

# PORTUGAL

**2016 Annual Meeting of the European Bank for Reconstruction and Development**

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**Statement by the Director-General of GPEARI, Office for Economic Policy and International Affairs of the Finance Ministry, and Alternate Governor for Portugal to the EBRD, Mr. Álvaro MATIAS**

Portugal is gradually but steadily recovering from times of deep economic recession (2011-2013). Following the implementation of broad based economic reforms designed to address structural weaknesses in the economy, unemployment initiated a downward trend, GDP growth resumed in 2014 and market access was restored. As a small open economy, with exports presently accounting for around 40% of GDP, we are very committed with the European Bank for Reconstruction and Development (EBRD) as a strategic partner for the countries of operations where the Bank operates.

In this regard, I take this opportunity to express my appreciation for the visit of EBRD President to Lisbon on the 18<sup>th</sup> of June of 2015, where Sir CHAKRABARTI kindly made the opening remarks on a largely participated Business Opportunities Seminar and discussed a deeper partnership between Portugal and the Bank with the former Minister of Environment, Spatial Planning and Energy, Mr. Jorge MOREIRA DA SILVA, and with the former Secretary of State for Finance and former EBRD Alternate Governor, Mr. Manuel RODRIGUES.

For the last 25 years, the EBRD has proven to be a dynamic and determinate partner, active in a diverse geographical region that faced very demanding challenges.

In doing so, the Bank has successfully instated itself as a premier multilateral financial institution with a very characteristic role: that of emphasizing the development of the private sector, while helping to shape the legal and regulatory environment in the countries of operations aiming at the promotion of well-functioning and open markets through policy dialogue.

Today, the world is different, and yet its challenges remain increasingly complex. The demands faced by EBRD's countries of operation are numerous. Their economic growth is slowing down due to a combination of weakening global outlook, rising geopolitical tensions, drops in commodities prices, and unprecedented refugee and migration flows, together with still persistent structural weaknesses.

The Bank has today a vast institutional capacity and benefits from the deep knowledge and experience gained over the last 25 years. This has proven to be very useful when EBRD was asked to approach new countries of operations and regions. First Mongolia, then Turkey and, more recently, the Southern and Eastern Mediterranean countries, a region where we particularly encourage the Bank to work more closely with Small and Medium Enterprises and to help fighting youth unemployment.

Nevertheless, EBRD can only efficiently and effectively tackle the demanding regional agenda in close coordination and cooperation with other players. We take good note of the

Bank's proactive engagement with other multilateral Banks, development agencies, Governments, and European Union institutions.

Even if their geographies overlap, the EBRD has a distinct role and focus, with its own set of tools and expertise, thereby providing much value added to its country of operations. The EBRD should continue to maintain its focus to pursue the transition agenda and its private-sector oriented specialisation, with an increasing focus on innovation to enhance market competition.

The world today needs new approaches in mobilising investment. We believe that promoting and preparing new bankable projects is a key area where the EBRD could play an important role, and where the vast knowledge gained in the latest 25 years of developing the private sector in challenging conditions could be a crucial asset.

In doing so, we believe that EBRD needs to play an important role in further contributing to promote sustainable development models, in environmental, economic and social terms, that underpin global development and job creation while avoiding over-exploration of resources and the erosion of social rights.

I finish my statement by reiterating our commitment with the Bank, and by expressing our deep appreciation for the excellent work carried out so far by EBRD President, Management and staff, reflected in the good results achieved by the Bank in 2015.