Without investment there is no work, without work there is no growth, and without growth there is no future." With its bold vision and transformative strategies, Tabaqueira continues to shape a brighter, more sustainable tomorrow for our nation in 2025 and beyond.



PMI Group and its presence in Portugal

PMI at a glance

Philip Morris International Inc. (PMI) is a leading international consumer goods company with a presence in approximately 170* markets worldwide, who produces and sells a wide range of tobacco products, including traditional cigarettes and smoke-free alternatives. PMI employs over 83,000* people globally and is involved in significant research and development efforts to create innovative products aimed at reducing the harm associated with smoking.



+ 83 000*
employees
worldwide



95*
Markets where
smoke-free products
are available for sale



51*
PMI-owned
manufacturing
sites



~ 170*
markets where
products are sold

*as of December 31, 2024

PMI has a vision to deliver a smoke-free future

Progress to Date:

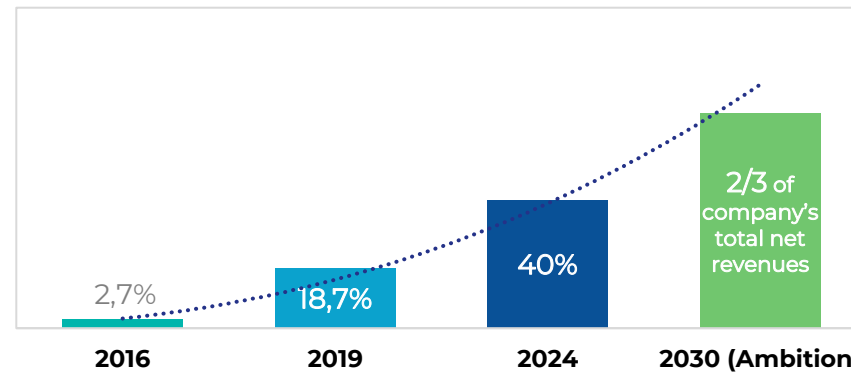
From 2016 to today, PMI has increased the share of net revenue coming from smoke-free products **from 3 to over 40% as of Q1 2025**.

In 2016:

PMI announced its **vision to deliver a smoke-free future** and has made significant progress in replacing cigarettes with smoke-free alternatives.

2030 Ambition:

In 2023, PMI updated the ambition for more than two-thirds of the company's total net revenues to come from smoke-free products by 2030.



PMI is investing heavily to deliver a smoke-free future

Scientific research and technological innovation are fundamental pillars of PMI's transformation towards a smoke-free future.

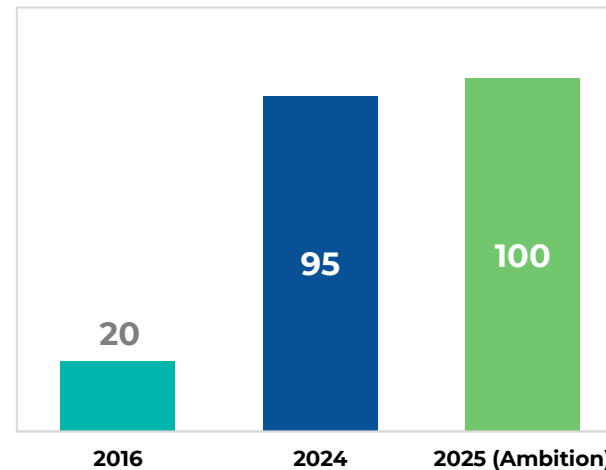
To become a substantially smoke-free company by 2030, **PMI has made a cumulative investment of approximately \$14 billion** since 2008.

This investment has been directed towards the **development, scientific validation, and commercialization of smoke-free products**.

To date, PMI has dedicated more than **1,400 scientists, engineers and technicians in the research and development of innovative smoke-free products** that adult smokers can switch to.

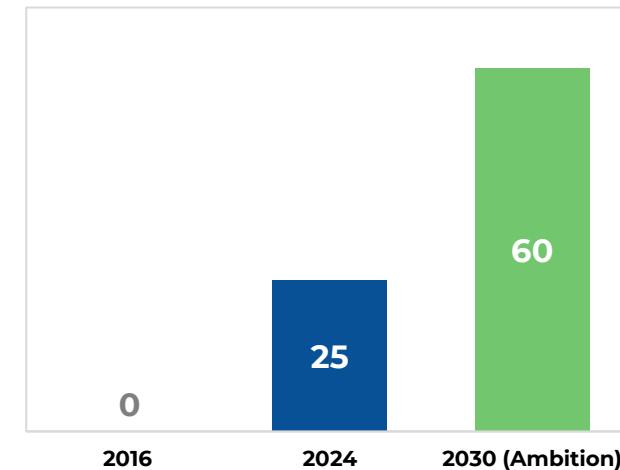
As of December 31, 2024, PMI's smoke-free products are sold in 95 markets.

PMI has the ambition to expand the sales of their smoke-free products to 100 markets by 2025.



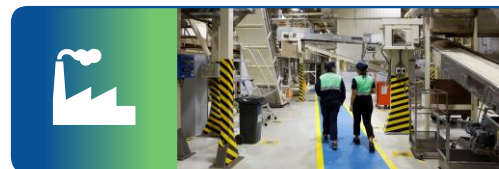
As of December 31, 2024, adjusted net revenues from smoke-free products account for over **50 percent of adjusted total net revenues in 25 markets**.

PMI aims to increase this figure to approximately **60 markets by 2030**.

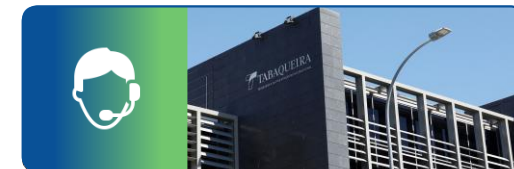


Tabaqueira/PMI operations in Portugal

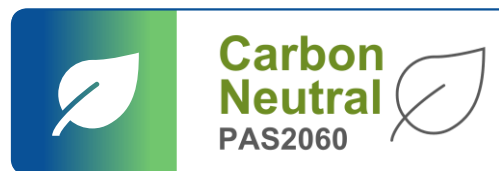
Portugal stands at the core of PMI operations, with one factory, Global Service Centers, and ongoing business activities.



Tabaqueira's factory in Sintra has **consistently broken production records**.



Tabaqueira in Portugal is not only a manufacturing and distribution company; it also hosts a **Global Service Center** delivering qualified services to PMI markets across the globe.



Tabaqueira's factory was one of the first within PMI to achieve carbon neutrality (PAS 2060) and is currently **multiplying its renewable energy self-consumption capacity** by a factor of 4.5.



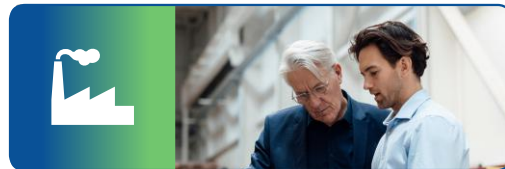
Tabaqueira's operations in Portugal also include **offices providing support across the entire tobacco value chain**.

PMI's in Portugal: a unique footprint

Of all American corporations operating in Portugal, **Tabaqueira/PMI is the oldest, the one with highest value added, the one which pays higher direct taxes** and the second in number of employees.



In 2023, Tabaqueira/PMI stood out as the American corporation with the **highest value added in Portugal**, amounting to **€285 million**.



It operates **one of the three manufacturing facilities owned by US corporations** in Portugal.

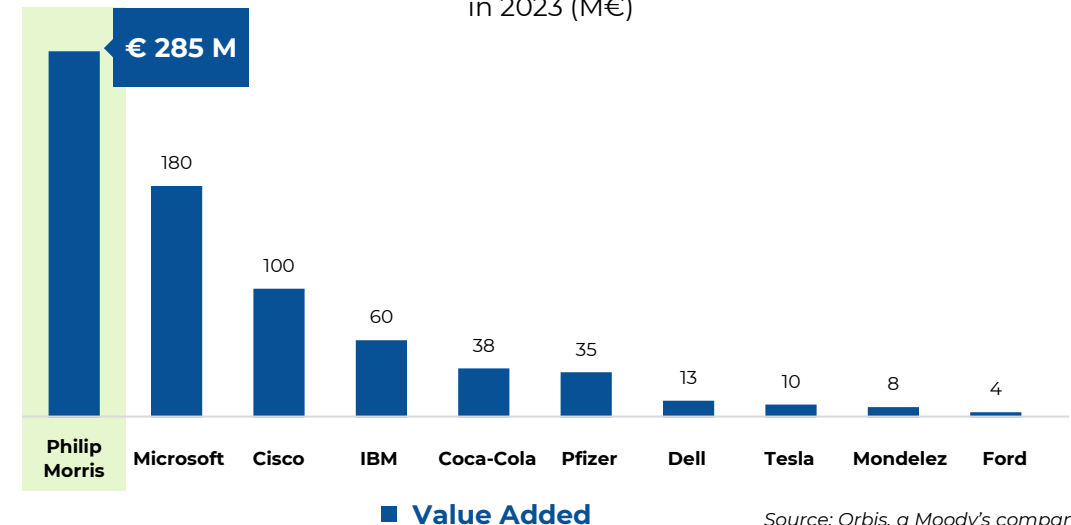


In 2023, **Tabaqueira/PMI ranked second among American corporations** in Portugal in **terms of number of employees**, following Microsoft.



It is the American corporation that contributes the most in terms of **direct profit-related taxes** in Portugal.

Top 10 American corporations in Portugal by Value Added, in 2023 (M€)



Source: Orbis, a Moody's company

Tabaqueira's contribution to Portugal



Chapter 5.1

Economy



Tabaqueira stands out in productivity and economic impact

In 2023, Tabaqueira's activities contributed to Portugal GDP's, with a total of € 410 million.

Tabaqueira Group's activities indirectly enhance the added value generated along its supply chain. For every €1 introduced into the economy, the overall activity generates €2,47.

The indirect impact reflects the added value generated along the supply chain through Tabaqueira's procurement of goods and services. The induced effect captures the added value from total employment-related expenditures, including broader economic benefits driven by salary payments throughout the supply chain.

In 2023, Tabaqueira's productivity reached €109 000 per employee more than **2.1 times higher than the Portuguese average** of €51 500.

Source: PORDATA.

x 2.1

Tabaqueira vs PT
Avg. productivity

Direct, indirect and induced Added Value of Tabaqueira's activities (2023)

€ 166 M

Direct Added Value
by Tabaqueira

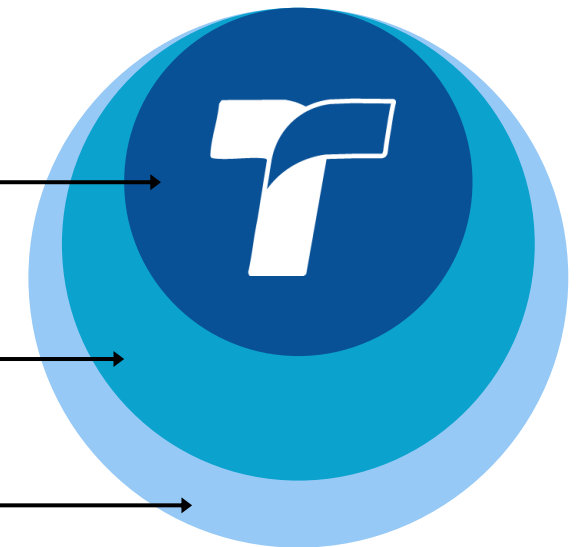
€ 158 M

Indirect Added Value
of economic supply chains through the supply of goods and services

€ 86 M

Induced Added Value
generated by families' consumption

€ 410 M



Multiplier x2,47

For every Euro of Direct Added Value, Tabaqueira's activities generates an additional 1,47 Euro of Added Value in its economic supply chains

Standing out in tax contribution

In 2024, Tabaqueira contributed with a **total of € 1.19 billion to Portugal's tax revenue**, more than € 3.3 million on average per day.

Taxes represent an essential component of Tabaqueira's economic impact, contributing directly to state revenues through direct taxes, such as Corporate Income Taxes (CIT), and indirect taxes, such as VAT.

This significant tax contribution makes **Tabaqueira one of the largest taxpayers in the country**.

€ 1.19 B
to Portugal's
tax revenue

€ 3.3 M
on avg. per day, including
social contributions (2024)¹

1%
of total Portuguese
taxes' revenue

4%
of total Portuguese
indirect taxes' revenue

¹The value represents the arithmetic average of the total amount paid per year



Tabaqueira's taxes
contributions are higher than:

Portuguese government ministries
budget for 2024



€ 791.5 M
Science, Technology
and Higher Education



€ 760.2 M
Presidency of the
Council of Ministers

Portuguese public programs



€ 1.2 B
Expansion of Lisbon's
subway line



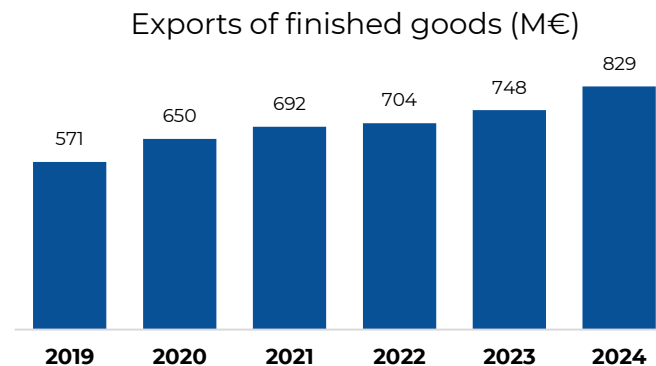
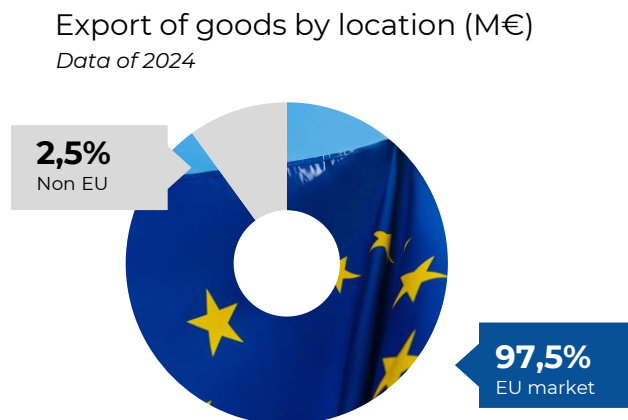
€ 1.2 B
Third Tagus River bridge



An export powerhouse in Portugal

Tabaqueira ranks among the country's top 50 companies and is one of the largest goods exporter, with € 829 M in finished goods exported in 2024. Of its local production, **91% is exported.**

Tabaqueira exports 91% of its local production, with the majority of exported products (97.5%) destined for the European Union market.



Tabaqueira's exports have shown a **steady upward trend over the years.**

Tabaqueira's strong presence in Portugal's international trade dynamics results in its goods exports representing approximately **1% of the country's total goods exports (€79.3 thousand million).**

Source: INE, 2024.



An export powerhouse in Portugal

Portugal is a high-value services and technology center, with service exports reaching €58 M in 2024. These **exports represent 9% of the company's turnover** in Portugal.

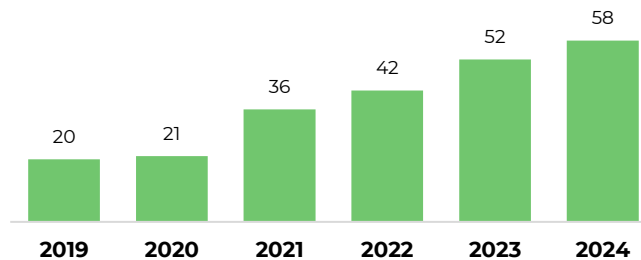


€ 58 M

Tabaqueira's Global
Service Center Exports

Tabaqueira in Portugal is much more than a manufacturing and distribution company, it also hosts a **Global Service Center that delivers qualified services to PMI markets worldwide**, accounting for approximately **€58 million of Tabaqueira's service exports**.

Exports of services (M€)



Tabaqueira's exports have **increased 1,76 times over the last four years, reinforcing Portugal's role as a hub for high-value services**.

The country is a center for high-value services and technology. **Exported services account for 9% of the company's turnover in Portugal.**



An export powerhouse in Portugal

Tabaqueira makes a **positive contribution to Portugal's trade goods balance**, amounting to approximately **€436 million**, and strengthens Portugal's service exports with close to **€58 million in high-value global services**.

Tabaqueira's contribution to Portugal's trade goods balance (M€)

Data of 2024



■ Portugal's trade goods balance ■ Tabaqueira net impact

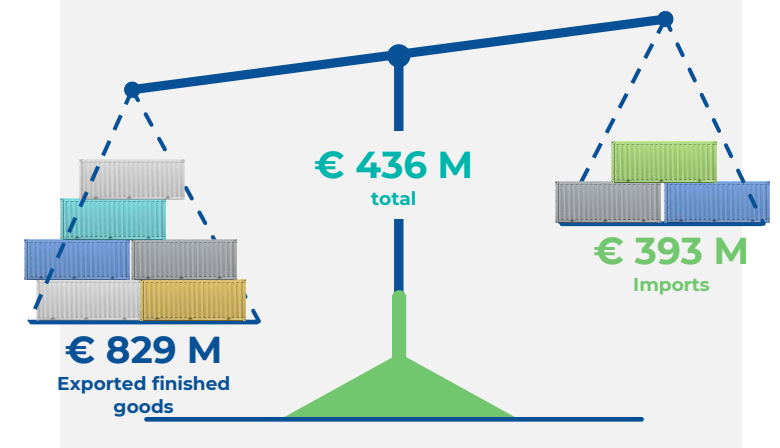
Tabaqueira is a positive contributor to Portugal's **trade goods balance, with a net impact of approximately €436 million**.

This positive contribution strengthens the country's external accounts, supports economic growth, and **enhances Portugal's position in international markets**.



Tabaqueira's contribute to Portugal's trade goods balance:

Data of 2024



Portuguese suppliers

Portuguese suppliers account for over 90% of Tabaqueira's procurement.

In 2024, the company purchases goods and services worth more than €138 million from approximately 3 000 domestic companies in 20 districts.

In 2024, Tabaqueira and other PMI affiliates purchased € 166 M in goods and services from Portuguese suppliers, reinforcing the group's overall contribution to the national economy.



+ 3000
suppliers



from 20
districts

$$€ 166 M = € 138 M + € 28 M$$

Spent in total Portuguese suppliers, in 2024

by Tabaqueira

by PMI affiliates

Reinforcing the group's overall contribution to the Portuguese economy

Value of purchases to Portuguese suppliers by PMI affiliates in Europe, 2024 (Values in M€)

€ 23.55 M

(84%)

PMI Switzerland is the main buyer

€ 939 798

Other PMI affiliates average purchases to 35 national suppliers



Enabling value through local investment

PMI invested €422 million in Portugal, strengthening Tabaqueira's factory as a strategic production hub for PMI in Europe, accounting for 15% of EU sales.



€ 422 M

Tabaqueira's Direct
Foreign Investment in
CAPEX

PMI's cumulative strategic capital expenditure investment of €422 million in the Portuguese market, from the year of the acquisition through 2024 has enabled Tabaqueira's Sintra facility to consistently surpass production milestones, **reinforcing its position as a key player within PMI's manufacturing operations in the European Union.**

PMI's total expenditure of over €1 124 million in Portugal between 2019 and 2024 - covering the Portuguese operation, reflect the scale of the company's activity in the country.



15%

Production of total EU
tobacco product sales

It has positioned itself as one of PMI's main production centres, accounting for **15% of total tobacco product sales within the European Union** - while **Portugal's GDP represents only 1.5% of the EU's total GDP.**

Sources: *INE, Estatísticas da Produção Industrial, 2020;*
Eurostat, 2024

Chapter 5.2

People



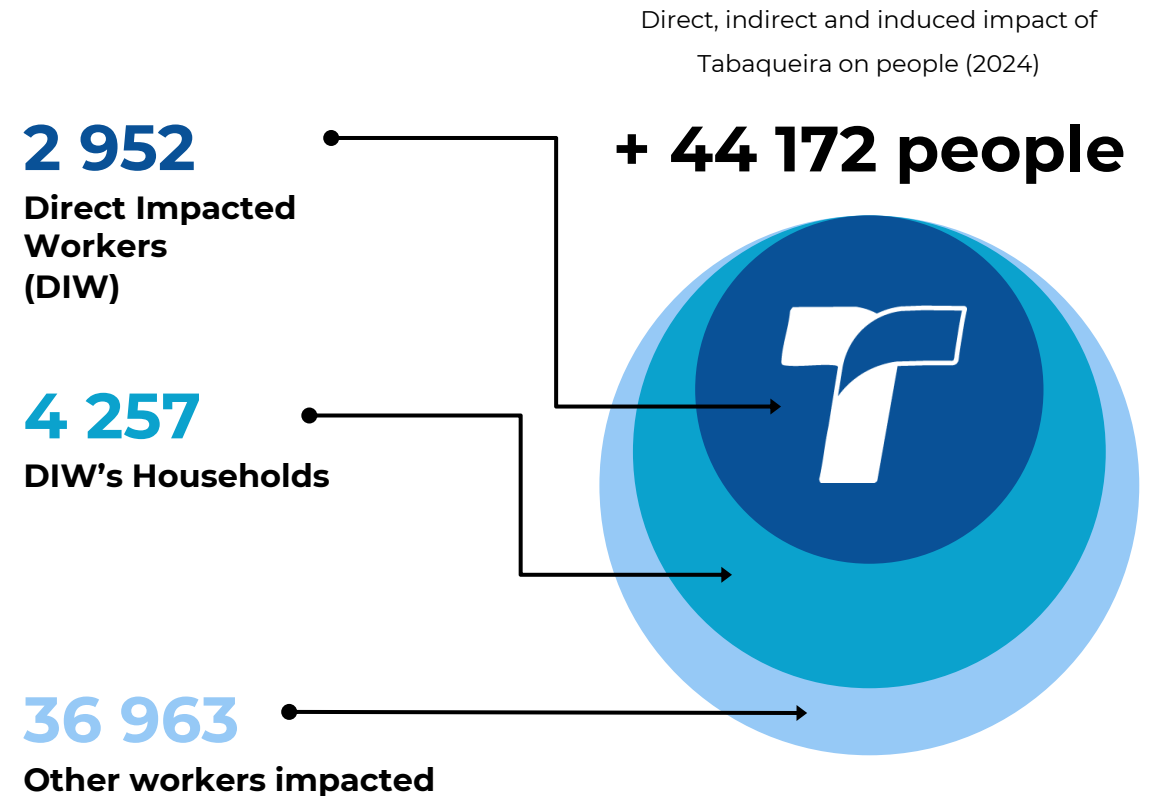
A people-driven impact

In 2024, Tabaqueira's operations had an **impact on more than 44 000 people.**

Tabaqueira Group's activities enhance the impact on people along its supply chain.

Tabaqueira impacts a total of 44 172 people in Portugal, reflecting not only the direct impact of its operations, but also the broader effects generated through indirect and induced employment across its extended value chain.

The 2 952 individuals comprise Tabaqueira employees as well as workers from suppliers who are directly impacted; they are all engaged in activities directly serving Tabaqueira across various supplier organisations.



Growing a dynamic workforce

Tabaqueira fosters an inclusive culture, with **employees from 37 nationalities**, a commitment to pay equity and employee well-being, and a **young workforce** (~50% up to 35 years old).

Tabaqueira is firmly committed to investing in its people, a commitment reflected in its sizeable workforce, which **reached 1,469 employees in 2024, and in the growth of around 108% in employee numbers between 2017 and 2024.**

Across industrial operations, technology, and innovation, the company maintains a continuous focus on **fostering talent and promoting a work environment built on fairness and opportunity.**

It upholds the principle of equal pay and fosters a culture of diversity and inclusion, bringing together **employees of 37 nationalities** in 2024

The presence of **a young workforce** — with close to 50% of employees up to 35 years old - **contributes positively to the company's dynamic and future-oriented organisational profile.**

Tabaqueira also ensures high standards of health and safety at work and is actively engaged in the modernisation of its workplaces to support employee well-being and productivity.

Modernization of Workspaces



**Organizational
Change Campaign
2020 Grand Prix**

Powered by: **apce**
ACADEMIA PORTUGUESA DE GESTÃO DE EMPRESAS



1 469
employees

+ 2x
increase in the number
of employees (2017-2024)

37
nationalities

~ 50%
Up to 35 years old



Goal
Zero accidents

Growing a dynamic workforce

Tabaqueira's workforce is shaped by a strong balance between long-term commitment and fresh perspectives, ensuring continuity, innovation, and readiness for future challenges.



~ 30%

Employees that have been
with Tabaqueira for 10+ years

At Tabaqueira, nearly **30% of employees have been with the company for over a decade** - a testament to **mutual commitment, organisational stability, and long-term growth opportunities**. This tenure fosters deep institutional knowledge, reinforces team cohesion, and supports sustained performance across the business.

Approximately **35% of employees have joined the company within the past two to five years**, bringing **renewed energy, diverse perspectives, and a strong capacity for adaptation**. This balanced workforce - combining experience with innovation - underpins Tabaqueira's ability to evolve continuously and remain future-ready.



~ 35%

Employees that joined
Tabaqueira in the last 2-5 years

Upskilling talent for the future

Tabaqueira builds future-ready capabilities through continuous learning and global upskilling initiatives.

As part of its commitment to continuous development, Tabaqueira actively invests in training and skills enhancement.

Currently, **170 employees are participating in specialized upskilling programmes** in collaboration with universities, reflecting the company's focus on building future-ready capabilities and supporting lifelong learning.



170

Employees in upskilling programmes

In line with PMI's global learning strategy, employees have access to the PMI Campus – a comprehensive upskilling ecosystem that offers more than **4 000 courses** across leadership, business, and technical domains.



+ 4 000
Learning courses

This platform supports the development of key competencies at all levels of the organisation and reflects PMI's belief that impactful transformation relies on skilled professionals.



What Tabaqueira offers:

Attracts Young Professionals



Offers graduates hands-on experience, equipping them with essential skills for their careers.

Partnerships & Programs

iscte

INSTITUTO
UNIVERSITÁRIO
DE LISBOA

Nova
NOVA SCHOOL OF
BUSINESS & ECONOMICS

- Diversity and inclusion programs;
- Leadership programs.

Portugal's role in PMI's global operations

Tabaqueira hosts a fast-growing and highly qualified Global Service Center, employing 414 professionals, over 45% of whom hold a master's degree or PhD.

Tabaqueira in Portugal is not only home to a manufacturing and distribution operation but also hosts a strategically relevant Global Service Center (GSC) that delivers high-value, specialised services to PMI markets worldwide.

Since its establishment, the GSC has recorded remarkable growth - expanding its workforce by over 300% since 2019 and currently employing 414 professionals (2024).

This highly qualified and international team provides advanced support particularly in STEM fields (Science, Technology, Engineering, and Mathematics), playing a critical role in driving PMI's global operations.

The GSC stands out for its strong academic profile, with more than 45% of employees holding a Master's degree or PhD, and for its cultural and generational diversity: 22% of its professionals are foreign nationals.

It also demonstrates experience and stability, with around two-thirds of employees having at least two years of seniority.

This combination of scale, expertise, diversity, and agility makes the Global Service Center a key contributor to PMI's innovation capacity and global performance.



+300%
HUB's employees' growth since 2019

22%
Foreign employees in HUB's of the Global Service Center

~2/3
HUB's employees with at least 2 years of seniority

+ 45%
Employees with Master or PhD

Delivering global impact from Portugal

The IT HUB is PMI's second largest technology center worldwide, with annual exports of € 27 M to over 160 markets.

A key highlight of Tabaqueira's Global Service Center is PMI's IT Hub in Portugal. Since its launch in 2020, it has become a strategic asset focused on development and programming, **delivering tech services with specialised expertise.**

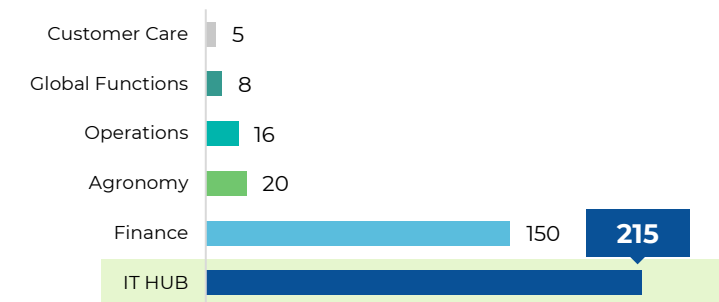
The HUB plays a key role in PMI's global business transformation, particularly through the integration of artificial intelligence. As **PMI's second largest technology location globally**, it hosts **over 200 engineers** from **15 nationalities**, has more than **quadrupled the number of highly qualified STEM jobs** at Tabaqueira, and secures annual exports of **€27 million to 160 markets.**

Its relevance is reinforced by partnerships with over 20 companies and by **collaborations with leading tech players such as Amazon and Microsoft. Academic alliances with institutions like Iscte-Sintra** further support talent development.

Since 2020, **exports of technology services made in Tabaqueira & Portugal' have grown by 190%.**

The IT Hub also **indirectly impacts nearly 70 individuals**, corresponding to workers based in Portugal from the main IT Hub suppliers who are specifically assigned to this operation. **In 2024, the amount paid to these suppliers was approximately € 5.9 million.**

Number of employees by Center of Excellence (2024)



2nd
PMI IT HUB
globally

15
IT HUB engineers'
nationalities'

x4
growth of high
qualified jobs (last 4 years)

€ 27 M
Volume of services
exported (2024)

160
Markets served

190%
Increase in technology
services exports
(last 4 years)

Empowering PMI's Financial Operations from Portugal

The Finance Hub in Portugal is a **strategic center of expertise for value-added financial services**, supporting **around 170 markets globally**, as well as **Corporate and Regional Finance Management**.

With a **growing multicultural team - from 11 employees in 2020 to 150 in 2024** and still growing - the hub is responsible for key capabilities such as financial planning, financial controlling, reporting & data analytics, sustainability controlling & reporting, risk assurance, finance data & systems governance, strategy & program delivery and financial decision-making support.

The team based in Portugal plays a critical role in managing and developing the FP&A systems and applications that are used by the markets across the world and is also leading the establishment of the overall Finance Data Governance and Management processes, rules and standards for PMI.

Further it's **maintaining and supporting the key financial reporting layer** for internal and external management reporting and is always following up on the new trends and is currently **exploring several use cases for AI and small scale automations**.

With **20 nationalities, represented in 2024 € 21.3 million in export value**, and is part of a global footprint across multiple functions and locations. **The SFS Hub positions Tabaqueira and Portugal as a cornerstone of PMI's digital transformation and operational excellence** in Strategy, Finance and Sustainability.

150

Finance HUB employees

x14

Finance HUB employees' growth since 2020

20

Nationalities

€ 21.3 M

Volume of services exported (2024)

37%

Female workforce – gender balance

Annexes

Methodological notes

Economic

This analysis evaluates Tabaqueira's direct, indirect, and induced contribution to the Portuguese economy through a comprehensive set of economic indicators. It includes the quantification of Gross Value Added (GVA) and the company's contribution to national GDP, reflecting its role in value creation across the supply chain.

The fiscal dimension is assessed through the total taxes paid to the State, encompassing corporate, labour and consumption-related contributions.

The analysis also examines the company's external trade flows, namely exports and imports, underlining Tabaqueira's positive impact on Portugal's trade goods balance. In addition, it considers the volume of purchases from domestic suppliers - reinforcing local value chains - and the relevance of capital expenditure and long-term investments made in the country, particularly those aimed at innovation, infrastructure and industrial modernisation.

People

This analysis assesses Tabaqueira's impact on people and communities along the entire value chain, capturing both direct and indirect effects. It includes an evaluation of employment figures and their evolution in recent years, as well as a detailed characterisation of the workforce in terms of nationality, age, and diversity.

The study also examines Tabaqueira's commitments to workplace equality, including the Equal Salary certification, occupational health and safety, and the modernisation of work environments. Particular attention is given to talent development and upskilling, through structured training offers and strategic partnerships with universities and research institutions.

Lastly, the analysis highlights the strategic importance of Tabaqueira's Global Service Center in creating high-qualified employment and contributing to the country's knowledge economy.

Technical description of the Leontief method

The Leontief method is based on the analysis of input-output tables to quantify the economic relationships between sectors and describes how the change of input in one part of the value chain (sector) has an impact on other parts of it, up to the change of output of the sector itself and final demand (total production (output) of the economy).

Consequently, the quantity that the total economy produces includes any desired external demand as well as the internal demand that fuels the economy so that each sector can produce its products. In vector format, it could be formalized as: $p = Mp + d$, where p is the output vector (production), d is the external demand vector and Mp is the internal demand vector, which includes the consumption matrix M (composed of consumption vectors of specific sectors, also called the coefficient matrix technicians with flows between sectors).

One of the fundamental parts of the approach is to measure the multiplier effect that results from measuring the effect of changes in the components of final demand (change in expenditure, imports/exports, etc.) on output and employment at the sector level (output and output multipliers). of employment): $(I - M)p = d$, where I is the identity matrix (only the main diagonal filled with non-zero values), allowing to express the relationship between input and output as: $p = (I - M)^{-1}d$ or $p = Ld$, where $(I - M)^{-1}$

L or L represents the inverse Leontief matrix. From these matrices it is possible to estimate the direct, indirect and induced impacts of economic interactions:

- (i) Direct effect: The direct economic effect is strictly associated with the final consumption expenditure of participants on goods and services and the organization's expenses with the production of the event;
- (ii) Indirect effect: The indirect economic effect concerns the stimulus of demand promoted upstream, reflecting acquisitions of goods and services by direct suppliers and successive rounds of intermediate acquisitions;
- (iii) Induced effect: The induced economic effect concerns the stimulus, promoted downstream, in final demand, via the acquisition of goods and services (food products, clothing, capital goods, among others) induced by the remuneration of employees generated in the activities considered.

This methodology uses a mathematical matrix to calculate the global impact on the economy, integrating these three effects. For this study, data were collected from the National Institute of Statistics and refer to the year 2013, the last year available.

An Iscte Executive Education study

Because we are the first Business School to provide Executive Education in Portugal (1988). We have accumulated more experience through a rich history and with that more responsibility. From the very beginning we have always tried to build a future by systematically overcoming obstacles. We know that we do not lead in every area, nor are we the first in everything. No school ever is.

But we believe that we are the first in pursuing a unique way of doing things across several areas of knowledge. We also believe that we are the first in the way we co-design programmes and engage with businesses and our participants to deliver top-notch programmes. We believe we are first in connecting to a substantial real business base. We lead also on the applicational side which has been our hallmark since inception. This applicational matrix is what makes us sign Real-Life Learning.



(+351) 217 826 100



ExecEd@iscte-iul.pt

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T **TABAQUEIRA**
SUBSIDIÁRIA DA PHILIP MORRIS INTERNACIONAL