



Introduction

2013 was the third year of economic adjustments due to implementation of the measures provided for in the agreement with the Troika, which resulted in a reduction in GDP and a continued decline in domestic demand.

From the end of the first half, however, the economic data started to show the first signs of a change of trend: the Portuguese economy started to grow and domestic demand recovered, posting year-on-year growth of 1.6% in the last quarter, outperforming all other euro-zone members, including Germany.

As a result, the unemployment rate fell slightly, while employment levels showed signs of recovery.

Meanwhile, Portugal attracted more foreign tourists (a trend which, according to some analysts, has gained traction during the three years of the financial adjustment programme), further contributing to the upturn in consumption.

These positive signs are particularly important for the Ibersol Group because they have a practical effect on domestic demand; not that they had a material impact on the results for 2013, but they serve as indicators for 2014.

Overall, the year continued to be marked by the effects of the austerity measures, with a continuation of the contraction in demand, an effective decline in disposable income and a high level of unemployment, with direct implications for consumer behaviour.

Combined, these factors led to a continuation of the contraction in consumption.

On the downside, contrary to expectations (Portugal