

## Perspectives on Exports of Goods

2016 – 2<sup>nd</sup> Forecast

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### **Enterprises expect a 1.3% nominal increase in exports of goods in 2016, corresponding to a slight revision of -0.1 percentage points in the 1<sup>st</sup> forecast made in November 2015**

The perspectives of the exporting enterprises point to a nominal increase of 1.3% in exports of goods in 2016 vis-à-vis 2015, corresponding to a revision of -0.1 percentage points (p.p.) in the 1<sup>st</sup> forecast made in November 2015. This slight downward revision is fully due to the Extra-EU exports (-1.5%, corresponding to -1.6 p.p. compared to the 1<sup>st</sup> forecast), as the perspectives for Intra-EU exports (+2.3%) increased by 0.5 p.p. vis-à-vis the 1<sup>st</sup> forecast.

Excluding *Fuels and lubricants*, enterprises are expecting a 3.4% increase in 2016 (+0.2 p.p. in comparison to the 1<sup>st</sup> forecast).

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In this Press release, Statistics Portugal disseminates the main statistical findings from the survey on Perspectives of Exports of Goods (IPEB), corresponding to the 2<sup>nd</sup> forecast for the nominal variation of exports expected by the enterprises in 2016. This survey was conducted during May 2016, before the outcome of the referendum (*Brexit*) on the United Kingdom stay in the European Union (EU).

### **Enterprises expect a 1.3% nominal increase in exports of goods in 2016**

The perspectives of exporting enterprises point to a 1.3% increase in exports in 2016 when compared with the previous year. Exports for Intra-EU countries are expected to grow by 2.3%, while enterprises foresee a decrease of 1.5% in Extra-EU exports.

Excluding *Fuels and lubricants*, exporting enterprises are expecting higher growths: +3.4% in International trade, +3.8% in Intra-EU trade and +2.1% in Extra-EU trade.

In terms of Broad Economic Categories (BEC), the emphasis goes to the increase expected in exports of *Capital goods (except transport equipment), and parts and accessories thereof* for Extra-EU countries (+9.7%), while in Extra-EU exports of *Transport equipment and parts and accessories thereof* the enterprises are expecting a reduction (-6.4%). In Intra-EU trade, it should be mentioned the expected increase of 7.6% in exports of *Capital goods (except transport equipment), and parts and accessories thereof*.

**Perspectives of the Enterprises on Exports of Goods**  
**Annual nominal rate of change 2016/2015**

	EXTRA-EU	INTRA-EU	INTERNATIONAL
<b>TOTAL</b>	-1.5%	2.3%	<b>1.3%</b>
TOTAL excluding <i>Fuels and lubricants</i>	2.1%	3.8%	<b>3.4%</b>
Of which (BEC):			
<i>Food and beverages</i>	-1.0%	3.1%	<b>1.7%</b>
<i>Industrial supplies not elsewhere specified</i>	1.7%	2.5%	<b>2.3%</b>
<i>Capital goods (except transport equipment), and parts and accessories thereof</i>	9.7%	7.6%	<b>8.3%</b>
<i>Transport equipment and parts and accessories thereof</i>	-6.4%	4.2%	<b>2.4%</b>
<i>Consumer goods not elsewhere specified</i>	4.5%	3.7%	<b>3.9%</b>

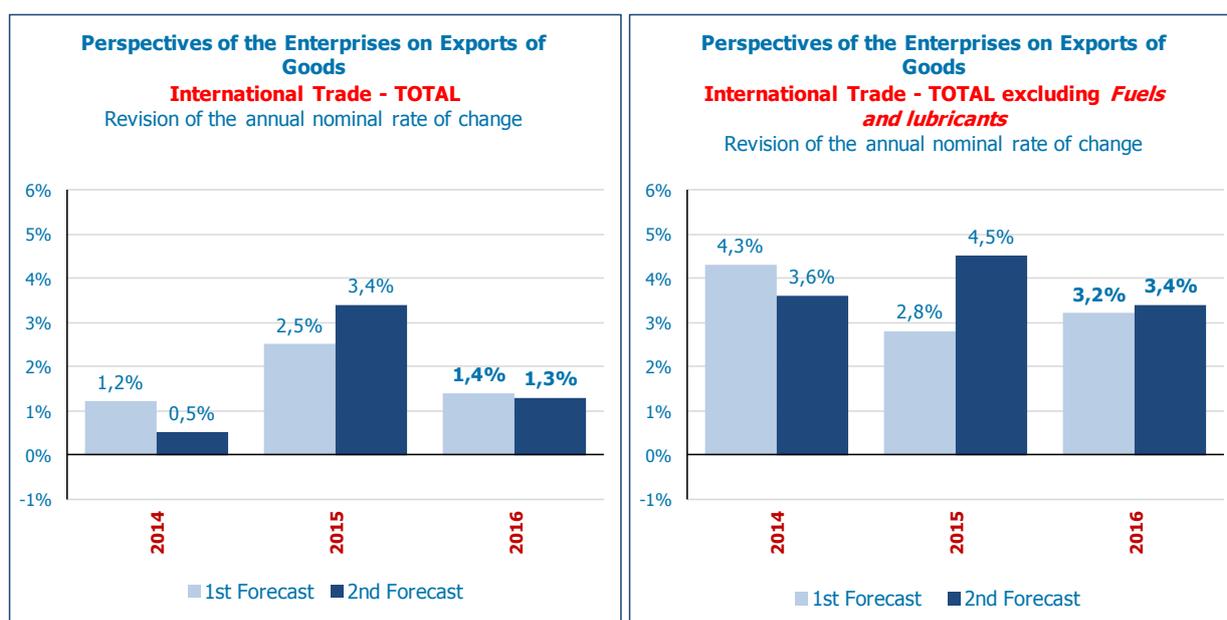
Source: Statistics Portugal, Survey on the Perspectives of the Exports of Goods

**Enterprises revised slightly downwards their forecast for exports of goods in 2016**

On the 1<sup>st</sup> forecast for 2016, carried out in November 2015, enterprises pointed to a nominal increase of 1.4% in exports of goods in 2016. On the 2<sup>nd</sup> forecast for 2016, enterprises revised downwards their perspectives of growth to +1.3% (-0.1 p.p.).

This slight downward revision in the International Trade is fully due to the revision of -1.6 p.p. in Extra-EU exports (to -1.5%), as the perspectives for Intra-EU exports increased (+2.3%, corresponding to +0.5 p.p. vis-à-vis the 1<sup>st</sup> forecast). In comparison with the 1<sup>st</sup> forecast, the expected decrease in exports of *Food and beverages*, both for Extra-EU (-3.2 p.p.) and Intra-EU markets (-2.9 p.p.) should be emphasized.

The surveyed enterprises indicated as the main reason for the revision of their perspectives for the evolution of exports of goods in 2016, vis-à-vis the 1<sup>st</sup> forecast, the different performance, compared to what was expected, of overall usual destination markets, both in Intra-EU and Extra-EU trade.



Source: Statistics Portugal, Survey on the Perspectives of the Exports of Goods



## EXPLANATORY NOTES

In view of the growing importance of the evolution of exports of goods in portraying the economy, Statistics Portugal promotes this survey (IPEB) by using a representative sample of exporting enterprises. The IPEB allows gathering and summarizing the perspectives of the nominal variation of exports for each enterprise. It provides prospective data, following the example of other surveys conducted by Statistics Portugal, namely the Investment Survey (Business), with which shares some characteristics. This new statistical operation started after the end of the New Orders in Industry Index (Total, Internal market and Foreign market), based on a monthly survey. The figures correspond to the **2<sup>nd</sup> forecast for the nominal variation of exports expected by the enterprises in 2016**.

The survey was based on a sample of operating exporting enterprises, located in Portugal, with export values declared in International Trade in Goods statistics (ITGS) above EUR 250 000 in 2014 (sum of Intra-EU Trade (via Intrastat System) and Extra-EU Trade (via Customs declarations)) or in 2015 for new exporting enterprises. The total number of enterprises surveyed was 2 956, which represented around 90% of the total exports of goods.

The enterprises were selected according to the following parameters:

### Non sampling component:

- 1) Enterprises with a total of exports  $\geq$  EUR 3 million in value (based on values declared in 2014/2015 ITGS);
- 2) Enterprises belonging to NACE Rev. 2 - three digits classification (group) – with a sampling representativeness  $\leq$  3 enterprises.

### Sampling component:

- 1) By sorting the remaining enterprises in a descending order of the total of exports, a selection was made in each NACE group:
  - a. Enterprises able to reach 15% of the total of exports, if the non sampling weight is  $\geq$  80%;
  - b. Enterprises able to reach 35% of the total of exports, if the non sampling weight is  $\geq$  60% and  $<$  80%;
  - c. Enterprises able to reach 55% of the total of exports, if the non sampling weight is  $<$  60%.
- 2) By including relevant enterprises in terms of representativeness within the Broad Economic Categories Classification (BEC) with single digit classification.

The response rate was 99%, corresponding to 99% of the exported value of the sampled enterprises.

Data broken down by BEC was based on the distribution of data declared by the respective enterprises within the scope of International Trade in Goods statistics in the year 2014 or in the year 2015 for new exporting enterprises.

The results of this survey, as they are based in growth perspectives, may differ from the observed values in ITGS and should be seen as indicating trends, which depend on the information available in the enterprises during the time of response to IPEB. For methodological reasons, the scope of IPEB could not be the same as for ITGS, because IPEB does not include exports of specific goods and movements (of which electricity), estimates and does not comprise, in the reference population, special (foreign) enterprises acting as “traders” in Portugal. These “traders” are natural or legal persons not registered for VAT in Portugal, however they are responsible for presenting customs declarations lodged in Portuguese Customs. These movements are included in ITGS, however it’s not possible to survey these enterprises, because they are not registered for VAT in Portugal. To allow a better coverage of the results, this difference concerning foreign enterprises belonging to national economic groups was minimized with a special treatment in order to include their exports in IPEB.

In this 2<sup>nd</sup> forecast for 2016, enterprises were requested to indicate the main reasons for the revision in their perspectives vis-à-vis the 1<sup>st</sup> forecast made in November 2015, and the following list of options was presented: *Better/worst performance, compared to what was expected, in most of their usual destination markets; Better/worst performance, compared to what was expected, in specific destination markets; Facility/Difficulty accessing new markets; Enlargement/Contraction on the enterprise productive capacity; Currency fluctuations; Simplification/Difficulty in customs procedures; Changes in prices non determined by currency fluctuations; Facility/Difficulty accessing credit; Error in the report; Others.*