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Written Statement by the

Alternate Governor for Portugal to the EBRD

and

**Director-General of the Office for Economic Policy and
International Affairs (GPEAR) of the Ministry of Finance, Portugal**

I would like to start by expressing my sincere gratitude to the authorities of the Kingdom of Jordan for their warm hospitality. On a personal basis, I am proud to be participating in an EBRD Annual Meeting for the first time. Joining an Annual Meeting of the Bank in Jordan shows how far the EBRD has come in the expansion of the geographical coverage of its operations. It is in our view a remarkable achievement.

As you may be aware, 2017 was a notable year for the Portuguese economy. Allow me to share a few positive aspects with you: (i) the GDP growth rate of 2.7%, the highest of the century and above euro area average; (ii) the rise of employment by 3.3% and the fall in the unemployment rate to 8.1% in the last quarter of 2017 (from 17.5% in 2013); (iii) supported by an increase in investment and exports, at 9.1% and 7.8%, respectively; (iv) the overall general government balance was

– 0.9%, the lowest ever in democracy; (v) a reduction of 4.2 p.p. in public debt (in % of GDP), the largest reduction in 20 years; and (vi) the upgrading of the debt rating to investment grade levels by two rating agencies.

This performance is based on the policy options made by Portugal in response to the crisis, but it is also possible in the context of the financial multilateral support from which we benefitted in moments of financial stress. We believe in multilateralism. We believe that multilateralism should play a major role in the framework built to pursue shared common goals in global development.

Multilateralism provides also a robust dialogue platform for exchanging best practices, promoting good governance, and enabling an environment that supports private sector engagement, and consequently, job creation and an inclusive society. In addition, multilateralism is closely aligned with each country's national sovereignty and full ownership of the decision-making process.

In this context, we believe that the EBRD has a distinct set of skills and knowledge that add great value to the global multilateral development architecture. The Bank's record speaks for itself. Both its private sector oriented business model and its flexibility to adapt to development needs and being responsive to shareholder's needs are two major distinctive characteristics of the Bank.

We praise the results that the Bank has been achieving so far. In particular, we would like to commend the work that the Bank has been doing in promoting the “green economy” agenda. The Bank is the largest multilateral bank worldwide in green financing for the private sector. In some sectors, the Bank has led the way by introducing innovative market approaches.

On the issue raised to Governors, we keep ourselves open-minded about the Bank’s geographical expansion. As a principle, we support the complementarity of the International Financial Institutions and defend that they should act in a coordinated manner. We consider that this debate would also allow the Bank to better position itself in the current multilateral financial architecture. We would therefore welcome a constructive and open dialogue on the pros and cons of any expansion in the Bank’s mandate, provided that no crowding out of the current countries of operations occurs.

Looking ahead, we think that the Bank is well placed to play an important role, even in an environment of high liquidity worldwide, as there are still underserved markets, sectors, and credit constraints in our countries of operations. In our view, there still are bottlenecks on investments and high risk perceptions in large areas of economies that, if properly addressed, could help unleash high growth and transition potential to bring positive change into people’s lives.

Finally, we believe that the Bank's cost structure deserves a word of caution. We consider that there is still room to optimize the Bank's capital utilization in order to maximize its transition impact.

All in all, we see EBRD as a key strategic partner in the countries where it operates and we are committed and looking forward to deepen our engagement with the bank.

Thank you for your attention.