

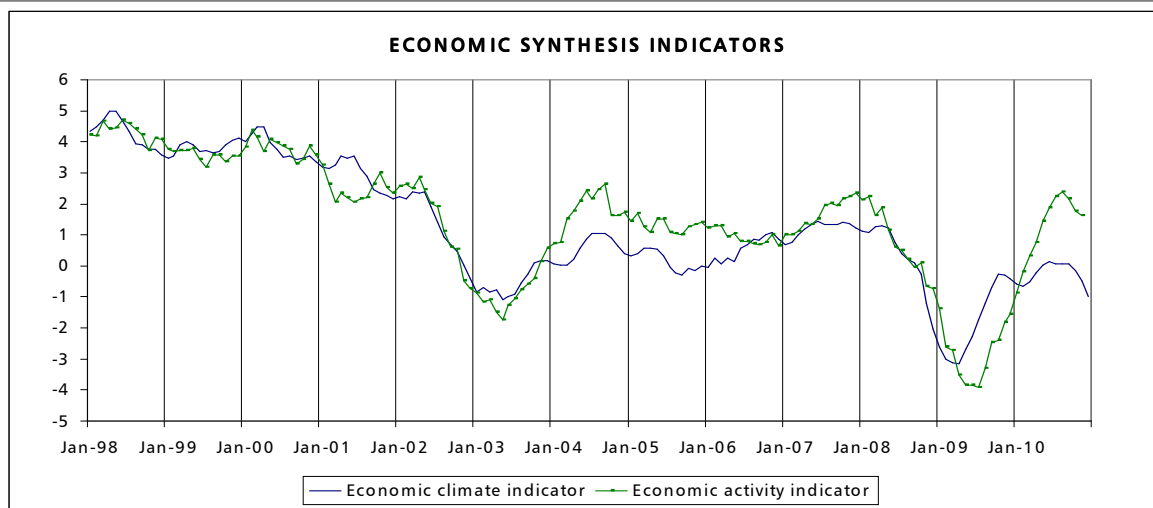
Monthly Economic Survey
December 2010

Economic activity decelerates in November

In December, the consumer confidence indicator stabilized in the Euro Area (EA) and decreased in the European Union (EU27), suspending the previous upward paths. In the same month, the oil price continued to register a strong year-on-year growth rate.

In Portugal, the economic climate indicator diminished between October and December, more intensely in the last month, after stabilizing in the highest value since September 2008. The economic activity indicator decelerated between September and November, interrupting the upward path observed since August 2009. In November, the private consumption indicator also decelerated, maintaining the downward movement of the five previous months, led by the evolution of the non-durable consumption component. The GFCF indicator presented a slightly stronger reduction in November, driven by the negative evolution of the construction component. Concerning the international trade of goods in nominal terms, imports and exports recorded less intense year-on-year growth rates, shifting from 7.9% and 15.1% in October to 4.6% and 12.8% in November, respectively. However, in monthly values, without three months moving averages, the exports recorded a year-on-year change rate of 13.9% in November, 4.5 p.p. higher than in the previous month.

In 2010, the average change rate of the Consumer Price Index (CPI) was 1.4% (-0.8% in 2009). Excluding energy and unprocessed food products (core inflation indicator), the annual average change rate remained almost unchanged (0.3% in 2010 and 0.4% in 2009). In December, the year-on-year change rate of the CPI was 2.5%, 0.2 p.p. higher than in the two previous months, while the core inflation indicator was 0.9%, 0.2 p.p. less than in November. In December, the prices of the goods and of the services components presented year-on-year growth rates of 3.4% and 1.2% (3.0% and 1.2% in November), respectively. The differential between the Portuguese Harmonized Index of Consumer Prices (HICP) and the EA HICP decreased 0.1 p.p. in December, to 0.2 p.p..



Report based on information available up to January 18, 2011.

Next report will be released on February 17, 2011.

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 2008	Year 2009	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
International background															
GDP of customer countries	s.a.y.r.	0.5	-3.7	-2.0	0.0	1.3	1.5	-	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP European Union	s.a.y.r.	0.8	-4.2	-2.2	0.7	2.0	2.2	-	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP Euro Area	s.a.y.r.	0.6	-4.1	-2.0	0.8	2.0	1.9	-	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	-3.7	-14.2	-6.2	3.4	6.9	5.0	-	6.9	6.4	5.8	5.0	4.8	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	-	-	-	-	-	103.0	105.0	-	100.9	101.9	103.0	103.6	104.2	105.0
Economic Sentiment Indicator in EA	ind/s.a.-3mma	-	-	-	-	-	102.2	105.0	-	99.5	100.8	102.2	103.1	104.0	105.0
Order books in industry of customer countries	balance/s.a.-3mma	-	-	-	-	-27.0	-21.8	-14.5	-27.0	-25.8	-23.9	-21.8	-19.6	-17.9	-14.5
Consumer confidence indicator in EU	balance/s.a.-3mma	-17.5	-22.8	-14.9	-13.5	-14.1	-12.2	-11.5	-14.1	-14.6	-13.3	-12.2	-11.5	-11.4	-11.5
Unemployment rate in EU	s.a.%	7.0	8.9	9.4	9.6	9.6	9.6	-	9.6	9.6	9.6	9.6	9.6	9.6	-
Harmonised index of consumer prices in EA	y.r.	3.3	0.3	0.4	1.1	1.5	1.7	2.0	1.4	1.7	1.6	1.8	1.9	1.9	2.2
Production price index of supplying countries	y.r./3-mma	5.6	-5.2	-2.5	2.2	4.1	3.7	-	4.1	4.0	3.6	3.7	3.8	4.1	-
Crude oil price (Brent)	Euros	65.7	43.9	50.5	55.1	61.7	60.1	64.2	61.4	59.5	60.7	60.1	60.2	62.8	69.6
Crude oil price (Brent)	y.r.	24.4	-33.2	21.3	61.0	43.1	26.1	27.2	25.2	29.6	19.4	30.0	22.3	22.2	36.9
Economic activity															
GDP	y.r.	0.0	-2.5	-1.0	1.7	1.4	1.4	-	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Economic climate indicator	balance/3-mma	0.0	-1.6	-0.4	-0.5	0.1	0.1	-1.0	0.1	0.1	0.1	0.1	-0.1	-0.5	-1.0
Economic activity indicator	3-mma	0.4	-2.7	-1.6	0.3	1.9	2.2	-	1.9	2.3	2.4	2.2	1.8	1.6	-
Total turnover index	y.r./3-mma	1.0	-12.6	-6.1	4.1	6.2	3.4	-	6.2	5.1	4.5	3.4	3.0	2.6	-
Manufacturing industry production index	s.a.y.r./3-mma	-4.0	-9.9	-3.9	5.9	3.0	-0.2	-	3.0	2.8	1.7	-0.2	-0.6	-0.8	-
Production index in construction	s.a.y.r./3-mma	-1.3	-6.6	-9.2	-8.2	-8.1	-7.9	-	-8.1	-8.1	-7.7	-7.9	-9.0	-10.7	-
Retail trade turnover index (real)	y.r./3-mma	0.2	-1.9	0.2	0.7	0.3	-0.7	-	0.3	0.2	-0.6	-0.7	-0.9	-2.3	-
Sales of passenger vehicles	y.r./3-mma	5.6	-24.5	-6.1	69.5	48.6	16.0	29.1	48.6	41.5	33.2	16.0	9.0	11.7	29.1
Consumption															
Consumer confidence indicator	balance/3-mma	-38.4	-38.5	-30.0	-35.4	-40.1	-37.4	-50.2	-40.1	-42.0	-40.4	-37.4	-40.0	-44.9	-50.2
Quantitative indicator of private consumption	y.r./3-mma	1.5	0.1	1.6	3.9	4.3	2.6	-	4.3	3.6	3.2	2.6	2.4	1.9	-
Indicator of non-durable consumer goods	y.r./3-mma	1.7	1.8	2.4	2.4	2.7	2.4	-	2.7	2.3	2.3	2.4	2.4	1.8	-
Indicator of durable consumer goods	y.r./3-mma	0.2	-14.1	-4.9	18.6	19.0	4.8	-	19.0	15.7	11.9	4.8	2.2	2.4	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-0.8	-25.5	-12.8	39.1	41.0	17.3	-	41.0	35.7	31.0	17.3	10.9	12.5	-
Investment															
GFCF indicator		-3.3	-10.2	-8.7	-2.8	-1.2	-2.8	-	-1.2	-1.2	-1.4	-2.8	-3.2	-3.7	-
Cement sales	y.r./3-mma	-9.5	-16.3	-16.4	-8.7	-6.4	-5.1	-	-6.4	-5.1	-5.1	-5.1	-5.9	-8.2	-
Sales of steel for concrete	y.r./3-mma	-16.5	-16.3	-6.3	1.9	-28.4	-20.0	-	-28.4	-26.2	-15.8	-20.0	-21.9	-14.3	-
Credit for purchase of habitation	y.r./stocks	3.9	5.1	5.1	5.5	5.5	5.1	-	5.5	5.4	5.2	5.1	4.8	-	-
Licenses for construction of new habitations	y.r./3-mma	-21.3	-28.4	-13.7	-7.0	-4.0	-11.8	-	-4.0	-10.0	-10.5	-11.8	-5.7	-11.3	-
Machinery and equipment indicator		2.9	-3.3	-1.5	-2.3	-2.3	-4.1	-3.3	-2.3	-3.8	-3.4	-4.1	-3.5	-3.1	-3.3
Sales of light commercial vehicles	y.r./3-mma	-19.1	-29.8	-16.9	19.4	29.3	11.9	11.4	29.3	28.0	23.0	11.9	8.4	4.2	11.4
Sales of new heavy commercial vehicles	y.r./3-mma	-1.7	-40.7	-50.4	-36.0	-3.2	-9.9	45.7	-3.2	-6.7	0.3	-9.9	-11.3	8.1	45.7
External demand															
External demand indicator in value	s.a.y.r./3-mma	2.2	-22.1	-10.5	9.3	21.2	18.2	-	21.2	23.0	22.0	18.2	14.9	-	-
External order books	balance/3-mma	-26.1	-53.4	-40.3	-33.7	-33.1	-22.5	-25.5	-33.1	-32.8	-27.5	-22.5	-22.3	-22.5	-25.5
Exports of merchandises in value	y.r./3-mma	1.7	-18.4	-3.5	14.8	17.3	14.9	-	17.3	14.3	15.1	14.9	15.1	12.8	-
Imports of merchandises in value	y.r./3-mma	7.1	-20.0	-9.1	8.3	18.7	5.0	-	18.7	13.6	13.2	5.0	7.9	4.6	-
Labour market															
Unemployment rate	%	7.6	9.5	10.1	10.6	10.6	10.9	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.5	-2.8	-3.0	-1.8	-1.7	-1.1	-	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	11.1	18.5	0.4	-3.2	-10.2	-5.3	-4.6	-10.2	-11.4	-9.2	-5.3	-5.0	-5.9	-4.6
Unemployment expectations	balance/3-mma	50.6	64.1	54.3	56.0	54.9	52.5	62.3	54.9	56.6	55.5	52.5	53.7	57.1	62.3
Vacancies along the month	s.a.y.r./3-mma	5.8	-3.3	-8.7	17.2	17.9	-0.9	-14.4	17.9	7.9	1.2	-0.9	-7.0	-13.6	-14.4
Employment indicator (short-term statistics)	y.r./3-mma	0.0	-4.3	-4.5	-3.1	-1.8	-1.4	-	-1.8	-1.7	-1.5	-1.4	-1.2	-1.1	-
Average declared wages	s.a.y.r./3-mma	4.0	3.5	3.3	3.1	4.1	2.2	-	4.1	3.6	1.7	2.2	2.4	2.3	-
Wage negotiation	a.v./3-mma/wr.	3.1	2.9	2.5	1.9	2.9	1.6	-	2.9	2.7	2.8	1.6	3.1	-	-
Prices and exchange rates															
Consumer price index	y.r.	2.6	-0.8	-0.7	0.3	1.0	1.9	2.4	1.2	1.8	1.9	1.9	2.3	2.3	2.5
Core inflation indicator	y.r.	2.4	0.4	-0.3	-0.5	-0.1	0.7	1.0	0.2	0.6	0.8	0.6	0.9	1.1	0.9
Consumer price index - goods	y.r.	2.3	-2.3	-1.9	-0.1	1.2	2.5	3.2	1.5	2.4	2.5	2.6	3.2	3.0	3.4
Consumer price index - services	y.r.	3.0	1.7	1.2	0.9	0.7	1.2	1.1	0.7	1.2	1.1	1.1	1.1	1.2	1.2
Manufacturing industry production price index	y.r./3-mma	5.3	-5.6	-2.9	2.0	4.1	3.7	-	4.1	4.0	3.6	3.7	3.8	4.1	-
Effective exchange rate index for Portugal	y.r.	1.2	0.4	1.6	-0.3	-1.9	-2.3	-	-2.7	-2.2	-2.3	-2.5	-1.9	-2.1	-
Exchange rate euro/USD	y.r.	6.9	-5.0	12.3	6.2	-6.6	-9.7	-8.1	-12.9	-9.4	-9.6	-10.3	-6.2	-8.4	-9.5
Exchange rate USD/euro	USD	1.471	1.393	1.478	1.384	1.273	1.291	1.359	1.221	1.277	1.289	1.307	1.390	1.366	1.322
Exchange rate euro/JPY	y.r.	-6.6	-13.6	5.1	3.1	-11.6	-17.3	-15.5	-18.0	-16.0	-18.7	-17.2	-15.1	-15.3	-16.1