Question for written answer E-005687/2021
to the Commission
Rule 138
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Subject: Public Finance Council forecasts on Portuguese public debt

The Portuguese Public Finance Council (CFP) has recently published the report on ‘Riscos orçamentais e Sustentabilidade das Finanças Públicas’ (Budgetary Risks and Sustainability of Public Finances), in which it estimates that the ratio of Portuguese public debt to Gross Domestic Product (GDP) will reach 91.1% (in 2035), in a scenario based on unchanged policies for the period 2021-2025 and with an extension of the horizon to 2035.

This estimate is based on stable scenarios that are unlikely to occur under similar conditions over the next 13 years. Shocks related to emergency situations (such as a pandemic) or substantial changes in monetary policy within the euro area should not be ruled out.

It should be noted that the CFP warns of an ‘evident need for structural policies to correct imbalances in a timely fashion’, of the need to explore, in a period of low interest rates, the ‘unique opportunity, through a sustained budgetary effort, to obtain a significant reduction in debt’ and of the diagnosis that ‘budgetary policy has not proved to be sufficiently counter-cyclical …’.

The following questions arise in this connection:

1. How does the Commission assess the CFP’s conclusions, considering the Commission’s own estimates for Portuguese and European public debt?

2. How do you rate the Portuguese public debt situation and the forecasts for how this will change?

Supporter

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2 This question is supported by a Member other than the authors: Cláudia Monteiro de Aguiar (PPE)