

WEEKLY ECONOMY NEWS REPORT

September 15 — 21, 2018

- ⇒ The European Central Bank (ECB) downgraded the growth forecast for the Eurozone for this year from 2,1% to 2%. The forecast for 2019 also came down from 1,9% to 1,8% and remained 1,7% for 2020. The president of the bank, Mario Draghi, confirmed the end of the quantitative easing program (acquisition of assets).
- ⇒ Standard & Poor's decided to keep the rating of the Portuguese debt unchanged in BBB-. However, the rating agency leaves it open the possibility of upgrading the rating once it upgraded the outlook from stable to positive.
- ⇒ According to the Eurostat, annual inflation rate was 2% in the Eurozone and 2,1% in the European Union. In Portugal, prices went up 1,3% in August, a decrease when compared to 2,2% in July and the same when compared to August of 2017.
- ⇒ Portugal is the fourth European Union country where the costs with salaries and hourly payments rise the less. In the second quarter of the year, the increase was 1,2% in nominal terms, when compared to the same period of last year.
- ⇒ According to the Eurostat, the rate of job vacancies in the second quarter stood at 2,1% in the Eurozone and 2,2% in the European Union, with Portugal presenting the second weakest rate (0,9%). The highest rates of job vacancies were recorded in the Czech Republic (5,4%), Belgium (3,5%), the Netherlands (3,1%) and Germany (2,9%), whereas the lowest were recorded in Greece (0,7%), Bulgaria, Spain and Portugal (0,9% each). In Portugal, the figure remained stable both in the annual and in the quarterly comparison.

- ⇒ The Minister of Labour said the Government is always open to update proposals for the minimum wage, but can only commit that the amount will reach 600 euros in 2019. Vieira da Silva also reminded that, according to the law, it is up to the Government to set the minimum wage, after consulting the social partners in a set of meetings that will start soon.
- ⇒ According to the Institute of Employment and Professional Training, the number of unemployed enlisted in employment centres totaled in August 338.147 people, a decrease of 19,1% when compared to the same month of 2017, but an increase of 2,3% when compared to July.
- ⇒ According to a survey of Mercer consultant, after having increased salaries between 1,4% and 3,1% this year, the 400 Portuguese companies that participated in the survey are planning to rise their workers' salaries once again in 2019. The expectations stand between 1,9% and 3,1% for most positions. Fewer companies intend to keep the salaries unchanged. Besides this, 48% of the enquired companies intend more workers in 2019.
- ⇒ The Portuguese economy is expected to grow 2,2% this year, 0,1% below the Government's forecast for the GDP growth, according to the economists consulted by Bloomberg agency.
- ⇒ The Portuguese and Angolan Governments signed 11 bilateral agreements during Prime-Minister António Costa's official visit. They cover several areas such as regularization of debts to national companies, the end of double taxation in commercial transactions, flight increase between both countries and the Strategic Cooperation Agreement until 2022.
- ⇒ The Portuguese Public Finances Council (CFP) downgraded the deficit estimation to 0,5% of the GDP in 2018 and 0,2% in 2019, pointing to a budgetary surplus from 2021 on: 0,6% of the GDP. As for the economy growth, CFP continues to foresee

a progressive slowdown in the medium term: 2,2% this year, 2% in 2019, 1,7% in 2020 and 1,6% in 2021.

⇒ The Organization for Economic Cooperation and Development (OECD) downgraded its perspectives of the world economic growth for 2018 and 2019 to 3,7% and warned that there are hints that the advance of the global GDP has already reached its peak.