

The Economic Adjustment Programme for Portugal. Fourth review – Spring 2012

A joint Commission/ECB/IMF mission met with the Portuguese authorities in Lisbon from 22 May to 4 June 2012 to assess compliance with the terms and conditions of the Fourth Review of the Portuguese Adjustment Programme. This report provides an assessment of compliance and summarises the findings of the mission.

While Programme implementation remains overall solid, risks have increased over past months. Apart fiscal risks, risks are related to the continued tensions in the euro area which may impact on the Programme through various channels, affecting for instance the real economy (growth, trade and investment), financial markets, or confidence, including general contagion risks. Developments in this respect require close monitoring to ensure timely policy response to deviations from programme projections.