

## **LEGAL**

### **TRIPARTITE AGREEMENT FOR THE EMPLOYMENT**

Following the tripartite agreement of March 2011 and the Memorandum of Understanding of May 2011, on the 18<sup>th</sup> of January 2012 the tripartite agreement was signed between the Government, business associations and the Global Union (UGT). One may highlight the objectives of flexibilisation of the working period, flexibilization of redundancies and the promotion of competitive procurement.

Thus, it is foreseen that the application of the system of the hour's bank is done by agreement between employer and employee, still foreseeing the Group hour's bank. The Compensatory rest for overtime is eliminated and the related increase in remuneration is reduced. It foresees the elimination of three or four bank holidays and eliminates the vacation days bonus, changing for 22 days the legal period of paid vacations.

Regarding the dismissals it is intended to eliminate the obligation to place the worker in a compatible work place in dismissal for extinction of the work place, and it is foreseen the dismissal by inadequate performance and provides the reduction of the compensation relatively to contracts terminated before November 1, 2011.

**For any further information please contact: [Jorge Ribeiro Mendonça](#)**

### **AMENDED BUDGET IN PARLIAMENT UNTIL THE END OF MARCH**

The Secretary of State for the Annual State Budget, Luís Morais Sarmiento, said that the supplementary budget this year should be sent to the Parliament before the end of March.

The Government intends to present an amendment to the 2012 State budget by the end of the first quarter of the year. The need for this budget is explained by the transfer of bank pension's funds to the State, which saved the 2011 deficit but harms the 2012 deficit.

It will be necessary at least two amendments: one to sign off the spending of the banking pensions this year that will be paid by the State and another to register the increase of expenses in the amount of the transfer that will be made to hospitals EPE in order for these to regularise there debts.

**For any further information please contact: [Marta Paiva](#)**

### **Renewal Scheme approved for the work contracts with term**

It was recently approved the legal regime that provides the possibility of an extraordinary renewal pre-existent of fixed-term employment contracts correspond to achieving one of the most significant immediate unemployment fighting measures, provided by the programme of Government and the Financial assistance in the Memorandum signed with TROIKA composed by the IMF, the European Central Bank and the European Commission.

Under this new legal regime, the term contracts can be subject to two extraordinary renewals reached until June 30, 2013, when the maximum duration mentioned in paragraph 1 of article 148 of the labour code. The sum of these renewals cannot exceed 18 months, being that the duration of each extraordinary renewal cannot

be less than one sixth of the maximum duration of the fixed-term employment contract right or its actual duration whichever is lower.

The aim of this extraordinary regime which establishes the 31<sup>st</sup> of December 2014 as the limit of contract term work subject to extraordinary renewal has as main objective to make the labour market more flexible and to prevent mass entries into the unemployment situation at the current context of financial crisis.

**For any further information please contact: [Maria Margarida Torres](#)**

## **BUSINESS**

### **PRIVATISATION OF ANA ADVANCES UNTIL THE END OF JUNE 2012**

The Portuguese Government intends to formally launch the process of privatization of the Airports Management Company - ANA - Aeroportos de Portugal, S.A. in the first semester of this year, as assured by the Ministry of Economy. This intention integrates the framework of the privatisation programme acceleration that runs until 2013, following the agreement signed between the Government and the *troika* (European Commission, European Central Bank and International Monetary Fund), and expects the release of other privatization processes in the course of 2012.

The new round of privatizations started late last year with the sale of all of the State's participation (21.35%) in the National Electricity Company - EDP by the value of 2.69 billion euros, that was the largest privatization ever in Portugal so far.

**For any further information please contact: [Ricardo Costa Macedo](#)**

### **VOLKSWAGEN INVESTS IN PORTUGAL**

The Board of Directors of the Volkswagen Group, announced on the day in which the company celebrated 20 years of residence in Portugal, that the brand will invest around 200 million euros in Portugal in the year 2012, with the objective of modernizing and restructuring the Palmela factory. Autoeuropa is the largest car manufacturer in Portugal and is recognized internationally as one of the best German Volkswagen Group factories, employing more than 3 thousand people and it is expected that this investment will enable the creation of new jobs.

**For any further information please contact: [Tânia Pinheiro](#)**

### **MOZAMBIQUE AND ANGOLA IN THE LEADERSHIP OF GROWTH**

According to figures released by an American magazine, Angola and Mozambique occupy prominent places in the world economic growth in the last decade. According to this 8 economies that doubled their volume are from Sub-saharan Africa, a region traditionally depreciated. Angola occupies a distinct fourth place in the Group of economies that have managed to double its economic growth in the last decade, the group is led by Equatorial Guinea, Azerbaijan and Turkmenistan. Angola achieved a double-digit economic growth in half of the decade having its record been reached in 2007, when the economy grew 22.7%. These numbers are given primarily to the increase of oil production. The publication also notes that Mozambique has had a development more diverse, having in 2001 grown to double digits (11.9%), this growth has since then been more constant.

**For any further information please contact:** [Ricardo Rodrigues Lopes](#)