

28 September, 2010

Revised in 14 October 2010

Excessive Deficit Procedure

2nd Notification 2010

Excessive Deficit Procedure

According to EU Regulations, Statistics Portugal sends today to the Eurostat the second notification of 2010 of the Excessive Deficit Procedure (EDP). Table 1 of the notification, presented below, summarizes the main results obtained for the period 2006 – 2010.

Table 1: Reporting og government deficit/surplus and debt levels and provision of associated data

Member State: Portugal Data are in millions of euros Date:14/10/2010	ESA 95 codes	Year				
		2006 Final	2007 Final	2008 Half-finalized	2009 Half-finalized	2010 Planned
Net borrowing (-)/ net lending (+)	EDP B.9					
General government	S.13	-6 491,3	-4 671,2	-5 037,7	-15 700,9	-12 440,8
- Central government	S.1311	-7 065,5	-5 626,4	-6 014,6	-14 973,0	-12 794,2
- Local government	S.1313	-202,7	-431,3	-639,0	-1 116,5	-256,0
- Social security funds	S.1314	777,0	1 386,4	1 615,8	388,6	609,3
		Final	Final	Final	Half-finalized	Planned
General government consolidated gross debt						
Level at nominal value outstanding at end of year		102 440,5	105 856,5	112 352,8	127 907,9	142 259,8
<i>By category:</i>						
Currency and deposits	AF.2	13 013,2	13 678,9	12 925,3	12 288,0	
Securities other than shares, exc. financial derivatives	AF.33	80 168,9	81 822,2	90 919,2	106 119,3	
<i>Short-term</i>	AF.331	8 900,6	9 286,8	15 286,1	20 080,1	
<i>Long-term</i>	AF.332	71 268,3	72 535,4	75 633,1	86 039,3	
Loans	AF.4	9 258,4	10 355,5	8 508,3	9 500,6	
<i>Short-term</i>	AF.41	2 311,6	2 892,7	1 167,3	1 314,0	
<i>Long-term</i>	AF.42	6 946,8	7 462,8	7 341,0	8 186,6	
General government expenditure on:						
Gross fixed capital formation	P.51	3 910,8	4 103,4	3 965,5	4 048,5	4 281,6
Interest (consolidated)	EDP D.41	4 245,8	4 704,4	4 968,4	4 700,8	5 454,7
<i>p.m.: Interest (consolidated)</i>	D.41 (uses)	4 280,6	4 810,6	5 091,1	4 732,9	5 454,7
Gross domestic product at current market prices	B.1*g	160 273,5	168 737,1	172 103,3	168 075,5	170 838,2
<i>Memorandum items:</i>						
Net lending (+)/Net borrowing (-) on GDP		-4,1%	-2,8%	-2,9%	-9,3%	-7,3%
General government consolidated gross debt on GDP		63,9%	62,7%	65,3%	76,1%	83,3%

Note: This version was revised for the codes EDP D.41 and D.41 showing the interests paid by General Government in 2008 and 2009. For both codes, the revisions were -78 and -76 million euro respectively in 2008 and 2009. This does not affect the balance of General Government as there was a symmetric revision with the same magnitude of interests received.

This notification was prepared within the framework of the institutional cooperation agreement in the field of the General Government statistics, signed in 2006. The aggregates of the current year are provided by the Ministry of Finance.

According to the Council Regulation (EC) No 479/2009, the notifications initiate a dialog between the national statistical authorities and Eurostat. The later will have to evaluate the notifications and to publish the final results for all Members States within 3 weeks counting after the deadline of 1st of October.

Concerning the previous EDP notification (as of March of 2010), the revisions occurred reflect a set of varied factors. Among these, it is worth mentioning the change in the benchmark year of National Accounts¹, associated with the use of “Informação Empresarial Simplificada” (IES), and the access to accrual data for a larger set of General Government bodies instead of cash data. In addition, the revision of the balance for 2009 was also determined by new less favourable information on Health National Service and on “Assistência na Doença aos Servidores Civis do Estado - ADSE” that more than compensated the less negative balance of other bodies of Central Government.

As usual, in order to ensure the global consistency of the exercise, the GDP presented in this notification already reflects the underlying changes on the General Government’s final consumption. The Quarterly Sector Accounts for the 2nd quarter of 2010 incorporate this information and provide further details on the upward revisions of the GDP, in 2008 and 2009.

The Annex to this press release includes Tables 2, 3, and 4 and a supplementary table that became part of the notification in consequence of the financial turmoil.

¹ On this subject please see:

http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=83252323&DESTAQUEStema=55557&DESTAQUESmodo=2

and

http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=81571295&DESTAQUEStema=55557&DESTAQUESmodo=2.