

20th January, 2009

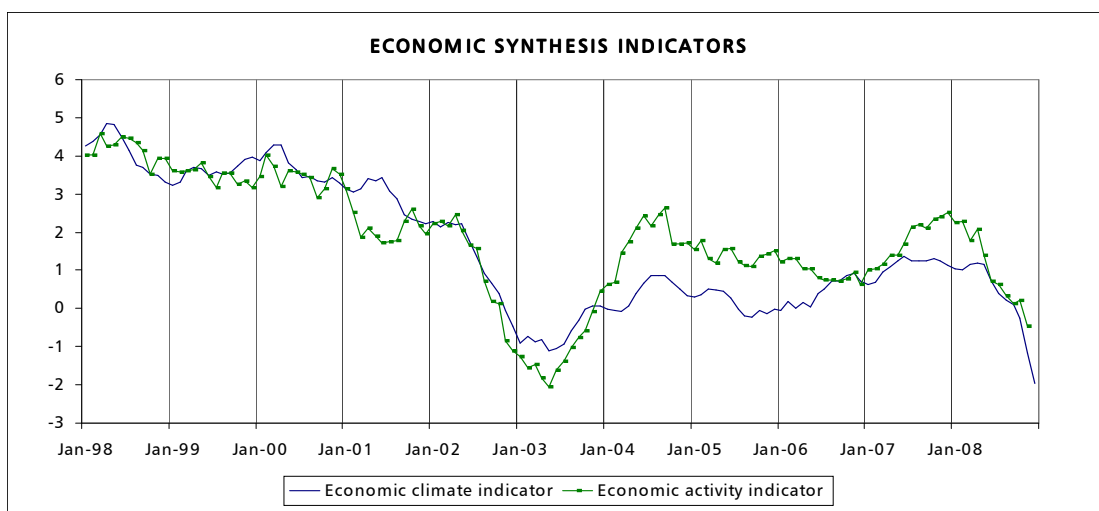
Monthly Economic Survey December 2008

The available information points to a decline of economic activity.

In the Euro Area (EA), the economic sentiment and the consumer confidence indicators strengthened in December the downward movement observed since August 2007. In the same month, the oil price (Brent) and the raw materials price index year-on-year growth rates registered stronger reductions. The available information on the main customer countries' industrial production index recorded a more intense decline in November.

On the domestic side, the economic climate indicator, available up to December, and the economic activity indicator, available until November, decreased significantly, attaining the minimum value of the series in the first case and the lowest value since October 2003 in the second. The negative evolution of economic activity is being expressed by most of the quantitative and qualitative information, particularly intense in the last case. The private consumption indicator slightly decelerated in November, due to the negative evolution of the durable consumption component, while the non-durable consumption component stabilized. In the same month, the GFCF indicator accentuated its negative evolution, driven by the decline registered in all components, but mainly in transport material. On the supply side, the Short Term Indicators information, available for November, revealed declines in the services and industry sectors and a less intense reduction of activity in the construction sector. Concerning the international trade of goods, imports and exports recorded again nominal year-on-year growth rates significantly lower in November than in the previous month, with imports varying from 4.0% to -1.7% (partially reflecting the reduction of oil prices) and exports from -1.1% to -5.9% (minimum since the beginning of 2002). The current international economic situation, with declines in economic activity of our main customer countries, might be strongly affecting the behaviour of Portuguese exports.

In December, year-on-year inflation was 0.8%, 0.6 p.p. less than in the previous month, attaining the lowest value of the series started in 1992. The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP increased 0.1 p.p. in December, to 0.8 p.p..



Report based on information available up to January 19, 2009.

Next report will be released on February 18, 2009.

NOTES

With exception of situations duly identified, the values presented in tables and graphs and others that also serve for the analysis are, in the case of quantitative series, year-on-year rates of change (y.r.) under three-month moving average (3-mma) or, in the case of qualitative series, 3-mma of seasonally adjusted values (s.a.) or of effective values (e.v). Annual information correspond to 12-mma, with the exception of variables presented as y.r. on stocks, where the annual value corresponds to the variation of the balance at the end of the year. Annualised variation (a.v.). Weight (w.).

Balances: differences between the percentage of respondents giving positive and negative replies.

		Year 2006	Year 2007	Quarter 4 2007	Quarter 1 2008	Quarter 2 2008	Quarter 3 2008	Quarter 4 2008	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
International background															
GDP of customer countries	s.a/y.r.	3.4	2.9	2.6	2.5	1.7	0.7	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a/y.r.	3.1	2.9	2.5	2.3	1.7	0.8	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	2.9	2.6	2.1	2.1	1.4	0.6	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industrial production index of customer countries	s.a/y.r./3-mma	3.2	2.8	2.5	1.4	-1.1	-3.3	-	-1.1	-2.3	-2.7	-3.3	-5.2	-7.3	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	107.5	110.8	107.0	101.8	96.6	86.8	70.4	96.6	93.5	90.0	86.8	82.9	77.5	70.4
Economic Sentiment Indicator in EA	ind/s.a.-3mma	106.3	108.4	104.3	100.5	96.5	88.5	74.0	96.5	94.0	90.9	88.5	85.3	80.8	74.0
Order books in industry of customer countries	balance/s.a.-3mma	-2.2	3.4	-0.8	-2.4	-7.8	-18.8	-39.6	-7.8	-11.6	-14.2	-18.8	-23.4	-31.4	-39.6
Consumer confidence indicator in EU	balance/s.a.-3mma	-7.6	-4.2	-6.2	-10.4	-14.0	-19.2	-25.1	-14.0	-16.7	-18.6	-19.2	-20.2	-21.9	-25.1
Unemployment rate in EU	s.a/%	8.2	7.1	6.9	6.8	6.9	7.0	-	6.9	6.9	7.0	7.0	7.1	7.2	-
Harmonised index of consumer prices in EA	y.r.	2.2	2.1	2.9	3.4	3.6	3.8	2.3	4.0	4.0	3.8	3.6	3.2	2.1	1.6
Production price index of supplying countries	y.r./3-mma	4.3	3.2	4.6	5.7	6.9	7.8	-	6.9	7.7	8.0	7.8	6.6	4.6	-
Crude oil price (Brent)	Euros	51.9	52.6	61.1	64.6	77.8	75.8	41.5	85.1	84.2	75.6	67.7	53.7	41.2	29.7
Crude oil price (Brent)	y.r.	18.2	1.4	32.1	46.6	52.8	39.1	-32.0	60.7	50.1	45.6	21.8	-7.2	-34.5	-52.4
Economic activity															
GDP	y.r.	1.4	1.9	1.9	0.9	0.7	0.6	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	0.5	1.2	1.1	1.2	0.7	0.1	-2.0	0.7	0.4	0.2	0.1	-0.3	-1.2	-2.0
Economic activity indicator	3-mma	0.9	1.9	2.5	1.8	0.7	0.1	-	0.7	0.6	0.3	0.1	0.2	-0.5	-
Total turnover index	y.r./3-mma	2.6	4.7	5.8	3.6	2.9	4.2	-	2.9	3.3	3.0	4.2	0.8	-1.7	-
Manufacturing industry production index	s.a/y.r./3-mma	2.3	3.2	2.8	-0.3	-1.7	-1.4	-	-1.7	-2.9	-0.9	-1.4	-3.2	-5.5	-
Production index in construction	s.a/y.r./3-mma	-6.6	-4.1	-0.3	-2.8	-1.9	-1.8	-	-1.9	-3.6	-3.6	-1.8	-1.5	-1.0	-
Retail trade turnover index (real)	y.r./3-mma	1.2	-0.1	-0.3	2.3	-0.1	1.3	-	-0.1	1.2	0.6	1.3	0.0	-0.7	-
Sales of passenger vehicles	y.r./3-mma	-5.8	3.7	10.1	11.5	1.9	0.3	9.4	1.9	-3.6	-4.7	0.3	1.0	-1.6	9.4
Consumption															
Consumer confidence indicator	balance/3-mma	-34.2	-35.2	-39.2	-42.9	-44.8	-43.0	-48.2	-44.8	-47.2	-45.3	-43.0	-43.1	-45.3	-48.2
Quantitative indicator of private consumption	y.r./3-mma	1.4	2.0	2.3	2.2	0.3	2.2	-	0.3	1.0	1.1	2.2	1.2	1.0	-
Indicator of non-durable consumer goods	y.r./3-mma	1.5	1.6	1.7	1.7	1.1	2.0	-	1.1	1.7	1.6	2.0	1.7	1.7	-
Indicator of durable consumer goods	y.r./3-mma	0.8	5.5	6.5	5.6	-5.2	3.4	-	-5.2	-3.9	-3.2	3.4	-2.5	-3.6	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-3.0	5.6	4.9	5.9	-13.7	3.8	-	-13.7	-11.5	-9.5	3.8	-5.5	-6.1	-
Investment															
GFCF indicator		-3.0	3.5	10.8	-2.1	-1.4	-4.1	-	-1.4	-3.2	-5.2	-4.1	-4.7	-6.6	-
Cement sales	y.r./3-mma	-7.6	2.1	12.0	-8.3	-3.0	-6.7	-	-3.0	-4.2	-6.7	-6.7	-10.7	-	-
Sales of steel for concrete	y.r./3-mma	5.9	-6.5	-2.9	-8.7	-6.8	-30.4	-	-6.8	-2.7	-22.2	-30.4	-	-	-
Credit for purchase of habitation	y.r./stocks	15.6	9.8	9.8	9.3	8.4	5.6	-	8.4	8.9	8.1	5.6	4.9	-	-
Licenses for construction of new habitations	y.r./3-mma	-5.7	-8.6	-7.0	-11.5	-17.1	-25.3	-	-17.1	-25.6	-27.6	-25.3	-28.0	-30.1	-
Machinery and equipment indicator		2.7	4.6	5.0	4.5	3.0	3.0	1.4	3.0	2.8	2.3	3.0	2.7	2.3	1.4
Sales of light commercial vehicles	y.r./3-mma	-7.3	6.3	-7.9	-18.0	-38.1	5.9	-10.4	-38.1	-32.9	-32.0	5.9	-5.4	-10.2	-10.4
Sales of new heavy commercial vehicles	y.r./3-mma	12.9	6.2	92.9	19.0	4.6	-3.2	-24.4	4.6	2.5	-2.1	-3.2	-4.7	-18.2	-24.4
External demand															
External demand indicator in value	s.a/y.r./3-mma	12.9	6.3	5.6	6.1	3.2	1.9	-	3.2	1.5	1.3	1.9	0.6	-	-
External order books	balance/3-mma	-14.4	-3.6	-4.0	-10.3	-12.3	-16.7	-53.0	-12.3	-12.7	-13.7	-16.7	-27.3	-40.3	-53.0
Exports of merchandises in value	y.r./3-mma	12.4	8.9	6.0	5.0	4.1	5.0	-	4.1	3.3	2.9	5.0	-1.1	-5.9	-
Imports of merchandises in value	y.r./3-mma	8.1	7.4	12.0	13.3	10.7	10.4	-	10.7	10.1	10.2	10.4	4.0	-1.7	-
Labour market															
Unemployment rate	%	7.7	8.0	7.8	7.6	7.3	7.7	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.7	0.2	0.9	1.1	1.4	-0.1	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployed registration along the month	s.a/y.r./3-mma	1.1	-6.7	-10.8	0.0	7.2	11.0	-	7.2	7.4	8.6	11.0	14.6	20.4	-
Unemployment expectations	balance/3-mma	43.8	42.2	45.3	46.6	47.5	48.1	60.6	47.5	49.7	48.9	48.1	49.8	54.5	60.6
Vacancies along the month	s.a/y.r./3-mma	3.6	13.6	25.3	1.0	-3.4	11.2	-	-3.4	0.0	5.5	11.2	8.7	11.3	-
Employment indicator (short-term statistics)	y.r./3-mma	-1.9	-0.4	0.4	0.7	0.5	-0.2	-	0.5	0.3	0.1	-0.2	-0.3	-0.6	-
Average declared wages	s.a/y.r./3-mma	3.5	3.5	3.2	4.1	3.9	4.0	-	3.9	3.9	4.1	4.0	4.1	4.0	-
Wage negotiation	a.v./3-mmaq.w.	2.8	2.9	3.2	2.9	3.0	3.0	-	3.0	3.1	2.9	3.0	2.9	3.4	-
Prices and exchange rates															
Consumer price index	y.r.	3.1	2.5	2.7	2.9	2.9	3.0	1.5	3.4	3.1	3.0	3.1	2.3	1.4	0.8
Core inflation indicator	y.r.	2.0	1.9	2.0	2.2	2.0	1.9	1.9	1.9	1.5	2.0	2.3	2.0	1.9	1.8
Consumer price index - goods	y.r.	3.2	2.2	2.5	2.6	2.9	3.2	0.7	3.7	3.3	3.1	3.2	2.0	0.5	-0.5
Consumer price index - services	y.r.	2.9	2.9	3.0	3.5	2.8	2.8	3.0	2.8	2.7	2.9	2.9	3.1	2.9	3.0
Manufacturing industry production price index	y.r./3-mma	4.6	2.6	5.2	7.2	7.8	8.5	1.4	7.8	8.7	8.9	8.5	7.0	4.6	1.4
Effective exchange rate index for Portugal	y.r.	0.2	0.8	1.3	1.6	1.8	1.4	-	1.8	1.8	1.5	0.9	-0.1	-0.4	-
Exchange rate eur/USD	y.r.	0.9	9.1	12.4	14.4	15.9	9.3	-9.2	15.9	15.0	9.9	3.4	-6.4	-13.3	-7.7
Exchange rate USD/euro	USD	1.256	1.371	1.449	1.500	1.562	1.504	1.317	1.555	1.577	1.498	1.437	1.332	1.273	1.345
Exchange rate eur/JPY	y.r.	6.6	10.4	7.9	0.8	0.3	-0.2	-22.9	1.0	1.0	2.9	-4.1	-19.1	-24.3	-25.1