

30th July, 2008

Business and Consumer Surveys

July 2008

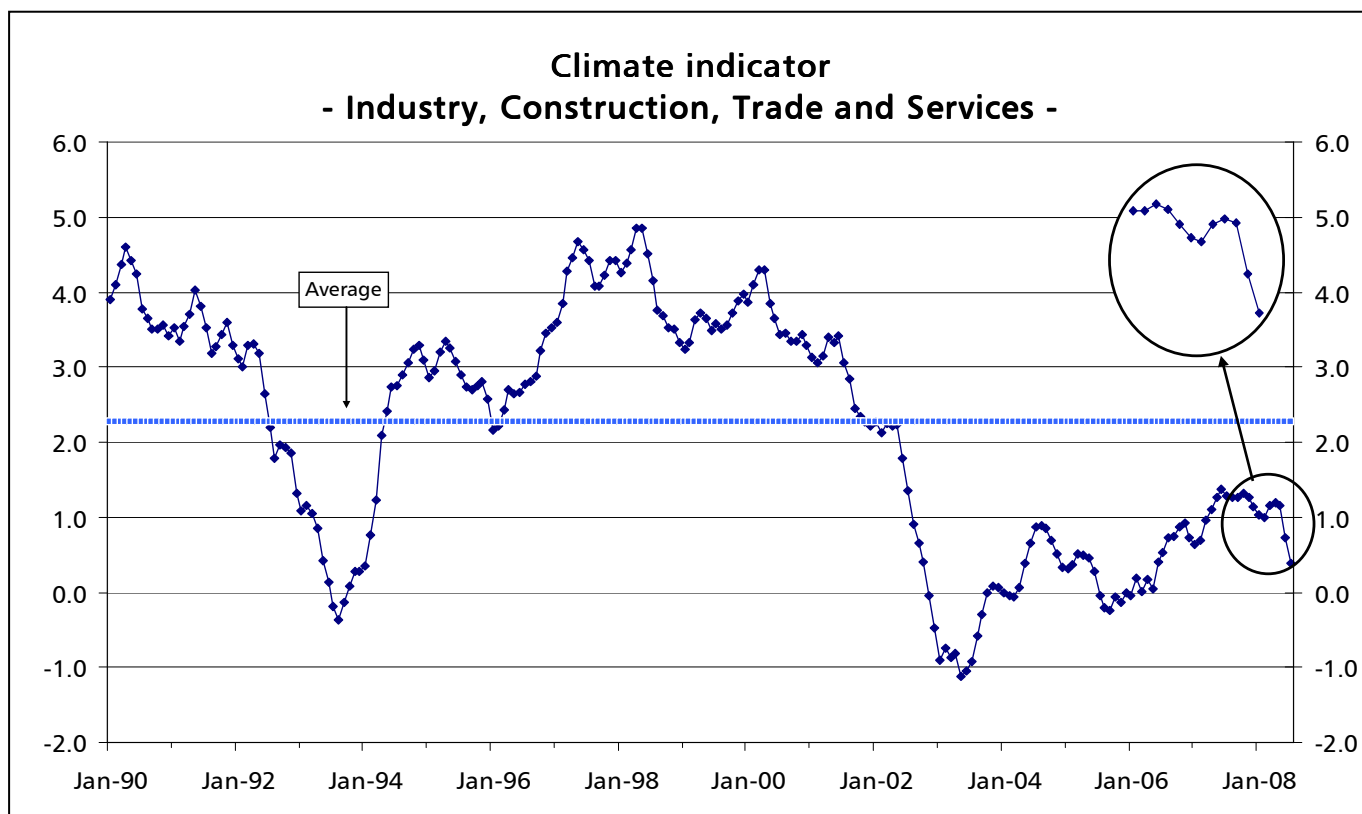
Economic climate and Consumer confidence indicators maintained the downward movement

The economic climate indicator maintained in July the negative evolution observed in the previous month. In July, similarly to what had happened in June, the confidence indicators for all the sectors registered negative evolutions.

The Consumer confidence indicator accentuated further its downward trend, mainly reflecting a higher pessimism about the perspectives on the country's economic situation.

In Manufacturing Industry¹, the confidence indicator declined in the last five months, recording the lowest value since June 2006. The negative evolution observed in this month was driven by the increase in the balance of the opinions on the stocks of finished goods and by the decrease in the balance of the opinions on global demand, as the production perspectives slightly recovered. In Construction and Public Works, the confidence indicator accentuated further the downward movement of the last month. In July the negative evolution of this indicator was due to both components (order books and employment perspectives). In Trade, the confidence indicator recorded a downward movement in the last four months, attaining the minimum value since November 2005. The evolution observed in July was led by the decline registered in both subsectors, but more intensely in Retail. In Services, contrary to its former upward trend, the respective confidence indicator diminished in the last two months, attaining the lowest value since February 2007. The evolution in this month was due to the decrease in all the indicator's components, but more intense in the opinions on the order books evolution and on current demand.

In July, the negative evolution of the Consumer confidence indicator was led by the negative behaviour of all the components, except for the savings perspectives that have slightly recovered. The perspectives on the country's economic situation registered the higher negative contribution, similarly to what had happened in June. In July, this variable, and also the perspectives on the household's financial situation, registered the minimum value of the series.



¹ Unless stated otherwise, the analysis in this press release refers to three-month moving average.

Confidence indicators and their underlying series (3mma; balances; wide range)

	First Period	Average Value	Standard Deviation	Minimum Value	Date	Maximum Value	Date
1 Manufacturing Industry - confidence indicator (2+3-4)/3 (a)	<i>Jan-89</i>	-5.2	6.9	-27.5	<i>Jul-93</i>	7.9	<i>Jan-89</i>
2 Demand/Order books (a)	<i>Jan-89</i>	-15.8	11.1	-27.5	<i>Jul-93</i>	5.3	<i>Mar-98</i>
3 Production expectations over the next 3 months (a)	<i>Jan-89</i>	7.7	7.5	-10.8	<i>Jul-93</i>	25.1	<i>Mar-97</i>
4 Stocks of finished goods (a)	<i>Jan-89</i>	7.5	5.1	-3.5	<i>Dec-94</i>	24.9	<i>Jul-93</i>
5 Services - confidence indicator (6+7+8)/3 (d)	<i>Apr-01</i>	3.3	7.1	-13.5	<i>Jun-03</i>	21.9	<i>Jun-01</i>
6 Assessment of the business situation over the past 3 months** (d)	<i>Apr-01</i>	-2.0	8.6	-17.5	<i>Jul-03</i>	22.4	<i>Jun-01</i>
7 Demand perspectives over the next 3 months (d)	<i>Apr-01</i>	11.3	5.2	-2.6	<i>Jun-03</i>	20.9	<i>May-04</i>
8 Demand/Order books over the past 3 months (d)	<i>Apr-01</i>	0.5	9.9	-21.8	<i>Jun-03</i>	24.2	<i>May-01</i>
9 Trade - confidence indicator (12+15-18)/3 (b)	<i>Jan-89</i>	-0.1	6.8	-13.2	<i>Sep-05</i>	12.2	<i>Jan-89</i>
10 -Wholesale (b)	<i>Jan-89</i>	2.5	6.6	-19.6	<i>Dec-92</i>	20.0	<i>Nov-90</i>
11 -Retail trade (b)	<i>Jan-89</i>	-1.5	8.1	-18.6	<i>Sep-05</i>	12.1	<i>Nov-98</i>
12 Present business situation (b)	<i>Jan-89</i>	-5.7	12.6	-27.0	<i>May-03</i>	22.0	<i>Jan-89</i>
13 - Wholesale (b)	<i>Jan-89</i>	-4.6	11.2	-27.4	<i>May-03</i>	36.3	<i>Apr-90</i>
14 - Retail trade (b)	<i>Jan-89</i>	-8.0	15.7	-36.8	<i>Jul-08</i>	23.9	<i>Dec-92</i>
15 Expected business situation over the next 3 months*** (b)	<i>Jan-89</i>	15.7	10.8	-8.4	<i>Aug-05</i>	32.6	<i>Apr-90</i>
16 - Wholesale (b)	<i>Jan-89</i>	15.0	11.8	-35.9	<i>Dec-92</i>	51.8	<i>Nov-89</i>
17 - Retail trade (b)	<i>Jan-89</i>	18.4	13.3	-15.0	<i>Aug-05</i>	42.0	<i>Jun-93</i>
18 Volume of Stocks (b)	<i>Jan-89</i>	10.3	5.0	0.5	<i>Dec-02</i>	25.1	<i>Aug-90</i>
19 - Wholesale (b)	<i>Jan-89</i>	2.9	6.7	-26.6	<i>Aug-92</i>	29.1	<i>Oct-89</i>
20 - Retail trade (b)	<i>Jan-89</i>	14.9	7.5	1.3	<i>Dec-03</i>	49.3	<i>Aug-90</i>
21 Construction and Public Works - confidence indicator (22+23)/2 (b)	<i>Feb-91</i>	-25.5	16.0	-54.3	<i>Apr-03</i>	5.2	<i>Sep-97</i>
22 Current order books (b)	<i>Feb-91</i>	-41.2	18.0	-71.3	<i>May-03</i>	0.3	<i>Nov-97</i>
23 Employment perspectives over the next 3 months (b)	<i>Feb-91</i>	-9.8	14.9	-43.8	<i>Jan-03</i>	16.2	<i>Apr-97</i>
24 Consumers - Confidence indicator (25+26-27+28)/4 (c)	<i>Jun-86</i>	-22.2	12.2	-47.2	<i>Jul-08</i>	-2.0	<i>Nov-87</i>
25 Financial situation of the Households over the next 12 months (c)	<i>Jun-86</i>	-7.7	8.9	-31.2	<i>Jul-08</i>	8.6	<i>Jan-92</i>
26 General economic situation in the country over the next 12 months (c)	<i>Jun-86</i>	-15.0	14.8	-50.2	<i>Jul-08</i>	12.3	<i>Oct-87</i>
27 Unemployment over the next 12 months (c)	<i>Jun-86</i>	30.9	19.6	-1.3	<i>Jun-90</i>	67.1	<i>Apr-03</i>
28 Savings over the next 12 months (c)	<i>Jun-86</i>	-35.3	10.3	-59.4	<i>Dec-07</i>	-16.3	<i>Dec-87</i>
29 Economic climate indicator ****	<i>Jan-89</i>	2.3	1.6	-1.1	<i>May-03</i>	5.0	<i>Jan-89</i>
	Jul-07	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08
1 Manufacturing Industry - confidence indicator (2+3-4)/3 (a)	-2.0	-1.6	-2.0	-3.1	-5.6	-7.9	-8.8
2 Demand/Order books (a)	-4.3	-12.0	-14.0	-9.0	-16.0	-23.7	-25.0
3 Production expectations over the next 3 months (a)	2.3	6.0	6.7	4.3	5.7	5.3	5.7
4 Stocks of finished goods (a)	4.0	-1.3	-1.3	4.7	6.3	5.3	7.0
5 Services - confidence indicator (6+7+8)/3 (d)	8.8	8.8	9.4	10.2	10.7	8.8	6.6
6 Assessment of the business situation over the past 3 months** (d)	3.6	3.0	0.8	2.4	2.9	4.8	1.7
7 Demand perspectives over the next 3 months (d)	13.5	10.4	14.6	16.5	18.1	15.1	14.7
8 Demand/Order books over the past 3 months (d)	9.3	13.1	12.8	11.8	11.2	6.6	3.4
9 Trade - confidence indicator (12+15-18)/3 (b)	-7.6	-6.5	-5.9	-6.0	-6.8	-9.4	-11.3
10 -Wholesale (b)	-2.5	-5.3	-3.1	-2.0	-2.8	-5.2	-6.5
11 -Retail trade (b)	-13.9	-7.9	-9.4	-11.0	-11.7	-14.6	-17.3
12 Present business situation (b)	-19.3	-17.4	-18.3	-19.5	-20.6	-22.8	-25.3
13 - Wholesale (b)	-9.9	-11.6	-8.7	-9.7	-11.3	-14.9	-16.1
14 - Retail trade (b)	-30.9	-24.5	-29.9	-31.7	-32.3	-32.7	-36.8
15 Expected business situation over the next 3 months*** (b)	3.9	3.0	6.1	7.3	7.9	3.0	-0.3
16 - Wholesale (b)	5.6	1.2	4.9	5.6	6.5	4.5	3.2
17 - Retail trade (b)	1.8	5.0	7.5	9.4	9.8	1.1	-4.6
18 Volume of Stocks (b)	7.5	5.0	5.6	5.8	7.7	8.3	8.3
19 - Wholesale (b)	3.3	5.6	5.5	1.9	3.7	5.3	6.6
20 - Retail trade (b)	12.6	4.3	5.8	10.7	12.7	12.2	10.4
21 Construction and Public Works - confidence indicator (22+23)/2 (b)	-40.7	-40.3	-38.0	-36.7	-35.8	-36.5	-37.7
22 Current order books (b)	-59.7	-60.7	-58.3	-56.3	-54.7	-55.7	-56.7
23 Employment perspectives over the next 3 months (b)	-21.7	-20.0	-17.7	-17.0	-17.0	-17.3	-18.7
24 Consumers - Confidence indicator (25+26-27+28)/4 (c)	-33.2	-42.5	-42.9	-41.8	-43.4	-44.8	-47.2
25 Financial situation of the Households over the next 12 months (c)	-15.1	-25.2	-26.3	-25.2	-27.6	-29.2	-31.2
26 General economic situation over the next 12 months (c)	-23.9	-39.9	-42.5	-40.2	-42.6	-44.9	-50.2
27 Unemployment over the next 12 months (c)	40.6	47.8	46.6	45.2	46.1	47.5	49.7
28 Savings over the next 12 months (c)	-53.2	-57.3	-56.3	-56.5	-57.4	-57.9	-57.8
29 Economic climate indicator****	1.3	1.0	1.2	1.2	1.2	0.7	0.4

* Series average since its beginning till the current observation.

** In May 2003 a break in the series occurred, until that moment the reference period was the month under review and afterwards it refers to the past 3 months.

*** In May 2003 a break in the series occurred, until that moment the question referred to the next 6 months.

**** From September 2004 onwards Services sector was included, besides industry, trade and construction.

(a) Data after December 2002 is computed using a new sample. Back data was rebased.

(b) Data after January 2003 is computed using a new sample. Back data was rebased.

(c) Data after September 2003 is computed using a new sample. Back data was rebased.

(d) Seasonal adjusted series.