Portugal

1. EU Competitiveness

Question 1	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
Question 2	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Increased slightly
Question 3	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
Question 4	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	1. Regulatory environment 2. Tax regime 3. Access to finance

2. National Recovery and Resilience Plans

Question 8	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Dissatisfied
Question 9	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
Question 10	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **1**	Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 1,8 %, unless a higher reference rate in net nationally financed primary expenditure growth is estimated to be compatible with Portugal reaching its medium-term budgetary objective of -0,5 % of GDP, inter alia if interest expenditure is lower than currently projected by the Commission. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position. Improve the effectiveness of the tax and social protection systems, in particular by prioritising the simplification of both frameworks, strengthening the efficiency of their respective administrations and reducing the associated administrative burden.	Important	Unsatisfactory	In 2023, Portuguese general government balance is expected to be 0,8% of GDP, the largest surplus in decades. It compares with a deficit of 0,9% of GDP predicted in 2023 budget and a deficit of 0,4% of GDP in last Stability Program. The exceeding of targets in terms of general government balance and debt is due to tax revenues (significantly higher than budgeted) and the poor execution of public investment (much below budget): in our view, precisely the opposite of what would have been necessary for a fiscal policy more favourable to economic growth. No progress regarding the effectiveness of the tax and social protection systems.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **2**	Accelerate the implementation of its recovery and resilience plan, including by ensuring adequate administrative capacity and, following the recent submission of the addendum, including the REPowerEU chapter and the additional loan request, rapidly start the implementation of the related measures. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Extremely important	Unsatisfactory	There are delays in the execution of several measures. There are also delays in the cohesion policy implementation.
CSR **3**	Improve the conditions for the transition towards a circular economy, in particular by increasing waste prevention, recycling and reuse in order to divert waste away from landfills and incinerators.	Extremely important	Unsatisfactory	Legislation is complex, incomplete and burdensome. Legislative processes are not very clear, there is not always a clear assessment of impacts (positive or negative), and obligations come in place without being regulated

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **4**	Reduce overall reliance on fossil fuels. Further accelerate the deployment of renewables by further simplifying and digitalising permitting in order to allow for additional wind, in particular offshore, and solar electricity production, as well as promoting self-consumption and renewable energy communities. Increase electricity interconnection capacity and upgrade the electricity transmission and distribution grids, enabling investment in electricity storage and digitalisation of the grid, including a faster roll-out of smart meters. Accelerate investment in energy efficiency by promoting financial schemes to attract private investment and supporting households in need. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition	Important	Mixed	Reduction overall reliance on fossil fuels has been real on industry sector, but new efforts must be done on transport sector, namely increasing quality and public reliance on public road and railway transport sector. Solar electricity is growing fast. Efforts to make offshore wind a reality were done. Promotion of self-consumption has occurred, but much more must be done; evolution of energy communities is growing slowly. A new boost on energy efficiency, namely on buildings, is now on track, but in what concerns industry is not satisfactory. Promotion of renewable gases was decided and a new action plan on biomethane was prepared and will be discussed in 2024.

4. Reform Progress in your Member State in 2023

How would you assess reform progress in 2023, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2024 Reform Barometer?

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5. Reform priorities for 2024

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Tax reforms	Reduce the tax burden on companies and on labour	n.a.
Priority 2	Public sector efficiency	Increase the efficiency of public administration and eliminate administrative burdens. Focus on improving judicial system (namely by capacitation of commercial courts)	n.a.
Priority 3	Venture capital and SME financing instruments	Address the need for business to strengthen their financial structure and recapitalize, through appropriate financial instruments	n.a.
Priority 4	Labour market mismatch and labour mobility	Prioritize vocational training, linking it with the labour market needs, deeply involving business associations and companies.	n.a.
Priority 5	Job protection	Recent changes in labor legislation went in the wrong direction. They should be abandoned.	n.a.
