



## SPRING 2011 REFORM BAROMETER – PORTUGAL

	Level			Rank			Gap		Areas of Action	
	2009	2010	Change	2009	2010	change	EU top 5	Gap <sup>1</sup>	2010	
Pillar I	1 GDP per capita (Purchasing Power Parity- PPP)	18515	19113	3,2%	23	24	-1	NL IE SE AT DE	-37%	
	2 GDP per capita (€ at 2000 prices)	12038	12057	0,2%	21	21	0	DK SE IE FI AT	-61%	
	3 Labour productivity per hour worked (PPP)	20,3	21,2	4,5%	23	23	0	NL BE FR DE IE	-49%	
	4 Labour productivity per person employed (PPP)	39261	40976	4,4%	24	24	0	IE BE FR SE NL	-39%	
	5 Private investment (excluding non residential, %GDP)	9,2	8,6	-0,6	17	19	-2	BG BE AT DE IT	-5,0	
	6 Industrial activity (% total value added)	18,7	17,9	-0,7	21	22	-1	IE SK CZ FI SI	-14,7	
	7 R&D expenditure (% GDP) *	1,5	1,7	0,2	17	18	-1	FI SE DK DE AT	-1,6	
	8 Operating surplus (% total value added)	36,7	36,7	0,0	23	24	-1	BG GR MT SK IE	-17,0	
Pillar II	9 Current Account (% GDP)	-10,4	-10,7	-0,4	31	32	-1	LU SE NL DE DK	-16,7	
	10 Export market share (gain from 2000)	-2,2	-1,4	0,8	19	19	0	RO LT CZ HU BG	-64,8	
	11 Net export contribution to GDP	0,9	0,5	-0,4	20	20	0	BG IE GR HU CY	-3,4	
	12 Share in global trade	0,5	0,4	-0,1	20	20	0	DE FR NL UK IT	-3,9	
	13 Relative unit labour cost (gain from 2000)	2,9	3,0	0,1	13	14	-1	DE PL AT SE FR	10,8	
	14 High-tech exports (% total exports) **	6,5	6,1	-0,4	21	21	0	MT LU IE HU CY	-22,6	
Pillar III	15 Employment rate (% working age population)	66,3	65,8	-0,5	25	24	1	NL DK SE AT DE	-3,0	
	16 Employment rate 15-24 (% population 15-24)	31,3	29,2	-2,1	18	18	0	NL DK AT UK DE	-24,4	
	17 Employment rate 55-64 (% population 55-64)	49,7	49,3	-0,5	17	15	2	SE DE UK CY DK	-10,4	
	18 Annual hours worked (per capita)	1932	1930	-0,1%	5	6	-1	PL GR HU LV CZ	-2%	
	19 Labour participation (% working age population)	78,5	78,6	0,1	8	8	0	DK SE NL PT DE	-1,4	
	20 Working age population (as % total population)	67,1	66,9	-0,1	21	21	0	SK PL CY CZ RO	0,9	
	21 Unemployment rate (% labour force)	9,6	10,5	0,9	25	24	1	AT NL LU MT CY	4,9	
Pillar IV	22 Gross debt - general government (% GDP)	76,1	82,8	6,7	23	23	0	EE LU BG RO LT	58,7	
	23 Net debt - general government (% GDP)*	47,1	57,4	10,3	25	24	1	FI EE SE BG CZ	98,5	
	24 Government budget balance (% GDP)	-9,3	-7,3	2,0	25	22	3	SE EE LU FI DE	-5,2	
	25 Primary balance (% GDP)	-6,5	-4,4	2,1	24	22	2	HU SE IT EE MT	-4,0	
	26 Tax burden (% GDP)	33,9	35,1	0,0	14	16	-2	LV SK RO BG LT	4,6	
	27 Highest marginal tax rate, individual rate (%)*	42,0	42,0	0	23	22	1	BG CZ LT RO SK	17	
	28 Public investment (% total public expenditure)	5,4	5,4	0,0	26	24	2	PL CZ RO BG LV	-8,6	
	29 Budgetary adjustment related to age (% GDP)	N/A	1,0	N/A	N/A	8	N/A	PL EE HU BG SE	0,9	
	Pillar V	30 Net foreign assets (% GDP) *	98,3	112,2	13,8	22	22	0	NL BE DE DK FI	136,5
31 Net financial assets, households (% GDP) *		118,6	126,7	8,1	5	7	-2	BE IT NL FR DE	-31,6	
32 Net financial liabilities, non financial corporations (% GDP)*		158,7	174,4	15,7	21	21	0	SK NL DE GR PL	112,0	
33 Regulatory tier 1 capital to risk weighted assets *		9,4	10,5	1,1	28	31	-3	MT LU BE BG EE	-6,7	
34 Non performing loans to total gross loans *		2,0	3,2	1,2	12	11	1	FI LU SE SI AT	1,5	
35 Loans to private sector (% GDP)		166,3	165,4	-0,9	20	21	-1	RO SK PL CZ HU	113,8	
36 Bank liabilities (%GDP) *		246,8	274,5	27,7	15	17	-2	SK RO PL LT BG	198	

	Five best
	Lowest third

1. Percentage points, when not indicated otherwise

\* 2008/ 2009 data  
\*\* 2007/ 2008 data

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

	Policy Area	Concrete Recommendations	Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	16	Reduce current public expenditures, focusing on reform of Public Administration	X	
Priority 2	23	Create conditions for enterprises to have easier access to finance enabling their recapitalization	X	
Priority 3	3	Improve framework conditions for R & D and innovation	X	
Priority 4	11	Control wage growth		X
Priority 5	1	Focus on improving justice system, reducing compliance costs of tax system and of environment regulations procedures		X
		and simplifying export procedures	X	

### Policy areas

1. Business Environment - Regulatory barriers to entrepreneurship
2. Business Dynamics - Start-up conditions
3. R&D and Innovation
4. ICT
5. Competition policy framework
6. Sector specific regulation (telecom, energy)
7. Market integration - Openness to trade and investment
8. Active labour market policies
9. Job protection
10. Labour supply measures for specific groups (older workers, women...)
11. Wage bargaining and wage-setting policies
12. Labour market mismatch and labour mobility
13. Making work-pay: interplay of tax and benefit system
14. Pension and health care reforms
15. Quality of fiscal institutions and budgetary framework
16. Consolidation of public expenditures
17. Public sector efficiency
18. Public investment
19. Tax reforms
20. Access to bond markets
21. Access to equity markets
22. Venture capital and SME financing instruments
23. Bank lending conditions
24. Long term investment instruments