

SPRING 2010 REFORM BAROMETER - PORTUGAL

1. SUMMARY TABLE

<u>Portugal</u>				Rank among 29 **			Relative Gap	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
GDP per capita (Purchasing Power Parity - PPP)	18947	18119	-4.4%	21	21	0	LU, IE, NL, AT, BE	-47%
GDP per capita (€ at 2000 prices)	12411	12030	-3.1%	19	18	1	LU, DK, SE, IE, UK	-65%
Labour Utilisation (Annual hours worked per capita)	802	770	-4.0%	15	14	1	CY, SI, GR, CZ, PL	-13%
Annual hours worked per person employed	1745	1717	-1.6%	15	15	0	GR, HU, PL, SI, CZ	-15%
Employment as % of labour force (100-unemployment rate)	92.3	91.0	-1.3	24	19	5	NL, DK, AT, CY, LU	-4
Labour participation (labour force as % of active population)	74.2	73.5	-0.6	11	11	0	NL, DK, SE, DE, UK	-6
Dependency ratio (working age population as % of total population)	67.2	67.0	-0.1	19	20	-1	SK, PL, CY, CZ, RO	-6
Labour Productivity (GDP per hour worked, in PPP)	22.4	22.3	-0.4%	21	21	0	LU, BE, NL, FR, DE	-48%
Labour Productivity (GDP per hour worked, € at 2000 prices)	14.7	14.8	1.0%	19	19	0	LU, SE, BE, DK, FR	-69%
Capital deepening (capital stock per hour worked)*	3.9	4.0	1.5%	17	17	0	IE, FR, LU, AT, SE	-32%
Total Factor Productivity (level of economic efficiency per hour worked)*	3.8	3.7	-0.5%	17	17	0	LU, UK, DK, SE, BE	-57%
Corporate Investment (private investment excluding non-residential, % GDP)	11.7	8.7	-3.0	17	19	-2	BE, RO, AT, DK, SK	-4.4
Current Account Balance (as % GDP)	-12.1	-10.2	1.9	23	27	-4	LU, SE, LV, DE, EE	-16.6
Export market share measured in volume relative to main 35 trading partners (from 2000)	-6.3	-5.4	0.9	21	20	1	RO, LT, HU, CZ, PL	-60.1
Unit labour Costs relative to main 35 trading partners (from 2000)	3.6	6.6	3.0	13	14	-1	DE, PL, AT, SE, GR	13.7
Public Debt (as % GDP) *1	66.3	77.4	11.1	24	25	-1	EE, LU, BG, RO, LT	59.5
Net lending/net borrowing of general government (as % GDP) *2	-2.7	-8.0	-5.3	16	22	-6	BG, DK, SE, LU, FI	-6.0
Required budgetary adjustment related to ageing (%GDP)	N/A	1.0	N/A	N/A	7	N/A	PL, EE, HU, BG, SE	0.9
Public Investment (as % total public expenditure)	5.0	5.7	0.7	24	22	2	BG, RO, EE, CZ, PL	-10.7
Tax burden (as % GDP) *3	36.7	36.0	-0.7	15	15	0	LV, RO, IE, SK, LT	8.2

Note: Labour utilisation and productivity are a product of its sub-components.

* Rank refers to EU15 ** EU 27, Norway and Switzerland

*1 76,6 (2009) in State Budget (Fev10) *2 -9,3 (2009) in State Budget (Fev10) *3 36,4(2008) 32,6 (2009) in State Budget (Fev10)

Source : European Commission, Eurostat

A methodological note can be found in the report or [here](#).

2. PRIORITIES FOR REFORM: ANSWERS FROM AIP AND CIP (PORTUGAL)

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	Orientation and sustainability of public finances	- deliver on sound medium term budgetary objectives; - safeguard the sustainability of social security systems	X	
Priority 2	Job protection and labour market segmentation / dualisation	raise labour regulation flexibility	X	
Priority 3	Wage bargaining and wage-setting policies	ensure employment-friendly labour cost developments		X
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	1. develop a supportive environment for small business; 2. better regulation through simplification of legislation and reduction of administrative burden; 3. better regulation through impact assessment	2. X	1, 3 X
Priority 5	Education and life-long learning	adapt education and training systems to labour market needs		X