

WEEKLY ECONOMY NEWS REPORT

June 8 — 14, 2019

- ⇒ Portugal is expected to advance this year with an early payment of the loan granted by the Eurozone in 2011 through the European Stability Mechanism, the Finance Ministry announced. Portugal still owes to Europe a global amount of 51,6 thousand million euros. Although it already paid everything to the International Monetary Fund (IMF), it still has to pay 65% of the total rescue, which was around 76 thousand million euros.

- ⇒ The president of the Portuguese Civil Aviation Authority (ANAC), Luís Ribeiro, said at the Parliament that the saturation of the Lisbon airport has serious implications in the companies' operational performance, introducing financial constraints due to the compensations for flight delays. Luís Ribeiro added that the lack of capacity of the airport can also have consequences at the security level and underlined that a new solution is needed in order to coordinate available means.

- ⇒ According to a document on the evolution of the labour market in Portugal, the percentage of workers earning the minimum wage was less than 20% and stood at 19,6% in December of 2018. In June of 2018, there were 757,2 thousand people (22,3%) earning the national minimum wage. Since 2016, the minimum wage went up 18,8% in nominal terms and 13,8% in real terms. Last year, it was 580 euros and went up to 600 euros in January of 2019. According to the National Bureau of Statistics (INE), the workers' monthly average net salary exceeded for the first time 900 euros in the first quarter of the year, a 3% increase when compared to the same period of 2018.

- ⇒ TAP paid performance awards of 1.171 million euros to 180 workers, including 110 thousand euros to two senior officials. This decision was taken by the executive

committee led by Antonoaldo Neves and left the State representatives within TAP very uncomfortable with the situation, for last year TAP recorded losses of 118 million euros, which compares to gains of 21,2 million euros in 2017.

- ⇒ In a reaction to this, the Prime-Minster even said that the model of award distribution decided by TAP's executive committee is incompatible with the standards of sobriety that should exist in companies with State participation. The Minister for Planning, Pedro Nuno Santos, guaranteed he was not aware of TAP's decision beforehand and considered that the management's attitude was a breach of the confidence relation between the Executive Committee and the company's main shareholder, the Portuguese State, which does not have, however, any management power within TAP.

- ⇒ Antonoaldo Neves, the CEO of TAP, explained that the company's bonus attribution program entails the attribution of individual bonuses that could have been even higher if the company had profits in 2018. Antonoaldo Neves reminded that TAP defends a culture of meritocracy, commitment management and result delivery.

- ⇒ The European Central Bank (ECB) is slightly more optimistic about the expansion of the economy of the Eurozone this year and upgraded its forecasts to 1,2% (from 1,1% in March). However, it cut the forecasts for the two coming years. In 2020 and 2021, the Eurozone economy is expected to expand 1,4% (against March's forecast of 1,6% and 1,5%, respectively). Mario Draghi underlined that the long lasting presence of uncertainties connected to geopolitical factors, the growing threat of protectionism and the vulnerabilities of emerging markets is having consequences on the economic climate.

- ⇒ The traffic of passengers in the national airports went up 6,2% to 11,2 million in the first quarter of the year, according to data of the National Bureau of Statistics (INE). The Lisbon Airport was accountable for 55,9% of the total passengers: 6,3

million. In Porto Airport, the traffic reached 2,6 million passengers (an increase of 9,5%) and corresponding to 23,3% of the total. It was in Faro, however, that the percentage grew the most: 12,3%. INE also informs that in the first three months of the year there were 46,2 thousand landings of commercial aircrafts in the national airports, an increase of 3,5% when compared to the same period of 2018.

⇒ The CEO of Galp, Carlos Gomes da Silva, is ranked 64th and the only CEO of a Portuguese company in the top 100 of Extel Survey, which assesses the CEO's of European listed companies in their relations with investors. In the oil & gas sector, Gomes da Silva is the 4th best CEO. In Portugal alone, Gomes da Silva is considered to be the best CEO by 23,6% of the enquired, followed by António Mexia, from EDP (13,1%) and Pedro Soares dos Santos, from Jerónimo Martins (8,6%).