

20<sup>th</sup> May, 2009

## Monthly Economic Survey April 2009

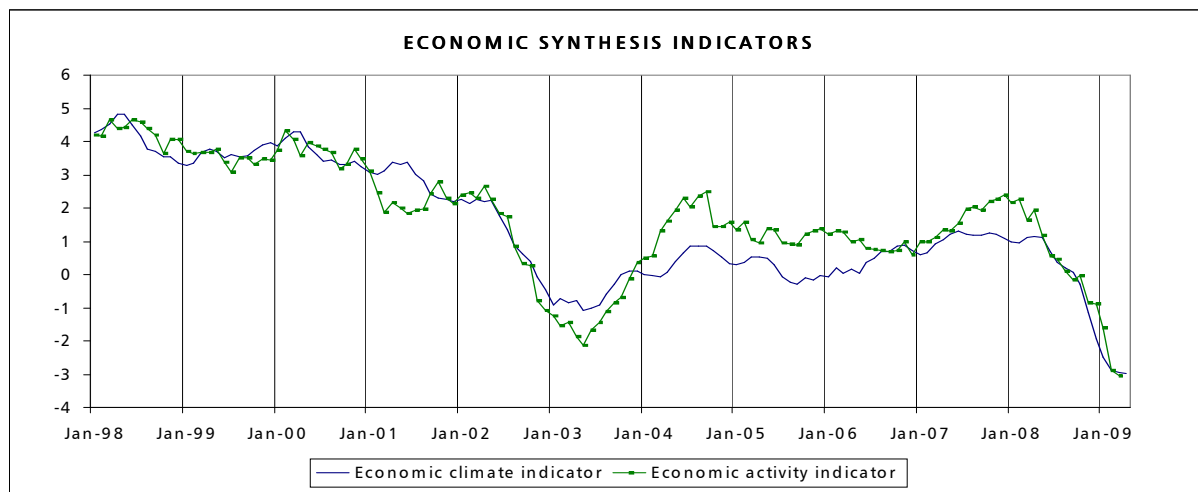
### Strong reduction of the economic activity in the 1<sup>st</sup> quarter of 2009. The qualitative information available for March and April presents a less marked negative profile.

Accordingly with the EUROSTAT flash estimate, the Euro Area (EA) and the European Union (EU) GDP registered year-on-year growth rates of -4.6% and -4.4% in the 1<sup>st</sup> quarter of 2009, 3.2 and 3.0 percentage points (p.p.) less than in the previous quarter, respectively. In April, in the EA and the EU, the economic sentiment indicator interrupted the downward movement observed since mid 2007. In the same month, the EA consumer confidence indicator prolonged the negative evolution registered since August 2007 and, in the EU, interrupted the previous downward trend.

In Portugal, accordingly with the flash estimate and comparing with the same quarter of 2008, the GDP reduced 3.7% in the 1<sup>st</sup> quarter (-2.0% in the previous quarter) due to the contraction of exports, of investment and, in a smaller degree, of private consumption. The economic activity and the economic climate indicators diminished again in the 1<sup>st</sup> quarter of 2009. The private consumption indicator also decreased in the 1<sup>st</sup> quarter, due to the negative contribution of both components, non-durable and durable consumption, stronger in the second case. In the same quarter, the GFCF indicator accentuated its negative evolution, driven by the decline registered in all components, but mainly in transport material. Concerning the international trade of goods, from the 4<sup>th</sup> to the 1<sup>st</sup> quarter of 2009, imports and exports year-on-year nominal growth rates registered pronounced reductions, from -6.4% to -28.1% and from -11.0% to -27.8%, respectively. In April, the economic climate indicator slightly diminished, after stabilising in March, presenting a slower downward pace than the observed since May 2008. The consumer confidence indicator recovered in April, interrupting the downward trend begun in late 2006, but remaining close to the minimum value of the series recorded in March.

In the 1<sup>st</sup> quarter of 2009, the unemployment rate was 8.9%, 1.3 p.p. more than in the same quarter of 2008, attaining the maximum of the series started in 1998. Employment shifted from a -0.2% year-on-year change rate in the 4<sup>th</sup> quarter of 2008 to -1.8%, recording the lowest rate of the series started in 1999.

In April, the year-on-year monthly change rate of the Consumer Price Index was -0.5%, prolonging the downward movement started in July 2008 (when the normal VAT rate was reduced 1.0 p.p.). However, the core inflation index presented the same year-on-year growth rate than in the previous month, 0.9%. The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP stabilised in April in 1.2 p.p..



**Report based on information available up to May 19, 2009.**  
**Next report will be released on June 19, 2009.**

#### NOTES

With exception of situations duly identified, the values presented in tables and graphs and others that also serve for the analysis are, in the case of quantitative series, year-on-year rates of change (y.r.) under three-month moving average (3-mma) or, in the case of qualitative series, 3-mma of seasonally adjusted values (s.a.) or of effective values (e.v). Annual information correspond to 12-mma, with the exception of variables presented as y.r. on stocks, where the annual value corresponds to the variation of the balance at the end of the year. Annualised variation (a.v.). Weight (w.).

Balances: differences between the percentage of respondents giving positive and negative replies.



		Year 2007	Year 2008	Quarter 1 2008	Quarter 2 2008	Quarter 3 2008	Quarter 4 2008	Quarter 1 2009	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
<b>International background</b>															
GDP of customer countries	s.a/y.r.	2.9	0.9	2.5	1.7	0.7	-1.1	-4.4	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP European Union	s.a/y.r.	2.9	0.9	2.4	1.7	0.7	-1.4	-4.4	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP Euro Area	s.a/y.r.	2.6	0.8	2.1	1.4	0.6	-1.5	-4.6	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Industrial production index of customer countries	s.a/y.r./3-mma	2.7	-3.6	1.0	-1.4	-3.4	-10.5	-	-5.5	-7.9	-10.5	-13.1	-15.6	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	111.2	90.7	102.8	97.9	88.7	73.3	61.5	79.7	73.5	66.6	63.2	60.9	60.4	63.9
Economic Sentiment Indicator in EA	ind/s.a.-3mma	108.9	91.1	101.4	97.5	89.9	75.8	65.7	81.6	76.8	68.9	67.2	65.3	64.7	67.2
Order books in industry of customer countries	balance/s.a.-3mma	3.4	-17.2	-2.4	-7.8	-18.8	-39.6	-53.4	-23.4	-31.4	-39.6	-45.3	-50.4	-53.4	-56.4
Consumer confidence indicator in EU	balance/s.a.-3mma	-4.2	-17.2	-10.4	-14.0	-19.2	-25.1	-31.3	-20.2	-21.9	-25.1	-27.6	-30.1	-31.3	-30.7
Unemployment rate in EU	s.a/%	7.1	7.0	6.8	6.8	7.0	7.4	8.1	7.3	7.4	7.6	7.8	8.1	8.3	-
Harmonised index of consumer prices in EA	y.r.	2.1	3.3	3.4	3.6	3.8	2.3	1.0	3.2	2.1	1.6	1.1	1.2	0.6	0.6
Production price index of supplying countries	y.r./3-mma	3.2	5.5	6.0	7.1	7.7	1.2	-3.8	6.3	4.0	1.2	-1.1	-2.6	-3.8	-
Crude oil price (Brent)	Euros	52.6	64.9	64.6	77.8	75.8	41.5	34.1	53.7	41.2	29.7	32.8	33.9	35.7	38.0
Crude oil price (Brent)	y.r.	1.4	23.4	46.6	52.8	39.1	-32.0	-47.2	-7.2	-34.5	-52.4	-47.6	-47.4	-46.6	-45.1
<b>Economic activity</b>															
GDP	y.r.	1.9	0.0	0.9	0.7	0.3	-2.0	-3.7	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Economic climate indicator	balance/3-mma	1.1	0.0	1.1	0.7	0.1	-1.9	-2.9	-0.3	-1.2	-1.9	-2.5	-2.9	-2.9	-3.0
Economic activity indicator	3-mma	1.7	0.3	1.6	0.6	-0.2	-0.9	-3.1	0.0	-0.8	-0.9	-1.6	-2.9	-3.1	-
Total turnover index	y.r./3-mma	3.9	0.9	4.0	3.1	3.8	-6.8	-15.9	0.4	-2.9	-6.8	-11.0	-13.9	-15.9	-
Manufacturing industry production index	s.a/y.r./3-mma	1.2	-3.9	-1.3	-2.9	-3.3	-8.3	-16.7	-5.0	-5.9	-8.3	-11.8	-16.4	-16.7	-
Production index in construction	s.a/y.r./3-mma	-3.8	-1.4	-0.9	-1.2	-1.0	-2.4	-4.4	-0.7	-0.5	-2.4	-4.2	-5.7	-4.4	-
Retail trade turnover index (real)	y.r./3-mma	0.3	0.2	2.4	-0.1	0.3	-1.7	-4.6	-0.1	0.0	-1.7	-2.2	-4.0	-4.6	-
Sales of passenger vehicles	y.r./3-mma	3.7	5.6	11.5	1.9	0.3	9.4	-42.4	1.0	-1.6	9.4	-3.1	-17.1	-42.4	-39.6
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-35.2	-44.8	-42.9	-44.8	-43.0	-48.2	-55.5	-43.1	-45.3	-48.2	-50.0	-53.9	-55.5	-54.8
Quantitative indicator of private consumption	y.r./3-mma	2.2	1.7	2.4	0.7	2.4	1.2	-1.7	1.4	1.4	1.2	0.7	-0.3	-1.7	-
Indicator of non-durable consumer goods	y.r./3-mma	1.8	1.8	1.9	1.5	2.2	1.7	1.1	2.0	2.0	1.7	1.7	1.3	1.1	-
Indicator of durable consumer goods	y.r./3-mma	5.4	0.4	5.5	-5.0	3.2	-2.0	-22.5	-2.4	-3.0	-2.0	-7.0	-12.3	-22.5	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	5.6	-0.7	5.9	-13.9	4.6	4.3	-35.2	-4.5	-5.3	4.3	-6.0	-15.8	-35.2	-
<b>Investment</b>															
GFCF indicator		4.2	-3.5	-1.2	-1.0	-3.6	-8.0	-19.2	-4.3	-6.7	-8.0	-13.1	-15.6	-19.2	-
Cement sales	y.r./3-mma	6.1	-7.9	-8.2	-2.7	-6.3	-14.5	-	-9.9	-11.1	-14.5	-20.1	-20.9	-	-
Sales of steel for concrete	y.r./3-mma	-2.5	-16.2	-9.4	-6.7	-33.7	-18.0	-	-38.8	-18.5	-18.0	-23.6	-36.5	-	-
Credit for purchase of habitation	y.r./stocks	9.8	3.9	9.3	8.4	5.6	3.9	-	4.9	4.2	3.9	3.2	2.8	-	-
Licenses for construction of new habitations	y.r./3-mma	-8.6	-21.1	-11.2	-16.7	-24.7	-33.6	-41.7	-27.4	-29.0	-33.6	-39.6	-42.7	-41.7	-
Machinery and equipment indicator		6.2	3.3	6.1	3.4	3.4	0.3	-3.7	2.8	1.9	0.3	-0.5	-2.4	-3.7	-3.7
Sales of light commercial vehicles	y.r./3-mma	6.3	-19.1	-18.0	-38.1	5.9	-10.4	-40.5	-5.4	-10.2	-10.4	-20.3	-26.8	-40.5	-36.4
Sales of new heavy commercial vehicles	y.r./3-mma	6.2	-1.7	19.0	4.6	-3.2	-24.4	-38.3	-4.7	-18.2	-24.4	-32.1	-28.7	-38.3	-48.4
<b>External demand</b>															
External demand indicator in value	s.a/y.r./3-mma	6.4	-0.1	6.1	3.1	1.3	-10.7	-	-1.1	-5.0	-10.7	-17.4	-21.5	-	-
External order books	balance/3-mma	-3.6	-23.1	-10.3	-12.3	-16.7	-53.0	-66.0	-27.3	-40.3	-53.0	-61.0	-65.3	-66.0	-68.0
Exports of merchandises in value	y.r./3-mma	8.9	1.0	5.2	4.6	5.4	-11.0	-27.8	-0.6	-5.2	-11.0	-19.5	-25.6	-27.8	-
Imports of merchandises in value	y.r./3-mma	7.4	7.2	14.0	11.4	11.3	-6.4	-28.1	5.0	-0.7	-6.4	-15.6	-23.9	-28.1	-
<b>Labour market</b>															
Unemployment rate	%	8.0	7.6	7.6	7.3	7.7	7.8	8.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.2	0.5	1.1	1.4	-0.1	-0.2	-1.8	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Unemployed registration along the month	s.a/y.r./3-mma	-6.7	11.2	0.0	7.2	11.0	27.2	35.7	14.6	20.4	27.2	31.1	34.3	35.7	-
Unemployment expectations	balance/3-mma	42.2	50.7	46.6	47.5	48.1	60.6	75.4	49.8	54.5	60.6	65.4	72.2	75.4	74.9
Vacancies along the month	s.a/y.r./3-mma	13.6	6.0	1.0	-3.4	11.2	14.0	-16.1	8.7	11.3	14.0	8.1	-5.9	-16.1	-
Average declared wages	s.a/y.r./3-mma	3.5	4.0	4.1	3.9	4.0	4.2	3.4	4.1	4.3	4.2	4.1	3.7	3.4	-
Wage negotiation	av./3-mmaq.w.	2.9	3.1	2.9	3.0	3.0	3.3	2.6	2.9	3.4	3.3	3.3	2.9	2.6	2.4
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	2.5	2.6	2.9	2.9	3.0	1.5	0.0	2.3	1.4	0.8	0.2	0.2	-0.4	-0.5
Core inflation indicator	y.r.	2.2	2.4	2.7	2.3	2.4	2.2	1.4	2.5	2.2	2.0	1.8	1.4	0.9	0.9
Consumer price index - goods	y.r.	2.2	2.3	2.6	2.9	3.2	0.7	-1.1	2.0	0.5	-0.5	-0.8	-0.8	-1.7	-2.0
Consumer price index - services	y.r.	2.9	3.0	3.5	2.8	2.8	3.0	1.8	3.1	2.9	3.0	2.0	1.9	1.7	1.9
Manufacturing industry production price index	y.r./3-mma	2.7	5.9	6.8	7.0	8.7	1.1	-5.1	7.4	4.6	1.1	-2.2	-3.9	-5.1	-5.9
Effective exchange rate index for Portugal	y.r.	0.8	1.2	1.6	1.8	1.4	0.1	0.4	-0.1	-0.4	0.8	0.6	0.2	0.4	-
Exchange rate euro/USD	y.r.	9.1	6.9	14.4	15.9	9.3	-9.2	-13.1	-6.4	-13.3	-7.7	-10.0	-13.3	-16.0	-16.3
Exchange rate USD/euro	USD	1.371	1.471	1.500	1.562	1.504	1.317	1.302	1.332	1.273	1.345	1.324	1.279	1.305	1.319
Exchange rate euro/JPY	y.r.	10.4	-6.6	0.8	0.3	-0.2	-22.9	-22.8	-19.1	-24.3	-25.1	-24.5	-25.1	-18.5	-19.4