

10 January 2019

## Perspectives on Exports of Goods

2019 – 1<sup>st</sup> Forecast

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### **Enterprises expect a 4.3% nominal increase in exports of goods in 2019**

The perspectives of the exporting enterprises of goods point to a nominal increase of 4.3% in exports in 2019 vis-à-vis the previous year. Excluding *Fuels and lubricants*, enterprises are expecting a 4.4% increase in 2019.

These figures stand for a deceleration in view of what enterprises are expecting for 2018 according to the preceding forecast (+6.4% and +7.1% excluding *Fuels and lubricants*).

In part, the expected deceleration is likely to be related to the effect of Brexit. Around 17% of enterprises anticipate a negative impact on their exports. These enterprises accounted for 21% of exports of goods in 2017.

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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), carried out in November 2018, corresponding to the 1<sup>st</sup> forecast for the nominal variation of exports of goods expected by the enterprises in 2019.

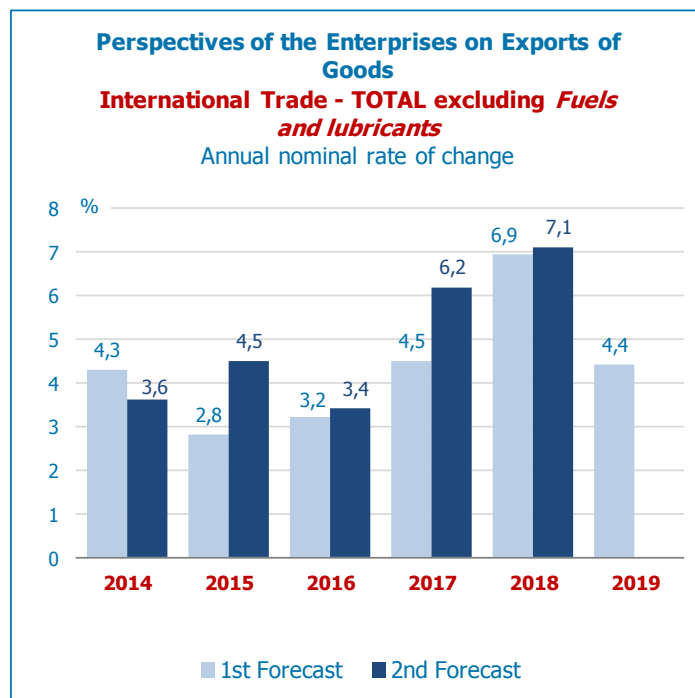
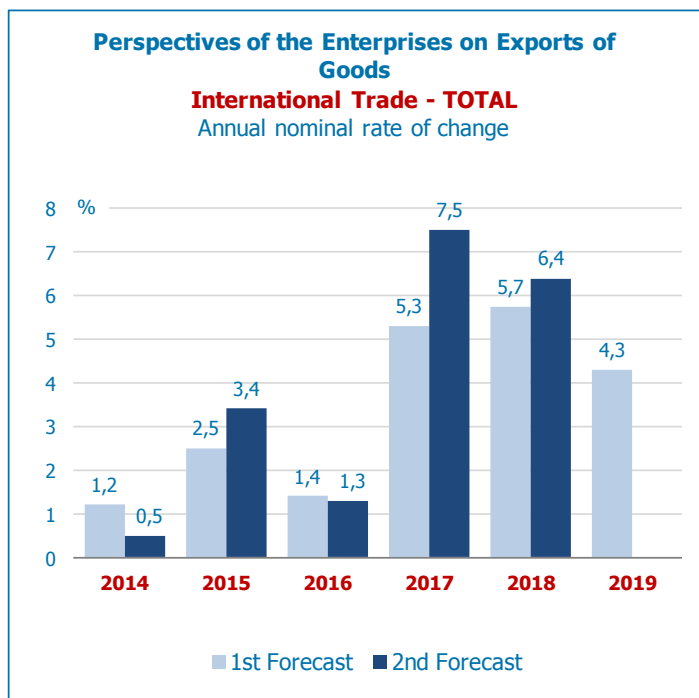
In May 2019, a new edition of this survey will be conducted with the aim of updating the perspectives of enterprises concerning exports of goods in 2019, which will correspond to the 2<sup>nd</sup> forecast.

In this edition of IPEB, information was sought and obtained from enterprises (still only qualitative, given the remaining uncertainty) concerning the impact of the withdrawal of the United Kingdom from the EU (Brexit) on their exports of goods (see analysis in the final part of this press release).

### **Enterprises expect a 4.3% nominal increase in exports of goods in 2019**

The perspectives of exporting enterprises of goods point to a 4.3% nominal increase in exports in 2019 when compared with the preceding year. Enterprises expect a 3.2% increase in exports to Extra-EU countries and a 4.6% growth in exports to Intra-EU countries.

Excluding *Fuels and lubricants*, enterprises are expecting a 4.4% increase in 2019 (+3.3% in Extra-EU Trade and +4.7% in Intra-EU Trade).



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

In terms of Broad Economic Categories (BEC), it is noteworthy the expected increase in exports of *Transport equipment and parts and accessories thereof* (+6.1%) and of *Capital goods (except transport equipment), and parts and accessories thereof* (+5.8%), especially to the Intra-EU markets (+6.6% and +7.5%, respectively).

It should be noted that this survey occurred in November 2018, therefore the perspectives of the enterprises are conditioned by the information available in that period.

**Perspectives of the Enterprises on Exports of Goods**  
**Annual nominal rate of change 2019/2018**

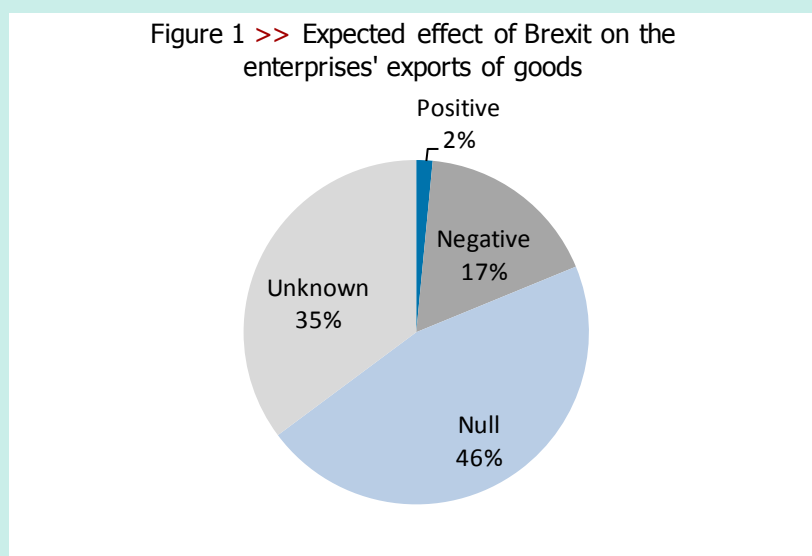
	EXTRA-EU	INTRA-EU	INTERNATIONAL
<b>TOTAL</b>	3.2%	4.6%	<b>4.3%</b>
TOTAL excluding <i>Fuels and lubricants</i>	3.3%	4.7%	<b>4.4%</b>
Of which (BEC):			
<i>Food and beverages</i>	3.8%	2.3%	<b>2.7%</b>
<i>Industrial supplies not elsewhere specified</i>	3.4%	3.9%	<b>3.8%</b>
<i>Capital goods (except transport equipment), and parts and accessories thereof</i>	1.5%	7.5%	<b>5.8%</b>
<i>Transport equipment and parts and accessories thereof</i>	3.1%	6.6%	<b>6.1%</b>
<i>Consumer goods not elsewhere specified</i>	4.6%	2.9%	<b>3.2%</b>

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

## EXPECTED EFFECT OF BREXIT ON ENTERPRISES' EXPORTS OF GOODS

In this edition of IPEB, information was sought and obtained from enterprises (still only qualitative, given the remaining uncertainty) concerning the impact of the withdrawal of the United Kingdom from the EU (Brexit) on their exports of goods.

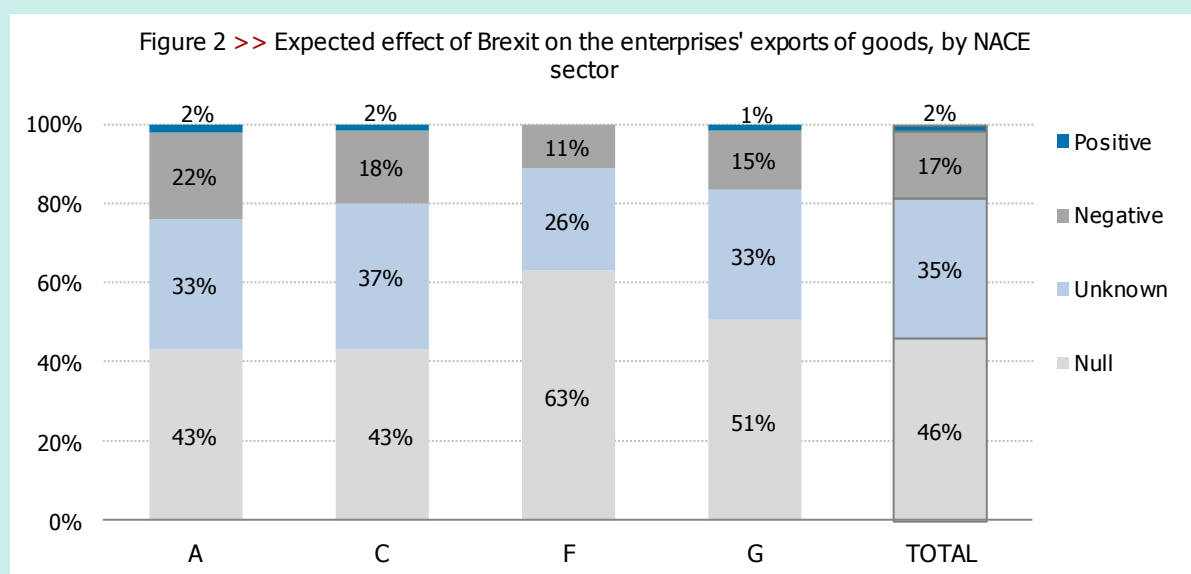
On the basis of responses to IPEB, 46% of enterprises expect a null effect on their exports, as a result of the withdrawal of the United Kingdom from the European Union. The enterprises predicting a negative effect (17%) accounted for 35% of exports to the United Kingdom in 2017 and for 21% of the total exports of goods in that year. Only 2% of the enterprises in the survey expect a positive effect of Brexit in their exports and about 35% of the enterprises do not yet know what will be the expected impact.



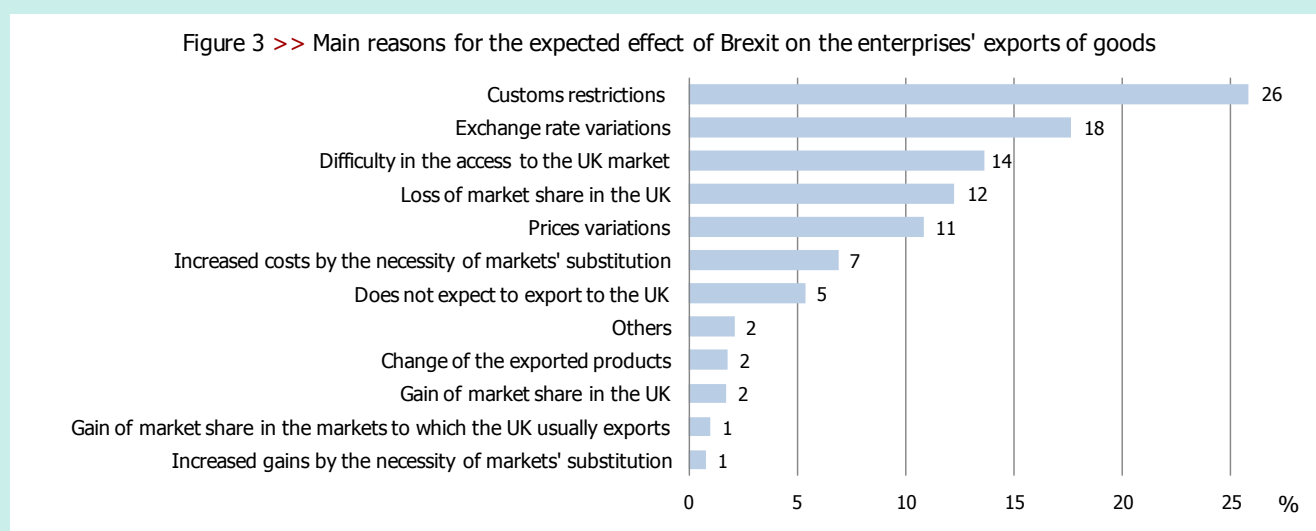
Among enterprises with a high degree of dependence on the UK market (where more than 50% of their exports are destined to this country), there is a higher proportion (in relation to the total responding enterprises to IPEB) considering that Brexit will have a negative impact on their exports (36%), while 21% consider that the effect will be null and only 3% expect a positive effect. The remaining 40% of enterprises do not know what impact Brexit will have on their exports of goods.

The analysis by activity sector shows that the majority (63%) of enterprises classified in the *Manufacturing* sector (NACE Rev.2 sector F) anticipate a null impact from the withdrawal of the United Kingdom from the EU in the evolution of their exports.

In relative terms, the enterprises from the *Agriculture, forestry and fishing* sector (NACE Rev.2 sector A) responding to the survey, are the ones that most expect a negative effect of Brexit on their exports (22%).



Considering the responses from those enterprises already exporting goods to the United Kingdom, the main reasons indicated for the expected impact of Brexit on their exports are the possibility of customs restrictions (26%), the exchange rate variations (18%), the difficulty in the access to the UK market (14%), the loss of market share (12%) and the possibility of variation in prices (11%).



## 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 **1<sup>st</sup> forecast for the nominal variation of exports expected by the enterprises in 2019**.

IPEB statistical indicators are also available in the Statistics Portugal webpage:

- [Annual growth rate expected by enterprises for exports of goods \(%\) by Forecast, Type of trade and Economic activity \(Section - NACE Rev. 2\)](#)
- [Annual growth rate expected by enterprises for exports of goods \(%\) by Forecast, Type of trade and Type of goods \(BEC\)](#)

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 2017 (sum of Intra-EU Trade (via Intrastat System) and Extra-EU Trade (via Customs declarations)). The total number of enterprises surveyed was 3 184, which represent around 90% of the total exports of goods in 2017.

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 2017 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 97%, corresponding to 98% of the exported value of the sampled enterprises in 2017.

Data broken down by BEC was based on the distribution of data declared by the respective enterprises within the scope of ITGS in the year 2017.

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.