



SYNTHESIS INE @ COVID-19

January . 06 . 2021

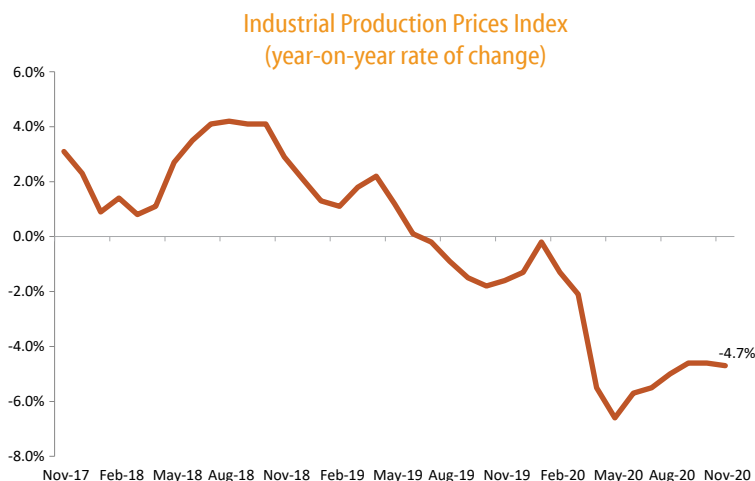
Statistics Portugal makes available the weekly report for monitoring the social and economic impact of the COVID-19 pandemic.

This report covers the press releases concerning:

- Industrial production price index – November 2020, published on December 21;
- Monthly Economic Survey – November 2020, published on December 21;
- Environment statistics – 2019, published on December 22;
- House Price Index – 3rd Quarter 2020, published on December 22;
- Interest rates implied in housing loans – November 2020, published on December 22;
- Quarterly National Sector Accounts – 3rd Quarter 2020, published on December 23.

For further details, see the links available throughout this press release.

Industrial production prices decreased by 4.7% year-on-year



Year-on-year rate of change

Industrial production prices fell by 4.7% year-on-year in November (-4.6% in the previous month). The *Energy* grouping continued to be the one that most influenced the rate of change in the total index, with -20.0% (-18.5% in October).

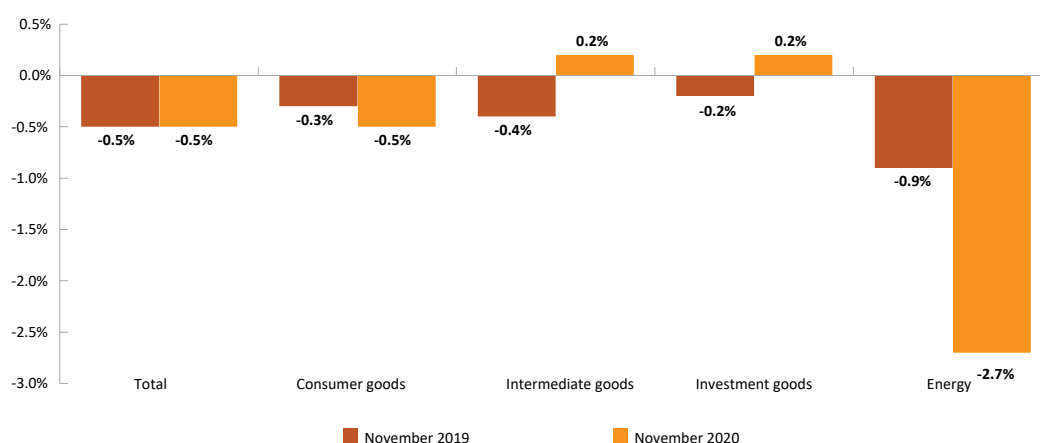
Excluding the *Energy* grouping, the Industrial production prices index was -0.7% (-1.0% in October).

Month-on-month rate of change

November 2020:

- The Industrial production prices index recorded a month-on-month rate of change of -0.5% (the same as in the same period of 2019);
- The *Energy* index fell by 2.7% (-0.9 in November last year);
- The *Manufacturing* section showed a reduction of 0.7% (-0.1% in November 2019).

Total Index and Major Industrial Groupings
(month-on-month rate of change)



More information available at:
[Industrial production price index – November 2020](#)
 (21 December 2020)



Stronger reduction in economic activity and price variations remain negative

In November 2020:

- There was an interruption in the partial recovery of economic activity observed since May, which had already slowed down in September and October.
- The economic climate indicator declined, contrary to the recovery observed in the previous six months, after reaching the series minimum in April.
- The Consumer Confidence indicator declined after remaining relatively stable over the last five months, following the partial recovery, in May and June, of the largest decline in the series recorded in April.

These developments resulted from the negative contributions of the components on expectations for the next twelve months, namely, perspectives on the future development of the country's economic situation, the financial situation of the household and major purchases, and the positive contribution of opinions on the past evolution of the household's financial situation.

- The manufacturing confidence indicator declined, countering the increase seen in the previous month and interrupting the recovery seen between June and August, after reaching the historical minimum of the series in May.

The reduction in this indicator reflected, on the one hand, the marked negative contribution of the balance of the perspectives on the production of enterprises and, to a lesser extent, of opinions on stocks of finished products; on the other hand, the positive contribution of opinions concerning the evolution of overall demand.

The indicator declined in all three groupings: *Consumer Goods*, *Investment Goods*, and *Intermediate Goods*, moderately in the latter case.

- The Construction and Public Works confidence indicator declined sharply in November, interrupting the recovery profile observed between May and October, after recording the sharpest decline in the series in April.

The worsening of the indicator resulted from the negative contributions of both components: opinions on order books and employment perspectives.

The decline of the indicator was particularly marked in the three divisions, *Real Estate Development and Building Construction*, *Civil Engineering*, and *Specialized Construction Activities*.

- The trade confidence indicator declined significantly, interrupting the upward profile seen between May and October, after a strong reduction in April, when it reached the series minimum.

These developments reflected the negative contribution of the perspectives on sales volume and the perspectives on business for the next three months, with opinions on the volume of stocks contributing positively.

The confidence indicator declined in *Wholesale Trade* and, more markedly, in *Retail Trade*.

- The services confidence indicator also declined significantly, after having partially recovered between June and October from the historical minimum of the series reached in May.

The evolution of the indicator resulted from the negative contributions of the opinions on the evolution of the order books and, to a greater extent, the perspectives on the evolution of demand.

The decline in the confidence indicator was observed in all sections, in particular: *Arts, Entertainment, Sports and Recreational Activities*, *Transport and Storage* and *Accommodation and food services*, which registered the reductions with the greatest magnitude.

The economic activity indicator declined in October, halting the recovery profile observed between April and September, after registering the series minimum in April. By components in the expenditure side, in October:

- The quantitative indicator of private consumption extended the upward profile recorded in the previous five months, after recording the minimum year-on-year rate of change of the series in April;
- The investment indicator recorded slight year-on-year growth, after recording a sharp recovery between May and July.

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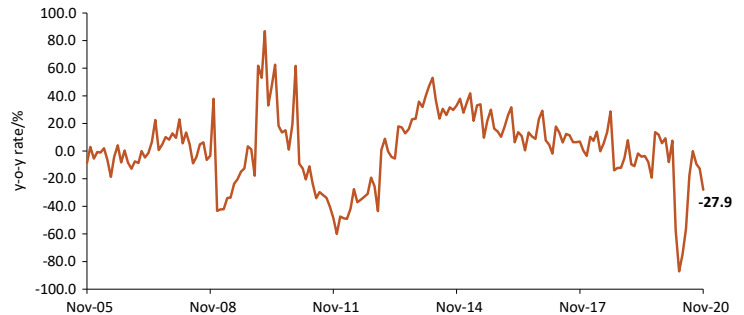
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In November 2020, in year-on-year terms:

- Sales of passenger cars fell by 27.9% (-9.4% in September and -12.6% in October).



Sales on passengers cars
(year-on-year rate of change)



- The overall amount of national withdrawals, payments for services, and purchases at APT terminals fell by 11.8% (-4.5% in September and -6.3% in October).



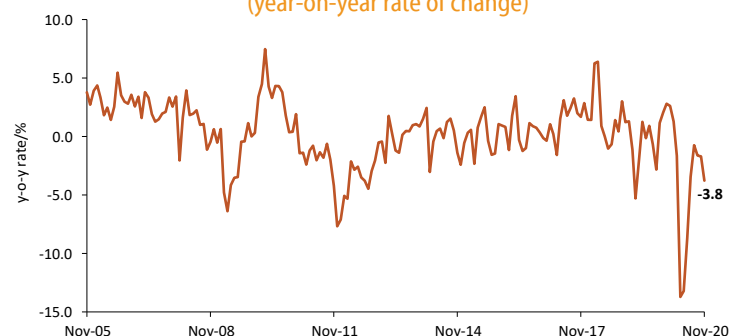
Operations carried out on ATM
(year-on-year rate of change)



- Average working day electricity consumption recorded a rate of change of -3.8% (-1.7% in September and -1.6% in October).



Average consumption of electricity on working days
(year-on-year rate of change)



In the Euro Area:

- The economic sentiment indicator declined in November for the first time since April, when the effects of the first wave of the pandemic led to an abrupt reduction;
- The consumer confidence indicator declined in October and November;
- In October and November, the prices of raw materials and crude oil showed chain variations of +5.8% and +5.7%, respectively (-1.5% and -1.6% in October).

More information available at:
[Monthly economic survey – November 2020](#)
(21 December 2020)

Impact of the COVID-19 pandemic on Environment

The containment and mitigation measures implemented due to the COVID-19 pandemic, by restricting the mobility of people and goods, have contributed to less pressure on the environment in the period January-September 2020.

Household consumption

Final consumption expenditure of resident households decreased by 6.7% in the first three quarters of 2020 compared to the same period of the previous year. However, there was an increase, in absolute terms, in food expenditure: the respective budget coefficient increased by 2.1 percentage points (p.p.) and now accounts for 20.9% of total expenditure by resident households over the three quarters.

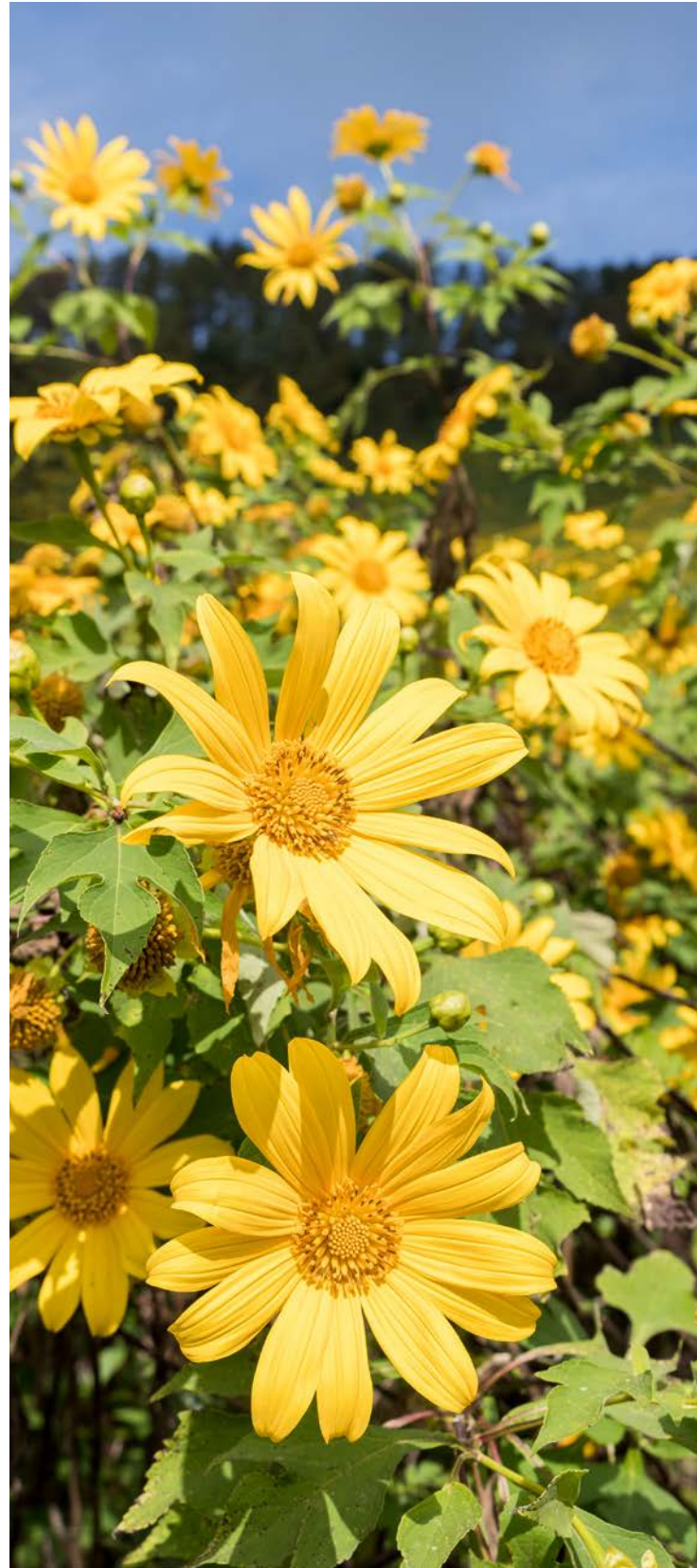
This has certainly contributed to *Agriculture, forestry, and fisheries* being the only sector of activity to show an increase (10.1%) in fuel-burning emissions, although their contribution to the cumulative total of these emissions is negligible (3.7% of the total in the three quarters of 2020).

Changes in production

The contraction in consumption eventually had a strong impact on economic activity. As a result, fuel-burning emissions were reduced by more than 1/5, with significant reductions in energy consumption. Waste generated by economic activities also fell, with diesel consumption decreasing by more than 15%.

Some indicators on production and economic activity in the period January to September 2020 (absolute figures and year-on-year rates of change):

- Energy consumption:
 - » Electricity: 23,420 Gwh (-8.2%);
 - » Natural gas: $2,176 \times 10^6 \text{ Nm}^3$ (-11.9%);
- Emissions (industrial sector): 27,435 kt CO₂ eq (-21.9%);
- Diesel consumption: 2,945 Kt (-15.4%);
- Sectorial waste generated: 6 million tonnes (-3.9%).



Mobility, transports, and energy

The containment and mitigation measures implemented due to the COVID19 pandemic, by restricting the mobility of people and goods, have brought about a decrease in traffic and, consequently, a reduction in environmental pressure. In the period January to September 2020, the following year-on-year rates of change were recorded:

Air transport – Jan.-Sep. 2020 (Year-on-year rate of change)

Passengers	Aircraft	Emissions	Energy consumption
-15.8 million (-67.7%)	-98 thousand (-55.9%)	1,425 kt Co ₂ eq (-56.6%)	479 kt (-60.9%)

Maritime transport – Jan.-Sep. 2020 (Year-on-year rate of change)

Passengers	Unloaded goods	Emissions	Energy consumption
-194 thousand (-56.5%)	-3.9 million t (-14.4%)	1,814 kt CO ₂ eq (-15.7%)	652 kt (-26.8%)

Railway transport – Jan.-Sep. 2020 (Year-on-year rate of change)

Heavy railway transport of passengers (train)	Light railway transport of passengers (underground)
-48.7 million (-37.9%)	-88.8 million (-45.4%)

Waste

All specific flows show negative year-on-year rates of change in the first half of 2020 compared to the amount of waste collected.

Waste collected and waste recovered – Jan.-Jun. 2020 (Year-on-year rate of change)

	Waste collected	Waste recovered
End-of-life vehicles	73,440 t (-7.1%)	-13.9% (-17,4 p.p.)
Used tyres	31,577 t (-14.7%)	100%
Electrical and electronic equipment	13,026.3 t (-22.2%)	92.4% (-4,7 p.p.)
Batteries and accumulators	12,764.4 t (-20.4%)	98.5% (+1,5 p.p.)
Used oil	12,233.0 t (-7.6%)	86.0% (-0,9 p.p.)

Air quality

With the measures taken during the state of emergency, which led to a reduction in economic activity, the movement of people, and goods, there were changes in air quality in Portugal in the first half of 2020.

Air quality – Jan.-Jun. 2020
(Year-on-year rate of change)

Average number of days on which the <i>Bad</i> and <i>Weak</i> index score prevailed		Average hourly carbon dioxide concentration		
Urban areas	Rural areas	Urban traffic stations	Background urban stations	Rural stations
6 days less	one more day	-26.6%	-27.3%	-16.2%

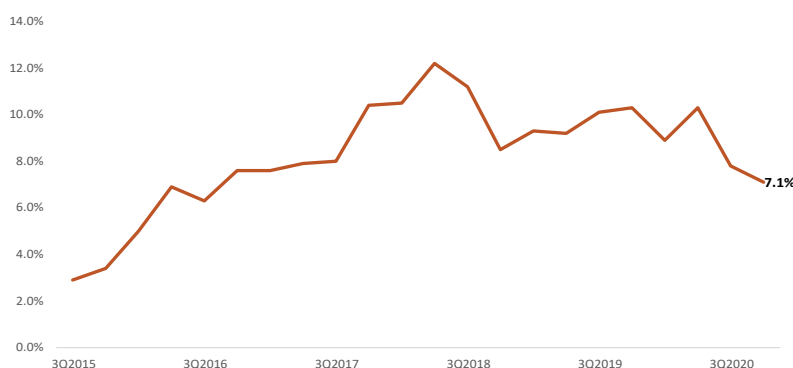
More information available at:
[Impact of the COVID-19 pandemic on Environment](#)
(22 December 2020)

House prices decelerated to 7.1%

In the 3rd quarter of 2020, in year-on-year terms:

- The Housing Price Index (HPI) grew by 7.1%, i.e. 0.7 percentage points (p.p.) less than in the previous quarter;
- The increases in the prices of existing dwellings were higher than those recorded for new dwellings: 7.4% and 5.8% respectively (+8.2% and +6.0% in the previous quarter, in the same order).

House Price Index
(year-on-year change)



In the 3rd quarter of 2020, compared to the previous quarter:

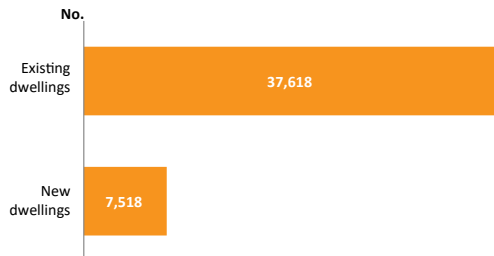
- The HPI increased by 0.5% (+0.8% in the 2nd quarter of 2020);
- The increase in prices was also more marked in new dwellings than in existing ones: 0.6% and 0.1% respectively.

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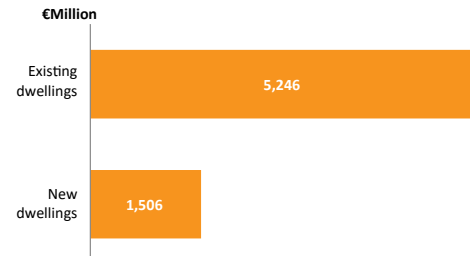
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In the 3rd quarter of 2020, 45,136 dwellings were transacted (-1.5% compared to the 3rd quarter of 2019), amounting to EUR 6.8 billion (+4.4% compared to the 3rd quarter of 2019).

Housing sales
(3rd quarter 2020)



Housing sales value of sales
(3rd quarter 2020)

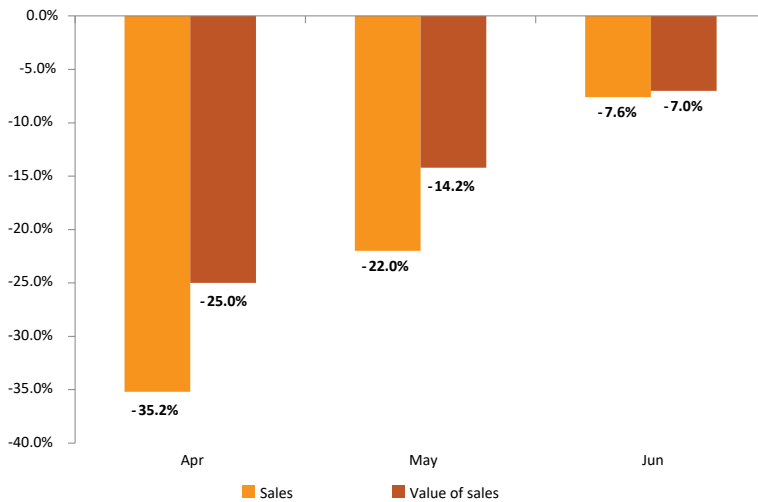


The number of transactions increased by 35.1% between the 2nd and the 3rd quarters of 2020. This rate of change is the largest increase in the series and follows the 23.3% reduction recorded in the 2nd quarter of 2020, a period strongly influenced by the restrictions imposed in the context of the COVID-19 pandemic.

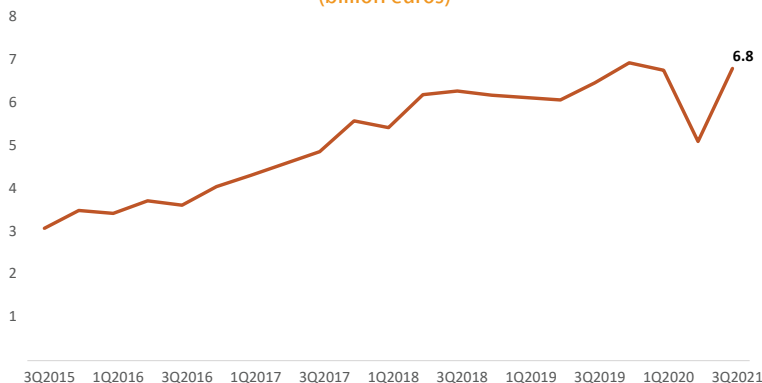
The growth in the number of new dwellings transactions exceeded that recorded for existing dwellings: 43.9% and 33.5% respectively.

Per month, the most significant year-on-year increase in the value of sales was observed in August, 7.3%, followed by September (4.5%) and July (2.1%).

Sales and value of sales
(year-on-year rate of change)



Housing sales - Total
(billion euros)

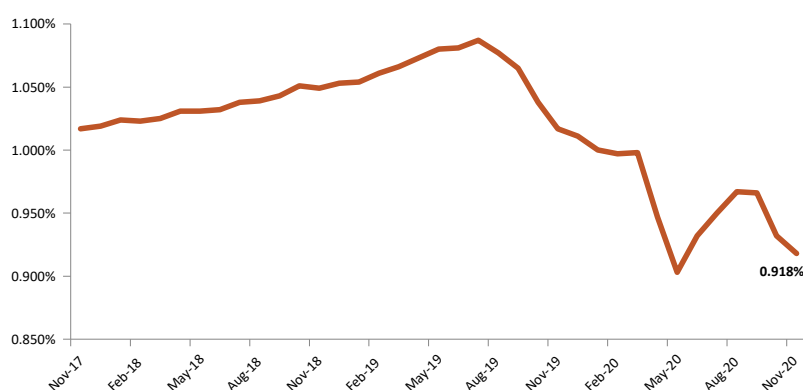


More information available at:
House price index – 3rd quarter of 2020
(22 December 2020)

Interest rates implicit in housing loans decreased.
Owed capital and monthly loan repayments increased

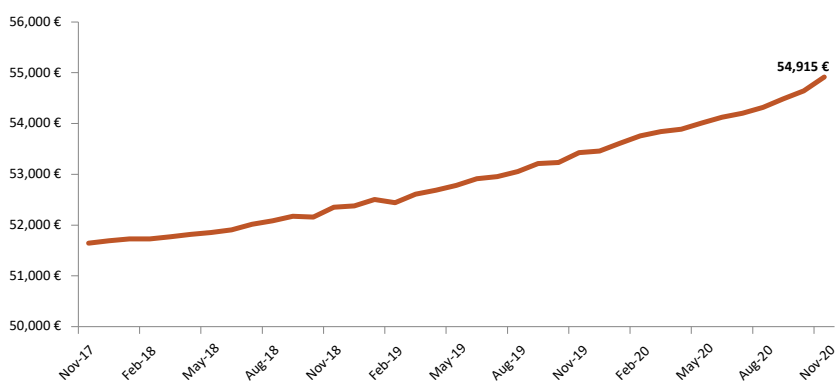
In November 2020, the interest rate implicit in all housing loan contracts was 0.918% (0.932% in October). In the last three months, the interest rate fell to 0.857% (0.914% in October).

Implicit interest rates in housing loans



In November, the average owed capital for all contracts rose by EUR 270 compared with the previous month, to EUR 54,915. The average loan repayment rose by EUR 1 to EUR 228.

Average owed capital



The interest rate implicit in housing loans for housing purchase contracts fell in October to 0.937% (0.951% in the previous month). For contracts signed in the last 3 months, this interest rate was 0.855% (0.911% in October).

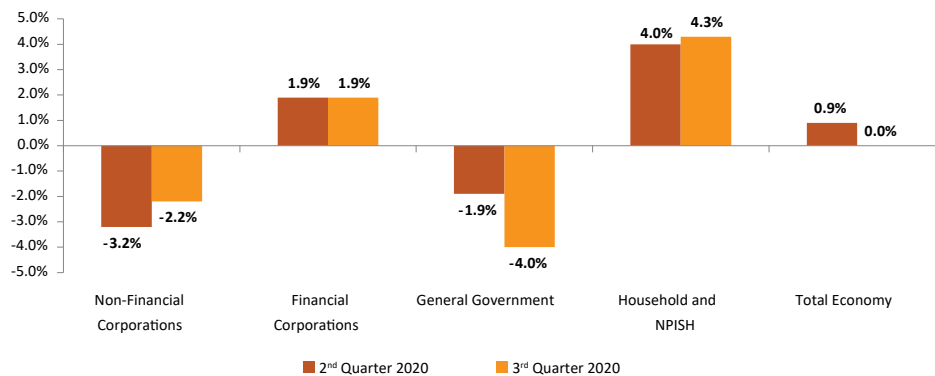
More information available at:
[Interest rates implicit in housing loans - November 2020](#)
(22 December 2020)

Net lending capacity of the economy reduced to approximately zero

In the year ended in the 3rd quarter of 2020:

- The economy's net lending stood at 0.0% of Gross Domestic Product (GDP) (+0.9% in the previous quarter);
- Nominal GDP fell by 1.0% (-3.3% in the previous quarter);
- Gross National Income (GNI) declined by 0.8% (-2.7% in the previous quarter);
- Gross Disposable Income (GDI) fell by 0.9% (-2.8% in the previous quarter).

Net Lending(+) /Borrowing(-) by institutional sector
(in % of GDP, accumulated sum of 4 quarters)



Non-financial corporations

Non-financial corporations net borrowing requirements in the year ended in the 3rd quarter of 2020 stood at 2.2% of GDP (+1 percentage point (p.p.) compared with the previous quarter), mainly reflecting the reduction in Income Tax (19.6%) and Gross Capital Formation (2.4%).

Gross Fixed Capital Formation (GFCF) increased by 0.2%, and the investment rate (GFCF/GVA) stood at 25.8% (+0.5 p.p. than in the previous quarter).

Financial corporations

The net lending capacity of financial corporations was set at 1.9% of GDP (the same figure in the previous quarter).



General government

The general government net balance was -4.0% of GDP (-2.1 p.p. than in the previous quarter), the result of an increase in expenditure of 2.1% and a decrease in revenue of 2.7%.

The increase in expenditure resulted from:

- +15.9% in capital expenditure;
- +1.0% in current expenditure.

The change in revenue resulted from:

- -2.8% in current revenue;
- +6.2% in capital revenue.

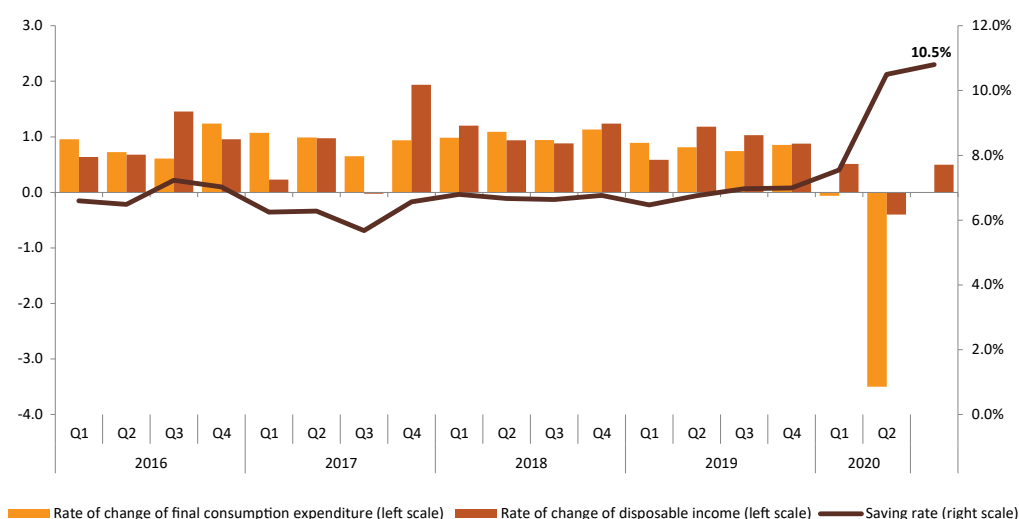
Quarterly, the general government balance was -3.8% of GDP (EUR -1,975.6 million), compared to +4.4% over the same period last year. In year-on-year terms, total expenditure increased by 8.3% and total revenue decreased by 9.5%.

Households

Households' net lending in the year ending in the 3rd quarter 2020 stood at 4.3% of GDP (+0.3 p.p. than in the previous quarter), as a result of a 0.5% increase in disposable income.

The household savings rate was 10.8% of disposable income (+0.3 p.p. than in the previous quarter), as a result of the increase in income and the zero rate of change in consumption expenditure (-3.5% in the previous quarter).

Saving rate of Households and NPISH
(%, accumulated sum of 4 quarters)



Per capita adjusted household disposable income in the 3rd quarter of 2020 stood at EUR 16.3 thousand (+0.4% than in the previous quarter).

More information available at:
[Quarterly national sector accounts – 3rd quarter of 2020](#)
(23 December 2020)

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Statistics Portugal started on 3 April 2020 the release of the “Statistics Portugal@COVID-19 Synthesis” series of highlights, aiming to provide a summary aggregation of some of the most relevant official statistical results released each week.

These reports are intended to facilitate the access to data which allow monitoring of the social and economic impact of the COVID-19 pandemic by decision-makers from public and private entities as well as the general public.

Press releases between 28-12-2020 and 01-01-2021:

Press Releases	Reference period	Release date
Business turnover, employment, wage and hours worked index in retail trade	November 2020	29 December 2020
Survey on bank evaluation on housing	November 2020	29 December 2020
Tourism activity - Flash Estimate	November 2020	30 December 2020
Industrial production index	November 2020	30 December 2020