Draft Budgetary Plan

2020

INDEX

TABLES

1. Introduction

This Draft Budgetary Plan 2020 fully complies with Regulation (EU) N.º 473/2013 of the European Parliament and of the Council as described in the Two Pack implementation specification document published on September 30th 2016, whereby the Member State ruled by a government not enjoying full budgetary powers must submit, by October 15th, a draft budgetary plan prepared on a no-policy change basis.

In this context, this Draft Budgetary Plan 2020 does not correspond to a proposal for the State Budget for 2020.

Besides, in this Draft Budgetary Plan 2020, potential GDP growth is updated regarding the underlying value of the Stability Programme for 2019-2023, partly due to the adoption of a new basis for the annual national accounts, with an impact on GDP and Investment series. Given the methodology used to calculate the potential product and its specificities, the incorporation of the reviewed series updates previous values.

The absence of a State Budget proposal for 2020 is in accordance with the Budgetary Framework Law (Law No. 91/2001, of 20 August, as amended and republished by Law No. 41/2014, of 10 July).

Given that national elections were held on October 6th and the Parliament term will fall between October 1st and December 31st, the State Budget proposal for 2020 should be submitted by the Government to the National Parliament within ninety days from the date of his inauguration.

2. Macroeconomic Forecasts

Table 1. Basic Assumptions

	2018	2019	2020
Short-term interest rate (annual average)	-0,3	-0,3	-0,3
Long-term interest rate EA (annual average)	1,3	1,5	1,7
USD/€ exchange rate (annual average)	1,18	1,13	1,12
Nominal effective exchange rate	2,9	-4,7	-0,5
World excluding EU, GDP growth	4,1	3,6	3,9
EU GDP growth	2,2	1,5	1,8
Growth of relevant foreign markets	3,5	2,6	3,1
World import volumes, excluding EU	4,5	4,3	4,2
Oil prices (Brent, USD/barrel)	71,5	63,1	57,8

Table 2. Macroeconomic Prospects

	ESA Code	2018 Level (10^6 euros)	2018	2019	2020
			rate of change		
1. Real GDP	**B1*g**	197 741,1	2,4	1,9	2,0
of which					
2. Potential GDP		194 751,1	1,8	1,9	1,9
3. Nominal GDP	**B1*g**	203 896,2	4,1	3,3	3,5
Components of real GDP					
4. Private final consumption expenditure	P.3	128 437,4	3,1	2,2	2,1
5. Government final consumption expenditure	P.3	33 148,2	0,9	0,9	0,9
6. Gross fixed capital formation	P.51g	34 088,2	5,8	8,2	5,0
7. Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P53	1 005,2	0,5	0,5	0,1
8. Exports of goods and services	P.6	84 402,2	3,8	2,9	3,9
9. Imports of goods and services	P.7	83 340,0	5,8	5,4	4,1
Contributions to real GDP growth					
10. Final domestic demand		195 673,8	3,1	3,0	2,4
11. Changes in inventories and net acquisition of valuables	P.52 + P53	1 005,2	0,1	0,0	-0,4
12. External balance of goods and services	B.11	1 062,2	-0,8	-1,0	-0,1

Table 3. Price Developments

	ESA code	2018 Level	2018	2019	2020
			rate of change		
1. GDP deflator		1,03	1,6	1,3	1,4
2. Private consumption deflator		1,03	1,3	1,2	1,4
3. HICP		1,03	1,2	0,8	1,6
4. Public consumption deflator		1,04	1,8	1,3	1,5
5. Investment deflator (GFCF)		1,05	3,0	2,0	1,6
6. Export price deflator (goods and services)		1,05	2,1	1,0	1,0
7. Import price deflator (goods and services)		1,06	2,4	1,0	1,0

Table 4. Labour Market Developments

	ESA Code	2018	2018	2019	2020
		Level	rate of change		
1. Employment, persons[1]		4 914,5	2,3	1,1	0,7
2. Employment, hours worked[2]		:	:	:	:
3. Unemployment rate[3] **(%)**		-	7,0	6,3	5,9
4. Labour productivity, persons[4]		40,2	0,1	0,8	1,2
5. Labour productivity, hours worked[5]		:	:	:	:
6. Compensation of employees	D.1	91 002,4	5,4	3,9	3,6
7. Compensation per employee		21,5	2,5	2,7	2,9

[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	2018	2019	2020
1. Net lending/net borrowing vis-à-vis the rest of the world	**B.9**	**1,2**	**0,3**	**0,4**
of which:				
- Balance of goods and services		0,1	-1,0	-1,0
- Balance of primary incomes and transfers		0,1	0,0	0,2
- Capital account		1,0	1,2	1,2
2. Net lending/net borrowing of the private sector	B.9	1,6	0,3	0,4
3. Net lending/net borrowing of general government	EDP B.9	-0,4	-0,1	0,0
4. Statistical discrepancy		:	:	:

3. Budgetary Targets

Table 6. General Government Budgetary Targets

	ESA Code	2019	2020
		% GDP	
Net lending (+) / net borrowing (-) (B.9) by sub-sector[1]			
1. General government	S.13	-0,1	0,0
2. Interest expenditure	EDP D.41	3,1	3,0
3. Primary balance[2]		3,1	2,9
4. One-off and other temporary measures[3]		-0,6	-0,4
4.a. Of which one-offs on the revenue side: general government		0,0	0,0
4.b. Of which one-offs on the expenditure side: general government		-0,6	-0,5
5. Real GDP growth (%) (=1 in Table 1.a.)		1,9	2,0
6. Potential GDP growth (%) (=2 in Table 1.a.)		1,9	1,9
7. Output gap (% of potential GDP)		1,6	1,7
8. Cyclical budgetary component (% of potential GDP)		0,8	0,9
9. Cyclically-adjusted balance (1-8) (% of potential GDP)		-0,9	-1,0
10. Ciclically-adjusted primary balance (9+2) (% of potential GDP)		2,2	2,0
11. Structural balance (9-4) (% of potential GDP)		-0,3	-0,5

[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	2019	2020
1. Gross debt[1]		119,3	116,2
2. Change in gross debt ratio		-2,9	-3,1
Contributions to changes in gross debt			
3. Primary balance (= item 3 in Table 2.a.)		-3,1	-2,9
4. Interest expenditure (= item 2 in Table 2.a.)	EDP D.41	3,1	3,0
5. Stock-flow adjustment		0,9	0,9
p.m.: Implicit interest rate on debt[2]		2,6	2,5

[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.511, AF.52 (only if listed on stock exchange).

4. Expenditure and Revenue Projections under the No-police Change Scenario

The calculation of the unchanged policy scenario used the asumptions explained in the Public Finance Report 2016, published by the European Commission on December 2016. This means that all the additional effects of the measures that still need to be legislated where neutralized.

Table 8. General Government Expenditure and Revenue Projections at Unchanged Policies Broken Down by Main Components

	ESA Code	2019	2020
General government (S13)		**% GDP**	
1. Total revenue at unchanged policies	**TR**	**43,4**	**43,3**
of which			
1.1. Taxes on production and imports	**D.2**	15,2	15,1
1.2. Current taxes on income, wealth, etc	**D.5**	9,9	9,9
1.3. Capital taxes	**D.91**	0,0	0,0
1.4. Social contributions	**D.61**	12,0	12,1
1.5. Property income	**D.4**	0,8	0,8
1.6. Other[1]		5,4	5,5
p.m.: Tax burden (D.2+D.5+D.61+D.91-D.995)[2]		34,9	34,8
2. Total expenditure at unchanged policies	**TE[3]**	**43,4**	**43,4**
of which			
2.1. Compensation of employees	**D.1**	10,7	10,7
2.2. Intermediate consumption	**P.2**	5,4	5,4
2.3. Social payments		18,4	18,4
of which Unemployment benefits[4]	D.62+D.632	0,6	0,5
2.4. Interest expenditure	**EDP D.41**	3,1	3,0
2.5. Subsidies	**D.3**	0,4	0,4
2.6. Gross fixed capital formation	**P.51g**	2,0	2,2
2.7. Capital transfers	**D.9**	1,1	1,0
2.8. Other[5]		2,3	2,4

[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.

5. Expenditure and Revenue Targets

Table 9. General Government Expenditure and Revenue Targets, Broken Down by Main Components

	ESA Code	2019	2020
General government (S13)		% GDP	
1. Total revenue target	**TR**	**43,4**	**43,3**
of which			
1.1. Taxes on production and imports	**D.2**	15,2	15,1
1.2. Current taxes on income, wealth, etc	**D.5**	9,9	9,9
1.3. Capital taxes	**D.91**	0,0	0,0
1.4. Social contributions	**D.61**	12,0	12,1
1.5. Property income	**D.4**	0,8	0,8
1.6. Other[1]		5,4	5,5
p.m.: Tax burden (D.2+D.5+D.61+D.91-D.995)[2]		34,9	34,8
2. Total expenditure	**TE[3]**	**43,4**	**43,4**
of which			
2.1. Compensation of employees	**D.1**	10,7	10,7
2.2. Intermediate consumption	**P.2**	5,4	5,4
2.3. Social payments	**D.62+D.632**	18,4	18,4
of which Unemployment benefits[4]		0,6	0,5
2.4. Interest expenditure (=item 2 in Table 2.a.)	**D.41**	3,1	3,0
2.5. Subsidies	**D.3**	0,4	0,4
2.6. Gross fixed capital formation	**P.51g**	2,0	2,2
2.7. Capital transfers	**D.9**	1,1	1,0
2.8. Other[5]		2,3	2,4

[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.

Table 10. Amounts to be excluded from the Expenditure Benchmark

	ESA Code	2018 Level	2018 % GDP	2019 % GDP	2020 % GDP
1. Expenditure on EU programmes fully matched by EU funds revenue		1 085,5	0,5	0,6	0,6
1a. Investment expenditure fully matched by EU funds revenue		533,0	0,3	0,3	0,4
2. Cyclical unemployment benefit expenditure[1]		-210,7	-0,1	-0,1	-0,1
3. Effect of discritionary revenue measures[2]		-280,1	-0,1	0,0	0,0
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 discritionary revenue measures: data reported in rows 3 and 4 should be mutually exclusive.

Table 11. Classification of the Functions of the Government

% GDP	COFOG code	2017
1. General public services	1	7,5
2. Defence	2	0,9
3. Public order and safety	3	1,7
4. Economic affairs	4	5,2
5. Environmental protection	5	0,6
6. Housing and community amenities	6	0,5
7. Health	7	6,0
8. Recreation, culture and religion	8	0,8
9. Education	9	4,9
10. Social protection	10	17,3
11. Total expenditure (=item 2 in Table 4.a)	TE	45,4

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

6. Description of Discretionary Measures Included in the Draft Budget

Only a no-policy change scenario was developed.

7. Comparison with Stability Programme

Table 12. Divergence from Latest Stability Programme

% of GDP	ESA Code	2018	2019	2020
General government net lending projection at unchanged policies	**B.9**			
Stability Programme		-0,5	-0,2	0,2
Draft Budgetary Plan		-0,4	-0,1	0,0
Difference[1]		0,0	-0,1	0,2

[1] This difference can refer to both desviations 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.

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

Table 13. Country Specific Recommendations

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
1	Achieve the medium-term budgetary objective in 2020, taking into account the allowance linked to unusual events for which a temporary deviation is granted.	In the last two years, Portugal has achieved a significant structural adjustment and exceeded the annual adjustment to the structural balance required by the European Commission.
	Use windfall gains to accelerate the reduction of the general government debt ratio.	Since 2016, the public debt ratio has been on a declining trend. In last EDP notification, INE reported that, regarding 2018, it stood at 122.2%. From 2016 to 2018, the public debt ratio decreased almost 10 pp. The Government estimates that in 2023 the ratio of debt to GDP will be very close to 100%. To achieve this objective, all windfall gains should continue to be allocated to the reduction of public debt.
	Improve the quality of public finances by prioritising growth-enhancing spending while strengthening overall expenditure control, cost efficiency and adequate budgeting, with a focus in particular on a durable reduction of arrears in hospitals.	Aiming at improving the efficiency and control of public administration expenditure, Portugal has undertaken, over the last four years, a public spending review exercise, oriented to the formulation and implementation of measures to generate long-lasting improvements of the public expenditure efficiency. The spending review exercise covers a broad range of policies in the fields of Health, Education, Justice, Internal Affairs, Public Procurement and State Assets, SOEs and Human Resources Management.
		Regarding the Health sector, a capital injection plan was initiated in National Health Service (NHS) entities, reinforcing the model for monitoring its financial performance through the Mission Framework for Sustainability of the Health Budget Program, aiming to reduce debt levels and to set adequate financing.
		At the same time, the Regional Health Administrations (ARS) have reinforced the permanent monitoring of the performance of public-private health partnerships.
		There is already empirical evidence that these initiatives are producing practical results on what concerns the

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		decrease of the generation of debt in NHS Hospitals. The evolution of arrears (overdue debt by more than 90 days) has been favourable in 2019 and should reach a minimum level in the end of the current year. Arrears have decreased by 177,8 M€, from August 2018 (775,3 M€) to August 2019 (597,6 M€). Yet, these values incorporate the financial bailouts that occurred over that period, namely, 1.215 M€ by late 2018 and 333,7 M€ during 2019). The improvements in hospitals' efficiency and the impact of cost-containment measures must be evaluated in terms of evolution of debt generation, i.e., eliminating the effects of bailouts. Particularly, compared to previous years, a substantial reduction in the monthly debt generation suggests a more structural change in hospitals' financial management: <table><tr><td></td><td>Arrears monthly generation</td></tr><tr><td>2016</td><td>48,2 M€</td></tr><tr><td>2017</td><td>72,3 M€</td></tr><tr><td>2018</td><td>71,9 M€</td></tr><tr><td>2019 (until August)</td><td>42,9 M€</td></tr></table>
	Improve the financial sustainability of state-owned enterprises, while ensuring more timely, transparent and comprehensive monitoring.	In order to ensure and speed up the financial sustainability of the state-owned enterprise (SOE) sector, the following initiatives and measures are being taken, under the SOEs reform Action Plan: • The in-depth analysis of activity plans and budgets (APBs) of SOEs has been pursued, ensuring a better resource allocation and improved efficiency of public expenditure. A special focus has been given to the analysis of investment plans and the assessment of recruitment needs, increasing compliance between budgetary plans and long run policy objectives; • The monitoring of SOEs has been strengthened, through the analysis of quarterly data aiming to identify and timely correct any deviations from the established objectives on the approved budgets; this process is being implemented gradually and is expected to be fully operational in 2020; • The gradual improvement of the capital structure of SOEs has been maintained, with a focus on debt

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		reduction in those companies that have positive operational results and large levels of historical debt;
		• The process of liquidation of uneconomic or redundant SOEs is well under way (25 SOEs have been wind down in less than two years), avoiding unnecessary structure costs; other SOEs with negative operational results are being either restructured or singled out for liquidation;
		• The negotiation and implementation of contracts to compensate specific SOE´s for the public service obligations they provide is another critical factor that will allow these companies to be profitable or at least in equilibrium on an ongoing basis, without further assistance from the state budget.
		These contracts are especially important for the Transportation sector. Within this sector, Sociedade de Transportes Colectivos do Porto (STCP) had their Public Service Contract designed and implemented in 2019. The negotiations for Metro do Porto and Transtejo/Soflusa have been finalized and are expected to be approved by the Transportation Authority and will be subsequently implemented until the end of the year. As for CP and Metro de Lisboa negotiations are well advanced and both contracts expected to be signed and operational before year-end. This will conclude the setting up of a transparent and economically sound framework for the financial relationship between these SOEs and the State, after the recapitalization effort made in recent years. Recent improvements at the operational level and management has allowed the sector to operate globally with operational profits.
		The apparent deterioration of the financial performance of SOEs in 2018 is largely justified by the differentiated process of accounting of the injected funds in the NHS Hospitals between 2017 and 2018 (in 2017, a revision of the Health Budgetary Programme, thus impacting hospitals financial results; in 2018, capital increases and losses coverage, without affecting hospitals net result).
		Furthermore, in 2019 it is expected that the SOE sector will resume an improvement trend, also given the phasing out of the negative impact due to the correction of imbalances of 2018 and of the previous short-term oriented measures (such as temporary salary freezes and caps on investment). In 2019 and 2020, SOEs expenditure growth will return to its normal pace and, accordingly, the sector is expected to deliver sustained financial

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		improvements.
		Healthcare Sector
		A new program was launched to address hospital arrears through the introduction of a new governance model with increased annual budgets along with a closer joint monitoring of the Ministry of Finance and Ministry of Health. The latest developments are:
		• In order to reduce hospitals' debt, a five-year liquidation plan has been put into force, regarding the hospitals' arrears to external and internal suppliers in a global amount of 855 M€. Capital injections (333,7 M€) were provided to finance the liquidation assigned to the present year.
		• Aiming at the approval of the yearly ABP´s (Activity Business Plans), which guarantees more autonomy in hiring professionals and undertaking investments, the ABP´s for the Health sector are being analysed for the first time by both ACSS and UTAM. Up to this point, 3 ABP were approved. Despite its early stage, the joint analysis ACSS and UTAM, and subsequent interaction with National Health Service corporate hospitals, has proven to be more thorough and productive, as it combines financial and operational evaluation, providing better information and planning.
		• In 2018, the "Mission Structure for Sustainability of the Health Budget Programme" (EMSPOS) was created. It launched a series of initiatives, the most relevant a project towards better hospital financing and autonomy, coupled with efficiency-enhancing measures. So far, the EMSPOS has met with the executive boards of all NHS hospitals and has sent to each of them specific recommendations. The EMSPOS has also elaborated an extensive report including an overview of hospital management practices and difficulties, with recommendations of policies to be undertaken at the central level to improve the hospitals' efficiency.
		This work is expected to be continued by the recently-created Performance Evaluation and Accompaniment

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		Structure (EAAD), a formal structure devoted to the monitoring and evaluation of hospital management practices, which includes members of both the Ministry of Finance and Ministry of Health through their relevant monitoring entities (UTAM, ACSS and DGTF) and is coordinated by the EMSPOS.

Among the other initiatives, the EMSPOS has successfully applied to the EU Structural Reforms Support Programme for a project on the evaluation and improvement of the central procurement system for drugs and medical devices; it has elaborated a report on the performance of the primary healthcare financing system, including recommendations for its improvement; it has elaborated a report on healthcare professionals' absenteeism and its causes; and it has elaborated recommendations in various areas, such as the coding and market monitoring for medical devices, the development of medical guidelines and reference centre, the revision of the hospital financing scheme, or the creation of a drug management system, among others.

Also following the recommendations of EMSPOS, the Ministries of Finance and Health are currently concluding the setup of the management contract to celebrate with executive boards, including financial incentives and penalties, based on performance indicators. |
| 2 | Adopt measures to address labor market segmentation. | Considering the current pattern of recovery of the labour market, and despite the tendency of growth of permanent contracts, converging with the European average, Portugal still presents a significant labour market segmentation, with the need of reducing the incidence of non-permanent contracts being an important policy objective.

For this reason, the Government has elected labour market precariousness and the reduction of segmentation as political priorities.

In 2019, the new approach to active labour market policies (ALMPs) continued to be pursued while at the same time a broader agenda was implemented to address precarious work and foster greater balance in labour relations through more dynamism in collective bargaining and reducing the misuse of temporary contracts, bogus self-employment and other atypical forms of labour, supported by measures to strengthen labour market |

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		regulation. Following the update of the Green Book on Labour Relations, the extensive discussion process with the social partners and the tripartite agreement signed in 2018, the Council of Ministers approved the **Action Plan to Tackle Precariousness and Promote Collective Bargaining** (Resolution of the Council of Ministers no.72/2018 of the 6 of June), leading to amendments to the Labour Code (already in force) which intend to limit the legal possibilities of making use of temporary contracts, while at the same time promoting permanent contracts and guaranteeing better access to social protection by precarious workers. A broad set of measures directly targeted towards the creation of sustainable and durable employment, contributing to the reduction of the segmentation levels of the Portuguese labour market, has been adopted: • An evaluation of active labour market policies (ALMPs) was carried out which led to changes in the rules and criteria underlying hiring incentives and subsidized traineeships. These changes have strengthened the targeting and proportionality of these measures, reinforcing its role in the creation of effective, qualified and sustainable employment. • In the context of the reorientation of ALMPs, a new measure was launched – «*Contrato-Emprego*» - a hiring incentive with a strong focus on permanent contracts, and a bonus support was created which aims to promote the conversion of traineeship contracts into permanent contracts - «*Prémio Emprego*». • More recently, the Government adopted the measure *Converte+*, creating incentives for employers to convert non-permanent contracts into permanent ones. • To strengthen the inspection of compliance with labour laws, also an important strategy to reduce abusive and illegal use of temporary contracts and other atypical forms of work, the technical and human resources allocated to the Labour Inspection Authority (*Autoridade para as Condições do Trabalho*) were reinforced and better conditions were put into place to foster a more proficuous articulation between this institution and both Social Security and the Tax Authority. The approval in parliament of legislative initiatives that transferred back to the labour authorities responsibilities related to health and security at

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		work (civil servants) and enlarged the coverage of special mechanisms of recognition of employment contracts to undeclared work also reinforced labour inspectorate attributions.
		• With recent labour laws revision, from 2021 forward, companies with an use of temporary employment contracts above its sector of activity average will pay "by excessive turnover" an additional contribution to Social Security.
		• The law that establishes the mechanisms to fight the misuse of self-employment contracts was revised in order to enlarge the coverage of these mechanisms to other forms of work, namely undeclared work such as false internships and false volunteer work (Law no. 55/2017, of 17 July).
		• Considering that the public service should serve as the prime example of non-precarious work, a programme was launched towards the extraordinary regularization of precarious employment contracts in civil service (PREVPAP), with the view of tackling segmentation and precarious work in the labour market, in particular within public institutions, and the consequence of which was the reduction in fixed-term hiring and in the acquisition of external services (outsourcing).
		• The Government also launched centralized recruitment for cross-cutting areas of Public Administration and undertook a review of several careers (to be reviewed, at least since 2009), to ensure their alignment with the updated skills of the public service workforce, and to manage the Public Administration in an integrated and sustainable manner.
		• The Government and the majority of the social partners agreed to strengthen the role of labour administration in the context of mediation and conciliation, with additional human resources allocated to the Directorate-General of Employment and Working Relations (DGERT), and also agreed with new measures towards the simplification and modernization of communication procedures related to employment contracts.
		• In 2019, the measure «*Contrato-Geração*» was also approved, based on incentives towards the permanent hiring of young unemployed or seeking their first employment and long-term unemployed.
		• Equally relevant is the focus on an improved articulation between the public employment service and

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		employers in order to identify and promote employment opportunities through new approaches to activation policies, contributing to more sustainable integrations in the labour market. In conclusion, the Government preserves its focus and agenda of fostering quality employment and to fight diverse forms of labour precariousness within a framework of greater dynamism in social dialogue at all levels – from consultation and dialogue with the social partners to collective bargaining.
	Improve the skills level of the population, in particular their digital literacy, including by making adult learning more relevant to the needs of the labour market.	Recognizing the importance of adult education and training policies for the overcome of the qualification deficits in Portugal, particularly in working-age adults, and for the increase in productivity and competitiveness levels, the Government elected the subsequent priorities in the recent and following years: • Continue the *Qualifica* Programme and the **Portugal INCoDe2030 Initiative**, as well as implementing the **National Adult Literacy Plan**, in order to continue elevating low qualifications, thereby easing professional reconversions and the return of unemployed persons to the labour market, also by better adjusting qualifying training paths to the needs of the labour market. The *Qualifica* **Programme** was launched in 2016 to ensure that (i) 50% of workforce completes secondary education and (ii) a participation rate of adults in lifelong learning actions of 15% by 2020 and 25% by 2025. Between 2016 and 2018, the foundations of the *Qualifica* Programme were launched, through the expansion and consolidation of the *Qualifica* Centres network, specializing in adult education and training, reaching the goal of 300 centres enrolled. Additionally, the development of the national system of vocational education and training credits was launched, in line with the modular structure of the National Qualifications Catalogue, and the creation of the "*Passaporte Qualifica*", allowing not only the registration of qualifications obtained (in a curriculum logic or passbook), but also the identification of missing skills to complete a given qualification pathway. The *Qualifica* Portal was also created - a digital platform that aims to be a gateway to the *Qualifica* Programme - and the process of mobilization and involvement of local partners, professional insertion offices, municipalities and parishes, business associations and companies, social and local partners

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		initiatives was consolidated in order to develop strategies to stimulate the activity of the *Qualifica* Centres and stabilize the mechanisms of counseling, guidance and referral of adults. Within this framework, in the first 20 months of execution, the *Qualifica* Programme reached close to 230 thousand registrations, resulting in more than 186 thousand referrals for training offers and recognition, validation and certification of competencies. • In 2019, the Government intends to enhance the current capacity of the existing *Qualifica* Centres network, through the development of strategies to stimulate its activity and launch a new call for the creation of new 50 Centres (ongoing application review), taking into account the network need for readjustment. In this call, it is valued applications from entities that, due to their nature, demonstrate their capacity for territorial coverage, develop their activity in sectors that are deficient in terms of qualification or with low skilled and/or difficult to mobilize publics for qualification. This option emerges from the analysis of the territory's needs, in order to extend the response capability to the whole national territory. • In 2019, a new national campaign to publicize the *Qualifica* Programme was launched, to mobilize adults with low or very low levels of education (lower than secondary education and lower than the 3rd cycle of primary education) and who, having attended training, did not obtain qualification. • The consolidation, mobilization and involvement of local partners (vocational schools, vocational training centres of the public employment service (IEFP, I.P.), vocational integration offices, municipalities and parishes, business associations and enterprises, social partners, local initiatives) to consolidate the system of recognition, validation and certification of competences (RVCC), both scholar and professional, reinforcing the professional RVCC. ANQEP is preparing methodologic orientations to develop RVSS processes unity by unit, in order to support the activity of the *Qualifica* Centres. Regardless how the adult has obtained the partial certification, it is now possible to complete the qualification through an RVCC process, if it is considered the most appropriate solution. • Fully implement adult counselling, guidance and referral mechanisms through the Qualification Centres. The use of *Passaporte Qualifica* by the *Qualifica* Centres is crucial for the quality of counselling and

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		guidance provided. Its use has been made compulsory by ANQEP, in 2019, ensuring that each adult registered in the centre gets the *Passaporte Qualifica*. In this respect, a passport APP is being developed for mobile devices with internet access. The number of users of the *Passaporte Qualifica* has increased substantially, reaching 123.446 (as at 31 August 2019). • Continue to improve the instruments of the SIGO system, in particular in the scope of the new functionalities related to the professional RVCC, as well as the integration with the *Qualifica* Passport and connection to the Europass. • Launch the initiative *Qualifica AP*, in order to respond to the qualification needs of human resources in Public Administration bodies and services, through the creation of *Qualifica AP* Centres and the establishment of protocols with existing *Qualifica* Centres. Beyond the three centres already created, it has been identified coordinators in six governance areas. These coordinators are surveying the qualification needs of the different services, to identify groups of employees that can be integrated into the existing *Qualifica AP Centres* or into the remaining centres of the network. Between January of 2017 and August of 2019, the *Qualifica Centres* network achieved the following results: - 382.252 registrations; - 314.790 referrals; - 291.650 certifications in the various adult education and training modalities. These data reflects the contribution of the *Qualifica Centres* network to the achievement of the objectives of the *Qualifica* Programme. As an additional effort to raise the qualifications of the Portuguese population, the Government will further develop and initiate the implementation of the **National Adult Literacy Plan** in order to combat illiteracy and develop basic reading and writing skills in adults. The first phase ran from September of 2018 and September of 2019. As expected, the diagnostic of needs and good practices was made, by an independent technical team, and

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		workshops were held for mobilise actors and collect information to draft the plan, which is being analysed. This plan will involve articulation with the *Qualifica* Centres network. In what concerns the reinforcement of digital competences, the **National Digital Competencies Initiative e.2030 - Portugal INCoDe.2030** was launched in 2017 with the critical challenge of increasing the number of systematic internet users by 50%, as well as the fraction of digital skills specialists in the labour market by 2030. Its main goal, alongside the generalization of digital literacy with a view to the full exercise of citizenship and inclusion, was the encouragement of employability and training and professional specialisation in technologies and digital applications for the promotion of job qualification. This programme includes training and expertise in technology and digital applications and mobilizing programs in Artificial Intelligence and Advanced Computing, among other emerging areas, in order to respond to growing market demand and to promote qualification in a higher value-added economy, setting the population's intensive preparation for digital areas. Another challenge highlighted at INCoDe.2030 is the need to ensure strong participation in international R&D networks and the production of new knowledge in digital areas. The INCoDe.2030 Programme includes more than 100 actions on 5 axes, including the strengthening of supercomputing capacity in Portugal, networked with Europe, as well as the development of a "National Artificial Intelligence Strategy, AI Portugal 2030". The programme establishes specific axes for promoting digital inclusion (Axis 1), vocational training of the working population (Axis 3) and job qualification and the creation of greater added-value in the economy (Axis 4). In this context, several initiatives have already been taken to stimulate skills improvement. Notably, are the digital skills training agreements for the retraining of unemployed higher education graduates, established between IEFP and Polytechnic Institutes or those promoted by companies (Qualifica IT Projects, Switch, Set the Course, Bet on IT, Code Academy) as well as the CTeSP in these areas promoted by the Polytechnic Institutes of Setúbal, Tomar, Leiria, Viseu, Guarda and Castelo Branco in association with Altran, Softinsa, Deloitte, Critical Software, BizDirect).

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		In order to comply with the vocational training of the active population goal, endowing it with the necessary knowledge to take an active role in a labour market that increasingly depends on digital skills, the offer of Professional Technical Courses in this area has been reinforced, as well as graduate and post-graduate training of a professional nature. In 2019, a set of specific actions will be carried out, namely: • Continue to provide ICT (Information and Communication Technologies) training through the SWitCH Programme (including internships in companies), aimed at people already in active life, as part of the retraining of graduates in other areas; • To reinforce and improve the training offer in the area of digital competences in the specific context of Public Administration, namely through the projects "Infoexclusão zero" and "AP Digital 4.0"; • Increase the number of students in TeSP (Professional Technical Superior Courses) courses in the areas of ICET (Information, Communication and Electronic Technologies) and the expansion of courses in PBL (Problem Based Learning) methodologies and the launch of TeSP in the new one-year modality for reconversion and/or lifelong training of assets in collaboration with companies; • Increase the number of graduates in the STEM (Science, Technology, Engineering and Mathematic) areas (or equivalent competencies) for ICT areas; • Encourage the launching of non-degree masters and postgraduates in the digital area, between polytechnic, universities and companies. In order to respond to the needs of individuals and the labour market, ANQEP integrated the 25-hour UFCD: "Digital Literacy-initiation" in the National Qualifications Catalogue (CNQ) level 2 qualifications training references. Its inclusion in CNQ will make it available to all training entities whose publics may benefit from this offer, as well as its integration in various qualification courses. In order to update the key competences framework - basic level, by ANQEP, it is intended to create the "Digital Competence" area to replace the current "Information and Communication Technology" key competences area of

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		the current Standard, whereas: • 'Digital competence' was already emerging in the 2006 European Reference Framework of Core Competencies for Lifelong Learning as one of the eight key competences. • The current Council Recommendation on Core Skills for Lifelong Learning explicitly mentions the need to raise the level of basic digital skills, both as a basis for further learning and to enhance skills development in other areas. • The Dynamic Digital Competency Framework (QDRCD) defines 4 levels for each competency: basic, intermediate, advanced and highly specialized. Thus, the UC / UFCD to be built in the area of "Digital Competence" should be defined according to the areas of competence of the QDRCD and incorporate the proficiency levels required in that framework for each certification level (with the necessary adjustments to the typology). audience that integrates the adult qualification modalities). As it is a relevant area in the qualification of adults, especially because of the role it can play as facilitator and enhancer of the development of other competences essential for a better social and professional insertion, its approach should not focus exclusively on performance with computer and its peripherals, but rather in the designs and contexts of its use, since the technologies with which people interact are very varied. The Qualification Needs Anticipation System is an instrument that, based on a quantitative and qualitative methodology, allows the assignment of levels of relevance to all qualifications included in the National Qualifications Catalogue, in all NUT III of mainland Portugal. The relevance produced is information that has effects on the planning and ordering process of the education and training offer network. The SANQ is reviewed every three years, with the next revision scheduled for 2020. This instrument provides for the voluntary participation of CIM / AM in the NUT III level relevance production methodology. By now, 16 of the 23 CIM / AM have already joined SANQ.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
	Increase the number of higher education graduates, particularly in science and information technology.	Overall, considering all domains in 2019, it is estimated that half of 20-year-olds with residence in Portugal attend higher education, representing an increase of almost 25% of students compared to 2015 (about 10,000 students between 2015 and 2019). The number of graduates increased by 9.3% between 2015/16 and 2017/18 (latest available data). In 2018/19, 385,247 students enrolled in higher education, 12,494 more than in the previous school year. Thus, the number of subscribers grew by 8% between 2015/16 and 2018/19.

With regard specifically to the fields in question, the strategy adopted by Portugal has been based on the promotion of areas relevant to the development of digital skills, including the field of science and information technology, but not only.

Along with the consolidation of the National Digital Skills Initiative, INCoDe.2030, in the process of setting initial training vacancies in public higher education, the Government has recommended increasing training provision in areas relevant to the sciences, technologies and fields of digital skills (life sciences, physical sciences, mathematics and statistics, computer science, engineering and related techniques, data sciences).

As a result, the number of students placed in study cycles aiming at training in digital competences in the 1st phase of the National Access Competition increases 4% (growth from 6220 to 6486 places) compared to 2018, following the trend of successive growth. This has been evident since 2016. Considering all the entry courses in initial training courses, the number of students enrolled for the first year increases by 60% between 2015/16 and 2018/19 (7858 enrolled for the first year, first time in 2015/16 and 12589 in 2017/18). |
| | Improve the effectiveness and adequacy of the social safety net. | The present Government legislature was marked by a reinforcement of social protection transversal to all areas of social safety net:

- **Pensions and complements** were increased by 14%, benefitting pensioners with real increases in its income.
- Reinstatement of the automatic annual regular update mechanism, in force since the 1st January 2016, |

#	2019 Recommendations	Measures and state of play/ Description of direct relevance

		and all pensions below 1.5 IAS (Social Support Indexant) were updated above inflation and all pensions between 1.5 IAS and 6 IAS were updated according to inflation.
		
		• Extraordinary update for pensioners with pension benefits up to 1.5 IAS in August 2017, August 2018 and January 2019.
		
		• Creation of an extraordinary complement to minimum pensions in view of incorporating the value of extraordinary increases (from 2017 to 2019) in minimum pensions for pensioners with incomes of less than 1.5 IAS.
		
		• In October 2017, early retirement without penalty in the amount of pension benefits was established for those with very long contributive careers or which began their contributive career at a very young age, and the universe of pensioners covered was extended since October 2018, in the context of the reassessment with the social partners of the early retirement pension scheme.
		
		• Reinforcement of **support for the long-term unemployed** by increasing the income threshold to be considered within the means test to access the subsequent social unemployment allowance for beneficiaries who (cumulatively):
		    o Have initiated unemployment benefits at 52 or more years old;
		    o Have exhausted the initial unemployment benefit;
		    o Meet the conditions for access to early retirement by long-term unemployment.
		
		• The pecuniary support for the long-term unemployed, in force since March 2016, was kept in 2017 and 2018. In 2018 the period after which the unemployed could have access to pecuniary support was reduced, allowing the maintenance of income support to the long-term unemployed.
		
		• Recovery of the annual update of **social support index**, with impact on the calculation of pensions and various social benefits as social unemployment allowance, sickness allowance, death allowance, etc. IAS has been updated 0.5% above inflation since 2017, contributing to ensure the recovery of the purchasing power of all beneficiaries of social benefits based on IAS.
		
		• **Family and child allowance** to promote natality:

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		○ For single-parent families was increased from 20% to 35%; ○ Since 2017, more than 100,000 children between 12 and 36 months of the first three tiers, have benefited annually from significant increases in child allowance between €852 and €1,380; ○ Reinstatement of the 4th level of income of the child allowance up to 36 months, in 2017, with a new update in 2018; ○ Increase of child allowance for children between four and six years of age in all tiers since 2019; ○ Exceptional increase in child allowance for the second or more children, from birth up to 36 months of age. - Creation of the new **Social Benefit for Inclusion** (PSI), reinforcing people with disabilities income and eliminating the application of the sustainability factor in the conversion of a disability pension in an old-age pension, avoiding the significant cut in the pension amounts for these beneficiaries. - Extension in 2019 of the PSI protection to children and young people with disabilities. - Phased replacement of the reference value of the **Social Inclusion Income** (RSI) that was in force before the reduction operated in 2013. From 2019 onwards it will also be updated according to the Social Support Index (IAS). - In the last 4 years, the budget of the **Solidarity Complement for the Elderly** was increased by 34%: ○ The reference values of the Solidarity Complement for the Elderly (CSI) were increased in 2016, and updated in 2017 and 2018 in line with inflation and in harmony with the updating of pensions, originating a value corresponding to a new annual threshold for a single elderly person and for elderly couples; ○ CSI was extended to pensioners in specific early retirement schemes from January 2014 (such as the special regime of old age pension or early retirement pension as a consequence of long-term involuntary unemployment, for example), allowing a complement to their monthly income given the high level of penalties when the pension was granted;

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		o In 2019, the CSI was enlarged to combat poverty of disability pensioners who do not benefit from the Social Benefit for Inclusion (PSI).
		• Increase in the value of the **special increase for disability** and increase in the monthly amount of the **3rd person assistance allowance**, which had not been updated since 2009.
		• **Social Protection** through the protocols with the private institutions of social solidarity financing Programme increased 16% between 2015 and 2019.
3	Focus investment-related economic policy on research and innovation, railway transport and port infrastructure, low carbon and energy transition and extending energy interconnections, taking into account regional disparities.	**Economic policy** is oriented to the main structural constraints of the country, such as the need to increase the value added and technological/knowledge intensity in the productive sector (priority given to research and innovation in areas of smart specialization); to meet the new societal challenges and the need to speed up the transition to a low carbon economy; to strengthen the skills and qualifications of workers and entrepreneurs (unsophisticated business strategies); to reduce the context costs (reduce bureaucracy in public services, improve access to finance, improve transport and logistics networks, and facilitate access to export markets). The **support of the Structural Funds to the Competitiveness and Internationalization** is significantly aligned with the CSR, mainly with support for R&D in areas of smart specialization for different territories; the enhancing of scientific and technological knowledge and its transfer for use in industry; strengthening high skilled entrepreneurship and adopting more developed business strategies; making more innovative investments that strengthen the competitiveness and internationalization (to increase exports and their value added); increasing investment in the energy transition and circular economy; enhancing the SMEs access to debt capital and improving the capitalization conditions of the companies; job creation, in particular, skilled employment and training of unemployed and employed people; increasing investment in rail transport (particularly in the development of TEN-T), in ports and logistics modernization. The **reprogramming of Portugal 2020**, approved in December 2018, reinforced the financial provisions to maintain the support to innovative business investment, which is essential to increase the productivity and the international competitiveness and to change the specialization profile of the economy. At the same time, it

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		increased support to stimulate business investment in low-density territories, promoting the job creation and attractiveness of these territories and, thereby, the territorial cohesion.
		With a focus on tradable and internationalized sectors, the **supported projects** contributed to the internationalization of the Portuguese economy and to the increase the exports, which have been, in recent years, an important engine of economic growth. In 2018 they accounted for 43% of GDP (an increase of 14 pp in 10 years), with the coverage rate of imports reaching over 100% since 2012, which means a positive behaviour of balance of goods and services, that traditionally has a deficit position[1].
		The main results are:
		• 14 000 companies under enterprise investment EFSI support (5 900 internationalization projects), which means an eligible investment of 9 000 M€;
		• Perspective of an increase of around 76% of the exports between the moment before and after the support to companies (more 14 000 M€);
		• 3 500 projects of R&D and transfer of knowledge approved, in priority areas of smart specialization;
		• 716 companies supported in cooperation projects with research institutions, to promote the transfer and valorisation of knowledge;
		• 571 km in railway transport supported.
		An important element for the development of the Portuguese economy implies, among other things, the modernization of the **national rail network** and the safeguarding of the public rail service. This modernization impacts on the quality of service and availability of connections to ports, to Spain and the rest of Europe, contributing to enhanced connectivity and integration with the Iberian and European markets. All of which supports the internationalization of the Portuguese economy.
		Ferrovia 2020 is the investment plan to develop the national rail system, enhancing network capacity, reducing

---

[1] GEE, Economic activity indicators, constant prices values.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		transport costs, decresing times and routes and improving safety and reliability.
		This program is mainly funded through PT 2020 and Connecting Europe Facility (CEF) and it is fully implemented in the four main rail corridors: international north corridor, international south corridor, north-south corridor and other complementary corridors.
		In total, more than 200 km of railway lines are under construction, involving an investment of over 170 million euros.
		Completed Works: Northern Line: Alfarelos/ Pampilhosa and Valadares/ Gaia; Beira Alta Line: Luso-Trezói; Minho Line: Nine/ Viana do Castelo section; Douro Line: Caíde/ Marco section.
		Works in progress: Minho Line: Viana do Castelo/ Valença section; International North Corridor: Beira Baixa Line: Covilhã-Guarda and Beira Alta Line: Guarda/ Cerdeira section; International South Corridor: Elvas-Border and the line to be built between Évora North and Elvas: Freixo/ Alandroal section.
		Works to be taken: International South Corridor, line to be built between Évora North and Elvas: Évora Norte / Freixo and Alandroal /East Line.
		Tendering for works launched in 2017-2019: North-South Corridor: Northern Line - Espinho/ Gaia section; International North Corridor - Beira Alta Line: Pampilhosa/ Mangualde Section and Concordância da Pampilhosa; Additional corridors: West Line - Meleças/ Torres Vedras section.
		At the same time, a rolling stock investment program is under development, with an investment of 45 M€ over four years to recover rolling stock that has been resting for many years and which will strengthen CP's fleet in the short term and thereby improve service to the population.
		In addition, the tender for the acquisition of 22 compositions for the regional service in Douro, Oeste and Alentejo (12 bi-mode self-propelled and 10 electric self-propelled) is underway to be delivered in 2023/2024 and for an investment of around 168 million euros.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		Finally, and as a short-term response, CP rented 4 UTD592 units from RENFE.
		This investment is being made in tandem with the hiring of 120 employees for CP and 67 employees for EMEF in addition to the employees required to replace those who have ceased links with the company for causes not attributable to the organisation, which are added to the hires made in recent years.
		In what concerns the **energy interconnections**, in particular electricity interconnections, Portugal has been promoting initiatives aimed at reinforcing it at the level of the Iberian Peninsula in order to reinforce current capacity for further integration into the European energy market. Thus, contacts were maintained with the Kingdom of Spain and the Republic of France on strengthening energy interconnections within the framework of the Energy Union in order to ensure a further integration of the Iberian Peninsula into the internal energy market. It was also approved the Development and Investment Plan of the Electricity Transport Network for the period 2018-2027 (PDIRT-E), which, among other important infrastructures, foresees the construction of a new electrical interconnection between Portugal (Minho) and Spain (Galicia). In addition, the "Feasibility Study of the Electrical Interconnection between the Portuguese Republic and the Kingdom of Morocco" on the potential construction of an electrical interconnection between the two countries is being concluded. The results of this study are expected to be presented by the end of 2019.
		The concern to ensure the focus of the economic policy is also reflected in the strategic planning work for the next decade. In this context, it should be noted that, under the Agreement between the 21st Constitutional Government and the largest opposition party and as mentioned in the National Reform Program, the **thematic agendas for the 2030 Strategy** include the focus of economic policy in the following 4 areas:
		• People first: a better demographic balance, more inclusion, less inequality - people in the centre of our concerns in order to promote a more inclusive and less unequal society, to face the demographic challenges, but also with a strong investment in improving the skills of the population, to address the primary inequalities;

29

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		• Innovation and qualification as drivers of development, based on the triple qualification of companies, human resources and institutions, as well as the promotion of the Knowledge Society; • A country externally competitive and internally cohesive, intended to a renewed vision of the territory, with effective interventions to different challenges such as the competitiveness of urban networks; the Atlantic coastline projection; the promotion of the specific potential of low-density territories; and the reinforcement of the Iberian market; • A sustainable country that values its endogenous resources, integrating several key policy areas to pursuit the goal to achieve a decarbonized society and economy, which efficiently uses and maximizes the potential of its endogenous resources. For the areas identified in the CSR the agendas of the "Innovation and qualification as drivers of development"; "A country externally competitive and internally cohesive"; and "A sustainable country that values its endogenous resources" are particularly important.
4	Allow for a swifter recovery of the collateral tied to non-performing loans by increasing the efficiency of insolvency and recovery proceedings.	The **reform of the insolvency law** (Decree-Law no. 79/2017, of 30 June) has restricted the access of non-insolvent companies to the special revitalization procedure. It directs them to the insolvency procedure, where the amendments that were introduced provide for greater celerity in the verification and credit recovery stages and greater transparency in the liquidation, through the introduction of the rule on electronic auctions - the two phases diagnosed as more problematic in the insolvency procedure. With regard to the **recovery of companies**, Law no. 6/2018 provides for the creation of the figure of Enterprise Recovery Mediator (ERM), who will be a possible intervener in proceedings under the Extrajudicial Business Recovery Regime (EBRR), with technical qualification and relevant professional experience in the area of management or business advisory, being previously accredited by IAPMEI and also attending specific training for the development of this activity.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		The main task of the ERM is to provide technical assistance to companies in EBRR proceedings, notably in the context of negotiations with their creditors, with the aim of reaching an out-of-court restructuring agreement to enable their recovery.

A set of legal and technological measures that will facilitate the transfer of credit portfolios and their recognition in court proceedings is under preparation. Among the measures envisaged are: the creation of a one-stop shop for the Tax Authorities and Social Security for the articulated management of public credits and participation in restructuring processes, and the granting of incentives, namely of a fiscal nature, to diversify the instruments of investment in SMEs.

Regarding efficiency in **insolvency proceedings**, the Government approved Decree-Law no. 42/2019, which relates to processes and procedures related to mass credit assignment operations using appropriate technological means. The streamlining of the market in credit portfolio transactions significantly contributes to the improvement of corporate financing conditions and the reduction of non-performing credit levels. This creates a simplified regime for the assignment of loan portfolios, exempting the processors from acquiring credit in each of the cases in which the acquired credit is being required and simplifying the associated registration operations.

Increasing potential growth in the national economy therefore continues to be pursued through a development strategy that guarantees debt sustainability and **diversification of funding sources** by companies. In execution since 2016, the *Capitalizar* **Programme** aims to: i) improve the access conditions for financing small and medium-sized enterprises, with a more diversified supply of financing instruments; (ii) strengthen the financial autonomy of companies by stimulating taxation on equity financing; and (iii) boost the regeneration of economically viable enterprises by promoting preventive action at an early stage using new recovery instruments. For this, a set of measures was designed through which it intends to act in the following strategic domains: Leverage of Financing and Investment; Taxation; Business Restructuring; Administrative Simplification and Systemic Framework; and, lastly, stimulating the Capital Market.

To date, the *Capitalizar* Program has an implementation level of 94%, corresponding to 79 out of 84 measures. |

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		Implementation throughout 2019 has led to the following efforts: • Continued dynamization of the financial instruments available to the economy and acceleration of new instruments in the conceptualization stage, the stimulation of the Portuguese venture capital market and support to export companies in order to optimize their potential value, to reach the recipients for which they were designed and thus maintain the current business investment recovery. • Operationalization of new financial instruments in the scope of corporate restructuring, through the provision to the Portuguese economy of funds (new money, providing better funding conditions obtained from international financial institutions), namely companies that have recently restructured their debt and face high bank financing costs. • Launch of a financing line to promote the implementation of reverse capital operations, i.e. the acquisition of SME holdings convertible in the medium term into loans once the business objectives initially defined by SMEs have been met; and SIMFE as an investment vehicle, which should be in the stock exchange, thus allowing SMEs to access the capital market without loss of full control of the company. • Implementation of an articulated management mechanism of public credits, through the establishment of a single point of contact - Single Desk - between the Tax Authority and Social Security to participate in a coordinated way in business restructuring processes, with a view to their effectiveness. • Launching and dissemination of the Early Warning Mechanism, providing a tool to support decision making and anticipation of business intervention, through which managers are given an easy-to-read analysis and practical suggestions for action on the economic and financial situation of your company. • Launch of an Information Centralization Portal (Financing Portal) with information on Credit Facilities backed by the National Mutual Guarantee scheme, Venture Capital, Business Angels, Credit Insurance and Tax Benefits. This portals targets user such as entrepreneurs and other relevant actors in seeking and supplying financing with public support.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		• Consolidation and implementation of the widening of the mandate of Development Financial Institution (IFD) functions through wholesale intermediary operations in the financing of commercial banking (on-lending and arrangement operations), implementation and management of financial instruments financed by other European support programs (e.g. COSME) and the use of other sources of funding to carry out their tasks (e.g. EIB, European Strategic Investment Fund - ESIF). • Implementation of the restructuring of financial entities within the scope of the Ministry of Economy, which act as facilitators of access to credit and capital by companies, ensuring greater efficiency and coherence of public performance in this area through the optimization of the instruments available. • IFD launched a Post-Restructuring, Modernization and Capitalization Loan Facility, structured to improve access to finance for companies that are recently subject to debt restructuring plans that have prospects of economic viability. This line is based on a EUR 100 million loan agreement between the Council of Europe Development Bank (CEB) and the IFD. Finally, it is important to highlight the importance of maintaining access to finance in the context of non-performing loans, insolvency and recovery processes. From January 2016 until 31 August 2019, 72 thousand mutual guarantee loans were established, totaling EUR 8.2 billion. Thus, it is estimated that 1.1 million jobs were supported for 69,000 companies, of which 86% are micro or small enterprises. In parallel, there are 16 active venture capital funds and 59 business angels funded.
	Reduce the administrative and regulatory burden on businesses, mainly by reducing sector-specific barriers to licensing.	Different measures contribute to reduce the regulatory burden on businesses: • **Implementation of the «How Much Does It Cost?» tool**, by adopting a methodology for assessing the economic and competitive impact of legislative acts proposed by members of the Government, focused on the variation of administrative burdens on businesses, thus ensuring the existence of a real regulatory framework that promotes the reduction of global and sectoral administrative burdens. In 2018, with the Resolution of the Council of Ministers no. 74/2018, of 8 of June, this model of prior legislative impact assessment became definitive, and started to be applied to draft bills approved by the Government and to

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		quantify the impacts not only on businesses but also on citizens. Data from the 2018 legislative impact assessment reports show that in the case of companies, out of 114 reports, 8 reduced the burden on business, 40 maintained the burden, 15 reported an increase and 51 detected no burden on business. Overall, a decrease in charges of around EUR 18 million was quantified. Out of the 80 reports on impact on citizens, 6 reduced charges, 23 maintained charges, 4 reported increases and 23 detected no charges. • Publication of Decree-Law no. 87/2018 of 31 October, **simplifying the completion of Annexes A and I of the Statement of Simplified Business Information** / *Informação Empresarial Simplificada(IES)*, concerning the accounting elements of businesses. Estimated decrease in business costs by EUR 5.235 million. • Publication of Decree-Law no. 52/2018, of June 25, which **creates the online certificate of Legal Entities and which aims to exempt certain entities from requesting a paper certificate in order to prove their registration in the National Register of Legal Entities**. Decrease in charges between EUR 9.656 million and EUR 17.781 million. The **Simplex Programme** enacts the Government's strategy of administrative simplification and modernization. The 2018 edition of the Programme (Simplex+) had an execution rate of 83%. The European Commission has shown interest in the Simplex Programme, thus requesting EY to develop an impact assessment study, *ex-ante* and *ex-post,* of 40 measures from the 2017 and 2018 editions. The study identified and quantified monetary savings of EUR 267.8 million and time savings of 17.9 million hours. The 2019 edition of the Programme iSimplex, rooted in five basic principles (once only, share and reuse, digital by default, behavioural insight and emerging technologies), includes the following measures that aim towards the reduction of administrative and regulatory burdens for businesses: • **Single Salary Declaration –** Merge of the two existing monthly declarations of salaries and benefits paid that companies have to deliver to Social Security and to the Tax Authority, avoiding the duplication of information. • **Pre-filled VAT declaration –** Extension of the pre-filled periodic VAT declarations.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		• **Social Security and Wage Funds 3 in 1 –** Create a single platform to provide information to the Social Security, Wage Fund and Wage Guarantee Fund, regarding the celebration, modification and termination of work contracts. • **Express Way for Investment –** Creation of a simplified procedure for analysing and authorizing investment projects that are particularly relevant, ensuring that they are approved by several intervening entities. • **Simplified Social Security Form –** Simplification of the Social Security form attached to the revenue declaration, removing irrelevant information. • **Simplified Company Information –** Use the available data to pre-fill the forms of fiscal information by companies, removing irrelevant information. • **Construction and Real Estate Authority Once Only –** Enable the access to information of other public administration agencies by the Construction and Real Estate Authority, exempting companies from providing such information, necessary to fulfil legal obligations. • **Portugal 2030: Simplifying the Future –** Simplify the access to European funding by reducing the amount of information demanded from beneficiaries. • **New Generation Citizen Spots –** Improve the Citizen Spots by adapting them to the needs of citizens and reshaping the services provided. • **eCompensa –** Development of a legal framework for certified web platforms for multilateral voluntary compensation of credits by companies. In what concerns licensing, there is a measure from the National Reform Programme of Portugal for 2019 that should be mentioned: **Licensing procedures' integration in the Entrepreneur Desk (single point)** – Aims to improve business

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		environment and reduce businesses' burdens related with information obtainment and diversified digital services' submittal in public portals, by simplifying licensing procedures and gathering all services in a single point of contact. While launching the Portuguese public services portal ePortugal, it was also launched the first version of the "Online Business Desk", which already has 298 services available, and the "*Plataforma do Mar*", which provides a single point of access to all information and licensing processes related to the sea activities.
	Develop a roadmap to reduce restrictions in highly regulated professions.	A new website (https://lnkd.in/gmWaCym) was launched on December 28, 2017 at the entrepreneur's desk regarding the recognition of professional qualifications. This will make available information on regulated professions in Portugal and on the procedures for the recognition of professional qualifications under Directive 2005/36/EC.

Under Directive 2006/123/EC (on services in the internal market), a study was carried out by the Competition Authority on potential restrictions on the access to and exercise of a set of regulated professions, where the degrees of constraint in each profession were evaluated (covering the lawyer, notary, solicitor, court official, enforcement agent, technical engineer, certified accountant and pharmacist professions) and the underlying public interest motivations considered. This study is being considered, in order to determine its implementation and respective measure.

The conclusions of the AdC / OECD Project were presented on 6 July 2018 at a joint public event, with the OECD presenting its report containing a set of pro-competitive recommendations entitled "OECD Competitive Impact Assessments: Portugal" (http://www.oecd.org/daf/competition/portugal-project-of-valuation-competition.htm), and the AdC presented the strategic lines of its "Plan of Action for Legislative and Regulatory Reform", adopted following OECD recommendations, containing proposals for pro-competitive legislative and regulatory reform that represent benefits estimated at around of EUR 380 million per year for the Portuguese economy (http://www.concorrencia.pt/vPT/Noticias_Eventos/Comunicados/Paginas/Comunicado_AdC_201809.aspx).

The AdC has been taking steps to implement its Action Plan, which aims to promote and monitor the implementation of the necessary pro-competitive legislative and regulatory reforms in the two sectors evaluated, |

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		with the public decision-maker, seeking to contribute to the promotion of productivity and competitiveness of the sectors in the Portuguese economy.
		Also worth recalling, the AdC adopted and published its "Guidelines for the Evaluation of the Impact of Public Policies" in July 2018 (http://www.concorrencia.pt/vPT/Estudos_e_Publicacoes/Linhas_Orientacao/Paginas/Learn-of-Evaluation-of-Application-of-Primary-Policies-Public_Basics.aspx).
	Increase the efficiency of administrative and tax courts, in particular by decreasing the length of proceedings.	To bring justice closer to the citizens, to ensure the quality of the justice public service, by facilitating the access to information, increasing transparency, communication and outreach to the users of the justice services as well as enhancing the quality of the services provided are goals that have been met.
		The focus on improving the capacity to respond of the Administrative and Tax Courts was maintained in 2017, with more openings for judges in these courts, as well as the implementation of the one-stop shop of the administrative and tax courts and the introduction of the digital processing as a preferred form of procedure. Measures to streamline the courts were also reinforced, especially by strengthening both the judiciary, by opening up courses for the judiciary and for the Public Prosecution and by strengthening the court officials' board of staff. Bearing in mind that we are facing an indicator that benefits from all the measures implemented in the justice sector, it is worth highlighting the reduction of the disposition time by 115 days, since 2015. It should also be highlighted the work carried out under the Simplex programme, for the implementation of a national consumer arbitration network, which would promote the out-of-court resolution of consumer disputes, enabling many conflicts between companies and consumers to be settled out of court, quickly and in a way that tends to be free of charge.
		In 2019, the analysis and monitoring of the design of the judicial organisation continues, with adjustments in the structure of both the judicial and the administrative and tax courts, in accordance with the monitoring and assessment carried out, in order to ensure the effectiveness of the response and the sustainability of the procedural pendency.

#	2019 Recommendations	Measures and state of play/ Description of direct relevance
		The Government shall continue to implement measures, such as the establishment of the Digital Justice Services Platform on the Internet (e-Justice), the introduction of user information mechanisms, in particular in the service of documents, indicating the expected average duration of the ongoing procedure, and the implementation of the Tribunal + model, by creating a centralised front office to facilitate the access to information in the court and offer a more friendly environment to users and professionals in the sector. Furthermore, a quality assessment of the system on the access to the law will be promoted, with the implementation of measures that shall remove constraints and ensure more effectiveness in the access to the law.

Last but not least, the implementation of the re-qualification measures comprised in the Multi-Annual Strategic Plan for the Requalification and Modernisation of the Courts Network shall begin to be implemented through the Infrastructure and Justice Equipment Programming Law.

The Government will continue to implement several legislative measures to reform the administrative and tax justice in order to promote efficiency, swiftness and reduce the red tape within the framework of the organisation and operation of the administrative and tax jurisdiction.

To this end, teams of magistrates have been set up to recover the pendency, amendments in the judicial organisation have been introduced, through the specialisation of the first instance courts as concerns the subject matter, and the administrative and management mechanisms of the courts are being strengthened, in particular, the regime on the organisation and operation of the High Council of the Administrative and Tax Courts. Finally, the administrative and tax procedural laws have been amended to enhance simplification and the procedural aggregation (Laws Nos. 118/2019 of 17 September and 114/2019 of 12 September and 81/2018 of 15 October). |

Table 14. Targets Set by the Union's Strategy for Growth and Jobs

National 2020 headline targets	Measures	Targets (state of play 2018)
Employment rate target: 75%	To achieve this target, the Portuguese Government is putting in place a comprehensive strategy which integrates different sectorial policy measures, such as education, Social Security and employment, namely: • New framework for active labour market policy measures, promoting permanent contracts, with a focus on young people looking for their first job and those struggling to enter the job market, such as those in long and very long-term unemployment, and those with lower skills; • Exceptional support to employment, following rise in Minimum Wage; • Update the minimum wage; • Ensure early identification of Young NEET through the reinforcement of the Public Employment Service and through Informative Campaigning (Youth Guarantee Programme); • Development of a one-stop-shop for employment and of individual coaching during job-search activities; • Contract-Generation Programme; • Qualifica Programme, to improve the qualification of adult population.	The Portuguese employment rate, for the population between 20 and 64 years was in 2018 of 75.4%.

National 2020 headline targets	Measures	Targets (state of play 2018)
Research and development target: 2.7%-3.3% of GDP	In order to ensure that the R&D investment objectives, which include the creation of around 25,000 skilled jobs in the 2018-2030 period, are met, a number of measures are under way, including: • The Scientific Employment Stimulation Program, which encouraged the hiring between January 2017 and June 2019 of approximately 5166 new contracts for researchers and PhD professors resulting from the opening of more than 6100 competitions or other mechanisms for the recruitment of doctorates; • Strengthening the role of scientific institutions in business innovation by setting up 21 Collaborative Laboratories and encouraging data sharing to meet the objectives of knowledge sharing with the entrepreneurial fabric and promoting scientific employment in enterprises; • Reinforced support for advanced training, with the number of PhD scholarships from about 950 scholarships in 2015 to about 1900 grants in 2019; • Launch and facility install of the "International Atlantic Research Center - AIR Center"; • Approval of the National Space Strategy,	Total public and private R&D expenditure amounted to 1.4% of GDP in 2018 and recovered to the highest absolute levels of 2009 and 2010, having increased by around 519 million euros between 2015 and 2018. Increased R&D expenditure it was mainly significant in companies, with growth of 35% between 2015 and 2018 and now accounting for more than half of national R&D spending. The number of companies with R&D activities benefiting from tax breaks to hire PhD researchers has increased by 37% since 2015, including around 290 companies in 2017. The number of researchers in the working population has grown to 8.9 ‰ in 2018 (compared to 8.6 ‰ in 2017; 8.0 ‰ in 2016 and 7.4 ‰ in 2015). The number of researchers in companies increased around 3% between 2018 and 2017 and 35% between 2015 and 2018. The European Innovation Scoreboard 2019 (Panel of Innovation), published on June 17 by the European Commission, reinforces Portugal's

National 2020 headline targets	Measures	Targets (state of play 2018)
	"Portugal Espaço 2030", which includes the definition and approval of a "Space Law", establishing the regime of access and exercise of space activities and the establishment of a space agency, "Portugal Space", in close coordination with the European Space Agency, ESA, and taking on a new and innovative form in Europe in the form of an "ESA Hub"; • Support for the hiring of PhD researchers by companies under tax incentives for R&D activities; • Effective simplification of procurement for goods and services, simplifying the Public Procurement Code for the pursuit of R&D activities, with the establishment of new rules applicable to the activity of scientific and academic institutions; • Launch of the "National Artificial Intelligence Strategy - AI Portugal 2030"; • Install of the "PERIN-Portugal in Europe Research and Innovation Network" to promote national participation in the European Research and Innovation Framework Program, as well as future Digital and Space programs, among others; • Approval and funding of the "GoPortugal - Global Science and Technology Partnerships Portugal"	ranking as one of the innovative countries, moving to the first country of the "Moderate Innovators" Group, a few tenths from for the group of the Strong Innovators.

National 2020 headline targets	Measures	Targets (state of play 2018)
	Program; • Strengthening support for clinical academic centers, bringing together health care units, biomedical R&D center and medical and health schools, with their own legal regime and specific funding and evaluation procedures; • Strengthening the financing conditions for clinical and translational research by setting up the Biomedical Research and Innovation Agency, with shared funding between the State (FCT and INFARMED) and the private sector.	
Greenhouse gas emissions target: -1% (compared with 2005 emissions)	Portugal committed to carbon neutrality in 2050 and developed the 2050 Carbon Neutrality Roadmap that achieves this goal by pointing out the emission reduction trajectory and the options and policies for decarbonizing the national economy. In line with this objective, the National Energy and Climate Plan ambitiously reinforces the targets for 2030, aiming to achieve between 45% and 55% reduction of greenhouse gas emissions, compared to 2005, 47% of renewable energy in gross final energy consumption and a reduction in energy consumption which translates into a 35% energy efficiency target. These goals build on what has been achieved so far, deepening the focus on renewable energy sources, energy efficiency,	-18% (2017 data)

National 2020 headline targets	Measures	Targets (state of play 2018)
	clean transport, clean industrial processes, waste management and carbon sinks. Portugal is currently the European country with the fourth highest share of renewable energy in electricity generation (up to 55%) and has committed to phase-out coal power generation by 2030. To this end, the progressive elimination of tax exemptions (excise duties and carbon taxes) on coal for electricity generation has also begun. The bet on renewable energy resulted in the launch of the first auction of solar capacity which resulted in record bids of € 14 / MWh and a demand for projects six times above auctioned capacity, confirming the potential and competitiveness of renewable energy sources. Measures were also taken to promote public transport. In this context, the launch of tenders for the extension of the Lisbon, Oporto Metro lines, the renewal of Soflusa and CP's fleet, as well as the support for the acquisition of high environmental performance vehicles for public transport fleets. With the PART - Tariff Reduction Support Program, it was possible to reduce the price of social passes, making public transport more affordable, while allowing additional savings for families.	

National 2020 headline targets	Measures	Targets (state of play 2018)
	Active mobility was promoted through the development of the Cyclable Active Mobility Plan and electric mobility, with the reinforcement of the incentive to purchase electric vehicles and the maintenance of a favourable tax regime. Currently, Portugal is the fourth country in Europe with the largest share of electric vehicle sales. In the area of financing, the Environmental Fund stands out as a State instrument for the pursuit of the objectives of sustainable development, contributing to the fulfilment of national and international objectives and commitments, namely those related to climate change, water resources, waste management and nature conservation and biodiversity. Through the Environmental Fund and the recycling of the proceeds from emission allowance auctions which are one of its main sources of revenue, it was possible to secure, by 2019 (until September), the disbursement of EUR 175 million to support climate action projects and measures. Finally, an highlight to the signing, in July 2019, of the Letter of Commitment for Sustainable Finance in Portugal by the main public and private actors of the financial sector in Portugal.	

National 2020 headline targets	Measures	Targets (state of play 2018)
Renewable energy target: 31%	To achieve this goal, the Portuguese Government is implementing a comprehensive strategy that integrates different sectoral policy measures to strengthen the production and consumption of renewable energy sources, namely: • Reinforcing the weight of electricity production from non-subsidized renewable sources, in particular solar, by introducing an auctioning mechanism for the allocation grid capacity. The result was the approval of 22 solar plant projects (806 MW), a set of new projects in the final phase of licensing (517 MW) and the holding of the first auction at the end of the first half of 2019 (1400 MW); • Promotion of over-equipment of wind farms; • Promotion of self-consumption of electricity from renewable energy sources; • Strengthening energy recovery from biomass.	28.1% (2017 data)
Energy efficiency: absolute level of primary energy consumption of 22.5 Mtoe	To achieve this goal, the Portuguese Government is implementing a comprehensive strategy that integrates different sectoral policy measures to promote reduction and efficient use of energy, namely: • Public Administration, through the promotion of calls for the financing of actions to promote energy efficiency in public infrastructures, and the launch of	22.8 Mtep (2017 data)

National 2020 headline targets	Measures	Targets (state of play 2018)
	the new Energy Efficiency Barometer (ECO.AP), as a key tool to promote energy efficiency in public administration; • National Rehabilitation Fund, in order to rehabilitate degraded buildings and thus improve the building park; • Efficient House Program, aiming to improve the comfort and energy consumption of houses and residential buildings; • Financial Instrument for Urban Rehabilitation and Revitalization (IFRRU) for financing the regeneration of built heritage in urban areas; • Business and Industry-oriented Innovation, Technology and Circular Economy Fund (FITEC) • Rehabilitate to Rent' Programme, which promotes the rehabilitation of buildings; • Launching of calls for the financing of energy efficiency promotion actions for the various sectors of activities within the Energy Efficiency Fund; • Electric mobility, by strengthening the charging infrastructure and supporting the modernization and decarbonisation of Government vehicles fleets through the purchase of electric vehicles; • Public transport with the objective of promoting	

National 2020 headline targets	Measures	Targets (state of play 2018)
	decarbonization-inducing modal shift through the strengthening of supply and quality of service and financial support for the decarbonisation of public passenger transport fleets (Subway, Road and Maritime); • Promoting Active Mobility. Transition to a circular economy to promote an economic process based on the circulation of resources (material and energy).	
Early school leaving target: 10%	In the context of quality assurance in vocational education and training in agreement with the EQAVET Framework, the model created by ANQEP was launched in January and February 2019. Following this, a large number (over 400) of education and training entities has joined the process and is currently implementing its quality assurance systems in alignment with EQAVET.	11.8%
Tertiary education target: 40%	According with the Council of Ministers Resolution No. 25/2018, which approved the guidelines for a technological and business innovation strategy for Portugal, 2018-2030, more relevant than reaching a 40% percentage of higher education graduates in the 30-34 age group by 2020 is to reach by 2030 a level of 60% of the 20-year-old participating in higher education and a 50% level of	Percentage of higher education graduates in the 30-34 age group by 2018 – 33.5%. In 2019, it is estimated that half of 20-year-old living in Portugal attend higher education, representing an increase of almost 25% of students when compared to 2015 (about 10,000 students between 2015 and 2019).

National 2020 headline targets	Measures	Targets (state of play 2018)
	graduates in the 30-34 age group.	The number of graduates increased 9.3% between 2015/16 and 2017/18 (latest data available).
	These goals have been pursued through on the adoption of the following measures:	In 2018/19, 385,247 students enrolled in higher education, 12,494 more than in the previous school year. Thus, the number of subscribers grew by 8% between 2015/16 and 2018/19.
	• Democratisation of access to higher education, betting on the increase of public higher education students by creating better access conditions for students with economic needs (the budget for Social Action scholarships has been increased by 21% since 2015, reaching 144 M € in 2019 and about 80,000 beneficiaries); or special needs (conditions for access to higher education for students with special educational needs have been broadened and, in practice, exempt from tuition fees) and adults with professional experience (conditions for crediting professional experience have been extended in the attendance of CTeSP and established professional masters), and promoting territorial cohesion by making more vacancies available to the interior institutions;	
	• Launch of the National Higher Education Housing Plan, mobilising efforts to provide housing solutions during university attendance to meet the needs of real estate market pressure, aiming to double the existing offer of 15,370 beds, in a	

National 2020 headline targets	Measures	Targets (state of play 2018)
	period of 10 years, with an increase of 12 thousand beds already in the next 4 years; • Reduction of tuition fees borne by students in public higher education, thereby reducing their attendance costs; • Reinforcement of short courses in higher education (CTeSP), either through funding allocated to its development or through attendance academic incentives, which have been better articulated between these short cycles and graduate degrees; • Approval of the legal regime for distance learning creating for the first time the regulation of this type of training offer with the aim of graduating about 50,000 graduates by 2030.	
Target on the reduction of population at risk of poverty or social exclusion in number of persons: -200,000	Reinforcement of social protection transversal to all areas of social safety net: • Pensions and complements were increased by 14%; • Reinforcement of support for the long-term unemployed; • Recovery of the annual update of social support index (IAS), with impact on the calculation of	-535 000 persons

National 2020 headline targets	Measures	Targets (state of play 2018)
	pensions and various social benefits; • Increase of Family and child allowance; • Creation of the new Social Benefit for Inclusion; • Phased replacement of the reference value of the Social Inclusion Income (RSI) that was in force before the reduction operated in 2013; • In the last 4 years, the budget of the Solidarity Complement for the Elderly (CSI) was increased by 34%; • Increase in the value of the special increase for disability and increase in the monthly amount of the 3rd person assistance allowance; • Social Protection through the protocols with the private institutions of social solidarity financing Programme increased 16% between 2015 and 2019.	

9. Portuguese Public Finance Council Opinion

Previsões macroeconómicas subjacentes ao Projeto de Plano Orçamental para 2020

Parecer do Conselho das Finanças Públicas

n.º 02/2019

14 de outubro de 2019

Este Parecer foi elaborado com base na informação disponível até ao dia 11 de outubro de 2019.

INTRODUÇÃO

Este Parecer incide sobre as previsões macroeconómicas subjacentes ao Projeto de Plano Orçamental para 2020 (PPO/2020), 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.[1]

Para efeitos de Parecer, uma vez que se realizaram eleições legislativas a 6 de outubro de 2019, o documento de trabalho do Ministério das Finanças (MF) em consideração será sempre referente a um cenário em políticas invariantes.

De acordo com o estabelecido no referido Protocolo, o Governo comunicou formalmente ao Conselho das Finanças Públicas (CFP) no dia 26 de agosto que o PPO/2020 seria apresentado no dia 15 de outubro (dia "D" para efeitos do calendário incluído na secção 5 do Protocolo).

O CFP recebeu a 1 de outubro uma versão de trabalho das previsões macroeconómicas, posteriormente retificado a 2 de outubro. No dia 3 decorreu uma reunião entre as equipas do MF e do CFP na qual a primeira fez uma apresentação sumária do cenário.

A versão final do cenário macroeconómico, enviada a 9 de outubro, foi retificada pelo MF a 11 de outubro. Este Parecer incide sobre os valores considerados pelo MF para as hipóteses externas e técnicas e para as previsões macroeconómicas subjacentes a esse cenário. O Quadro 1 apresenta os principais indicadores que resultam da informação mais recente transmitida pelo MF ao CFP até à data de fecho deste Parecer.

A metodologia e o processo de análise utilizados neste Parecer estão descritos no Protocolo acima referido. Para proceder à análise das previsões macroeconómicas subjacentes ao PPO/2020 o CFP recorreu aos seguintes meios:

a) Análise dessas previsões pelos técnicos do CFP;
b) Comparação com as projeções disponíveis realizadas por instituições de referência: Banco de Portugal (BdP) e CFP;
c) Informação estatística mais recente disponível, produzida pelas autoridades estatísticas nacionais — Instituto Nacional de Estatística (INE) e BdP;
d) Esclarecimentos técnicos verbais e escritos prestados pelo MF relativamente às previsões elaboradas.

---

[1] Disponível para consulta na página do CFP.

PREVISÕES DO MINISTÉRIO DAS FINANÇAS

Cenário Macroeconómico subjacente ao Projeto de Plano Orçamental para 2020

O cenário macroeconómico subjacente ao *Projeto de Plano Orçamental* para 2020 (PPO/2020) antevê uma ligeira aceleração da taxa de crescimento do PIB real no próximo ano para 2,0%. Neste novo cenário, o MF antecipa um crescimento da economia de 1,9% em 2019, o que compara com um crescimento do produto real de 2,4% no ano transato. A contribuir para esta desaceleração estará tanto o menor contributo da procura interna (3,0 p.p. em 2019 *vs.* 3,2 p.p. em 2018) como o contributo mais negativo das exportações líquidas (-1,0 p.p. em 2019 *vs.* -0,8 p.p. em 2018). A dinâmica de desaceleração da procura interna em 2019 ficará a dever-se, em exclusivo, à redução da taxa de crescimento do consumo privado (2,2% *vs.* 3,1% em 2018), uma vez que o ritmo de crescimento da Formação Bruta de Capital Fixo (FBCF) deverá registar um aumento expressivo (8,2% *vs.* 5,8% em 2018), ao mesmo tempo que a taxa de variação do consumo público se manterá inalterada face ao ano anterior (0,9%). Tal como referido, as exportações líquidas darão um contributo mais negativo no ano de 2019 face ao observado em 2018, em resultado de um decréscimo na taxa de crescimento das exportações (-0,9 p.p.) mais pronunciado do que o perspetivado para as importações de bens e serviços (-0,4 p.p.).

Para 2020, o MF perspetiva uma recuperação da taxa de crescimento PIB real para 2,0%,

Quadro 1 – Previsões macroeconómicas subjacentes ao PPO/2020

	2018	2019	2020
PIB real e componentes (variação, %)			
PIB	2,4	1,9	2,0
Consumo privado	3,1	2,2	2,1
Consumo público	0,9	0,9	0,9
Investimento (FBCF)	5,8	8,2	5,0
Exportações	3,8	2,9	3,9
Importações	5,8	5,4	4,1
Contributos para a variação real do PIB (p.p.)			
Procura interna	3,2	3,0	2,1
Exportações líquidas	-0,8	-1,0	-0,1
Preços (variação, %)			
Deflator do PIB	1,6	1,3	1,4
Deflator do consumo privado	1,3	1,2	1,4
Deflator do consumo público	1,8	1,3	1,5
Deflator do investimento (FBCF)	3,0	2,0	1,6
Deflator das exportações	2,1	1,0	1,0
Deflator das importações	2,4	1,0	1,0
IHPC	1,2	0,8	1,6
PIB nominal			
Variação (%)	4,1	3,3	3,5
Mercado de trabalho (variação, %)			
Taxa de desemprego (% pop. ativa)	7,0	6,3	5,9
Emprego	2,3	1,1	0,7
Remuneração média por trabalhador	2,5	2,8	2,9
Produtividade aparente do trabalho	0,1	0,8	1,2
Financiamento da economia e sector externo (% PIB)			
Cap./nec. líquida de financiamento face ao exterior	1,2	0,3	0,4
Balança de bens e serviços	0,1	-1,0	-1,0
Balança de rend. primários e transferências	0,1	0,0	0,2
Balança de capital	1,0	1,2	1,2
Cap./nec. líquida de financiamento do sector privado	1,6	0,3	0,4
Cap./nec. líquida de financiamento das AP	-0,4	-0,1	0,0
Desenvolvimentos cíclicos			
PIB potencial (variação, %)	1,8	1,9	1,9
Hiato do produto (% PIB potencial)	1,5	1,6	1,7
Pressupostos			
Procura externa (variação, %)	3,5	2,6	3,1
Taxa de juro de curto prazo (média anual, %)	-0,3	-0,3	-0,3
Taxa de câmbio EUR-USD (média anual)	1,18	1,13	1,12
Preço do petróleo (Brent, USD/barril)	71,5	63,1	57,8

Fonte: MF – Informação comunicada a 11 de outubro de 2019.

alicerçado, exclusivamente, no contributo menos negativo das exportações líquidas (-0,1 p.p. *vs.* -1,0 p.p. em 2019), uma vez que se espera uma redução substancial do contributo da procura interna (2,1 p.p. *vs.* 3,0 p.p. em 2019). A evolução prevista para o contributo da procura interna ficará a dever-se à ligeira desaceleração esperada para a taxa de crescimento do consumo privado (-0,1 p.p.) e à redução mais pronunciada do ritmo de crescimento da FBCF (-3,2 p.p.). Note-se que a taxa de variação do consumo público, de acordo com o MF, deverá permanecer inalterada pelo terceiro ano consecutivo (0,9%). No que se refere à dinâmica das exportações líquidas, o cenário do MF subjacente ao PPO/2020 espera que o seu contributo menos negativo em 2020 resulte de uma aceleração da taxa de crescimento das exportações (3,9% *vs.* 2,9% em 2019), acompanhada de um abrandamento do ritmo de crescimento das importações de bens e serviços (4,1% *vs.* 5,4% em 2019).

É esperada uma desaceleração do deflator do PIB em 2019 para 1,3%, seguida de uma ligeira aceleração em 2020 para 1,4%. Esta dinâmica traduzirá, em 2019, uma desaceleração dos deflatores de todas as componentes do produto e, em 2020, uma aceleração quer do deflator do consumo privado (+0,1 p.p.), quer do deflator do consumo público (+0,2 p.p.). Trajetória semelhante deverá registar o Índice Harmonizado de Preços no Consumidor (IHPC), com o MF a prever uma desaceleração de 1,2% em 2018, para 0,8% em 2019, seguida de uma recuperação para 1,6% no ano de 2020.

Em face dos desenvolvimentos suprarreferidos para o produto real e para o deflator do PIB, é esperado, no mais recente cenário do MF, uma desaceleração da taxa de variação do PIB nominal para 3,3% em 2019, seguida de um robustecimento do seu ritmo de crescimento para 3,5% em 2020, em resultado de uma aceleração quer do PIB real, quer do deflator do produto.

O mercado de trabalho deverá prosseguir uma trajetória de consolidação, com o MF a perspetivar uma redução da taxa de desemprego para 6,3% em 2019 (-0,7 p.p. face a 2018) e para 5,9% em 2020 (-0,4 p.p. face a 2019). Esta evolução está associada com uma dinâmica positiva de criação de emprego, não obstante as taxas de crescimento deste indicador desacelerarem de 2,3% em 2018 para 1,1% em 2019, e para 0,7% em 2020. A taxa de crescimento da remuneração média por trabalhador em termos nominais deverá acelerar de 2,5% em 2018, para 2,8% em 2019, e novamente para 2,9% em 2020. Em termos reais, e usando o IHPC como deflator, o MF espera uma aceleração da remuneração média real por trabalhador em torno de 1,5%, tanto em 2019 como em 2020, taxa de variação esta que será superior ao crescimento previsto para a produtividade aparente do trabalho, cuja taxa de variação se deverá situar em 0,8% e 1,2%, nestes dois anos.

A capacidade líquida de financiamento da economia portuguesa, em 2019, deverá recuar para 0,3% do PIB (1,2% do PIB em 2018), seguida de uma ligeira recuperação para 0,4% do PIB em 2020. Este comportamento dever-se-á, maioritariamente, à perspetiva de degradação do saldo da balança de bens e serviços de 0,1% do PIB em 2018 para -1,0% do PIB em 2019 e 2020. A balança de rendimentos primários e transferências deverá apresentar um saldo nulo em 2019 (+0,1% do PIB em 2018), recuperando para 0,2% do PIB em 2020, sendo esta a razão pela qual o MF antecipa uma ligeira recuperação da capacidade de financiamento da economia face ao exterior em 2020 (+0,1 p.p. do PIB face a 2019).

O MF prevê uma ligeira aceleração do PIB potencial em 2019 (+0,1 p.p.), mantendo-se a sua taxa de variação estável em 2020 (1,9%). O hiato do produto deverá permanecer positivo e alargar-se passando de 1,5% em 2018, para 1,6% e 2019 e para 1,7% em 2020.

Relativamente às hipóteses externas assumidas pelo MF, a previsão para a procura externa dirigida a Portugal tem um impacto negativo para a evolução da economia portuguesa em 2019, mas contribui para a sua ligeira recuperação em 2020. Com efeito, o cenário macroeconómico do MF tem subjacente uma desaceleração da procura externa dirigida a Portugal para 2,6% em 2019, seguida de uma recuperação para 3,1% em 2020. A taxa de juro de curto prazo deverá manter-se inalterada em -0,3% tanto em 2019 como em 2020. A taxa de câmbio do euro face ao dólar deverá registar uma trajetória de depreciação progressiva passando de 1,18 em 2018 para 1,13 em 2019 e para 1,12 em 2020, beneficiando, assim, as exportações portuguesas para o espaço fora da zona euro. Também o preço médio do barril de *Brent* deverá apresentar uma redução progressiva, passando de 71,5 dólares em 2018 para 63,1 dólares em 2019 e para 57,8 dólares norte-americanos em 2020.

O Gráfico 1 enquadra o cenário subjacente ao PPO/2020 com previsões macroeconómicas do MF anteriores, inerentes ao PE/2019 e ao OE/2019.

Gráfico 1 – Comparação das previsões incluídas na PPO/2020, no PE/2019 e no OE/2019 (variação, %)
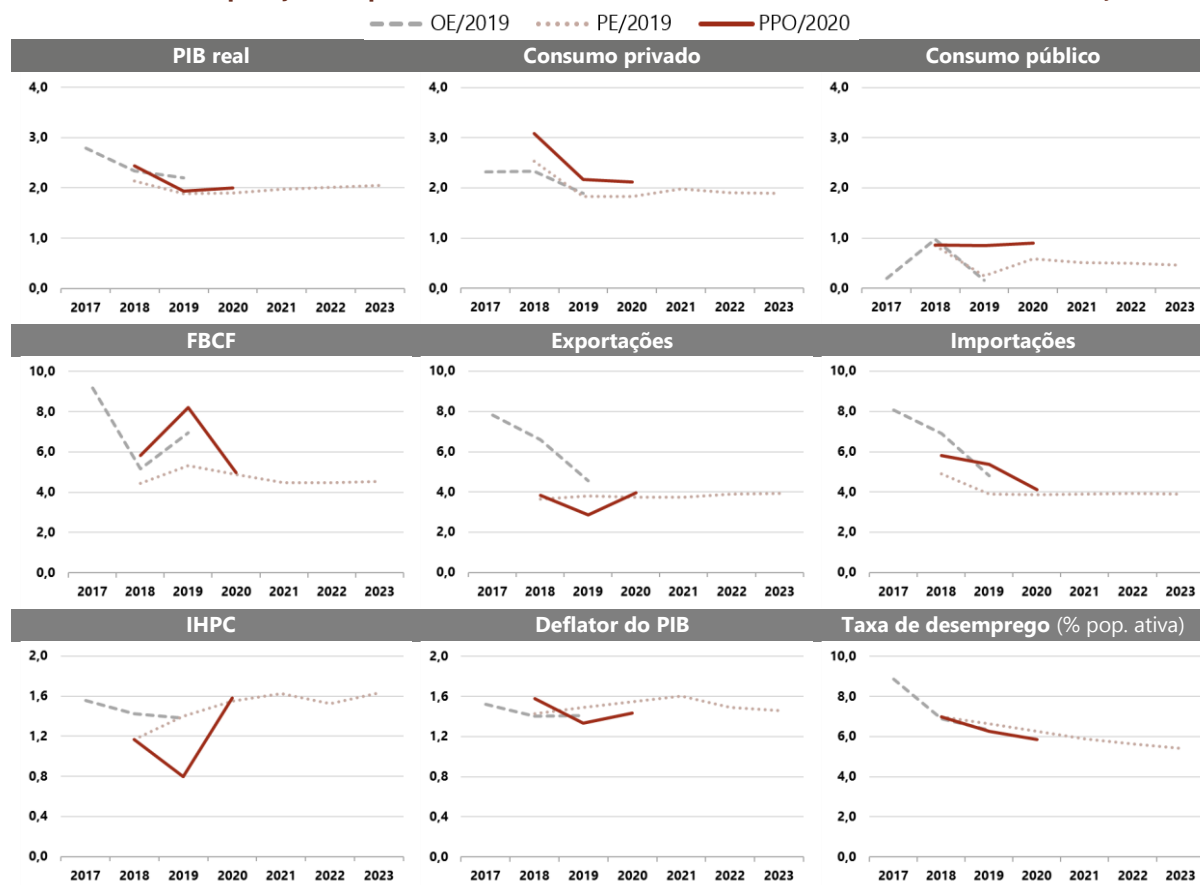
Fonte: MF – PPO/2020, PE/2019 e OE/2019.

Conciliação com previsões anteriores do MF

Em 23 de setembro de 2019 o INE disponibilizou novas séries das Contas Nacionais Trimestrais em tendo procedido à revisão do ano base, à incorporação de nova informação e a algumas alterações metodológicas. Como foi já referido pelas instituições que atualizaram projeções macroeconómicas para Portugal (BdP e CFP), esta revisão conduziu a uma revisão significativa em alta do nível e da taxa de crescimento do PIB em 2017 e 2018, alterações estatísticas que afetam de forma materialmente significativa os exercícios de projeção e, por isso, limitam a comparabilidade dos novos cenários macroeconómicos com os realizados anteriormente. Por essa razão na Caixa apenas se procede à comparação das projeções do MF, BdP e CFP, não se incluindo as previsões da responsabilidade da CE, FMI e OCDE elaboradas antes da divulgação da nova série do PIB.

Caixa – Previsões e projeções para a economia portuguesa

Em 2019, a estimativa do Ministério das Finanças (MF) aponta para um crescimento do produto real de 1,9%, valor igual ao projetado pelo CFP e 0,1 p.p. abaixo do projetado pelo Banco de Portugal (BdP), e que traduz uma expectativa de desaceleração da economia face ao crescimento de 2,4% registado em 2018. No cenário do MF, o consumo privado deverá desacelerar para 2,2% em 2019 (-0,9 p.p. face a 2018), encontrando-se esta previsão balizada entre os 2,1% projetados pelo CFP e os 2,3% do BdP. No que respeita ao consumo público, o MF espera que, em 2019, a sua taxa de variação permaneça inalterada em 0,9%, sendo este valor superior, quer aos 0,5% antecipados pelo BdP, quer aos 0,7% projetados pelo CFP. Já para a FBCF, o MF antecipa uma aceleração expressiva de 5,8% em 2018 para 8,2%, sendo este o valor mais elevado quando comparado com os 7,2% avançados pelo BdP e os 7,6% projetados pelo CFP. No que se refere à dinâmica do comércio externo, é esperado, pelo MF, um crescimento das exportações de 2,9% em 2019, o que, apesar de traduzir uma desaceleração de 0,9 p.p. face a 2018, constitui o valor mais elevado quando comparado com os 2,3% do BdP e os 2,7% antecipados pelo CFP. O mesmo deverá ocorrer com a taxa de crescimento das importações, uma vez que a previsão de 5,4% esperada pelo MF para 2019, é superior aos 4,6% projetados pelas outras duas instituições consideradas no Quadro 2. No que se refere à evolução dos preços, o MF perspetiva uma variação do IHPC de 0,8%, valor superior aos 0,4% e 0,3% antecipados pelo BdP e CFP, respetivamente. No entanto, a previsão do MF para a taxa de variação do deflator do PIB é igual à do CFP, devendo situar-se em 1,3% em 2019. O mercado de trabalho em 2019 deverá manter a trajetória positiva iniciada em 2013, com o MF a estimar uma taxa de desemprego de 6,3% da população, encontrando-se esta previsão balizada entre os 6,2% do CFP e os 6,4% do BdP. Neste contexto, o cenário do MF aponta para um crescimento do emprego de 1,1%, valor este que se situa entre os 0,9% do BdP e os 1,2% do CFP. A capacidade líquida de financiamento da economia, de acordo com o MF, deverá permanecer positiva em 2019, apesar de se esperar uma degradação do saldo face ao exterior que deverá passar de 1,2% do PIB em 2018 para 0,3% do PIB em 2019. Este valor é, ainda assim, ligeiramente mais conservador do que a capacidade líquida de financiamento da economia projetada pelo CFP (0,4% do PIB) e pelo BdP (0,5% do PIB). A degradação da capacidade de financiamento da economia portuguesa, deverá ocorrer num cenário em que o saldo da balança de bens e serviços se tornará negativo, com o MF a esperar que se situe em -1,0% do PIB em 2019, valor que compara com os -0,6% do PIB do CFP e os -0,7% do PIB do BdP.

Para 2020, face à não existência de mais projeções macroeconómicas elaboradas de acordo com as Contas Nacionais Anuais - Base 2016 divulgadas pelo INE no passado mês de setembro para além das do CFP, não se procederá à comparação do cenário do MF.

Quadro 2 – Projeções e previsões para a economia portuguesa

| Ano	2018	2019			2020	
Instituição e publicação		BdP	CFP	MF	CFP	MF
Data de publicação		out19	out19	out19	out19	out19
PIB real e componentes (variação, %)						
PIB	2,4	2,0	1,9	1,9	1,7	2,0
Consumo privado	3,1	2,3	2,1	2,2	1,9	2,1
Consumo público	0,9	0,5	0,7	0,9	1,2	0,9
Investimento (FBCF)	5,8	7,2	7,6	8,2	5,2	5,0
Exportações	3,8	2,3	2,7	2,9	3,1	3,9
Importações	5,8	4,6	4,6	5,4	4,0	4,1
Contributos para o crescimento real do PIB (p.p.)						
Procura interna	3,2	-	2,7	3,0	2,1	2,1
Exportações líquidas	-0,8	-	-0,8	-1,0	-0,4	-0,1
Preços (variação, %)						
Deflator do PIB	1,6	-	1,3	1,3	1,1	1,4
Deflator do consumo privado	1,3	-	1,0	1,2	1,1	1,4
Deflator do consumo público	1,8	-	1,8	1,3	1,1	1,5
Deflator da FBCF	3,0	-	1,5	2,0	1,0	1,6
Deflator das exportações	2,1	-	1,0	1,0	1,0	1,0
Deflator das importações	2,4	-	0,8	1,0	0,9	1,0
IHPC	1,2	0,4	0,3	0,8	0,6	1,6
PIB nominal						
Variação (%)	4,1	-	3,3	3,3	2,8	3,5
Nível (mil M€)	203,9	-	210,6	210,6	216,4	218,0
Mercado de trabalho (variação, %)						
Taxa de desemprego (% pop. ativa)	7,0	6,4	6,2	6,3	6,0	5,9
Emprego	2,3	0,9	1,2	1,1	0,6	0,7
Remuneração média por trabalhador	2,5	-	3,0	2,8	2,4	2,9
Produtividade aparente do trabalho	0,1	-	0,7	0,8	1,1	1,2
Setor externo (% PIB)						
Capacidade líquida de financiamento	1,2	0,5	0,4	0,3	0,0	0,4
Balança corrente	0,1	-	-0,3	-1,0	-0,8	-0,8
Balança de bens e serviços	0,1	-0,7	-0,6	-1,0	-1,0	-1,0
Balança de rend. primários e transf.	0,1	-	0,3	0,0	0,2	0,2
Balança de capital	1,0	-	0,7	1,2	0,8	1,2
Desenvolvimentos cíclicos						
PIB potencial (variação, %)	-	-	2,0	1,9	2,2	1,9
Hiato do produto (% PIB potencial)	-	-	1,6	1,6	1,1	1,7
Finanças públicas (% PIB)						
Saldo orçamental	-0,4	-	0,1	-0,1	0,3	0,0

Fontes: 2018: INE. 2019-2020: BdP - Boletim Económico, outubro 2019; CFP - Finanças Públicas: Situação e Condicionantes 2019-2023 (Atualização), outubro 2019; MF - PP0/2020, outubro de 2019.

PRINCIPAIS CONSIDERAÇÕES

O cenário macroeconómico subjacente ao PPO/2020 é apresentado num contexto particular. Por um lado, pelo enquadramento na legislatura, trata-se de um cenário que não considera novas medidas de política para o ano de 2020, nem sequer as consideradas no Programa de Estabilidade 2019-2023. Por outro lado, face à nova base de contas nacionais divulgada pelo INE em setembro, trata-se do primeiro cenário do MF que incorpora esta informação, existindo apenas as projeções do Banco de Portugal para 2019 e as do CFP para 2019-2020 como elementos de enquadramento das perspetivas para a economia nacional.

Contudo, deve o CFP salientar alguns aspetos importantes subjacentes ao cenário em apreço, uma vez que é expectável que este sirva de base ao cenário macroeconómico a ser elaborado para a Proposta de Orçamento do Estado para 2020.

Gráfico 2 – Intervalos de previsão associados às previsões do MF (variação, %)
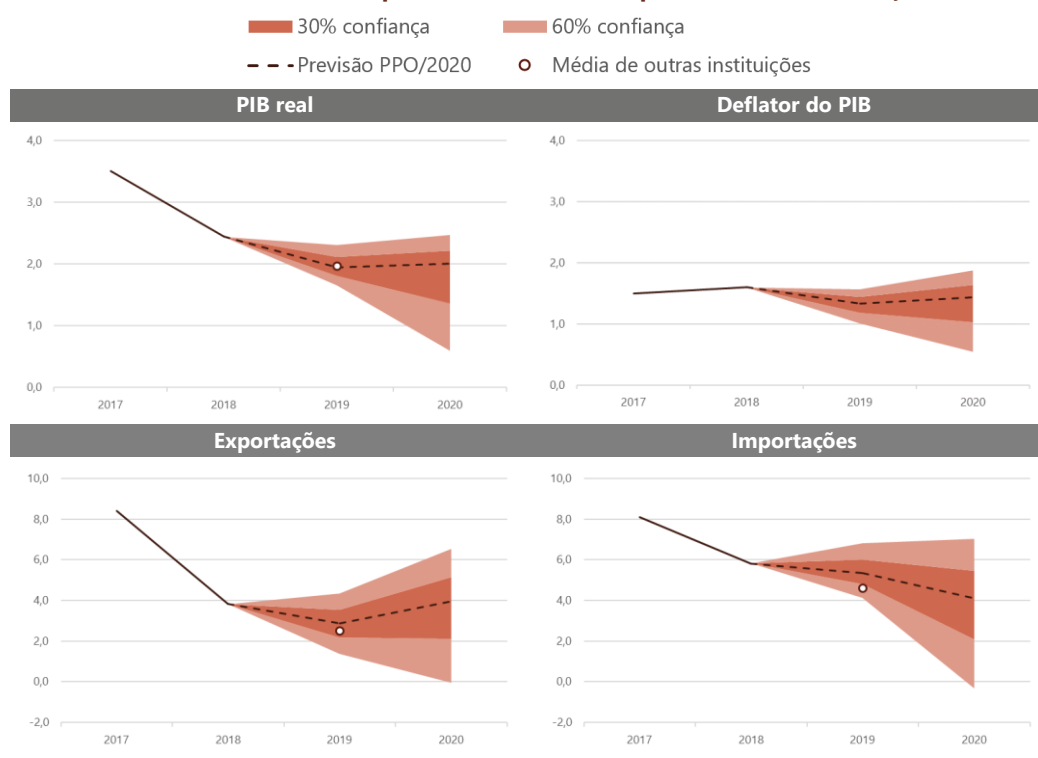
Fonte: PPO/2020; CFP – cálculos das bandas de confiança com base nos relatórios do Orçamento do Estado 1997-2019.

Para 2019 o cenário do MF afigura-se como o mais provável na evolução do PIB e da maior parte das suas componentes, estando balizado pelos cenários divulgados até à data de publicação deste Parecer (ver Caixa). É de salientar o ganho de quota de mercado considerado para 2019 nas exportações de bens e serviços, pressuposto potencialmente otimista, mas que para efeitos de incremento no PIB é mitigado pela dinâmica das importações de bens e serviços.

Note-se que, dada a revisão significativa do INE para o crescimento do PIB real em 2017 e 2018, bem como para o primeiro semestre de 2019, a manutenção pelo MF do crescimento estimado para 2019 face ao PE/2019 (em 1,9%) implica que esse cenário ou era demasiado otimista na altura

da sua elaboração ou o abrandamento da economia agora estimado para 2019 é mais forte do que o anteriormente esperado pelo MF (Gráfico 1).

Para 2020, o perfil de aceleração do crescimento económico considerado pelo MF comporta elevados riscos descendentes, tendo em conta a degradação das perspetivas económicas nos principais parceiros comerciais da economia portuguesa.

Gráfico 3 – Elasticidade das importações de bens e serviços face à procura global
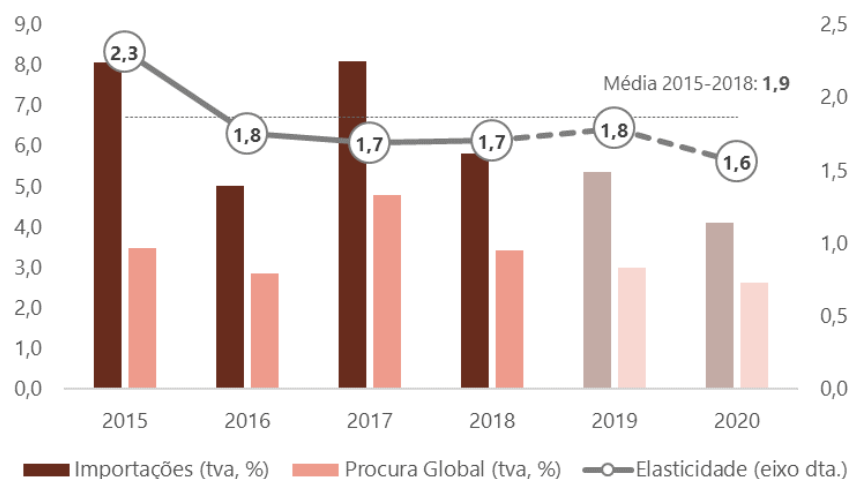
Fontes: INE, PPO/2020 e cálculos do CFP

A dinâmica do comércio externo é o principal determinante desta aceleração. O MF prevê para 2020 uma aceleração das exportações em simultâneo com uma desaceleração das importações face a 2019. As exportações de bens e serviços aumentam o ritmo de crescimento em 1,0 p.p. para 3,9% em 2020 o MF. Esta previsão pressupõe aumentos de ganhos de quota de mercado crescentes: 0,3 p.p. em 2019 e 0,8 p.p. em 2020.

A previsão do MF de abrandamento no ritmo de crescimento das importações de bens e serviços em 1,3 p.p. para 4,1% em 2020 tem implícita uma quebra não sustentada na elasticidade das importações face à procura global, de 1,8 em 2019 para 1,6 em 2020 (Gráfico 3). *Ceteris paribus*, a manutenção em 2020 da elasticidade das importações face à procura global estimada para 2019 (1,8) levaria, neste cenário, ao crescimento das importações em 4,7% e ao abrandamento do ritmo de crescimento do PIB em volume para 1,7%.

Importa ainda salientar que o CFP já se tinha pronunciado quanto à trajetória de aceleração para a atividade económica que o MF admitia no PE/2019 para 2021-2023, agora antecipada para 2020 num contexto de agravamento dos riscos descentes de carácter externo.

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 ao Projeto de Plano Orçamental para 2020, **o Conselho das Finanças Públicas endossa com reservas as estimativas e previsões apresentadas, tendo em conta que:**

1. **A ausência de previsões macroeconómicas comparáveis produzidas por outras instituições dificulta a qualificação quanto à sua probabilidade;**
2. **Os elementos explicitados neste parecer relativamente ao comportamento das componentes da procura, em particular das exportações e das importações em 2020, não permitem considerar o cenário apresentado como prudente, dados os elevados riscos descendentes que incidem na previsão de aceleração da atividade económica em 2020.**