

19<sup>th</sup> March, 2008

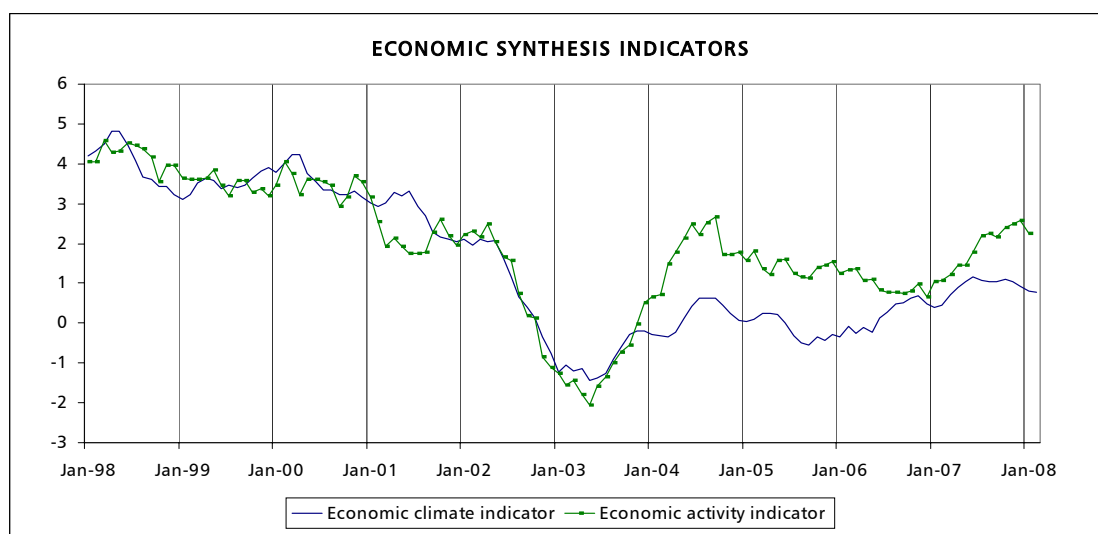
## Monthly Economic Survey February 2008

### Stabilization of the consumption indicator and strong deceleration of the investment indicator. Exports continue to slow down.

In February the Euro Area economic sentiment and the consumer confidence indicators maintained the downward movement of the six previous months.

On the domestic side, the information already available for January and February points to a deceleration of the economic activity, after the 2.0% GDP growth observed in the 4th quarter 2007 (0.3 percentage points more than in the previous quarter). The economic climate indicator stabilized in February, after diminishing in the two previous months, and the economic activity indicator decelerated in January. The investment indicator points to a significant deceleration of this variable, due to the negative behaviour of all its components. The slowdown signs are less evident for private consumption. In January the consumption indicator remained at the same level of the previous month. In the first two months of the year it was observed simultaneously the maintenance of the downward trend in the consumer confidence indicator and high year-on-year growth rates in the sales of passenger vehicles. Most of the supply side indicators point to a deceleration of the economic activity with the turnover and production indices presenting lower year-on-year change rates than in December. In nominal terms, a slight acceleration of imports (0.5 p.p.) and a deceleration of exports (-1.2 p.p.) were observed in January.

Year-on-year inflation stabilized in 2.9% in February. Inflation, considering the HIPC, has been below the Euro Area level since September.



Report based on information available up to March 18, 2008.

*Next report will be released on April 17, 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	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08
<b>International background</b>															
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.	3.0	2.9	3.4	3.3	2.7	2.9	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	2.8	2.6	3.2	3.1	2.4	2.6	2.2	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	2.5	3.6	3.1	2.3	2.6	2.0	2.5	2.6	2.8	2.5	2.0	1.8	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	107.5	110.8	111.0	111.2	113.6	111.4	107.1	112.9	111.4	110.3	108.4	107.1	105.2	103.1
Economic Sentiment Indicator in EA	ind/s.a.-3mma	106.3	108.4	109.3	109.4	111.0	108.7	104.3	110.3	108.7	107.0	105.3	104.3	103.1	101.7
Order books in industry of EU	balance/s.a.-3mma	-3.4	3.9	2.7	4.3	6.3	3.9	1.0	4.9	3.9	3.1	2.0	1.0	0.3	-1.1
Consumer confidence indicator in EU	balance/s.a.-3mma	-7.6	-4.2	-6.2	-5.0	-2.5	-3.1	-6.2	-2.2	-3.1	-4.1	-5.3	-6.2	-7.9	-9.2
Unemployment rate in EU	s.a/%	8.2	7.1	7.7	7.4	7.2	7.0	6.9	7.0	7.0	6.9	6.9	6.8	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	1.7	2.1	2.6	3.1	3.1	3.2	3.3
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	2.6	3.2	4.0	4.5	5.0	-
Crude oil price (Brent)	y.r.	18.2	1.4	-3.4	-14.2	-8.1	-0.2	32.1	-9.1	14.1	26.3	38.0	32.0	51.7	46.3
<b>Economic activity</b>															
GDP	y.r.	1.3	1.9	1.6	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	1.0	1.0	1.1	1.1	0.9	0.8	0.8
Economic activity indicator	3-mma	0.9	1.9	0.7	1.2	1.8	2.2	2.6	2.3	2.2	2.4	2.5	2.6	2.3	-
Total turnover index	y.r./3-mma	2.6	4.7	2.7	4.8	4.1	4.2	5.8	4.9	4.2	4.6	4.7	5.8	5.0	-
Manufacturing industry production index	y.r./3-mma	2.3	3.4	2.5	4.7	3.6	2.2	3.3	2.0	2.2	3.4	2.8	3.3	1.2	-
Production index in construction	y.r./3-mma	-6.6	-3.6	-7.2	-6.8	-4.7	-2.6	0.1	-2.7	-2.6	-2.3	-2.4	0.1	-0.6	-
Retail trade turnover index (real)	y.r./3-mma	1.2	0.6	1.1	1.7	0.1	0.5	0.2	1.5	0.5	0.7	0.3	0.2	0.4	-
Sales of passenger vehicles	y.r./3-mma	-5.8	3.7	-7.3	-4.8	0.4	11.9	10.1	11.4	11.9	5.4	7.7	10.1	10.0	15.0
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-34.2	-35.2	-31.0	-33.2	-32.9	-35.5	-39.2	-34.6	-35.5	-36.8	-37.9	-39.2	-41.4	-42.5
Quantitative indicator of private consumption	y.r./3-mma	1.4	2.1	1.3	1.9	2.4	2.0	2.3	3.0	2.0	2.1	2.0	2.3	2.3	-
Indicator of non-durable consumer goods	y.r./3-mma	1.5	1.7	1.3	1.9	1.4	1.6	1.8	2.1	1.6	1.4	1.5	1.8	1.7	-
Indicator of durable consumer goods	y.r./3-mma	0.8	5.8	1.2	1.7	9.5	5.2	6.7	9.8	5.2	6.9	5.6	6.7	6.8	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-3.0	6.4	-2.8	-0.3	14.5	4.1	6.5	13.0	4.1	7.3	4.8	6.5	7.5	-
<b>Investment</b>															
GFCF indicator		-3.0	3.5	-5.7	0.0	0.6	2.6	10.8	7.9	2.6	1.0	4.3	10.8	5.0	-
Cement sales	y.r./3-mma	-7.6	2.1	-8.4	-1.9	-2.3	2.0	12.0	1.0	2.0	4.6	8.2	12.0	-	-
Sales of steel for concrete	y.r./3-mma	5.9	-5.9	-11.5	-3.9	-9.9	-9.9	-2.9	-4.2	-9.9	-16.1	-18.0	-2.9	-	-
Credit for purchase of habitation	y.r./stocks	15.6	9.8	15.6	9.6	9.0	9.8	9.8	8.2	9.8	9.9	9.6	9.8	-	-
Licenses for construction of new habitations	y.r./3-mma	-6.8	-7.9	-13.3	-8.9	-11.7	-5.0	-5.2	-6.2	-5.0	-6.8	-6.1	-5.2	-10.6	-
Machinery and equipment indicator		2.7	4.6	3.8	4.1	4.0	5.1	5.0	4.6	5.1	5.2	5.4	5.0	4.6	4.3
Sales of light commercial vehicles	y.r./3-mma	-7.3	6.3	-1.0	1.5	48.0	-17.5	-7.9	30.0	-17.5	-15.3	-12.8	-7.9	-10.4	-11.0
Sales of new heavy commercial vehicles	y.r./3-mma	12.9	6.2	-31.9	2.7	-9.0	-19.8	92.9	56.6	-19.8	-11.8	2.9	92.9	53.8	26.4
<b>External demand</b>															
External demand indicator in value	s.a/y.r./3-mma	12.1	3.9	8.3	4.2	2.6	5.1	3.8	4.9	5.1	4.5	4.0	3.8	-	-
External order books	balance/3-mma	-14.4	-3.6	-10.7	-7.0	-2.0	-1.3	-4.0	0.0	-1.3	-1.3	-2.0	-4.0	-8.0	-9.7
Exports of merchandises in value	y.r./3-mma	12.4	8.4	12.7	13.5	9.8	6.2	4.3	7.8	6.2	5.4	5.5	4.3	3.1	-
Imports of merchandises in value	y.r./3-mma	8.1	6.9	5.7	3.4	6.3	7.1	10.6	6.0	7.1	7.4	9.7	10.6	11.1	-
<b>Labour market</b>															
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	-2.3	-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	42.1	42.7	44.0	44.7	45.3	46.6	47.8
Vacancies along the month	s.a/y.r./3-mma	3.6	13.7	-0.1	15.1	3.0	11.4	25.7	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	0.7	-0.3	-0.1	0.1	0.4	0.7	0.8	-
Wage negotiation	av/3-mma/w.	2.8	2.9	2.6	2.5	2.9	2.9	3.2	2.9	2.9	2.7	2.6	3.2	3.6	3.4
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	3.1	2.5	2.5	2.4	2.5	2.2	2.7	2.1	2.1	2.6	2.8	2.7	2.9	2.9
Core inflation indicator	y.r.	2.0	1.9	1.9	1.6	1.9	2.0	2.2	2.0	1.7	2.2	2.2	2.3	2.4	2.5
Consumer price index - goods	y.r.	3.2	2.2	2.5	2.3	2.3	1.8	2.5	1.5	1.7	2.4	2.7	2.5	2.5	2.6
Consumer price index - services	y.r.	2.9	2.9	2.6	2.6	3.1	2.9	3.0	3.0	2.8	2.9	3.0	3.0	3.4	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	1.6	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	6.3	9.2	12.8	14.0	10.3	13.2	12.8
Exchange rate euro/JPY	y.r.	6.6	10.4	8.9	11.3	13.2	9.3	7.9	7.1	7.3	10.2	7.8	5.6	1.4	0.2