

4<sup>th</sup> January, 2008

## Business and Consumer Surveys

### December 2007

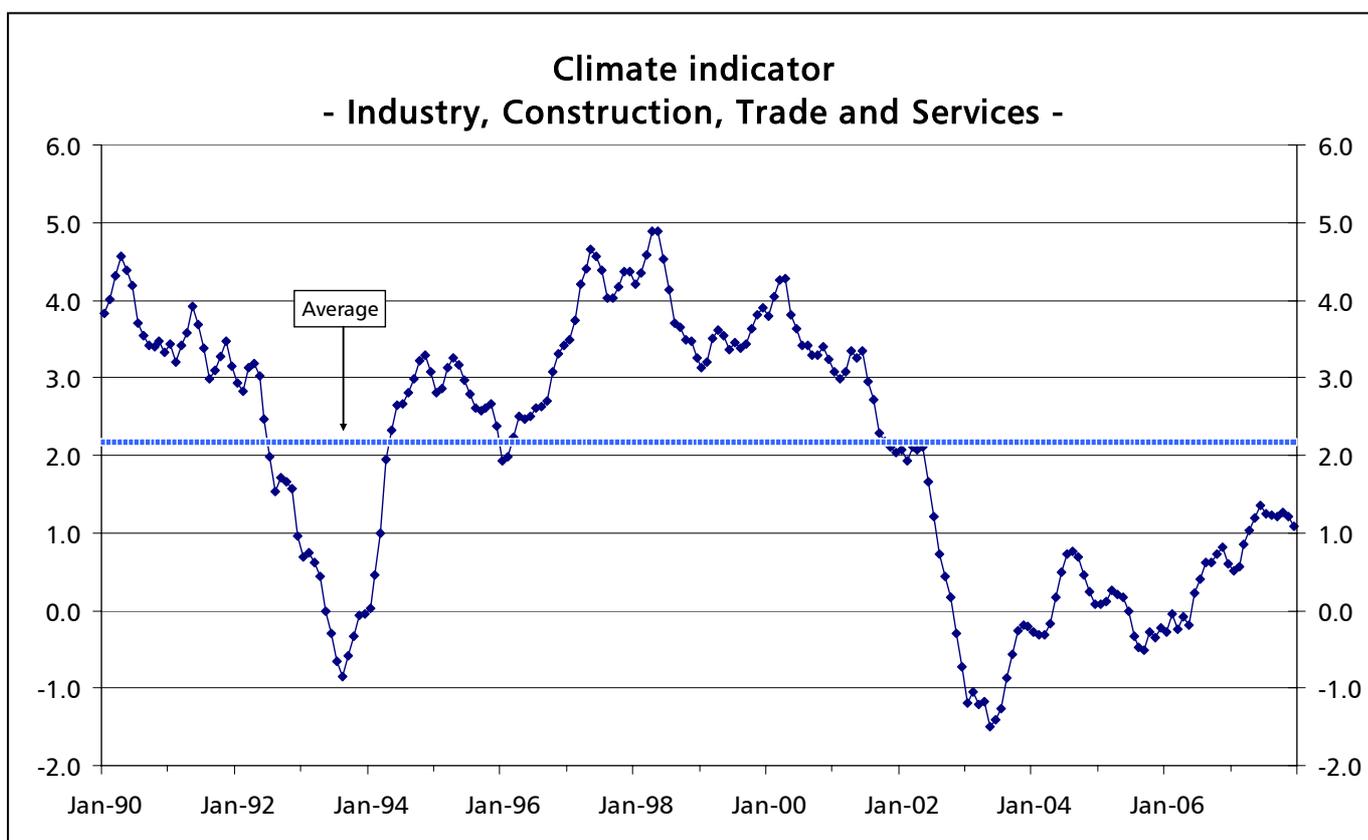
#### The economic climate indicator registered a slight reduction and the Consumer confidence indicator maintained the downward movement in December

The economic climate indicator slightly diminished over the past two months, diverting from the level where it had remained in the previous months.

The Consumer confidence indicator maintained a downward movement since November 2006, recording the minimum value since February 2006.

In Manufacturing Industry, the confidence indicator declined in December<sup>1</sup>, disrupting the upward movement of the past three months, led by the negative contribution of the opinions on the stocks of finished goods evolution. In Construction and Public Works, the confidence indicator deteriorated in December, although less intensely than in November, reversing the upward movement started in January. In Trade, the confidence indicator stabilized in December, interrupting the recovery of the past three months. This behaviour was driven by opposite movements in the confidence indicators of both sub sectors, with the preceding upward movement being reinforced in retail trade and suspended in wholesale, where an intense deterioration was observed. In Services, the confidence indicator descended in December, due to the negative contribution of the demand perspectives component.

In December, similarly to what had happened in the two previous months, the Consumer confidence indicator declined due to the negative contribution of all components. In the referred month, the expectations about the general economic situation of the country and the financial situation of the household were the components that showed the most significant negative contribution to the indicator evolution. Expectations about savings recorded a new historic minimum.



<sup>1</sup> Unless stated otherwise, the analysis herein refers to three-month moving average.

**Confidence indicators and their underlying series (3mma; balances; wide range)**

	First Period	Average Value	Standard Deviation	Minimum Value	Date	Maximum Value	Date
<b>1 Manufacturing Industry - confidence indicator (2+3-4)/3 (a)</b>	Jan-89	-5.2	7.0	-27.5	Jul-93	7.9	Jan-89
2 Demand/Order books (a)	Jan-89	-15.8	11.2	-27.5	Jul-93	5.3	Mar-98
3 Production expectations over the next 3 months (a)	Jan-89	7.8	7.6	-10.8	Jul-93	25.1	Mar-97
4 Stocks of finished goods (a)	Jan-89	7.7	5.1	-3.5	Dec-94	24.9	Jul-93
<b>5 Services - confidence indicator (6+7+8)/3 (d)</b>	Apr-01	2.8	7.1	-13.6	Jun-03	22.0	Jun-01
6 Assessment of the business situation over the past 3 months** (d)	Apr-01	-2.3	9.1	-18.0	Jul-03	23.0	Apr-01
7 Demand perspectives over the next 3 months (d)	Apr-01	11.1	5.3	-2.3	May-03	21.0	Nov-07
8 Demand/Order books over the past 3 months (d)	Apr-01	-0.3	9.6	-23.1	Jun-03	22.8	May-01
<b>9 Trade - confidence indicator (12+15-18)/3 (b)</b>	Jan-89	0.2	6.8	-13.2	Sep-05	12.2	Jan-89
10 -Wholesale (b)	Jan-89	2.7	6.6	-19.6	Dec-92	20.0	Nov-90
11 -Retail trade (b)	Jan-89	-1.2	8.1	-18.6	Sep-05	12.1	Nov-98
12 Present business situation (b)	Jan-89	-5.2	12.5	-27.0	May-03	22.0	Jan-89
13 - Wholesale (b)	Jan-89	-4.4	11.3	-27.4	May-03	36.3	Apr-90
14 - Retail trade (b)	Jan-89	-7.3	15.4	-34.4	Apr-04	23.9	Dec-92
15 Expected business situation over the next 3 months*** (b)	Jan-89	16.1	10.8	-8.4	Aug-05	32.6	Apr-90
16 - Wholesale (b)	Jan-89	15.4	11.8	-35.9	Dec-92	51.8	Nov-89
17 - Retail trade (b)	Jan-89	18.9	13.2	-15.0	Aug-05	42.0	Jun-93
18 Volume of Stocks (b)	Jan-89	10.4	5.1	0.5	Dec-03	25.1	Aug-90
19 - Wholesale (b)	Jan-89	2.8	6.8	-26.6	Aug-92	29.1	Oct-89
20 - Retail trade (b)	Jan-89	15.0	7.5	1.3	Dec-03	49.3	Aug-90
<b>21 Construction and Public Works - confidence indicator (22+23)/2 (b)</b>	Feb-91	-25.1	16.1	-54.3	Apr-03	5.2	Sep-97
22 Current order books (b)	Feb-91	-40.7	18.0	-71.3	May-03	0.3	Nov-97
23 Employment perspectives over the next 3 months (b)	Feb-91	-9.5	15.1	-43.8	Jan-03	16.2	Apr-97
<b>24 Consumers - Confidence indicator (25+26-27+28)/4 (c)</b>	Jun-86	-21.7	11.8	-46.2	Apr-03	-2.0	Nov-87
25 Financial situation of the Households over the next 12 months (c)	Jun-86	-7.2	8.5	-24.2	Apr-03	8.6	Jan-92
26 General economic situation in the country over the next 12 months (c)	Jun-86	-14.3	14.3	-46.1	Apr-03	12.3	Oct-87
27 Unemployment over the next 12 months (c)	Jun-86	30.4	19.7	-1.3	Jun-90	67.1	Apr-03
28 Savings over the next 12 months (c)	Jun-86	-34.7	9.8	-59.4	Dec-07	-16.3	Dec-87
<b>29 Economic climate indicator ****</b>	Jan-89	2.2	1.7	-1.5	May-03	5.0	Jan-89

	Dec-06	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
<b>1 Manufacturing Industry - confidence indicator (2+3-4)/3 (a)</b>	-6.1	-2.0	-2.6	-1.9	-1.3	-1.2	-1.9
2 Demand/Order books (a)	-15.0	-4.3	-5.0	-5.7	-4.7	-6.0	-5.7
3 Production expectations over the next 3 months (a)	2.0	2.3	1.3	3.0	2.7	3.0	3.0
4 Stocks of finished goods (a)	5.3	4.0	4.0	3.0	2.0	0.7	3.0
<b>5 Services - confidence indicator (6+7+8)/3 (d)</b>	7.2	8.3	7.9	9.4	9.1	12.6	12.1
6 Assessment of the business situation over the past 3 months** (d)	-1.4	4.0	0.6	2.3	1.7	5.9	5.9
7 Demand perspectives over the next 3 months (d)	17.4	13.3	14.8	16.4	17.8	21.0	18.7
8 Demand/Order books over the past 3 months (d)	5.6	7.7	8.3	9.5	7.8	10.9	11.8
<b>9 Trade - confidence indicator (12+15-18)/3 (b)</b>	-6.3	-7.6	-7.8	-7.5	-6.6	-6.0	-6.0
10 -Wholesale (b)	-1.0	-2.5	-3.0	-2.5	-2.1	-1.8	-3.9
11 -Retail trade (b)	-12.8	-13.9	-13.7	-13.6	-12.1	-11.2	-8.7
12 Present business situation (b)	-19.9	-19.3	-17.7	-16.9	-17.9	-18.5	-18.6
13 - Wholesale (b)	-11.2	-9.9	-9.4	-8.2	-9.4	-8.6	-12.0
14 - Retail trade (b)	-30.6	-30.9	-28.0	-27.6	-28.5	-30.7	-26.8
15 Expected business situation over the next 3 months*** (b)	5.2	3.9	1.9	0.7	3.5	5.5	5.5
16 - Wholesale (b)	5.8	5.6	4.2	4.5	6.5	8.4	5.6
17 - Retail trade (b)	4.4	1.8	-0.9	-4.1	-0.3	1.8	5.2
18 Volume of Stocks (b)	4.2	7.5	7.5	6.1	5.3	4.9	4.7
19 - Wholesale (b)	-2.4	3.3	3.8	3.7	3.5	5.1	5.1
20 - Retail trade (b)	12.3	12.6	12.1	9.0	7.6	4.7	4.3
<b>21 Construction and Public Works - confidence indicator (22+23)/2 (b)</b>	-48.7	-40.7	-39.5	-38.7	-38.3	-41.3	-42.7
22 Current order books (b)	-67.3	-59.7	-58.7	-58.0	-57.3	-58.7	-60.3
23 Employment perspectives over the next 3 months (b)	-30.0	-21.7	-20.3	-19.3	-19.3	-24.0	-25.0
<b>24 Consumers - Confidence indicator (25+26-27+28)/4 (c)</b>	-31.0	-33.2	-34.6	-35.5	-36.8	-37.9	-39.2
25 Financial situation of the Households over the next 12 months (c)	-14.9	-15.1	-15.8	-15.7	-16.4	-17.8	-19.9
26 General economic situation over the next 12 months (c)	-21.6	-23.9	-25.7	-27.0	-28.7	-30.2	-32.3
27 Unemployment over the next 12 months (c)	39.3	40.6	42.1	42.7	44.0	44.7	45.3
28 Savings over the next 12 months (c)	-48.3	-53.2	-54.7	-56.7	-58.0	-59.0	-59.4
<b>29 Economic climate indicator****</b>	0.6	1.3	1.2	1.2	1.3	1.2	1.1

\* Series average since its beginning til the current observation.

\*\* In May 2003 a break in the series occurred, until that moment the reference period was the month under review and afterwards it refers to the past 3 months.

\*\*\* In May 2003 a break in the series occurred, until that moment the question referred to the next 6 months.

\*\*\*\* From September 2004 onwards Services sector was included, besides industry, trade and construction.

(a) Data after December 2002 is computed using a new sample. Back data was rebased.

(b) Data after January 2003 is computed using a new sample. Back data was rebased.

(c) Data after September 2003 is computed using a new sample. Back data was rebased.

(d) Seasonal adjusted series.

Note: Series for Trade before June 1994, together with the confidence indicator series for Construction before April 1997 and the series on stocks of finished goods for Manufacturing Industry were revised during the rebasing process.