

Monthly Economic Survey  
January 2011

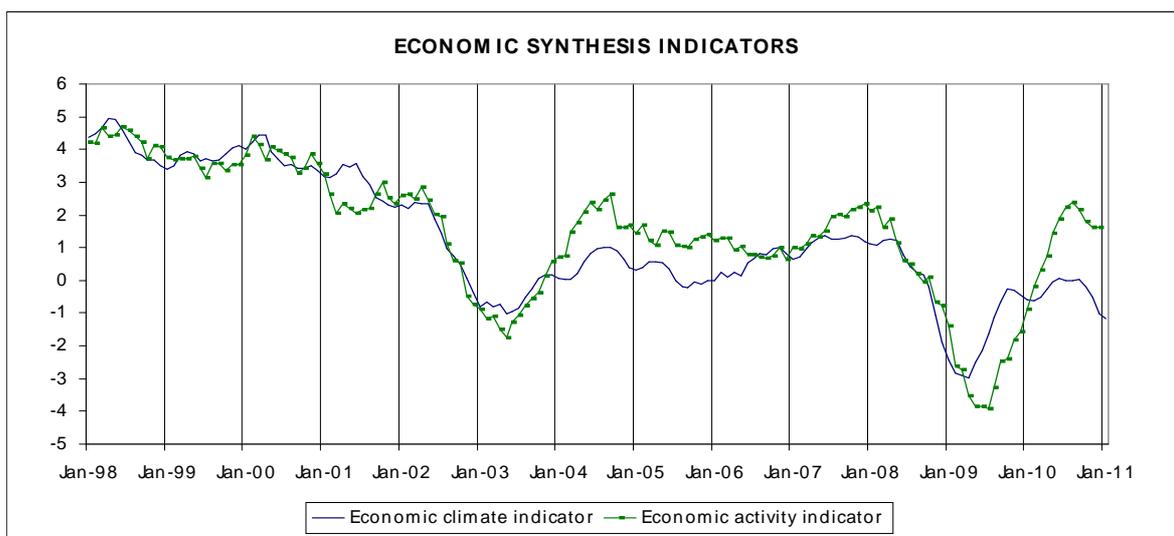
**The private consumption indicator recovers and the investment indicator decreases less intensely in December. The economic climate indicator diminishes in January.**

Accordingly with the flash estimate compiled by the Eurostat, in the 4<sup>th</sup> quarter of 2010, the Euro Area (EA) and the European Union (EU27) GDP registered year-on-year change rates of 2.0% and 2.1% in real terms (1.9% and 2.2% in the previous quarter, respectively). In January, the consumer confidence indicator diminished in the EA and in the EU27. In the same month, comparatively to the previous year, the oil price and the raw materials prices continued to increase sharply.

In Portugal, accordingly with the flash estimate, the GDP recorded a year-on-year change rate of 1.2% in volume in the 4<sup>th</sup> quarter of 2010 (1.3% in the 3<sup>rd</sup> quarter). The contribution of Exports of Goods and Services for the GDP year on year change rate was slightly lower than the observed in the previous quarter and the private consumption decelerated. The economic activity indicator decreased in the 4<sup>th</sup> quarter of 2010, suspending the previous positive path. However, in December this indicator stabilized. The private consumption indicator slightly decelerated in the 4<sup>th</sup> quarter, due to the negative contribution of the non-durable consumption component, while it accelerated in December. In the same quarter, the GFCF indicator presented a less intense reduction, driven by the positive evolution of the transport material and the machines and equipments components. In December, this indicator diminished less significantly comparing to November. Concerning the international trade of goods, in the 4<sup>th</sup> quarter imports and exports recorded year-on-year nominal growth rates of 10.3% and 15.8% (5.2% and 15.1% in the 3<sup>rd</sup> quarter), respectively. Meanwhile, the economic climate indicator decreased in the 4<sup>th</sup> quarter of 2010 and in January.

In the 4<sup>th</sup> quarter of 2010, the unemployment rate was 11.1%, 1.0 p.p. more than in the same quarter of 2009, attaining a new maximum for the series started in 1998. Employment shifted from a -1.1% year-on-year change rate in the 3<sup>rd</sup> quarter of 2010 to -1.5% in the 4<sup>th</sup> quarter.

In January, the year-on-year change rate of the Consumer Price Index (CPI) was 3.6%, 1.1 p.p. higher than the observed in the previous month. Excluding energy and unprocessed food products, the year-on-year change rate was 2.1%, 1.2 p.p. more than in December. In January, the prices of the goods and of the services components presented year-on-year growth rates of 4.3% and 2.5% (3.4% and 1.2% in the previous month), respectively. The differential between the Portuguese Harmonized Index of Consumer Prices (HICP) and the EA HICP increased 1.0 p.p. in January, to 1.2 p.p..



**Report based on information available up to February 16, 2011.  
Next report will be released on March 18, 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 2009	Year 2010	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
<b>International background</b>															
GDP of customer countries	s.a.y.r.	-3.7	-	-2.0	0.1	1.3	1.5	1.6	n.d.						
GDP European Union	s.a.y.r.	-4.2	-	-2.2	0.6	2.0	2.2	2.1	n.d.						
GDP Euro Area	s.a.y.r.	-4.1	-	-2.0	0.8	2.0	1.9	2.0	n.d.						
Industrial production index of customer countries	s.a.y.r./3-mma	-14.2	-	-6.2	3.4	6.9	5.1	-	6.5	5.9	5.1	4.9	4.9	-	-
Economic Sentiment Indicator in EU	inc/s.a.-3mma	-	-	-	-	-	102.7	105.0	100.6	101.6	102.7	103.4	104.1	105.0	105.6
Economic Sentiment Indicator in EA	inc/s.a.-3mma	-	-	-	-	-	102.1	105.3	99.3	100.7	102.1	103.1	104.1	105.3	106.1
Order books in industry of customer countries	balance/s.a.-3mma	-	-20.4	-	-	-27.0	-21.8	-14.6	-25.8	-23.9	-21.8	-19.6	-17.9	-14.6	-11.9
Consumer confidence indicator in EU	balance/s.a.-3mma	-22.8	-12.8	-14.9	-13.4	-14.0	-12.2	-11.5	-14.5	-13.3	-12.2	-11.4	-11.4	-11.5	-11.9
Unemployment rate in EU	s.a.%	8.9	9.6	9.4	9.6	9.6	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.	0.3	1.6	0.4	1.1	1.5	1.7	2.0	1.7	1.6	1.8	1.9	1.9	2.2	2.4
Production price index of supplying countries	y.r./3-mma	-5.2	3.6	-2.5	2.2	4.1	3.7	4.6	4.0	3.6	3.7	3.8	4.1	4.6	-
Crude oil price (Brent)	Euros	43.9	60.3	50.5	55.1	61.7	60.1	64.2	59.5	60.7	60.1	60.2	62.8	69.6	73.1
Crude oil price (Brent)	y.r.	-33.2	37.4	21.3	61.0	43.1	26.1	27.2	29.6	19.4	30.0	22.3	22.2	36.9	36.7
<b>Economic activity</b>															
GDP	y.r.	-2.5	1.4	-1.0	1.7	1.4	1.3	1.2	n.d.						
Economic climate indicator	balance/3-mma	-1.5	-0.4	-0.4	-0.5	0.1	0.0	-1.0	0.0	0.0	0.0	-0.2	-0.5	-1.0	-1.2
Economic activity indicator	3-mma	-2.6	-	-1.6	0.3	1.9	2.1	1.6	2.2	2.4	2.1	1.8	1.6	1.6	-
Total turnover index	y.r./3-mma	-12.6	4.3	-6.1	4.1	6.2	3.3	3.7	5.1	4.5	3.3	2.9	2.6	3.7	-
Manufacturing industry production index	s.a.y.r./3-mma	-9.9	2.2	-3.9	5.9	3.0	-0.2	0.3	2.8	1.7	-0.2	-0.6	-0.8	0.3	-
Production index in construction	s.a.y.r./3-mma	-6.6	-8.5	-9.2	-8.2	-8.1	-7.9	-9.8	-8.1	-7.7	-7.9	-9.0	-10.9	-9.8	-
Retail trade turnover index (real)	y.r./3-mma	-1.9	-0.5	0.2	0.7	0.3	-0.7	-2.2	0.2	-0.6	-0.7	-0.9	-2.4	-2.2	-
Sales of passenger vehicles	y.r./3-mma	-24.5	38.8	-6.1	69.5	48.6	16.0	29.1	41.5	33.2	16.0	9.0	11.7	29.1	26.2
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-38.5	-40.8	-30.0	-35.4	-40.1	-37.4	-50.2	-42.0	-40.4	-37.4	-40.0	-44.9	-50.2	-50.6
Quantitative indicator of private consumption	y.r./3-mma	0.1	3.3	1.6	3.9	4.3	2.6	2.4	3.6	3.2	2.6	2.4	1.9	2.4	-
Indicator of non-durable consumer goods	y.r./3-mma	1.8	2.3	2.4	2.4	2.7	2.4	1.6	2.3	2.3	2.4	2.4	1.8	1.6	-
Indicator of durable consumer goods	y.r./3-mma	-14.1	13.3	-4.9	18.6	19.0	4.8	10.6	15.7	11.9	4.8	2.2	2.5	10.6	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-25.5	-	-12.8	39.1	41.0	17.3	-	35.7	31.0	17.3	10.9	12.5	-	-
<b>Investment</b>															
GFCF indicator		-10.2	-2.3	-8.7	-2.8	-1.2	-2.8	-2.4	-1.2	-1.4	-2.8	-3.1	-3.7	-2.4	-
Cement sales	y.r./3-mma	-16.3	-6.8	-16.4	-8.7	-6.4	-5.1	-7.3	-5.1	-5.1	-5.1	-5.9	-8.2	-7.3	-
Sales of steel for concrete	y.r./3-mma	-16.3	-14.3	-6.3	1.9	-28.4	-19.8	-7.7	-26.2	-15.8	-19.8	-22.7	-16.1	-7.7	-
Credit for purchase of habitation	y.r./stocks	5.1	-	5.1	5.5	5.5	5.1	-	5.4	5.2	5.1	4.8	4.6	-	-
Licenses for construction of new habitations	y.r./3-mma	-28.4	-8.1	-13.7	-6.2	-3.2	-10.7	-12.6	-8.9	-8.9	-10.7	-4.7	-10.1	-12.6	-
Machinery and equipment indicator		-3.3	-3.0	-1.5	-2.3	-2.3	-4.1	-3.3	-3.8	-3.4	-4.1	-3.5	-3.1	-3.3	-4.3
Sales of light commercial vehicles	y.r./3-mma	-29.8	17.5	-16.9	19.4	29.3	11.9	11.4	28.0	23.0	11.9	8.4	4.2	11.4	5.9
Sales of new heavy commercial vehicles	y.r./3-mma	-40.7	-6.5	-50.4	-36.0	-3.2	-9.9	45.7	-6.7	0.3	-9.9	-11.3	8.1	45.7	70.6
<b>External demand</b>															
External demand indicator in value	s.a.y.r./3-mma	-21.5	-	-10.7	9.2	21.9	19.5	-	24.0	23.3	19.5	17.8	15.8	-	-
External order books	balance/3-mma	-53.4	-28.7	-40.3	-33.7	-33.1	-22.5	-25.5	-32.8	-27.5	-22.5	-22.3	-22.5	-25.5	-23.8
Exports of merchandises in value	y.r./3-mma	-18.4	15.7	-3.5	14.8	17.3	15.1	15.8	14.3	15.1	15.1	15.5	13.4	15.8	-
Imports of merchandises in value	y.r./3-mma	-20.0	10.5	-9.1	8.3	18.7	5.2	10.3	13.6	13.2	5.2	8.4	5.5	10.3	-
<b>Labour market</b>															
Unemployment rate	%	9.5	10.8	10.1	10.6	10.6	10.9	11.1	n.a.						
Employment	y.r.	-2.8	-1.5	-3.0	-1.8	-1.7	-1.1	-1.5	n.d.						
Unemployed registration along the month	s.a.y.r./3-mma	18.5	-5.9	0.4	-3.2	-10.2	-5.3	-4.6	-11.4	-9.2	-5.3	-5.0	-5.9	-4.6	-
Unemployment expectations	balance/3-mma	64.1	56.4	54.3	56.0	54.9	52.5	62.3	56.6	55.5	52.5	53.7	57.1	62.3	63.3
Vacancies along the month	s.a.y.r./3-mma	-3.3	3.9	-8.7	17.2	17.9	-0.9	-14.4	7.9	1.2	-0.9	-7.0	-13.6	-14.4	-
Employment indicator (short-term statistics)	y.r./3-mma	-3.3	-2.9	-4.5	-4.4	-3.3	-2.1	-1.7	-2.8	-2.4	-2.1	-1.9	-1.8	-1.7	-1.5
Average declared wages	s.a.y.r./3-mma	3.6	3.0	3.3	3.3	4.2	2.3	2.2	3.7	1.9	2.3	2.6	2.6	2.2	-
Wage negotiation	a.v./3-mma/wr.	2.9	-	2.5	1.9	2.9	1.6	-	2.7	2.8	1.6	3.1	-	-	-
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	-0.8	1.4	-0.7	0.3	1.0	1.9	2.4	1.8	1.9	1.9	2.3	2.3	2.5	3.6
Core inflation indicator	y.r.	0.4	0.3	-0.3	-0.5	-0.1	0.7	1.0	0.6	0.8	0.6	0.9	1.1	0.9	2.1
Consumer price index - goods	y.r.	-2.3	1.7	-1.9	-0.1	1.2	2.5	3.2	2.4	2.5	2.6	3.2	3.0	3.4	4.3
Consumer price index - services	y.r.	1.7	1.0	1.2	0.9	0.7	1.2	1.1	1.2	1.1	1.1	1.1	1.2	1.2	2.5
Manufacturing industry production price index	y.r./3-mma	-5.6	3.5	-2.9	2.0	4.1	3.7	4.3	4.0	3.6	3.7	3.8	4.1	4.3	4.7
Effective exchange rate index for Portugal	y.r.	0.4	-1.7	1.6	-0.3	-1.9	-2.3	-2.2	-2.2	-2.3	-2.5	-1.9	-2.1	-2.4	-
Exchange rate euro/USD	y.r.	-5.0	-4.7	12.3	6.2	-6.6	-9.7	-8.1	-9.4	-9.6	-10.3	-6.2	-8.4	-9.5	-6.4
Exchange rate USD/euro	USD	1.393	1.327	1.478	1.384	1.273	1.291	1.359	1.277	1.289	1.307	1.390	1.366	1.322	1.336
Exchange rate euro/JPY	y.r.	-13.6	-10.7	5.1	3.1	-11.6	-17.3	-15.5	-16.0	-18.7	-17.2	-15.1	-15.3	-16.1	-15.3