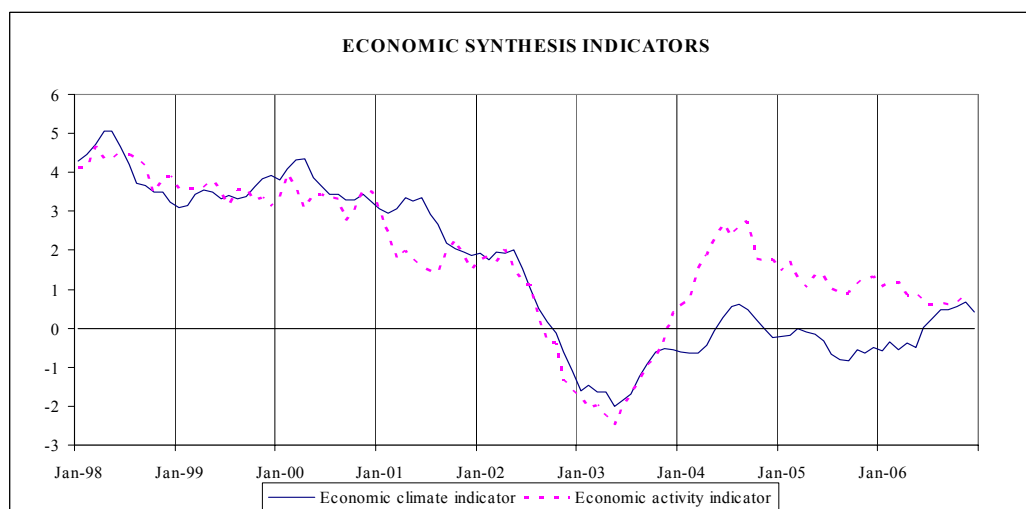


## Economic Short-term Synthesis

### December 2006

The later external background data remained globally favourable. In December, on the domestic side, the economic climate indicator presented an unfavourable behaviour, interrupting the sharp upward movement noticed since June. The economic activity indicator, with information up to November, improved slightly, standing somewhat above the level where it has stood since June. In November, the short-term indicators data slowed down both in industry and in services, though the industry turnover growth remained at a relatively high level. The consumer indicator decelerated in November as a result of the unfavourable behaviour observed both in the current and in the durable consumption components. The investment indicator did not follow the upward movement which has been noticed since August, as a result of the transport material component. International trade data, with preliminary results up to November, showed a deceleration both in the value of imports and of exports, with a greater intensity in the latter, though the growth of exports stood above the one of imports. It should be noticed that, from May onwards, a differential favourable to Portugal was obtained, between the variation of the value of national exports and the foreign demand indicator, both evaluated in euros, taking into account the last data disseminated by OECD for imports by the Portuguese main customers. In the labour market signs are mixed. On one hand, data from the short-term indicators revealed a less depressing evolution of employment in November. On the other hand, in December the information from the employment centres showed an acceleration on the unemployment registration and a contraction on the job vacancies. Similarly, the entrepreneurs' employment expectations got worse while the consumers' unemployment expectations stood at the same level since October. In December inflation was 2.5%, more 0.1 percentage points (p.p.) than in previous month. 2006 annual inflation stood at 3.1%, more 0.8 p.p. than in 2005. The core inflation indicator was 2.0%, up 0.1 p.p. relatively to November.



Report based on information available up to January 17, 2007.

Next report will be released on February 22, 2007.

#### 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.

Balances: differences between the percentage of respondents giving positive and negative replies. Annualised variation (a.v.). Weight (w.).



		Year 2004	Year 2005	Quarter 4 2005	Quarter 1 2006	Quarter 2 2006	Quarter 3 2006	Quarter 4 2006	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
<b>International background</b>															
Industrial production index of customer countries	s.a./y.r./3-mma	1.9	0.8	1.4	2.6	3.2	3.3	-	3.2	3.6	3.4	3.3	3.6	-	-
Order books in industry of EU	balance/s.a.-mm3m	-14.9	-17.9	-16.8	-12.2	-3.8	0.3	3.1	-3.8	-2.5	-1.0	0.3	0.8	2.3	3.1
Consumer confidence indicator in EU	balance/s.a.-mm3m	-11.2	-10.6	-10.1	-8.4	-7.8	-7.2	-6.0	-7.8	-7.5	-7.4	-7.2	-6.9	-6.5	-6.0
Unemployment rate in EU	s.a./%	9.0	8.7	8.6	8.2	8.0	7.9	-	7.9	7.9	7.9	7.8	7.8	7.7	-
Harmonised index of consumer price in EU	y.r.	2.1	2.2	2.3	2.3	2.5	2.1	1.8	2.5	2.4	2.3	1.7	1.6	1.9	1.9
Production price index of supplying countries	y.r./3-mma	2.8	3.8	3.7	4.3	4.8	4.5	-	4.8	5.1	5.0	4.5	3.8	3.3	-
<b>Economic activity</b>															
Economic climate indicator	balance/3-mma	0.0	-0.4	-0.5	-0.6	0.0	0.5	0.4	0.0	0.3	0.5	0.5	0.6	0.7	0.4
Economic activity indicator	3-mma	2.2	1.2	1.3	1.2	0.6	0.6	-	0.6	0.6	0.6	0.6	0.6	0.8	-
Total turnover index	y.r./3-mma	4.1	0.6	0.1	1.6	1.5	4.4	-	1.5	4.6	3.5	4.4	3.7	3.0	-
Manufacturing industry production index	y.r./3-mma	-0.8	-1.6	1.2	1.8	1.3	2.5	-	1.3	3.6	2.7	2.5	3.0	2.9	-
Production index in construction	y.r./3-mma	-4.7	-4.9	-4.0	-3.6	-7.6	-8.1	-	-7.6	-6.5	-7.5	-8.1	-7.2	-6.8	-
Retail trade turnover index (real)	y.r./3-mma	2.4	1.7	0.5	-0.1	-0.6	2.7	-	-0.6	0.6	0.5	2.7	1.5	0.9	-
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-34.9	-37.7	-41.0	-37.8	-36.2	-31.9	-31.0	-36.2	-35.8	-34.0	-31.9	-30.6	-31.0	-31.0
Quantitative indicator of consumption	y.r./3-mma	2.7	2.6	1.8	1.1	1.0	1.8	-	1.0	1.0	0.8	1.8	1.6	1.2	-
Indicator of non-durable consumer goods	y.r./3-mma	2.7	2.4	2.1	1.1	1.8	1.9	-	1.8	1.8	1.5	1.9	1.6	1.4	-
Indicator of durable consumer goods	y.r./3-mma	3.5	3.8	-0.8	1.2	-5.2	1.4	-	-5.2	-4.5	-3.9	1.4	1.3	-0.6	-
Sales of passenger vehicles	y.r./3-mma	4.0	3.3	-2.9	-2.5	-9.3	-3.3	-7.3	-9.3	-10.8	-9.5	-3.3	-1.4	-5.4	-7.3
Credit for consumption	y.r./stocks	4.8	3.8	3.8	6.3	17.2	23.2	-	17.2	19.8	19.3	23.2	22.4	-	-
<b>Investment</b>															
GFCF indicator	3-mma	0.5	-2.8	-2.9	-2.5	-5.8	-3.6	-	-5.8	-7.4	-6.1	-3.6	-2.2	-3.0	-
Cement sales	y.r./3-mma	-3.0	-7.0	-6.2	-3.2	-11.3	-9.9	-	-11.3	-8.7	-8.1	-9.9	-10.0	-	-
Sales of steel for concrete	y.r./3-mma	3.7	-62.2	-51.2	-5.6	11.6	60.7	-	11.6	24.1	47.8	60.7	84.7	-	-
Adjudication of public works	y.r./acumul2m	54.5	-32.2	-32.2	-43.6	-41.1	-52.1	-	-41.1	-42.1	-46.8	-52.1	-55.6	-59.5	-
Credit for purchase of habitation	y.r./stocks	6.9	11.9	11.9	17.2	16.2	15.2	-	16.2	15.7	15.6	15.2	14.9	-	-
Licenses for construction of new habitations	y.r./3-mma	-9.0	-3.4	-3.5	0.8	-3.1	-7.0	-	-3.1	1.9	-1.6	-7.0	-5.3	-9.4	-
Machinery and equipment indicator	3-mma	0.1	-1.9	-2.6	0.0	-3.5	0.2	3.4	-3.5	-4.0	-2.8	0.2	2.8	3.5	3.4
Sales of light commercial vehicles	y.r./3-mma	3.0	-1.8	-3.4	-5.5	-15.7	-6.4	-1.0	-15.7	-14.8	-14.9	-6.4	-2.2	-1.5	-1.0
Sales of new heavy commercial vehicles	y.r./3-mma	24.7	0.1	-5.7	9.3	26.0	52.0	-31.9	26.0	-36.4	-22.3	52.0	40.7	27.5	-31.9
<b>External demand</b>															
External demand indicator in value	s.a./y.r./3-mma	10.7	10.4	12.7	14.1	12.1	9.0	-	12.1	11.8	10.4	9.0	9.3	-	-
External order books	balance/3-mma	-19.3	-23.7	-17.3	-19.3	-14.0	-13.7	-10.7	-14.0	-12.0	-9.3	-13.7	-14.0	-11.7	-10.7
Forecasted evolution of exports	balance	-3.6	-4.8	-3.3	-0.7	-1.7	-0.7	-	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Exports of merchandises in value	y.r./3-mma	5.3	2.8	4.3	11.5	12.3	13.1	-	12.3	16.7	16.4	13.1	13.9	11.3	-
Imports of merchandises in value	y.r./3-mma	9.7	5.5	3.6	10.9	7.0	8.6	-	7.0	11.5	11.0	8.6	6.5	5.6	-
<b>Labour market</b>															
Unemployment rate	%	6.7	7.6	8.0	7.7	7.3	7.4	-	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Unemployed registration along the month	s.a./y.r./3-mma	3.4	4.1	3.9	3.9	-0.6	-1.1	2.9	-0.6	1.6	0.9	-1.1	1.8	2.1	2.9
Unemployment expectations	balance/3-mma	48.8	49.0	53.5	50.6	45.2	40.0	39.3	45.2	44.2	42.4	40.0	39.3	39.3	39.3
Vacancies along the month	s.a./y.r./3-mma	-7.8	5.3	16.5	4.4	3.8	7.2	-0.9	3.8	7.3	2.3	7.2	8.3	7.0	-0.9
Employment indicator (short-term indicators)	y.r./3-mma	-1.5	-2.4	-2.1	-2.3	-2.1	-2.0	-	-2.1	-2.1	-2.1	-2.0	-2.0	-1.8	-
Wage negotiation	a.v./3-mma/w.	3.0	2.7	2.5	2.8	3.1	2.6	-	3.1	2.8	2.8	2.6	2.8	2.7	-
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	2.4	2.3	2.7	3.2	3.7	3.0	2.5	3.7	3.0	2.9	3.0	2.7	2.4	2.5
Core inflation indicator	y.r.	1.9	1.4	1.8	1.9	1.8	2.0	1.9	1.8	2.0	2.0	2.0	1.9	1.9	2.0
Consumer price index - goods	y.r.	1.6	1.9	2.4	3.2	4.0	3.2	2.5	4.0	3.2	3.0	3.2	2.6	2.3	2.5
Consumer price index - services	y.r.	3.8	3.0	3.0	3.1	3.1	2.7	2.6	3.0	2.9	2.6	2.8	2.7	2.6	2.6
Manufacturing industry production price index	y.r./3-mma	2.9	3.5	3.5	5.0	5.6	4.9	-	5.6	5.7	5.5	4.9	3.9	3.2	-
Expectations of prices in manufacturing industry	bal./s.a./3-mma	1.5	1.3	2.3	8.7	8.0	2.7	5.7	8.0	8.0	3.7	2.7	3.3	4.3	5.7
Exchange rate euro/USD	y.r.	10.0	0.1	-8.2	0.0	-0.2	4.5	8.5	4.0	5.4	4.2	3.8	5.0	9.3	11.4
Exchange rate euro/JPY	y.r.	2.7	1.8	1.7	0.0	6.2	9.2	8.9	9.7	8.9	9.2	9.5	8.4	8.3	10.1