

## Eyes on demand

CFO Survey Portugal Spring 2019

# 45%

of CFOs in Portugal feel that the country's economic outlook is positive

### Economic outlook overview

This semester's survey reveals a significant decrease in positivity (from 70% to 45%) surrounding the Portuguese economic outlook for the next 12 months and an increase in pessimistic responses (from 9% to 24%) where CFOs feel there is a downturn for the country's economy waiting in the following year.

These figures are especially relevant when noticing that you have to go back to the end of 2016 to find a worse outlook. The general belief that the world's economy faces a looming cool down may account for this drop.

# 74%

of the surveyed CFOs believe this is currently not a good time to be taking greater risks into their balance sheets

### Upcoming risks

In this semester, respondents have once again shared their views on factors most likely to pose a significant risk to their businesses, and a clear risk arises with 82% of CFOs believing economic outlook/growth are likely to pose a significant risk to their companies in the next year.

Other top risks, with likelihood of around ~50%, can be seen on matters around geopolitics, shortage of skilled professionals, cyber risk and increasing regulations.

# 74%

of respondents are not expecting a recession to occur in the next 18 months

### Are you ready?

In this semester's special question, the inquired CFOs revealed considerable optimism on the unlikelihood of a recession not only in Portugal, but also in the Euro area and the US.

Nonetheless, CFOs have already set in motion some mitigating actions towards a potential slowdown, highlighting the establishment of new credit facilities, diversifying financing sources and focusing on high margin customers or shifting focus to different regions.

CFOs in Portugal also plan on taking further measures in the future, with top mentions for strategic acquisitions, increased use of advanced technologies and strengthening the current customer basis.

# 85%

of CFOs in Portugal name cost reduction as a priority for their business in the next year

### Strategic priorities

As is noticed every semester, once again there will be a focus on lean operations, i.e. promoting cost control and cost reduction activities. Growth initiatives such as introducing new products/services and organic growth are next in respondent preferences. It should be noted however, that the gap between defensive and growth strategies has narrowed, even as the pessimistic feeling deepens.

