ENTERPRISES EXPECT A 15.6% NOMINAL INCREASE IN EXPORTS OF GOODS IN 2022, REVISING UPWARDS BY 9.1 P.P. THE FORECAST MADE IN NOVEMBER

The perspectives of the exporting enterprises point to a nominal increase of 15.6% in exports of goods in 2022, corresponding to an upward revision of 9.1 percentage points (p.p.) in the 1st forecast made in November 2021. This revision results from the upward update of expectations for Intra-EU (+10.1 p.p., to 16.1%) and Extra-EU exports (+6.8 p.p., to 14.5%).

In terms of Broad Economic Categories (BEC), it is noteworthy the expected increase in exports of *Industrial supplies not elsewhere specified* (+17.4%, corresponding to the largest revision compared to the forecast made in November, +12.4 p.p.) and *Capital goods (except transport equipment), and parts and accessories thereof* (+16.4%).

The revision on the forecasts of exports in 2022 is consistent with data from the International Trade in Goods (for the first months of the year) which, in fact, points to an even sharper nominal change (+25.1%), due to an increase in quantity but also, to a large extent, from the strong price growth that will have intensified throughout 2021 and enlarged in the first months of 2022, but signal a less dynamic second part of the year.

These more conservative perspectives of enterprises regarding their exports of goods for the rest of the year 2022, may reflect a moderate attitude regarding the developments in the international environment that may determine, namely, a sudden contraction in demand.

In this Press release, Statistics Portugal disseminates the main statistical findings from the survey on Perspectives of Exports of Goods (IPEB), corresponding to the 2nd forecast for the nominal variation of exports of goods expected by the enterprises for 2022. In this survey, enterprises were asked to update the perspective that had been indicated in November 2021.

Enterprises expect a 15.6% nominal increase in exports of goods in 2022

The perspectives of exporting enterprises point to a 15.6% increase in exports of goods in 2022 when compared with the previous year. Enterprises foresee increases of 14.5% in exports for Extra-EU countries and of 16.1% to the EU markets. In face of the 1st forecast made in November 2021, this estimate corresponds to an upward revision of 9.1 p.p. in the variation of exports for 2022 (+10.1 p.p. in Intra-EU exports and +6.8 p.p. in Extra-EU exports).

In terms of Broad Economic Categories (BEC), the emphasis goes to the expected increase in exports of *Industrial supplies not elsewhere specified* (+17.4%; +19.4 % for Intra-EU countries and +12.8% for Extra-EU markets) and Capital *goods and parts and accessories thereof* (+16.4%), both for Extra-EU and Intra-EU countries (+13.4% and +17.4%, respectively).

In the 1ˢᵗ forecast for 2022, enterprises already expected a 5.0% increase in exports of *Industrial supplies not elsewhere specified*, thus being significantly accentuated in this 2ⁿᵈ forecast, corresponding to the largest revision (+12.4 p.p., mainly as a result of the +14.7 p.p. revision in Intra-EU trade and +7.0 p.p. for Extra-EU countries) among the BEC. *Food and beverages* have the second most significant revision +8.3 p.p. (+10.9 p.p. for Intra-EU countries and +3.8 p.p. for Extra-EU clients).

Figure 1 >> Perspectives of the Enterprises on Exports of Goods
Annual nominal rates of change 2022/2021

	EXTRA-EU	INTRA-EU	INTERNATIONAL
TOTAL	14.5%	16.1%	**15.6%**
Of which (BEC):			
Food and beverages	9.4%	16.0%	**13.6%**
Industrial supplies not elsewhere specified	12.8%	19.4%	**17.4%**
Capital goods (except transport equipment), and parts and accessories thereof	13.4%	17.4%	**16.4%**
Transport equipment and parts and accessories thereof	1.6%	9.3%	**7.6%**

Source: Statistics Portugal, Survey on the Perspectives of the Exports of Goods
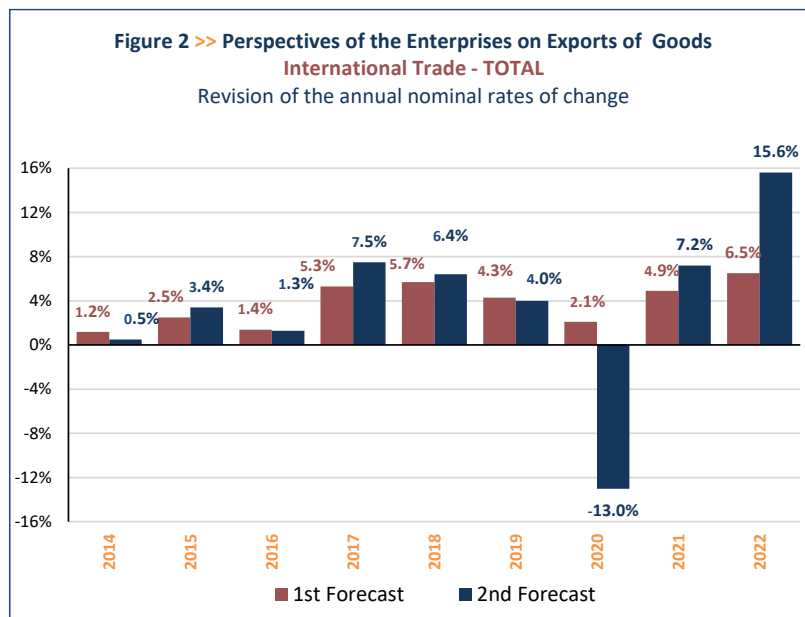
IPEB – 2ⁿᵈ Forecast 2022

Enterprises point to a 9.1 p.p. upward revision in their forecast for exports of goods in 2022

On the 2nd forecast of IPEB 2022, enterprises revised upwards their exporting perspectives of goods to 15.6%, corresponding to +9.1 p.p. comparing with the 1st forecast, carried out in November 2021.

The upward revision in International Trade results from the update of export expectations for both Extra-EU and Intra-EU countries.

The perspectives concerning Extra-EU exports of goods was revised by +6.8 p.p., resulting in an expected global increase of 14.5% in exports to these markets in 2022 compared to 2021, standing out the evolution of the *Industrial supplies not elsewhere specified* (+7.0 p.p.).

The 10.1 p.p. increase in Intra-EU trade, for an expected global increase of 16.1%, results from increases in all product categories, standing out the evolution of *Industrial supplies not elsewhere specified* (+14.7 p.p.) and *Food and beverages* (+10.9 p.p.)

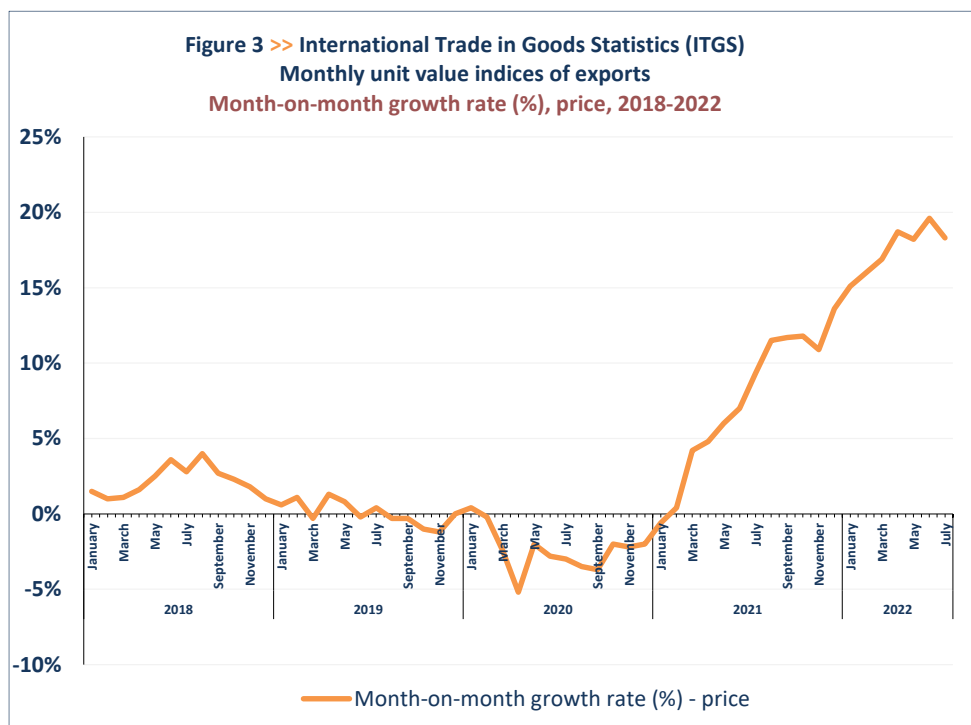**Figure 2 >> Perspectives of the Enterprises on Exports of Goods**
International Trade - TOTAL
Revision of the annual nominal rates of change

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

IPEB – 2nd Forecast 2022

The revision on the forecasts of exports in 2022 is consistent with data from the International Trade in Goods (for the first months of the year) which, in fact, points to an even sharper nominal change (+25.1%), due to an increase in quantity but also, to a large extent, from the strong price growth that will have intensified throughout 2021 and enlarged in the first months of 2022, but signal a less dynamic second part of the year.
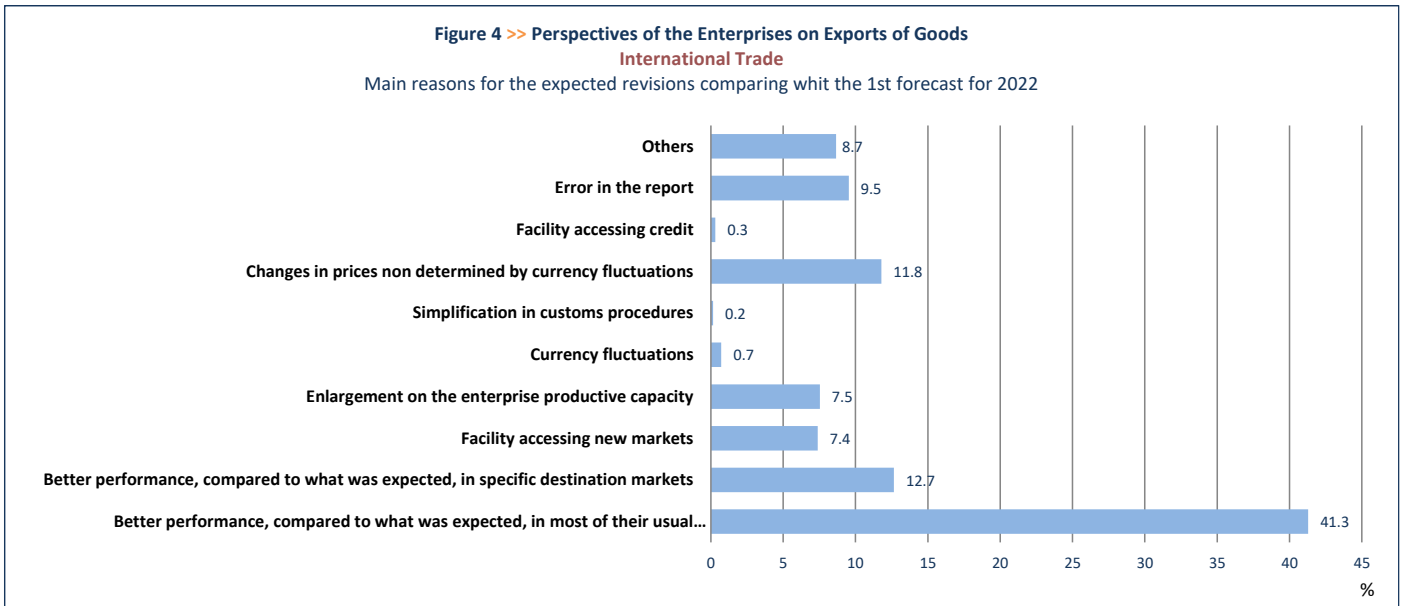
These more conservative perspectives of enterprises regarding their exports of goods for the rest of the year 2022, may reflect a moderate attitude regarding the developments in the international environment that may determine, namely, a sudden contraction in demand.

Figure 3 >> International Trade in Goods Statistics (ITGS)
Monthly unit value indices of exports
Month-on-month growth rate (%), price, 2018-2022

Month-on-month growth rate (%) - price

Source: Statistics Portugal, International Trade in Goods statistics

IPEB – 2nd Forecast 2022

Enterprises pointed out the improved performance in most of their usual destination markets (41.3%) and in specific destination markets (12.7%) as the main reasons for the upward revision to the forecast made in November 2021. Price changes are also one of the reasons given by companies for this upward revision (11.8%).

Figure 4 >> Perspectives of the Enterprises on Exports of Goods
International Trade
Main reasons for the expected revisions comparing whit the 1st forecast for 2022

Reason	%
Others	8.7
Error in the report	9.5
Facility accessing credit	0.3
Changes in prices non determined by currency fluctuations	11.8
Simplification in customs procedures	0.2
Currency fluctuations	0.7
Enlargement on the enterprise productive capacity	7.5
Facility accessing new markets	7.4
Better performance, compared to what was expected, in specific destination markets	12.7
Better performance, compared to what was expected, in most of their usual…	41.3

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

IPEB – 2nd Forecast 2022

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 **2nd forecast for the nominal variation of exports expected by the enterprises in 2022**.

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 2020 (sum of Intra-EU Trade (via Intrastat System) and Extra-EU Trade (via Customs declarations)) or in 2021 for new exporting enterprises. The total number of enterprises surveyed was 3 292, which represented around 90% of the total exports of goods.

The enterprises were selected according to the following parameters:
Non sampling component:
1. Enterprises with a total of exports ≥ EUR 3 million in value (based on values declared in 2020/2021 ITGS);
2. Enterprises belonging to NACE Rev. 2 - three digits classification (group) – with a sampling representativeness ≤ 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 ≥ 80%;
    b. Enterprises able to reach 35% of the total of exports, if the non-sampling weight is ≥ 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 95%, corresponding to 98% of the exported value of the sampled enterprises.

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 2020 or in the year 2021 for new exporting enterprises.

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.

IPEB – 2nd Forecast 2022

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.

In the 2nd forecast, enterprises were requested to indicate the main reasons for the revision in their perspectives vis-à-vis the 1st forecast, and the following list of options was presented: Better/worst performance, compared to what was expected, in most of their usual destination markets; Better/worst performance, compared to what was expected, in specific destination markets; Facility/Difficulty accessing new markets; Enlargement/Contraction on the enterprise productive capacity; Currency fluctuations; Simplification/Difficulty in customs procedures; Changes in prices non determined by currency fluctuations; Facility/Difficulty accessing credit; Error in the report; Others.

Given the current context, additional contacts were made with enterprises, in order to understand the motivations and assumptions inherent in the production of this forecast, identifying enterprises' sentiments regarding the expected evolution of markets and global economic activity for the remaining months of 2022.

ACRONYMS AND DESIGNATIONS

EU – European Union

BEC – Classification by Broad Economic Categories, third revision

NACE – Statistical classification of economic activities

ITGS – International Trade in Goods statistics

IPEB – Survey on the Perspectives of the Export of Goods

VAT – Value Added Tax

Date of next release 1st Forecast 2023 – 12 January 2023

IPEB – 2nd Forecast 2022