28th October, 2021
BUSINESS AND CONSUMER SURVEYS
October 2021

CONSUMER CONFIDENCE INDICATOR DECREASES
AND ECONOMIC CLIMATE INDICATOR INCREASES

The Consumer confidence indicator[1] decreased in October [2], after increasing in the previous two months.

The economic climate indicator[3] increased in October, after presenting an irregular behaviour since July, attaining the level observed in February 2020. Confidence indicators increased in October in Construction and Public Works, in Trade and in Services, slightly in the former case and significantly in the latter. In turn, in Manufacturing Industry, the indicator decreased, after having increased in the previous month.

Figure 1. Economic climate indicator
- Manufacturing Industry, Construction and Public Works, Trade and Services-
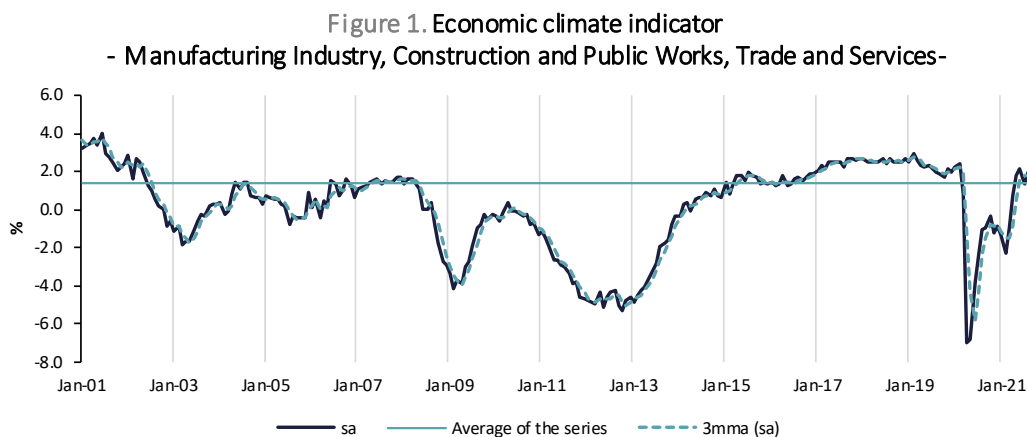
Following the changes implemented by the European Commission in the new program of business surveys, which entered into force in May 2021, Statistics Portugal starts publishing information on the evolution of investment in the context of business surveys of the manufacturing industry and services with bi-annual periodicity (see box on page 9).

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[1] This analysis is based on series of monthly effective values and not on moving averages, as was usual (see box at the end of the press release).

[2] The collection period (see final notes) of the consumer survey occurred from 01 to 17 of October (working days), in the case of the consumer survey, and from 01 to 27 of October in the case of business surveys.

[3] The economic climate indicator summarizes the balances of business surveys' questions.

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Consumer Survey

The consumer confidence indicator decreased in October, after increasing in the previous two months. This evolution was due to the negative contribution of the opinions on the past and future evolution of households' financial situation and of the perspectives regarding the future evolution of the country's economic situation. On the other hand, expectations about the future evolution of households' spending on major purchases contributed positively.

The balance of perspectives regarding the future evolution of the country's economic situation decreased in October, after increasing in the last two months, significantly in August.

Similarly, the balance of expectations about household's financial situation decreased this month, following the increases observed in August and September.
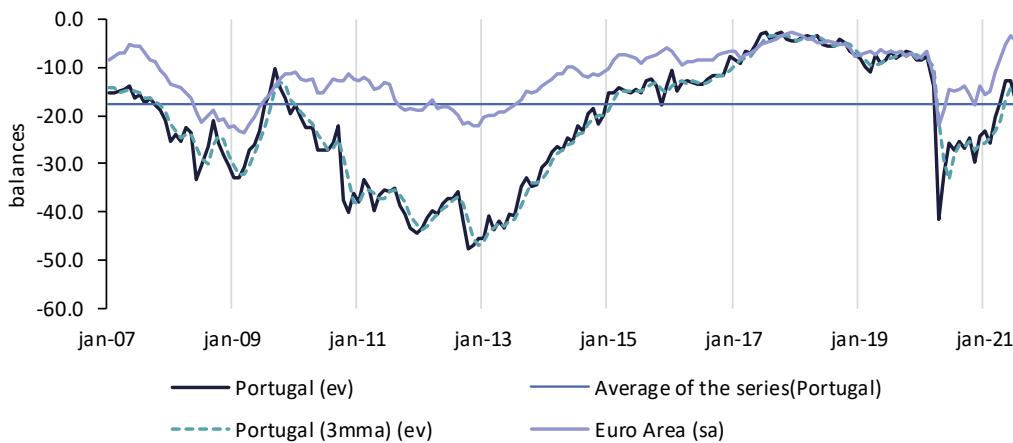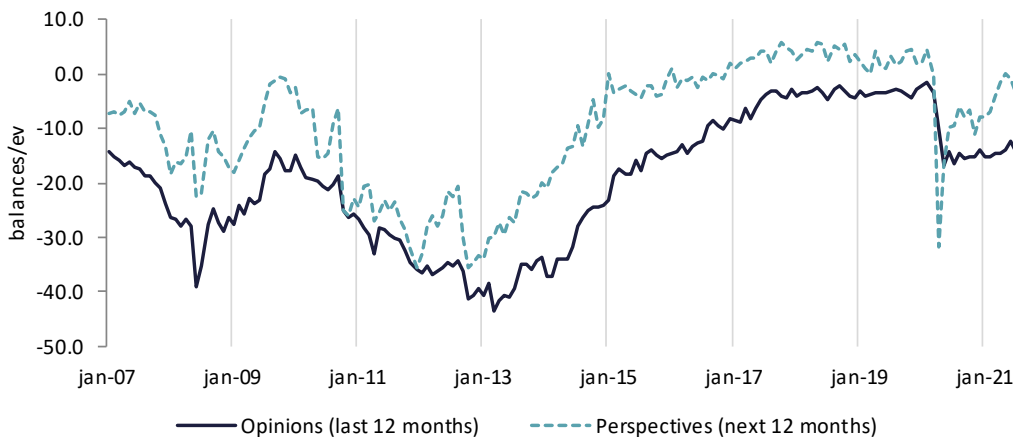
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Figure 2. Consumer confidence indicator

Figure 3. Opinions and expectations about household's financial situation

Manufacturing Industry Survey

The Manufacturing Industry confidence indicator decreased in October, after increasing in the previous month. The behaviour of the indicator reflected the negative contributions of the firm's production perspectives over the next three months and the opinions on the evolution of the overall order books in the last three months, more intense in the first case, while the opinions on the current stocks of finished products presented a positive contribution.

The indicator decreased in Consumer Goods and Intermediate Goods and increased in Investment Goods.

The balance of opinions on current overall order books decreased slightly in October, after having increased in the last two months, less so in September. Opinions regarding domestic order books, considering firms with production oriented to the domestic market, deteriorated in October. On the contrary, the opinions of export order books, considering firms with production oriented to the foreign market, recovered in October from the deterioration observed in the previous month.

The balance of opinions relative to the acquisition prices of raw materials, intermediate and energy products increased in the last three quarters, reaching in October the highest value since April 2011.

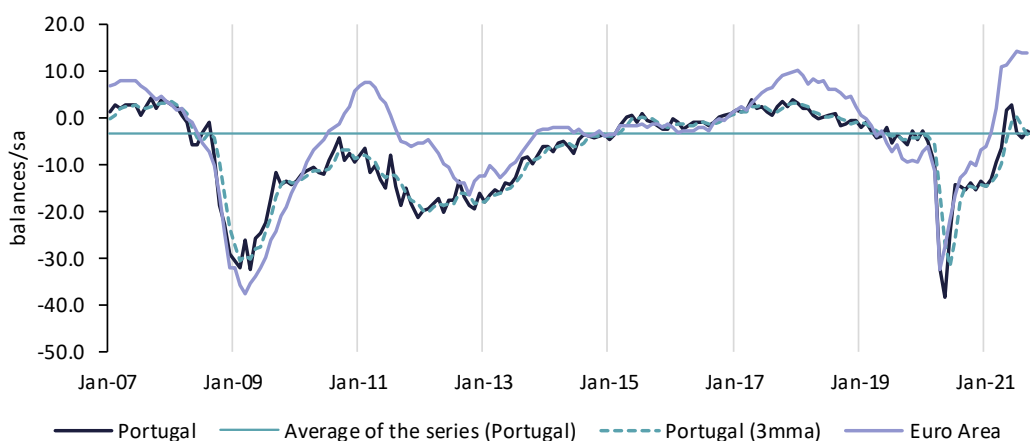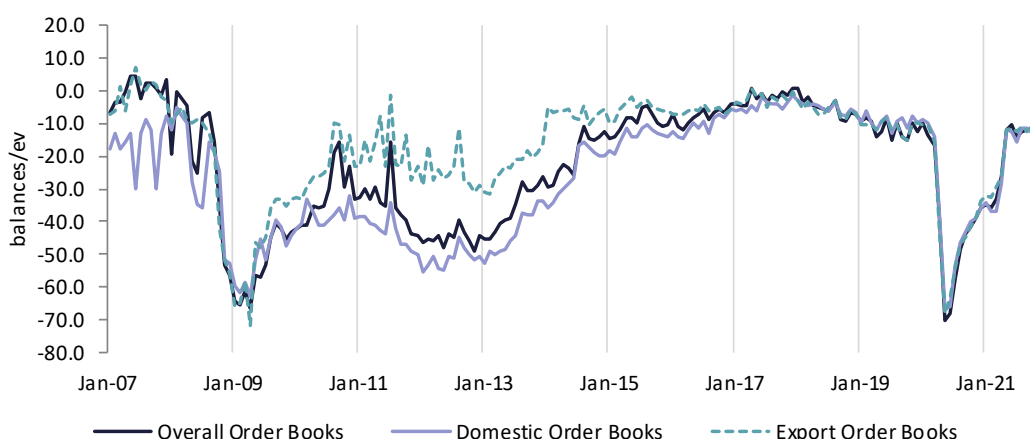Figure 4. **Manufacturing industry confidence indicator**

Figure 5. **Opinions on current overall order books**

BUSINESS AND CONSUMER SURVEYS – October 2021

Construction and Public Works Survey

The Construction and Public Works confidence indicator increased slightly in October, after declining slightly in September. The increase in the last month reflected the positive contribution of the balance of opinions on current order books, since the perspectives on employment component have decreased.

The confidence indicator increased in the division of Construction of Buildings and decreased in the divisions of Civil Engineering and Specialized Construction Activities.

The balance of opinions on the firm's activity decreased in October, after increasing in the last two months, having reached in September the maximum since January 2020.

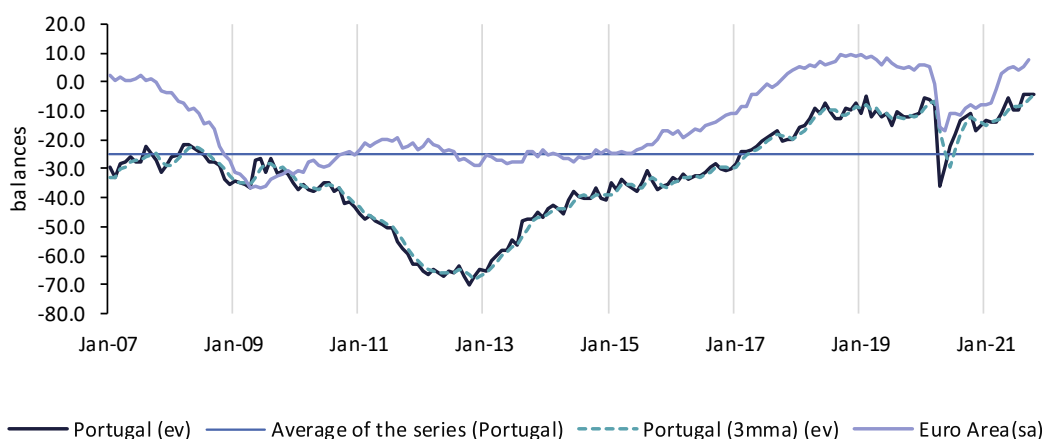Figure 6. Construction and Public Works confidence indicator

Figure 7. Construction and Public Works confidence indicators by NACE divisions
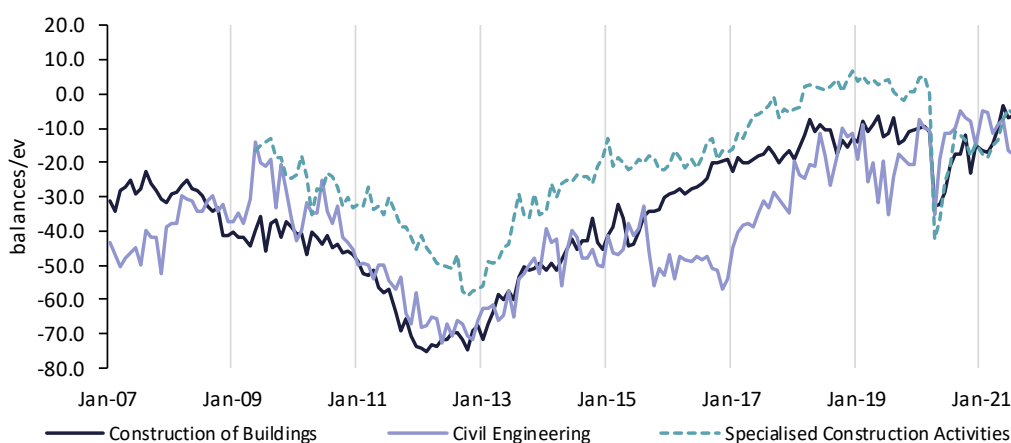
Trade Survey

The Trade confidence indicator increased in October, after decreasing in the previous month, reaching the highest level since February 2019. This evolution reflected the positive contributions from the opinions on the volume of sales, the perspectives of the firm's activity over the next three months and the opinions on current volume of stocks.

The opinions on the volume of sales recovered sharply in October, overturning the decrease observed in the previous month. Similarly, the balance of perspectives of the firm's activity over the next three months also increased in October, after slight decrease observed in September.

By subsector, the confidence indicator increased significantly in Wholesale Trade, reaching the highest level since February 2019, while in Retail Trade the indicator presented a decrease, after having increased in the two previous months.

Figure 8. Trade confidence indicator
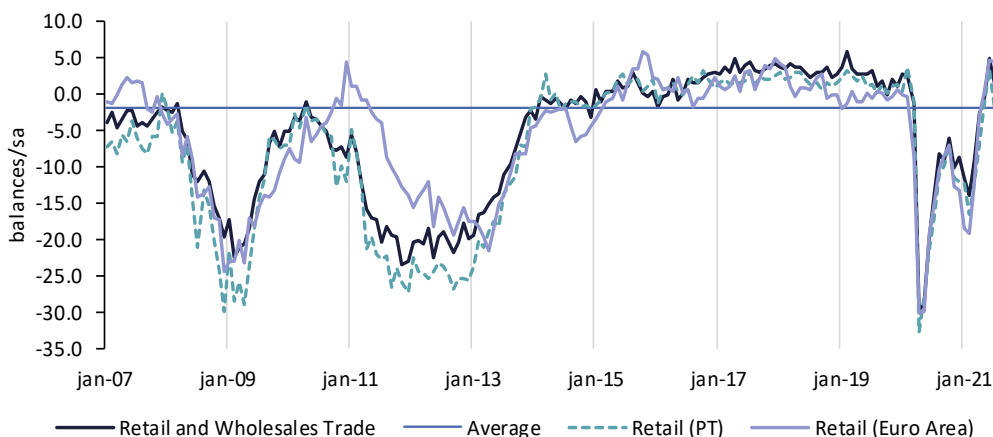
Figure 9. Perspectives on business activity (sales) over the next three months
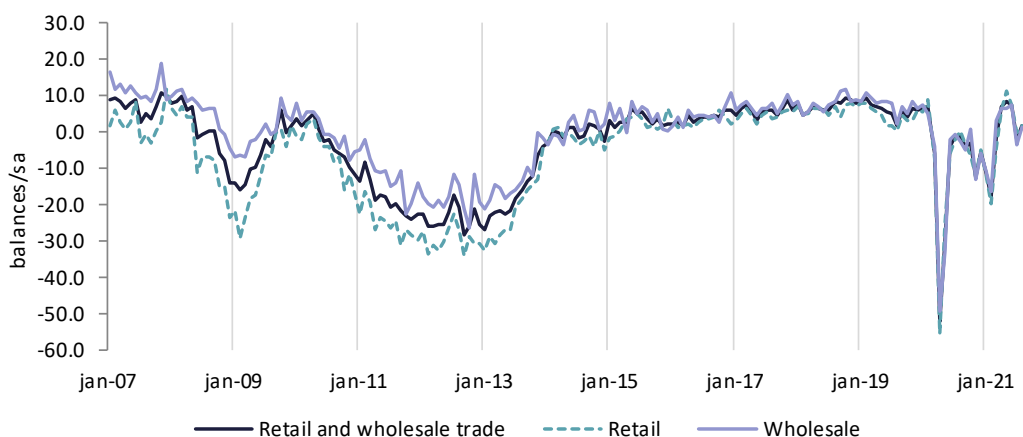
Services Survey

The Services' confidence indicator increased in October, after having increased in September, extending the upward profile started in June 2020. The behaviour of the indicator resulted from the positive contribution of all components, perspectives on the evolution of the order books on the evolution of the business situation and the opinions on the evolution of the order books, expressively in the former two cases.

In October, the confidence indicators decreased in six of the eight sections, with emphasis on the sections of Professional, Scientific and Technical Activities and Arts, Entertainment and Recreation Activities.

The balance of perspectives on the evolution of demand increased in October, after having decreased in the precedent month, reaching the maximum since January 2020.

Figure 10. Services confidence indicator

Figure 11. Opinions and perspectives on the evolution of demand (order books)

Figure 12. Confidence and climate economic indicators

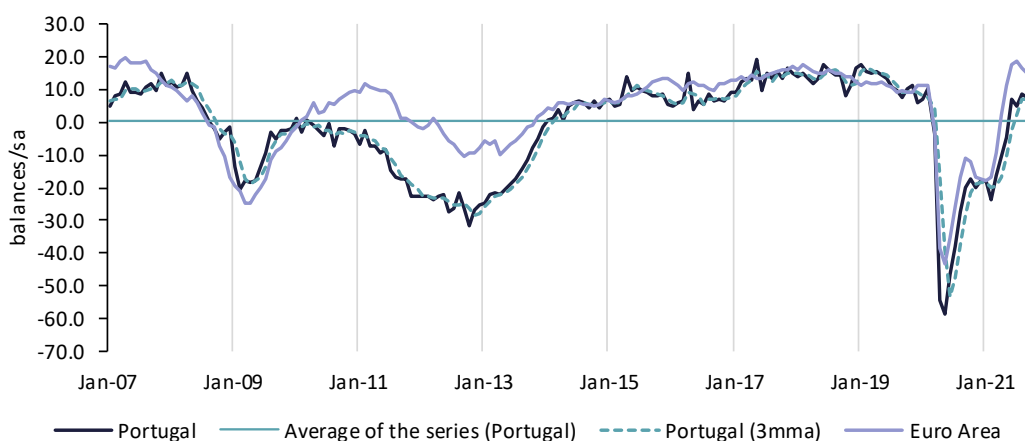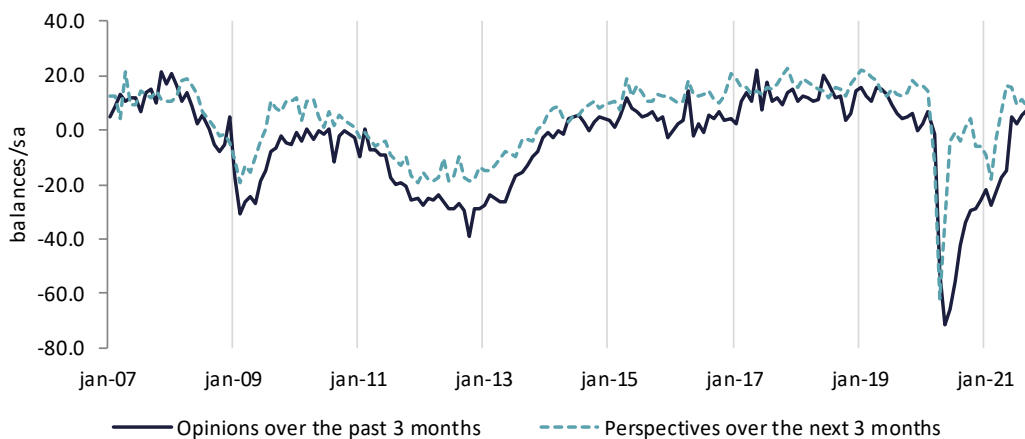|	Unit	Minimum		Maximum		2020			2021									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence indicator																		
Consumers	bal/ev	-47.8	Oct-12	-0.1	Sep-97	-24.6	-29.6	-24.3	-23.1	-25.8	-20.2	-17.1	-12.8	-12.6	-17.0	-11.9	-9.9	-11.0
Manufacturing industry	bal/sa	-38.5	May-20	19.0	Mar-87	-14.0	-15.4	-13.6	-14.7	-13.1	-9.5	-6.5	1.7	2.7	-3.2	-4.1	-2.6	-3.4
Construction and public works	bal/ev	-69.9	Oct-12	20.2	Sep-97	-10.7	-16.8	-14.7	-13.0	-13.6	-13.6	-10.6	-5.6	-9.5	-9.8	-4.0	-4.3	-4.0
Trade	bal/sa	-29.8	Apr-20	11.9	Jun-98	-6.1	-10.1	-8.7	-11.4	-14.0	-9.1	-2.7	-0.6	4.9	1.6	4.0	2.0	5.5
Services	bal/sa	-58.7	May-20	26.7	Jun-01	-17.1	-19.7	-17.8	-17.7	-23.8	-16.2	-10.3	-4.4	6.8	5.2	8.6	7.9	12.9
Economic climate indicator	%/sa	-7.0	Apr-20	5.5	Apr-98	-0.3	-1.2	-0.9	-1.3	-2.2	-1.0	0.7	1.8	2.2	1.3	1.9	1.6	2.4

Figure 13. Monthly series of Consumer Survey

	Unit	Minimum		Maximum		2020			2021									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence indicator (a+b+c+d)/4	bal/ev	-47.8	Oct-12	-0.1	Sep-97	-24.6	-29.6	-24.3	-23.1	-25.8	-20.2	-17.1	-12.8	-12.6	-17.0	-11.9	-9.9	-11.0
General economic situation in the country over the next 12 months (c)	bal/ev	-72.7	Apr-20	16.6	Jun-17	-43.0	-55.4	-40.3	-35.4	-44.2	-29.3	-22.9	-8.0	-8.1	-21.7	-6.9	-1.3	-3.8
Financial situation of the households over the last 12 months (a)	bal/ev	-43.5	Mar-13	0.5	Aug-99	-15.3	-15.1	-14.1	-15.3	-15.3	-14.5	-14.5	-14.1	-12.2	-14.3	-11.0	-9.6	-12.6
Financial situation of the households over the next 12 months (b)	bal/ev	-35.6	Oct-12	8.6	Feb-99	-6.6	-10.9	-7.9	-7.9	-7.0	-4.0	-1.6	0.1	-0.8	-3.3	-1.2	0.9	0.1
Major purchases over the next 12 months (d)	bal/ev	-51.6	Apr-20	-6.4	Sep-97	-33.5	-37.2	-35.1	-34.0	-36.6	-32.9	-29.4	-29.3	-29.2	-28.7	-28.6	-29.4	-27.6
General economic situation in the country over the last 12 months	bal/sa	-77.0	Oct-12	20.7	Oct-17	-68.0	-70.1	-72.5	-72.9	-75.1	-71.7	-71.0	-64.6	-52.6	-56.0	-48.9	-39.2	-43.0
Major purchases over the last 12 months	bal/sa	-87.9	Dec-08	-14.5	Sep-97	-75.7	-77.0	-78.4	-73.9	-70.4	-71.0	-67.0	-65.3	-65.8	-67.5	-67.5	-63.2	-61.8
Current savings	bal/ev	-53.7	Feb-08	-0.2	Sep-97	-30.0	-33.8	-31.0	-27.3	-30.1	-27.8	-23.9	-29.4	-28.7	-29.5	-27.6	-25.0	-27.4
Savings over the next 12 months	bal/ev	-42.6	Nov-12	0.9	Oct-97	-24.7	-25.0	-21.3	-20.2	-22.6	-19.6	-17.7	-16.6	-20.3	-16.6	-16.4	-17.7	-17.0
Unemployment next 12 months	bal/ev	-20.0	Jun-17	85.5	Feb-09	62.4	71.7	60.3	57.3	65.0	51.0	41.1	21.1	19.9	35.3	19.4	8.4	6.7
Prices over the last 12 months	bal/ev	-14.6	Sep-09	79.2	May-08	7.4	2.2	3.0	0.5	-2.5	2.6	9.5	15.9	19.3	32.6	26.4	26.4	39.5
Prices over the next 12 months	bal/sa	-6.7	Jul-09	62.8	Sep-11	16.9	12.7	8.4	-2.2	2.6	6.8	10.8	11.8	17.2	27.1	22.1	23.6	36.0

Figure 14. Monthly series of Manufacturing Industry Survey

	Unit	Minimum		Maximum		2020			2021									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence Indicator (a+b-c)/3	bal/sa	-38.5	May-20	19.0	Mar-87	-14.0	-15.4	-13.6	-14.7	-13.1	-9.5	-6.5	1.7	2.7	-3.2	-4.1	-2.6	-3.4
Consumer goods	bal/sa	-27.6	Apr-20	12.6	Jan-99	-12.8	-15.7	-14.0	-15.8	-15.5	-7.3	-6.4	-4.3	-3.8	-5.3	-8.8	-4.3	-7.5
Investment goods	bal/ev	-35.5	Apr-20	24.8	Feb-07	-9.7	-12.0	-8.3	-6.8	-6.9	-5.9	-5.5	-4.4	-5.6	-10.8	-2.3	-6.2	-5.8
Intermediate goods	bal/ev	-51.6	May-20	16.0	Jan-95	-17.0	-17.1	-15.8	-16.4	-13.9	-11.4	-7.0	8.6	9.7	1.2	-1.1	-0.4	-0.6
Current overall order books (a)	bal/ev	-70.2	May-20	14.6	Mar-98	-41.4	-38.8	-36.0	-34.8	-36.1	-33.2	-26.4	-12.0	-10.2	-14.2	-12.2	-11.9	-12.0
Consumer goods	bal/ev	-60.6	May-20	6.5	Dec-17	-32.8	-36.2	-31.1	-31.9	-37.5	-35.0	-26.1	-22.7	-16.8	-19.7	-24.0	-14.1	-16.7
Investment goods	bal/ev	-81.8	May-20	36.1	Jan-08	-24.5	-19.7	-12.9	-17.6	-19.5	-18.6	-18.3	-20.0	-12.3	-20.2	-12.1	-24.0	-20.7
Intermediate goods	bal/ev	-74.8	Jun-20	31.4	Mar-98	-52.6	-46.9	-46.9	-42.4	-40.6	-36.9	-29.3	-2.3	-5.1	-8.7	-4.5	-6.6	-6.0
Production over next 3 months (b)	bal/sa	-53.1	Apr-20	34.0	Feb-87	2.1	-4.0	-1.2	-9.1	-2.2	3.2	7.5	17.2	20.4	7.2	2.0	7.4	4.5
Consumer goods	bal/ev	-47.8	Apr-20	40.1	Aug-98	-2.1	-8.4	-4.4	-18.2	-6.1	10.8	6.9	14.0	10.5	8.9	4.7	7.8	4.0
Investment goods	bal/ev	-46.4	Feb-09	49.0	Aug-00	-4.5	-16.9	-13.2	-4.9	-1.9	-1.3	2.9	3.5	-3.1	0.6	4.0	5.3	-1.9
Intermediate goods	bal/ev	-60.8	Apr-20	34.9	Jun-21	4.8	0.7	2.7	-3.9	-0.9	1.7	9.3	26.6	34.9	9.5	1.2	7.7	4.7
Current stock finished products (c)	bal/ev	-16.9	Jan-08	23.2	Jun-93	2.8	3.3	3.6	0.2	1.0	-1.6	0.7	0.1	2.3	2.5	2.0	3.3	2.6
Consumer goods	bal/ev	-9.3	Jan-10	24.6	Aug-07	3.6	2.5	6.6	-2.8	2.9	-2.3	-0.1	4.2	5.2	5.2	7.0	6.5	9.7
Investment goods	bal/ev	-38.8	Jan-09	21.5	Jun-10	0.0	-0.5	-1.3	-2.2	-0.6	-2.3	1.1	-3.4	1.4	12.8	-1.3	-0.1	-5.3
Intermediate goods	bal/ev	-30.2	Jan-08	37.1	May-20	3.3	5.1	3.2	2.9	0.2	-0.9	1.0	-1.5	0.6	-2.7	-0.1	2.2	0.5
Firm's employment next 3 months	bal/ev	-32.5	Apr-20	8.8	Sep-17	0.0	-3.5	0.4	-1.2	2.1	2.8	1.7	1.9	3.8	3.6	3.4	-10.9	1.8
Selling prices next 3 months	bal/sa	-28.6	Apr-20	32.1	Oct-90	-0.1	2.0	0.8	4.6	8.1	11.5	13.0	17.2	18.4	18.1	15.0	16.5	22.4

Figure 15. Monthly series of Construction and Public Works Survey

	Unit	Minimum		Maximum		2020			2021									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence Indicator (a+b)/2	bal/ev	-69.9	Oct-12	20.2	Sep-97	-10.7	-16.8	-14.7	-13.0	-13.6	-13.6	-10.6	-5.6	-9.5	-9.8	-4.0	-4.3	-4.0
Construction of buildings	bal/ev	-75.4	Feb-12	21.1	Sep-97	-12.0	-22.9	-14.8	-16.3	-17.1	-14.6	-10.2	-3.2	-7.1	-6.5	-3.1	-5.4	-1.9
Civil engineering	bal/ev	-72.6	May-12	8.4	Jul-97	-6.7	-7.8	-14.8	-5.0	-5.2	-11.2	-9.0	-7.3	-16.7	-17.4	-5.5	-4.2	-7.2
Specialised construction activities	bal/ev	-59.0	Oct-12	6.9	Dec-18	-13.5	-17.9	-14.6	-17.5	-18.5	-14.9	-13.3	-7.4	-4.5	-5.7	-3.5	-2.4	-3.5
Current overall order books (a)	bal/ev	-82.2	Oct-12	18.6	Sep-97	-23.3	-29.8	-25.9	-23.5	-25.7	-27.6	-25.5	-18.1	-21.2	-21.0	-15.8	-14.1	-12.7
Construction of buildings	bal/ev	-87.0	Oct-12	20.7	Sep-97	-21.5	-31.5	-24.3	-24.6	-24.5	-24.0	-20.3	-10.0	-14.3	-11.4	-6.4	-12.4	-6.7
Civil engineering	bal/ev	-83.6	Jul-12	0.0	Jul-97	-26.5	-30.8	-30.6	-20.5	-21.7	-33.1	-32.6	-30.1	-38.5	-41.1	-30.8	-18.1	-20.6
Specialised construction activities	bal/ev	-71.9	Oct-12	3.5	Jul-19	-22.1	-25.3	-22.7	-25.4	-32.9	-26.7	-25.1	-16.4	-10.4	-11.5	-12.6	-11.8	-12.6
Employment next 3 months (b)	bal/ev	-57.9	Jan-97	29.9	Jun-97	2.0	-3.8	-3.5	-2.4	-1.5	0.5	4.3	7.0	2.1	1.3	7.9	5.5	4.6
Construction of buildings	bal/ev	-68.1	Jan-12	28.5	Jun-97	-2.4	-14.3	-5.3	-8.0	-9.6	-5.1	-0.1	3.6	0.1	-1.7	0.1	1.6	2.9
Civil engineering	bal/ev	-66.2	May-12	26.8	Jul-01	13.1	15.2	1.0	10.5	11.2	10.7	14.6	15.5	5.2	6.3	19.8	9.6	6.2
Specialised construction activities	bal/ev	-47.5	Dec-12	12.4	Dec-18	-4.9	-10.4	-6.5	-9.6	-4.0	-3.1	-1.6	1.7	1.4	0.2	5.6	7.0	5.5
Activity past 3 months	bal/ev	-70.0	Apr-12	22.2	May-98	-8.1	-8.2	-14.0	-12.2	-17.8	-13.1	-6.7	-3.0	-0.6	-6.4	-1.8	1.5	-1.2
Selling prices next 3 months	bal/ev	-41.6	Aug-12	17.6	Oct-21	-3.1	-5.3	-5.4	-3.7	-3.4	-1.9	-0.7	9.2	8.8	13.1	9.1	13.3	17.6

Figure 16. Monthly series of Trade Survey

	Unit	Minimum		Maximum		2020			2021									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence indicator (a+b-c)/3	bal/sa	-29.8	Apr-20	11.9	Jun-98	-6.1	-10.1	-8.7	-11.4	-14.0	-9.1	-2.7	-0.6	4.9	1.6	4.0	2.0	5.5
Wholesale	bal/sa	-28.3	Apr-20	14.0	Apr-98	-5.4	-9.3	-6.4	-11.0	-12.6	-6.3	-0.6	2.2	7.2	4.8	6.2	1.1	9.1
Retail	bal/sa	-32.7	Apr-20	12.3	Jul-98	-7.0	-11.5	-12.1	-12.3	-16.5	-12.3	-6.9	-1.3	3.6	-1.8	1.5	3.1	1.2
Business activity past 3 months (a)	bal/sa	-51.5	Jun-20	19.0	Feb-89	-12.7	-17.5	-19.9	-23.4	-24.8	-24.1	-16.6	-10.2	7.5	6.8	11.1	3.4	8.1
Wholesale	bal/sa	-50.0	Jun-20	22.8	Feb-89	-14.0	-14.4	-15.0	-22.9	-22.8	-22.3	-13.5	-1.9	12.6	17.6	19.2	3.9	15.0
Retail	bal/sa	-57.6	Aug-12	20.1	Apr-99	-12.5	-22.1	-27.5	-25.0	-29.5	-28.4	-24.8	-12.7	5.7	-4.7	3.0	4.0	-1.4
Business activity next 3 months (b)	bal/sa	-52.3	Apr-20	40.8	Oct-89	-2.9	-12.5	-5.4	-11.0	-18.0	-1.6	6.8	8.5	7.5	-1.9	1.9	1.6	6.3
Wholesale	bal/sa	-49.4	Apr-20	50.4	Oct-89	0.8	-13.3	-6.0	-10.6	-16.4	3.1	6.3	6.6	7.6	-3.5	1.2	0.4	11.5
Retail	bal/sa	-55.5	Apr-20	41.2	Jul-94	-6.2	-12.3	-4.9	-11.7	-19.9	-4.6	6.2	11.2	7.5	-0.2	1.6	1.9	1.3
Current volume of stocks (c)	bal/ev	-12.2	Feb-13	29.1	Jul-90	2.5	0.1	0.9	-0.2	-0.8	1.6	-1.8	0.1	0.3	0.1	1.1	-1.0	-2.2
Wholesale	bal/ev	-13.9	Oct-12	29.6	Jul-90	2.9	0.2	-1.6	-0.3	-1.6	-0.3	-5.3	-1.9	-1.5	-0.1	1.9	1.1	-0.7
Retail	bal/ev	-13.7	Feb-13	36.5	Jul-89	2.1	0.1	3.9	0.0	0.2	3.7	2.1	2.4	2.4	0.4	0.1	-3.4	-3.9
Orders next 3 months	bal/sa	-46.2	Apr-20	19.6	Aug-98	-10.0	-14.9	-11.1	-13.5	-20.6	-11.7	-1.7	4.0	-1.5	-4.5	-1.2	-5.5	2.6
Employment next 3 months	bal/ev	-29.7	Oct-12	22.2	Sep-97	-0.9	-5.5	-5.9	-6.0	-4.7	-2.4	-1.9	0.8	1.2	0.3	-1.2	-1.6	-1.4
Selling prices past 3 months	bal/sa	-15.2	Jun-12	23.0	Sep-90	-1.8	-3.5	-0.8	-1.8	0.5	5.6	3.4	7.8	13.7	15.2	13.3	11.7	21.2
Selling prices next 3 months	bal/sa	-15.0	Jul-03	18.5	Oct-21	2.5	-1.5	2.2	1.2	0.6	6.0	4.3	8.9	10.9	12.0	11.4	13.8	18.5

Figure 17. Monthly series of Services Survey

	Unit	Minimum		Maximum		2020			2021									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence indicator (a+b+c)/3	bal/sa	-58.7	May-20	26.7	Jun-01	-17.1	-19.7	-17.8	-17.7	-23.8	-16.2	-10.3	-4.4	6.8	5.2	8.6	7.9	12.9
Demand next 3 months (b)	bal/sa	-61.7	Apr-20	28.0	Jun-06	4.0	-5.9	-5.7	-9.5	-17.8	-3.0	7.0	16.3	15.5	9.2	11.4	8.7	16.0
Demand past 3 months (c)	bal/sa	-71.2	May-20	27.8	Apr-01	-29.6	-29.2	-26.0	-21.8	-27.9	-22.2	-17.6	-14.7	5.0	2.4	5.3	7.4	9.9
Employment next 3 months	bal/sa	-34.1	Apr-20	14.6	Aug-19	-5.7	-7.8	-9.2	-9.1	-13.3	-3.5	-1.3	2.0	2.0	1.3	-1.8	-0.1	11.8

Box – Results of bi-annual qualitative questions on investment

Introduction

Following the changes implemented by the European Commission in the new EU program of business surveys, which entered into force in May 2021, Statistics Portugal starts publishing information on the evolution of investment in the context of business surveys of the manufacturing industry and services with bi-annual periodicity.

The integration of questions about investment complements the information available from the qualitative surveys, following the end of the Business Investment Survey, decided also in the context of the mentioned EU program of business surveys from the European Commission.

The new questions on investment will be carried out in April and October of each year, allowing for having qualitative information on perspectives about investment from corporations of the manufacturing industry and services.

Manufacturing Industry Survey

Considering the opinions related with the evolution of investment in 2021 for the manufacturing industry, 59% of firms considered that investment stabilized when compared with 2020, while 24.1% of firms reported an increase from the previous year and 16.8% a decrease. For 2022, 57.3% of firms foresee that investment will stabilize from the current year, while 33.3% foresee an increase and 9.4% a decrease.

By groupings in the Manufacturing Industry, for both years considered, most firms in the Consumer Goods group and in the Intermediate Goods group consider that investment will stabilize, while in the Investment Good group most firms considers that investment stabilized in 2021 and will increase in 2022.

Figure 18. Evolution of investment (%)

MANUFACTURING INDUSTRY	YEAR	INCREASE	REMAIN UNCHANGED	DECREASE	BALANCE
Consumer Goods	2021	28.2	51.8	19.9	8.3
	2022	32.1	55.6	12.3	19.8
Investment Goods	2021	18.9	50.8	30.2	-11.3
	2022	49.4	38.4	12.2	37.2
Intermediate Goods	2021	23.1	66.5	10.4	12.7
	2022	28.8	64.7	6.5	22.3
TOTAL	2021	24.1	59.0	16.8	7.3
	2022	33.3	57.3	9.4	23.9

Regarding the investment structure, replacement investment is preponderant (38.8% in 2021 and 36.2% in 2022 of total investment in the Manufacturing Industry), followed by investment to streamline production (31.7% and 32.1%, in the same order). Considering the investment structure in the three groupings, replacement investment is also the most relevant destiny of investment for both years considered, followed by investment designed to streamline processes.

Figure 19. Structure of investment (%)

MANUFACTURING INDUSTRY	YEAR	REPLACEMENT OF WORN-OUT PLANT OR EQUIPMENT	EXTENSION OF PRODUCTION CAPACITY	INVESTMENT DESIGNED TO STREALINE PROCESSES	OTHER INVESTMENTS
Consumer Goods	2021	35.1	17.8	26.7	20.4
	2022	34.2	21.0	28.3	16.6
Investment Goods	2021	35.7	19.5	29.5	15.4
	2022	33.9	17.5	30.4	18.2
Intermediate Goods	2021	42.3	10.0	35.6	12.2
	2022	38.3	12.0	35.2	14.4
TOTAL	2021	38.8	14.1	31.7	15.4
	2022	36.2	15.9	32.1	15.8

Figure 20. Main factors stimulating investment (%)

MANUFACTURING INDUSTRY	YEAR	DEMAND	FINANCIAL CONDITIONS	TECHNICAL FACTORS	OTHER FACTORS
Consumer Goods	2021	54.5	25.4	49.3	38.9
	2022	55.0	29.1	50.0	38.5
Investment Goods	2021	43.6	21.8	49.2	27.6
	2022	46.5	21.8	47.6	30.6
Intermediate Goods	2021	32.2	12.0	35.2	14.4
	2022	34.0	15.0	69.9	22.2
TOTAL	2021	41.5	20.0	60.4	28.4
	2022	43.0	20.8	59.6	29.0

For 2021 and 2022, technical factors are the most mentioned as stimulating investment, followed by demand in both years for the total of the Manufacturing Industry. By groupings, in the Consumer Goods group, demand is the most stimulating factor of investment, followed by technical factors.

Services Survey

Considering the opinions regarding the evolution of investment on the firms inquired by the services' survey, 63.5% of the firms consider that investment has stabilized in 2021 compared to 2020, while 23.8% of the firms reported an increase compared to the previous year and 12.7% a decrease. For 2022, 62.6% of firms believe that investment will stabilize compared to the current year, 28.6% of firms believe that investment will increase and 8.8% believe that it will decrease. By sections of Services, for 2021, most firms consider that investment will stabilize in all sections. For 2022, in the section of Information and communication activities most firms (50.5%) responded that investment will increase while in the remaining sections it is foreseen, by most firms, a stabilization of investment when compared with 2021.

Figure 21. Evolution of investment (%)

SERVICES	YEAR	INCREASE	REMAIN UNCHANGED	DECREASE	BALANCE
Transportation and storage (Section H)	2021	37.3	48.6	14.1	23.2
	2022	36.6	52.5	10.9	25.7
Accommodation and food service activities (Section I)	2021	14.8	67.1	18.0	-3.2
	2022	29.4	63.7	6.8	22.6
Information and communication (Section J)	2021	37.5	55.5	7.0	30.6
	2022	50.5	45.2	4.3	46.2
Real estate activities (Section L)	2021	13.3	69.1	17.6	-4.3
	2022	11.5	69.2	19.2	-7.7
Professional, scientific and technical activities (Section M)	2021	15.7	76.6	7.7	8.0
	2022	13.7	80.9	5.3	8.4
Administrative and support service activities (Section N)	2021	18.2	71.1	10.7	7.5
	2022	27.5	66.1	6.4	21.2
Arts, entertainment and recreation(Section R)	2021	6.1	54.9	39.0	-32.9
	2022	17.2	61.3	21.5	-4.4
Other service activities(Section S)	2021	6.0	89.5	4.5	1.5
	2022	24.9	74.2	0.9	24.0
TOTAL	**2021**	**23.8**	**63.5**	**12.7**	**11.1**
	2022	**28.6**	**62.6**	**8.8**	**19.7**

Regarding the investment structure, replacement investment assumes preponderance for 2021 and 2022 (45.9% and 38.6% of total investment respectively for the two years considered), followed by investment for the extension of production capacity (24 .0% and 30.3% in the same order).

Replacement investment is the most relevant as the main destination of investment in most sections for the two years considered. For 2022, the investment on extension of capacity is the most relevant in the Real estate activities section, followed by replacement investment, contrary to the remaining sections.

Figure 22. Structure of investment

SERVICES	YEAR	REPLACEMENT OF WORN-OUT BUILDINGS, EQUIPMENT AND IT	EXTENSION OF CAPACITY	INVESTMENT DESIGNED TO STREALINE PROCESSES	OTHER INVESTMENTS
Transportation and storage (Section H)	2021	38.1	33.9	15.0	13.0
	2022	34.4	38.3	14.5	12.8
Accommodation and food service activities (Section I)	2021	56.0	17.0	4.5	22.4
	2022	41.1	23.8	16.0	19.0
Information and communication (Section J)	2021	40.3	27.3	17.9	14.6
	2022	37.2	28.8	20.1	13.9
Real estate activities (Section L)	2021	46.7	19.9	10.6	22.7
	2022	29.8	48.9	14.7	6.6
Professional, scientific and technical activities (Section M)	2021	52.9	16.2	24.8	6.1
	2022	43.9	15.8	32.2	8.1
Administrative and support service activities (Section N)	2021	50.6	19.5	20.7	9.2
	2022	45.2	25.7	24.3	4.8
Arts, entertainment and recreation(Section R)	2021	25.7	41.9	2.8	29.6
	2022	43.2	43.1	8.9	4.8
Other service activities(Section S)	2021	44.4	24.0	6.5	25.1
	2022	38.6	25.9	7.3	28.3
TOTAL	**2021**	**45.9**	**24.0**	**15.7**	**14.4**
	2022	**38.6**	**30.3**	**19.9**	**11.2**

Demand is the most mentioned stimulating factor of investment by firms (56.0% and 57.8% in 2021 and 2022, respectively), followed by technical factors in 2021 (43.3%) and (42.9%) in 2022. This behaviour is observed in seven of the eight sections of Services, since in the Professional, scientific, and technical activities, for both years analysed, technical factors are preponderant, followed by demand.

Figure 23. Main factors stimulating investment

SERVICES	YEAR	DEMAND	FINANCIAL CONDITIONS	TECHNICAL FACTORS	OTHER FACTORS
Transportation and storage (Section H)	2021	54.6	19.6	47.7	27.3
	2022	57.6	19.2	44.5	27.4
Accommodation and food service activities (Section I)	2021	56.8	23.2	24.3	31.7
	2022	57.9	34.8	29.6	31.9
Information and communication (Section J)	2021	70.2	50.4	64.7	10.4
	2022	70.1	51.3	65.7	11.4
Real estate activities (Section L)	2021	61.8	15.9	22.5	29.0
	2022	70.9	27.9	13.3	29.6
Professional, scientific and technical activities (Section M)	2021	35.1	20.9	56.7	44.7
	2022	33.3	16.7	58.9	46.6
Administrative and support service activities (Section N)	2021	64.2	32.9	37.8	19.7
	2022	65.8	32.8	40.6	17.9
Arts, entertainment and recreation(Section R)	2021	66.0	48.9	16.8	40.0
	2022	63.7	55.2	10.6	32.9
Other service activities(Section S)	2021	50.1	41.7	29.1	26.5
	2022	56.0	47.9	30.8	28.5
TOTAL	2021	56.0	26.9	43.3	28.0
	2022	57.8	29.2	42.9	28.3

METHODOLOGICAL NOTE

The Business and Consumer Qualitative Surveys published by Statistics Portugal are developed in the framework of the harmonized EU Business and Consumer Surveys Programme of the European Commission (EC) DG-ECFIN (Directorate-General for Economic and Financial Affairs) and are financially supported in the framework of the agreement signed between these two institutions. The questionnaires are harmonized among the European countries, as well as the respective confidence indicators' methodology. The surveys' results are sent to the EC in effective values, and, therefore, the seasonally adjusted values published by the EC are computed by this entity and presented without using three months moving averages. The seasonal adjustment method used by the EC is available on the user guide, accessible in:

http://ec.europa.eu/economy_finance/db_indicators/surveys/documents/bcs_user_guide_en.pdf

The seasonal adjustment uses the X13-Arima method (combination of moving averages process and auto-regressive integrated moving average models) developed in the JDemetra+[4], software provided by Eurostat. This application relies on the use of probabilistic models to correct seasonal effects from the original series. The seasonal treatment is updated for monthly and quarterly series in January, for consumer survey, and in May, for business surveys, which might result on a revision of the series previously published.

The use of moving averages smoothes out the series by removing the irregular movements, allowing the detection of the short-term trends. Since the average is not centered (the information is used to analyze the evolution of the last month) there is a small lag compared with the trend that is supposed to detect. In order to compare the difference between original and moving average series, the graphical representation of the confidence indicators presents both types of series.

The balances of the questions are the difference between the positive and negative answers, that is Balance = %answer(+) - %answer(-). In the Consumer Survey, there are questions with more than one option of positive/negative answer. In these cases, to the most positive/negative answers is given the weight 1 and to the others the weight 0.5, that is Balance = [%answer (++)*1+ %answer (+)*0.5] - [%answer (--)*1 +%answer (-)*0.5]. The percentage of answers that correspond to "equal" is not considered.

The analysis of this press release is based on monthly series of effective values (raw or seasonally adjusted data), which allows for a clearer identification of very short-term movements, particularly relevant in the context of worsening impacts of the COVID-19 pandemic. The monthly series in three-months moving average (3mma) and the quarterly series in two-quarters moving averages (2qma) are available in the excel file that supports this press release.

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[4] JDemetra+ is available for download at https://ec.europa.eu/eurostat/cros/content/software-jdemetra_en.

INFORMATION ON DATA COLLECTION

In the results obtained from business and consumer surveys for the collection of October 2021, the data collecting period occurred from 01 to 17 October in the case of the consumer survey, with 1194 responses obtained (telephone interviews) and from 01 to 22 October for business surveys (Webinq).

The distribution of the number of responses by data collection's months to the consumer is presented in the next figure.

Figure 24. Consumer Survey - Number of responses by data collection's months
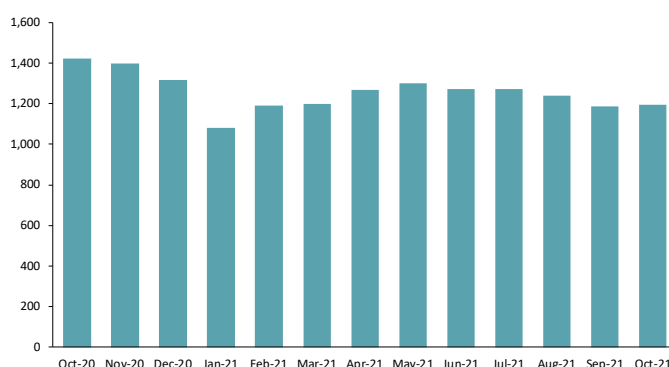
In the context of the COVID-19 pandemic, the response and weighted response rates for business surveys observed in April 2020, and in particular in May 2020, were lower than the usual pattern, with a greater impact on services survey rates.

Figure 25. Response and weighted response rates

Business Surveys	Response Rate				Weighted Response Rate [2]			
	2020[1]	August 2021	September 2021	October 2021	2020[1]	August 2021	September 2021	October 2021
Manufacturing Industry	86.0%	83.0%	88.3%	88.0%	93.0%	92.7%	95.1%	94.0%
Construction and Public Works	83.9%	83.7%	86.0%	84.3%	84.7%	88.7%	90.2%	90.8%
Trade	87.2%	87.5%	88.6%	88.5%	93.9%	88.6%	92.8%	90.6%
Services	84.2%	84.6%	86.3%	85.2%	92.4%	72.4%	76.8%	85.2%

[1] Annual average.
[2] Corresponds to the ratio between the turnover of the firms that answered to the survey and the turnover of all the firms in the sample.

The following graphs show the distribution of the number of responses by data collection's months to the business surveys.

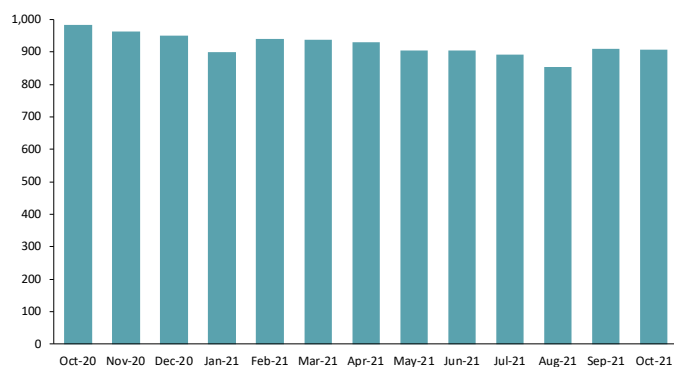Figure 26. Manufacturing Industry Survey - Number of responses by data collection's months

Figure 27. Construction and Public Works - Number of responses by data collection's months
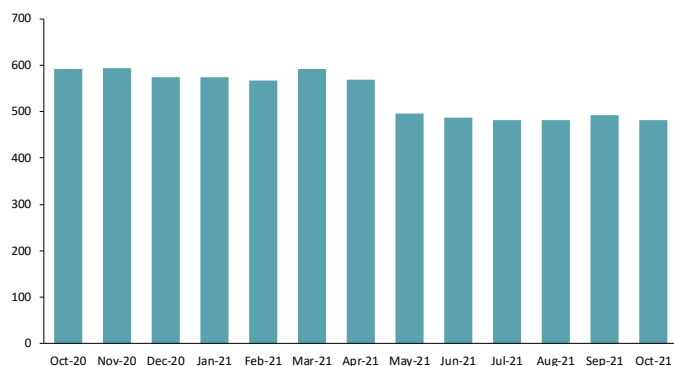

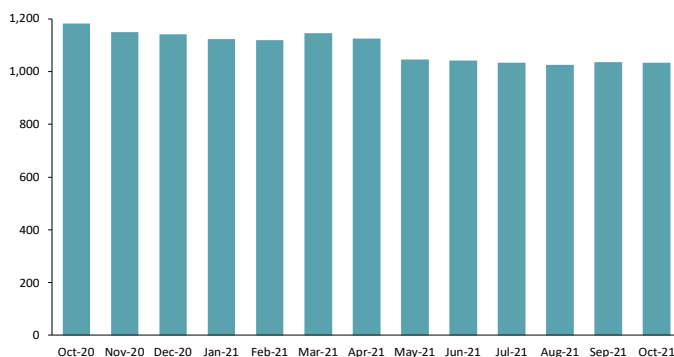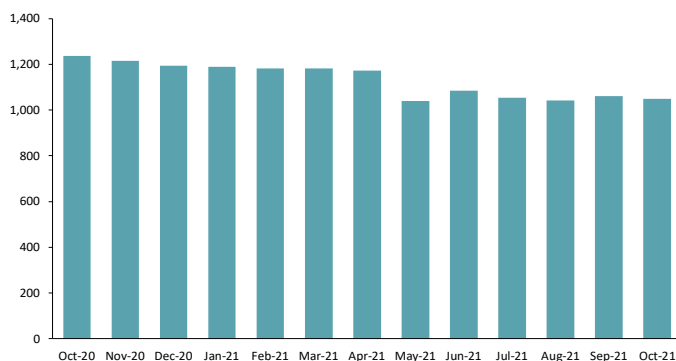Figure 28. Trade Survey - Number of responses by data collection's months

Figure 29. Services Survey - Number of responses by data collection's months

It should also be noted that the representativeness of the branches of activity covered by Business Surveys, considering the Gross Added Value (GVA) at current prices (Final Annual National Accounts 2019) as the economic variable, is as follows:

Figure 30. **Weight of the GVA of the branches**

Qualitative Business Surveys	Weight of the GVA of the branches of each survey in the total GVA of the economy
Manufacturing Industry	13.7%
Construction and Public Works	4.4%
Trade	13.1%
Services	38.1%

ECONOMIC CLIMATE INDICATOR

Synthetic Indicator estimated using balances of questions from the Manufacturing Industry, Trade, Construction and Public Works and Services Surveys. The method for this indicator uses the factor analysis and the estimated series (the common component) is calibrated using the GDP change rates. The questions that integrate the indicator are:

Qualitative Manufacturing Industry survey

- How has your production developed over the past 3 months? It has… 1. + increased; 2. = remained unchanged; 3. - decreased.
- Do you consider your current overall order books to be…? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- Do you consider your current export order books to be…? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- How do you expect your production to develop over the next 3 months? It will… 1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)

Qualitative Trade survey

- How has (have) your business activity (sales) developed over the past 3 months? It has... (They have...) 1. + improved (increased); 2. = remained unchanged; 3. - deteriorated (decreased). (seasonally adjusted)
- How do you expect your orders placed with suppliers to change over the next 3 months? They will... 1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)
- Your business activity is currently...: 1. + more than sufficient; 2. = sufficient; 3. - not sufficient.
- How do you expect your business activity (sales) to change over the next 3 months? It (They) will... 1. + improve (increase); 2. = remain unchanged 3. – deteriorate (decrease). (seasonally adjusted)

Qualitative Construction and Public Works survey

- How has your building activity developed over the past 3 months? It has...; 1. + increased; 2. = remained unchanged; 3. - decreased.
- Do you consider your current overall order books to be...?: 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- How do you expect your firm's total employment to change over the next 3 months? It will...; 1. + increase; 2. = remain unchanged; 3. - decrease.

Qualitative Services survey

- How has your business situation developed over the past 3 months? It has... 1. + improved; 2. = remained unchanged; 3. - deteriorated. (seasonally adjusted)
- How has demand (turnover) for your company's services changed over the past 3 months? It has... 1. + increased; 2. = remained unchanged; 3. - decreased. (seasonally adjusted)
- How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will...1. + increase; 2. = remain unchanged; 3. – decrease. (seasonally adjusted)

SECTORIAL CONFIDENCE INDICATORS

The confidence indicators (CI) are the result of the arithmetic average of balance of the following questions:

Manufacturing Industry confidence indicator

- Do you consider your current overall order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- How do you expect your production to develop over the next 3 months? It will... 1. + increase; 2. = remain unchanged; 3. - decrease.
- [Inverted Sign] Do you consider your current stock of finished products to be...? 1. + too large (above normal); 2. = adequate (normal for the season); 3. – too small (below normal).

Trade confidence indicator

- How has (have) your business activity (sales) developed over the past 3 months? It has... (They have...) 1. + improved (increased); 2. = remained unchanged; 3. – deteriorated (decreased).
- How do you expect your business activity (sales) to change over the next 3 months? It (They) will... 1. + improve (increase); 2. = remain unchanged 3. – deteriorate (decrease).
- [Inverted Sign] Do you consider the volume of stock you currently hold to be...? 1. + too large (above normal); 2. = adequate (normal for the season); 3. – too small (below normal).

Construction and Public Works confidence indicator

- Do you consider your current overall order books to be...?: 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- How do you expect your firm's total employment to change over the next 3 months? It will...; 1. + increase; 2. = remain unchanged; 3. - decrease.

Services confidence indicator

- How has your business situation developed over the past 3 months? It has... 1. + improved; 2. = remained unchanged; 3. - deteriorated.
- How has demand (turnover) for your company's services changed over the past 3 months? It has... 1. + increased; 2. = remained unchanged; 3. - decreased.
- How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will... 1. + increase; 2. = remain unchanged; 3. – decrease.

CONSUMER CONFIDENCE INDICATOR

The consumer confidence indicator results of the arithmetic average of the balances of the following questions:

- How has the financial situation of your household changed over the last 12 months? It has...1. + + got a lot better; 2. + got a little better; 3.= stayed the same; 4.– got a little worse; 5. – – got a lot worse; 6. N don't know.
- How do you expect the financial position of your household to change over the next 12 months? It will...1. + + get a lot better; 2. + get a little better; 3.= stay the same; 4.– get a little worse; 5. – – get a lot worse; 6. N don't know.
- How do you expect the general economic situation in this country to develop over the next 12 months? It will... 1. + + get a lot better; 2. + get a little better; 3.= stay the same; 4.– get a little worse; 5. – – get a lot worse; 6. N don't know.
- Compared to the past 12 months, do you expect to spend more or less money on major purchases (furniture, electrical/electronic devices, etc.) over the next 12 months? I will spend...1. + +much more; 2. + a little more; 3.– a little less; 4. – – much less; 5. N don't know.

ABBREVIATIONS

Bal: Balances correspond to weighted difference between the percentages of positive and negative responses.

EV: Effective Values.

SA: Seasonally Adjusted values.

3 MMA: Three-Months Moving Average.

2 QMA: Two-Quarters Moving Average

Next monthly press release – November 29th, 2021