

18th January, 2008

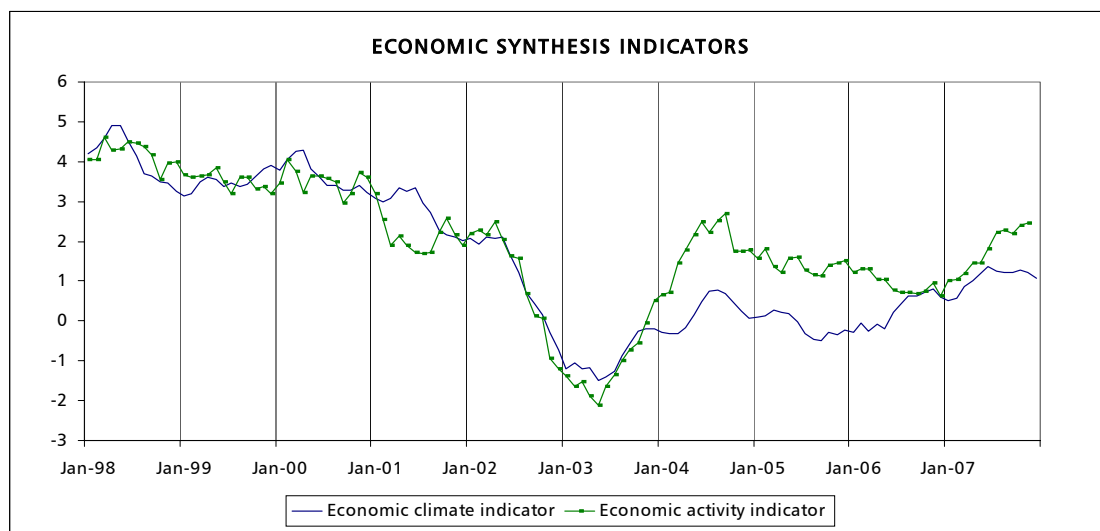
Monthly Economic Survey

December 2007

The consumption indicator stabilizes and the investment indicator accelerates. Industrial production slows down.

The EU economic sentiment indicator maintained in December the downward movement of the five previous months and the consumer confidence indicator has worsened over the past five months. On the domestic side, the economic climate indicator diverged from the level where it had remained in the previous months, diminishing slightly. In November, the private consumption indicator stabilized, the investment indicator accelerated and the economic activity indicator continued to recover. On the other hand, the indicators on the supply side, namely the services turnover indices and the industry and construction production indices, revealed lower year-on-year variations in November. In the same month, in nominal terms, an acceleration of imports (1.4 p.p.) and a slow down of exports (-0.2 p.p.) were observed.

Year-on-year inflation slowed down from 2.8% in November to 2.7% in December. In 2007 the average inflation rate was 2.5% (3.1% in 2006). Considering the HIPC annual inflation, a reduction of the differential to the Euro Zone was observed, from 0.8 in 2006 to 0.3 in 2006.



Report based on information available up to January 17, 2008.

Next report will be released on February 20, 2008.

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.

Balances: differences between the percentage of respondents giving positive and negative replies. Annualised variation (a.v.). Weight (w.).



		Year 2005	Year 2006	Quarter 4 2006	Quarter 1 2007	Quarter 2 2007	Quarter 3 2007	Quarter 4 2007	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
International background															
GDP of customer countries	s.a/y.r.	2.2	3.1	3.3	3.2	2.8	3	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a/y.r.	1.8	3.0	3.5	3.4	2.8	2.9	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	1.5	2.8	3.3	3.2	2.5	2.7	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industrial production index of customer countries	s.a/y.r./3-mma	0.8	3.3	3.6	3.0	2.4	2.5	-	2.4	2.3	2.4	2.5	2.7	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	99.4	108.3	112.0	112.2	114.5	112.3	108.1	114.5	114.4	113.8	112.3	111.1	109.2	108.1
Economic Sentiment Indicator in EA	ind/s.a.-3mma	97.9	106.9	109.9	110.0	111.6	109.3	105.2	111.6	111.6	110.9	109.3	107.6	105.9	105.2
Order books in industry of EU	balance/s.a.-3mma	-18.0	-3.5	2.7	4.3	6.2	3.7	0.8	6.2	5.2	4.8	3.7	2.9	1.7	0.8
Consumer confidence indicator in EU	balance/s.a.-3mma	-10.7	-7.5	-6.1	-5.0	-2.3	-3.0	-6.1	-2.3	-1.6	-2.1	-3.0	-4.0	-5.2	-6.1
Unemployment rate in EU	s.a/%	8.9	8.1	7.7	7.4	7.2	7.0	-	7.1	7.1	7.0	7.0	6.9	6.9	-
Harmonised index of consumer price in EA	y.r.	2.2	2.2	1.8	1.9	1.9	1.9	2.9	1.9	1.8	1.7	2.1	2.6	3.1	3.1
Production price index of supplying countries	y.r./3-mma	3.8	4.2	3.2	2.7	2.6	2.6	-	2.6	2.6	2.5	2.6	3.2	4.0	-
Crude oil price (Brent)	y.r.	42.7	18.2	-3.4	-14.2	-8.1	-0.2	32.1	-2.3	-3.4	-9.1	14.1	26.3	38.0	32.0
Economic activity															
GDP	y.r.	0.7	1.2	1.5	2.1	1.9	1.8	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	-0.1	0.3	0.6	0.9	1.4	1.2	1.1	1.4	1.3	1.2	1.2	1.3	1.2	1.1
Economic activity indicator	3-mma	1.4	0.9	0.6	1.2	1.8	2.2	-	1.8	2.2	2.3	2.2	2.4	2.5	-
Total turnover index	y.r./3-mma	0.6	2.6	2.7	4.8	4.1	4.2	-	4.1	4.2	4.9	4.2	4.5	4.6	-
Manufacturing industry production index	y.r./3-mma	-1.5	2.3	2.5	4.7	3.6	2.3	-	3.6	2.6	2.0	2.3	3.4	2.9	-
Production index in construction	y.r./3-mma	-4.9	-6.6	-7.2	-6.8	-4.7	-2.6	-	-4.7	-3.7	-2.7	-2.6	-2.3	-2.6	-
Retail trade turnover index (real)	y.r./3-mma	1.7	1.2	1.1	1.7	0.1	0.5	-	0.1	0.7	1.5	0.5	0.7	0.3	-
Sales of passenger vehicles	y.r./3-mma	3.3	-5.8	-7.3	-4.8	0.4	11.9	10.1	0.4	9.5	11.4	11.9	5.4	7.7	10.1
Consumption															
Consumer confidence indicator	balance/3-mma	-37.7	-34.2	-31.0	-33.2	-32.9	-35.5	-39.2	-32.9	-33.2	-34.6	-35.5	-36.8	-37.9	-39.2
Quantitative indicator of consumption	y.r./3-mma	2.7	1.4	1.3	2.0	2.3	2.0	-	2.3	2.6	3.0	2.0	2.0	2.0	-
Indicator of non-durable consumer goods	y.r./3-mma	2.4	1.5	1.3	1.9	1.4	1.6	-	1.4	1.7	2.1	1.6	1.4	1.5	-
Indicator of durable consumer goods	y.r./3-mma	5.3	0.7	1.2	2.4	9.0	5.0	-	9.0	8.9	9.1	5.0	6.1	5.5	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	6.3	-3.3	-2.9	1.2	13.6	3.6	-	13.6	12.2	11.3	3.6	5.2	4.9	-
Investment															
GFCF indicator		-2.4	-3.1	-5.7	0.1	0.1	3.7	-	0.1	7.8	8.2	3.7	1.1	4.6	-
Cement sales	y.r./3-mma	-6.0	-7.6	-8.4	-1.9	-2.3	2.1	-	-2.3	0.0	1.0	2.1	4.5	-	-
Sales of steel for concrete	y.r./3-mma	-6.8	5.9	-11.5	-8.5	-3.9	-9.9	-	-3.9	-8.0	-4.2	-9.9	-15.5	-	-
Credit for purchase of habitation	y.r./stocks	11.9	15.6	15.6	9.6	9.0	9.8	-	9.0	8.0	8.2	9.8	9.9	-	-
Licenses for construction of new habitations	y.r./3-mma	-2.0	-6.8	-13.3	-9.1	-11.5	-4.9	-	-11.5	-8.0	-5.8	-4.9	-6.7	-7.4	-
Machinery and equipment indicator		1.8	2.7	3.8	4.1	4.0	5.1	5.0	4.0	4.4	4.6	5.1	5.2	5.4	5.0
Sales of light commercial vehicles	y.r./3-mma	-1.8	-7.3	-1.0	1.5	48.0	-17.5	-7.9	48.0	38.8	30.0	-17.5	-15.3	-12.8	-7.9
Sales of new heavy commercial vehicles	y.r./3-mma	0.1	12.9	-31.9	2.7	-9.0	-19.8	92.9	-9.0	80.5	56.6	-19.8	-11.8	2.9	92.9
External demand															
External demand indicator in value	s.a/y.r./3-mma	10.4	12.3	8.5	4.0	2.3	5.0	-	2.3	3.5	4.7	5.0	4.4	-	-
External order books	balance/3-mma	-23.7	-14.4	-10.7	-7.0	-2.0	-1.3	-4.0	-2.0	0.7	0.0	-1.3	-1.3	-2.0	-4.0
Exports of merchandises in value	y.r./3-mma	2.8	12.4	12.7	13.2	9.5	5.7	-	9.5	8.1	7.4	5.7	4.6	4.4	-
Imports of merchandises in value	y.r./3-mma	5.5	8.1	5.7	2.9	5.7	6.5	-	5.7	5.1	5.4	6.5	6.7	8.1	-
Labour market															
Unemployment rate	%	7.6	7.7	8.2	8.4	7.9	7.9	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.0	0.7	0.2	0.2	-0.5	0.2	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployed registration along the month	s.a/y.r./3-mma	4.1	1.2	2.6	-5.3	-3.8	-6.1	-	-3.8	-2.8	-2.3	-6.1	-6.8	-9.7	-
Unemployment expectations	balance/3-mma	49.0	43.8	39.3	40.5	40.4	42.7	45.3	40.4	40.6	42.1	42.7	44.0	44.7	45.3
Vacancies along the month	s.a/y.r./3-mma	5.4	3.6	-0.1	15.1	3.0	11.4	-	3.0	4.9	11.5	11.4	19.5	19.5	-
Employment indicator (short-term statistics)	y.r./3-mma	-2.2	-1.9	-1.9	-1.1	-0.8	-0.1	-	-0.8	-0.6	-0.3	-0.1	0.0	0.2	-
Wage negotiation	av/3-mma/w.	2.7	2.8	2.6	2.5	2.9	2.9	3.2	2.9	2.9	2.9	2.9	2.7	2.6	3.2
Prices and exchange rates															
Consumer price index	y.r.	2.3	3.1	2.5	2.4	2.5	2.2	2.7	2.4	2.4	2.1	2.1	2.6	2.8	2.7
Core inflation indicator	y.r.	1.6	2.0	1.9	1.6	1.9	2.1	2.3	2.1	2.3	2.1	1.8	2.2	2.3	2.4
Consumer price index - goods	y.r.	1.9	3.2	2.5	2.3	2.3	1.8	2.5	2.1	2.0	1.5	1.7	2.4	2.7	2.5
Consumer price index - services	y.r.	3.0	2.9	2.6	2.6	3.1	2.9	3.0	3.1	3.0	3.0	2.8	2.9	3.0	3.0
Manufacturing industry production price index	y.r./3-mma	3.5	4.6	2.8	1.5	1.6	1.7	-	1.6	1.5	1.6	1.7	2.5	3.9	-
Exchange rate euro/USD	y.r.	0.1	0.9	8.5	9.0	7.3	7.9	12.4	6.1	8.1	6.3	9.2	12.8	14.0	10.3
Exchange rate euro/JPY	y.r.	1.8	6.6	8.9	11.3	13.2	9.3	7.9	13.4	13.7	7.1	7.3	10.2	7.8	5.6