

oe



2022

ORÇAMENTO DO ESTADO

**DRAFT BUDGETARY
PLAN**



ORÇAMENTO DO ESTADO

XXIII GOVERNO CONSTITUCIONAL

© MINISTÉRIO DAS FINANÇAS

Av. Infante D. Henrique, 1

1149-009 LISBOA

• Telefone: (+351) 218 816 820 • Fax: (+351) 218 816 862

INDEX

1. Macroeconomic Forecasts	1
2. Budgetary Targets	3
3. Expenditure and Revenue Projections under the No-police Change Scenario.....	4
4. Expenditure and Revenue Targets	5
5. Description of Discretionary Measures Included in the Draft Budget.....	7
6. Comparison with Stability Programme	8
7. Voluntary tables	8
8. Adequacy between Measures in the Draft Budgetary Plan and the Country Specific Recommendations (CSR) approved by the Council	11
9. Portuguese Public Finance Council Opinion	20

TABLES

Table 1. Basic Assumptions	1
Table 2. Macroeconomic Prospects	1
Table 3. Price Developments	2
Table 4. Labour Market Developments	2
Table 5. Sectoral Balances	2
Table 6. General Government Budgetary Targets	3
Table 7. General Government Debt Developments	3
Table 8. Contingent Liabilities	3
Table 9. General Government Expenditure and Revenue Projections at Unchanged Policies Broken Down by Main Components	4
Table 10. General Government Expenditure and Revenue Targets, Broken Down by Main Components	5
Table 11. Amounts to be excluded from the Expenditure Benchmark	6
Table 12. Classification of the Functions of the Government	6
Table 13. Discretionary Measures	7
Table 14. Divergence from Latest Stability Programme	8
Table 15. Stock of guarantees adopted/announced at 2020 according to the Programme	8
Table 16. RRF impact on programme's projections - GRANTS	9
Table 17. RRF impact on programme's projections – LOANS	10
Table 18. Country Specific Recommendations	11

FOREWORD

The 2022 State Budget is presented in a context of recovery of the Portuguese economy, but also of uncertainties and new challenges resulting from the invasion of Ukraine by Russia.

The geopolitical tensions arising from this invasion, in February 2022, exacerbated the inflationary pressures, namely through the acceleration of the increase in fuel prices, other energy raw materials and several primary goods. In fact, Brent benchmark skyrocketed above 120 dollars per barrel and continues above 100 dollars, almost twice the values recorded in 2021. On its turn, natural gas TTF benchmark rose above 225 EUR/MWh, more than 10 times versus March 2021. If the military conflict continues, these inflationary pressures may intensify and further disrupt global supply chains, affecting families and companies' confidence and limiting the economic dynamism in the Euro Zone and in Portugal.

In this context, it is paramount to consider that Portugal is in good position to face the current and future challenges with confidence, given the resilience conquered during the last years. Firstly, Portugal has one of the highest rates of fully vaccinated population (93%), mitigating the risks of potential new waves of COVID-19 pandemic. Secondly, the job market, supported by the policies taken during the pandemic, is showing an impressive resilience – already in 2021, employment was 0.6% above 2019 and the unemployment rate was at its lowest of the last 18 years. This favorable evolution is largely explained by the measures approved by the Portuguese government to support companies in these difficult times, particularly the ones to cover their fixed costs, putting the Portuguese economy in a better position for the recovery. Finally, the sustainable public finance policies the country has followed allowed Portugal to see its public debt rating increased, as well as to reduce public debt as a percentage of GDP and to achieve a budget deficit below the 3% threshold – thus reinforcing Portugal's external credibility. This strategy ensured stability and safety for the country's financing, especially important in the current environment of uncertainty, and gives confidence in the path ahead for the recovery of the Portuguese economy.

According to the projections presented in the 2022 State Budget, the Portuguese economy will grow 4.9% this year, thus exceeding the pre-pandemic GDP level. It is also predicted that in 2022 the country will continue its trajectory of real convergency towards the European average, as already observed between 2016 and 2019, and then resumed from the second quarter of 2021 onwards.

The budget deficit will be reduced by 0.9 p.p. to 1.9% of GDP, corresponding to a primary surplus of 0,3% of GDP. Public debt will continue its downward trajectory that was already resumed in 2021, with a significant reduction from 127.4% in 2021 to 120.7% in 2022. In only two years the public debt ratio is expected to drop by nearly 15 p.p.

The 2022 State Budget responds to the immediate challenges exacerbated by Ukraine's invasion, promotes a full economic and social recovery from the pandemic crisis and faces the strategic challenges ahead, namely: demographic pressures; inequality and social cohesion; and climate and digital transition.

In this context, the 2022 State Budget establishes 6 priorities:

1. Mitigating the geopolitical shock
2. Increase income of households

3. Support firms' recovery
4. Invest with a focus on the twin transitions
5. Recovery of public services
6. Sound public finances

Portugal has started a new cycle of growth after the biggest crisis of the last decades. Ensuring a complete recovery in the face of the challenges posed by the geopolitical context is an ambitious objective, to which the State Budget contributes as an essential pillar. The choices we have made in the recent past have allowed us to respond efficiently to the challenges that the pandemic posed and the choices we are making now, will allow us to mitigate the risks looking ahead, respond once again to the needs of the Portuguese, protecting families and companies, recovering the economy, and building a better future for our country.

1. Macroeconomic Forecasts

Table 1. Basic Assumptions

	2020	2021	2022
Short-term interest rate (annual average)	-0,4	-0,5	-0,4
Long-term interest rate EA (annual average)	0,2	0,9	0,9
USD/€ exchange rate (annual average)	1,14	1,18	1,12
Nominal effective exchange rate	1,7	3,7	0,0
World excluding EU, GDP growth	-2,4	6,2	4,6
EU GDP growth	-5,9	5,0	4,0
Growth of relevant foreign markets	-11,2	10,0	5,8
World import volumes, excluding EU	-8,9	9,3	6,1
Oil prices (Brent, USD/barrel)	52,8	71,1	104,6

Table 2. Macroeconomic Prospects

	ESA Code	2020	2020	2021	2022
		Level (10 ⁹ euros)	rate of change		
1. Real GDP	B1*g	186 644,5	-8,4	4,9	4,9
<i>of which</i>					
2. Potential GDP		198 805,0	1,4	1,9	2,4
3. Nominal GDP	B1*g	200 087,6	-6,7	5,6	7,5
Components of real GDP					
4. Private final consumption expenditure	P.3	122 677,3	-7,1	4,5	3,8
5. Government final consumption expenditure	P.3	33 918,1	0,4	4,1	1,3
6. Gross fixed capital formation	P.51g	35 058,6	-2,7	6,4	7,9
7. Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53	-378,7	-0,2	0,0	0,0
8. Exports of goods and services	P.6	71 683,2	-18,6	13,1	13,1
9. Imports of goods and services	P.7	76 228,8	-12,1	12,9	11,1
Contributions to real GDP growth					
10. Final domestic demand		191 653,9	-5,0	4,9	4,2
11. Changes in inventories and net acquisition of valuables	P.52 + P.53	-378,7	-0,6	0,2	0,0
12. External balance of goods and services	B.11	-4 545,6	-2,9	-0,2	0,6

Table 3.Price Developments

	ESA code	2020	2020	2021	2022
		Level	rate of change		
1. GDP deflator		1,07	1,9	0,7	2,5
2. Private consumption deflator		1,05	0,7	1,2	3,9
3. HICP		1,04	-0,1	0,9	4,0
4. Public consumption deflator		1,13	4,7	0,6	2,2
5. Investment deflator (GFCF)		1,09	1,1	3,0	3,6
6. Export price deflator (goods and services)		1,03	-2,4	6,0	8,1
7. Import price deflator (goods and services)		1,03	-3,4	7,6	10,1

Table 4.Labour Market Developments

	ESA Code	2020	2020	2021	2022
		Level	rate of change		
1. Employment, persons¹		4 861,1	-1,9	2,1	1,3
3. Unemployment rate³ (%)		-	7,0	6,6	6,0
4. Labour productivity, persons⁴		38,4	-6,7	2,8	3,5
6. Compensation of employees	D.1	98 088,6	0,6	5,6	4,5
7. Compensation per employee		23,4	2,0	3,8	3,1

¹ Occupied population, domestic concept national accounts definition; ² National accounts definition; ³ Harmonised definition, Eurostat; levels; ⁴ Real GDP per person employed; ⁵ Real GDP per hour worked.

Table 5. Sectoral Balances

% GDP	ESA	2020	2021	2022
1. Net lending/net borrowing vis-à-vis the rest of the world	B.9	-0,2	0,7	1,6
<i>of which:</i>				
- Balance of goods and services		-2,1	-3,0	-3,4
- Balance of primary incomes and transfers		0,9	1,9	1,7
- Capital account		1,1	1,8	3,3
2. Net lending/net borrowing of the private sector	B.9	5,7	3,6	3,6
3. Net lending/net borrowing of general government	EDP B.9	-5,8	-2,8	-1,9
4. Statistical discrepancy		:	:	:

2. Budgetary Targets

Table 6. General Government Budgetary Targets

	ESA Code	2021	2022
		% GDP	
Net lending (+) / net borrowing (-) (B.9) by sub-sector¹			
1. General government	S.13	-2,8	-1,9
2. Interest expenditure	EDP D.41	2,4	2,2
3. Primary balance ²		-0,4	0,3
4. One-off and other temporary measures ³		0,4	-0,2
4.a. Of which one-offs on the revenue side: general government		0,6	0,0
4.b. Of which one-offs on the expenditure side: general government		-0,2	-0,2
5. Real GDP growth (%) (=1 in Table 1.a.)		4,9	4,9
6. Potential GDP growth (%) (=2 in Table 1.a.)		1,9	2,4
7. Output gap (% of potential GDP)		-3,4	-1,0
8. Cyclical budgetary component (% of potential GDP)		-1,8	-0,6
9. Cyclically-adjusted balance (1-8) (% of potential GDP)		-1,0	-1,4
10. Cyclically-adjusted primary balance (9+2) (% of potential GDP)		1,4	0,8
11. Structural balance (9-4) (% of potential GDP)		-1,4	-1,2

¹ TR-TE= B.9; ² The primary balance is calculated as (B.9, item 1) plus (D.41, item 2); ³ A plus sign means deficit-reducing one-off measures.

Table 7. General Government Debt Developments

% of GDP	ESA Code	2021	2022
1. Gross debt ¹		127,4	120,7
2. Change in gross debt ratio		-7,8	-6,7
Contributions to changes in gross debt			
3. Primary balance (= item 3 in Table 2.a.)		0,4	-0,3
4. Interest expenditure (= item 2 in Table 2.a.)	EDP D.41	2,4	2,2
5. Stock-flow adjustment		-3,4	0,2
p.m.: Implicit interest rate on debt ²		1,9	1,9

¹ As defined in amended Regulation no. 479/2009. ² Proxied by interest expenditure divided by the debt level of the previous year. ³ Stocks of AF.1, AF.2, AF.3 (consolidated for general government), AF.51, AF.52 (only if listed on stock exchange).

Table 8. Contingent Liabilities

% of GDP	2021	2022
Public guarantees	9,0	7,8
Of which: linked to the financial sector	0,0	0,0

3. Expenditure and Revenue Projections under the No-policy Change Scenario

Table 9. General Government Expenditure and Revenue Projections at Unchanged Policies Broken Down by Main Components

	ESA Code	2021	2022
General government (S13)		% GDP	
1. Total revenue at unchanged policies	TR	45,3	43,5
of which			
1.1. Taxes on production and imports	D.2	15,3	15,7
1.2. Current taxes on income, wealth, etc	D.5	9,7	9,8
1.3. Capital taxes	D.91	0,0	0,0
1.4. Social contributions	D.61	12,8	12,7
1.5. Property income	D.4	0,8	0,5
1.6. Other¹		6,6	4,8
p.m.: Tax burden (D.2+D.5+D.61+D.91-D.995)²		35,6	36,0
2. Total expenditure at unchanged policies	TE³	48,1	44,7
of which			
2.1. Compensation of employees	D.1	11,8	11,4
2.2. Intermediate consumption	P.2	5,8	5,2
2.3. Social payments		19,6	19,1
of which Unemployment benefits⁴	D.62+D.632	0,8	0,7
2.4. Interest expenditure	EDP D.41	2,4	2,2
2.5. Subsidies	D.3	2,0	0,6
2.6. Gross fixed capital formation	P.51g	2,5	1,8
2.7. Capital transfers	D.9	1,7	1,5
2.8. Other⁵		2,3	2,8

¹ P.11 + P.12 + P.131 + D.39rec + D.7rec + D.9rec (other than D.91); ² Including those collected by the EU and including na adjustment for uncollected taxes and social contributions (D.995), if appropriate; ³ TR - TE = B.9; ⁴ Includes social benefits other than social transfers in kind (D62) and social transfers in kind via market producers (D632) related to unemployment benefits; ⁵ D29pay+D4pay (other than D41pay) + D5pay + D7pay + P52 + P53 +NP + D8.

4. Expenditure and Revenue Targets

Table 10. General Government Expenditure and Revenue Targets, Broken Down by Main Components

	ESA Code	2021	2022
General government (S13)		% GDP	
1. Total revenue target	TR	45,3	44,7
of which			
1.1. Taxes on production and imports	D.2	15,3	15,2
1.2. Current taxes on income, wealth, etc	D.5	9,7	9,6
1.3. Capital taxes	D.91	0,0	0,0
1.4. Social contributions	D.61	12,8	12,5
1.5. Property income	D.4	0,8	0,5
1.6. Other¹		6,6	6,9
p.m.: Tax burden (D.2+D.5+D.61+D.91-D.995)²		35,6	35,1
2. Total expenditure	TE³	48,1	46,6
of which			
2.1. Compensation of employees	D.1	11,8	11,4
2.2. Intermediate consumption	P.2	5,8	5,6
2.3. Social payments	D.62+D.632	19,6	18,9
<i>of which Unemployment benefits⁴</i>		0,8	0,7
2.4. Interest expenditure (=item 2 in Table 2.a.)	D.41	2,4	2,2
2.5. Subsidies	D.3	2,0	0,9
2.6. Gross fixed capital formation	P.51g	2,5	3,2
2.7. Capital transfers	D.9	1,7	1,6
2.8. Other⁵		2,3	2,8

¹ P.11 + P.12 + P.131 + D.39rec + D.7rec + D.9rec (other than D.91);

² Including those collected by the EU and including no adjustment for uncollected taxes and social contributions (D.995), if appropriate;

³ TR - TE = B.9;

⁴ Includes social benefits other than social transfers in kind (D62) and social transfers in kind via market producers (D632) related to unemployment benefits;

⁵ D29pay+D4pay (other than D41pay) + D5pay + D7pay + P52 + P53 +NP + D8.

Table 11. Amounts to be excluded from the Expenditure Benchmark

	ESA Code	2020	2020	2021	2022
		Level	% GDP	% GDP	% GDP
1. Expenditure on EU programmes fully matched by EU funds revenue		1 465,8	0,7	1,8	2,2
1a. Investment expenditure fully matched by EU funds revenue		488,0	0,2	0,5	1,0
2. Cyclical unemployment benefit expenditure¹		-120,9	-0,1	0,0	0,0
3. Effect of discretionary revenue measures²		-90,5	0,0	0,4	-0,9
4. Revenue increases mandated by law		0,0	0,0	0,0	0,0

¹ Please detail the methodology used to obtain the cyclical component of unemployment benefit expenditure. It should build on unemployment benefit expenditure as defined in COFOG under the code 10.5;

² Revenue increases mandated by law should not be included in the effect of discretionary revenue measures: data reported in row 3 and 4 should be mutually exclusive.

Table 12. Classification of the Functions of the Government

% GDP	COFOG code	2020
1. General public services	1	7,1
2. Defence	2	0,8
3. Public order and safety	3	1,9
4. Economic affairs	4	6,2
5. Environmental protection	5	0,7
6. Housing and community amenities	6	0,5
7. Health	7	7,2
8. Recreation, culture and religion	8	1,0
9. Education	9	5,0
10. Social protection	10	18,8
11. Total expenditure (=item 2 in Table 4.a)	TE	49,3

Note: benchmark basis 2011. It is not available the new benchmark basis 2016 .

5. Description of Discretionary Measures Included in the Draft Budget

Table 13. Discretionary Measures

List of measures	Detailed description	Target (Expenditure/ Revenue component) ESA code	Accounting principle	One-off	Adoption status	Budgetary impact (% GDP)	
						2021	2022
PTT Package		D.5	Accrual	No	Not Adopted		-0,1
Reform of PTT echelons		D.5	Accrual	No	Not Adopted		-0,1
PTT deductions from the second dependent		D.5	Accrual	No	Not Adopted		-0,0
Expansion of the youth PTT and "Regressar" programme		D.5	Accrual	No	Not Adopted		-0,0
Reinforcement of the minimum existence		D.5	Accrual	No	Not Adopted		-0,0
End of part of the mandatory anticipation of CIT payment amount.		D.5	Accrual	No	Not Adopted		-0,0
Autonomous CIT Tax relief		D.5	Accrual	No	Not Adopted		-0,0
Fuels		D.2	Accrual	No	Not Adopted		-0,3
Suspension of the increase in carbon tax		D.2	Accrual	No	Adopted		-0,2
ISP reduction		D.2	Accrual	No	Not Adopted		-0,1
Return of additional VAT revenue from ISP		D.2	Accrual	No	Not Adopted		-0,1
TOTAL MEASURES ON THE REVENUE SIDE							-0,4
Extraordinary increase in pensions		D.62+D.63+D.621+D.624+D.631	Accrual	No	Not Adopted		0,1
Childhood Guarantee		D.62+D.63+D.621+D.624+D.631	Accrual	No	Not Adopted		0,0
free kindergartens		D.62+D.63+D.621+D.624+D.631	Accrual	No	Not Adopted		0,0
General Government wage updates		D.1	Accrual	No	Adopted		0,1
Update of remuneration of workers in Public Administrations by 0.9%		D.1	Accrual	No	Adopted		0,1
Increase in the Guaranteed Minimum Remuneration		D.1	Accrual	No	Adopted		0,0
Public Investment from RRP		P.51	Accrual	No	Adopted		0,1
Labor Costs Support (layoff, recovery support)		D.3	Accrual	No	Adopted		0,1
Family Support		D.62+D.63+D.621+D.624+D.631	Accrual	No	Adopted		0,0
Public Health (prophylactic isolation and sickness allowance)		D.62+D.63+D.621+D.624+D.631	Accrual	No	Adopted		0,1
Vaccines and Covid medicines		P.2	Accrual	No	Adopted		0,1
Covid Tests		D.62+D.63+D.621+D.624+D.631	Accrual	No	Adopted		0,1
Protection Equipments		P.2	Accrual	No	Adopted		0,0
Health Human Resources		D.1	Accrual	No	Adopted		0,0
Extraordinary Support to TAP		D.9	Accrual	No	Adopted		0,3
Other Transports measures (PART emergency reinforcement)		D.3	Accrual	No	Adopted		0,0
Fuels		0	Accrual	No	Not Adopted		0,1
Support for the transports (passengers and goods)		D.3	Accrual	No	Not Adopted		0,0
AUTOvoucher		D.29+D.4+D.5+D.7+P.52+P.53+K.2 +D.8 - Other (other than D.41)	Accrual	No	Adopted		0,1
Gas and Electricity		D.3	Accrual	No	Not Adopted		0,1
Reduction in electricity grid tariffs		D.3	Accrual	No	Not Adopted		0,1
most needy families		D.62+D.63+D.621+D.624+D.631	Accrual	No	Adopted		0,0
agriculture and fisheries		D.3	Accrual	No	Not Adopted		0,0
Expenditure review		P.2	Accrual	Yes	Not Adopted		-0,1
DTA		D.9	Accrual	Yes	Not Adopted		0,1
judicial compensation (PPP)		D.9	Accrual	Yes	Not Adopted		0,1
TOTAL MEASURES ON THE EXPENDITURE SIDE							1,4
TOTAL							-1,8

6. Comparison with Stability Programme

Table 14. Divergence from Latest Stability Programme

% of GDP	ESA Code	2020	2021	2022
Target general government net lending/ net borrowing	B.9			
Stability Programme		-5,8	-2,8	-1,9
Draft Budgetary Plan		-5,8	-2,8	-1,9
Difference		0,0	0,0	0,0
General government net lending projection at unchanged policies	B.9			
Stability Programme		-5,8	-2,8	-1,0
Draft Budgetary Plan		-5,8	-2,8	-1,2
Difference¹		0,0	0,0	0,2

¹ This difference can refer to both deviations stemming from changes in the macroeconomic scenario and those stemming from the effect of policy measures taken between the submission of the DBP. Differences are expected due to the fact that the no-policy change scenario is defined differently for the purpose of this Code of Conduct with respect to the Stability Programme.

7. Voluntary tables

Table 15. Stock of guarantees adopted/announced at 2020 according to the Programme

	Measures	Date of adoption	Maximum amount of contingent liabilities ¹ (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Capitalize 2018 - COVID 19	12/03/2021	0,15%	0,13%
	Economy Support COVID 19	30/03/2020	2,50%	2,44%
	Invests RAM COVID 19	27/04/2020	0,04%	0,04%
	Specific Line COVID 19 - Azores	04/06/2020	0,09%	0,07%
	Financial Guarantees COVID 19	29/07/2020	0,03%	0,03%
	LAE COVID 19 MPE	06/08/2020	0,43%	0,37%
	Support Madeira 2020	03/09/2020	0,01%	0,01%
	Social Sector Support COVID-19	14/09/2020	0,07%	0,05%
	Economy Support COVID 19 - Exporting	18/01/2021	0,10%	0,10%
	Economy Support COVID 19 - Assembly Events	18/01/2021	0,00%	0,00%
	Economy Support COVID 19 - Travel Agencies and Tour Operators	23/02/2021	0,04%	0,01%
	LAE COVID 19 – Medium and Large Tourism Companies	30/04/2021	0,11%	0,05%
	LAE COVID 19 – Sports Federations	09/07/2021	0,01%	0,00%
	LAE - Cultural Events	30/06/2021	0,01%	0,00%
	Retake Line	30/09/2021	0,47%	0,00%
	Pan European Guarantee Fund (EGF)	24/08/2020	0,11%	0,11%
	Instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)	18/09/2020	0,17%	0,17%
	Export Credit Guarantee Schemes (under RCM n° 10-A/2020 - increased limits):	13/03/2020	0,12%	0,00%
	Metal Sector		0,05%	0,00%
	Performance, good payment and advance deposit bonds		0,05%	0,00%
Short Term export-credit insurance - non marketable risk countries		0,02%	0,00%	
Export Credit Guarantee Scheme - Short Term for temporarily non-marketable risks (OCDE 2020)	05/06/2020	0,35%	0,17%	
State Guarantee for the insurance of domestic trade credit risks	28/04/2021	0,24%	0,06%	
	Subtotal		5,06%	3,82%
Others	Export Credit Guarantee Schemes:			
	Export Credit Guarantee Scheme for Metal Sector	08/12/2020	0,05%	0,00%
	Export Credit Guarantee Scheme for performance, good payment and advance deposit bonds	20/01/2020	0,05%	0,03%
	Short Term export-credit insurance - non marketable risk countries	01/01/2020	0,12%	0,08%
	Overseas investment insurance	07/09/2020 -		
	Subtotal		0,21%	0,12%
	Total		5,27%	3,93%

¹ Any possible budgetary impact related to the call of those guarantees should be provided in the table on the discretionary measures in the SCP.

Table 16. RRF impact on programme's projections - GRANTS

Revenue from RRF grants (% of GDP)			
	2020	2021	2022
RRF GRANTS as included in the revenue projections		0,0	1,3
Cash disbursements of RRF GRANTS from EU		0,9	1,0

Expenditure financed by RRF grants (% of GDP)			
	2020	2021	2022
Compensation of employees D.1		0,0	0,0
Intermediate consumption P.2		0,0	0,3
Social payments D.62+D.632		0,0	0,0
Interest expenditure D.41		0,0	0,0
Subsidies, payable D.3		0,0	0,0
Current transfers D.7		0,0	0,2
TOTAL CURRENT EXPENDITURE		0,0	0,5
Gross fixed capital formation P.51g		0,0	0,5
Capital transfers D.9		0,0	0,4
TOTAL CAPITAL EXPENDITURE		0,0	0,8

Other costs financed by RRF grants (% of GDP) ¹			
	2020	2021	2022
Reduction in tax revenue		-	-
Other costs with impact on revenue		-	-
Financial transactions		-	-

¹ This covers costs that are not recorded as expenditure in national accounts

Table 17. RRF impact on programme's projections – LOANS

Cash flow from RRF loans projected in the programme (% of GDP)			
	2020	2021	2022
Disbursements of RRF LOANS from EU		0,2	0,3
Repayments of RRF LOANS to EU			

Expenditure financed by RRF loans (% of GDP)			
	2020	2021	2022
Compensation of employees D.1	-	-	-
Intermediate consumption P.2	-	-	-
Social payments D.62+D.632	-	-	-
Interest expenditure D.41	-	-	-
Subsidies, payable D.3	-	-	-
Current transfers D.7	-	-	-
TOTAL CURRENT EXPENDITURE	-	-	-
Gross fixed capital formation P.51g		0,00	0,1
Capital transfers D.9	-	-	-
TOTAL CAPITAL EXPENDITURE		0,0	0,1

Other costs financed by RRF loans (% of GDP)¹			
	2020	2021	2022
Reduction in tax revenue	-	-	-
Other costs with impact on revenue	-	-	-
Financial transactions	-	-	0,6

¹ This covers costs that are not recorded as expenditure in national accounts

8. Adequacy between Measures in the Draft Budgetary Plan and the Country Specific Recommendations (CSR) approved by the Council

Table 18. Country Specific Recommendations

#	2021 Recommendations	Measures and state of play / Description of direct relevance
1	<p>In 2022, use the Recovery and Resilience Facility to finance additional investment in support of the recovery while pursuing a prudent fiscal policy.</p>	<p>The Recovery and Resilience Facility has been seen by the Portuguese Government as a mobilizing instrument able to impact both directly and structurally the Portuguese economy.</p> <p>The Government has taken on the challenge to leverage this singular opportunity, having promoted a close articulation among the line Ministries in order to build a Recovery and Resilience Plan (RRP) that could provide a respond not only to the main challenges face by the country, but also to the strategic priorities of European Policy in the spheres of Digitalization (anchored in the modernization of public administration) and Climate Transition, with a special emphasis on renewable energies and efficient management of the natural resources.</p> <p>In a broad participated process, a set of intertwined reforms and investments were identified and upheld by detailed targets and milestones. This served as the baseline for the creation of the RRP and Portugal was the first country to formally submit its plan to the European Commission, being one of the first to be approved by the Council.</p> <p>With the objective of optimising the administrative procedures associated with this Facility, a governance structure was created, which builds upon rigorous patterns notably for coordination purposes. In this context, the mission structure Recuperar Portugal, part of such governance structure, assumed the technical coordination and monitoring aspects of the plan. A regime for exceptional budgetary execution and procedural simplification of the projects was also introduced, as well as a decree for regulating the legal procedures associated with the frontloading of the funds of this Facility.</p> <p>Investment is regarded as one of the main drivers of economic growth for the next years and the RRP is a crucial instrument for such purpose. The RRP also impacts on public finances, with consequences throughout the budgetary procedure through the modernisation of public financial management, providing an important contribution in the adoption of digital competences for an increased quality of information, and supporting measures to reinforce the efficiency and effectiveness of public services. The RRP also foresees the redesign of operational and administrative procedures, notably in public finances, public procurement, human resources, asset and treasury management with financial impact, information technologies and shared services, including planning policies and mechanisms, monitoring, control and evaluation of risk operational management, safeguarding the integration and functional interoperability, including other subsectors beyond Central Administration.</p> <p>The Portuguese Recovery and Resilience Plan will mostly finance additional public investments to foster the green and digital transitions, and to promote an inclusive GDP growth. Due to its transformative and broad dimensions, the RRP is a promotor of an additional private investment via implemented reforms that improve the business context costs and environment. Portugal estimates that over a 5-year horizon, the GDP growth rate will be 3.5% higher than in a scenario without a Recovery and Resilience Plan.</p> <p>Following a prudent and sound fiscal policy, Portugal also has opted for asking for less than 20% of all the RRF loans available.</p>

<p>Preserve nationally financed investment.</p>	<p>The recovery path of investment levels was initiated in 2016 and continued to register a consistent evolution with the maturity of the projects and hiring procedures in essential areas, such as sustainable mobility, health, training and qualification of the population.</p> <p>Despite the challenges unveiled by the Covid-19 pandemic, the positive dynamic of investment as a vital instrument for the economic rebound was kept in 2020, showing a reinforced and accelerated trend in 2021 and 2022.</p> <p>According with the most recent European Commission forecasts, Portugal will be the country with the highest growth of Public investment in the Euro Area in 2022. This is not only due to the RRF, but also due to several public investment projects that are already being executed, namely in railways, public transports and health, amounting to a total of 1 997 million euros predicted for 2022.</p> <p>In 2021, public investment increased EUR 845 million, corresponding to a growth rate of 19%, when compared to 2020. For 2022, public investment is expected to accelerate by 38.1% (representing 3.2% of GDP).</p> <p>The increase in public investment reflects a strong acceleration of the use of European funds in investment projects, mainly via the RRM, but also a strong emphasis on keeping public investment financing through national funding. Such trend is visible on the 18,2% increase in investment funded by national resources in 2022 when compared to 2021 (+758 M€), despite its decrease in investment total weight, which is due to the very significant acceleration of investment financed by European Funds (+111%).</p>
<p>Limit the growth of nationally financed current expenditure.</p>	<p>Limiting the growth of public expenditure, in particular of the permanent expenditure, is a major concern for national authorities. In the set of budgetary measures created to counter with the impacts of the Covid-19 pandemic, the government has supported the economy with temporary measures through easing the obligations and costs for businesses, considering a time frame that allows to deal not only with the adverse economic conditions, as a result of the pandemic, but also with the progressive phasing-out of such measures. In the current context of mitigating the negative impacts of the Russian invasion of Ukraine, the Government is following the same temporary expenditure approach, reassessed at each moment of time, and directed essentially to the most in need and the most affected sectors.</p> <p>The budgetary balance is a key priority on the introduction of new policy measures, avoiding mismatches between revenue reduction and expenditure increases. We expect an expenditure growth below the potential nominal GDP growth, in the context of fiscal stability and predictability.</p>
<p>When economic conditions allow, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions and ensuring fiscal sustainability in the medium term.</p>	<p>The response to the pandemic crisis supported economic activity against the background of considerable uncertainty and mitigated the economic and social impacts of the crisis. Despite the swift rollout of vaccination campaigns in Portugal, uncertainty remains, and downside risks still linger over the economic outlook, aggravated by the war in Ukraine. Fiscal policy must therefore remain agile to the evolving situation, in particular to counter with country specific situations. We highlight the exogenous nature of the shock and the asymmetric impacts and recovery prospects, which may continue to weigh on the economic and budgetary evolution.</p> <p>Notwithstanding, the Portuguese government is fully committed to ensure medium-term fiscal sustainability reiterating its commitment towards responsible public finances. In 2022, the Government forecasts a budget balance of -1.9% of GDP, clearly below the 3% reference, which was also achieved in 2021, reaching the MTO already in 2023 (as foreseen in the 2022 Stability Programme). Despite deviations in the budget balance resulting from the pandemic situation, which, in addition to triggering the activation of automatic stabilizers, forced the implementation of an economic stimulus package through exceptional and temporary public policies, the Government maintains its programmatic objective in terms of public finance balance, achieved during the previous legislature. In this respect, it should be mentioned that in 2021, Portugal registered a historic reduction of 7.8 p.p. in the public debt ratio, and that already in the period between 2015 and 2019 Portugal was the second European country that most reduced public debt as a percentage of GDP (around 14.6 p.p.). It is estimated</p>

	<p>that in 2022 the public debt will be reduced to 120.7% and that it will already be below the pre-pandemic ratio in 2023 (as foreseen in the 2022-26 Stability Programme). The recent upgrades of sovereign debt rating and outlook by Moody's and DBRS are a sign of the sustainability of our public finances.</p> <p>The proposed fiscal policy for 2022 is focused on new policies to support households and companies in the context of the war in Ukraine and on the deployment of fiscal policies tailored to support economic growth, which are more than compensated by the withdraw of the vast majority of the temporary measures adopted to counter with the negative impacts of the Covid-19 crisis. These policies are influenced by the need to counter with the consequences that still linger in the context of the pandemic, notably the reposition of health activities in many medical specialities, affected by the need to provide urgent medical care in the context of the pandemic, as well as the recovery of education learnings, as a result of the adaptations required. In line with these priorities, focused on surpassing the consequences of the Covid-19 crisis over the economy, ensuring measures of a temporary nature is key to avoid increasing permanent expenditures, a crucial issue for the sustainability of public finances that the government intends to deploy during the next years.</p>
<p>At the same time, enhance investment to boost growth potential.</p>	<p>Portugal's short-term budgetary strategy evolves from providing economic stimulus to fostering economic growth. This strategy is grounded on spurring public investment focused on the renovation of the equipment and on the creation of key infrastructures to face the challenges of the country, bearing in mind the efficiency gains on several sectoral areas and positive externalities as a result of increased efficiency in the provision of public services, and on the simplification and procedural dematerialisation, that brings benefits for the relations between businesses and the State. The improvement of business environment, coupled with budgetary stability and with incentive programmes in strategic areas for the future of the Portuguese economy, aims to maximise private investment levels and the competitiveness of the Portuguese's business fabric.</p> <p>One of the main concerns of the RRP is to support the Portuguese business fabric to recover from the pandemic crisis and in the transformation to a more digital and environmental friendly activity. In this context, several components of the RRP foresee direct support to the Portuguese companies, as well as indirect support through investments oriented to the private sector in Portugal. In the Recovery and Resilience Plan, reform and investments are projected for three main areas:</p> <ul style="list-style-type: none"> • <u>Green transition</u> – sustainable mobility (sustainable transports, increased interconnectivity in metropolitan areas), decarbonisation and circular economy (industry decarbonisation, bio-waste, circular economy and forest) energetic efficiency (buildings) and renewable energy (hydrogen and renewable). • <u>Digital transition</u> – broad reform of public administration with special focus on areas such as health, social security, education and access to justice, aiming at the elimination of red-tape costs for citizens and businesses; this reform includes investments on training of digital competences, equipment and digital networks (e-school), digital transition of business and on strengthen the capacity of SMEs, in particular to allow for increased competitiveness. • <u>Resilience</u> - areas where major <u>social vulnerabilities</u> are observed (NHS, social and emergency housing, social equipment and social responses, elimination of poverty pockets in metropolitan areas), <u>stimulus to the productive potential</u>, (reinforcement of qualifications and competences for the industrial innovation and renovation, qualification of youths and adults; reinforcement of the interconnection between the scientific and technological

	<p>institution network and the productive fabric, research and innovation for the sustainability of agriculture, food sector and agro industry; capitalisation of businesses and financial resilience/Banco de Fomento; and strategies to mobilise business innovation in order to reinforce the strategic autonomy of our country and its contribution for this objective in the EU context), as well as competitiveness and social cohesion (increase road networks; rede de ALE no Interior, missing links and cross border connections).</p> <p>In this context, it is important to highlight some RRP components such as Housing (C2) and Building Energy Efficiency (C13), Investment and Innovation (C5), Infrastructures (C7), Enterprises 4.0 (C16), Public Administration – digitalisation, interoperability and cybersecurity (C19). The RRP, as well as the next multiannual financial framework, provides an unprecedented leverage of investment levels in Portugal. Additionally, we highlight the importance of structural investments aiming at reinforcing key equipment and infrastructures in education and higher education, health, defence, environment and mobility.</p>
<p>3</p> <p>Pay particular attention to the composition of public finances, on both the revenue and expenditure sides of the national budget, and to the quality of budgetary measures in order to ensure a sustainable and inclusive recovery. Prioritize sustainable and growth-enhancing investment, in particular investment supporting the green and digital transition.</p>	<p>It is considered by the Government that structural changes in the potential Portuguese product should be considered in the expected and close framework of the constraints, challenges and opportunities of two unambiguous global trends: climate and digital transition.</p> <p>In the climate transition dimension, national options are based on three priorities:</p> <ul style="list-style-type: none"> • A reduction in greenhouse gas emissions between 45% and 55% by 2030 compared to 2005; • The incorporation of 47% of renewable energy sources into gross final energy consumption; • A bet on energy efficiency, translated into a 35% consumption reduction in primary energy. <p>In this context, we highlight the RRP's contribution to the promotion of investments:</p> <p>On the focus on sustainable mobility to improve the public collective transport systems through the implementation of projects to expand passenger transport networks in urban areas and the modernization of road public transport fleets, investments whose main objective is to contribute to the overall improvement of public transport systems, to improve the levels of accessibility and comfort of these systems, promoting greater use of public transport, with the consequent reduction of dependence on individual transport, the decarbonization of the transport sector and contributing to the recovery of the economic and social effects of the pheasant crisis, in particular employment.</p> <p>On the promotion of the production of green hydrogen and other renewable gases to support the energy transition, with a strong focus on the production of renewable gases, including renewable electricity in the Autonomous Region of Madeira and the energy transition in the Autonomous Region of the Azores.</p> <p>On the increase in energy efficiency in buildings, with the aim of increasing the energy performance of buildings (through the adoption of passive measures and progressive electrification of the building), as well as promoting the use of more efficient equipment. In this context, it is important to mention the contribution of other investments envisaged in the PRC in the area of health, housing, social responses, and qualifications and competences, through which support for the renovation of buildings and infrastructure is envisaged, following demanding criteria of energy efficiency or support for the construction of new buildings, with a lower demand for primary energy (totally 20%) to the requirement of nzeb (buildings with almost zero energy needs).</p>

On the **promotion of the sustainable bioeconomy**, development of a national bioindustry through the production of new products of high added value, from biological resources in three strategic sectors to the Portuguese economy: textiles and clothing, footwear and natural resin. Through a transition to a sustainable bioeconomy, it is possible to support the modernization and consolidation of industry by creating new value chains and industrial processes more environmentally friendly and circulars.

On the **promotion of the decarbonization of industry**, promote the competitiveness of industry through its decarbonization, reduce energy and resource consumption and promote endogenous and renewable energy sources, implement NEU measures for 2030 and contribute to accelerating the transition to a carbon-neutral economy.

On the **protection of the marine environment and the blue economy** for the implementation of more resource and energy efficient solutions, ensuring new, smarter and low-carbon monitoring means.

On the **implementation of water management processes halt the increase in** the problem of water scarcity and ensure the resilience of the territories of the Algarve, Alentejo and Madeira, the regions with greater vulnerability to drought episodes. The aim is to promote the maintenance of water availability and quality of service through annual management of water availability, the adoption of efficiency measures in all economic sectors and increased resilience of water availability in regions.

Preservation of forests and fight against rural fires, to develop a structural response capable of valuing natural capital and protecting Portugal from serious rural fires, in a context of climate change and loss of biodiversity, based on an integrated and territorialized management system, based on the transformation of the landscape, as well on the sharing of resources in training, strengthening the means and equipment and knowledge of the territory.

On the establishment of the Portuguese Development Bank as "Green Bank" – With regard to the climate transition, and without prejudice to political changes related to the legislative framework and other strengthening of competitiveness and attraction of investment, a recent measure that will develop its effects throughout the year 2022 stands out. Specifically, it is the development of the national promotion bank, the now fully operational Banco Português de Fomento (GMP), which represents a central vector of national economic policy, highlighting its broad mandate to support the development of the Portuguese economy, through the provision of financing solutions, with conditions appropriate to the development phase of companies and projects, promoting business capacity, investment, job creation and addressing market failures in companies' access to banking and capital financing alternatives.

In this framework of tasks, and directly related to the challenge of promoting investments related to the need for a competitive climate transition, it should be noted that the GMP mission requires financing, under favorable conditions, to companies and projects aligned with national priorities of strategic interest and climate transition in the latter aspect, the concession, in the latter respect, to grant, in the latter respect, its role as "Green Bank".

On what concerns tax measures, the State Budget for 2022 continues the decrease of tax benefits of non-renewable energy production sources, against the reduction of the PIT for the middle class, thus allowing for a more robust and fair economic recovery.

Additionally, the Government is again implementing tax measures of a temporary nature (for example, tax deferral or temporary investment incentive program), in order to guarantee the sustainability of public finances in the post-pandemic period.

At the same time, the Government implemented structural reforms within the labour market and social domain, such as the increase in the minimum wage, the progressive gratuity of children day care, as well as the approval of the National Strategy to Combat Poverty (2030). The National Strategy for the Inclusion of Persons with Disability 2021-2025 was approved, with the aim of setting a horizontal approach to

integrating public policies to consolidate progress achieved, with a view to reinforce the commitment towards the inclusion of all people, as a corollary of a society that faces diversity as a factor of richness and of progress.

Concerning the Agendas Mobilizadoras / Public Incentives for Collaborative Entrepreneurial Innovation – Likewise, there is the public investment in private investment in innovation for the climate transition. In this field, the measure of the Agendas Mobilizadoras for Business Innovation and the Green Agendas for Business Innovation, integrated in the Resilience dimension of the Portuguese RRP, will consolidate and expand the synergistic and progress link between industry and the scientific and technological system in Portugal, contributing to strengthening economic and social resilience, mitigating the economic impact of the crisis and promoting greater cohesion. In particular, and especially related to the purpose of a competitive climate transition, the “Green” Agendas will also make it possible to foster the circular economy and leverage the development of new solutions in favour of environmental sustainability, complementing the effort focused on the decarbonization of industrial activity.

With regards to the **digital transition dimension**, it is recognized that the exponential digitalization of society and the economy makes the digital transition a trend of undeniable importance as one of the main instruments of the country's development strategy, in line with the Commission's guidelines in the Communication on the Construction of the Digital Future of Europe (COM(2020) 67 final, 19 February), the European Ecological Pact and the European Union's investments in the 2021-2027 programming period. In this context, it is also recognized that there are constraints to overcome, particularly concerning training for digitalization and digital technologies adoption in businesses. To ensure that Portugal accelerates the transition to a more digitalized economy and society under the Recovery and Resilience Plan, national options are based on three priorities: school digitalization; digitalization of businesses; and digitalization of public administration.

In this context, examples of policies representing changes and investments stand out, which will foster, throughout 2022, namely supporting the business digital transition:

- **Academia Portugal Digital** – large-scale digital skills certification program that will allow workers to: i) produce a self-assessment of the current level of digital skills, considering the Portuguese framework of digital skills (QDRCD) based on DigComp; ii) receive a personalized training plan in digital skills with concrete goals, considering individual levels in each domain, personal goals and specific demands of the *labor market* (current and future); iii) access to online training resources that allow workers to acquire new skills and achieve pre-set goals; and, iv) develop a personal passport that centralizes and certifies the employee's digital skills information.

- **Emprego + Digital 2025** – vocational training program in the digital area, with the strategic objective of formation and re-skilling of workers and managers of companies and social economy entities, which aims to address the challenges and opportunities arising from the digital transition, in order to enhance their digital transformation and boost their productivity and competitiveness, by improving individuals’ and trainers’ skills and qualifications (RE-C16-01). The Emprego + Digital is a digital technologies training program for 200 thousand workers, with a face-to-face and mixed teaching format. It aims to respond to the challenges and opportunities of several business sectors such as industry, trade, services, tourism, agriculture, the sea economy and construction, which were severely impacted by the pandemic crisis.

These two programs, that promote large-scale digital skills of workers, have the target of reaching 800 thousand workers.

- **National Test Beds Network** – creation of a national test bed network to make available infrastructures to create the necessary conditions for SME and startups to test new products and services, through a physical space or virtual simulator. The objective of this collaborative network is to increase the number of product pilots that become commercially viable crossing what is called the "Death Valley", corresponding to the passage from laboratory validation (TRL 4) to the prototype stage in an industrial environment (TRL7). Test Beds could also provide services for later phases, including for the latest phase - commercialization (i.e. TRL 9).

- **Coaching 4.0** – this initiative aims to promote the integration of technology in companies, supporting the development of organizational processes and skills that foster digital transformation. This measure is a direct aid for companies and aims to target 4.000 companies.

- **Vouchers for Startups and Incubators** – The vouchers for startups aims to support startups who have or want to develop digital business models with a strong green component. The vouchers for incubators aims to support incubators/accelerators to invest in their development, namely technological; have more resources at their disposal and be more *up-to-date* in their knowledge and capabilities, namely in support of startups with digital based business models. These conditions will thus allow these structures to better support incubated startups, namely in terms of hosting and monitoring their programs. In this domain, the investments made available should also allow for a greater focus of incubators and accelerators on startups that have solutions and business models with a strong digital bias (products and/or services), in the sense of being themselves catalysts of the transition process recommended in this component.

- **Digital Innovation Hubs (DIH)** – DIH are structures that have been created also under the Digital Europe Programme, which are one stop shops that help companies and public entities become more competitive with regard to the digital technologies adoption. DIH are going to provide the following services: providing access to technical expertise and experimentation; testing before investing; financing advice; training and skills development that are needed for a successful digital transformation; and incubator's services to foster entrepreneurship ecosystem.

- **Digital Commerce** – The Digital Commerce program will support the trade and services sector through three components: digital commerce districts (DCD); accelerators of digital commerce and Internationalization via e-commerce. The DCD aims to encourage the valorization and digitalization of commercial areas, through the creation of 50 Digital Commercial Districts. The Accelerators will be groups with a local intervention close to commerce operators to encourage the digital transition of 30,000 micro, small and medium-sized enterprises with commercial activity, through the creation of 25

	<p>digital accelerators, local and regional. The Internationalization via e-commerce consists on the development of digital support services for the internationalization process of 1,500 SMEs.</p>
<p>Give priority to fiscal structural reforms that will help provide financing for public policy priorities and contribute to the long-term sustainability of public finances, including, where relevant, by strengthening the coverage, adequacy and sustainability of health and social protection systems for all.</p>	<p>The institutional reforms on public finances are a key priority for fiscal-structural reforms. The innovative and horizontal nature of the Budgetary Framework Law demands a reorientation of the functioning of the current budgetary procedures and a new reporting and information systematisation processes in Public Administration. The principles of budgetary stability and of sustainability of public finances have been progressively consolidated in a medium-term perspective. These principles, with scope for future improvement, have been progressively integrated in the budgetary procedure, notably on the redefinition and stabilisation of the State perimeter in the introduction of expenditure control mechanisms, in the pursuit of expenditure efficiency through the centralisation of public procurement and in the definition of the criteria and circuits for the acquisition of certain services and purchases, as well as in invoicing processes that includes a growing number of entities.</p> <p>Also in the context of the budgetary procedures reporting and of fiscal policy in general, new ways of reporting have been implemented, new time horizons as well as the preparation of documents that reflect the fiscal policy and its repercussions in the medium and long-term, such as the no-change policy and the stability programme, the rigour and desegregation of information in what concerns the responsibilities of the State or in the introduction of the multiannual public expenditures framework in the context of the State Budget Report, among others.</p> <p>Also, in the context of information systems and data processing submitted by the Central, Local and Regional Administrations, progress has been made in the adaptation of information systems that supports the transmission of budgetary information, allowing for a better adaptation to the treatment and presentation of the information, aiming the adoption of the Accounting Normalisation System for Public Administrations.</p> <p>The National Health System (NHS), in what regards human resources, had an increase of 9.193 in the number of professionals between 2019 and 2020 and of 3836 between 2020 and 2021. In the first two months of 2022, the NHS hired an additional 4036 professionals. These strengthening is not only translated in quantitative terms, and for 2022, the budget conditions that are essential for the opening of competitions for progressions in the areas of nursing, health technicians and pharmacists are created. Likewise, and within the framework provided in the Basic Health Law, the full dedication work regime for health professionals in the NHS will be regulated, within the scope of the approval of the new Statute of the NHS, being adopted voluntarily, progressively and gradually, starting with the medical personnel.</p> <p>For 2022, the NHS budget will be strengthened again, continuing the cycle of reinforcement started in 2020, whose main objective was to ensure the availability of necessary financial resources for the NHS, and which proved indispensable in responding to the health emergency arising from the COVID-19 pandemic, and for the recovery of the assistance activity started in 2021 and which will last at least for 2022.</p> <p>Following the discussion of the “Green Book on the Future of Work”, a reflection document on the changes taking place in the labour market, the Government concluded the proposal of elaboration of an “Agenda for Decent Work and Valorisation of Young People in the Labour Market”, which was discussed with social partners throughout 2021, having resulted in a final and consolidated document presented to the Social Concertation in October 2021. The process of approval of the Agenda is to be resumed in the short-term, following the analysis of the inputs received during the public consultation and its submission to the National Assembly. The Agenda aims, among other goals, to ensure the promotion of sustainable employment and combat precariousness at work, regulate new forms of work and improve the regime of parental leave within a framework of promoting equality between women and men.</p> <p>Despite the pandemic, the strong effort to support employment, allowed the recent trajectory of strengthening sustainability of the Social</p>

<p>Security to be continued, with considerable growth of the social contributions' revenue. In this context, the Government is committed to have an informed and enlarged discussion about alternative financing to the pension system, taking into the account the demographic challenge and the future of the labour market. Additionally, regarding the efficacy of the social protection system, the Government will start a process of simplification of the non-contributory social benefits, with the goal of creating a unique benefit, aligned with a creation of non-contributory regimes' code. This simplification and automation are to be entailed with the strong effort in the implementation of the digital transition of Social Security.</p>

9. Portuguese Public Finance Council Opinion





**Conselho das
Finanças
Públicas**

Previsões macroeconómicas subjacentes à Proposta de Orçamento do Estado para 2022

12 de abril de 2022

Parecer n.º

02/2022

O Conselho das Finanças Públicas é um órgão independente, criado pelo artigo 3.º da Lei n.º 22/2011, de 20 de maio, que procedeu à 5.ª alteração da Lei de Enquadramento Orçamental (Lei n.º 91/2001, de 20 de agosto, republicada pela Lei n.º 37/2013, de 14 de junho).

A iniciativa para a sua criação seguiu-se à publicação do Relatório final do Grupo de Missão para o Conselho Europeu sobre a governação económica da Europa e concretizou-se em outubro de 2010, através de um protocolo entre o Governo, então apoiado pelo Partido Socialista, e o Partido Social Democrata. A versão final dos Estatutos do CFP foi aprovada pela Lei n.º 54/2011, de 19 de outubro.

O CFP iniciou a sua atividade em fevereiro de 2012, com a missão de proceder a uma avaliação independente sobre a consistência, cumprimento e sustentabilidade da política orçamental, promovendo a sua transparência, de modo a contribuir para a qualidade da democracia e das decisões de política económica e para o reforço da credibilidade financeira do Estado.

Este Parecer foi elaborado com base na informação disponível até ao dia 11 de abril de 2022.



INTRODUÇÃO

Este Parecer incide sobre as previsões macroeconómicas subjacentes à nova Proposta de Lei de Orçamento do Estado para 2022 (NPOE/2022), apresentada pelo XXIII Governo Constitucional na XV Legislatura, enquadrando-se no [“Protocolo entre o Ministério das Finanças e o Conselho das Finanças Públicas sobre a elaboração de parecer relativo às previsões macroeconómicas subjacentes ao Programa de Estabilidade e à Proposta de Orçamento do Estado”](#), celebrado a 6 de fevereiro de 2015.

A data de tomada de posse do XXIII Governo Constitucional, a 30 de março de 2022, e a sua opção em não usar todo o tempo que legalmente dispunha para apresentar a NPOE/2022 na Assembleia da República¹ criaram uma circunstância excecional quanto à compressão dos prazos do referido Protocolo, pelo que algumas etapas não foram cumpridas. Assim, o Ministério das Finanças (MF) remeteu ao Conselho das Finanças Públicas (CFP), no dia 28 de março, os cenários macroeconómicos (em políticas invariantes e programático) subjacentes à NPOE/2022.

No dia 29 de março, o CFP solicitou um conjunto de esclarecimentos quanto à informação enviada pelo MF bem como a lista detalhada de medidas subjacentes ao cenário programático e a sua quantificação. O pedido foi parcialmente respondido nesse dia, tendo o MF remetido as medidas subjacentes ao Programa de Estabilidade 2022-2026 (PE/2022) apresentado pelo XXII Governo Constitucional. Foram prestados pela equipa do MF esclarecimentos adicionais numa reunião com o CFP no dia 1 de abril, em que o CFP sinalizou a sua perspetiva quanto a opções técnicas tomadas pelo MF quer no cenário em políticas invariantes, quer no programático e a sua conciliação com o PE/2022.

O MF comunicou ao CFP, a 7 de abril, a versão final do cenário macroeconómico e que a NPOE/2022 seria apresentada à Assembleia da República no dia 13 de abril (dia “D” para efeitos do calendário incluído na secção 5 do Protocolo). No dia 8 de abril, o CFP recebeu a tabela de medidas atualizada subjacente ao cenário em análise. Este Parecer incide sobre os valores considerados pelo MF para as hipóteses externas e técnicas, assim como para as previsões macroeconómicas subjacentes a esse cenário, apresentado no Quadro 1.

¹ Nos termos do n.º 2 do artigo 39.º da Lei de Enquadramento Orçamental (aprovada pela Lei n.º 151/2015, de 11 de setembro) esse prazo é de 90 dias a contar da data de tomada de posse do Governo.

CENÁRIO MACROECONÓMICO SUBJACENTE À NPOE/2022

No cenário macroeconómico subjacente à nova Proposta de Orçamento do Estado para 2022 (NPOE/2022), apresentada em abril de 2022, o MF estima que o Produto Interno Bruto (PIB) em volume deverá crescer 4,9% no ano corrente, mantendo inalterado o crescimento observado em 2021 (Quadro 1). Comparativamente às projeções de outras instituições para a economia portuguesa elaboradas após o início da invasão da Ucrânia pela Rússia, a estimativa do MF encontra-se em linha com o valor avançado pelo Banco de Portugal (BdP) e é marginalmente superior aos 4,8% apresentados pelo CFP (Quadro 2).

Não obstante a manutenção do ritmo de crescimento há alterações na sua composição, em particular uma recuperação do contributo das exportações líquidas e um abrandamento do contributo da procura interna. Com efeito, a previsão da NPOE/2022 assenta num contributo de 4,3 p.p. da procura interna (inferior aos 5,1 p.p. observados em 2021) e num contributo de 0,6 p.p. das exportações líquidas (-0,2 p.p. no ano anterior), valores que se encontram em linha com os apresentados pelo CFP, no seu exercício de março.² De acordo com o cenário da NPOE/2022, a redução no contributo da procura interna deverá refletir uma moderação no crescimento do consumo privado (para 3,8%) e do consumo das administrações públicas (para 1,3%), uma vez que o MF antecipa uma aceleração no ritmo de crescimento da formação bruta de capital fixo (FBCF) para 7,9%. Não obstante as demais instituições do Quadro 2 projetarem igualmente uma desaceleração no crescimento do consumo privado e do consumo das administrações públicas, a estimativa do MF para o consumo privado encontra-se ligeiramente acima dos 3,6% projetados tanto pelo CFP como pelo BdP, e a projeção para o consumo das administrações públicas ligeiramente abaixo do valor avançado pelo BdP (1,5%), a projeção mais baixa das duas instituições consideradas. Relativamente à FBCF, a estimativa avançada pelo MF encontra-se balizada entre os 6,9% do CFP e os 9,2% do BdP. Já a recuperação no contributo das exportações líquidas projetada na NPOE/2022 resulta da expectativa de uma redução no crescimento das importações, para 11,1%, e da manutenção do crescimento das exportações em 13,1%. Em ambos os casos, os valores avançados pelo MF encontram-se balizados pelas projeções das instituições consideradas no Quadro 2.

Para 2022, o MF antecipa um aumento das pressões inflacionistas, o que se deverá traduzir numa aceleração do crescimento do deflator implícito do PIB de 0,7% em 2021 para 2,5% em 2022, em linha com o valor avançado pelo CFP. Esta dinâmica deverá resultar da estimativa de um crescimento mais intenso dos deflatores das diversas componentes do PIB, destacando-se o deflator do consumo privado, o qual deverá acelerar 2,7 p.p. para 3,9%. Neste período, segundo o cenário subjacente à NPOE/2022, e à semelhança do estimado também pelo CFP, a economia portuguesa deverá apresentar uma perda de termos de troca mais

² Note-se que se trata de contributos brutos para o crescimento, ou seja, não descontado as importações geradas por cada componente da procura.

intensa do que em 2021, em resultado da expectativa de uma aceleração no deflator das importações (+2,5 p.p. para 10,1%), superior à estimada para o deflator das exportações (+2,1 p.p. para 8,1%). O aumento das pressões inflacionistas deverá também repercutir-se numa forte aceleração do índice harmonizado de preços no consumidor (IHPC), para 4,0% em 2022, um valor que se encontra em linha com o estimado quer pelo CFP quer pelo BdP.

Quadro 1 – Previsões macroeconómicas subjacentes à NPOE/2022

	2021	2022
PIB real e componentes (variação, %)		
PIB	4,9	4,9
Consumo privado	4,5	3,8
Consumo público	4,1	1,3
Investimento (FBCF)	6,4	7,9
Exportações	13,1	13,1
Importações	12,9	11,1
Contributos para a variação do PIB (p.p.)		
Procura interna	5,1	4,3
Exportações líquidas	-0,2	0,6
Preços (variação, %)		
Deflator do PIB	0,7	2,5
Deflator do consumo privado	1,2	3,9
Deflator do consumo público	0,6	2,2
Deflator do investimento (FBCF)	3,0	3,6
Deflator das exportações	6,0	8,1
Deflator das importações	7,6	10,1
IHPC	0,9	4,0
PIB nominal		
Variação (%)	5,6	7,5
Mercado de trabalho (variação, %)		
Taxa de desemprego (% pop. ativa)	6,6	6,0
Emprego	2,1	1,3
Remuneração média por trabalhador	3,8	3,2
Produtividade aparente do trabalho	2,8	3,5
Financiamento da economia e sector externo (% PIB)		
Cap./nec. líquida de financiamento face ao exterior	0,7	1,6
Balança de bens e serviços	-3,0	-3,4
Balança de rend. primários e transferências	1,9	1,7
Balança de capital	1,8	3,3
Cap./nec. líquida de financiamento do sector privado	3,6	3,5
Cap./nec. líquida de financiamento das AP	-2,8	-1,9
Desenvolvimentos cíclicos		
PIB potencial (variação, %)	1,9	2,4
Hiato do produto (% PIB potencial)	-3,4	-1,0
Pressupostos		
Procura externa (variação, %)	10,0	5,8
Taxa de juro de curto prazo (média anual, %)	-0,5	-0,4
Taxa de câmbio EUR-USD (média anual)	1,18	1,12
Preço do petróleo (Brent, USD/barril)	71,1	104,6

Fonte: MF – Informação comunicada a 07 de abril de 2022.

Em face das dinâmicas descritas para o produto real e para o seu deflator, o MF projeta que o PIB nominal cresça 7,5% em 2022, um valor que se encontra próximo do avançado pelo CFP (7,4%).

Quadro 2 – Previsões e projeções para a economia portuguesa

	Ano Instituição Data de publicação	2021		2022		
		mar22	CFP	BdP	MF	MF - PE
			mar22	mar22	abr22	mar22
PIB real e componentes (variação, %)						
PIB		4,9	4,8	4,9	4,9	5,0
Consumo privado		4,5	3,6	3,6	3,8	4,3
Consumo público		4,1	2,5	1,5	1,3	1,4
Investimento (FBCF)		6,4	6,9	9,2	7,9	7,9
Exportações		13,1	10,4	14,2	13,1	13,1
Importações		12,9	8,6	12,3	11,1	11,5
Contributos para o crescimento do PIB (p.p.)						
Procura interna		5,1	4,3	-	4,3	4,6
Exportações líquidas		-0,2	0,5	-	0,6	0,4
Preços (variação, %)						
Deflator do PIB		0,7	2,5	-	2,5	2,3
Deflator do consumo privado		1,2	4,0	-	3,9	3,3
Deflator do consumo público		0,6	2,4	-	2,2	2,1
Deflator da FBCF		3,0	3,4	-	3,6	3,4
Deflator das exportações		6,0	7,4	-	8,1	7,8
Deflator das importações		7,6	9,8	-	10,1	9,4
IHPC		0,9	3,9	4,0	4,0	3,3
PIB nominal						
Variação (%)		5,6	7,4	-	7,5	7,4
Mercado de trabalho (variação, %)						
Taxa de desemprego (% pop. ativa)		6,6	6,4	5,9	6,0	6,0
Emprego		2,1	1,1	1,4	1,3	1,3
Remuneração média por trabalhador		3,8	4,0	-	3,2	3,2
Produtividade aparente do trabalho		2,8	3,6	-	3,5	3,7
Sector externo (% PIB)						
Capacidade líquida de financiamento		0,7	-0,6	-0,4	1,6	1,6
Balança corrente		-1,1	-2,3	-	-1,7	-1,7
Balança de bens e serviços		-3,0	-3,6	-4,1	-3,4	-3,4
Balança de rend. primários e transf.		1,9	1,3	-	1,7	1,7
Balança de capital		1,7	1,7	-	3,3	3,3
Desenvolvimentos cíclicos						
PIB potencial (variação, %)		0,0	2,3	-	2,4	2,4
Hiato do produto (% PIB potencial)		0,0	-0,6	-	-1,0	-0,9
Finanças públicas (% PIB)						
Saldo orçamental		-2,8	-1,6	-	-1,9	-1,9

Fontes: 2021: INE. 2022: CFP – Perspetivas Económicas e Orçamentais 2022-2026, março 2022; BdP – Boletim Económico, março 2022; MF – Nova Proposta de Orçamento do Estado para 2022, abril 2022; MF-PE – Relatório do Programa de Estabilidade 2022-2026, março de 2022. | Nota: Dado o atual contexto de elevada incerteza relativamente à duração e aos impactos do atual conflito entre a Ucrânia e a Rússia, a análise comparativa é apenas realizada com os exercícios de projeção disponíveis para a economia portuguesa que tentam incorporar efeitos do conflito.

Para o mercado de trabalho, o MF antecipa uma redução na taxa de desemprego para 6,0% da população ativa em 2022, a qual deverá ser acompanhada por uma moderação no ritmo de crescimento do emprego para 1,3%. Em ambos os casos, as trajetórias previstas pelo MF encontram-se alinhadas com as das restantes instituições do Quadro 2, devendo a taxa de desemprego ficar balizada entre os 5,9% do BdP e os 6,4% do CFP, e a taxa de crescimento do emprego entre os 1,1%

estimados pelo CFP e os 1,4% projetados pelo BdP. Ainda de acordo com o cenário da NPOE/2022, as remunerações médias por trabalhador deverão desacelerar para 3,2% em 2022, o que contrasta com a uma expectativa de aceleração no cenário do CFP (para 4,0%). Considerando o IHPC como deflator, o MF antecipa uma redução da remuneração real média de 0,8% em 2022, o que compara com uma expectativa de estabilização no exercício de projeção do CFP. Por fim, o MF estima ainda um aumento da produtividade aparente do trabalho de 3,5% em 2022, em linha com as dinâmicas projetadas para o produto real e para o emprego, ficando este valor próximo do avançado pelas instituições do Quadro 2.

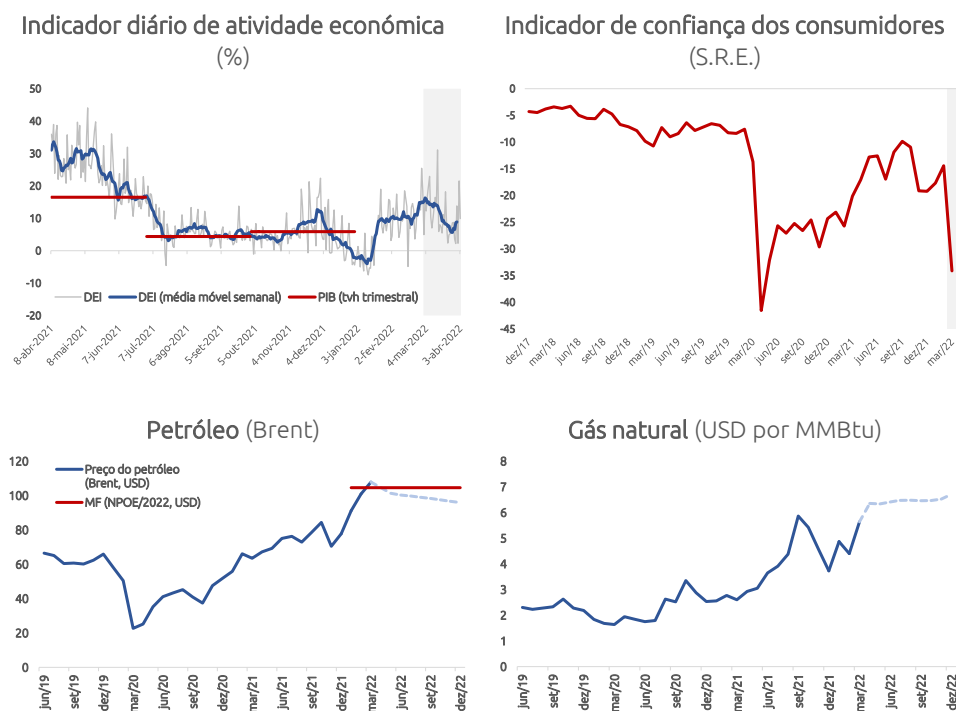
O MF prevê ainda uma melhoria na capacidade de financiamento da economia portuguesa, de 0,7% do PIB em 2021, para 1,6% em 2022. Esta dinâmica contrasta com a estimada quer pelo CFP quer pelo BdP, que antecipam uma deterioração deste indicador para valores negativos (-0,6% no caso do CFP e -0,4% segundo o BdP). Esta divergência decorre, em grande medida, das diferenças na estimativa do saldo da balança de capital, com o valor avançado pelo MF (3,3%) a ser sensivelmente o dobro do projetado pelo CFP (1,7%). No caso da balança de bens e serviços, a estimativa inscrita na NPOE/2022 (-3,4% do PIB), encontra-se próxima da projeção de -3,6% do CFP, uma vez que o BdP estima uma deterioração para -4,1%.

PRINCIPAIS CONSIDERAÇÕES

O cenário macroeconómico subjacente à NPOE/2022 é globalmente coerente com as projeções mais recentes para a economia portuguesa e que incorporam uma avaliação dos efeitos do conflito na Ucrânia na economia nacional (Quadro 2).

A invasão da Ucrânia e as sanções impostas à Rússia originaram um enquadramento de elevada incerteza económica, geopolítica e social, tal como o CFP refere no seu relatório [Perspetivas Económicas e Orçamentais 2022-2026](#). No imediato, observou-se um choque sobre os preços das matérias-primas (em particular bens energéticos, alimentares e metais), intensificando pressões inflacionistas que se vinham a acumular em 2021. Os custos de produção bem como a recuperação da procura interna são consequentemente penalizados neste contexto. Desconhecendo-se qual será a duração do conflito, a incerteza quanto à amplitude dos impactos e efeitos de arrastamento é exacerbada. Essa incerteza já se está a refletir nos indicadores de conjuntura, tanto no indicador de confiança dos consumidores como no indicador diário de atividade económica do BdP (Gráfico 1).

Gráfico 1 – Indicadores de conjuntura e atividade económica



Fontes: BdP, INE e Investing.com. | Notas: S.R.E. – Saldo de respostas extremas; a área a sombreado nos gráficos superiores refere-se ao acréscimo de informação relativamente à informação considerada no Relatório do Programa de Estabilidade 2022-2026; USD – dólares norte-americanos; MMBtu – milhões de *British thermal units*; os valores a tracejado nos gráficos inferiores consideram os futuros extraídos a 11 de abril; a linha a vermelho no gráfico do Petróleo refere-se à hipótese assumida pelo MF para o preço do petróleo em dólares em 2022.

O crescimento da atividade económica de 4,9% e a taxa de inflação esperada de 4,0% previstos pelo MF para 2022, encontram-se em linha com os cenários do CFP e do BdP (Quadro 2).

Face ao documento de programação orçamental anterior (PE/2022), apresentado pelo anterior XXII Governo Constitucional, as previsões agora em apreço refletem uma revisão em baixa da expectativa de crescimento da atividade económica (-0,1 p.p.) e uma revisão em alta da taxa de inflação esperada para 2022 (+0,7 p.p.). Estas revisões acomodam as dinâmicas atualizadas de indicadores de conjuntura salientados pelo MF no [relatório do PE/2022](#) (Gráfico 1) e que evidenciam algum grau de degradação das perspetivas de crescimento económico e pressões inflacionistas mais elevadas.

O cenário do MF, ao não diferir significativamente das projeções do CFP e do BdP, partilha naturalmente os riscos macroeconómicos já destacados por estas instituições. O cenário apresentado pelo MF é também enquadrado num contexto de elevada incerteza introduzida pela invasão da Ucrânia pela Rússia. A evolução do conflito e as sanções impostas à economia russa têm impacto sobre o preço dos bens energéticos e de outras *commodities*, bem como na confiança dos agentes económicos, nas condições de financiamento da economia e sobre os fluxos comerciais. Os cenários adversos elaborados pelas instituições de referência (Quadro 3) ilustram, para 2022, os riscos em baixa para a atividade económica e em alta para a inflação em Portugal, riscos estes que também se aplicam ao cenário subjacente à NPOE/2022.³

Quadro 3 – Cenários adversos publicados para a economia portuguesa, 2022

Ano Instituição	2021	2022	
		CFP	BdP
PIB real (tva, %)	4,9	3,5	3,6
Taxa de inflação (IHPC, %)	0,9	5,6	5,9

Fontes: 2021: INE. 2022: CFP – Perspetivas Económicas e Orçamentais 2022-2026, março 2022; BdP – Boletim Económico, março 2022.

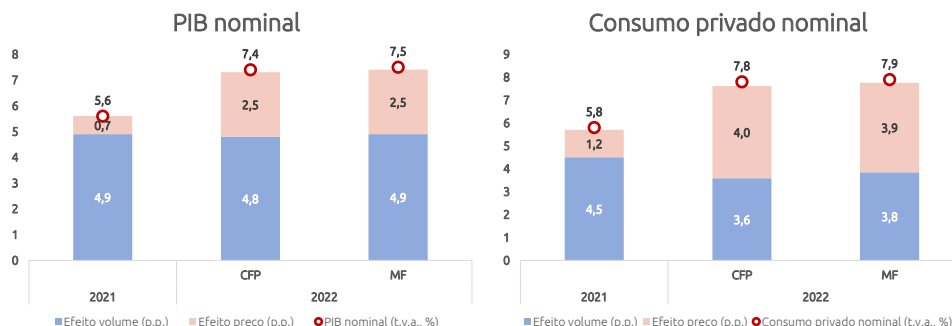
Relativamente às componentes macroeconómicas que mais influenciam as variáveis orçamentais:

- a aceleração no crescimento do PIB nominal (Gráfico 2) está em linha com a perspetiva do CFP, sendo a diferença justificada com a perspetiva para dinâmica da atividade económica (balizada pelo cenário BdP);
- o aumento da taxa de variação prevista para o consumo privado nominal é também semelhante à perspetiva do CFP (Gráfico 2), embora com pequenas diferenças na composição volume/preço. Essas diferenças,

³ No [relatório do PE/2022](#), apresentado pelo XXII Governo Constitucional, também consta um cenário macroeconómico adverso em que, para 2022, o ritmo de crescimento do PIB real abranda para 3,8% e a taxa de inflação medida pelo IPC aumenta para 4,2%.

embora se equilibrem em termos de riscos para as finanças públicas, representam um risco descendente para a dinâmica macroeconómica;

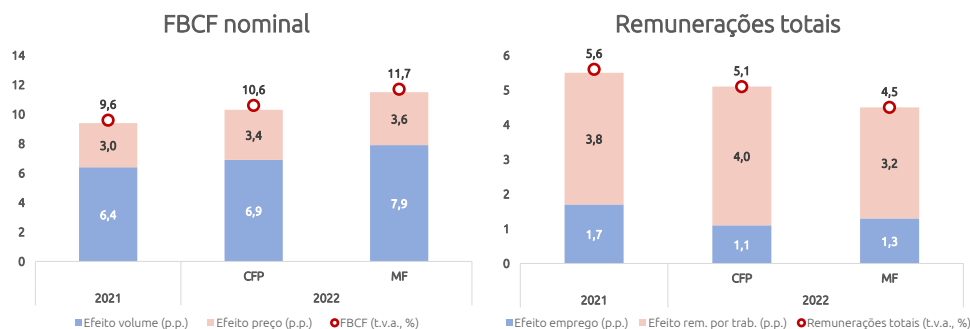
Gráfico 2 – Decomposição do crescimento do PIB e do consumo privado



Fontes: INE, projeções do MF (NPOE/2022) e cálculos e projeções do CFP. | Notas: p.p. – pontos percentuais; t.v.a. – taxa de variação anual; a soma dos efeitos volume e preço poderá não coincidir com a taxa de variação anual devido a efeitos de aproximação.

- a diminuição perspetivada para a taxa de desemprego pelo MF está contida entre a projeção do CFP e do BdP (Quadro 2);
- para a dinâmica das remunerações na economia, o MF antecipa um abrandamento mais forte que o CFP (Gráfico 3). Este perfil, conjugado com a expectativa de maior criação de emprego, leva à previsão de abrandamento das remunerações por trabalhador por parte do MF, contrastando com a projeção de aceleração pelo CFP. O perfil previsto pelo MF para esta variável pode ser visto, contudo, como mais prudente por poder gerar uma expectativa de menor receita fiscal para 2022.

Gráfico 3 – Decomposição do crescimento da FBCF e das remunerações totais



Fontes: INE, projeções do MF (NPOE/2022) e cálculos e projeções do CFP. | Nota: p.p. – pontos percentuais; t.v.a. – taxa de variação anual; a soma dos efeitos volume e preço e dos efeitos emprego e remunerações por trabalhador poderá não coincidir com a taxa de variação anual devido a arredondamentos; no gráfico das remunerações totais, o efeito emprego em 2021 foi calculado com base no emprego remunerado. Para 2022 foi considerado o crescimento implícito do emprego.

Importa também salientar a dinâmica da FBCF que, encontrando-se abaixo da perspetiva de evolução em volume do BdP para 2022 (Quadro 2), tem ainda assim implícitos riscos em baixa para o volume e em alta para o preço (Gráfico 3). Por um lado, uma execução do Plano de Recuperação e Resiliência (PRR) a um nível inferior ao esperado poderá afetar o desempenho do investimento em volume. Por outro lado, o contexto de forte aceleração dos preços das matérias-primas, disrupções nas cadeias de valor global, dificuldades de logística e transporte e outros constrangimentos do lado da oferta, poderão ter um impacto significativo no aumento do preço do investimento e numa potencial redução do volume. Inclusive, para o mesmo montante nominal de investimento considerado no PRR poderá ser alcançado um menor volume de investimento por via destes efeitos que pressionam os preços.

Ponderados os riscos do cenário do MF e as suas potenciais consequências para as finanças públicas, a incerteza do panorama macroeconómico atual e as projeções existentes para a economia portuguesa do CFP e do BdP, o cenário macroeconómico subjacente à NPOE/2022 afigura-se como provável.

CONCLUSÃO

A conclusão desta análise do Conselho das Finanças Públicas tem em conta os princípios do artigo 8.º da Lei de Enquadramento Orçamental (Lei n.º 151/2015, de 11 de setembro): “As projeções orçamentais subjacentes aos documentos de programação orçamental devem basear-se no cenário macroeconómico mais provável ou num cenário mais prudente”. Este mesmo princípio orientador de utilização de previsões realistas para a condução das políticas orçamentais encontra-se também vertido na legislação europeia, em particular no Pacto de Estabilidade e Crescimento e na Diretiva n.º 2011/85/UE do Conselho de 8 de novembro de 2011, que estabelece requisitos aplicáveis aos quadros orçamentais dos Estados-Membros.

Nos termos do número 4 do artigo 4.º do Regulamento n.º 473/2013 do Parlamento Europeu e do Conselho de 21 de maio de 2013, em resultado da análise efetuada às previsões macroeconómicas subjacentes à Proposta de Orçamento do Estado para 2022 do XXIII Governo Constitucional e com base na informação atualmente disponível, **o Conselho das Finanças Públicas endossa as previsões macroeconómicas apresentadas.**



**REPÚBLICA
PORTUGUESA**

XXIII GOVERNO CONSTITUCIONAL

MINISTÉRIO DAS FINANÇAS

AV. INFANTE D. HENRIQUE, 1
1149-009 LISBOA

<http://www.portugal.gov.pt>