



28 October 2022
BUSINESS AND CONSUMER SURVEYS
October 2022

CONSUMER CONFIDENCE AND ECONOMIC CLIMATE INDICATORS DECREASE AGAIN

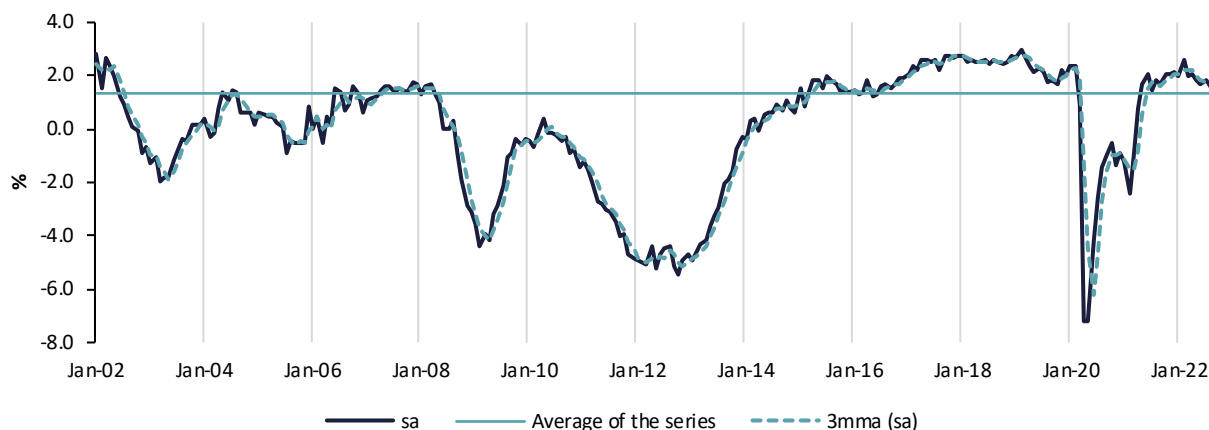
The Consumer confidence decrease in September and October¹, reaching a value close to that recorded in April 2020 at the beginning of the pandemic. The balance of Consumer opinions on the past evolution of the price level increased in the last two months, renewing the maximum value of the series that had been recorded in the previous two months, following the markedly upward trajectory that began in March 2021.

The economic climate indicator² decreased between August and October, reinforcing the downward movement started in March and reaching the minimum since April 2021. The confidence indicators of the Manufacturing Industry, Construction and Public Works, Trade and Services decreased compared to September.

The entrepreneurs' expectations regarding the future evolution of selling prices increased significantly in September and October in Trade and in Manufacturing Industry, although they are still at levels below the maximums of the series observed in March and April, respectively. This balance decreased in Services and slightly in Construction and Public Works, remaining at levels below the peaks reached in April and June.

According to information collected about the evolution of investment in the context of the business survey for manufacturing industry (page 9 of this press release), 63.6% of firms foresee that investment will stabilize in 2023 compared to 2022, while 22.7% foresee an increase and 13.7% a decrease.

Figure 1. Economic climate indicator
- Manufacturing Industry, Construction and Public Works, Trade and Services-



¹ 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 24 of October in the case of business surveys.

² The economic climate indicator summarizes the balances of business surveys' questions.



Consumer Survey

The Consumer confidence indicator declined in September and October, registering a level close to the value observed in April 2020 at the beginning of the pandemic and the lowest since that period. The evolution of the indicator in the last month, resulted mostly from the negative contribution of expectations on the future evolution of the country's economic situation, with opinions and perspectives regarding households' financial situation also contributing negatively. In the opposite direction, expectations on the future evolution of major purchases by households contributed positively.

The balance of perspectives regarding the future evolution of the country's economic situation decreased in the last two months, more significantly in October, reaching the lowest value since the start of the pandemic in April 2020.

The balance of expectations about household's future financial situation decreased in September and October, more markedly in the first case, registering in these last two months the lowest values since the start of the pandemic in April 2020.

The balance of opinions on the past evolution of the price level increased in the last two months, slightly in September, renewing the series' maximum value following the markedly ascending trajectory initiated in March of 2021. The balance of expectations regarding the future evolution of the price level increased in September and October, significantly in the latter, after the decreases registered in July and August.

Figure 2. Consumer confidence indicator

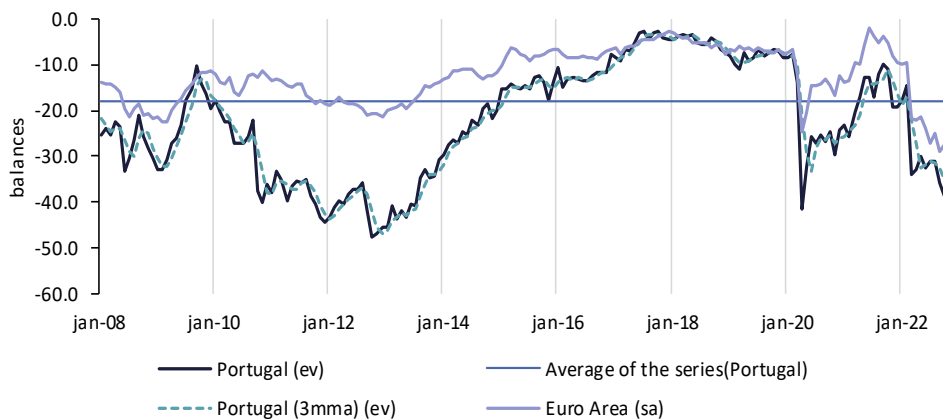
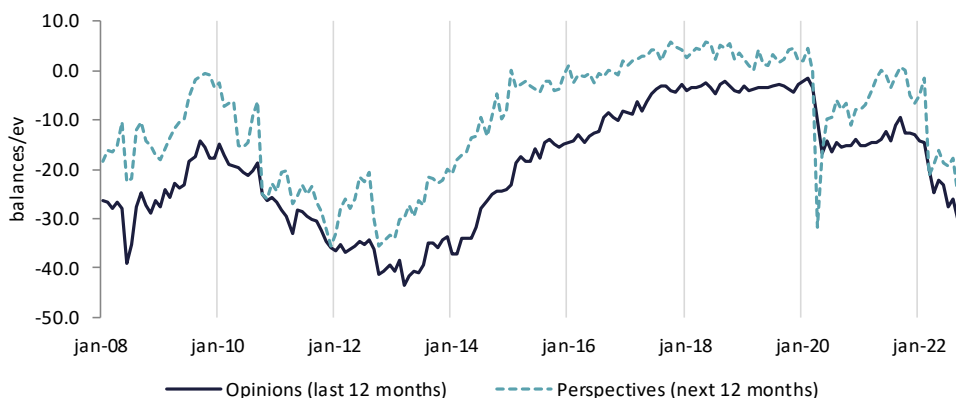


Figure 3. Opinions and expectations about household's financial situation





Manufacturing Industry Survey

The Manufacturing Industry confidence indicator decreased in October, registering the lowest level since March 2021. The behaviour of the indicator reflected the negative contribution of all components, opinions on the evolution of the overall order books in the last three months, opinions on the current stocks of finished products and the firm's production perspectives over the next three months, more intense in the first case.

In the last two months, the indicator decreased in Intermediate Goods and Investment Goods and increased in Consumer Goods.

The balance of opinions on current overall order books decreased in October, contrary to the increase observed in September. Opinions regarding domestic order books, considering firms with production oriented to the domestic market, deteriorated in October, after the slight recover verified in September. Opinions on export order books, considering firms with production oriented to the foreign market, worsened in September and October, after the recovery seen in the two previous months.

The balance of opinions on the evolution of sale prices increased in September and October, after decreasing in the previous four months, reaching a level below the series maximum observed in March. This balance increased in the groups of Intermediate Goods and Investment Goods, markedly in the second case, and decreased in Consumer Goods.

Figure 4. Manufacturing industry confidence indicator

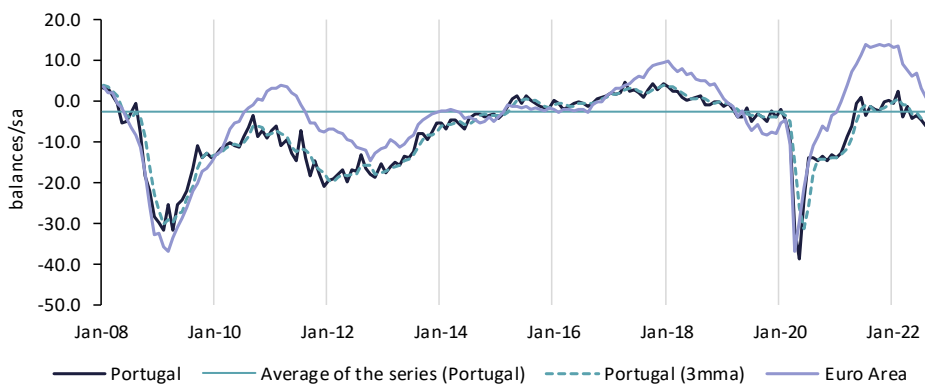
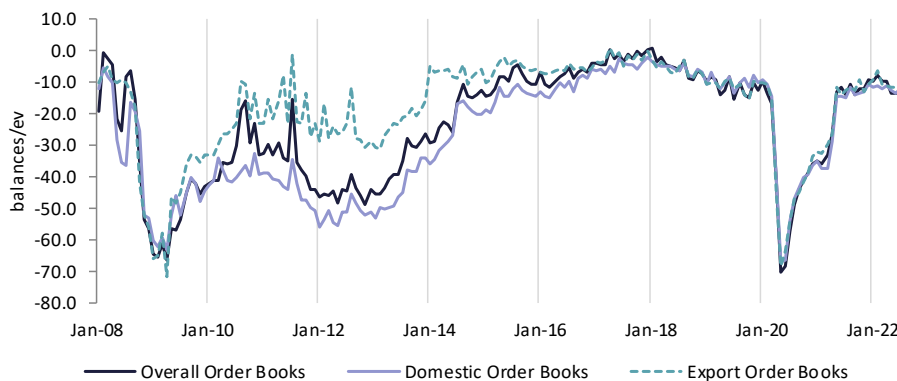


Figure 5. Opinions on current overall order books





Construction and Public Works Survey

The confidence indicator of Construction and Public Works decreased in October, after increasing in September. The decrease of the indicator in the last month reflected the negative contribution of both components, balance of opinions on current order books and perspectives on employment, more intense in the latter case.

The confidence indicator decreased in the divisions of Civil Engineering and Specialized Construction Activities, particularly in the former case, and stabilized in the division of Construction of Buildings.

The balance of opinions on the firm's activity in the last three months increased slightly in October, after having decreased in September.

The balance of perspectives regarding the selling prices charged by the firm in the next three months decreased slightly, after increasing in September, remaining at a level below the maximum value of the series reached in June.

Figure 6. Construction and Public Works confidence indicator

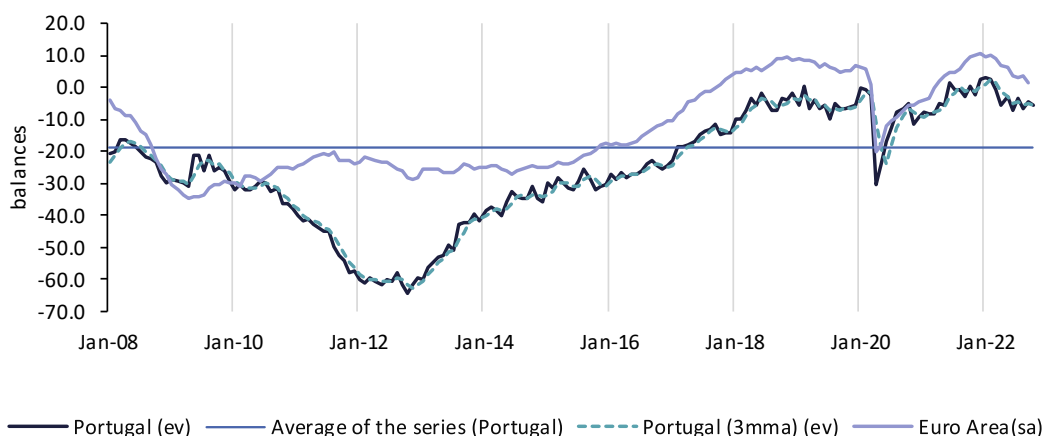
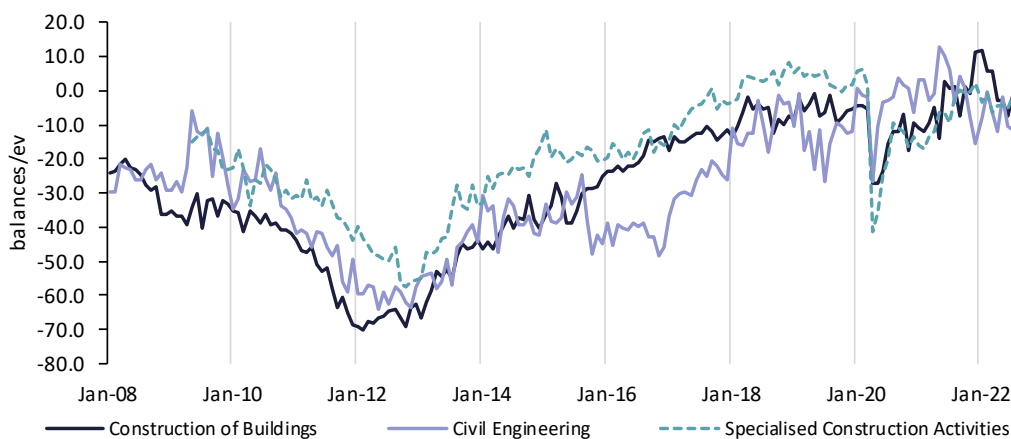


Figure 7. Construction and Public Works confidence indicators by NACE divisions





Trade Survey

The trade confidence indicator decreased in October, resuming the downward movement started in December 2021. The evolution of the last month reflected the negative contribution on the expectations on the firm's activity over the next three months and of the opinions on the current volume of stocks, while the opinions on the volume of sales contributed positively. In October, the confidence indicator decreased in Wholesale Trade and in Retail Trade.

The balance of opinions on the volume of sales increased in September and October, strongly in the first case, following the expressive decline observed in July and August. In turn, the perspectives of activity worsened between August and October, sharply in the last two months, reaching the lowest level since February 2021.

The balance of opinions on selling prices evolution compared to the previous month and the balance of prices expectations over the next three months increased in September and October, contrarily to the reductions observed in July and August and approaching the maximums of the series reaching in April and March, respectively.

Figure 8. Trade confidence indicator

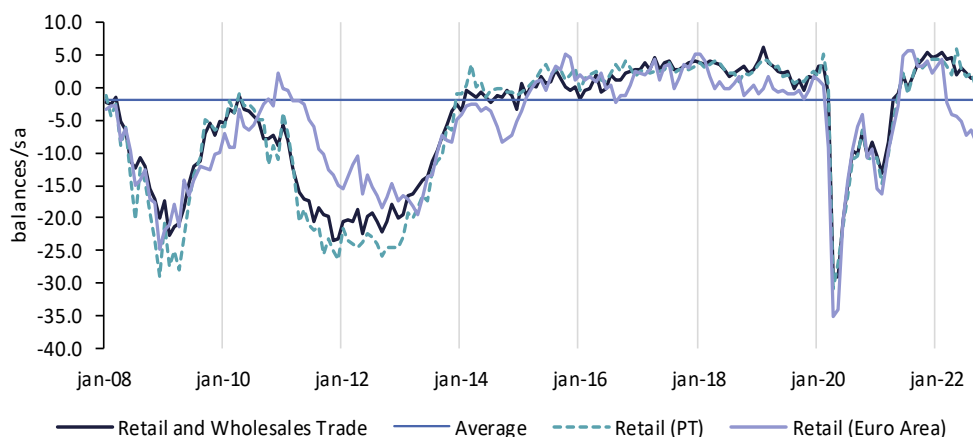
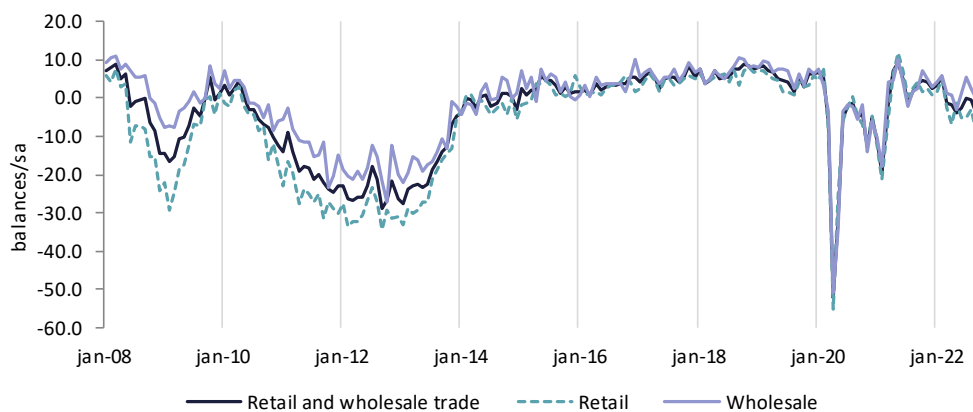


Figure 9. Perspectives on business activity (sales) over the next three months





Services Survey

The Services' confidence indicator increased in September and October, attaining the lowest value since June 2021. The indicator's behaviour resulted from the negative contribution of the perspectives on the evolution of demand and the opinions on the evolution of the business situation, more expressive in the first case, having the opinions on the evolution of the order books contributed positively.

In October, the confidence indicator decreased in six of the eight sections of Services, with emphasis on the sections of Accommodation and food service activities and Real estate activities with the highest reductions.

The balance of perspectives on the evolution of demand decreased in the last two months, more significant in October, extending the downward trajectory started in June 2021.

The balance of expectations for prices of services decreased in October, after increasing in September, remaining at a level below the maximum of the series recorded in April.

Figure 10. Services confidence indicator

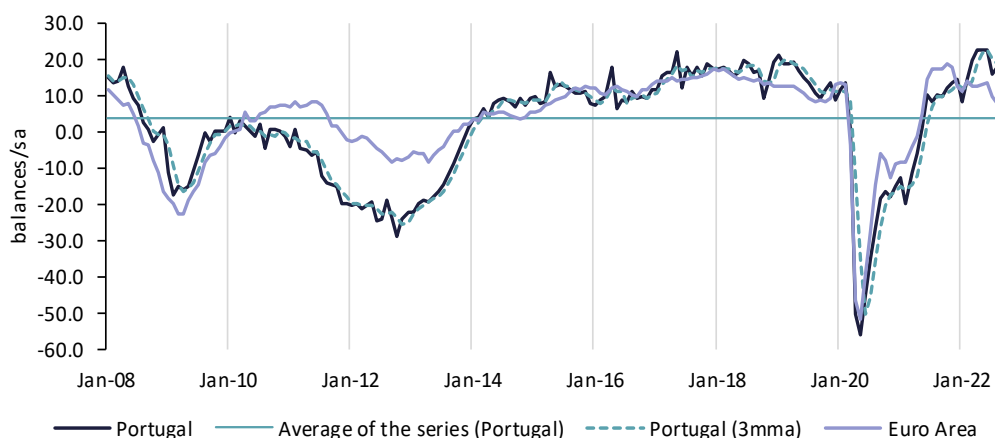
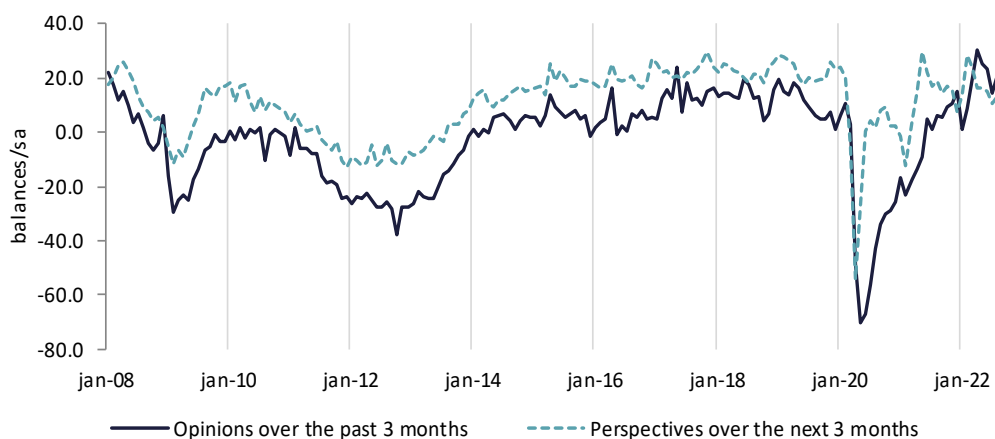


Figure 11. Opinions and perspectives on the evolution of demand (order books)





Monthly series of Consumer and Business Surveys

Figure 12. Confidence and climate economic indicators

	Unit	Minimum		Maximum		2021			2022									
		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	-11.0	-19.2	-19.2	-17.7	-14.5	-34.1	-32.9	-30.1	-32.5	-31.1	-31.1	-35.8	-38.6
Manufacturing industry	bal/sa	-38.6	May-20	19.4	Mar-87	-2.3	-0.2	0.1	-0.6	2.5	-3.9	-1.1	-4.1	-3.6	-4.5	-6.1	-5.6	-7.3
Construction and public works	bal/ev	-64.5	Oct-12	25.6	Sep-97	0.5	-2.3	2.5	3.0	2.4	-0.5	-5.4	-2.9	-7.4	-3.5	-6.5	-4.4	-5.8
Trade	bal/sa	-29.1	Apr-20	11.7	Jun-98	4.3	5.5	4.6	4.9	5.5	4.4	4.6	2.0	3.1	2.3	1.4	1.7	0.0
Services	bal/sa	-56.0	May-20	29.5	Jun-01	12.0	13.8	14.4	8.3	14.7	19.8	22.7	22.6	22.7	16.1	18.0	9.2	6.1
Economic climate indicator																		
	%/sa	-7.2	Apr-20	5.5	Apr-98	2.0	2.0	2.1	2.0	2.6	2.0	2.0	1.8	1.7	1.9	1.6	1.3	1.0

Figure 13. Monthly series of Consumer Survey

	Uní.	Mínimo		Máximo		2021			2022									
		Valor	Data	Valor	Data	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Indicador de confiança (a+b+c+d)/4																		
Situação económica do país nos próximos 12 meses (c)	sre/ve	-47.8	Oct-12	-0.1	Sep-97	-11.0	-19.2	-19.2	-17.7	-14.5	-34.1	-32.9	-30.1	-32.5	-31.1	-31.1	-35.8	-38.6
Situação financeira do agregado familiar nos últimos 12 meses (a)	sre/ve	-72.7	Apr-20	16.6	Jun-17	-3.8	-30.9	-25.2	-22.4	-12.0	-60.1	-53.1	-45.6	-50.2	-49.1	-47.9	-51.9	-60.2
Situação financeira do agregado familiar nos próximos 12 meses (b)	sre/ve	-43.5	Mar-13	0.5	Aug-99	-12.6	-12.7	-12.9	-14.3	-14.6	-20.0	-24.7	-22.2	-23.3	-27.5	-26.0	-30.2	-32.2
Realização de compras importantes nos próximos 12 meses (d)	sre/ve	-35.6	Oct-12	8.6	Feb-99	0.1	-4.9	-6.5	-5.1	-1.7	-21.4	-19.0	-16.0	-18.8	-19.3	-17.9	-25.0	-28.0
	sre/ve	-51.6	Apr-20	-6.4	Sep-97	-27.6	-28.1	-32.2	-28.9	-29.6	-35.1	-34.8	-36.5	-37.6	-28.4	-32.6	-36.1	-34.0
Situação económica do país nos últimos 12 meses	sre/vcs	-77.8	Oct-22	19.9	Oct-17	-45.6	-49.2	-50.5	-51.0	-39.8	-52.0	-60.0	-61.9	-63.2	-64.3	-65.4	-72.5	-77.8
Realização de compras importantes nos últimos 12 meses	sre/vcs	-88.0	Dec-08	-14.5	Sep-97	-62.0	-62.7	-63.0	-60.6	-55.4	-67.2	-72.9	-71.6	-76.1	-72.2	-76.1	-80.7	-82.0
Poupança no momento atual	sre/ve	-53.7	Feb-08	-0.2	Sep-97	-27.4	-32.0	-35.9	-32.0	-31.8	-42.3	-47.0	-46.0	-45.8	-45.7	-46.6	-50.9	-49.8
Poupança nos próximos 12 meses	sre/ve	-42.6	Nov-12	0.9	Oct-97	-17.0	-20.8	-22.3	-17.4	-22.2	-33.2	-34.5	-36.0	-33.9	-35.4	-31.7	-39.1	-41.0
Desemprego próximos 12 meses	sre/ve	-20.0	Jun-17	85.5	Feb-09	6.7	18.5	20.4	16.7	4.6	26.7	30.4	24.0	24.0	21.4	22.9	28.3	34.6
Preços nos últimos 12 meses	sre/ve	-14.6	Sep-09	87.0	Oct-22	39.5	47.5	47.6	54.1	59.9	61.8	74.7	76.8	79.2	83.1	83.1	83.2	87.0
Preços próximos 12 meses	sre/vcs	-7.4	Dec-15	80.7	Mar-22	34.6	51.0	44.9	42.6	42.8	80.7	65.9	56.2	59.4	48.2	43.5	46.4	53.5

Figure 14. Monthly series of Manufacturing Industry Survey

	Unit	Minimum		Maximum		2021			2022									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence Indicator (a+b-c)/3																		
Consumer goods	bal/sa	-38.6	May-20	19.4	Mar-87	-2.3	-0.2	0.1	-0.6	2.5	-3.9	-1.1	-4.1	-3.6	-4.5	-6.1	-5.6	-7.3
Investment goods	bal/ev	-36.0	Apr-20	24.3	Feb-07	-4.6	-8.4	-5.9	-0.7	1.6	-8.2	-7.0	-8.1	-6.0	-6.1	0.7	-2.7	-3.5
Intermediate goods	bal/sa	-50.3	May-20	17.6	Jan-95	0.5	2.2	2.0	0.9	2.5	-1.5	1.8	-1.9	-3.7	-5.9	-8.5	-9.1	-13.6
Current overall order books (a)																		
Consumer goods	bal/ev	-70.2	May-20	14.6	Mar-98	-12.1	-11.9	-9.3	-9.7	-7.9	-9.6	-9.6	-13.4	-13.4	-13.4	-14.8	-13.3	-15.5
Investment goods	bal/ev	-60.9	May-20	6.1	Dec-17	-15.0	-10.7	-8.1	-11.4	-8.4	-8.8	-10.9	-10.3	-9.4	-8.7	-11.4	-8.3	-9.7
Intermediate goods	bal/ev	-84.0	May-20	33.8	Jan-08	-19.8	-23.7	-19.6	-15.4	-13.5	-15.3	-18.1	-25.2	-19.8	-22.3	-9.6	-14.4	-11.8
	bal/ev	-72.4	Jun-20	33.8	Mar-98	-6.3	-7.1	-5.2	-5.8	-4.9	-7.5	-4.7	-10.1	-13.4	-12.7	-19.8	-16.5	-21.5
Production over next 3 months (b)																		
Consumer goods	bal/sa	-52.3	Apr-20	34.8	Feb-87	8.1	9.9	11.1	9.3	13.5	-1.5	6.3	0.6	3.3	3.5	0.4	-1.1	-3.0
Investment goods	bal/ev	-47.8	Apr-20	39.5	Aug-98	5.0	7.6	6.9	5.0	13.6	0.6	8.8	10.2	7.5	8.0	0.8	-4.3	0.9
Intermediate goods	bal/sa	-44.9	Feb-09	50.6	Aug-00	3.7	-5.3	8.9	16.1	17.3	-6.5	0.5	-0.1	3.9	7.0	12.7	9.3	3.4
	bal/sa	-58.6	Apr-20	32.6	Jan-97	8.8	12.0	11.2	9.7	9.1	2.5	7.9	1.9	2.3	-0.4	-0.8	-6.7	-12.9
Current stock finished products (c)																		
Consumer goods	bal/ev	-17.6	Jan-08	22.5	Jun-93	3.0	-1.3	1.6	1.4	-1.8	0.7	0.0	-0.6	0.6	3.5	3.9	2.4	3.4
Investment goods	bal/ev	-11.5	Jan-10	22.3	Aug-07	9.1	0.9	0.3	1.0	-0.4	0.9	0.7	1.9	0.6	2.3	4.7	-0.3	0.1
Intermediate goods	bal/ev	-37.9	Jan-09	22.4	Jun-10	-2.2	-3.8	7.1	2.6	-0.9	2.8	3.5	-0.9	1.9	2.9	0.9	2.8	2.2
	bal/ev	-30.8	Jan-08	36.5	May-20	1.0	-1.8	-0.1	1.1	-3.4	-0.5	-2.3	-2.3	-0.1	4.7	4.7	4.2	6.4
Firm's employment next 3 months																		
	bal/ev	-28.4	Apr-20	13.0	Sep-17	6.6	8.1	8.2	8.8	8.8	6.7	6.2	6.8	4.8	5.9	6.4	3.3	2.1
Selling prices next 3 months	bal/sa	-25.4	Apr-20	42.5	Apr-22	25.9	29.0	32.2	31.2	26.4	39.5	42.5	34.2	29.7	24.1	22.8	28.0	30.6



Figure 15. Monthly series of Construction and Public Works Survey

	Unit	Minimum		Maximum		2021			2022									
		Value	Date	Value	Date	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Confidence Indicator (a+b)/2	bal/ev	-64.5	Oct-12	25.6	Sep-97	0.5	-2.3	2.5	3.0	2.4	-0.5	-5.4	-2.9	-7.4	-3.5	-6.5	-4.4	-5.8
Construction of buildings	bal/ev	-70.2	Feb-12	26.4	Sep-97	1.3	-1.0	11.1	11.9	5.6	5.8	-3.1	-2.7	-7.3	-1.3	-4.3	-2.6	-2.6
Civil engineering	bal/ev	-64.3	May-12	16.7	Jul-97	0.7	-8.0	-15.6	-7.8	-0.2	-6.5	-11.8	-1.6	-10.4	-11.4	-17.1	-8.7	-14.4
Specialised construction activities	bal/ev	-57.7	Oct-12	8.2	Dec-18	-1.0	-0.1	1.9	-3.4	-1.0	-6.5	-4.3	-4.2	-5.2	-1.2	-2.1	-4.2	-4.7
Current overall order books (a)	bal/ev	-77.5	Oct-12	23.3	Sep-97	-7.9	-11.8	-7.6	-8.1	-9.3	-13.0	-16.7	-13.3	-16.6	-13.7	-14.7	-12.9	-13.5
Construction of buildings	bal/ev	-85.6	Oct-12	22.1	Sep-97	-6.0	-8.9	3.6	2.7	-5.0	-6.5	-11.9	-10.0	-11.8	-10.3	-11.6	-8.5	-7.8
Civil engineering	bal/ev	-71.5	Jul-12	12.1	Jul-97	-8.5	-20.0	-32.5	-23.2	-10.6	-21.6	-27.8	-17.4	-28.8	-30.1	-33.4	-26.0	-31.8
Specialised construction activities	bal/ev	-73.3	Oct-12	2.1	Jul-19	-10.6	-10.3	-7.4	-14.7	-15.4	-17.3	-16.2	-15.7	-15.3	-6.9	-5.3	-10.2	-9.1
Employment next 3 months (b)	bal/ev	-51.8	Jan-12	35.9	Jun-97	8.9	7.2	12.6	14.2	14.0	12.0	5.9	7.6	1.8	6.7	1.6	4.0	1.8
Construction of buildings	bal/ev	-59.0	Jan-12	37.6	Jun-97	8.7	7.0	18.7	21.0	16.1	18.0	5.7	4.7	-2.8	7.8	3.0	3.2	2.6
Civil engineering	bal/ev	-61.7	May-12	31.2	Jul-01	10.0	3.9	1.2	7.5	10.1	8.6	4.2	14.1	8.1	7.3	-0.9	8.7	3.0
Specialised construction activities	bal/ev	-43.6	Dec-12	16.3	Dec-18	8.5	10.1	11.3	7.9	13.4	4.3	7.6	7.4	4.8	4.4	1.2	1.7	-0.3
Activity past 3 months	bal/ev	-65.5	Apr-12	26.7	May-98	0.8	-2.6	10.7	5.7	4.5	3.8	3.2	2.8	-0.7	3.6	6.9	3.8	4.3
Selling prices next 3 months	bal/ev	-29.3	Aug-12	43.0	Jun-22	28.8	36.9	35.9	33.8	35.4	42.4	41.9	40.0	43.0	39.2	39.2	40.0	39.8

Figure 16. Monthly series of Trade Survey

	Unit	Minimum		Maximum		2021			2022									
		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	-29.1	Apr-20	11.7	Jun-98	4.3	5.5	4.6	4.9	5.5	4.4	4.6	2.0	3.1	2.3	1.4	1.7	0.0
Wholesale	bal/sa	-29.5	May-20	13.1	Apr-98	5.3	6.5	4.3	5.2	5.9	5.5	5.8	-0.2	3.9	3.0	1.5	3.2	0.4
Retail	bal/sa	-31.0	Apr-20	13.1	Jul-98	3.1	4.0	4.5	4.3	4.5	3.3	1.9	6.1	2.8	1.7	2.4	0.1	-0.7
Business activity past 3 months (a)	bal/sa	-55.3	Jun-20	16.4	Feb-89	3.6	5.3	5.1	4.4	6.7	8.9	12.1	4.8	8.1	4.1	-0.4	4.7	5.7
Wholesale	bal/sa	-57.5	Jun-20	19.3	Feb-89	7.9	11.8	8.3	9.5	11.8	14.6	16.7	2.4	11.2	6.8	0.9	11.9	12.0
Retail	bal/sa	-58.5	Aug-12	19.2	Apr-99	-1.3	-1.5	1.3	-0.3	0.1	2.4	5.7	9.4	5.3	1.3	0.7	-2.0	-1.4
Business activity next 3 months (b)	bal/sa	-52.1	Apr-20	40.2	Oct-89	4.5	4.3	2.3	3.4	5.4	-1.2	-1.8	-3.9	-2.6	-0.2	-0.4	-3.9	-7.3
Wholesale	bal/sa	-51.0	Apr-20	49.6	Oct-89	7.0	5.1	3.0	4.1	5.7	1.1	0.7	-2.9	1.1	5.3	2.6	-0.1	-6.3
Retail	bal/sa	-55.1	Apr-20	40.8	Jul-94	1.9	2.4	0.7	1.5	5.2	-2.4	-7.0	-1.5	-5.2	-4.9	-2.8	-8.3	-8.5
Current volume of stocks (c)	bal/ev	-14.9	Feb-13	26.4	Jul-90	-4.9	-6.9	-6.5	-6.8	-4.2	-5.4	-3.5	-5.2	-3.8	-2.8	-5.0	-4.2	-1.6
Wholesale	bal/ev	-15.3	Oct-12	28.2	Jul-90	-1.0	-2.7	-1.6	-1.9	-0.3	-0.9	0.1	0.0	0.6	3.0	-1.0	2.3	4.5
Retail	bal/ev	-17.5	Feb-13	32.6	Jul-89	-8.7	-11.0	-11.3	-11.7	-8.2	-9.9	-7.0	-10.3	-8.3	-8.7	-9.1	-10.6	-7.8
Orders next 3 months	bal/sa	-45.2	Apr-20	20.4	Aug-98	0.3	1.3	-1.5	-1.7	1.5	-0.5	-4.3	-2.3	-7.2	-2.4	-5.6	-5.8	-6.8
Employment next 3 months	bal/ev	-29.2	Oct-12	22.8	Sep-97	-0.1	0.0	-1.3	1.4	3.5	0.1	1.6	3.2	1.8	4.0	0.8	0.4	0.8
Selling prices past month	bal/sa	-11.7	Apr-09	41.0	Apr-22	21.1	25.6	21.6	20.0	28.0	39.1	41.0	35.1	38.4	31.0	25.4	33.6	39.1
Selling prices next 3 months	bal/sa	-11.8	Jul-03	41.2	Mar-22	18.7	24.1	22.7	24.1	27.7	41.2	38.8	34.2	37.1	29.8	25.0	34.0	39.3

Figure 17. Monthly series of Services Survey

	Unit	Minimum		Maximum		2021			2022									
		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	-56.0	May-20	29.5	Jun-01	12.0	13.8	14.4	8.3	14.7	19.8	22.7	22.6	22.7	16.1	18.0	9.2	6.1
Business activity past 3 months (a)	bal/sa	-70.8	May-20	33.4	Jun-01	9.9	15.3	20.4	10.1	7.3	16.3	21.6	26.4	29.7	23.2	19.9	11.5	9.4
Demand next 3 months (b)	bal/sa	-54.3	Apr-20	34.6	Jan-02	16.8	15.5	7.7	13.8	28.4	23.9	16.2	16.2	15.1	10.7	13.1	8.4	-2.3
Demand past 3 months (c)	bal/sa	-70.3	May-20	30.3	Apr-22	9.4	10.5	15.2	1.0	8.4	19.3	30.3	25.1	23.2	14.5	20.9	7.9	11.1
Employment next 3 months	bal/sa	-29.4	Apr-20	19.8	Aug-19	13.6	10.0	7.8	10.1	13.2	14.2	12.7	11.8	14.3	7.4	9.9	8.3	5.4
Selling prices next 3 months	bal/sa	-23.4	Apr-20	25.0	Apr-22	7.8	12.7	14.1	15.3	18.5	24.2	25.0	19.8	23.8	20.4	13.4	15.8	14.3



Box – Results of bi-annual qualitative questions on investment

Manufacturing Industry Survey

Considering the opinions related with the evolution of investment in 2022 for the manufacturing industry, 48.8% of firms considered that investment stabilized when compared with 2021, while 35.2% of firms reported an increase from the previous year and 16.0% a decrease. For 2023, 63.6% of firms foresee that investment will stabilize from the current year, while 22.7% foresee an increase and 13.7% a decrease.

By groupings in the Manufacturing Industry, for both years considered, most firms in the Consumer Goods group and Investment Goods group consider that investment will stabilize, while in the Intermediate Goods group 48.6% of the firms consider that investment increased in 2022 and for 2023, most firms reported that investment will stabilize.

Figure 18. Evolution of investment made/planned (%)

MANUFACTURING INDUSTRY	YEAR	INCREASE	REMAIN UNCHANGED	DECREASE	BALANCE
Consumer Goods	2022	28.7	55.1	16.2	12.6
	2023	25.1	60.3	14.6	10.6
Investment Goods	2022	17.1	60.5	22.5	-5.4
	2023	20.5	69.3	10.1	10.4
Intermediate Goods	2022	48.6	38.6	12.9	35.7
	2023	21.9	63.3	14.8	7.1
TOTAL	2022	35.2	48.8	16.0	19.2
	2023	22.7	63.6	13.7	9.0

Regarding the investment structure, replacement investment is preponderant for 2022 and 2023 (38.9% and 33.1% of total investment in the Manufacturing Industry, respectively for both years considered), followed by investment to streamline production (27.5% and 29.2%, 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 for Consumer Goods and Investment Goods, followed by investment designed to streamline processes in both cases. For Intermediate Goods, replacement investment is the most relevant destiny of investment in 2022 while investment designed to streamline processes assumes preponderance for 2023.

Figure 19. Structure of investment (%)

MANUFACTURING INDUSTRY	YEAR	REPLACEMENT OF WORN-OUT PLANT OR EQUIPMENT	EXTENSION OF PRODUCTION CAPACITY	INVESTMENT DESIGNED TO STREAMLINE PROCESSES	OTHER INVESTMENTS
Consumer Goods	2022	42.4	17.5	26.9	13.1
	2023	34.0	19.1	26.9	20.0
Investment Goods	2022	40.1	19.4	23.3	17.1
	2023	41.2	17.5	23.4	18.0
Intermediate Goods	2022	35.7	13.3	29.8	21.2
	2023	28.7	14.0	33.7	23.7
TOTAL	2022	38.9	16.0	27.5	17.6
	2023	33.1	16.4	29.2	21.2



Figure 20. Main factors stimulating investment (%)

MANUFACTURING INDUSTRY	YEAR	DEMAND	FINANCIAL CONDITIONS	TECHNICAL FACTORS	OTHER FACTORS
Consumer Goods	2022	50.7	28.2	48.5	30.2
	2023	54.8	23.1	50.5	33.0
Investment Goods	2022	53.5	36.2	62.2	20.7
	2023	47.7	37.5	63.1	21.4
Intermediate Goods	2022	56.7	38.6	74.4	27.3
	2023	55.2	38.9	70.1	27.3
TOTAL	2022	54.0	34.6	63.1	26.8
	2023	53.5	33.3	62.1	28.0

For 2022 and 2023, 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, 57.4% of the firms consider that investment has stabilized in 2022 compared to 2021, while 32.1% of the firms reported an increase compared to the previous year and 10.5% a decrease. For 2023, 63.7% of firms believe that investment will stabilize compared to the current year, 25.6% of firms believe that investment will increase and 10.7% believe that it will decrease. Also for 2023, the Information and communication activity section stands out, with 41.8% of the firms considering that investment will increase, and in the remaining service sections it is expected, by most companies, a stabilization of investment compared to 2022.

Figure 21. Evolution of investment made/planned (%)

SERVICES	YEAR	INCREASE	REMAIN UNCHANGED	DECREASE	BALANCE
Transportation and storage (Section H)	2022	42.5	48.9	8.6	33.9
	2023	28.3	62.1	9.6	18.7
Accommodation and food service activities (Section I)	2022	30.4	58.0	11.6	18.8
	2023	23.5	67.1	9.5	14.0
Information and communication (Section J)	2022	46.1	37.1	16.8	29.3
	2023	41.8	40.9	17.3	24.5
Real estate activities (Section L)	2022	17.6	70.1	12.3	5.3
	2023	30.0	59.7	10.3	19.8
Professional, scientific and technical activities (Section M)	2022	32.5	59.7	7.8	24.8
	2023	17.6	72.7	9.7	7.9
Administrative and support service activities (Section N)	2022	25.2	69.9	4.9	20.3
	2023	15.5	76.2	8.2	7.3
Arts, entertainment and recreation (Section R)	2022	22.5	58.4	19.0	3.5
	2023	25.7	58.3	16.0	9.7
Other service activities (Section S)	2022	9.8	73.2	17.0	-7.1
	2023	12.8	72.7	14.5	-1.7
TOTAL	2022	32.1	57.4	10.5	21.7
	2023	25.6	63.7	10.7	14.8



Regarding the investment structure, replacement investment assumes preponderance for 2022 and 2023 (42.1% and 38.8% of total investment respectively for the two years considered), followed by investment for the extension of production capacity (23.7% and 24.7% in the same order).

Replacement investment is the most relevant as the main destination of investment in all sections for the two years considered. For 2023, investment in capacity extension is the most relevant in the Other service activities section, followed by replacement investment, as opposed to the other sections, in which replacement investment is the most predominant.

Figure 22. Structure of investment

SERVICES	YEAR	REPLACEMENT OF WORN-OUT BUILDINGS, EQUIPMENT AND IT	EXTENSION OF CAPACITY	INVESTMENT DESIGNED TO STREAMLINE PROCESSES	OTHER INVESTMENTS
Transportation and storage (Section H)	2022	37.0	22.5	22.3	18.2
	2023	37.4	27.2	20.3	15.0
Accommodation and food service activities (Section I)	2022	54.5	17.9	14.8	12.8
	2023	45.2	23.6	19.0	12.3
Information and communication (Section J)	2022	34.6	24.7	28.1	12.5
	2023	32.6	28.9	25.7	12.9
Real estate activities (Section L)	2022	40.6	20.6	19.5	19.3
	2023	34.8	28.3	23.3	13.7
Professional, scientific and technical activities (Section M)	2022	42.4	14.6	33.3	9.6
	2023	43.3	14.4	32.1	10.2
Administrative and support service activities (Section N)	2022	42.2	21.3	25.7	10.8
	2023	36.3	21.6	31.9	10.3
Arts, entertainment and recreation (Section R)	2022	64.5	17.4	12.2	5.9
	2023	55.4	14.2	21.5	9.0
Other service activities (Section S)	2022	28.9	21.9	28.2	21.0
	2023	32.1	34.8	14.7	18.4
TOTAL	2022	42.1	20.2	23.7	14.0
	2023	38.8	23.9	24.7	12.5

Demand is the most mentioned stimulating factor of investment by firms (59.9% and 60.3% in 2022 and 2023, respectively), followed by technical factors in 2022 (44.5%) and (47.7%) in 2023. This behaviour is observed in seven of the eight sections of Services, since in the Information and communication, 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)	2022	62.3	38.2	49.4	24.4
	2023	64.7	39.8	47.7	20.8
Accommodation and food service activities (Section I)	2022	69.8	24.1	26.3	31.4
	2023	72.5	26.0	26.0	27.1
Information and communication (Section J)	2022	67.6	32.6	70.1	33.9
	2023	67.9	32.2	72.0	31.5
Real estate activities (Section L)	2022	67.7	25.2	23.7	14.4
	2023	66.2	12.8	37.8	12.0
Professional, scientific and technical activities (Section M)	2022	36.0	25.7	53.9	22.9
	2023	34.1	24.3	63.2	19.1
Administrative and support service activities (Section N)	2022	54.1	25.9	47.3	27.6
	2023	54.2	27.1	45.4	23.3
Arts, entertainment and recreation (Section R)	2022	67.8	26.8	40.0	32.5
	2023	64.4	37.6	46.1	21.2
Other service activities (Section S)	2022	72.9	41.8	28.0	6.5
	2023	69.5	48.3	22.2	11.5
TOTAL	2022	59.9	29.3	44.5	25.4
	2023	60.3	28.5	47.7	21.9

It should be noticed that the integration of investment questions in the series of business surveys of the manufacturing industry and services is harmonized with the new program of business surveys under the responsibility of the European Commission, which entered into force in May 2021.



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. The seasonal adjustment method used by the EC is available on the user guide, accessible in:

https://ec.europa.eu/info/files/user-guide-joint-harmonised-eu-programme-business-and-consumer-surveys_en

The seasonal adjustment uses the X13-Arima method (combination of moving averages process and auto-regressive integrated moving average models) developed in the JDemetra+, 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 $\text{Balance} = \% \text{answer}(+) - \% \text{answer}(-)$. 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 $\text{Balance} = [\% \text{answer}(++) * 1 + \% \text{answer}(+) * 0.5] - [\% \text{answer}(--) * 1 + \% \text{answer}(-) * 0.5]$. 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.

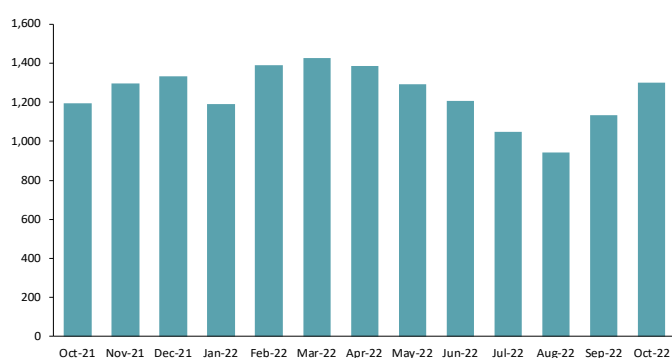


INFORMATION ON DATA COLLECTION

In the results obtained from business and consumer surveys for the collection of October 2022, the data collecting period occurred from 01 to 17 in the case of the consumer survey, with 1302 responses obtained (telephone interviews) and from 01 to 24 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



The response and weighted response rates for business surveys were:

Figure 25. Response and weighted response rates

Business Surveys	Response Rate				Weighted Response Rate ⁽²⁾			
	2021 ⁽¹⁾	August 2022	September 2022	October 2022	2021 ⁽¹⁾	August 2022	September 2022	October 2022
Manufacturing Industry	77.6%	78.5%	80.3%	79.2%	83.1%	93.2%	92.6%	89.7%
Construction and Public Works	66.2%	71.9%	74.4%	73.7%	83.1%	89.3%	82.2%	90.4%
Trade	73.2%	77.8%	77.9%	78.4%	93.1%	94.8%	93.5%	92.2%
Services	73.7%	78.5%	79.5%	77.0%	80.9%	95.9%	84.8%	94.0%

⁽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

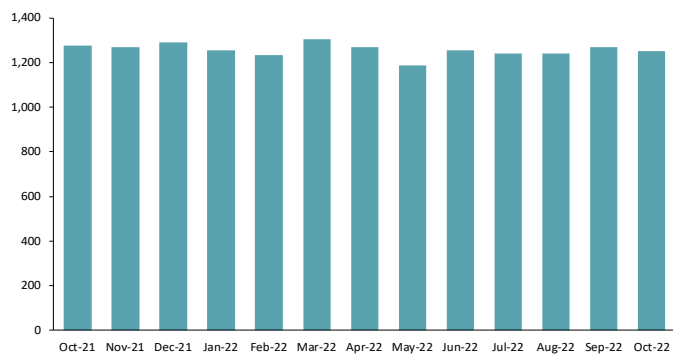


Figure 27. Construction and Public Works - Number of responses by data collection's months

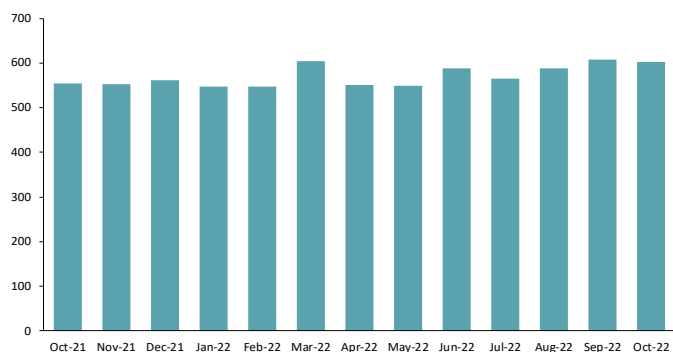


Figure 28. Trade Survey - Number of responses by data collection's months

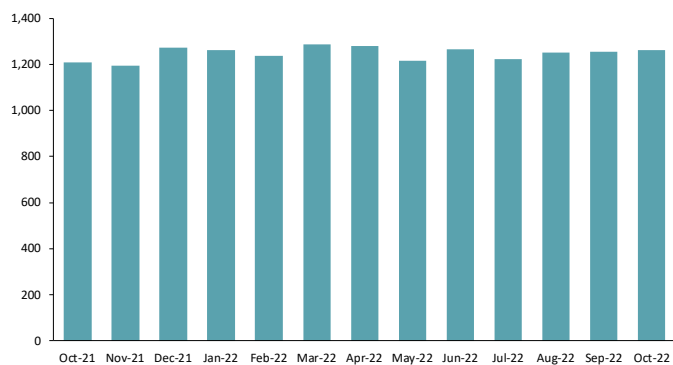
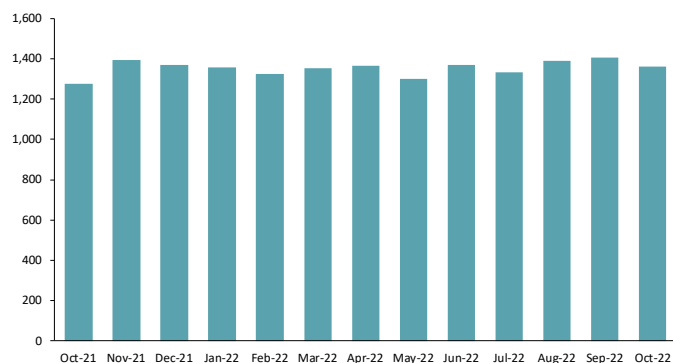




Figure 29. Services Survey - Number of responses by data collection's months



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) 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	
	2019	2020
Manufacturing Industry	13.7%	13.8%
Construction and Public Works	4.4%	4.7%
Trade	13.3%	13.1%
Services	38.1%	35.8%

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.

3MMA: Three-Months Moving Average.

2QMA: Two-Quarters Moving Average

Next monthly press release – November 29th, 2022
