

20th February, 2008

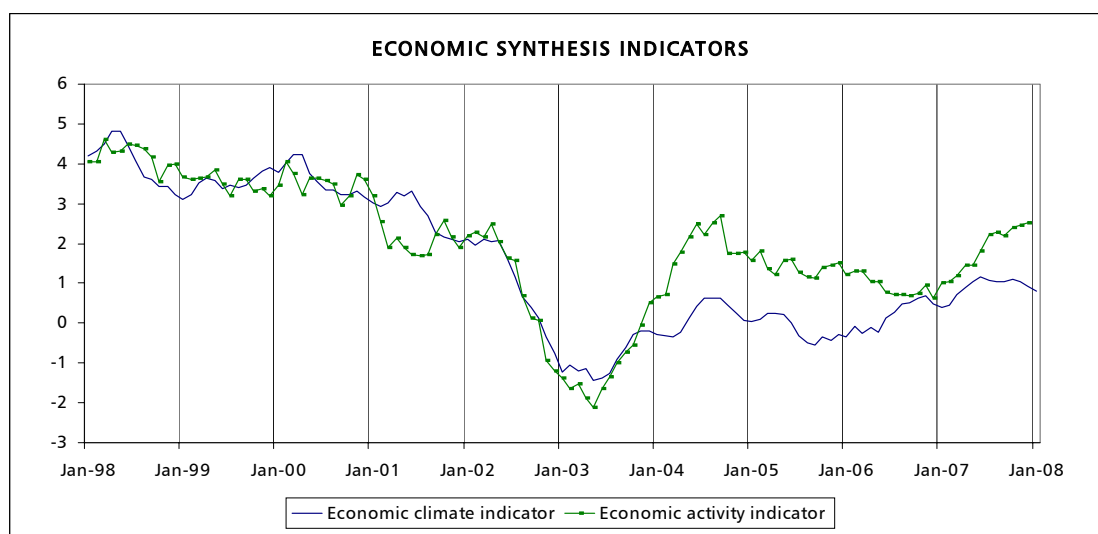
Monthly Economic Survey January 2008

GDP accelerates in the fourth quarter mainly due to a more dynamic investment. Exports continued to slowdown.

The available information on the external economic background continues to show negative signs. According to the Eurostat flash estimate, the GDP in the Euro Area slowed down in the 4th quarter, from 2.7% to 2.3%, and the same has happened in the UK, USA and Japan. In January 2008, the Euro Area economic sentiment and consumer confidence indicators diminished for the sixth consecutive month.

On the domestic side, according to the first estimate, the GDP increased, in year-on-year terms, 2.0% in the 4th quarter of 2007, more 0.3 p.p. than in the 3rd quarter. This evolution reflected a stronger domestic demand, mainly due to investment, while the external demand negative contribution increased, mainly as a result of the exports. The acceleration of investment was mainly determined by the contribution of the construction component and by the intense growth of transport material. The economic activity indicator recovered in the 4th quarter, although showing a stabilization in December. The turnover and production indices revealed higher year-on-year growth rates in the 4th quarter and in December. However, the economic climate indicator diminished slightly in the 4th quarter and in January 2008, reaching the lowest value of the last ten months. In the 4th quarter, employment rose 0.9% compared to the same quarter of 2006, more 0.7 p.p. than in the previous quarter. The unemployment rate in the 4th quarter was 7.8%, 0.4 p.p. less than in the 4th quarter of 2006.

Year-on-year inflation accelerated, from 2.7% in December to 2.9% in January, due to the services price index.



Report based on information available up to February 19, 2008.

Next report will be released on March 19, 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 2006	Year 2007	Quarter 4 2006	Quarter 1 2007	Quarter 2 2007	Quarter 3 2007	Quarter 4 2007	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
International background															
GDP of customer countries	s.a/y.r.	3.1	2.9	3.3	3.2	2.8	3.0	2.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a/y.r.	3.1	2.9	3.5	3.4	2.8	3.0	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	2.9	2.7	3.2	3.2	2.5	2.7	2.3	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	3.3	-	3.6	3.0	2.4	2.8	-	2.4	2.6	2.8	2.9	2.6	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	107.5	110.8	111.0	111.2	113.6	111.4	107.1	113.5	112.9	111.4	110.3	108.4	107.1	105.2
Economic Sentiment Indicator in EA	ind/s.a.-3mma	106.3	108.4	109.3	109.4	111.0	108.7	104.3	111.0	110.3	108.7	107.0	105.3	104.3	103.1
Order books in industry of EU	balance/s.a.-3mma	-3.4	3.9	2.7	4.3	6.3	3.9	1.0	5.3	4.9	3.9	3.1	2.0	1.0	0.4
Consumer confidence indicator in EU	balance/s.a.-3mma	-7.6	-4.2	-6.2	-5.0	-2.5	-3.1	-6.2	-1.7	-2.2	-3.1	-4.1	-5.3	-6.2	-7.9
Unemployment rate in EU	s.a/%	8.2	7.1	7.7	7.4	7.2	7.0	6.9	7.1	7.0	7.0	6.9	6.9	6.8	-
Harmonised index of consumer price in EA	y.r.	2.2	2.1	1.8	1.9	1.9	1.9	2.9	1.8	1.7	2.1	2.6	3.1	3.1	-
Production price index of supplying countries	y.r./3-mma	4.2	3.1	3.2	2.7	2.6	2.6	4.5	2.5	2.5	2.6	3.2	4.0	4.5	-
Crude oil price (Brent)	y.r.	18.2	1.4	-3.4	-14.2	-8.1	-0.2	32.1	-3.4	-9.1	14.1	26.3	38.0	32.0	51.7
Economic activity															
GDP	y.r.	1.3	1.9	1.5	2.0	1.9	1.7	2.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	0.2	1.0	0.5	0.7	1.2	1.0	0.9	1.1	1.0	1.0	1.1	1.1	0.9	0.8
Economic activity indicator	3-mma	0.9	-	0.6	1.2	1.8	2.2	2.5	2.2	2.3	2.2	2.4	2.5	2.5	-
Total turnover index	y.r./3-mma	2.6	4.6	2.7	4.8	4.1	4.2	5.3	4.2	4.9	4.2	4.6	4.6	5.3	-
Manufacturing industry production index	y.r./3-mma	2.3	3.4	2.5	4.7	3.6	2.2	3.2	2.6	2.0	2.2	3.4	2.8	3.2	-
Production index in construction	y.r./3-mma	-6.6	-3.6	-7.2	-6.8	-4.7	-2.6	0.1	-3.7	-2.7	-2.6	-2.3	-2.4	0.1	-
Retail trade turnover index (real)	y.r./3-mma	1.2	0.6	1.1	1.7	0.1	0.5	0.1	0.7	1.5	0.5	0.7	0.4	0.1	-
Sales of passenger vehicles	y.r./3-mma	-5.8	3.7	-7.3	-4.8	0.4	11.9	10.1	9.5	11.4	11.9	5.4	7.7	10.1	10.0
Consumption															
Consumer confidence indicator	balance/3-mma	-34.2	-35.2	-31.0	-33.2	-32.9	-35.5	-39.2	-33.2	-34.6	-35.5	-36.8	-37.9	-39.2	-41.4
Quantitative indicator of consumption	y.r./3-mma	1.4	2.2	1.3	1.9	2.4	2.0	2.4	2.6	3.0	2.0	2.1	2.0	2.4	-
Indicator of non-durable consumer goods	y.r./3-mma	1.5	1.7	1.3	1.9	1.4	1.6	1.7	1.7	2.1	1.6	1.4	1.5	1.7	-
Indicator of durable consumer goods	y.r./3-mma	0.8	5.8	1.2	1.7	9.5	5.2	6.9	8.7	9.8	5.2	6.9	5.7	6.9	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-3.0	6.4	-2.8	-0.3	14.5	4.1	6.5	11.7	13.0	4.1	7.3	4.8	6.5	-
Investment															
GFCF indicator		-3.0	3.5	-5.8	0.0	0.6	2.6	11.0	7.8	7.9	2.6	1.0	4.2	11.0	-
Cement sales	y.r./3-mma	-7.6	-	-8.4	-1.9	-2.3	2.0	-	0.0	1.0	2.0	4.6	8.2	-	-
Sales of steel for concrete	y.r./3-mma	5.9	-	-11.5	-6.9	-3.9	-9.9	-	-8.0	-4.2	-9.9	-16.1	-15.8	-	-
Credit for purchase of habitation	y.r./stocks	15.6	-	15.6	9.6	9.0	9.8	-	8.0	8.2	9.8	9.9	9.6	-	-
Licenses for construction of new habitations	y.r./3-mma	-6.8	-8.0	-13.3	-8.9	-11.9	-4.9	-5.7	-8.3	-6.2	-4.9	-6.8	-6.1	-5.7	-
Machinery and equipment indicator		2.7	4.6	3.8	4.1	4.0	5.1	5.0	4.4	4.6	5.1	5.2	5.4	5.0	4.6
Sales of light commercial vehicles	y.r./3-mma	-7.3	6.3	-1.0	1.5	48.0	-17.5	-7.9	38.8	30.0	-17.5	-15.3	-12.8	-7.9	-10.4
Sales of new heavy commercial vehicles	y.r./3-mma	12.9	6.2	-31.9	2.7	-9.0	-19.8	92.9	80.5	56.6	-19.8	-11.8	2.9	92.9	53.8
External demand															
External demand indicator in value	s.a/y.r./3-mma	12.3	-	8.5	4.0	2.3	5.0	-	3.4	4.6	5.0	4.3	4.2	-	-
External order books	balance/3-mma	-14.4	-3.6	-10.7	-7.0	-2.0	-1.3	-4.0	0.7	0.0	-1.3	-1.3	-2.0	-4.0	-8.0
Exports of merchandises in value	y.r./3-mma	12.4	8.0	12.7	13.3	9.6	6.0	3.5	8.3	7.7	6.0	5.0	4.9	3.5	-
Imports of merchandises in value	y.r./3-mma	8.1	6.3	5.7	3.0	5.9	6.7	9.4	5.3	5.6	6.7	7.1	9.2	9.4	-
Labour market															
Unemployment rate	%	7.7	8.0	8.2	8.4	7.9	7.9	7.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.7	0.2	0.2	0.2	-0.5	0.2	0.9	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	1.2	-6.5	2.6	-5.3	-3.8	-6.1	-10.7	-2.8	-2.3	-6.1	-6.8	-9.7	-10.7	-10.9
Unemployment expectations	balance/3-mma	43.8	42.2	39.3	40.5	40.4	42.7	45.3	40.6	42.1	42.7	44.0	44.7	45.3	46.6
Vacancies along the month	s.a/y.r./3-mma	3.6	13.7	-0.1	15.1	3.0	11.4	25.7	4.9	11.5	11.4	19.5	19.5	25.7	15.9
Employment indicator (short-term statistics)	y.r./3-mma	-1.9	-0.3	-1.9	-1.1	-0.8	-0.1	0.6	-0.6	-0.3	-0.1	0.1	0.3	0.6	-
Wage negotiation	av/3-mma/qw.	2.8	2.9	2.6	2.5	2.9	2.9	3.2	2.9	2.9	2.9	2.7	2.6	3.2	3.6
Prices and exchange rates															
Consumer price index	y.r.	3.1	2.5	2.5	2.4	2.5	2.2	2.7	2.4	2.1	2.1	2.6	2.8	2.7	2.9
Core inflation indicator	y.r.	2.0	2.0	1.9	1.6	1.9	2.0	2.2	2.3	2.0	1.7	2.2	2.2	2.3	2.5
Consumer price index - goods	y.r.	3.2	2.2	2.5	2.3	2.3	1.8	2.5	2.0	1.5	1.7	2.4	2.7	2.5	2.5
Consumer price index - services	y.r.	2.9	2.9	2.6	2.6	3.1	2.9	3.0	3.0	3.0	2.8	2.9	3.0	3.0	3.4
Manufacturing industry production price index	y.r./3-mma	4.6	2.5	2.8	1.5	1.6	1.7	5.2	1.5	1.6	1.7	2.5	3.9	5.2	6.2
Exchange rate euro/USD	y.r.	0.9	9.1	8.5	9.0	7.3	7.9	12.4	8.1	6.3	9.2	12.8	14.0	10.3	13.2
Exchange rate euro/JPY	y.r.	6.6	10.4	8.9	11.3	13.2	9.3	7.9	13.7	7.1	7.3	10.2	7.8	5.6	1.4