



20<sup>th</sup> January 2025  
MONTHLY ECONOMIC SURVEY<sup>1</sup>  
December 2024

## PRODUCER PRICES GROW MODERATELY AND CONSUMER PRICES SLOWDOWN IN THE YEAR 2024

In 2024, the Consumer Price index (CPI) recorded an average annual growth rate of 2.4 (4.3% in 2023). The decrease in the CPI average growth rate between 2023 and 2024 was influenced by the behaviour of core inflation (total index excluding unprocessed food and energy products), which presented an average annual growth rate of 2.5% (5.0% in the previous year), and by the slowdown in unprocessed food products, which recorded an average annual growth rate of 1.6% (9.5% in 2023). Conversely, energy products, which had a negative contribution in 2023, presented a positive contribution to the 2024 annual average rate.

The industrial producer price index presented an average annual growth of 0.3% in 2024, after a nil rate in the previous year. Excluding the energy component, there was a nil average annual rate of change in the last year, after a growth of 3.5% in the previous year. In the industrial production of consumer goods, there was a 2.4% increase in prices, significantly lower than that observed in 2023 (9.8%).

On the external side, the implicit prices of imports of goods, considering the data up to November, recorded a rate of change of -3.7% in 2024 (-5.1% in 2023). Excluding petroleum products, there was a decrease of 3.5% in the first eleven months of 2024, compared with a decrease of 1.7% in the previous year.

Short-term indicators from the production perspective, available for November, point to a nominal slowdown and a decline in volume in the industry sector and to an acceleration in nominal terms of services and in volume of construction, slightly in the latter case. From the expenditure perspective, the economic activity indicator slowed down in year-on-year terms in November after accelerating between August and October, with the private consumption indicator decelerating, while the investment indicator recorded a slight acceleration. The economic climate indicator, which summarizes the balances of responses to questions relating to business surveys, increased between September and December, reaching its highest level since March 2019.

In November, according to the provisional monthly estimates of the Labour Force Survey, the unemployment rate (16 to 74 years old), adjusted for seasonality, was 6.7%, 0.1 percentage points higher than in October (6.4% in August). The labour underutilisation rate (16 to 74 years old) was 11.0%, 0.1 percentage points higher than the value recorded in October.

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Note: The Monthly Economic Survey, in its current format, will be discontinued starting next month. The thematic tables with short-term economic indicators will continue to be updated and published until a new publication model is presented.

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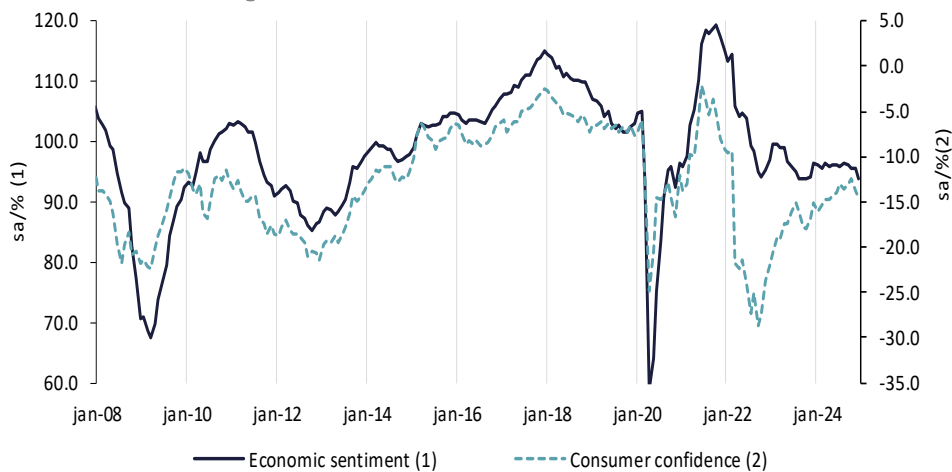
<sup>1</sup> Based on information available up to January 17<sup>th</sup>, 2025.



## External Environment of the Portuguese Economy

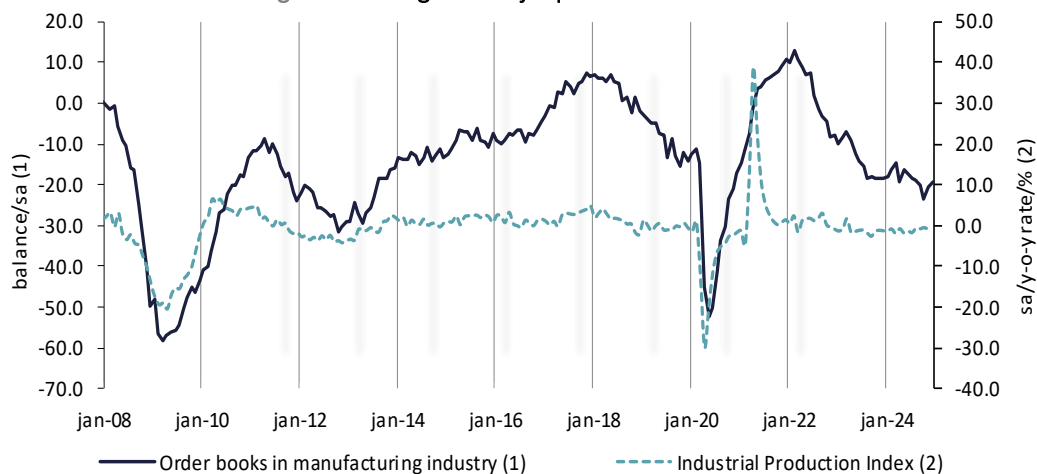
The Euro Area (EA) economic sentiment indicator (ESI) decreased in December, mainly driven by lower confidence in industry, consumers and construction, while confidence in retail trade remained broadly stable and increased in services.

Figure 1. Qualitative indicators in the Euro Area



The balance of entrepreneur's opinions on order-book levels in the industry sector from Portuguese major partners increased in November and December. The industrial production index (IPI) of Portuguese major partners has presented negative year-on-year rates of change since April of 2023, standing at -0.9% in November (-0.5% in October). Comparing with the previous month, this index stabilised in October and November.

Figure 2. Portuguese major partners – Indicators

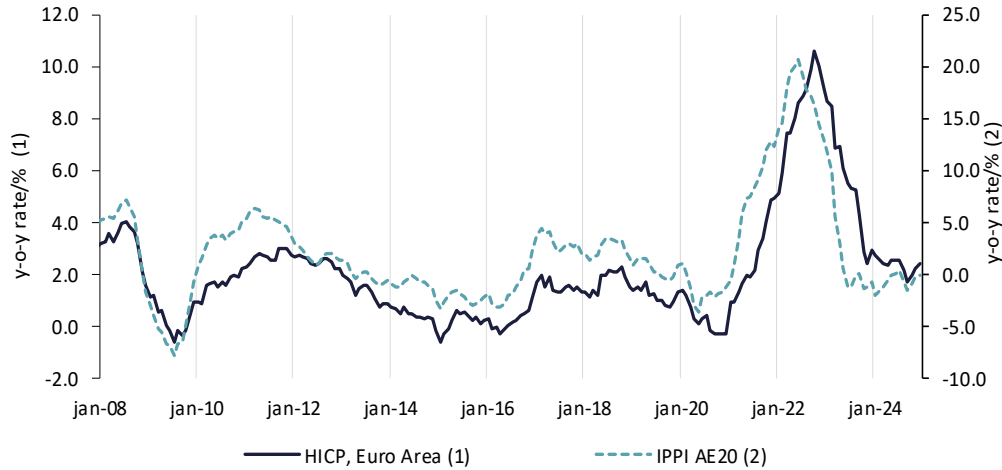


According to the Eurostat's estimate, the EA Harmonised Index of Consumer Prices (HICP) accelerated for the third consecutive month, registering a year-on-year rate of change of 2.4% in December (2.2% in November). Excluding energy and unprocessed food goods, IHPC increased by 2.7% in December, an identical rate to the previous three months. In 2024, the Euro EA HICP increased, in average, 2.4%, a rate of change 3.0 percentage points lower than in 2023.



In November, the industrial production prices index (IPPI) in the EA decreased, in year-on-year terms, for the fourth consecutive month, registering a rate of change of -0.2% (-0.9% in October).

Figure 3. Prices



The oil price (Brent) was 70.5 euros per barrel in December, registering a monthly rate of change of 0.8% (the same as in November) and a year-on-year rate of change of -1.0% (-8.9% in November). In 2024, the average oil price decreased by 2.4%, standing at 74.4 euros per barrel.

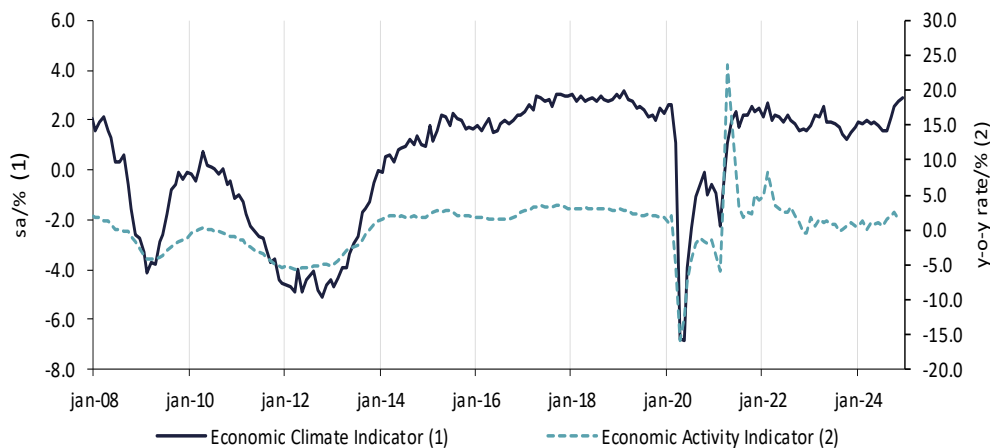


## Economic Activity

Short-term indicators from the production perspective, available for November, point to a nominal slowdown and a decline in volume in the industry sector and to an acceleration in nominal terms of services and in volume of construction<sup>2</sup>, slightly in the latter case.

The economic activity indicator, which summarizes a set of quantitative indicators that reflects the evolution of the economy, decelerated, in year-on-year terms, in November, after accelerating between August and October. The economic climate indicator, which summarizes the balances of responses to questions relating to business surveys, increased between September and December, reaching the maximum value since March 2019.

Figure 4. Economic Synthesis Indicators



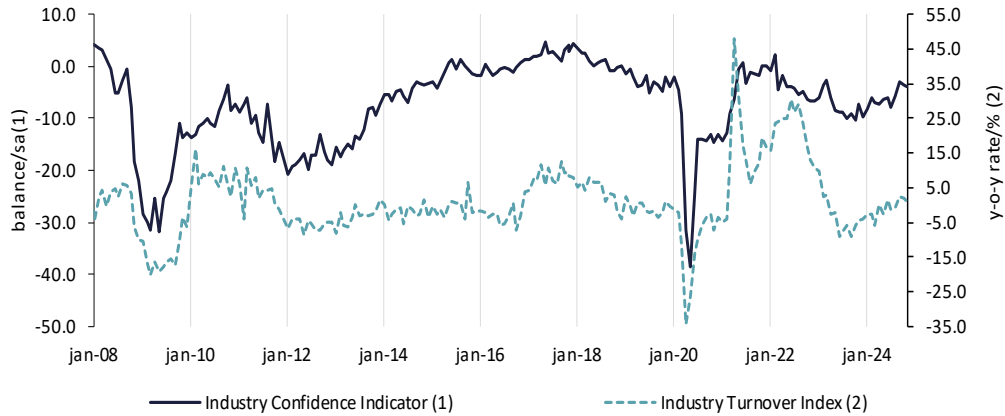
In November, the IPI decreased by 2.2% in year-on-year terms, following the 4.7% increase in the previous month. Excluding the Energy grouping, the rate of change was -0.8% (4.6% in the previous month).

In nominal terms, the industry turnover decelerated to a year-on-year rate of 0.8% in November (2.0% in October). Excluding the Energy sector, turnover in industry decelerated to a 1.2% growth rate (3.3% in the preceding month). The indices for the domestic and foreign markets presented rates of change of -2.3% and 6.4%, respectively (rates of change of -0.1% and +5.5% in the previous month).

<sup>2</sup> Three months moving average, working days and seasonally adjusted.



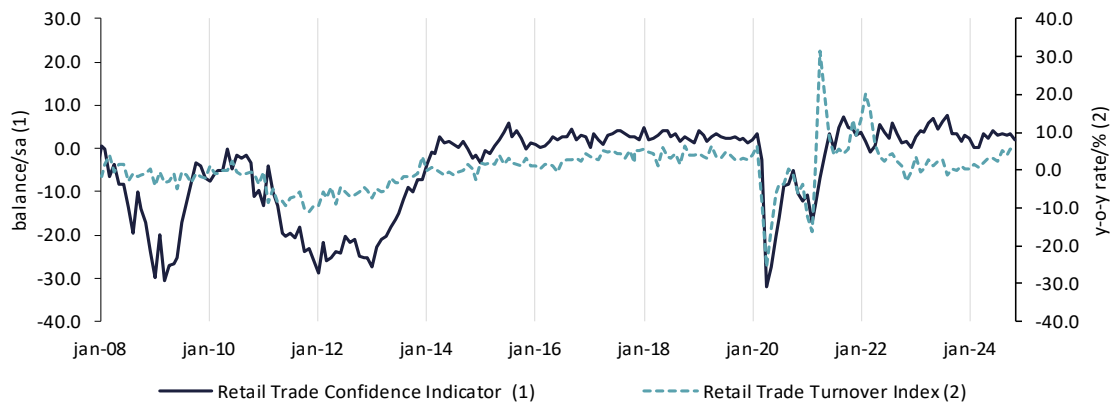
Figure 5. Turnover index and confidence indicator in Industry



The turnover index for services registered a growth rate of 5.3% in November, a 1.6 percentage points acceleration from the previous month.

The deflated index of turnover in trade retail increased 5.8% in November (5.7% in the previous month), with an acceleration of the non-food component from 4.8% to 5.3% and a deceleration of the food component from 7.0% to 6.5%.

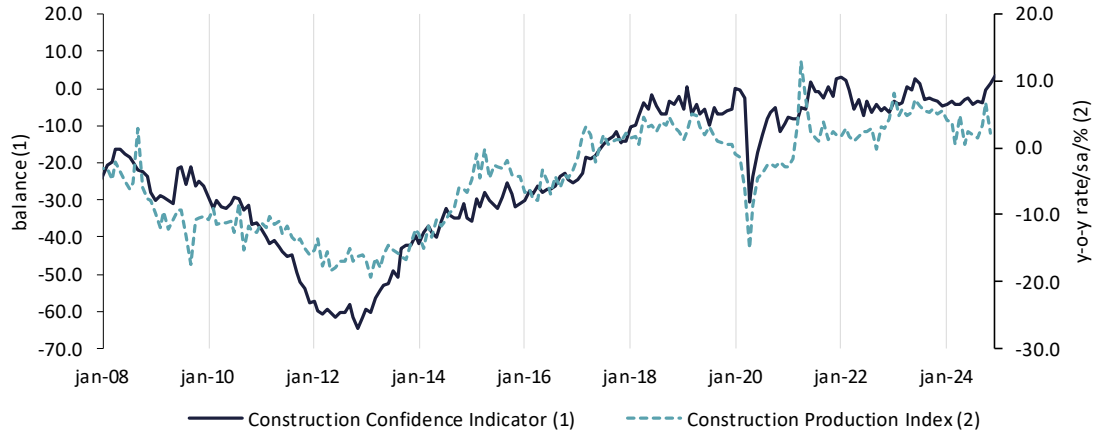
Figure 6. Turnover index and confidence indicator in Retail Trade



The construction production index, considering three month moving averages, accelerated slightly in November to a year-on-year growth rate of 4.1% (3.9% in October).



Figure 7. Production index and confidence indicator in Construction



Regarding tourism activity, in November, the number of overnight stays accelerated in year-on-year terms to a rate of 9.8% (rate of change of 2.5% in October). Overnight stays by residents increased significantly by 22.2% in year-on-year terms, while by non-residents increased by 4.6% (rates of change of 0.9% and 3.1% in the previous month).

The average consumption of electricity on working days recorded a year-on-year growth rate of 0.2% in December, which compares with rates of 1.9% and 0.8% in October and November, respectively.

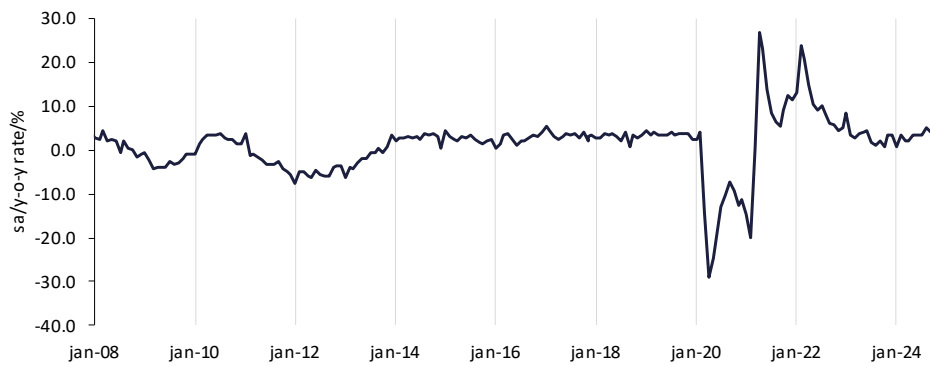


## Private Consumption

According to the information of the Quarterly National Sectors Accounts, the Net lending of Households stood at 4.1% of GDP in the year ending in the third quarter of 2024, which represented an increase of 0.6 percentage points compared with the previous quarter. This behaviour resulted from the 8.4% increase in household savings. The Households' savings rate in the third quarter of 2024 stood at 10.7% of disposable income, more 0.6 percentage points compared with the previous quarter. This evolution resulted from the 2.3% increase in the Gross Disposable Income (2.4% in the previous quarter), higher than the 1.6% growth in private consumption in nominal terms.

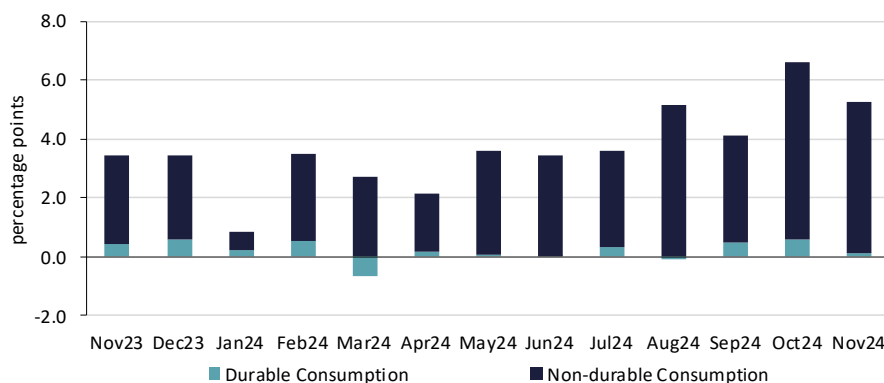
The quantitative indicator of private consumption decelerated in November, after the observed acceleration in the previous month.

Figure 8. Quantitative indicator of private consumption



In November, there was a less intense positive contribution in the non-durable consumption component and of the durable consumption component. In December, the sales of passenger cars presented a year-on-year rate of change of 21.4%, after having increased by 4.0% in the previous month.

Figure 9. Contributions to the private consumption indicator



According to information on operations carried out in the *Multibanco* network, available for December, the overall amount of national withdrawals decreased by 2.2% (rate of change of -0.2% in the previous month).



INSTITUTO NACIONAL DE ESTATÍSTICA  
STATISTICS PORTUGAL

press release

# DIÍSTAQUE

Purchases through automatic payment terminals presented a year-on-year growth of 11.5% (14.9% in the previous month).

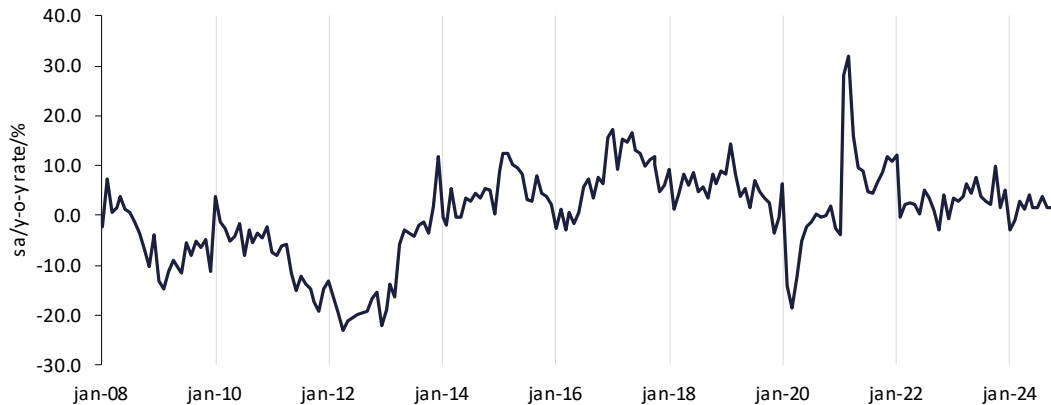
The Consumer confidence indicator decreased in December, following the slight increase in the previous month.



## Investment

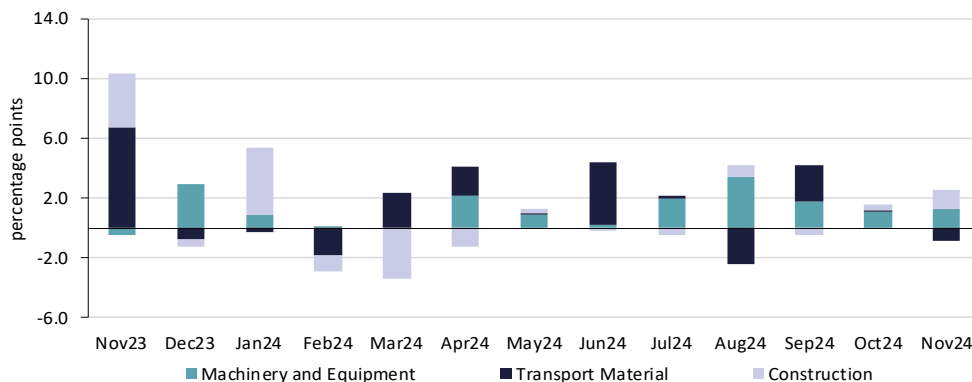
The Gross Fixed Capital Formation (GFCF) indicator accelerated slightly, in year-on-year terms, in November, following the previous month slowdown.

Figure 10. GFCF indicator



In November, the evolution of the indicator was due to the increase of the positive contributions of the machinery and equipment, and construction components. In the opposite direction, the transport material component recorded a negative contribution, which had been slightly positive in the previous month.

Figure 11. Contributions to the GFCF indicator



Sales of cement produced in national territory (not adjusted for seasonal and working days effects), already available for December, increased significantly year-on-year, registering a growth of 25.0% after a decrease of 0.9% in the previous month. Also available for December, sales of light commercial vehicles increased by 8.2% year-on-year (-1.8% in the previous month) while sales of heavy-duty vehicles registered significant year-on-year declines in the last two months (-60.7% and -45.9%).



## External Demand

In November, exports of goods decreased by 1.8% year-on-year, while imports increased by 4.7%, both in nominal terms (+16.9% and +7.3%, in the same order, in October 2024). Excluding transactions with a view to or following processing (without transfer of ownership<sup>3</sup>), exports fell by 1.7% and imports by 2.1%.

In November, compared to the same period in the previous year, the most notable decreases were observed in exports of Transport equipment (-10.0%) and Capital goods (-7.7%). In terms of imports, Industrial supplies was the highlight (+23.6%), essentially driven by Chemicals from Ireland.

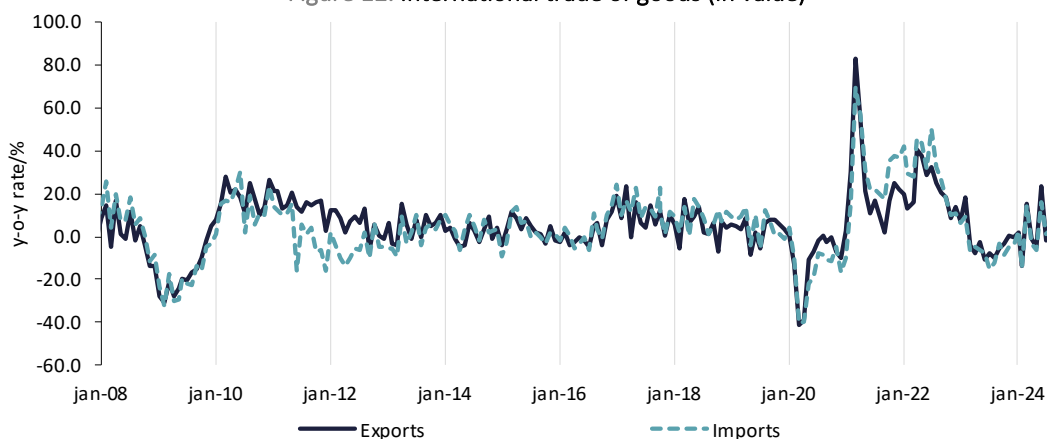
Excluding Fuels and lubricants, in November 2024, there was a 2.6% decrease in exports and a 6.1% increase in imports (+16.5% and +6.9%, respectively, in October 2024).

In November, the unit value indices (prices) kept recording negative changes, -1.4% in exports and -1.3% in imports (-0.8% and -4.3%, respectively, in October 2024; -3.5% and -7.0% in November 2023). Excluding petroleum products, there were decreases of 0.3% and 0.1% in exports and imports, respectively (+0.2% and -1.8%, in the same order, in October 2024; -2.8% and -4.8% in November 2023).

Nominal exports of goods to the EA presented -1.2% year-on-year in November (16.4% in October). In turn, nominal exports of non-EU goods went from a year-on-year rate of change of 19.6% in October to -2.7% in November.

Nominal imports of goods from the EA recorded a year-on-year change of 7.0% in November (3.8% previous month). Extra-EU imports decreased by 2.9% in November in year-on-year terms (+17.0% in October).

Figure 12. International trade of goods (in value)



<sup>3</sup> As a general principle, in International Trade in Goods Statistics, flows of goods are recorded according to their physical movement, i.e. when they cross the borders of the statistical territory, and this concept is independent of changes in ownership. Although the use of the term “trade” in “statistics on international trade in goods” reflects the dominant role of sales and purchase transactions in the context of cross-border movements of goods, many other movements of goods between countries, which are not the result of sales and purchase transactions, are also covered by statistics on international trade in goods, such as transactions with a view to or following work for hire (without transfer of ownership), which are treated differently for the purposes of recording in National Accounts.

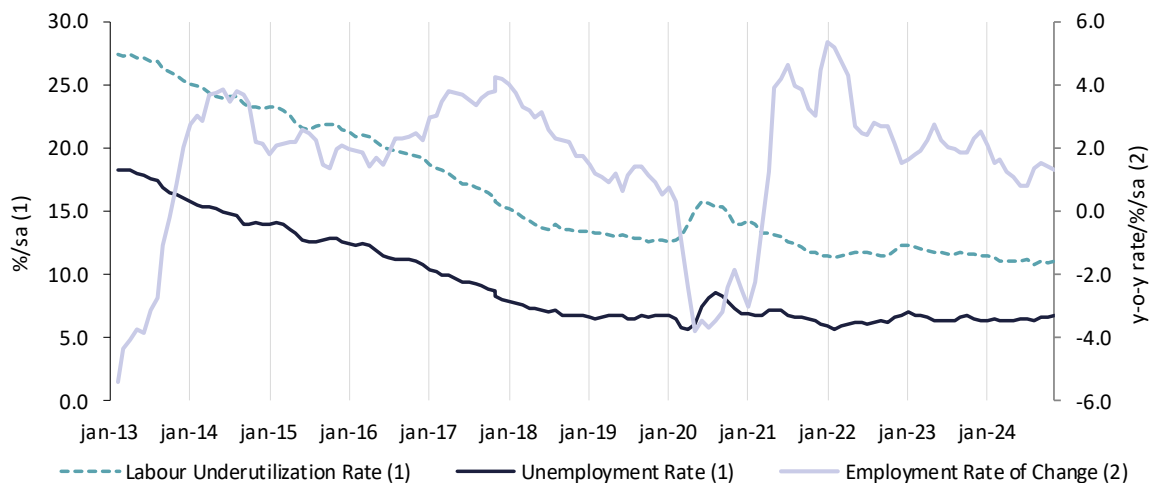


## Labour Market

In November, according to the provisional monthly Labour Force Survey, the unemployment rate (16 to 74 years old), seasonally adjusted, stood at 6.7%, 0.1 percentage points more than in October (6.4% in August and 6.5% in November 2023). The labour underutilization rate (16 to 74 years old) was 11.0%, 0.1 percentage points above the value recorded in October (10.8% in August and 11.6% in the same period of the previous year).

The employed population (16 to 74 years old), seasonally adjusted, increased by 1.3% in year-on-year terms and remained unchanged from the previous month (year-on-year rate of change of 1.4% in August).

Figure 13. Unemployment, underutilization of labour and employment



The employment indexes of the turnover surveys presented, in November, year-on-year rates of change of -0.4% in industry, 0.3% in trade, 3.2% in services and 2.8% in construction (0.1%, 1.3%, 4.0% and 3.2% in October, in the same order). The hours worked indexes, adjusted for calendar effects, registered rates of change of -2.0% in industry, 0.0% in trade, 0.5% in services and 3.0% in construction (1.1%, 1.0%, 0.7% and 5.2% in the previous month, in the same order).

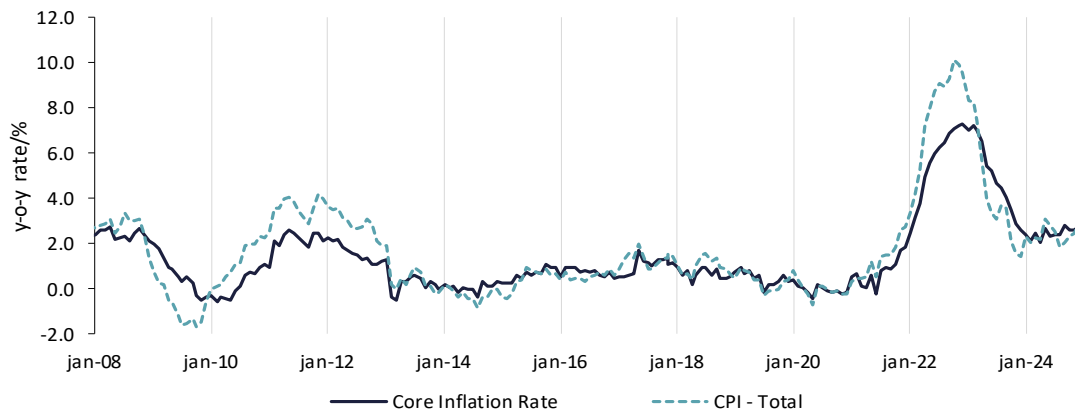
The Unit Labour Costs (ULC) increased by 7.7%, in year-on-year terms, in the year ended in the third quarter of 2024, which compares with a growth rate of 7.1% in the previous quarter. This result was due to the 8.1% increase in average compensation of employees, which surpassed the 0.4% increase in productivity.



## Prices

The CPI year-on-year rate of change was 3.0% in December, 0.5 percentage points higher than in the previous month. In the divisions with positive contributions to the year-on-year rate of change of CPI, “Food and non-alcoholic beverages”, “Housing, water, electricity, gas and other fuels”, and “Restaurants and hotels” stood out, with rates of 3.4%, 7.1% and 5.2%, respectively (2.7%, 7.1% and 4.8% in November). On the other hand, the divisions with negative variations were “Furnishings, household equipment and routine maintenance of the house”, and “Clothing and footwear” with rates of change of -1.5% and -0,7%, respectively (-1.6% and -1.2% in the previous month).

Figure 14. Consumer Price Index



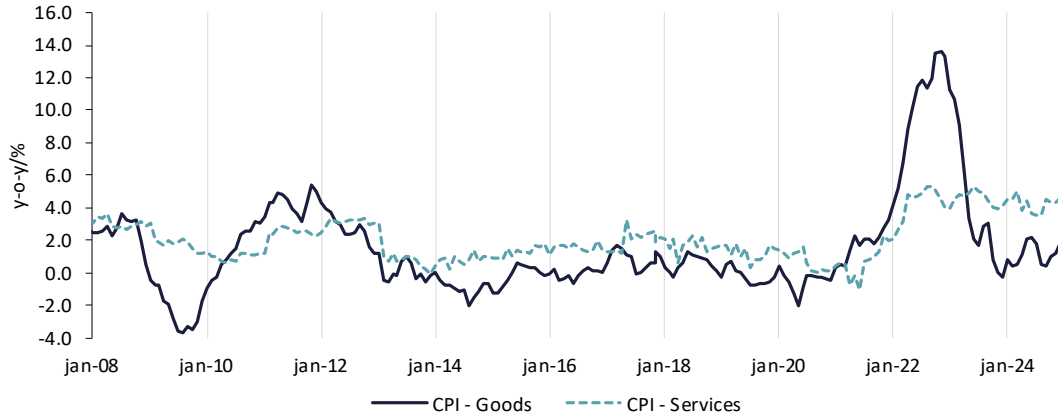
The year-on-year rate of change of the core inflation rate, which excludes energy and unprocessed food products, was 2.8% (2.6% in October and November). The year-on-year rate of change of the index for energy products was 4,9% (2.1% in the previous month), and the rate for unprocessed food accelerated from 1.9%, in November, to 3.4% in December.

The Portuguese Harmonised Index of Consumer Prices (HICP) year-on-year rate of change was 3.1% (2.7% in the previous month), 0.7 percentage points higher than the figure estimated by Eurostat for the Euro Area, (in November, the Portuguese rate was 0.5 percentage points above the figure of the Euro area). Excluding energy and unprocessed food products, the Portuguese HICP increased by 3.0% in December (2.9% in November), above the corresponding rate estimated for the Euro Area (2.7%).

In the last month, the goods component of the CPI recorded a year-on-year change rate of 1.9% (1.2% rate in November), while the services component increased by 4.6% (4.3% in the previous month).



Figure 15. Consumer Price Index of Goods and Services



The industrial production price index registered a year-on-year rate of change of 1.6% in December, accelerating from the increase of 1.2% in the previous month. The rate of change in the grouping of Energy was 7.0%, after being 4.7% in the preceding month. Excluding the energy component, this index rate of change stabilized at 0.5% (1.1% in October), and the index for consumer goods recorded a null year-on-year growth rate in December (1.2% in November).





Table 3. Summary information (continuation)

	Unit	First Period	Minimum		Maximum		Year			Quarter					Month												
			Value	Date	Value	Date	2022	2023	2024	2023	2024				2023	2024											
										Q4	Q1	Q2	Q3	Q4	dez	jan	fev	mar	abr	mai	jun	jul	ago	set	out	nov	dez
<b>External Demand</b>																											
Nominal exports of goods - International trade	y.r./%	jan-96	-41.5	Apr-20	82.9	Apr-21	23.2	-1.4	-	-2.9	-4.7	2.6	9.4	-	0.3	-0.7	1.9	-13.4	15.1	-1.1	-4.7	23.2	-2.0	5.0	16.9	-1.8	-
Nominal imports of goods - International trade	y.r./%	jan-96	-40.3	Apr-20	69.8	Apr-21	31.8	-4.0	-	-5.7	-5.7	1.2	7.2	-	-5.0	-4.0	2.4	-14.3	14.4	-3.0	-6.1	16.2	1.2	3.6	7.3	4.7	-
Coverage rate	%	jan-95	49.9	Aug-01	87.8	Jun-12	71.6	73.6	-	72.3	76.8	75.2	73.1	-	70.4	78.3	72.8	79.4	74.1	75.0	76.8	78.4	66.3	73.0	74.5	73.1	-
External demand indicator	s.a./y.r./%	jan-91	-30.5	Apr-20	47.5	Apr-21	30.9	-7.7	-	-10.2	-6.5	-2.0	0.0	-	-10.6	-9.6	-7.2	-2.5	-1.6	-3.8	-0.6	-2.1	0.9	1.2	-3.5	-	-
<b>Labour Market</b>																											
Unemployment rate (16 to 74 years)	s.a./%	fev-11	5.7	Apr-20	18.3	Jan-13	6.2	6.5	6.5	6.5	6.5	6.4	6.4	6.7	6.4	6.4	6.5	6.4	6.3	6.4	6.5	6.5	6.4	6.6	6.6	6.7	-
Number of unemployed (16 to 74 years)	s.a./y.r./%	fev-12	-24.6	Apr-18	28.3	Apr-21	-6.1	8.7	0.1	1.3	-4.4	0.8	1.2	3.1	-3.3	-6.7	-4.4	-5.3	-2.3	0.8	2.6	2.7	1.2	0.6	0.8	3.1	-
Employment (16 to 74 years)	y.r./%	fev-12	-5.4	Jan-13	5.4	Jan-22	3.3	2.3	1.4	2.3	1.5	1.1	1.4	1.3	2.5	2.1	1.5	1.6	1.3	1.1	0.8	0.8	1.4	1.5	1.4	1.3	-
Labour underutilisation rate (16 to 74 years)	s.a./%	fev-11	10.8	Jan-20	27.4	May-13	11.7	11.8	11.0	11.6	11.3	11.0	10.8	11.0	11.4	11.5	11.3	11.1	11.0	11.0	11.1	11.2	10.8	11.0	10.9	11.0	-
Reg. unemp. along the month - State employment agencies	y.r.	jan-90	-43.2	Apr-21	74.1	Apr-20	3.8	10.4	-	5.9	4.2	6.5	-0.4	-	0.1	6.0	15.4	-7.8	23.5	-0.8	-1.8	11.4	-2.5	-7.7	5.9	-6.8	-
Vacancies along the month - State employment agencies	y.r.	jan-90	-70.0	Apr-20	310.8	Apr-21	-7.7	-6.2	-	12.8	-15.3	-10.0	-16.4	-	18.8	-8.1	-9.1	-24.8	13.0	-21.1	-15.9	-10.7	-21.1	-17.1	-16.2	-7.2	-
Employment expectations of entrepreneurs	balance/s.a.	jan-03	-25.2	Apr-20	11.2	Jul-18	6.8	4.0	5.4	3.4	5.6	4.0	5.0	7.0	3.1	3.0	7.9	5.9	5.4	3.3	3.3	5.3	4.9	4.8	8.6	8.0	4.5
Unemployment expectations of consumers	balance	set-97	-20.0	Jun-17	85.5	Feb-09	26.2	28.6	23.9	34.5	29.7	19.3	21.3	25.3	36.7	31.0	31.4	26.6	19.2	21.8	16.7	19.2	22.2	22.5	23.3	27.0	25.6
Average monthly wage declared by worker	s.a./y.r.	jan-02	-4.0	Jun-12	10.5	Jan-23	4.7	7.4	-	6.6	6.6	6.5	6.2	-	5.9	6.1	6.7	7.0	5.9	6.9	6.8	6.3	6.2	6.1	5.5	-	-
<b>Prices</b>																											
Consumer price index - Total	y.r./%	jan-49	-3.7	Sep-54	36.7	May-77	7.8	4.3	2.4	1.7	2.2	2.7	2.2	2.6	1.4	2.3	2.1	2.3	2.2	3.1	2.8	2.5	1.9	2.1	2.3	2.5	3.0
- Goods	y.r./%	jan-49	-3.7	Jul-09	38.2	May-77	10.2	4.1	1.2	0.2	0.6	1.8	0.9	1.4	-0.3	0.8	0.4	0.5	1.1	2.1	2.2	1.8	0.6	0.4	1.0	1.2	1.9
- Services	y.r./%	jan-49	-4.4	Sep-54	30.5	Mar-74	4.3	4.6	4.2	4.0	4.7	3.9	3.9	4.4	4.1	4.5	4.6	5.0	3.8	4.4	3.6	3.5	3.6	4.5	4.3	4.3	4.6
Core inflation indicator	y.r./%	jan-49	-4.3	Oct-54	31.1	May-84	5.6	5.0	2.5	3.0	2.3	2.4	2.5	2.7	2.6	2.4	2.1	2.5	2.0	2.7	2.4	2.4	2.4	2.8	2.6	2.6	2.8
Harmonised index of consumer prices	y.r./%	jan-96	-1.8	Sep-09	10.6	Oct-22	8.1	5.3	2.7	2.4	2.5	3.1	2.3	2.8	1.9	2.5	2.3	2.6	2.3	3.8	3.1	2.7	1.8	2.6	2.6	2.7	3.1
Industrial production price index	y.r./%	jan-06	-10.6	Oct-09	22.4	Jun-22	18.9	0.0	0.3	-3.6	-2.1	0.6	1.6	1.0	-3.3	-2.3	-2.4	-1.5	-0.9	0.6	2.1	1.9	2.0	0.9	0.1	1.2	1.6
Consumers expectations of prices evolution	balance	set-97	-7.5	Dec-15	81.2	Mar-22	51.4	17.5	20.7	18.0	23.0	20.6	16.8	22.4	16.0	27.1	23.8	18.2	20.9	21.1	19.8	17.6	19.3	13.4	20.9	18.8	27.7
Expectations of prices in manufacturing industry	bal./s.a.	jan-87	-24.6	Apr-20	44.2	Apr-22	29.5	3.3	4.7	1.8	4.1	4.3	4.4	5.8	2.2	5.0	4.7	2.7	3.5	3.3	6.2	8.3	3.7	1.2	10.6	0.2	6.5
Effective exchange rate index for Portugal (nominal)	y.r./%	jan-94	-9.3	Jan-94	5.5	Mar-95	-1.4	1.0	0.0	0.8	0.4	0.1	0.0	-0.3	0.4	0.4	0.3	0.4	0.0	0.3	0.1	-0.1	0.0	0.0	0.0	-0.5	-0.5



## METHODOLOGICAL NOTE

Annual information corresponds to 12-month moving average, 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.

## ABBREVIATIONS

e.v.	Effective values
p.p.	Percentage points
s.a.	Seasonally adjusted values
y.r.	Year-on-year rate of change