

The Benefits to Portugal of Implementing the “New Zealand Model” of Public Financial Management: A Credit Rating Agency Perspective

Vincent Truglia

**Conferência Internacional
Reforma das Finanças Públicas em Portugal**

29 June 2017

Faculdade de Direito da Universidade de Lisboa

Lisboa, Portugal

INSTITUTO
DE DIREITO
ECONÓMICO
FINANCEIRO
E FISCAL FDL



What Rating Agencies Say About Portugal:

Recent Credit Rating Agency Reports on Portugal Focus on Public and Private Debt

DBRS (21 October 2016) - BBBL

- High public debt
- Low potential growth
- Fiscal pressures, including delayed implementation of integrated public accounting system
- High corporate sector debt and NPLs

S&P (17 March 2017) - BB+

- High public sector debt
- High private sector debt
- Weak banking system

Moody's (17 January 2017) - Ba1

- High government and external debt burden
- Moderate economic growth with high private sector leverage
- Weak banking system

Fitch (16 February 2017) - BB+

- High public debt
- High private debt
- Weak growth performance
- Legacy problems in financial system