



28 May 2021

A year of pandemic: a brief overview
2020/2021

FROM MARCH 2020 TO FEBRUARY 2021: 12 MONTHS MARKED BY THE PANDEMIC

The comparison of statistical results available for the first year of the pandemic (March 2020 to February 2021) with the pre-pandemic period (March 2019 to February 2020), allows to have a more informed notion about the impact of the pandemic and to evaluate its effects in the various areas.

Thus, among the indicators made available in the publication disseminated today “**A year of pandemic: a brief overview**”, the following results stand out:

- Average monthly number of 11,170 deaths increased by 21.9% which, combined with the reduction in live-births (-4.8%), resulted in a worsening of the negative natural balance that went from 23,441 in the pre-pandemic year to 51,680 in the first year of the pandemic;
- Compared to the previous year, a reduction of 2.1% in employment, increases in the unemployment rate from 6.7% to 7.2% and in the labour underutilisation rate from 12.9% to 14.5%, despite the policy measures to support employment and income, such as the simplified Lay-off, which will have prevented the achievement of results in the labour market similar to those seen during the adjustment program of the Portuguese economy;
- Contraction of 8.4% in GDP in volume vis-à-vis the pre-pandemic year;
- More sharply decrease in imports than in exports (-17.4% and -11.2%, respectively) allowing a reduction of the trade deficit;
- Very negative impact on tourist and related activities, with special emphasis on the contraction in demand for the respective services by non-residents, determining that the balance of goods and services has shown a negative balance despite the reduction in the trade deficit;
- Construction activity showed some resilience, with a growth in average terms in new housing transactions (+7.3% in value), cement sales in quantity (+8.0%) and an increase of 7.8% in housing prices, compared to the pre-pandemic year;
- In the domain of environment, a 13.7% reduction in the greenhouse gases emissions (variation of -9.9% in the pre-pandemic period).



At least since March 2020, when the first deaths associated with the SARS-COV2 virus were registered, the effects of the pandemic and the consequent policy measures to safeguard public health have profoundly altered the normality of Portuguese life. Gathering a series of indicators already available, most of them produced by Statistics Portugal, the publication "[A year of pandemic: a brief overview](#)" is disseminated today, which takes stock of the impact of the pandemic after one year. This set of indicators provides a multidimensional perspective of the consequences of the pandemic crisis, covering economic, social, demographic and environmental domains.

In general, in the case of monthly indicators, their monthly average value is compared in the annual period between March 2020 and February 2021, with the average value corresponding to the previous 12 months. In the case of quarterly indicators, the comparison focuses on their quarterly average value in the annual period for the four quarters started in the 2nd quarter of 2020 with the four quarters started in the 2nd quarter of 2019. The results are presented through charts with brief comments and some meta-data to support their reading.

The purpose of this exercise is to provide a more informed understanding of the impact of the pandemic since the comparison between the results of 2020 and 2019 does not coincide temporarily with the pandemic. Thus, the comparison with the pre-pandemic year is privileged. Naturally, the analysis of the impact is necessarily incomplete: the pandemic has not yet been resolved, it is restricted to the information available and the pre-pandemic year is not necessarily the best counter-factual to assess the impacts. Even so, INE hopes that the publication will be useful to assess the effects of a phenomenon that has the nature of an exogenous shock the country has suffered and is suffering.

Main results

The overall indicators presented show a significant impact of the pandemic, right from the chapters of demography and global economic activity. For a small number the impact does not appear to have been significant and, in some cases, it may even seem counterintuitive, such as the increases in the households' savings rate and in the average earning. In summary, the following results should be noted:

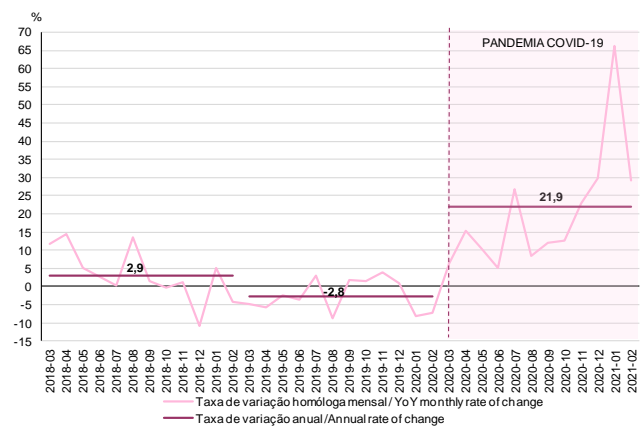
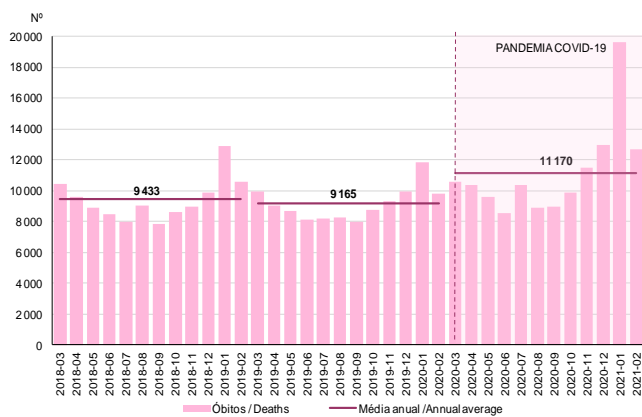




A) In the demographic domain:

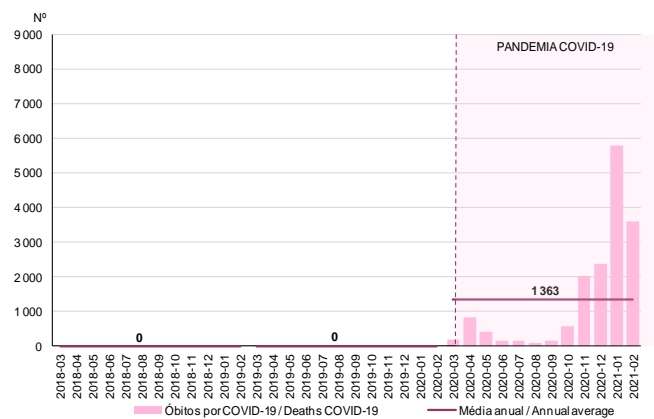
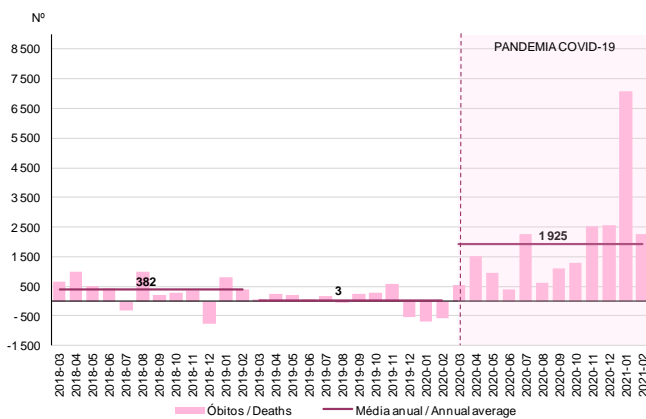
Number of deaths significantly higher than normal (11 170 deaths on average monthly, corresponding to +21.9%), which resulted in an excess of 1 925 deaths on average monthly comparing to the reference period (5 previous years) of which 1 363 were associated with the SARS-COV2 virus.

DEATHS



Source: Statistics Portugal, Deaths

EXCESS MORTALITY

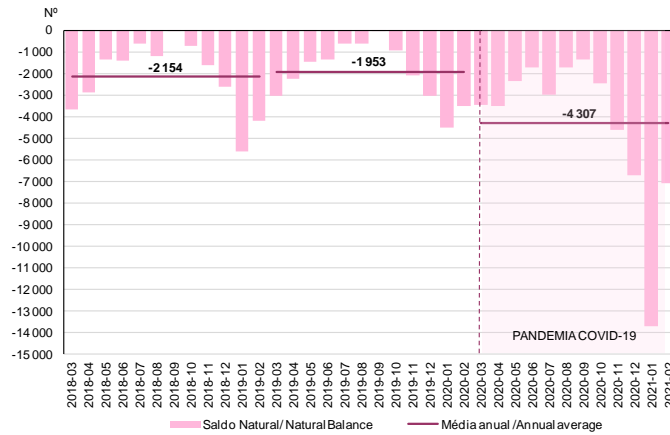


Source: Statistics Portugal, Deaths

A 4.8% decrease in the number of Live-births in the 1st year of the pandemic which, combined with the increase in the number of deaths, caused a worsening of the negative natural balance that went from 23,441 in the pre-pandemic year to 51,680 in the first year of the pandemic.



NATURAL BALANCE

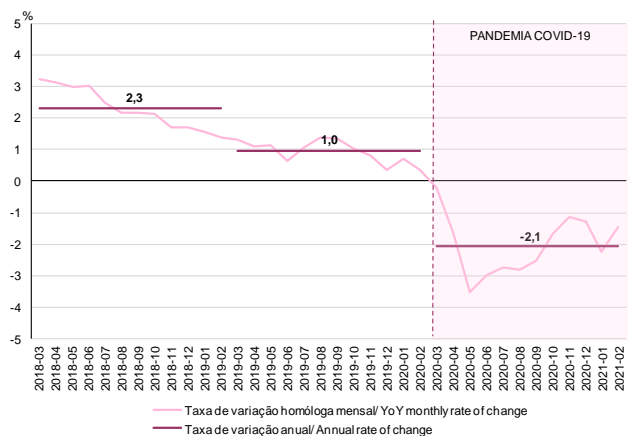
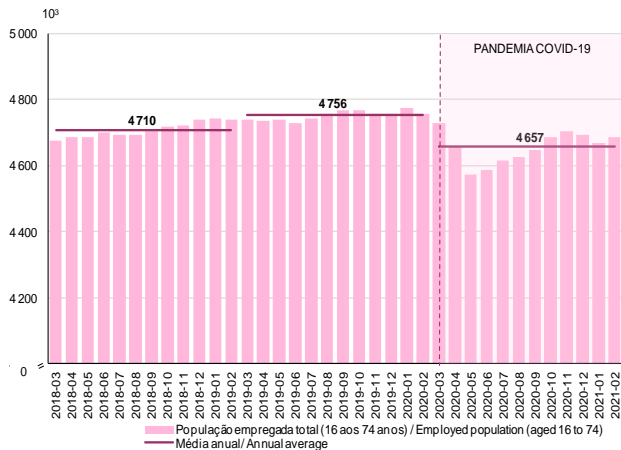


Source: Statistics Portugal, Live-Births, Deaths and Demographic Indicators

B) In the labour market domain:

Reduction of 2.1% in the employed population.

EMPLOYED POPULATION

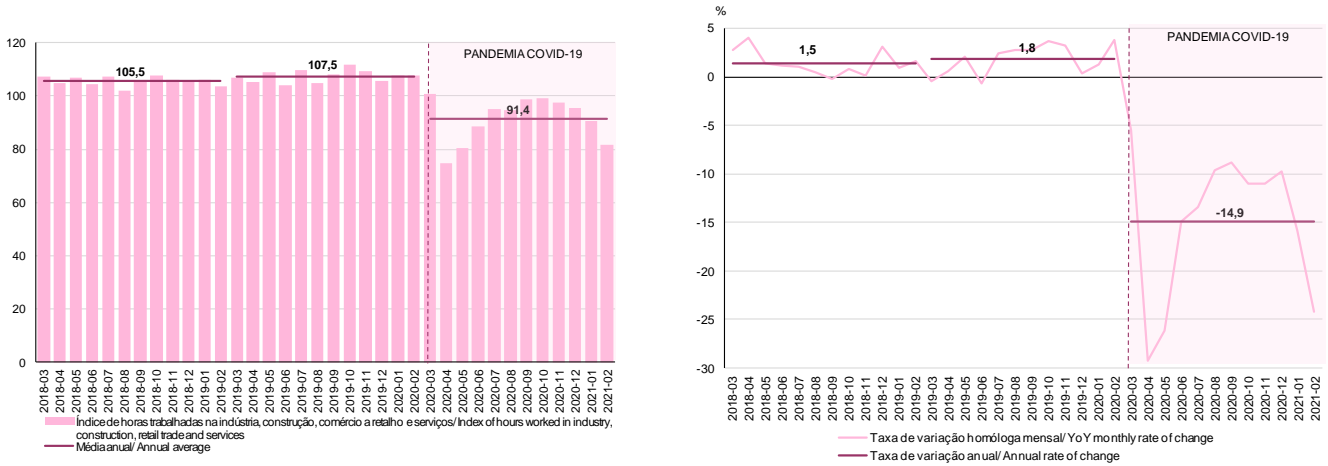


Source: Statistics Portugal, Labour Force Survey

Significant reduction in hours worked in the economy (-14.9%, after +1.8% in the 12 months prior to the pandemic).



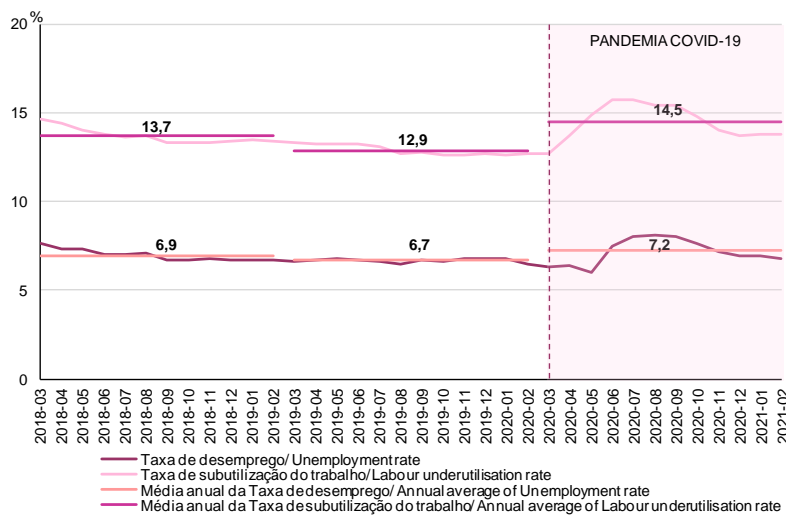
INDICES OF HOURS WORKED IN INDUSTRY, CONSTRUCTION, RETAIL TRADE AND SERVICES



Source: Statistics Portugal, Business turnover, employment, wage and hours worked indices

Increase in the unemployment rate and in the labour underutilisation rate, but below the levels reached during the adjustment program of the Portuguese economy, reflecting in particular the impact of employment protection measures as the simplified Lay-off. It should be noted that during this program, the unemployment rate (16 to 74 years old) in average annual terms reached 17.2% in 2013 (26.5% labour underutilisation rate in the same year).

UNEMPLOYMENT RATE AND LABOUR UNDERUTILISATION RATE

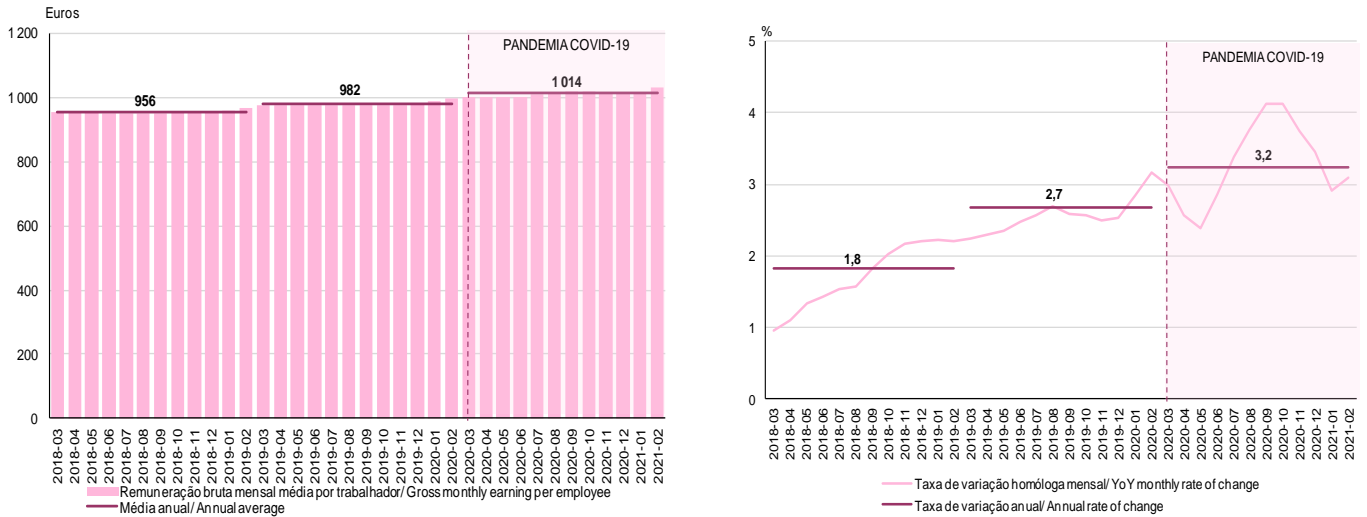


Source: Statistics Portugal, Labour Force Survey



Change in monthly earnings per employee by +3.2%, from 982€ to 1 014€, reflecting mostly the destruction of lower-paid jobs.

GROSS MONTHLY EARNING PER EMPLOYEE

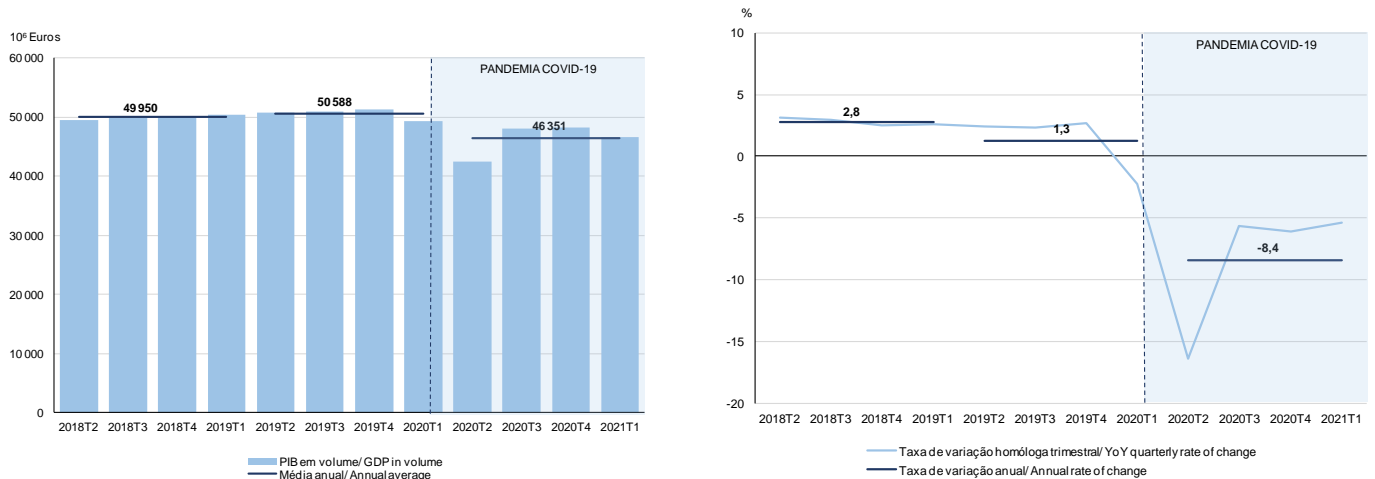


Source: Social Security and Caixa Geral de Aposentações – data analysed by Statistics Portugal

C) In the macroeconomic domain:

GDP in volume contracted 8.4%, comparing the year between the 2nd quarter of 2020 and the 1st quarter of 2021 with the previous year.

GROSS DOMESTIC PRODUCT IN VOLUME

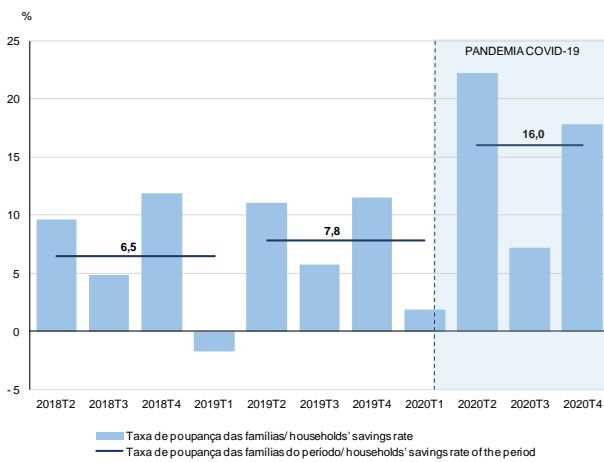


Source: Statistics Portugal, Quarterly National Accounts

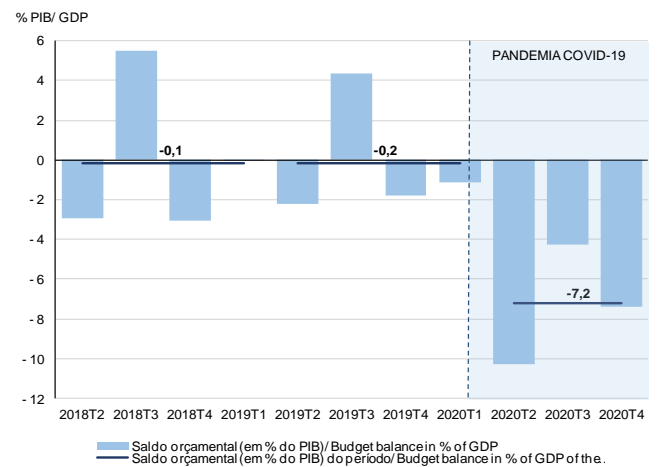


In the last three quarters of 2020, the net lending of the General Government corresponded to -7.2% of GDP (+0.1% in the same period of 2019) and the households' savings rate reached 16.0% of their disposable income (+9,6% in the same period of 2019), reflecting not only public policy measures to support employment but, in the second case, the severe contraction of consumption, to some extent forced by restrictions on mobility and access to many services and consumer goods.

HOUSEHOLDS' SAVINGS RATE



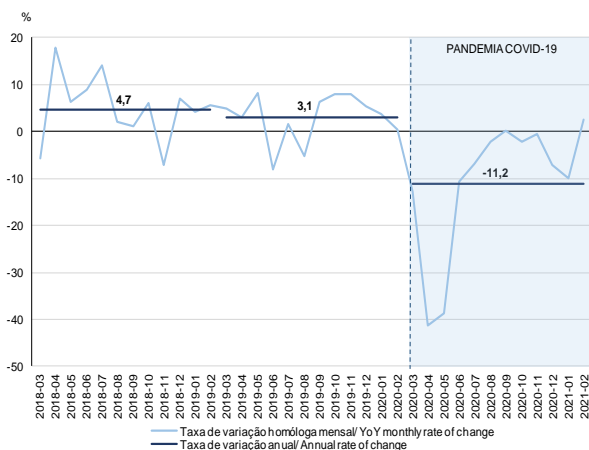
NET LENDING/BORROWING OF THE GENERAL GOVERNMENT



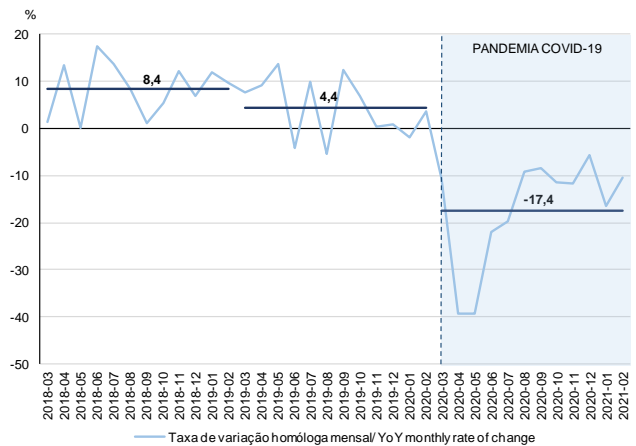
Source: Statistics Portugal, Quarterly Sector Accounts

Imports of goods decreased more sharply than exports (-17.4% and -11.2%, respectively) allowing a reduction of the trade deficit, which in average corresponded to an improvement of EUR 602 million in the 1st year of the pandemic.

EXPORTS OF GOODS



IMPORTS OF GOODS



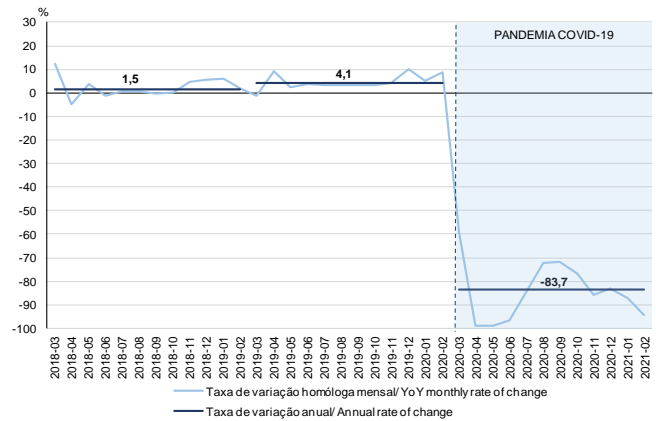
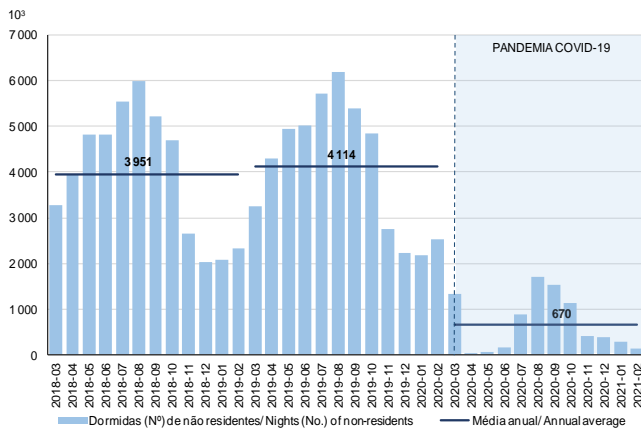
Source: Statistics Portugal, International Trade in Goods



D) In the domain of the various economic activities:

The main negative impact in terms of its repercussion on the economy as a whole was on tourist and related activities, standing out the sharp contraction in demand for the respective services mainly by non-residents.

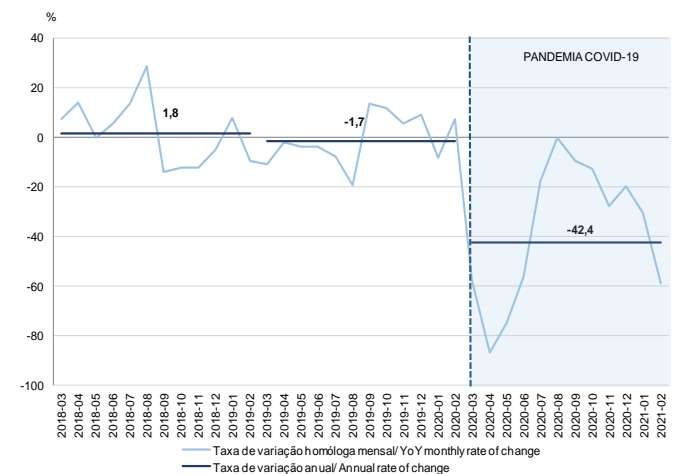
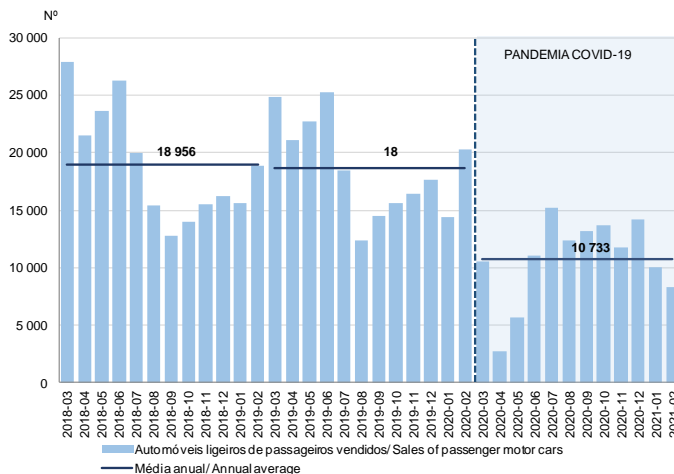
NIGHTS IN TOURIST ACCOMODATION ESTABLISHMENTS – NON RESIDENTS



Source: Statistics Portugal, Guests stays and other data on hotel activity survey

Also significant were the negative impacts on individual and collective consumption services and, to a lesser extent, on industry and agriculture. The sharp decrease in the purchase of light passenger motor cars indicates that the contraction in household final consumption was particularly accentuated in its durable goods component.

SALES OF LIGHT PASSENGER MOTOR CARS

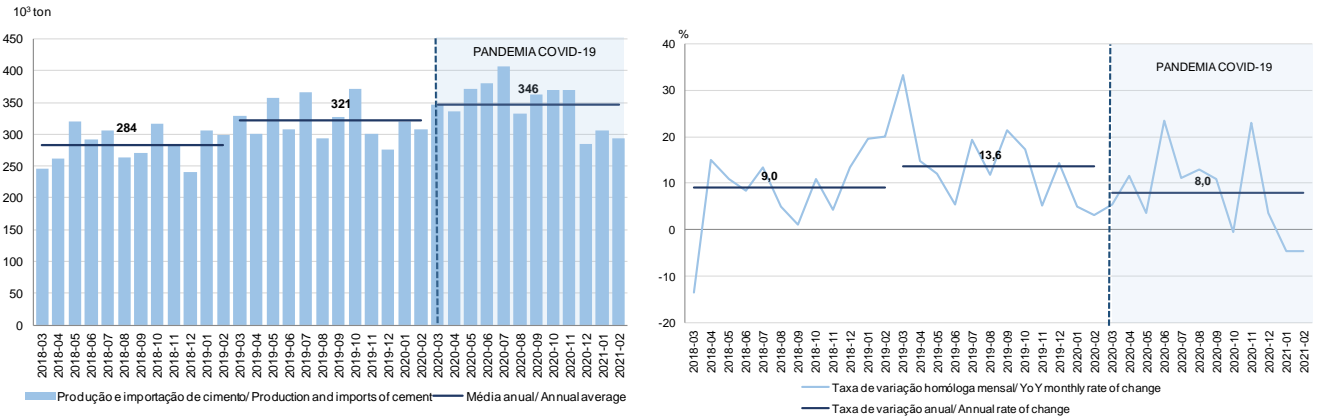


Source: ACAP – Portugal’s Auto Dealers Association



The construction sector, on the other hand, showed resilience, with buildings and dwellings average licensing figures very close to the 12 months prior to the pandemic and an increase of 8.0% in cement sales in quantity.

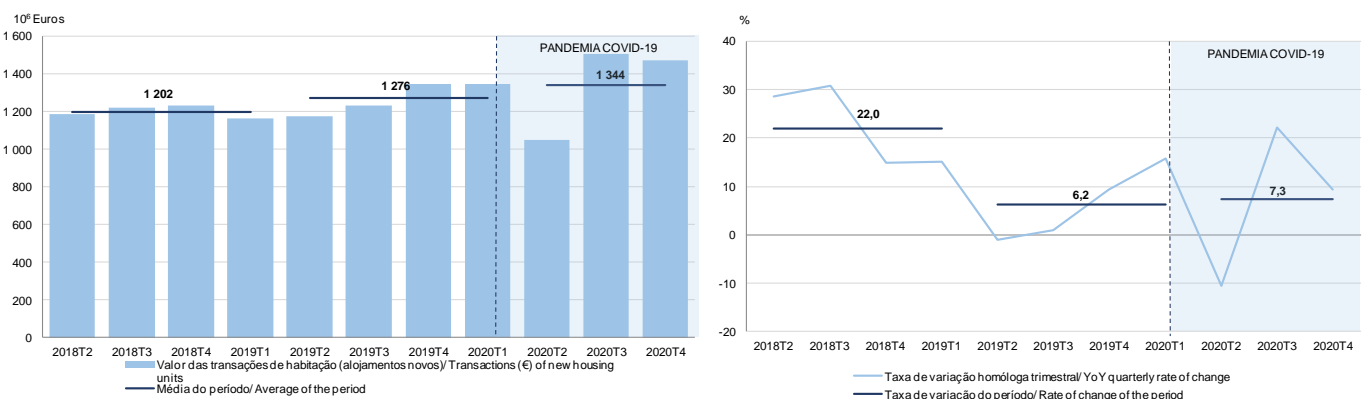
SALES OF CEMENT



Source: Statistics Portugal and main national producing enterprises

Housing transactions continued to be very high in both number and value, and even grew in average terms in the new housing segment.

VALUE OF NEW HOUSING TRANSACTIONS



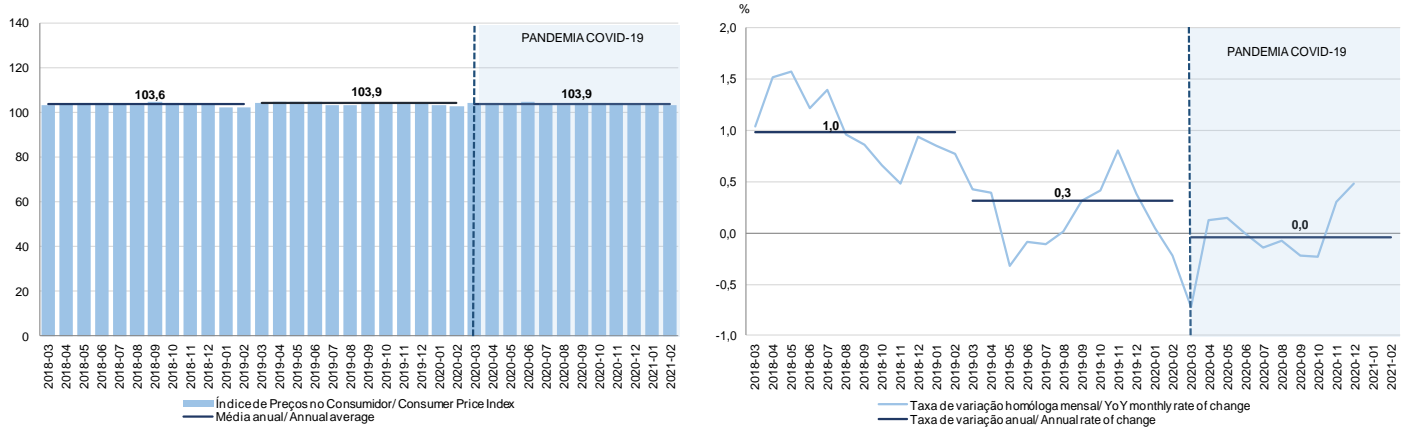
Source: Statistics Portugal, Housing price index



E) In the domain of prices:

There were no significant impacts on the CPI - Consumer Price Index.

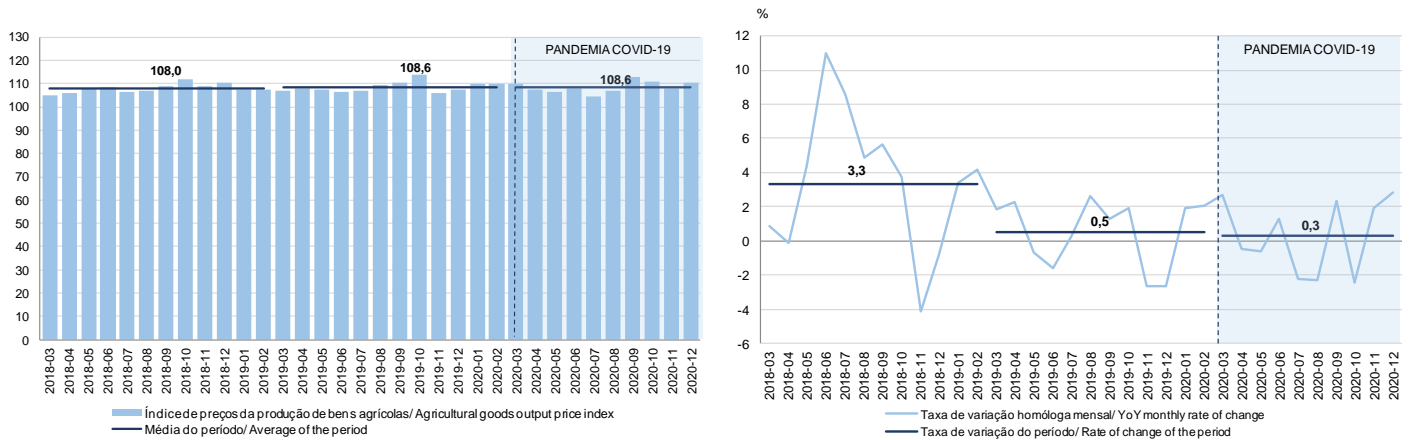
CONSUMER PRICE INDEX



Source: Statistics Portugal, Consumer price index

In the agricultural goods output price indices, the variation was also little significant, with a slight increase (+0.3%), while in the industry there was a decrease (-4.4%).

PRODUCER PRICES INDEX OF AGRICULTURAL PRODUCTS



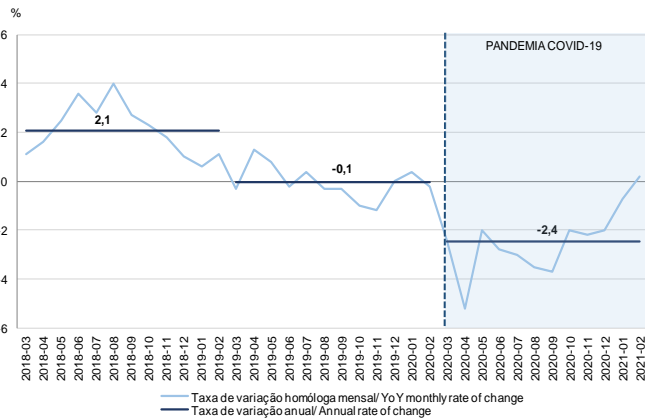
Source: Statistics Portugal, Agriculture products price index



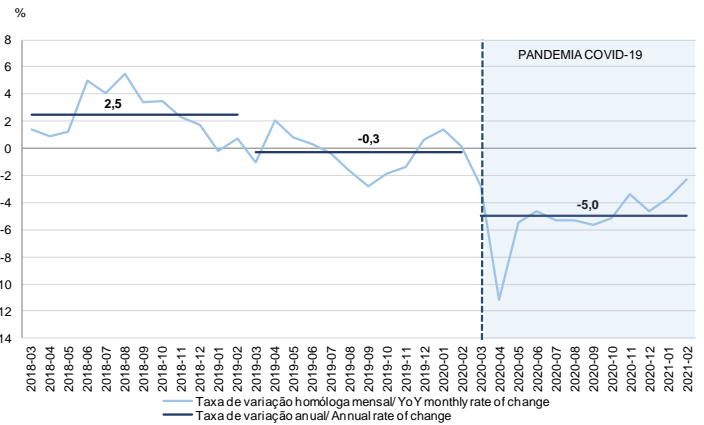
International trade deflators show significant price reductions, more so in imports (-5.0%) than in exports (-2.4%), reflecting mainly the evolution in energy prices, with a significant gain in the terms of trade.

INTERNATIONAL TRADE INDICES

EXPORTS OF GOODS



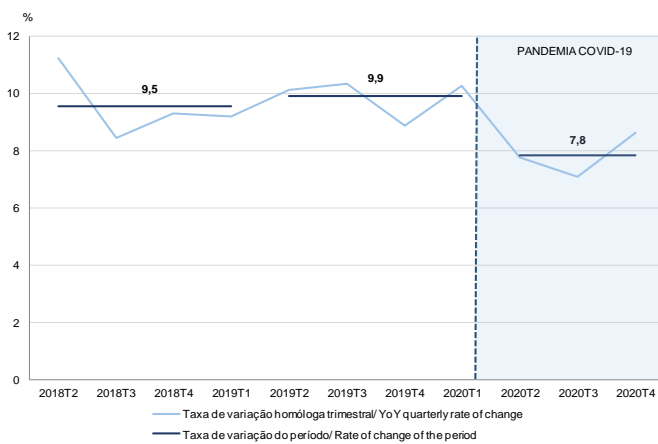
IMPORTS OF GOODS



Source: Statistics Portugal, International Trade in Goods

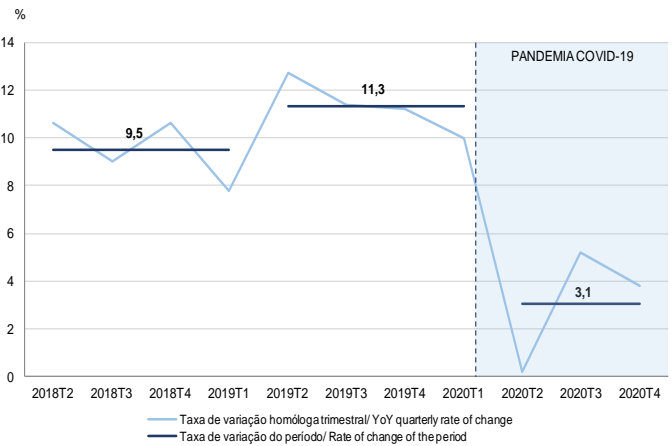
House price indices continued to grow, but with less intensity than in the pre-pandemic period, also increasing the housing rents.

HOUSING PRICE INDEX (TOTAL)



Source: Statistics Portugal, Housing price index

NEW LEASE AGREEMENTS OF DWELLINGS



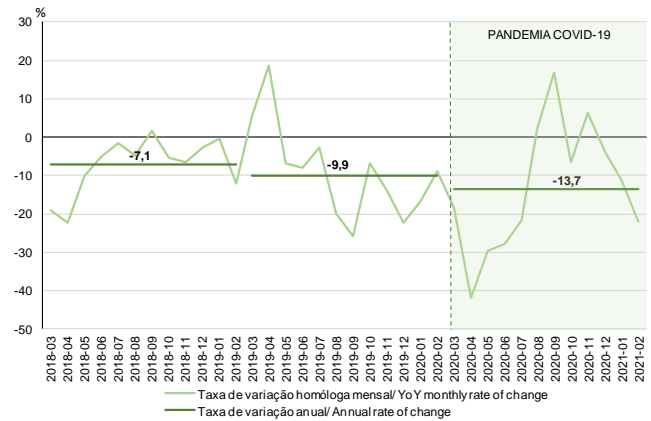
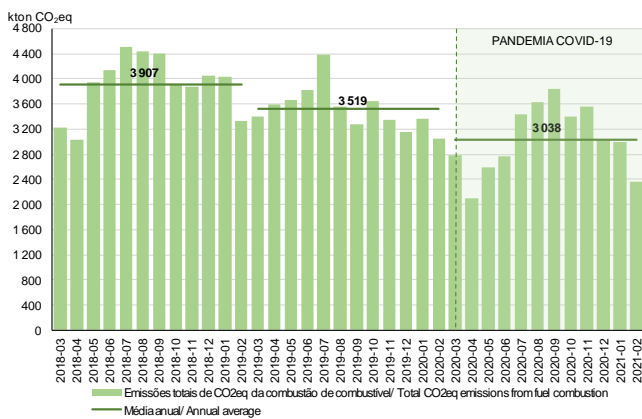
Source: Statistics Portugal, House rental statistics at local level



F) In the domain of environment and energy:

The pandemic generated improvements in greenhouse gases emissions (-13.7%, after -9.9% in the pre-pandemic period).

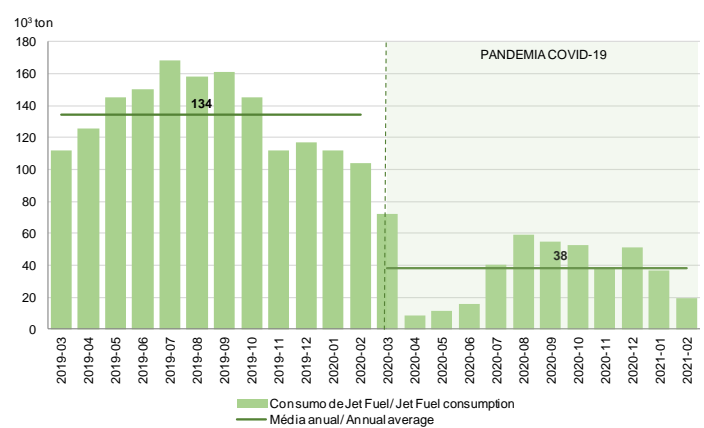
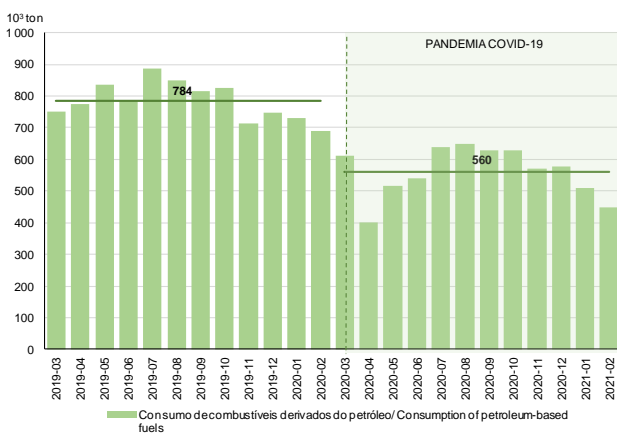
GREENHOUSE GASES EMISSIONS



Source: Portuguese Environment Agency

There was a reduction in the consumption of petroleum-based fuels, mainly Jet-fuel for aviation (-71.4%) and gasoline (-23.4%).

CONSUMPTION OF PETROLEUM-BASED FUELS – TOTAL AND JET FUEL



Source: Directorate-General of Energy and Geology