



newsletter Legal & Business Update - Portugal

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**Legal**

» **Portugal Boasts Europe's Most Cost-Efficient Workforce**

**PORTUGAL BOASTS EUROPE'S MOST COST-EFFICIENT WORKFORCE**

According to EU statistics office Eurostat, Portugal has the lowest statutory minimum wage of the founding 15 EU member states. The Portuguese minimum monthly wage of €437 is less than the €631 monthly wage in Spain and the €668 monthly wage in Greece, which is even lower than that of two new EU entrants, Malta with a €580 monthly wage and Slovenia with a €512 monthly wage.

» **Interest for late payment of commercial debts set at 9,83% for second semester**

**INTEREST FOR LATE PAYMENT OF COMMERCIAL DEBTS SET AT 9,83% FOR SECOND SEMESTER**

Through Notice 7706/2006 the Portuguese Finance and Public Administration Ministry has set at 9,83% the statutory rate for late payment of commercial debts for the second semester of 2006. Therefore, this new rate will apply from 1 July 2006 through 31 December 2006.

**Business**

» **Portuguese Economy: Rising Economic Growth Estimates**

**PORTUGUESE ECONOMY: RISING ECONOMIC GROWTH ESTIMATES**

The Bank of Portugal has informed that there are very good perspectives for the Portuguese economy based on January's projections. Said Bank expects that the Gross Domestic Product will rise to 1,2% from 0,8% this year and to 1,5% from 1,0% in 2007, as a result of higher than expected export growth. Also, according to the projections of the National Statistics Institute for the second quarter of 2006, the Portuguese economy is showing favourable signs.

» **State Investment In Science Will Rise 50% in 2007**

**STATE INVESTMENT IN SCIENCE WILL RISE 50% IN 2007**

The Portuguese Prime-Minister has announced that the State Budget for 2007 will include a 50% rise in investment in science, research and development. The proposed increase in investment in science, research and development is in accordance with the Government's technological plan, and it is expected that this increased investment will stimulate private investment in these areas as well.

» **Portuguese Utility EDP Bets on Renewable Energy**

**PORTUGUESE UTILITY EDP BETS ON RENEWABLE ENERGY**

Portuguese Utility EDP announced its intention to trade its renewable energy business in exchange stock markets. Said intention was presented to the press and to analysts in London and shall take place next year. EDP wishes to invest up to €2,1 billion in renewable energy projects until 2008. EDP foresees an annual growth of 11% in its earnings before interests, taxes, depreciation and amortization within the next three years. Nevertheless, the renewable energy areas are expected to grow above that percentage. EDP also intends to enter, if necessary, into partnerships with other entities in the renewable energies sector.

» **Portugal and Angola create €500m Credit Line**

**PORTUGAL AND ANGOLA CREATE €500m CREDIT LINE**

Portugal and Angola have signed an MOU to provide the African country with up to €500m in credit to support investments by Portuguese and Angolan companies. The funds will be allocated primarily to key infrastructure projects like roadways, railroads and airports, plus health and education infrastructures.

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