

SPRING 2009 ECONOMIC OUTLOOK FOR PORTUGAL: ANSWERS FROM AIP AND CIP

MAIN FORECAST

	2008	2009
Real GDP growth	0.3	-0.8
Consumer price inflation	2.7	1.0
Unemployment rate	7.8	8.8
Employment growth	0.5	-1.0

Components of aggregate demand

Annual % change	2008	2009
Private consumption	1.4	0.4
Public consumption	0.2	-0.1
Investment (Gross fixed capital formation)	-0.8	-1.7
Exports	0.6	-3.6
Imports	2.4	-1.0

ECONOMIC SENTIMENT

	Positive	Negative	Unchanged		
Trend in business climate over the next 6 months		Industry Services			
Trend in profitability over the next 6 months	Positive	Negative Industry Services	Unchanged		
Investment intentions over the next 6 months	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace) Industry Services
Driving force behind investment decisions in the next 6 months	Replacement Down	Extension Down	Rationalisation Same	Innovation Down	
Overall trend in employment	Industry: past 6 months Down	Industry: next 6 months Down	Services: past 6 months Same	Services: next 6 months Down	

ACCESS TO FINANCE

Compared to 6 months ago, cost/access to finance has been...	sharply up / restrained	up / more difficult	same	down / easier
for SMEs		Cost Access		
for larger companies (>250 employees)		Cost Access		
Over the next 6 months, cost /access to finance will be...	sharply up / restrained	up / more difficult	same	down / easier
for SMEs		Cost Access		
for larger companies (>250 employees)		Cost Access		
For companies, the current financing situation is...	an existential threat	of high concern	somewhat concerning	not worrying
working capital / treasury needs	SMEs	large companies		
debt refinancing		SMEs large companies		
financing productive investments		SMEs large companies		
financing innovation and R&D		large companies	SMEs	



POLICY MIX

Given natl. circumstances, are recovery plans appropriate to stimulate the economy?

to some extent

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i> yes	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
<i>Consistency between fiscal and monetary policies</i>	<i>adequate</i> yes	<i>inadequate</i>			