

CONCLUSION

The following conclusion takes into account the principles of Article 8 of the Budgetary Framework Law (Law No. 151/2015 of 11 September): “The budget projections underlying the budgetary programming documents shall be based on the most likely macroeconomic scenario or on a more prudent scenario”. The same guiding principle for the use of realistic forecasts when conducting fiscal policy is also contained in European legislation, particularly in the Stability and Growth Pact and in the Council Directive 2011/85/EU of 8 November 2011 which sets the requirements for budgetary frameworks of the Member States.

In accordance with Article 4 (4) of the Regulation No 473/2013 of the European Parliament and of the Council of 21 May 2013, as a result of the assessment carried out, **the Portuguese Public Finance Council endorses, albeit with reservations, the macroeconomic forecasts underlying the 2019 draft budgetary plan, considering that:**

- 1. Based on the most recent information available for the national and international economic outlook the forecasts for the year 2018, the base year for the document under analysis, fit in a most likely scenario for the Portuguese economy;**
- 2. The forecasts for 2019, although within the limit of likelihood of the forecasts, contemplate increased downside risks to economic growth, which arise in particular from the GFCF forecast. In this way, contrary to the provisions of the Budgetary Framework Law, the macroeconomic scenario underlying the 2019 draft budgetary plan cannot be considered as the most likely scenario or a more prudent scenario;**
- 3. The reservations to the forecasts for 2019 are mainly due to the lack of additional information requested and not provided in a timely manner to the CFP.**