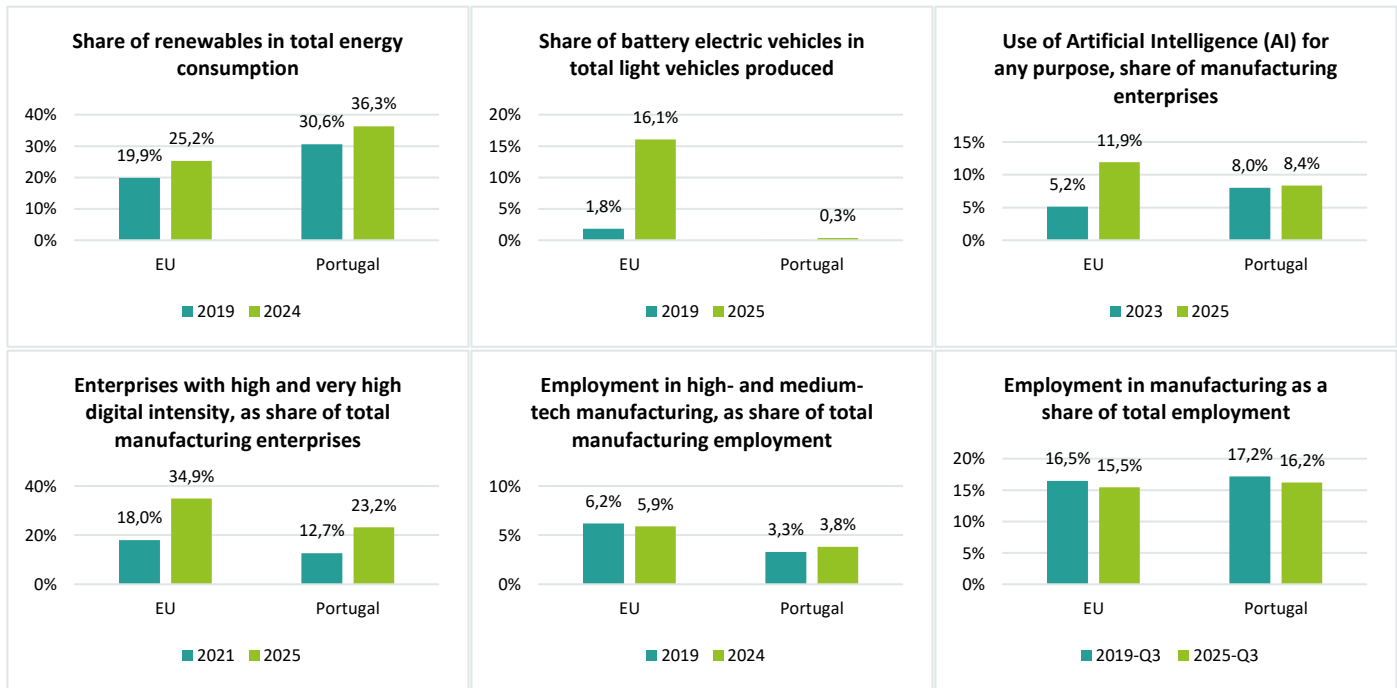


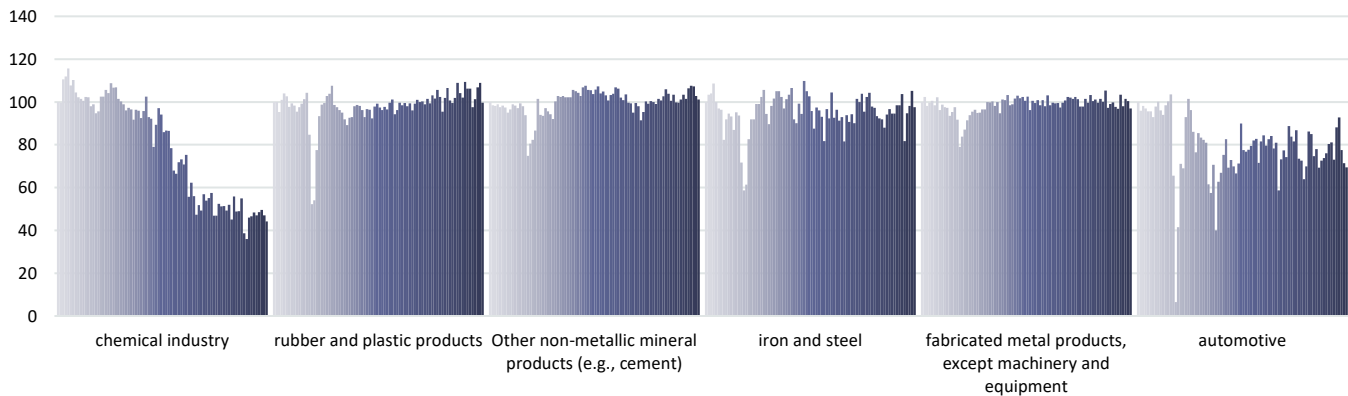
Just Transition Country Factsheet: PORTUGAL

Since the COVID-19 pandemic, the twin — green and digital — transition saw a major boost driven by EU regulation and facilitated by rapid technological development. The transformation has also been hampered by energy price crises, overall inflation, and supply chain disruptions. The [industriAll Just Transition Manifesto](#) makes a clear case that the transition needs to be “fair for ALL workers,” which means that it “does not destroy but preserves and creates good quality jobs” and that it is “anticipated, managed and negotiated with workers for every aspect that concerns them”. Taking stock of the past half a decade, **what is the situation in Portugal?**

Portugal: Key green and digital transition indicators



Production volume in key manufacturing sectors, January 2019 - December 2025 (January 2019 = 100)



Data source: Eurostat, S&P Global Mobility

The graphs above showcase key developments for the green and digital transition in Portugal in comparison to the overall EU trajectory, using the latest data available:

- Portugal is very advanced when it comes to the use of renewable energy, with well over a third of consumer energy coming from renewable sources. Portugal is significantly ahead of the EU average from this point of view.
- Portugal’s automotive industry, which employs around 40 thousand people, for now has not made any major steps in the transition to electric vehicles, with barely any EVs produced in 2025. The situation should change by the end of this decade, with EV volumes increasing for both Stellantis and Volkswagen.

- The use of Artificial Intelligence is not moving very fast. Portugal's manufacturing sector, an early AI adopter, seems now to be lagging behind the EU average.
- Digitalization is also moving slower than in the EU overall. Less than a quarter of Portuguese manufacturing companies have a high and very high digital intensity, compared to over a third for the EU.
- Portugal's industry has a considerable technological gap to bridge. The increase in the share of employment in high- and medium-tech manufacturing appears as a positive step, albeit a very small one that needs to be put in context.
- Similar to the EU overall, the share of manufacturing in total employment has been shrinking. The increase in employment for medium-tech industries such as the manufacture of fabricated metal products could only partially compensate for the significant decline of the apparel industry, which is one of Portugal's historical manufacturing pillars.
- In key sectors impacted by the green transition, developments have been mixed. Over the past years, volumes have declined constantly for the chemical industry and for automotive, but are doing somewhat better for rubber and plastics or for non-metallic mineral products (ceramics, cement products).

PORTUGAL: Key developments in collective bargaining and social dialogue related to the twin transition



While on paper the green transition might seem well underway in Portugal, the country is known for its rather “unjust” way of managing it. Coal has been effectively phased out in 2021 and the use of oil and gas is shrinking. Both have been marked by capacity closures: Portugal's two coal-fired power plants were shut down in 2021, a year after the closure of one out of two of the country's oil refineries. These cases have been described as examples of how not to justly manage the green transition. Somewhat paradoxically, this happens in a context in which the Portuguese trade union movement overall is relatively strongly engaged with the question of environmental transition.



The closure of the Matosinhos refinery has been described by the trade union federation Fiequimetal as “yet another grand display of climate sleight of hand aimed at capitalizing on the energy transition tren”, given the agreement between authorities and the employer to use the land for real estate development rather than productive economic activity.



Similarly, the closures of the Sines and Pego coal-fired power plants have been characterized as “lacking a clear governance process, social dialogue, and timely support mechanisms, which are essential to prevent further social disparity and economic loss.” The closures were undertaken without adequate consultation with trade unions, in a context of overall lack of transparency when it came to decision-making, and ultimately with a strongly negative impact on workers' lives.



Since 2021, Portugal has a national agreement on Vocational Education and Training tied to the green and digital transitions. The “Agreement for vocational training and qualifications: a strategic goal for people, for companies and for the country” increases the role of social partners in the vocational training system and runs up to 2030.