

## AUTUMN 2008 ECONOMIC OUTLOOK FOR PORTUGAL: ANSWERS FROM AIP AND CIP (NOVEMBER UPDATE)

MAIN FORECAST						
		<b>2008</b>		<b>2009</b>		
Real GDP growth		0.5		0.1		
Consumer price inflation		2.8		2.3		
Unemployment rate		7.7		7.9		
Employment growth		0.6		0.0		
<b>Components of aggregate demand</b>						
<i>Annual % change</i>		<b>2008</b>		<b>2009</b>		
Private consumption		1.4		0.1		
Public consumption		0.2		0.2		
Investment (Gross fixed capital formation)		-0.8		-2.7		
Exports		1.4		1.1		
Imports		2.6		-0.5		
ECONOMIC SENTIMENT						
	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>			
<b>Trend in business climate over the next 6 months</b>		Industry		Services		
	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>			
<b>Trend in profitability over the next 6 months</b>				Industry		Services
	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>		<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
<b>Investment intentions over the next 6 months</b>				Industry		Services
	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>		
<b>Driving force behind investment decisions in the next 6 months</b>	Up	Same	Up	Up		
	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>			
<b>Trend in consumer confidence over the next 6 months</b>				yes		
	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>		
<b>Overall trend in employment</b>	Down	Down	Up	Same		
	<b>Higher / more difficult</b>	<b>Same</b>	<b>Lower / less difficult</b>			
<b>Over the next 6 months, cost/access to finance will be...</b>	Cost					
	Access					
	<b>to a large extent</b>	<b>to some extent</b>	<b>to a limited extent</b>	<b>not at all</b>		
<b>Financial market turmoil has affected companies' investment decisions negatively ...</b>		yes				
POLICY MIX						
	<b>Not necessary, situation is satisfactory</b>	<b>Excellent</b>	<b>Satisfactory</b>	<b>Neither satisfactory nor unsatisfactory</b>	<b>Unsatisfactory</b>	<b>Deteriorating</b>
<b>Progress towards medium-term budgetary objective is...</b>			yes			
	<b>Tight, appropriate for the euro area</b>	<b>Tight</b>	<b>Appropriate</b>	<b>Loose</b>	<b>Loose, appropriate for the euro area</b>	
<b>Monetary policy is...</b>			yes			
	<b>Adequate</b>	<b>Inadequate</b>				
<b>Consistency between fiscal and monetary policies</b>	yes					