



Outermost Region Fiche **AZORES**

Study on the impact of
the COVID-19 pandemic
on the Outermost Regions



Region Azores

Country Portugal

Size (2016) 2 322 Km²

Number of inhabitants (2020) 242 796

Population density (2019) 105.3 per Km²



Ponta Delgada

EUROPEAN COMMISSION

Directorate-General for Regional and Urban Policy
Directorate A — Budget, Communication and General Affairs
Unit A1 - Outermost Regions

Contact: Directorate General for Regional and Urban Policy, unit A1 - Outermost Regions

E-mail: REGIO-A1-RUP@ec.europa.eu

*European Commission
B-1049 Brussels*

Study on the impact of the COVID-19 pandemic on the outermost regions (OR)

Outermost Region Fiche Azores

Manuscript completed in December 2021

1st edition

The European Commission is not liable for any consequence stemming from the reuse of this publication.

Luxembourg: Publications Office of the European Union, 2022

© European Union, 2022



For any use or reproduction of elements that are not owned by the European Union, permission may need to be sought directly from the respective rightholders. The European Union does not own the copyright in relation to the following elements:

PDF ISBN 978-92-76-46553-9 doi: 10.2776/026366 KN-09-22-011-EN-N

Legal Notice: This document has been prepared for the European Commission. However, the content of this publication does not reflect the official opinion of the European Commission. Responsibility for the information and views expressed in the publication lies entirely with the authors.

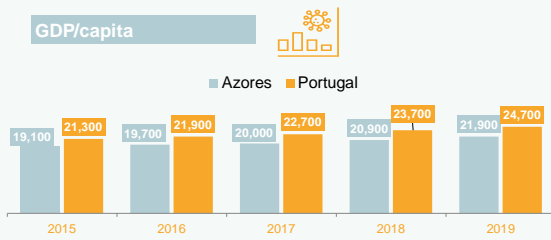
INTRODUCTION

This fiche was prepared as part of a broader study assessing the impact of COVID-19 on the nine EU outermost regions (ORs). It provides an in-depth analysis of the economic and social impacts of COVID-19 in the Azores, highlights the measures taken to halt the spread of the virus, and puts forward proposals for recovery and resilience-building measures addressing the major issues identified in this region.

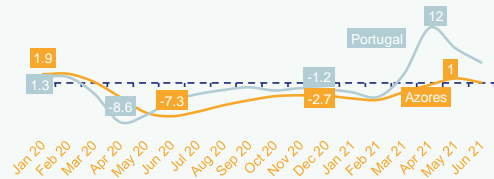
This fiche first presents an overview of the health-related impacts of the pandemic in the Autonomous Region of the Azores (*Região Autónoma dos Açores*), as well as the timeline of measures put in place to keep infection rates in check. It then examines the economic repercussions, starting at the macroeconomic level, followed by an analysis of the main sectoral impacts. The third section presents the social impacts and is followed by an identification of the most relevant policy measures implemented in the region to mitigate the negative consequences of the crisis. The last two sections look at the future prospects and suggest measures to support the recovery and to build resilience to similar challenges in the future.

Overview and impact of COVID on the economy of the Azores

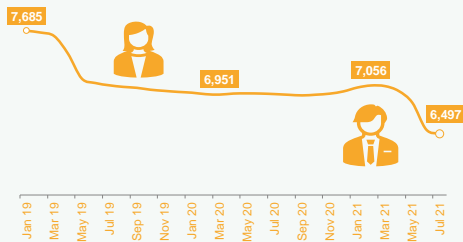
GDP/capita



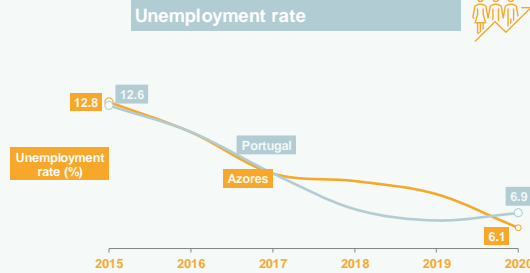
Economic activity variation



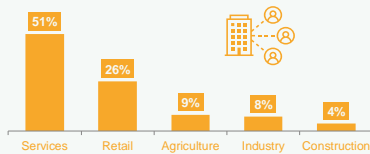
Number of jobseekers



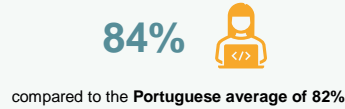
Unemployment rate



Share of key sectors within the economy - Share of GDP (2019)



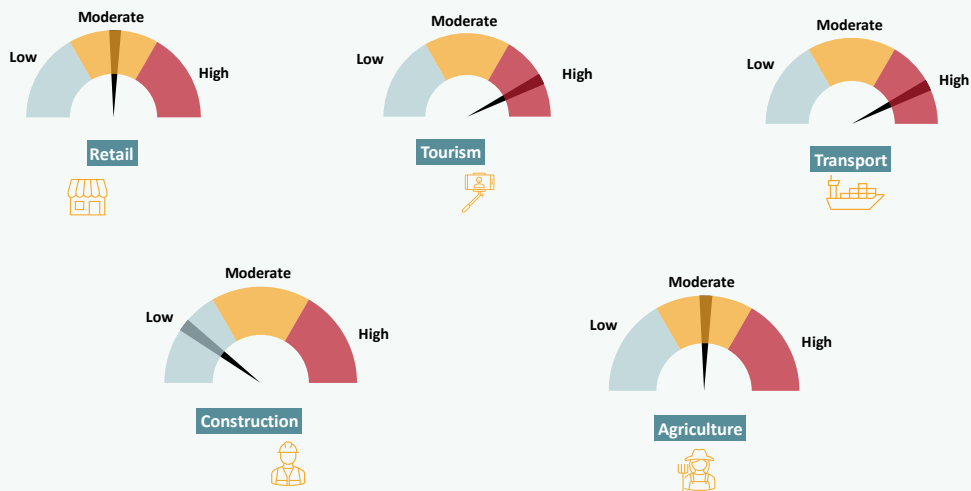
Household with broadband access - 2020



Young people neither in employment nor in education and training - 2020



Impact of the COVID-19 crisis on specific sectors of the economy



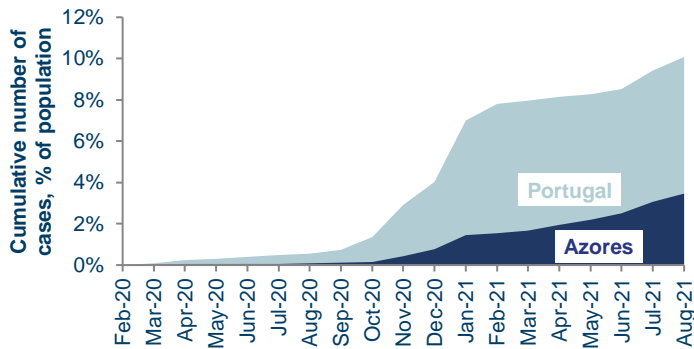
Recommendations

- Improving the business environment and public administration efficiency through digitalisation
- Promoting the Azores as an attractive location for remote working and long-term stays
- Developing the regional eco-tourism offer
- Supporting the Azores dairy sector to better fulfil its potential
- Diversifying the Azores fishery sector in a sustainable fashion

1. COVID-19 PANDEMIC IN THE REGION – HEALTHCARE STATISTICS AND TIMELINE

In terms of health-related statistics, the Azores were proportionally less affected by COVID-19 compared to mainland Portugal. The three 'waves' of the pandemic took place in conjunction with the occurrences of the waves on the mainland, with the third wave being the most significant. The health situation varied between the different islands. In particular, the larger islands of São Miguel and Terceira were impacted more significantly.

Figure 1: Cumulative number of cases over total population, in percentages, Feb 2020 – Aug 2021



Source: Ecorys based on Data from Directorate General Health Portugal

According to the Portuguese Directorate General of Health, **8,541 infections and 41 deaths** have been registered in the Azores since March 2020 (based on data from 31 August 2021).

According to Portugal's general health service, by 31 August 2021, 72% of the region's population was fully vaccinated. This percentage is slightly lower than for the mainland, with 73% of its population fully vaccinated at this time.

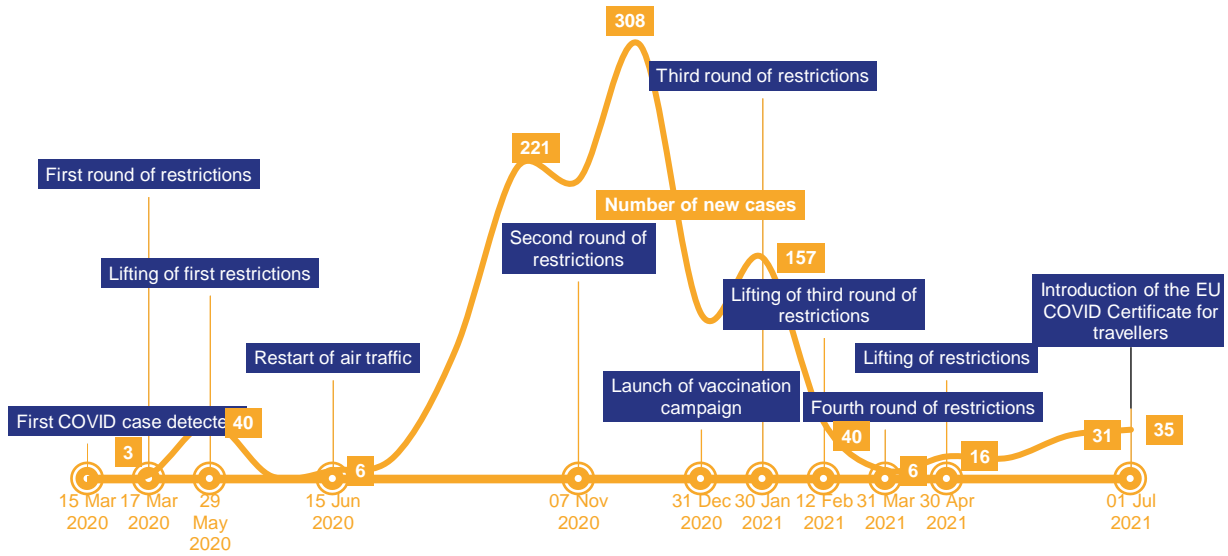
In terms of the COVID-19 restrictions, although the Portuguese government determined a set of broadly applicable

guidelines to be followed (as part of the state of emergency) across different mainland Portuguese regions, the Azores (along with Madeira) have autonomous status, and therefore its regional government was able to take its own decisions on pandemic response actions. These restrictions entered into force shortly after the emergence of the virus in the region, on 11 March 2020 (Figure 2). The restrictions were not as severe as those in mainland Portugal and many other EU Member States, and some limited economic sectors beyond those deemed to be essential (e.g. construction) and outdoor physical activity were permitted, with some specific limiting conditions. The restrictions also enabled the Regional Health Service Hospitals to increase their stocks of medicines, medical devices and personal protective equipment by up to 20% (on 17 April 2020) as well as to increase their test capacity by certifying and adding more labs to the recognised testing network.

The first easing of restrictions took place from 30 April 2020 (shortly after the mainland), but different measures were adopted across the nine major islands which make up the Azores due to differing COVID-19 conditions. Across all islands, the opening up of infrastructure and commercial establishments was authorised on 22 May 2020. Industries and service provisions were also opened three days later. As a result of rising case numbers, new COVID-19 restriction measures came into force on 28 October 2020. Nevertheless, by 15 December 2020, most of the restriction measures were once again lifted, though some protocols associated with the state of emergency were maintained, particularly in the use of masks, restrictions on non-essential movement, and adherence to COVID-19 protocols (e.g. wearing masks and encouraging the use of hand sanitiser). On 11 February 2021, the third round of restrictions was put into place. The situation during the third wave was significantly more difficult in health terms as compared to the first and second waves.

Due to the relative remoteness of the Azores, their insularity, and high dependence on air and sea transport, the main challenge was to contain the virus as far as possible in order to prevent excessive pressure on the healthcare system. In this regard, the Azorean regional government had announced that they were available to receive patients from the continent. However, ultimately, no patients were transferred or received. Two other lockdowns were put in place in March and April 2021. Restrictions started to be gradually lifted in May 2021. Since 25 June, passengers have been able to travel to the region provided they have the EU COVID-19 vaccination or recovery certificate, or a negative RT-PCR test.

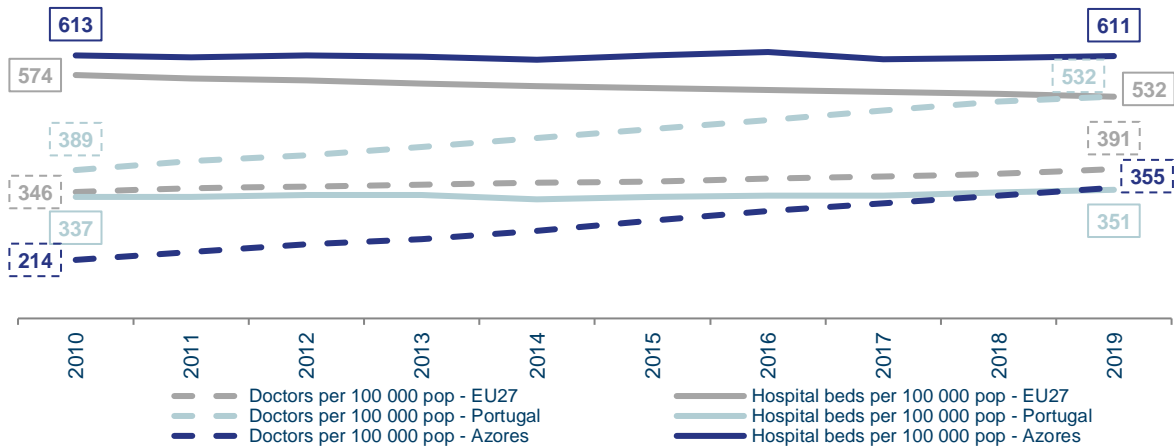
Figure 2: Timeline of the health/social distancing measure and healthcare milestones and new COVID-19 cases reported in the Azores



Source: Ecorys based on INE data

As mentioned above, a key measure to prevent the healthcare system from being overwhelmed was the introduction of limitations on movement between neighbourhoods on the island of São Miguel, in the cities of Nordeste and Ribeira Grande. Additionally, in December 2020, flights from the UK and Brazil were banned from entering Portugal (until 31 March 2021). Furthermore, the relatively successful containment of the COVID-19 pandemic reflects the capacity of the Azorean government and institutions to plan for, respond to and manage crises (e.g. volcanoes, earthquakes, storms/hurricanes, aviation and maritime accidents). Previous such examples of natural 'shocks' have included the Tania and Lorenzo destructive storms and the 1998 Faial earthquake. Thus, the regional government has been able to leverage its previous experience. It can be observed that the region strengthened its resilience to health shocks, based on the fact that medical infrastructure on the island has improved over time. Eurostat data show that the number of hospital beds per 100,000 inhabitants decreased by 1% between 2010 and 2019, although this is still substantially higher than the EU and Portuguese average. Furthermore, there has been a significant increase (66%) in the number of doctors per 100,000 inhabitants, rising from 214 to 355 between 2010 and 2019, though this is still notably lower than both the EU and Portuguese averages.

Figure 3: Number of medical doctors and hospital beds (per hundred thousand inhabitants)



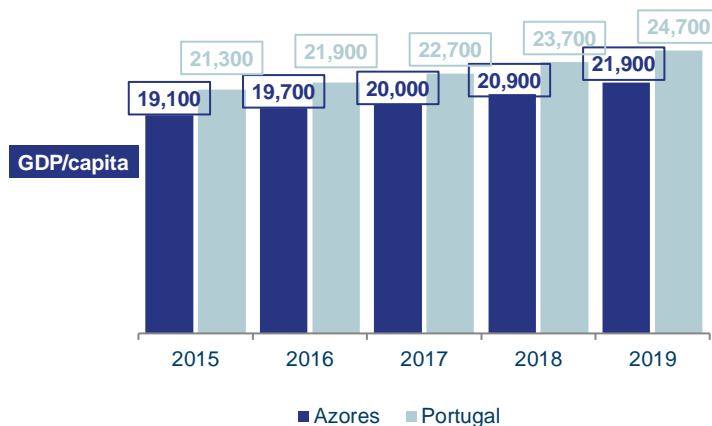
Source: Ecorys based on Eurostat data

2. ECONOMIC IMPACT OF THE COVID-19 PANDEMIC

MACROECONOMIC OVERVIEW

The economy of the Azores faced several significant challenges prior to the COVID-19 pandemic. According to PORDATA (Database of Contemporary Portuguese Data), GDP per capita was 88% that of mainland Portugal in 2019 (Figure 4). However, the economy of the island has been on a positive and consistent growth trajectory, with gradual growth between 2015 and 2019, largely driven by the expansion of low-cost flights to the islands, fuelling tourist activity.

Figure 4: GDP per capita (€), 2015-2019

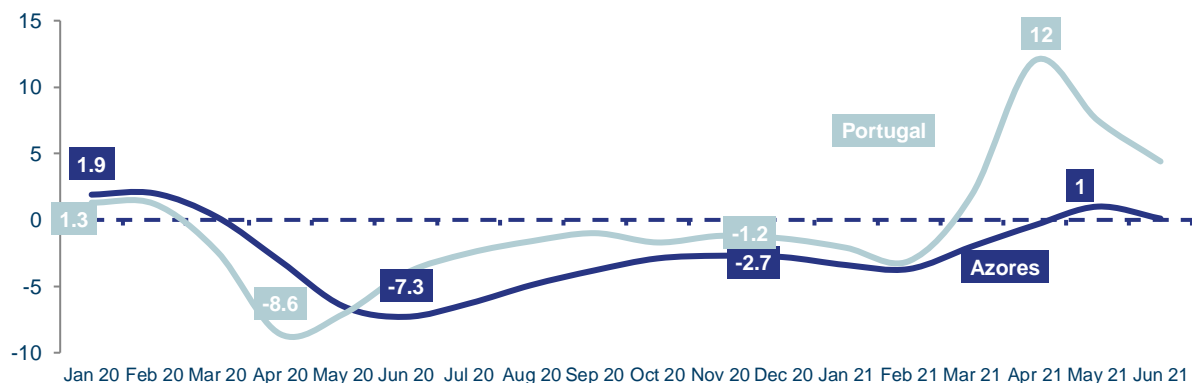


Source: Ecorys based on Eurostat data

Although the containment of COVID-19 infections was largely successful in the Azores, the regional economy took a significant hit following the first round of restriction measures in March 2020. Whilst official 2020 GDP figures or estimates are pending, economic activity indicator data prepared by SREA (Regional Statistics Service Azores) and INE (National Statistics Institute) show that from April to June 2020, economic activity (as compared to the same month in the previous year) decreased by a more significant percentage each month (Figure 5). Furthermore, following the relaxation of COVID-19 restrictions, the

index declined more moderately from August to November 2020, reaching a -2.7% rate in November 2020 (i.e. compared to 2019). This indicates a relatively healthy recovery in economic activity over the summer and autumn, making up for some of the lost ground in the first half of the year. However, in December 2020, this positive trend came to a halt with a slight drop of 0.2% compared to November. 2021 has been comparatively positive for the region, although the economic performance of the Azores is clearly below that of the national average. While mainland Portuguese economic activity contracted more severely than in the Azores in March and April 2020, it also improved more rapidly. Figure 5 evidences a more U-shaped recovery for the region, compared to the faster V-shaped trend in mainland Portugal for 2020. It also shows the clear difference in performance between the region and the national average for 2021, with the Azores lagging behind in terms of economic activity during this year.

Figure 5: Economic activity variation in 2020-2021 (%)*



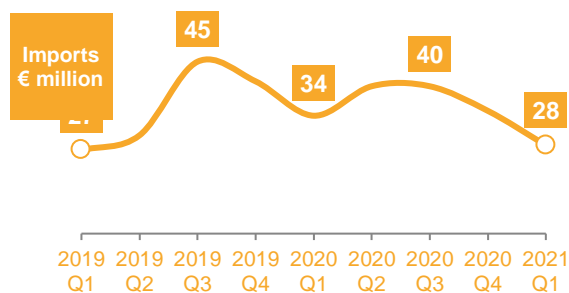
Source: Ecorys based on SREA and INE Data

* Data shown are as compared to the same month in the previous calendar year

In addition to the impact on economic activity, the crisis has led to increased local public spending and a loss of immediate tax revenue. In terms of tax revenue, according to SREA, 2020 saw a 3.8% fall as compared to 2019, given that there was a 7.7% increase in direct taxes but a fall of 8.8% in indirect taxes.

In Q2 2020, in the early stages of the pandemic, imports to the Azores increased by 33% compared to Q2 in 2019, probably due to sanitary equipment imports. Later on, both import and export volumes contracted as a result of COVID-19, with the former being impacted more significantly. In Q3 2020, imports were 11.1% lower than in the same period in 2019. This negative trend continued in Q4 2020, when they were 14.6% lower than during the same time in the preceding year. This was mainly due to decreased demand as a result of the restrictions, and supply chain disruption that increased freight costs.

Figure 6: Imports, € million (2019 Q1 – Q1 2021)

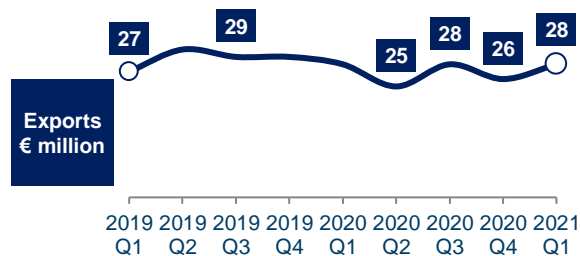


Source: Ecorys based on INE data

As concerns exports, in Q2 2020, exports decreased by 17% as compared to Q2 2019. In Q3 2020, exports recovered to some extent and were 4% lower than during the same period the previous year. However, in Q4 2020, exports were 11% lower than during Q4 2019. This is partly because the costs of export goods (via shipping and freight transport) increased because of supply chain disruption and international travelling restrictions; hence, it became more difficult for local companies to cover those expenses. A decrease in foreign demand for Azorean goods was probably the cause. Nevertheless, the figure increased slightly in Q1 2021 in comparison with the same period in 2019. It must, however, be noted that the import and export variations are rather minor compared to other outermost regions and can, to an extent, be attributed to seasonality.

However, the data for Q1 2021 shows a positive trend, as imports returned to their pre-pandemic level, surpassing the Q1 2019 figure by 3.7%. Azorean primary sectors and derived industries rely mainly on endogenous resources; secondary (manufacturing) and tertiary (services) sectors depend more heavily on imports. In this regard, given that the Azores are an archipelago made up of nine island markets of different sizes, the region is heavily dependent on imports overall.

Figure 7: Exports, € million (2019 Q1 – Q1 2021)



Source: Ecorys based on INE data

The adverse effects of the pandemic in critical sectors of the Azores economy are not reflected in the number of enterprises dissolved. Evidence from INE shows that the number of dissolved enterprises remained stable from 2019 to 2020. The sector that contributed the most to this decrease is commerce. This can be mostly explained by the fact that there have been significant support measures allowing such enterprises to keep existing, even with none or reduced economic activity.

However, there was a 31% decline in the number of new Azorean enterprises created between 2019 and 2020, driven by a significant reduction in the number of new services, commerce and industry enterprises. This is particularly reflected in small-scale activities, which are less inclined to take risks in a very unfavourable economic context. Similarly to other outermost regions, the number of companies created heavily outnumbers those which

were dissolved. There is no real difference in the latter as compared to 2019, which could be partly attributable to policy measures introduced to support the local economy.

Table 1: Number of new and dissolved enterprises

	2019					2020				
	Agriculture	Commerce	Industry	Services	Total	Agriculture	Commerce	Industry	Services	Total
New companies	24	78	83	319	504	24	56	57	247	384
Dissolved companies	4	52	21	86	163	6	44	20	92	162

Source: Ecorys based on INE

SECTORAL ANALYSIS

Based on data from INE, it is clear that retail, tourism, agriculture and construction all play a significant role in the Azores, although to a differing extent in each of its nine islands. In 2019, commerce (which includes wholesale and retail, transport, accommodation and food services) accounted for 26.1% of GDP, followed by real estate (13.1%) and agriculture (8.5%). No specific sectoral data is available for tourism. However, trends in tourism can be considered to be jointly included under commerce (wholesale and retail, transportation, accommodation and food services) and services (arts and entertainment activities), with the former providing a more significant representation of the tourism sector.

Official statistics which concretely describe the impact of COVID-19 on individual sectors are not yet available for 2020, but alternative indicators (as proxies for sectoral performance) suggest that the sectors most affected by the COVID-19 pandemic are tourism, commerce, transport and agriculture. This is likely due to the fact that these sectors are characterised by physical proximity and mobility (except agriculture) and have therefore suffered more severely from restrictions.

An important factor to consider is that non-commercial services (e.g. public administration, education, human health and social work), which account for the largest sector in the Azores (29.3% of GDP), have not been impacted negatively by the pandemic. This has helped to cushion the overall impact of the pandemic on regional GDP.

Table 2: Economic structure of the Azores

Areas	Sectors	GDP (2019) € (million)	%
Agriculture	Agriculture, farming of animals, hunting and forestry	326.91	8.5
Industry	Mining and quarrying; manufacturing; electricity, gas, steam and cold air; water collection, treatment and distribution; sewerage, waste management and remediation activities	282.09	7.3
	Construction	156.39	4.0
Commerce	Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	1,008.07	26.1
Services	Information and communication activities	61.23	1.6
	Financial and insurance activities	89.83	2.3
	Real estate activities	506.77	13.1
	Consultancy, scientific and technical activities; administrative and support service activities	164.22	4.2
	Public administration and defence; compulsory social security; education; human health and social work activities	1,131.37	29.3
	Arts and entertainment activities; repair of household goods and other services	138.60	3.6
Total		3,865.51	100

Source: Ecorys based on INE

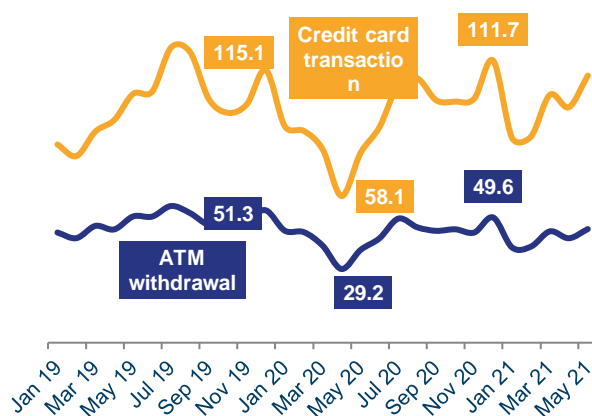
Commerce

Commerce is the second-largest sector in the Azores (26.1% of GDP), and includes wholesale and retail trade, the repair of motor vehicles and motorcycles, transportation and storage, and accommodation and food service activities.

Consumers have a general tendency to buy in larger shops, which puts smaller retail businesses at a disadvantage and makes the sector in general more vulnerable to external shocks. The general trends in consumption and globalisation affecting retail throughout the world also apply in the Azores. Bigger chain retail stores are also better able to offer online sales, which can widen the gap with smaller traditional retail merchants.

The Google Mobility Index for retail and recreation - which reflects mobility trends for places like restaurants, cafes, shopping centres, theme parks, museums, libraries, and movie theatres) was 22% lower between 1 November and 13 December 2020 than the baseline (the baseline day is the median value from the five-week period from 3 January to 6 February 2020). Furthermore, the Google Mobility Index for grocery and pharmacy (mobility trends for places like grocery markets, food warehouses, farmers markets, speciality food shops, drug stores, and pharmacies) increased by 2% compared to the baseline from 1 November to 13 December 2020.

Figure 8: Purchases by bank cards and cash withdrawals (€ millions), 2019-2021

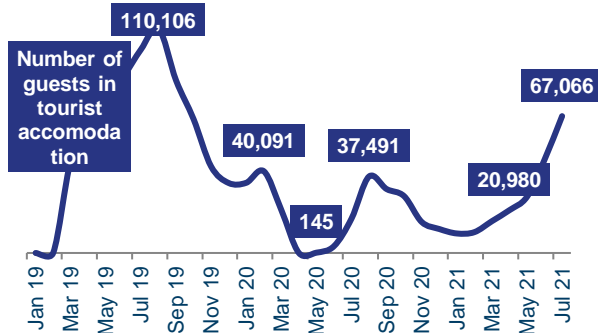


Source: Ecorys based on INE

According to INE, in April 2020, there was a 34% decrease in the value of purchases via points of sale and a 35% decrease in ATM withdrawals compared to the same month in 2019. Between October and December 2020, as compared to the previous year, there was an increase of 2.3-4.9% in credit card transactions. By December 2020, purchases by bank cards in the Azores, using third party agent registrations, reached a total of €111.7 million, a year-on-year increase of 3.43%, while withdrawals in cash showed a year-on-year decrease of 5.65%, as people increasingly opted for card payments over cash, given the increased risks of COVID-19 infection.

Tourism

Figure 9: Number of guests in tourist accommodation



Source: Ecorys based on SREA data

The tourism sector is a central part of the economy of the Azores. The main type of tourism in the Azores is related to nature and to the region's natural assets. There has been an increase in tourism entertainment companies, making active tourism increasingly relevant.

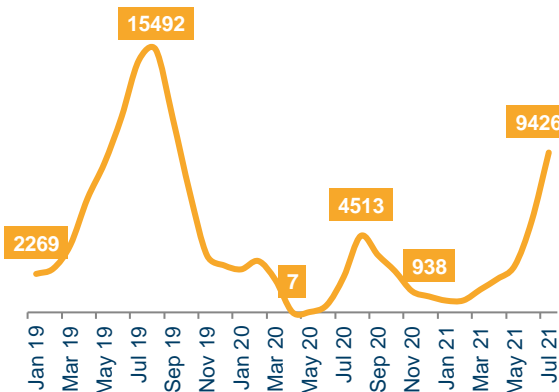
Although no overall sectoral data are available on tourism, in a resolution from the Regional Legislative Assembly in February 2021, it was estimated that the gross value added generated by tourism was 12% in 2017; equivalent to 17.2% of the regional GDP. Cruise shipping is particularly

important to the sector. As a result of the COVID-19 travel restrictions, the Azores saw a severe drop in tourist activity. SREA data show that, as compared to the same months of the previous year, both April and May 2020 saw a 99% drop in guests staying in tourist establishments.

These trends did, however, improve from June on a monthly basis up until October 2020. Nevertheless, in October 2020, the region still had 57% fewer guests staying in tourist accommodation compared to 2019. The situation further deteriorated after November 2020, although a tentative recovery resumed in March 2021.

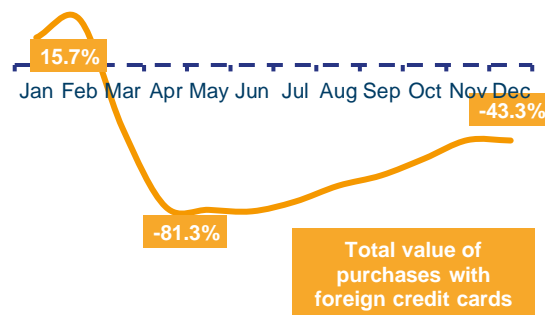
Overall, when compared to 2019, there were 69% fewer guests in tourist establishments and a 75% drop in collective income from these establishments in 2020. Furthermore, the cruise economy shut down after March 2020, with only three ships registered in March 2020. After March 2020, these ships were restricted from docking in the Azores. There was also a 63% reduction in the value of transactions carried out using foreign credit cards in 2020 when compared to the previous year.

Figure 10: Income from tourist accommodation (€ thousand)



Source: Ecorys, based on SREA data

Figure 11: Value of foreign card transactions in Azores, 2020



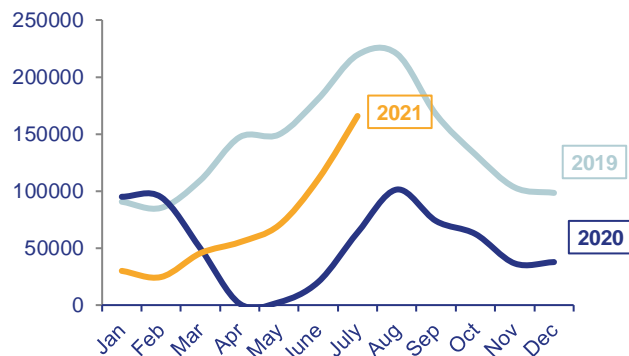
Source: Ecorys, based on SREA data

Transport

In a similar manner to the impact of mobility-restricting measures on the flow of tourists, the transport sector has also been affected, including both air and sea transport. Given the spatial isolation of the region, both the air and maritime transport sector are essential for the local economy. In sum, according to the contribution of the regional

government of the Azores to the public consultation on the 8th report on economic, social and territorial cohesion, the sector shrunk by 32% from 2019 to 2020.

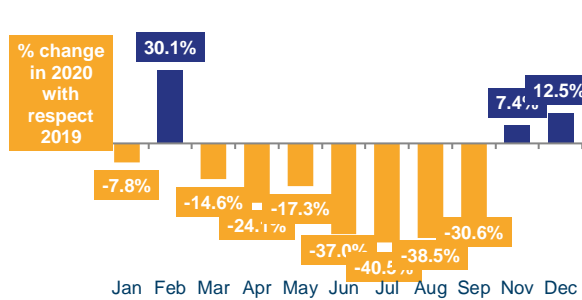
Figure 12: Number of airline passengers disembarking in the Azores, 2019-2021



Source: Ecorys based on SREA

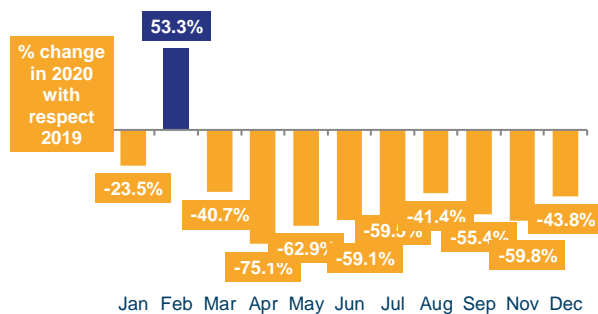
In terms of **air transport**, which mainly concerns passenger transportation, the number of disembarked air passengers (March to November 2020) suffered a drop of 71% (SREA data) when compared to the same period in 2019. In December 2020, 62% fewer passengers landed in Azorean airports compared to the same month of the previous year. The numbers for 2021 remain below the pre-pandemic values (Figure 12).

Figure 13: Port traffic in terms of number of vessels



Source: Ecorys based on INE

Figure 14: Port traffic in terms of gross tonnage



Source: Ecorys based on INE

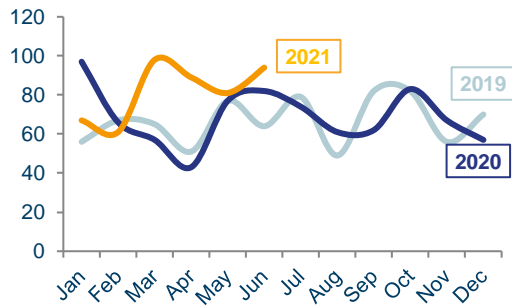
The restrictions also had a significant impact on **port traffic**, although it took a number of months for this impact to become fully apparent. According to INE data, there was a 14% decrease in the number of commercial vessels and a 40% decrease in the gross tonnage of the vessels in March 2020, compared to the same month the year before. The situation deteriorated further over the following months, but a positive trend resumed as of August 2020. By December 2020, the number of vessels in port was in fact 1% higher than the previous year. However, the trend has been less consistent in terms of the gross tonnage, as demonstrated in Figure 14.

Construction

The available evidence indicates that the **construction sector**, which plays a moderate role in the regional economy (generating 4% of GDP), has not been substantially impacted by COVID-19. According to the contribution of the regional government of the Azores to the public consultation on the 8th report on economic, social and territorial cohesion, the sector grew by 2% from 2019 to 2020. Unlike in other sectors, there was no sudden halt in construction activities due to COVID-19 restrictions in 2020. Indeed, it recorded a 4% increase in the number of construction projects compared to 2019. Furthermore, data for early 2021 evidences a very positive trend, with the number of licensed projects being significantly higher than in the two previous years. According to SREA data, cement sales remained relatively stable over the lockdown periods, and increased during the second part of 2020. It is clear that cement sales have significantly increased in 2021. This resilience is largely due to long lead-in times

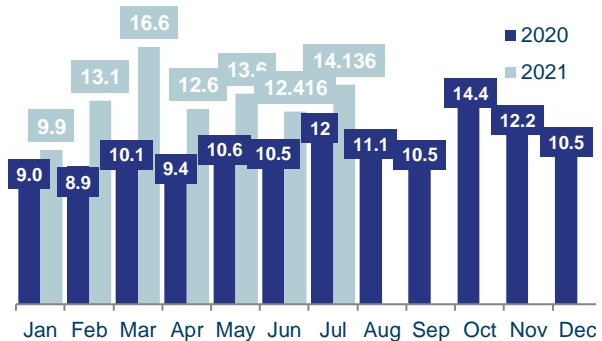
in the sector and thus the relative stability of workflow in the industry, guaranteeing some continuity even during times of crisis. Based on the data available for 2021, the Azorean construction sector is stable and growing.

Figure 15: Number of licensed constructions and demolitions



Source: Ecorys based on INE

Figure 16: Sales of cement in thousands of tonnes (2020-2021)



Source: Ecorys based on SREA

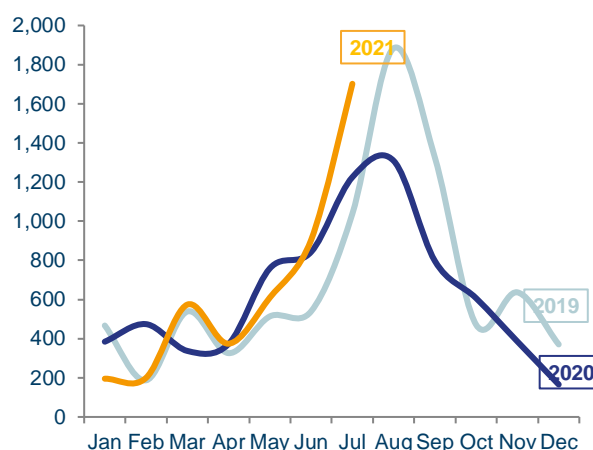
Agriculture and fisheries

Agriculture (including agriculture, hunting and forestry) continues to play an important role in the economy of the Azores, accounting for 8.5% of GDP in 2019 with a value of €327 million. This is in contrast with the 2.05% it accounted for at the national level. This sector has been significantly hit by the pandemic, seeing a -9% contraction from 2019 to 2020 (as noted by the regional government of the Azores in the public consultation for the 8th report on economic, social and territorial cohesion).

The pandemic has had a significant impact on many agricultural sectors, namely floriculture, fresh beef and goat cheese production and horticulture. However, overall, meat production was only negatively impacted in February and April 2020, when the volumes produced were 18% and 11% below the yearly average, respectively. In May 2020 this increased again, and meat production has been stable since (based on available data).

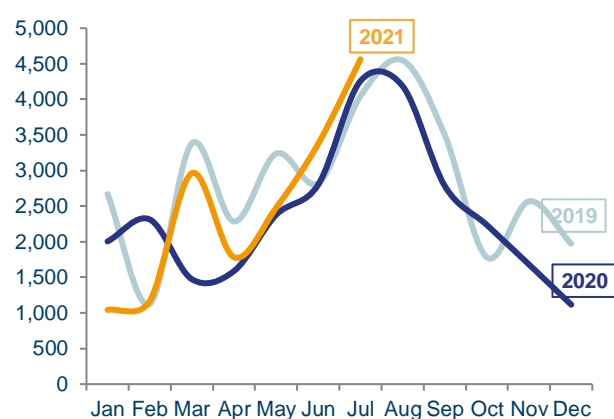
The fisheries sector also saw its situation deteriorate due to a decrease in demand as a result of the pandemic. Although the total catch increased in March-July 2020 (compared to the same months in 2019), the monetary value of the catch significantly dropped. This was particularly true in April and in May (namely due to the fact that tourists were no longer demanding/consuming fish). Over the remaining months of 2020, the value of fish caught remained similar to that in 2019, although the figures in the last month of 2020 showed a further decrease. Given that the available data for 2021 (catch weight and value) are more similar to those in 2019, it can be inferred that the sector may be gradually resuming pre-pandemic levels of productivity and revenue generation. These fluctuations may partially be explained by the ebbs and flows of tourist arrivals over the year, and a likely change in the consumption patterns of residents, increasingly oriented towards the Azores market.

Figure 17: Weight of fish caught, tonnes



Source: Ecorys based on SREA

Figure 18: Value of fish caught, EUR thousands.



Source: Ecorys based on SREA

3. SOCIAL IMPACT OF THE COVID-19 CRISIS

The support measures implemented by the regional and national authorities in the Azores prevented an immediate collapse in employment and, therefore, helped to mitigate the social impact of COVID-19. In common with other outermost regions, the Azores has faced a number of long-term social challenges that the pandemic served to exacerbate, putting increased pressure on social support systems, namely:

General under-qualification and skills of the population - according to Statistics Portugal, the proportion of residents with higher education aged between 25 and 64 years was 26.3% in Portugal, while it was 13.8% in the Azores in 2019. The region also has a higher rate of early leavers from education and training than mainland Portugal. In 2020, 27% of residents aged 18-24 years had not completed secondary education; nearly three times higher than the national average (8.9%).

Excessive economic concentration - there is a concentration of jobs in a limited number of sectors, some of which are vulnerable to changes in external demand – such as tourism - or rely on low-skilled workers (fishing and agriculture). These structural labour market characteristics can increase the risk of social disruption in times of economic stress.

High relative poverty rates - The Azorean population at risk of poverty or social exclusion is significantly higher (36.7%) than in Portugal (21.6%, 2019 figures).

The evolution of employment since late 2019 (Table 3) shows some improvement. However, in some age groups, there has been a reduction in the number of registered workers; namely in those younger than 25 years and older than 55.

Table 3: Variation of registered employment by age groups

Age group	Period						Variation			
	December 2019		November 2020		December 2020		November 2020 – December 2020		December 2019 – December 2020	
	No.	%	No.	%	No.	%	No.	%	No.	%
< 25	1,078	15.4	1,213	17.4	1,153	16.5	-60	-4.9	75	7.0
25 – 34	1,697	24.3	1,845	26.5	1,894	27.1	49	2.7	197	11.6

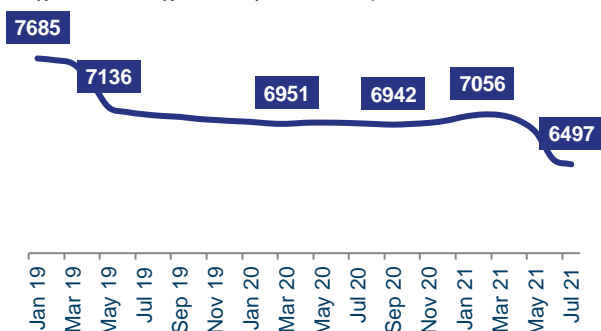
35 - 54	3,193	45.7	2,984	42.9	3,055	43.7	71	2.4	-138	-4.3
≥ 55	1,014	14.5	920	13.2	886	12.7	-34	-3.7	-128	-12.6
Total	6,982	100	6,962	100	6,988	100	26	0.4	6	0.1

Source: Ecorys based on IIEFP

This can raise some issues, as individuals in these age groups traditionally have greater difficulties finding employment. On the one hand, there are the challenges of youth unemployment. On the other, individuals aged 55 or older tend to face greater difficulty in finding employment (partly due to lack of qualifications), which in turn may lead to long-term unemployment.

According to Eurostat, 17.2% of young people (aged 15-24) are not in employment, education or training (NEET); almost double the national rate of 9.1%, for the year 2020. The Azores registered a youth unemployment rate similar to Portugal's in 2020; 22.1% and 22.6% respectively.

Figure 19: Registered jobseekers, 2019-2021



Source: Ecorys, based on IIEFP data

The available evidence indicates that the Azorean labour market has coped with the COVID-19 pandemic better than the rest of the country. For years, the region consistently had a higher unemployment rate than mainland Portugal. Nevertheless, since the onset of the pandemic, the regional labour market has not only performed better when compared to the rest of the country, but has slightly improved. During 2020, the unemployment rate in the Azores was lower than that in Portugal (6.1% compared to 6.9%)¹. However, this could be partially ascribed to an increase in the inactive workforce, i.e. individuals who stopped searching for a job and thus were not recorded as being registered jobseekers. This is possible for several reasons, including low expectations of being hired. A breakdown by gender shows that the employment rate is lower for females than males (61% compared to 48.5% in Q1 2021). Furthermore, female employment has been decreasing since mid-2020 and continues to do so in 2021.

According to Eurostat data, the long-term unemployment rate in the Azores decreased by 53% between 2015 and 2019. In 2019 the long-unemployment rate was 4.1%, around 30% higher than EU27 and Portuguese averages².

The number of jobseekers dropped significantly in 2019, before the pandemic, evidencing a slow but consistent improvement (Figure 19). However, following the emergence of the first COVID-19 cases in 2020, the number of jobseekers levelled out before declining again in March 2021 (resuming its pre-pandemic trend).

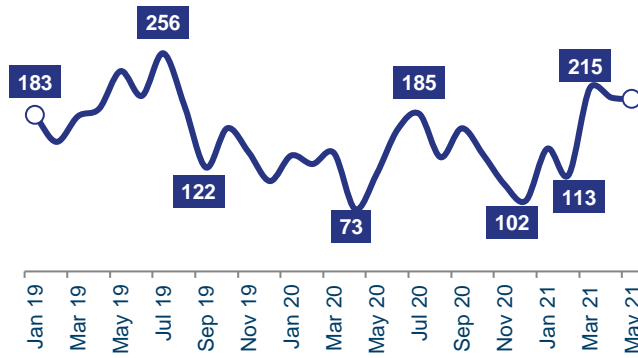
The number of jobseekers dropped significantly in 2019, before the pandemic, evidencing a slow but consistent improvement (Figure 19). However, following the emergence of the first COVID-19 cases in 2020, the number of jobseekers levelled out before declining again in March 2021 (resuming its pre-pandemic trend).

Of the 6,202 individuals registered as seeking a job in January 2021 and subsequently employed, 4,594 were employed in the services sector (more precisely, 1,021 in accommodation, restaurants and similar services) implying that this sector has already started to recover. Job offers also decreased from 2,203 (2019) to 1,564 (2020), a reduction of nearly 30%, suggesting that the economy may be in a transition phase whereby the need for workers at the present time remains subdued. However, job offers significantly increased since March 2021, evidencing a tentative return to 2019 levels, although this could be partly ascribed to the seasonal effect of the summer. Many jobs in the Azores are seasonal, with greater activity during the summer months, mainly due to tourism.

¹ Eurostat (code: lfst_r_lfu3rt), Unemployment rates by sex, age, educational attainment level and NUTS 2 regions (%)

² Eurostat (code: [lfst_r_lfu2ltu]), Long-term unemployment (12 months and more) by sex, age, educational attainment level and NUTS 2 regions (%), Percentage of population in the labour force. No information available for 2020 for the Azores at the time of writing of this report.

Figure 20: Registered job offers, 2019-2021



Source: Ecorys, based on IEFP data

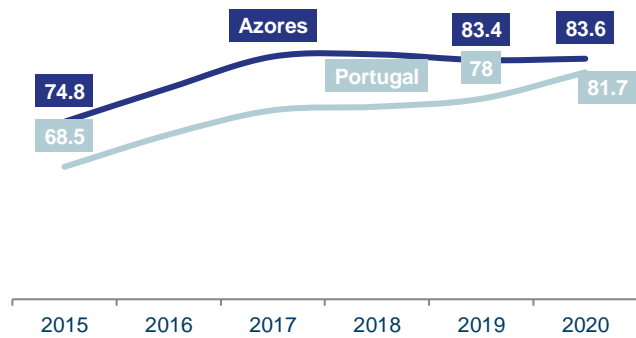
The extent to which this will be reflected in terms of unemployment is not yet clear, because of the protective measures that are still in place and the fact that companies are not allowed to make workers redundant in order to qualify for government support.

Other than the social consequences emerging from the impact of the COVID-19 pandemic on the economy, there were also relevant effects resulting from changes in the way that some services operate, such as schools and public administration. This

has incentivised (or compelled) some families to provide their students with the tools needed to attend remote classes, such as computers or tablets.

According to data from Statistics Portugal, 75.8% of Azorean households had at least one functioning computer (2017). Access to the internet is also essential, and a higher percentage of Azorean households have access to broadband than those in mainland Portugal. The proportion of households with broadband access has been steadily increasing, and reached 83.6% in 2020 (Figure 21). Those lacking a computer in their household are more commonly families with lower incomes; this trend can aggravate disparities between lower and higher-income families.

Figure 21: Household with broadband access to the internet (%)

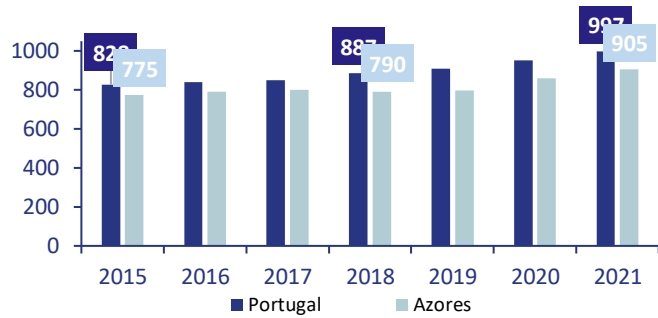


Source: Ecorys based on INE data

The dropout rate in secondary education in the Azores was 18.1% in 2019, while the national value was 13.1%. According to INE, these structural issues compound other vulnerabilities in the social domain, such as poverty. The share of the population at risk of poverty or social exclusion is significantly higher in the Azores than in the mainland, reflecting a more precarious situation in the region compared to the national level.

As of 2018, the 'at risk of poverty' rate (after social transfers, which reflects the proportion of the population whose equivalent income, after social transfers, is below the poverty line) was also higher in the Azores than in mainland Portugal (31.8% compared to 17.2% respectively). This is related to the fact that the average net monthly wage in the Azores is lower. Statistics Portugal data indicate that although there has been an improvement in the average monthly wage in 2021 compared to the previous year, the average of €905 is still 9% lower than the net mean wage in Portugal (€997 per month - Figure 22). It should also be noted that this value was the highest since 2011, reflecting progress in the Azores in recent years, which may have been checked by the COVID-19 pandemic.

Figure 22: Average net monthly wage (€)



Source: Ecorys based on INE data

Furthermore, in 2020, more than 60% of the employed population worked in areas with average monthly incomes lower than the regional average, contributing to the accentuation of internal and regional inequalities.

On the other hand, in the Azores, in 2019, the proportion of residents receiving social integration income (monetary support aimed at protecting people in extreme poverty, in return for a social, labour and community insertion programme) were of 10.93%, whilst the equivalent percentage in Portugal was 3.10%. In some municipalities in the Azores, around 22% of registered residents received this support; seven times the national average, as in the case of Ribeira Grande. It is no coincidence that COVID-19 spread more intensely in these more socially disadvantaged communities, driving more severe virus control measures such as restrictions on movement. Although efficient from an infection control point of view, these were additional obstacles for the communities affected, which had already been facing more challenging social problems.

4. POLICY RESPONSES TO TACKLE THE EFFECTS OF THE CRISIS

OVERVIEW

Following the outbreak of the COVID-19 pandemic, the government of Portugal and the regional authorities in the Azores reacted with a set of immediate actions to halt the exponential increase in infections and provide the healthcare system with the necessary means to safeguard capacity to accommodate patient demands.

One of the first responses at the EU level was the amendment of the cohesion policy programmes through the Coronavirus Response Investment Initiative (CRII)³ and the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) re-programming.

The EU Recovery and Resilience Facility (RRF) is a key tool to support recovery. In this context, Portugal developed the *Plano de Recuperação e Resiliência*, the national Recovery and Resilience Plan 2021-2026 (RRP), which lays out 11 investments intended to guide recovery over the medium term.⁴ It is structured along three routes: resilience, climate transition, and digital transformation, and it includes specific actions and earmarked budget for the Azores.⁵

³ CRII amendments of the cohesion policy programmes included two concerning the regional programming for the Azores in September 2020, and later in February 2021.

⁴ República Portuguesa (2021), *Plano de Recuperação e Resiliência*. Recuperar Portugal, Construindo o futuro. Link available [here](#).

⁵ *Ibid.*

While this plan was prepared in the context of the COVID-19 crisis, it is also an instrument for structural transformation. In June 2021 the European Commission adopted a positive assessment of the Portuguese plan,⁶ indicating its intention to support its disbursement of €13.9 billion in grants and €2.7 billion in loans through the Recovery and Resilience Facility⁷ over the next five years. This was endorsed by the Council on 13 July 2021.

Health sector measures

The Coronavirus Response Investment Initiative (CRII) facilitated the reallocation of EU cohesion funds within the axes of the regional programme, to strengthen the response capacity of the Azorean regional health system, including in health infrastructure.⁸ In addition, the REACT-EU package mobilised over €23million under the European Regional Development Fund (ERDF)⁹ in support of the region's healthcare sector.¹⁰ The regional government of the Azores implemented several measures to maintain or increase the responsiveness of the healthcare system. For instance, this included exceptions in the organisation of work by health professionals, both in terms of the place of work and the timetable practised, in order to more effectively combat the outbreak of COVID-19.

Secondly, medicines, medical devices, and personal protective equipment have been resupplied, allowing for their purchase by all Regional Health Service Hospitals. This enabled the reinforcement of stocks by 20%, relative to their consumption in 2019. In addition to this, investments were made to increase testing capacity (by certifying and adding more labs to the recognised testing network), as well as budget reinforcements to public healthcare institutions, for a total amount of €15 million.

All in all, the total COVID-19-related expenses incurred by the Regional Health Secretariat were €6.9 million between 1 April and 7 December 2020, comprising fiscal transfers, materials, clinical equipment, overtime, transportation, tests, travel and stays, communication, computer equipment, software, and consultancy. The budget for 2021 anticipates a large increase in healthcare expenditure due to COVID-19.¹¹

In addition to the response of the regional government to the health crisis, the central government of Portugal has initiated the *Subsídio por Doença por COVID-19 de Trabalhadores do Setor da Saúde*, targeting health workers who are unable to work due to being ill with COVID-19, and providing an occupational disease benefit.¹² In the long term, the National Recovery and Resilience Plan 2021-2026 specifies the reform of the governance model for public hospitals, with the aim of ensuring greater efficiency in the management of resources, equipment, and processes, especially during times of crisis.¹³ This RRP also plans to introduce changes to primary healthcare and support mental health, following the implementation of a national strategy for dementia. Even though the healthcare system in the Azores is regionally operated, it can be expected that these measures in the national healthcare system will also positively impact the region.

MEASURES IN SUPPORT OF THE ECONOMY

Short-term response measures

The REACT-EU package also mobilised €49.2 million under the European Regional Development Fund (ERDF)¹⁴ for the most affected SMEs in the region and for green transition. The Coronavirus Response Investment Initiative (CRII)

⁶ NextGenerationEU: European Commission endorses Portugal's €16.6 billion recovery and resilience plan. Link available here.

⁷ The Recovery and Resilience Plan is the key EU instrument providing loans and grants to mitigate the impact of the pandemic and build more resilient economies and societies. More information available here.

⁸ Data available at the Coronavirus Dashboard: EU Cohesion Policy Response to the Crisis

⁹ This amount only reflects the 2021 allocation. The 2022 allocation, which would in principle add another € 5.4 million for health, is still to be approved.

¹⁰ Latest figures provided by the European Commission.

¹¹ Governo dos Açores (2021), Consulta pública sobre o roteiro do 8.º relatório sobre a coesão económica, social e territorial reduzir as disparidades na UE

¹² Segurança Social website: <http://www.seg-social.pt/subsidio-por-doenca-por-covid-19-de-trabalhadores-do-setor-da-saude>

¹³ República Portuguesa (2021), Plano de Recuperação e Resiliência. Recuperar Portugal, Construindo o futuro. Link available [here](#)

¹⁴ This amount only reflects the 2021 allocation. The 2022 allocation is under approval.

also facilitated additional allocation of funding to enterprises in the Azores. The intervention fields with the largest increases in allocation were those of productive investment in SMEs, of adaptation of workers and enterprises to change, and of the development of tourism services for SMEs.

The European Commission also provided support under the State Aid Temporary Framework. Apart from a few labour market measures (discussed later in this fiche), a €35 million grant scheme to support micro-enterprises in the Azores region called *Apoiar.PT Açores* was approved in February 2021 and received support from the European Regional Development Fund through both the Coronavirus Response Investment Initiative (CRII) and REACT-EU.¹⁵

In March 2020, the Regional Government of the Azores initiated immediate liquidity support, aiming to uphold regional job retention by providing the liquidity needed by companies in order to meet workers' wage costs during April 2020. This was replicated in June 2020.¹⁶ The regional government also launched the Extraordinary Workers' Stabilisation Measure, providing financial support for Azores businesses in a state of economic crisis, with the purpose of financing wages and ensuring liquidity during the COVID-19 pandemic. This measure also provides vocational training plans in order to support the qualification of workers.¹⁷

In April 2020, the *medida extraordinária de complemento regional ao apoio extraordinário à manutenção de contrato de trabalho em situação de crise empresarial* was initiated, to financially support companies in order to maintain jobs and avoid dismissals and unemployment. This measure was extended in January 2021.¹⁸

The regional government implemented in May 2020 the *Colocação Extraordinária de Trabalhadores*, which has provided financial support for the temporary replacement of workers who are unable to perform their duties, either because they are isolating following a suspected (or confirmed) COVID-19 diagnosis, or caring for children.¹⁹

In July 2020, the regional government launched the *incentivo regional à normalização da atividade empresarial*, which is a financial incentive to support the normalisation of business activities once the so-called simplified lay-off or extraordinary training plan has been completed.²⁰

Alongside the general measures to support businesses in the Azores, several sector-specific support measures were launched over the course of 2020 by the regional government. Starting with the agriculture sector, there were several measures for specific sub-sectors, including flower growers,²¹ cheese makers,²² wine producers and bottlers,²³ the marketing of certified table wines,²⁴ and dairy farms.²⁵ As mentioned in Section 2, the agriculture sector suffered economic hardship, and these financial support schemes were intended to cover the losses from the closure of markets, lower sales prices and/or increased costs of production. Since June 2020, businesses in the agricultural sector have been able to obtain legal clarification certifying their inability to fulfil contractual obligations and investments as a result of the COVID-19 pandemic, which could hence be legally recognised as *force majeure*.²⁶

As a result of the restrictions caused by the pandemic on air and maritime travel, the Azores saw a steep drop in tourist activity (see also Section 2). Therefore, since October 2020, the TURIS-FORM initiative has aimed to improve the qualifications of employees and employers within the tourism industry and other related industry sectors. This

¹⁵ European Commission (2021), Coronavirus Outbreak - List of Member State Measures approved under Articles 107(2)b, 107(3)b and 107(3)c TFEU and under the State Aid Temporary Framework.

¹⁶ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/7b30b51e-ca29-42db-80f9-ceb11533ef46>

¹⁷ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/267df713-66a0-43a5-91f5-e4cb4a1aef59>

¹⁸ Governo dos Açores website, link available [here](#).

¹⁹ Governo dos Açores website, link available [here](#).

²⁰ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/f35f5738-daa5-4106-b370-cfb3e8bae6d5a>

²¹ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/518429c0-baf7-4ea7-98aa-cf4dbf865f45>

²² Governo dos Açores website: <https://jo.azores.gov.pt/api/public/ato/f609bdf0-1c35-49cc-9c5c-8854adf31b4e/pdfOriginal>

²³ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/f88dc117-2c77-46cd-b557-66772edc7372>

²⁴ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/134b7e96-c992-41ff-a14b-5b613605c158>

²⁵ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/68b5ab9c-16b3-401e-af15-a64dbbb06ea4>

²⁶ Governo dos Açores website: <https://jo.azores.gov.pt/api/public/ato/ef5e08d2-6b52-4f10-9f8a-dbb99b72e292/pdfOriginal>

measure has three main elements: (i) financial support for the qualification of workers with the purpose of mitigating situations of business crisis; (ii) promote professional (re)training programmes to equip individuals with the knowledge, skills and competencies required to improve firm competitiveness; and (iii) support for the preservation of employment levels and to reduce the risk of unemployment for businesses most affected by the pandemic.²⁷

The *Regime Excecional de Apoio ao Rendimento dos Profissionais da Pesca na Sequência da Situação de Pandemia COVID-19* was initiated in April 2020 by the regional government, to provide financial support to Azorean fishing activities, to ensure the necessary domestic production and livelihood of professionals in the fishing industry.²⁸ Since January 2021, FUNDOPESCA has organised compensation for the loss of income incurred by shipowners and fishers depending exclusively on fishing activity, entailing the activation of the Wage Compensation Fund for Fishing Professionals from the Azores.²⁹

The media sector has also received an extraordinary support measure from the regional government, justified by its reduction in economic activity resulting from the COVID-19 virus pandemic, with the consequent decrease in advertising revenue.³⁰

The regional government has exempted or suspended a range of fees to be paid by, e.g. users of the auctions managed by LOTAÇOR,³¹ maritime tourism firms using the port,³² and businesses using the public airport domain.³³

Alongside the short-term actions implemented by the regional government, the central government of Portugal has set up several measures to support businesses in financial distress due to COVID-19. The *ADAPTAR Microenterprises*³⁴ and *ADAPTAR SMEs*³⁵ programmes financially support micro-enterprises and SMEs in the process of adapting their business models, methods of organising work and relationships with customers and suppliers. Secondly, there is the VAT Refund for Event Organisers related to operational expenses for firms involved in the organisation of congresses, fairs, exhibitions, seminars, conferences and the like.³⁶ Furthermore, subsidies are available to financially support self-employed workers who are unable to work and are in a state of financial distress caused by COVID-19 restrictive measures.³⁷ Special measures have been established for self-employed individuals who fall outside the social security regime, but are registered with the tax authority.³⁸

Medium to long term support

The national government of Portugal has set up the *Linha de Apoio à Economia COVID-19: Empresas Exportadoras da Indústria e do Turismo*, which provides short and medium-term bank loans to SMEs, small mid-cap and mid-cap companies in two sectors strongly affected by the pandemic: manufacturing and tourism. These loans from the Banco Português de Fomento are to be exclusively used for the financing of treasury needs and are aimed at supporting employment and job maintenance.³⁹ There are separate though similar support lines for event organising companies⁴⁰ and for micro-enterprises, small- and mid-cap companies.⁴¹ Finally, the Tourism Fund's

²⁷ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/03ce3303-d752-4d5e-b5e6-78e9d47c1f4d>

²⁸ Governo dos Açores website: <https://jo.azores.gov.pt/api/public/ato/6fbaa2bd-c3da-44b5-a213-52557f0fe5d0/pdfOriginal>

²⁹ Governo dos Açores website: <https://portal.azores.gov.pt/web/comunicacao/news-detail?id=2581709>

³⁰ Governo dos Açores website: https://covid19.azores.gov.pt/?page_id=2616

³¹ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/b9ca7936-a29e-45cb-a0e7-5a2b2bc54372>

³² Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/a4037348-2f98-4887-b569-05c808c3d39e>

³³ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/be5dd79e-0699-4b4a-bc8b-02062d306c39>

³⁴ Turismo de Portugal website: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/avisos-concursos/Paginas/adaptar-microempresas.aspx>

³⁵ Turismo de Portugal website: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/avisos-concursos/Paginas/adaptar-pme.aspx>

³⁶ Turismo de Portugal website: <http://business.turismodeportugal.pt/pt/Gerir/covid-19/Paginas/restituicao-iva-organizacao-eventos.aspx>

³⁷ Segurança Social website: <http://www.seg-social.pt/apoio-extraordinario-a-reducao-da-atividade-economica-de-trabalhador-independente>

³⁸ Segurança Social website: <http://www.seg-social.pt/apoio-a-situacoes-de-desprotecao-social-de-trabalhadores-independentes>

³⁹ Turismo de Portugal website, link available [here](#).

⁴⁰ Turismo de Portugal website, link available [here](#).

⁴¹ Turismo de Portugal website, link available [here](#).

OpenCall202020 allows for firms in the tourism industry to sell their properties to the fund. Subsequently, this property is leased back to the firm, safeguarding the right to repurchase it.⁴²

LABOUR/SOCIAL SECTOR MEASURES

Regional labour market measures

Section 3 in this fiche described the social challenges facing the Azores, including unemployment and barriers faced by certain segments of the population. As a response to the pandemic, the regional government of the Azores has implemented a set of measures focussing on employability and training, many of which have been supported by the European Social Fund (ESF). First of all, the *apoios a atribuir durante a aplicação das medidas de redução temporária do período normal de trabalho ou suspensão do contrato de trabalho, em situação de crise empresarial* was set up in May 2020 to provide vocational training plans for local workers. In this manner, the measure aims to maintain regional employment levels, and to support the operation and competitiveness of local companies through upskilling their workers.⁴³

In June 2020, to enhance job security, the government of Azores implemented two Extraordinary Workers' Stabilisation Measures - *renovação*⁴⁴ and *conversão*,⁴⁵ respectively to financially support employers who renew fixed-term employment contracts or who convert fixed-term employment contracts into open-ended employment contracts.

For local companies with supported trainees, there have been separate labour market measures as well. In June 2020, the regional government initiated three grant programmes related to the valuation of internships,⁴⁶ social inclusion,⁴⁷ and state-sponsored training plans (HABILITAR).⁴⁸ Furthermore, in July 2020, the regional government launched the *complemento regional ao lay-off do Código do Trabalho*, to maintain employment levels and reduce the risk of unemployment by providing extraordinary financial support to employers forced to apply the reduction and suspension measures described in articles 298 et seq. of the Labour Code.⁴⁹

The REACT-EMPLOYMENT measure, initiated in August 2020 by the regional government, targets unemployed citizens and aims to promote employability through the professional integration of both subsidised and unsubsidised unemployed, reinforcing the acquisition and maintenance of socio-professional skills.⁵⁰

INVESTEMPREGO was implemented from September 2020 onwards, as a refundable support measure to financially support businesses in order to ensure that they preserve their levels of employment and reduce the risk of unemployment.⁵¹

QUALIFICA+ targets professional schools and other certified training providers to improve the Azorean working population's employability through the enhancement of their skills, aptitudes and knowledge, and thereby enhance the competitiveness of local firms and the regional economy and address business restructuring needs caused by the COVID-19 pandemic.⁵²

Central government labour market measures

In addition to measures by the regional government, the national government of Portugal has initiated short-term labour market measures covering the Azores. For instance, the *Medida Extraordinária de Apoio à Manutenção dos*

⁴² Turismo de Portugal website: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/avisos-concursos/Paginas/open-call-202020.aspx>

⁴³ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/e40d14ed-ae44-4a9f-922c-8938d7586ee1>

⁴⁴ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/36043bba-de6b-45de-aa26-473c8bfa872>

⁴⁵ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/36043bba-de6b-45de-aa26-473c8bfa872>

⁴⁶ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/9964bf4a-f5fe-4a94-8b28-581932e1acbb>

⁴⁷ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/7f6e6044-27eb-4469-91d5-c4d6792c9a93>

⁴⁸ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/fbfd5343-0afb-4dac-94e7-35be38099b48>

⁴⁹ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/b03c15de-faa9-451c-8ac5-52e57abc6804>

⁵⁰ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/cdb444e7-7fe5-48cc-9b5b-a45e5d5b72c2>

⁵¹ Governo dos Açores website: <https://jo.azores.gov.pt/api/public/ato/b49de0c5-e0f3-4226-b0c1-338f64767cb8/pdfOriginal>

⁵² Governo dos Açores website: <https://jo.azores.gov.pt/api/public/ato/619baa64-2a05-44c7-93d6-5e20751fc0fd/pdfOriginal>

Contratos de Trabalho provides per-worker subsidies, granted to firms that have been forced to temporarily close their establishments to comply with COVID-19 restrictions.⁵³ This measure is complemented by the *Apoio extraordinário à retoma progressiva da atividade económica*, which is a subsidy to be used to compensate workers for the hours not worked.⁵⁴ These two measures were supported by the EU under the State Aid Temporary Framework and have a total cumulative budget of €43 million. After the expiration of these two measures, another €9.35 million employment aid scheme to preserve jobs on the Azores Islands was approved in October 2020 by the European Commission.⁵⁵

Other measures by the national government include the Prophylactic Isolation Sickness Allowance⁵⁶ and the COVID-19 sickness benefit.⁵⁷ These measures provide sickness benefits equal to 100% of reference remuneration for employees, self-employed workers and domestic service workers, who are unable to work due to being ill with COVID-19 and/or are required to undergo prophylactic isolation for a period of 14 days. Furthermore, there is special assistance for the parents or grandparents of a child that has to undergo prophylactic isolation. This assistance is given in the form of a childcare allowance, amounting to 100% of the net reference remuneration.⁵⁸

Social measures

In terms of social measures, the national government of Portugal has initiated the suspension of instalment plans for Social Security debts,⁵⁹ and the Deferral of Contributory Obligations regarding social security for self-employed and SMEs, for the months of November and December 2020 specifically.⁶⁰

Furthermore, the national government has provided exceptional family support for self-employed workers,⁶¹ employees,⁶² and members of statutory bodies (managing partners),^{63,64} to support parents who are unable to work because of childcare responsibilities as a result of school closures.

Social sector institutions have also been supported by the regional government. For instance, there was an extraordinary and transitory increase in cash benefits due to contracted healthcare centres, aiming to compensate for the increased operating costs arising from the prevention of infection by COVID-19. The support consists of a €60 increase in the monthly compensation per patient to the contracted healthcare centre.⁶⁵ Additionally, recreational and philharmonic societies, as well as sports associations supporting high-performance athletes, have received support.⁶⁶

There have also been specific support programmes related to housing, namely by supporting families to access controlled rent houses (Programme + *Habitação, P+H*), as well as other relevant actions that aimed at protecting housing, like suspension of payment of social housing rents.⁶⁷

In the longer term, the *Plano de Recuperação e Resiliência*, which includes a specific budget earmarked for the Azores, has a strong social component. It aims at supporting, *inter alia*.⁶⁸

⁵³ Segurança Social website: <http://www.seg-social.pt/medida-extraordinario-de-apoio-a-manutencao-dos-contratos-de-trabalho-lay-off->

⁵⁴ Segurança Social website: <http://www.seg-social.pt/apoio-extraordinario-a-retoma-progressiva-de-atividade>

⁵⁵ European Commission (2021), Coronavirus Outbreak - List of Member State Measures approved under Articles 107(2)b, 107(3)b and 107(3)c TFEU and under the State Aid Temporary Framework.

⁵⁶ Segurança Social website: <http://www.seg-social.pt/subsidio-por-doenca-por-isolamento-profilatico>

⁵⁷ Segurança Social website: <http://www.seg-social.pt/subsidio-por-doenca-por-covid-19>

⁵⁸ Segurança Social website: <http://www.seg-social.pt/assistencia-a-filho-ou-neto-por-isolamento-profilatico>

⁵⁹ Segurança Social website: <http://www.seg-social.pt/suspensao-de-planos-prestacionais-por-dividas-a-seguranca-social>

⁶⁰ Segurança Social website, link available [here](#).

⁶¹ Segurança Social website: <http://www.seg-social.pt/apoio-excecional-a-familia-para-trabalhadores-independentes>

⁶² Segurança Social website: <http://www.seg-social.pt/apoio-excecional-a-familia-para-trabalhadores-por-conta-de-outrem>

⁶³ Segurança Social website: <http://www.seg-social.pt/apoio-extraordinario-aos-membros-de-orgaos-estatutarios>

⁶⁴ Segurança Social website: <http://www.seg-social.pt/apoio-excecional-a-familia-para-membros-dos-orgaos-estatutarios1>

⁶⁵ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/26fde3e9-6bc2-4865-a559-142a19692c48>

⁶⁶ Governo dos Açores website: https://covid19.azores.gov.pt/?page_id=2616

⁶⁷ Governo dos Açores website: <https://jo.azores.gov.pt/#/ato/6aebbec1-af0f-4dd9-9e93-19b9cd2afac2>

⁶⁸ República Portuguesa (2021), Plano de Recuperação e Resiliência. Recuperar Portugal, Construindo o futuro. Link available [here](#).

- Affordable housing (*Agenda para habitação nos Açores, 2020-2031*).
- Social inclusion (*Implementar a Estratégia Regional de Combate à Pobreza e Exclusão Social – Redes de Apoio Social nos Açores*).
- Lifelong learning (*Qualificação de adultos e aprendizagem ao longo da vida – Açores*).
- Development of digital skills in education, via the acquisition of hardware, software, and the introduction of digitally oriented pedagogical practices and training dynamics (*Educação Digital Açores*).

*Reflections on measures*⁶⁹

It is difficult to fully assess the effectiveness of these measures given their recent implementation and the changing nature of the situation. However, some initial insights are outlined below based on available information and extensive stakeholder feedback on the implemented measures.

Stakeholders were clear on the dependence of the Azores on transfers from the national budget and from EU funding in strategic areas, and the central role these play in ensuring economic stability. Overall, the majority of the measures have been relevant and the regional government was able to rapidly mobilise a number of measures to address the first impact of the crisis. Emergency legislation was enacted quickly and relatively smoothly. Measures implemented by the regional government – often funded through EU instruments – were found to have been comprehensive and effective, as they allowed companies to maintain high levels of employment and to continue their economic activities, to the extent possible.

Cross-cutting measures applicable to the main sectors of the Azores - specifically the adoption of moratoria and lay-off support measures are considered important in mitigating the impact of the crisis on the sector.

Economic support programmes channelled from EU funding were said to have been implemented while maintaining synergy and complementarity. The speed and efficiency with which state aid was unblocked were also assessed positively in several interviews.

Despite a number of important milestones, some challenges remain in relation to the clarity of eligibility criteria and the application process, and efficiency concerning public administration and the ease of doing business. Some stakeholders are of the opinion that there have been too many demands for financial and legal proof (to avoid fraud), which affected the effectiveness of several measures. Several stakeholders commented that the simplified lay-offs measure was misunderstood at first, but highly effective thereafter. Other stakeholders pointed to the granting of credit under some economic support measures (being conditional on companies retaining jobs) as being inefficient and impeding business adaptation to the new reality. Some stakeholders also found loans challenging, noting that several entrepreneurs expected financing lines related to COVID-19 to be non-refundable, which was not the case. Interviewees emphasised the need for targeted and clear communications.

5. FUTURE PROSPECTS

Judging from the available data, the economy of the Azores is on a path to recovery. The performance of several indicators, such as the number of registered jobseekers, the number of licensed construction projects and the economic activity index, suggest that the regional socioeconomic situation has already started to improve. Should these trends continue, the Azores has the potential to resume their pre-pandemic economic performance in 2022. For example, exports in Q1 2021 were already higher than those of the same period of 2019. Although this may partly reflect the resumption of postponed consumption decisions, the economy of the Azores is currently recovering.

⁶⁹ The reflections on the measures are mainly based on stakeholder feedback collected in the period January-July 2021. These should be treated as initial feedback and insights from the measures rather than an evaluation. The final report attempts to provide a more detailed review of the measures in terms of relevance and outputs achieved.

Vaccine rollout in the Azores progresses at a good pace and is in line with mainland Portugal. Easing restrictions accordingly would further reinforce the economic recovery, especially in the much-hit tourism and hospitality sector.

The inclusion of specific measures to increase Azorean connectivity and digitalisation in Portugal's Recovery Plan (for which the country will receive €16.6 billion from the EU) could mean efficiency and productivity increases that will set the region's economy on a stable growth path in the medium term. The programme also envisages specific measures to boost Azores hydrogen and renewable energy production and storage capacity. This is a good opportunity for the region to generate further economic growth and to pursue the ecological transition.

However, the insularity of the Azores makes the pace of recovery uncertain compared to mainland Portugal and the EU as a whole. In particular, high freight costs and dependence on tourism makes the economy more susceptible to further shocks. For example, imports remain well below pre-crisis levels. Uncertainties related to global economic and COVID-19 developments (e.g. new, more contagious variants, persistent travel restrictions, etc.) will continue to affect the regional economy.

Looking at the sectors analysed above, retail is expected to make a quick recovery, fuelled by increased spending thanks to accumulated household savings over 2020. Particularly high volumes of credit card transactions in May 2021 evidence recovery in the sector.

The tourism sector took a heavy blow in 2020. Current trends in the available data, such as the number of airline passengers and income from tourism accommodation, suggest that it is unlikely to fully recover until 2023 at the earliest. Year-on year data indicate that by January 2021, the Azores were still well below 2019 levels with regard to passenger arrivals, the number of guests and income from tourism. Although the recovery is expected to be slow-paced and heavily dependent on future COVID-19 developments, the fact that the Azores have continuously low infection rates and a good vaccination rollout could support sectoral recovery.

The economic performance of the transport sector is still well below its pre-pandemic levels. Neither air nor maritime traffic have yet shown notable recovery. The former is probably due to the slow progress in the resumption of tourism, and the latter due to import fluctuations. Nevertheless, Portugal's Recovery Plan includes specific measures to improve the underperforming road system in the Azores, which could translate into an opportunity for the sector to transform and recover.

The construction industry did not suffer a significant decline during the lockdown period and, by May 2021, the sector was already outperforming its pre-crisis economic profile. Furthermore, since the numbers for 2020 are similar to those of 2019, 2021 levels indicate a genuine increase in activity, beyond the resumption of postponed projects. Considerable uncertainties related to the volatility of the global market remain, including the increase in commodity prices, which have the potential to cool sectoral performance in the short- to mid-term. Ensuring the supply of construction materials necessary to carry out current orders will therefore play a critical role.

The agriculture sector was significantly affected. Portugal's Recovery Plan includes specific water management investments for the Azores that could help in making the sector more resilient in the future. The most recent available figures on catch size and value in 2021 seem to indicate tentative economic recovery in the sector, with levels comparable to those of 2019.

With regard to social indicators, the number of jobseekers did not increase during the crisis but rather levelled out and remained more or less static for some months. Subsequently, their numbers resumed an encouraging downward trend in Q1 2021, which can be linked to increased economic activity. Nevertheless, it is important to note that the decrease in jobseekers may be partly due to individuals leaving the labour market. Although job offers significantly increased by May 2021, this may only reflect a seasonal effect rather than consistent and sustainable growth.

Although data are not yet available, the pandemic has probably exacerbated poverty risk and depressed average wage levels. It is important to continue to provide social support to mitigate this situation. In this context, Portugal's Recovery Plan envisages specific social programmes and affordable housing projects for the region, which could significantly alleviate risk-of-poverty rates in the Azores, and help to tackle other ongoing social challenges.

6. POLICY RECOMMENDATIONS FOR RECOVERY AND RESILIENCE

RECOMMENDATION 1: IMPROVING THE BUSINESS ENVIRONMENT AND PUBLIC ADMINISTRATION EFFICIENCY THROUGH DIGITALISATION

Type of measure: Public sector reform, public-private partnership modalities, investment

Duration: Short-medium term

Challenge: The COVID-19 pandemic severely limited the economic activities of many companies, citizens and the public administration. Limitations in production as a result of the COVID-19 restrictions and supply chain disruptions, together with a fall in demand caused by lockdowns and social distancing measures, are the main factors driving the decline in business performance. Although economic agents have somewhat adapted to the situation by implementing new business processes, a more resilient and digitally literate population and more technologically sound companies and public institutions could have coped better with the crisis. Furthermore, strong digital skills are of paramount importance in an increasingly automatised and digitalised world, and therefore for the future economic development of the Azores. This has been noted by various stakeholders as a key priority for the future.

Objective: Improving citizens' digital skills, digitalising the public administration, promoting digitalisation of the private sector.

Actions: The Portuguese Recovery and Resilience Plan envisages strong training support for the digital transformation of the public sector. The regional government has committed, through #AzoresE-Government⁷⁰, to digitalise all public services, with a special focus on reducing bureaucracy in the process of industrial and business licensing. It is therefore also key to simultaneously supporting the private sector's digital transition.

Only digitally-savvy citizens and businesses can take advantage of a modern public administration. As the government sets up new online procedures, possibilities could be explored to improve access and service provision. This could include digital training for public agency staff members to train the private sector, and the provision of weekly training sessions for businesses looking to make use of them. In addition, walk-in days hosted by public sector representatives and agencies are a flexible way to introduce new online platforms to interested businesses or potential entrepreneurs.

This would make the public administration more productive, efficient, and resilient. Benefits would include the reduction of the operating costs of the public sector and of the time required for citizens or businesses to access public services. This is especially important in light of the increase in the number of projects that will be launched and managed in the coming months and years to support the recovery and resilience of the Azores. Furthermore, it would set an example for the population and the private sector, incentivising the uptake of digital solutions.

In addition, regional authorities could also provide support for private companies via grants or fiscal incentives to support the creation of websites, the establishment of online platforms, or the acquisition of digital hardware such as computers. Opportunities may be explored to provide dedicated training to the unemployed to increase their employability in the labour market. This would create more productive, efficient and resilient companies, while

⁷⁰ Programme of the 13th Government of the Autonomous Region of the Azores. Available at: http://www.alra.pt/images/pg_xiii/ppg_xiii_1.pdf

facilitating the absorption and upskilling of the unemployed. Ultimately, this would improve the competitiveness of the Azores.

RECOMMENDATION 2: PROMOTING THE AZORES AS AN ATTRACTIVE LOCATION FOR REMOTE WORKING AND LONG-TERM STAYS

Type of measure: Diversification and investment

Duration: Short- and medium-term

Challenge: Tourism is a key economic activity of the Azores and has been deeply affected by the pandemic. The return of longer-stay, international tourists has been sluggish. The almost complete cessation of travellers arriving to the islands has been a heavy blow to the tourist industry. This has resulted in a significant loss of business, jobs and tax revenue and affected industries with strong ties to the tourism sector, such as agriculture. To encourage recovery and build resilience, the country must diversify its tourism offer.

Objective: To improve the tourism sector of the Azores through diversification, with a particular focus on attracting 'digital nomads'/remote workers to stay on the islands for longer periods of time. Skilled workers able to telework have been increasingly exploring the alternative of working abroad for extended periods since the onset of the pandemic. The presence of such teleworkers would ensure a new source of demand for tourism services and be particularly important during periods of lower traditional tourism activity.

Actions: The promotion of the Azores as an attractive option for remote workers, through the establishment of a task force, which could be considered by the Tourism Association of the Azores or with a local business incubator. Lessons can be learned from the recent Digital Nomad Village of Madeira,⁷¹ where Startup Madeira, together with the regional government of Madeira developed a pilot project to attract digital nomads. This task force could be assigned a range of short-term to longer-term actions, such as:

- Carrying out an assessment of the degree to which the islands meet the requirements (e.g. available infrastructure, affordable workspace, affordable living space) to be an attractive destination for EU remote workers and build an action plan to address any deficiencies.
- Launching a widespread advertising campaign internationally to inform digital nomads/remote workers about the attractive conditions on the Azores, including living space, workspace, visa schemes, and internet speed. Reaching digital nomads could be done through social media channel campaigns to inform them of the benefits of temporarily living in the Azores. The Visit Azores website could be a tool to provide information to interested digital nomads/remote workers, and be linked in social media campaigns.
- Developing visit packages for remote workers (or other types of long-term tourists), offering integrated options for housing, workspace and/or temporary memberships at local co-working spaces.
- Facilitating knowledge sharing through community-building events between self-employed remote workers and local entrepreneurs, which would be exposed to business models and ideas from (potentially) all sectors across the globe.

Niche tourism and ICT tourism have already been identified as R&I innovation priorities for the Azores.

⁷¹ This initiative has been developed by the Regional Government of Madeira, Startup Madeira and private individuals. More information available at the official [site](#).

RECOMMENDATION 3: DEVELOPING THE REGIONAL ECO-TOURISM OFFER

Type of measure: Skills development

Duration: Medium-term

Challenge: 2020 saw 69% fewer guests in tourist establishments and a 75% drop in income from these establishments as compared to 2019. Recent figures indicate that while the number of tourist visits has increased, the average amount of money spent per tourist is much lower than it was before the pandemic.⁷² This can largely be attributed to the region currently attracting more domestic tourists (from the Portuguese mainland) — *vis-à-vis* those of other nationalities — who tend to stay for a shorter time and spend less. Returning tourism income to pre-pandemic levels will depend on attracting international tourists. The Azores are increasingly recognised as a sustainable eco-tourism destination.⁷³ The region has one of the most biologically unique coral reefs in the world⁷⁴ and has a rich marine life with various whale species. For the tourism sector to recover, it needs to build on these opportunities and transform into an increasingly diverse model, with a wider array of eco-tourism activities for tourists to justify their undertaking long-distance travel and staying for longer periods of time.

Objective: Position the Azores as an eco-tourism hub by increasing the ecological standards of its many tourist activities. Eco-tourism activities with promising diversification potential include recreational boating, diving, cetacean watching, fishing, geotourism, volcanological tourism, bird watching, surf, golf, diving, and hiking, among others.⁷⁵ Each of these need to be developed to a similar standard so that tourists feel that they have options to choose from.

Actions: Family-style tourism is an interesting potential market segment to which the region's achievements in sustainable tourism might be promoted⁷⁶. If successful, this would further diversify the types of tourists visiting the region. Families tend to stay for longer periods, and often become regular visitors. Therefore, the focus of eco-tourism could additionally be targeted towards families to present the Azores as an accessible destination to introduce children to nature, marine biology and eco-tourism.

The Azores tourism sector needs to promote eco-tourism as a means to diversify the sector in a sustainable way and increasingly make its offers more family-friendly. This requires marketing, but also the appropriate skillset for staff working in the tourism sector. Training and education need to be provided to ensure that eco-tourism can be further developed (e.g. in terms of activities such as snorkelling or scuba diving, but also in terms of preservation activities), through tourism-related vocational training for young people. Regional authorities could consider implementing a community-led approach in partnership with private eco-tourism firms, in order to design and implement an integrated eco-tourism strategy. New regulations and codes of conduct could be developed addressing the main ecological risks of tourist activities.

The European Social Fund+ (ESF+) could constitute a possible source of support to vocational training and certification of young workers in marine eco-tourism and preservation activities, targeted specifically towards families. Further support from the European Regional Development Fund (ERDF) could be explored.

⁷² Based on data from the National Institute of Statistics (INE).

⁷³ <https://www.responsibletravel.com/holidays/azores/travel-guide/responsible-tourism-in-the-azores>

⁷⁴ https://www.oceanoazulfoundation.org/wp-content/uploads/2019/11/Short-Summary-Scientific-Report_Blue_Azores-2.pdf

⁷⁵ Realising the Potential of the Outermost Regions for Sustainable Blue Growth (2017). Available at:

http://publications.europa.eu/resource/cellar/5398b8ea-a71c-11e7-837e-01aa75ed71a1.0001.01/DOC_1

⁷⁶ *Idem*.

RECOMMENDATION 4: SUPPORTING THE AZORES DAIRY SECTOR TO BETTER FULFIL ITS POTENTIAL

Type of measure: Technical assistance

Duration: Medium to long-term

Challenge: The agricultural sector in the Azores accounts for 8.5% of its total GDP. Its dairy sector is particularly strong, accounting for 30% of Portuguese production.⁷⁷ However, the agricultural sector has experienced limited growth over the past decade, and was further affected by the drop in demand for agricultural produce during the pandemic. While the sector had already received support prior to the pandemic (e.g. through the Azores Rural Development Programme PRORURAL+) and during the pandemic, longer-term efforts are needed to ensure that it remains competitive. As prices of agricultural products are expected to stay low, structural improvements in the sector are even more important.

Objective: To build on ongoing efforts to scale up the Azores dairy sector and increase the value-added of its products through improved quality, organic product development, and a focus on animal welfare in the mid- and long-term. This is also in line with the Smart Specialisation R&I innovation priorities of the Azores, concerning livestock and agro-industry diversification and sustainability.⁷⁸ The Azores dairy sector depends primarily on internal resources and therefore has room to further specialise and ensure significant returns.⁷⁹ The Azores have existing programmes (such as the Happy Cow Programme) to build on.⁸⁰ Therefore, it would be key to increase exports from the region's dairy sector by continuing to improve its organic production and high standards for animal welfare.

Actions: For the sector to remain successful and make a strong recovery, it needs to retain access to extension services in the short and long term, i.e. technological transfers and training services, and to gain access to new markets for exports. Market research could be conducted to assess the most promising value-added possibilities for the regional dairy sector. The results of such research would guide the continuation of support to the dairy sector, to enhance the value of dairy products. This could, for example, stem from improved packaging, or from improving the quality or production process of milk and dairy products such as cheese, yoghurt, and butter (e.g. in terms of environmental footprint or animal welfare). Based on market research, the most promising areas could be identified, and priorities for investment could be set accordingly, e.g. in terms of specific equipment or training. Support for these investments could be channelled through existing extension support services⁸¹ available to farmers in the region. National and regional funds such as capital from QUALIFICA+ vocational training fund could be mobilised.

At the same time, the regional government could support a wider-scale promotional campaign to increase the international attractiveness of Azorean dairy products, emphasising the region's milk quality, high levels of animal welfare, and the protected denomination of origin cheeses. It could target wider European markets beyond Portugal.

⁷⁷ de Almeida, A.M., Alvarenga, P. & Fanguero, D. (2021) The dairy sector in the Azores Islands: possibilities and main constraints towards increased added value. *Trop Anim Health Prod* 53, 40 <https://doi.org/10.1007/s11250-020-02442-z>

⁷⁸ Eye@RIS3: Innovation Priorities in Europe. More information available [here](#).

⁷⁹ Ibid.

⁸⁰ See Terra Nostra Happy Cows Milk Programme. More information available [here](#).

⁸¹ Extension is an informal educational process directed toward the rural population. This process offers advice and information to help them solve their problems. Extension also aims to increase the efficiency of the family farm, increase production and generally increase the standard of living of the family farm. See for an overview: <https://www.fao.org/3/t0060e/T0060E03.htm>

RECOMMENDATION 5: DIVERSIFYING THE AZORES FISHERY SECTOR IN A SUSTAINABLE FASHION

Type of measure: Training and legislative reform

Duration: Medium- and long term

Challenge: The Azores have one of the highest economic dependencies on fisheries of all European Union regions. The archipelago accounts for the largest sub-area of Portugal's Exclusive Economic Zone (EEZ).⁸² While the total weight of fish caught during the pandemic did not decrease, reduced demand led to lower revenues. During the first stages of the COVID-19 pandemic, fuel subsidies were distributed in the Azores in order to aid fishermen affected by the pandemic. However, stakeholders also pointed out that these sorts of subsidies benefit those selling fuel more than fishermen themselves, and that if fishing levels are not well controlled, cheaper fuel can lead to excessive fishing, depleted stocks, negative environmental consequences, and reduced catch volumes.

Objective: Supporting the fishery value chain – including both the fishing activities and the processing sector – while ensuring its sustainability in the long term. Solutions to support the fishery sector need to focus on increasing prices by increasing their value added while protecting the important biology of the region, especially considering that less than 1% of the Azores EEZ is currently under full protection.

Actions: A three-pronged, long-term approach is needed to reach this objective. Firstly, support needs to be accompanied by awareness-raising for fishermen and other stakeholders, as there is still a need for training on sustainable fishing and ocean literacy through the archipelago. Fishermen need to be supported to improve their fishing practices, e.g. by using new technologies (e.g. through training) or new equipment (through grants), in ways that maintain the high environmental standards of the traditional fishing practices in the region.

Second, the fish value chain could better communicate its achievements in sustainability. Certification and labelling schemes are important to consumers, and allow processors to charge a premium on their produce. The capture of high-demand species (e.g. tuna) with the use of certified sustainable techniques has the potential for greater development.⁸³ It is therefore important to study issues such as new packaging techniques, new distribution channels, new markets and fish traceability to further develop this potential. Partnerships with research organisations (e.g. Universidade dos Açores, IMAR–Instituto do Mar) could be explored, to better identify the opportunities.

Third, it would be useful to revisit the need for legislative change at national level, to prevent unsustainable fishing practices from a legal perspective⁸⁴ and to increase the size of areas under full protection.

REFERENCES

- de Almeida, A.M., Alvarenga, P. & Figueiro, D. (2021) *The dairy sector in the Azores Islands: possibilities and main constraints towards increased added value*. Trop Anim Health Prod 53, 40 <https://doi.org/10.1007/s11250-020-02442-z>
- Directorate General Health of Portugal, 2020. *Relatório de Situação*. [online] Available at: <https://covid19.min-saude.pt/relatorio-de-situacao/>
- European Commission, 2021. *Coronavirus Outbreak - List of Member State Measures approved under Articles 107(2)b, 107(3)b and 107(3)c TFEU and under the State Aid Temporary Framework*.

⁸² European Parliament (2015) Study Fisheries in in Azores Available at:

[https://www.europarl.europa.eu/RegData/etudes/STUD/2015/540355/IPOL_STU\(2015\)540355_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2015/540355/IPOL_STU(2015)540355_EN.pdf)

⁸³ Realising the potential of the Outermost Regions for sustainable blue growth – Annex 7. Available at:

<https://op.europa.eu/en/publication-detail/-/publication/5398b8ea-a71c-11e7-837e-01aa75ed71a1/language-en/format-PDF/source-230535785> .

⁸⁴ https://www.oceanoazulfoundation.org/wp-content/uploads/2019/11/Short-Summary-Scientific-Report_Blue_Azores-2.pdf

- European Parliament (2015) *Fisheries in Azores*. Available at: [https://www.europarl.europa.eu/RegData/etudes/STUD/2015/540355/IPOL_STU\(2015\)540355_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2015/540355/IPOL_STU(2015)540355_EN.pdf)
- Eurostat GDP Data, 2021. *Regional gross domestic product (PPS per inhabitant) by NUTS 2 regions*. [online] Available at: <https://ec.europa.eu/eurostat/databrowser/view/tgs00005/default/table?lang=en>
- Eurostat Health Data, 2021. *Available beds in hospitals by NUTS 2 regions*. [online] Available at: <https://ec.europa.eu/eurostat/databrowser/view/tgs00064/default/table?lang=en>
- Governo dos Açores, 2020. *Consulta pública sobre o roteiro do 8.º relatório sobre a coesão económica, social e territorial - reduzir as disparidades na UE*.
- Governo dos Açores, 2020. *Direção Regional do Emprego e Qualificação Profissional. Despacho n.º 1612/2020 de 29 de setembro de 2020*. [online] Available at: <https://jo.azores.gov.pt/api/public/ato/619baa64-2a05-44c7-93d6-5e20751fc0fd/pdfOriginal>
- Governo dos Açores, 2021. *Governo Regional dos Açores aciona FUNDOPESCA*. [online] Available at: <https://portal.azores.gov.pt/web/comunicacao/news-detail?id=2581709>
- Governo dos Açores, 2021. *Reforço do Serviço Regional de Saúde*. [online] Available at: https://covid19.azores.gov.pt/?page_id=2985
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 81/2020 de 30 de março de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/7b30b51e-ca29-42db-80f9-ceb11533ef46>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 128/2020 de 5 de maio de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/36043bba-de6b-45de-aa26-473c8bfa872>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 129/2020 de 5 de maio de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/267df713-66a0-43a5-91f5-e4cb4a1aef59>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 144/2020 de 18 de maio de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/be5dd79e-0699-4b4a-bc8b-02062d306c39>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 166/2020 de 16 de junho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/9964bf4a-f5fe-4a94-8b28-581932e1acbb>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 167/2020 de 16 de junho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/7f6e6044-27eb-4469-91d5-c4d6792c9a93>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 171/2020 de 17 de junho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/fbfd5343-0afb-4dac-94e7-35be38099b48>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 173/2020 de 30 de junho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/26fde3e9-6bc2-4865-a559-142a19692c48>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 195/2020 de 15 de julho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/b03c15de-faa9-451c-8ac5-52e57abc6804>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 196/2020 de 15 de julho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/f35f5738-daa5-4106-b370-cfb3ebae6d5a>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 205/2020 de 27 de julho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/6aebbec1-af0f-4dd9-9e93-19b9cd2afac2>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 214/2020 de 7 de agosto de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/cdb444e7-7fe5-48cc-9b5b-a45e5d5b72c2>
- Governo dos Açores, 2020. *Resolução do Conselho do Governo n.º 238/2020 de 4 de setembro de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/03ce3303-d752-4d5e-b5e6-78e9d47c1f4d>
- Governo dos Açores, 2021. *Resolução do Conselho do Governo n.º 11/2021 de 22 de janeiro de 2021*. [online] Available at: <https://jo.azores.gov.pt/#/ato/a4037348-2f98-4887-b569-05c808c3d39e>
- Governo dos Açores, 2020. *Secretaria Regional da Agricultura e Florestas. Portaria n.º 69/2020 de 8 de junho de 2020*. [online] Available at: <https://jo.azores.gov.pt/api/public/ato/ef5e08d2-6b52-4f10-9f8a-dbb99b72e292/pdfOriginal>
- Governo dos Açores, 2020. *Secretaria Regional da Agricultura e Florestas. Portaria n.º 74/2020 de 15 de junho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/518429c0-baf7-4ea7-98aa-cf4dbf865f45>
- Governo dos Açores, 2020. *Secretaria Regional da Agricultura e Florestas. Portaria n.º 95/2020 de 6 de julho de 2020*. [online] Available at: <https://jo.azores.gov.pt/api/public/ato/f609bdf0-1c35-49cc-9c5c-8854adf31b4e/pdfOriginal>
- Governo dos Açores, 2020. *Secretaria Regional da Agricultura e Florestas. Portaria n.º 96/2020 de 6 de julho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/f88dc117-2c77-46cd-b557-66772edc7372>
- Governo dos Açores, 2020. *Secretaria Regional da Agricultura e Florestas. Portaria n.º 97/2020 de 6 de julho de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/134b7e96-c992-41ff-a14b-5b613605c158>
- Governo dos Açores, 2020. *Secretaria Regional da Agricultura e Florestas. Portaria n.º 156/2020 de 11 de novembro de 2020*. [online] Available at: <https://jo.azores.gov.pt/#/ato/68b5ab9c-16b3-401e-af15-a64dbbb06ea4>
- Governo dos Açores, 2020. *Secretaria Regional do Mar, Ciência e Tecnologia. Portaria n.º 44/2020 de 13 de abril de 2020*. [online] Available at: <https://jo.azores.gov.pt/api/public/ato/6fbaa2bd-c3da-44b5-a213-52557f0fe5d0/pdfOriginal>

- Governo dos Açores, 2020. *Secretaria Regional do Mar e das Pescas. Portaria n.º 167/2020 de 31 de dezembro de 2020.* [online] Available at: <https://jo.azores.gov.pt/#/ato/b9ca7936-a29e-45cb-a0e7-5a2b2bc54372>
- Governo dos Açores, 2020. *Secretário Regional Adjunto da Presidência para os Assuntos Parlamentares. Declaração de Retificação n.º 15/2020 de 7 de setembro de 2020.* [online] Available at: <https://jo.azores.gov.pt/api/public/ato/b49de0c5-e0f3-4226-b0c1-338f64767cb8/pdfOriginal>
- Governo dos Açores, 2020. *Vice-Presidência do Governo, Emprego e Competitividade Empresarial. Portaria n.º 55/2020 de 12 de maio de 2020.* [online] Available at: <https://jo.azores.gov.pt/#/ato/e40d14ed-ae44-4a9f-922c-8938d7586ee1>
- INE, 2021. *Amount of port traffic (tonnage and numbers of commercial vessels).* [online] Available at: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&userLoadSave=Load&userTableOrder=10784&tpoSeleccao=1&contexto=pq&selTab=tab1&submitLoad=true
- INE, 2020. *Card transactions.* [online] Available at: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0008419&contexto=bd&selTab=tab2
- INE, 2021. *Cash withdrawals at ATMs.* [online] Available at: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0008778&contexto=bd&selTab=tab2
- INE, 2020. *Export data.* [online] Available at: https://ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0008564&contexto=bd&selTab=tab2
- INE, 2020. *Import data.* [online] Available at: https://ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0008563&contexto=bd&selTab=tab2
- INE, 2020. *Purchases through automatic payment terminals.* [online] Available at: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&indOcorrCod=0008419&contexto=bd&selTab=tab2
- PORDATA, 2020. *GDP per capita (base 2016).* [online] Available at: [https://www.pordata.pt/Municipios/PIB+per+capita+\(base+2016\)-896](https://www.pordata.pt/Municipios/PIB+per+capita+(base+2016)-896)
- República Portuguesa, 2020. *Plano de Recuperação e Resiliência. Plano preliminar.* [online] Available at: <https://www.portugal.gov.pt/download-ficheiros/ficheiro.aspx?v=%3d%3dBQAAAB%2bLCAAAAAAABAAzNDzNgMAAfd%2fsQUAAAA%3d>
- Segurança Social, 2021. *Apoio à Desproteção Social.* [online] Available at: <http://www.seg-social.pt/apoio-a-situacoes-de-desprotecao-social-de-trabalhadores-independentes>
- Segurança Social, 2021. *Apoio à Retoma. (Apoio Extraordinário à Retoma Progressiva de Atividade)* [online] Available at: <http://www.seg-social.pt/apoio-extraordinario-a-retoma-progressiva-de-atividade>
- Segurança Social, 2021. *Apoio Excepcional à Família para Membros dos Órgãos Estatutários.* [online] Available at: <http://www.seg-social.pt/apoio-exceccional-a-familia-para-membros-dos-orgaos-estatutarios1>
- Segurança Social, 2021. *Apoio Excepcional à Família para Trabalhadores Independentes.* [online] Available at: <http://www.seg-social.pt/apoio-exceccional-a-familia-para-trabalhadores-independentes>
- Segurança Social, 2021. *Apoio Excepcional à Família para Trabalhadores por Conta De Outrem.* [online] Available at: <http://www.seg-social.pt/apoio-exceccional-a-familia-para-trabalhadores-por-conta-de-outrem>
- Segurança Social, 2021. *Apoio Extraordinário à redução de Atividade económica Membro de Órgão Estatutário (Sócios Gerentes).* [online] Available at: <http://www.seg-social.pt/apoio-extraordinario-aos-membros-de-orgaos-estatutarios>
- Segurança Social, 2021. *Apoio Extraordinário à redução da atividade económica de trabalhador independente.* [online] Available at: <http://www.seg-social.pt/apoio-extraordinario-a-reducao-da-atividade-economica-de-trabalhador-independente>
- Segurança Social, 2021. *Assistência a filho ou neto por Isolamento Profilático.* [online] Available at: <http://www.seg-social.pt/assistencia-a-filho-ou-neto-por-isolamento-profilatico>
- Segurança Social, 2021. *Diferimento de Obrigações Contributivas relativas aos meses de novembro e dezembro de 2020.* [online] Available at: <http://www.seg-social.pt/diferimento-de-obrigacoes-contributivas-relativas-aos-meses-de-novembro-e-dezembro-de-2020>
- Segurança Social, 2021. *Layoff Simplificado (Medida Extraordinária de Apoio à Manutenção dos Contratos de Trabalho).* [online] Available at: <http://www.seg-social.pt/medida-extraordinario-de-apoio-a-manutencao-dos-contratos-de-trabalho-lay-off>
- Segurança Social, 2021. *Subsídio por doença por Covid-19 de Trabalhadores do Setor da Saúde.* [online] Available at: <http://www.seg-social.pt/subsidio-por-doenca-por-covid-19-de-trabalhadores-do-setor-da-saude>
- Segurança Social, 2021. *Subsídio por doença por Isolamento Profilático.* [online] Available at: <http://www.seg-social.pt/subsidio-por-doenca-por-isolamento-profilatico>
- Segurança Social, 2021. *Suspensão de execuções e de planos prestacionais por dívidas à Segurança Social.* [online] Available at: <http://www.seg-social.pt/suspensao-de-planos-prestacionais-por-dividas-a-seguranca-social>
- Serviço Regional de Estatística dos Açores (SREA), 2021. *Airplane disembarkment.* [online] Available at: <https://srea.azores.gov.pt/ReportServer/Pages/ReportViewer.aspx?/Quadros/DesembarquePassageirosAereos>

- Serviço Regional de Estatística dos Açores (SREA), 2021. *Economic activity indicators*. [online] Available at: <https://srea.azores.gov.pt/Conteudos/Media/file.aspx?ida=10171>
- Serviço Regional de Estatística dos Açores (SREA), 2021. *Overnight stays data*. [online] Available at: <https://srea.azores.gov.pt/Conteudos/Media/file.aspx?ida=8680>
- Serviço Regional de Estatística dos Açores (SREA), 2021. *Tax enforcement*. [online] Available at: https://portal.azores.gov.pt/documents/36626/3079560/ORAA_2021_Proposta_Relatorio.pdf/63e0e39c-dd42-8e97-620f-4656db61a4f5?t=1615889524440
- Serviço Regional de Estatística dos Açores (SREA), 2021. *Tourism indicators*. [online] Available at: <https://srea.azores.gov.pt/upl/%7Bbb32e63d-a055-4a47-b8cd-ee6809dc9b26%7D.pdf>
- Turismo de Portugal, 2020. *ADAPTAR Microempresas*. [online] Available at: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/avisos-concursos/Paginas/adaptar-microempresas.aspx>
- Turismo de Portugal, 2020. *ADAPTAR PME*. [online] Available at: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/avisos-concursos/Paginas/adaptar-pme.aspx>
- Turismo de Portugal, 2021. *Linha de Apoio à Economia COVID-19: Empresas de Montagem de Eventos*. [online] Available at: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/mais-oportunidades-financiamento/Paginas/linha-apoio-economia-covid-19-empresas-montagem-eventos.aspx>
- Turismo de Portugal, 2021. *Linha de Apoio à Economia COVID-19: Empresas Exportadoras da Indústria e do Turismo*. [online] Available at: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/mais-oportunidades-financiamento/Paginas/linha-apoio-economia-covid-19-empresas-exportadoras-industria-turismo.aspx>
- Turismo de Portugal, 2021. *OpenCall202020 - Turismo Fundos*. [online] Available at: <http://business.turismodeportugal.pt/pt/Investir/Financiamento/avisos-concursos/Paginas/open-call-202020.aspx>
- Turismo de Portugal, 2020. *Restituição do montante equivalente ao I.V.A. relativo a organização de eventos*. [online] Available at: <http://business.turismodeportugal.pt/pt/Gerir/covid-19/Paginas/restituicao-iva-organizacao-eventos.aspx>

GETTING IN TOUCH WITH THE EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at:

https://europa.eu/european-union/contact_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by email via: https://europa.eu/european-union/contact_en

FINDING INFORMATION ABOUT THE EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: https://europa.eu/european-union/index_en

EU publications

You can download or order free and priced EU publications at: <https://op.europa.eu/en/publications>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://europa.eu/european-union/contact_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.

