





SPRING 2008 ECONOMIC OUTLOOK FOR PORTUGAL: ANSWERS FROM AIP AND CIP

MAIN FORECAST		2007	2008	2009		
Real GDP growth		1.9	2.0	2.3		
Consumer price inflation		2.4	2.4	2.0		
Unemployment rate		8.0	8.0	7.7		
Employment growth		0.2	0.5	1.0		
Components of aggregate de	mand					
Annual % change		2007	2008	2009		
Private consumption		1.5	1.1	1.6		
Public consumption	fti)	0.3	0.0	0.4		
Investment (Gross fixed capital Exports	iormation)	3.2 7.1	3.3 4.9	3.1 6.0		
Imports		5.4	2.9	3.7		
ECONOMIC SENTIMENT						
	Positive	Negative	Unchanged			
Trend in business climate	Industry					
over the next 6 months	Services					
	Positive	Negative	Unchanged			
Trend in profitability over the next 6 months			Industry Services			
next o months			Corvioco			
	Increase (faster pace)	Increase (slower	Unchanged	Decrease (slower	Decrease (faster	
	la dicata .	pace)	-	pace)	pace)	
Investment intentions over the next 6 months	Industry					
	Services					
	Replacement	Extension	Rationalisation	Innovation		
Driving force behind						
investment decisions in the	Up	Up	Up	Up		
next 6 months						
	Positive	Negative	Unchanged			
Trend in consumer confidence over the next 6			1/00			
months			yes			
	to to the control of	to to the control of the	0	0		
	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
Overall trend in employment	Down	Same	Up	Same		
Overall trend in employment	DOWII	Same	Ор	Same		
	Harton (m	0	Lower / less			
	Higher / more difficult	Same	difficult			
Over the next 6 months,	Cost					
cost/access to finance will	A					
be	Access					
	to a large extent	to some extent	to a limited extent	not at all		
	to a range extern	to come extent	to a mintou oxtone			
Financial market turmoil has affected companies'						
investment decisions			yes			
negatively						
EXCHANGE RATE DEVELOP	MENTS					
		Dollar per euro				
Where will the EUR/USD sta	and in October 2008 ?	1.40				
POLICY MIX						
	Not necessary,			Neither satisfactory		
	situation is satisfactory	Excellent	Satisfactory	nor unsatisfactory	Unsatisfactory	Deteriorating
	Salislaciory					
Progress towards medium-			yes			
term budgetary objective is			,			
	Timbs ammunuints for	-			Loose, appropriate	
	i lant, appropriate for		Appropriate	Loose	for the euro area	
	Tight, appropriate for the euro area	Tight				
Monetary policy is		rignt	yes			
Monetary policy is		rigm	yes			
Monetary policy is					Diako welsted to	
Monetary policy is	the euro area	Downside risks to	Inflation pressures	Upisde risks to	Risks related to credit market	Risks of further
Monetary policy is				Upisde risks to wage inflation		Risks of further euro appreciation
	the euro area	Downside risks to growth over	Inflation pressures from high oil and	•	credit market	
Focus on elements of the	the euro area Above-target inflation	Downside risks to growth over medium term	Inflation pressures from high oil and commodity prices	wage inflation	credit market turbulences	euro appreciation
	the euro area	Downside risks to growth over	Inflation pressures from high oil and	•	credit market	
Focus on elements of the ECB analysis underlying its	the euro area Above-target inflation	Downside risks to growth over medium term	Inflation pressures from high oil and commodity prices	wage inflation	credit market turbulences	euro appreciation
Focus on elements of the ECB analysis underlying its	the euro area Above-target inflation appropriate	Downside risks to growth over medium term insufficient	Inflation pressures from high oil and commodity prices	wage inflation	credit market turbulences	euro appreciation
Focus on elements of the ECB analysis underlying its current policy stance is	the euro area Above-target inflation	Downside risks to growth over medium term	Inflation pressures from high oil and commodity prices	wage inflation	credit market turbulences	euro appreciation
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