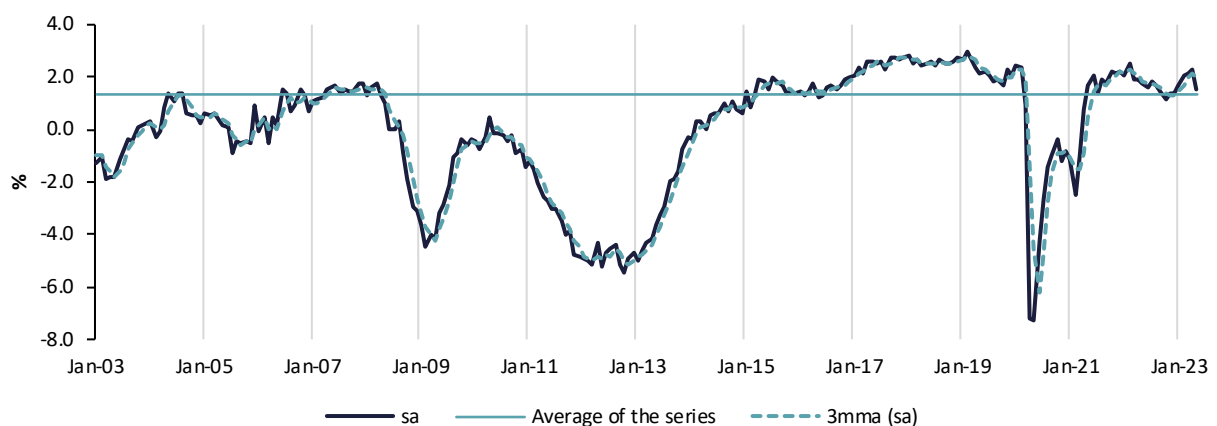## CONSUMER CONFIDENCE INDICATOR INCREASES AND ECONOMIC CLIMATE INDICATOR DECREASES

The Consumer confidence increased between December and March in May[1], reaching the highest value since February of 202, after registering in November the lowest value since April 2020 when the pandemic begun. The balance of Consumer opinions on the past evolution of the price level decreased significantly in May, moving away from the high level it was at, close to the maximum value of the series recorded in October.

The economic climate indicator [2] decreased in May, after having increased between January and April. Confidence indicators decreased in all surveyed sectors, Manufacturing Industry, Construction and Public Works, Trade and Services.

The entrepreneurs' expectations regarding the future evolution of selling prices decreased significantly between November and May in the Manufacturing Industry, reaching the lowest level since May 2020. This balance also decreased since November in Commerce, significantly in May, reaching the lowest level since April 2021. In Construction and Public Works and Services, after moderate reductions between February and April, the respective balances decreased significantly in May, standing at the lowest levels since April and October 2021, respectively.

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

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[1] The collection period (see final notes) of the consumer survey occurred from 02 to 17 of May (working days), in the case of the consumer survey, and from 02 to 23 of May in the case of business surveys.

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

Consumer Survey

The Consumer confidence indicator increased between December and April, following the decreases of the previous three months which resulted, in November, in the lowest value since April 2020 when the pandemic begun. The evolution of the indicator in the last month resulted from the positive contribution of the expectations on the future evolution of the country's economic situation and of households' financial situation, and, to a lesser degree, of the opinions on the past evolution of households' financial situation. Only the expectations on the future evolution of major purchases by households contributed negatively to the confidence indicator.

The balance of perspectives regarding the future evolution of the country's economic situation increased significantly in April, reaching the highest value since February 2022 and resuming the increasing trajectory observed since November of 2022, which had been interrupted in March.

The balance of expectations about household's future financial situation increased in April, following the slight decrease of the previous month, resuming the positive profile initiated in November of 2022.

The balance of opinions on the past evolution of the price level increased in the last two months, remaining relatively close to the series' maximum value registered in October, as a consequence of the significantly ascending trajectory initiated in March of 2021. The balance of expectations regarding the future evolution of the price level decreased in the last two months, significatively in April, resuming the markedly descending trajectory observed since March of 2022, when the maximum value of the series was reached.
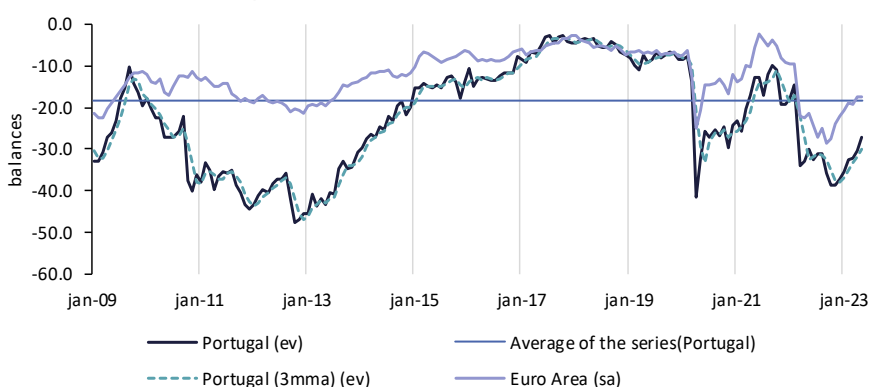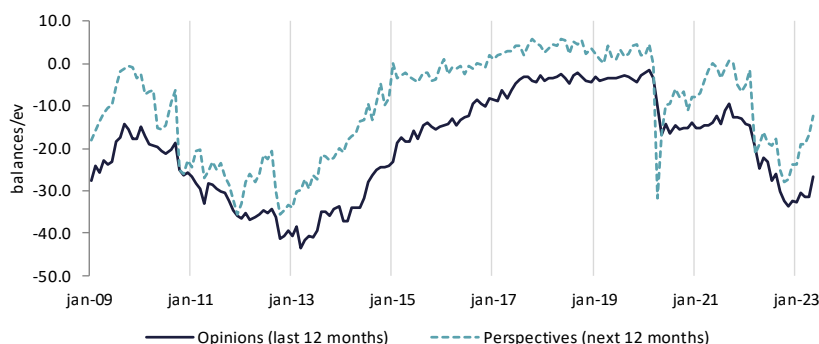
Figure 2. **Consumer confidence indicator**

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

Manufacturing Industry Survey

The Manufacturing Industry confidence indicator decreased in April and May, after having increased between November and March. The behaviour of the indicator reflected the negative contributions of all components: the firm's production perspectives over the next three months, the opinions on the current stocks of finished products and the opinions on the evolution of the overall order books in the last three months.

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

The balance of opinions on current overall order books decreased in May, after stabilizing in April. Opinions regarding domestic order books, considering firms with production oriented to the domestic market, worsened in May, after having recovered in March and April. Opinions on export order books, considering firms with production oriented to the foreign market, also worsened in May, after the recovery of the previous month.

The balance of opinions on the evolution of sale prices decreased in the last seven months, after increasing in September and October, prolonging the downward trend recorded between May and August and reaching the lowest value since May 2020. This balance decreased in all groups: Consumer Goods, Intermediate Goods and Investment Goods, more intensely in the latter case.

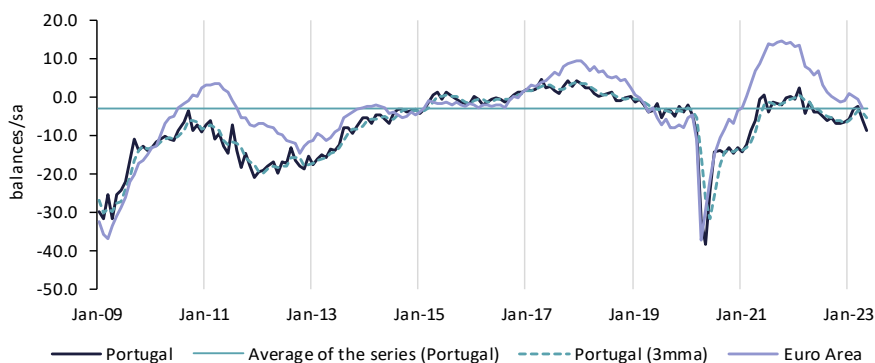Figure 4. Manufacturing industry confidence indicator

Figure 5. Opinions on current overall order books
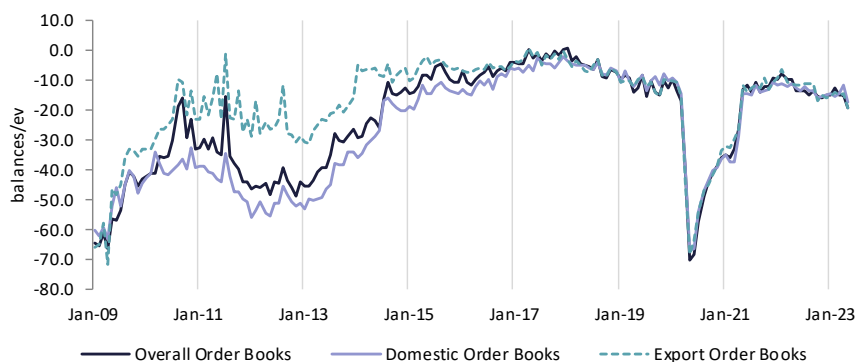
Construction and Public Works Survey

The confidence indicator of Construction and Public Works decreased in May, after increasing in March and, more significantly, in April. The decrease in the last month reflected the negative contribution of perspectives on employment, since the balance of opinions on current order books has increased.

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

The balance of opinions on the firm's activity in the last three months decreased in May, after increasing in April.

The balance of perspectives regarding the selling prices charged by the firm in the next three months decreased between February and May, very intensely in the latter case reaching the lowest level since April 2021.

Among the main factors limiting activity indicated by firms, the percentage that indicated the shortage of labour force reached a new maximum of the series in May. In turn, the percentage of firms that mentioned the evolution of interest rates reached the maximum since December 2013.

Figure 6. **Construction and Public Works confidence indicator**
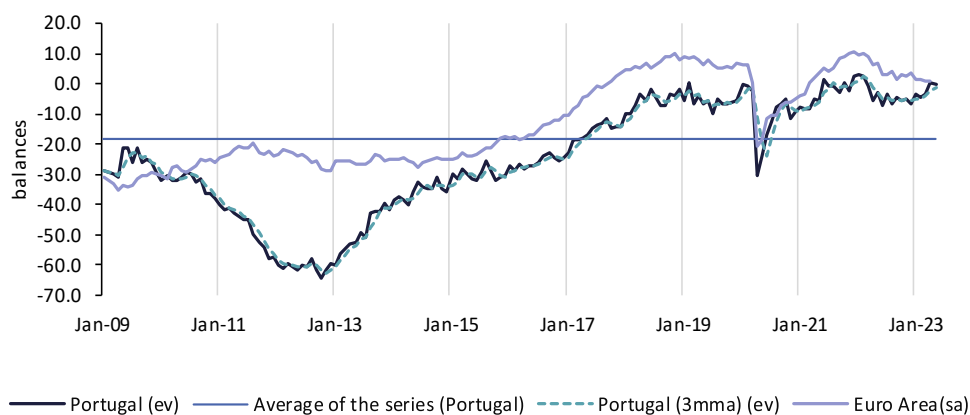
Figure 7. **Construction and Public Works confidence indicators by NACE divisions**
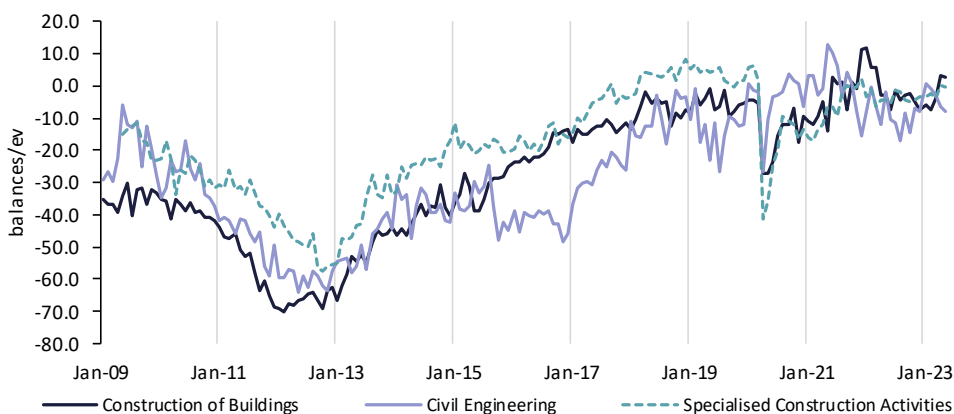
Trade Survey

The trade confidence indicator declined between March and May, interrupting the upward movement that started in November. The evolution of the indicator in the last month resulted from the negative contribution of all components, opinions on the volume of sales, assessments on the current volume of stocks and expectations on the firm's activity over the next three months. In May, the confidence indicator decreased in Wholesale Trade and stabilized in Retail Trade.

The balance of opinions on the volume of sales slightly decreased in the last three months, sharply in May, after increasing significantly between December and February. In the same direction, the perspectives of activity slightly worsened in May, after the recovery observed in the previous four months.

The balance of opinions on selling prices evolution compared to the previous month declined between November and May, significantly in the last month, going back to the lowest level since January 2021. The balance of price expectations over the next three months also declined since November, significantly in May, reaching the lowest level since April 2021.

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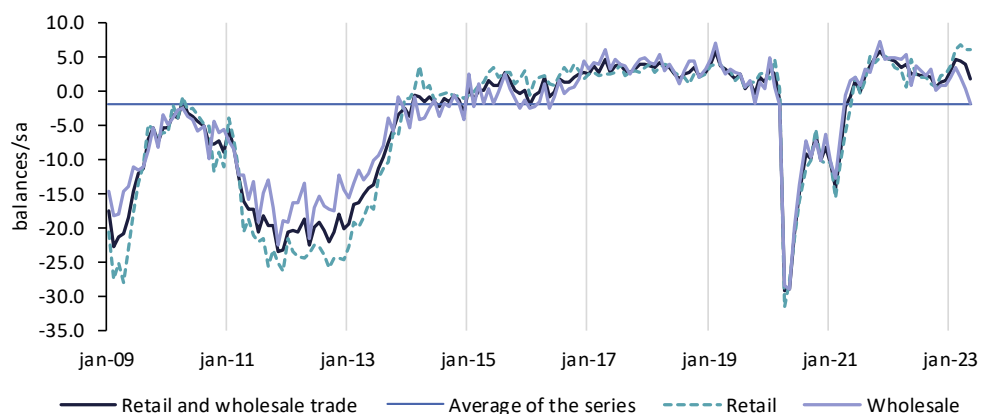
Figure 9. **Perspectives on business activity (sales) over the next three months**
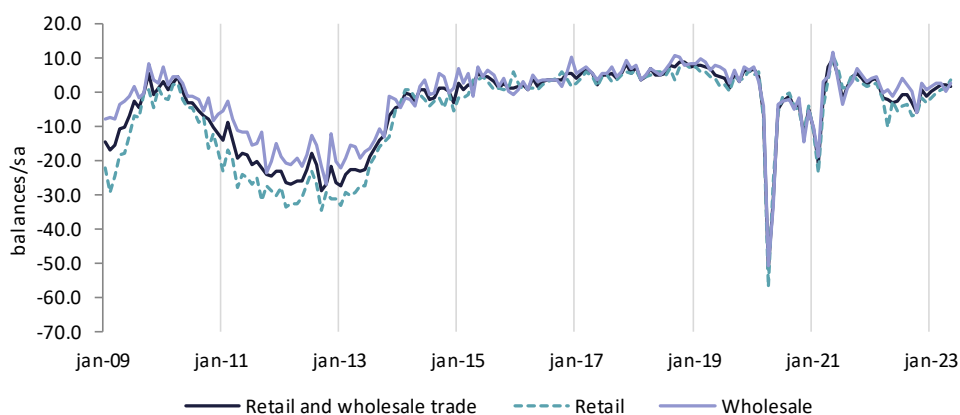
Services Survey

The Services' confidence indicator decreased markedly in May, after increasing in the precedent month. The indicator's behaviour resulted from the negative contributions of all components, perspectives on the evolution of demand opinions on the evolution of the business and assessments on the evolution of the order books, significantly in the former case.

In May, the confidence indicator decreased in seven of the eight sections of Services, with emphasis on the sections of Other Services Activities and Transport and Storage Activities.

The balance of perspectives on the evolution of demand decreased markedly in May, after increasing in the previous month.

The balance of expectations for prices of services decreased between February and May, after increasing in the previous three months, standing at the lowest level since October 2021.

Figure 10. **Services confidence indicator**
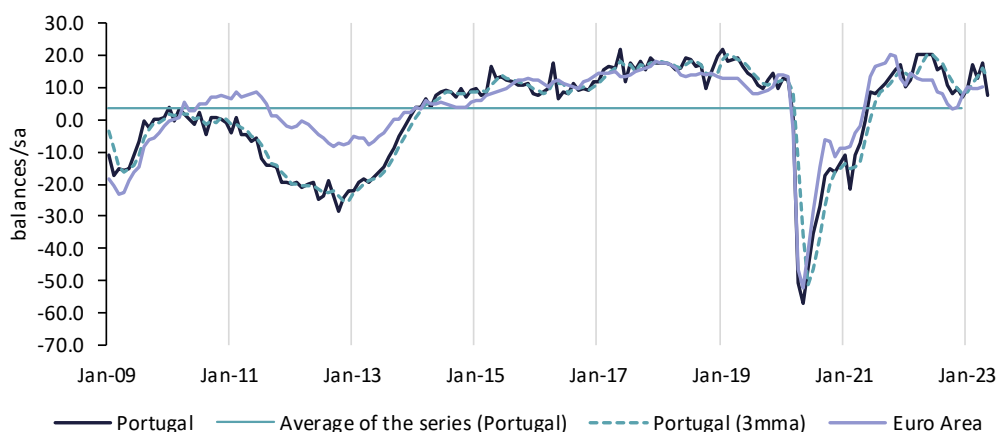
Figure 11. **Opinions and perspectives on the evolution of demand (order books)**
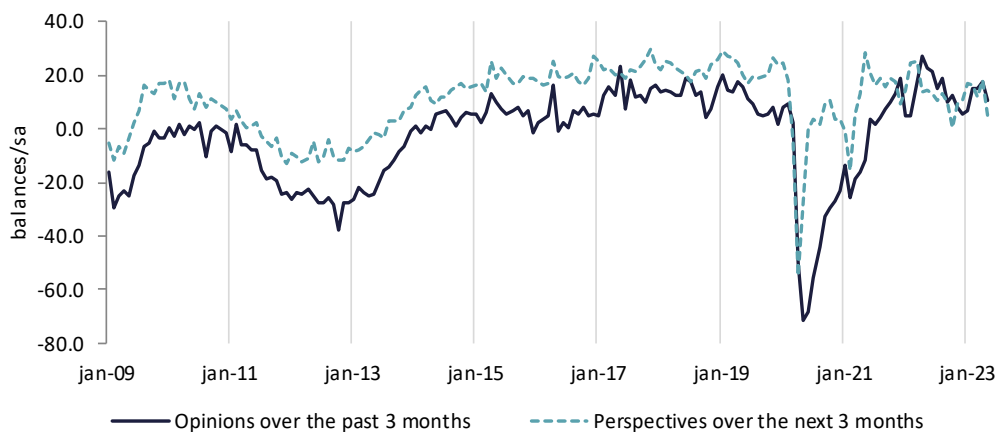
Monthly series of Consumer and Business Surveys

Table 1. Confidence and climate economic indicators

	Unit	Minimum		Maximum		2022								2023				
		Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Confidence indicator																		
Consumers	bal/ev	-47.8	Oct-12	-0.1	Sep-97	-30.1	-32.5	-31.1	-31.1	-35.8	-38.6	-38.7	-37.1	-35.4	-32.5	-32.3	-30.2	-27.0
Manufacturing industry	bal/sa	-38.5	May-20	19.4	Mar-87	-4.0	-3.9	-4.8	-5.9	-5.2	-6.8	-6.6	-6.4	-5.5	-3.0	-2.4	-5.6	-8.5
Construction and public works	bal/ev	-64.5	Oct-12	25.6	Sep-97	-2.9	-7.4	-3.5	-6.5	-4.4	-5.8	-5.3	-6.4	-3.6	-4.5	-3.6	0.4	-0.5
Trade	bal/sa	-29.3	Apr-20	11.7	Jun-98	2.5	2.6	2.3	2.2	2.2	0.6	1.4	1.6	3.1	4.8	4.5	4.0	1.8
Services	bal/sa	-57.2	May-20	29.5	Jun-01	20.2	20.3	15.5	16.8	11.1	8.0	9.8	7.0	9.5	17.2	13.1	17.5	7.5
Economic climate indicator	%/sa	-7.2	May-20	5.5	Apr-98	1.8	1.6	1.8	1.7	1.4	1.2	1.4	1.4	1.7	2.1	2.1	2.3	1.6

Table 2. Monthly series of Consumer Survey

|	Uni.	Mínimo		Máximo		2022								2023				
		Valor	Data	Valor	Data	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Indicador de confiança (a+b+c+d)/4	sre/ve	-47.8	Oct-12	-0.1	Sep-97	-30.1	-32.5	-31.1	-31.1	-35.8	-38.6	-38.7	-37.1	-35.4	-32.5	-32.3	-30.2	-27.0
Situação económica do país nos próximos 12 meses (c)	sre/ve	-72.7	Apr-20	16.6	Jun-17	-45.6	-50.2	-49.1	-47.9	-51.9	-60.2	-59.4	-52.4	-50.3	-41.8	-45.1	-38.0	-31.6
Situação financeira do agregado familiar nos últimos 12 meses (a)	sre/ve	-43.5	Mar-13	0.5	Aug-99	-22.2	-23.3	-27.5	-26.0	-30.2	-32.2	-33.8	-32.3	-32.6	-30.6	-31.5	-31.3	-26.8
Situação financeira do agregado familiar nos próximos 12 meses (b)	sre/ve	-35.6	Oct-12	8.6	Feb-99	-16.0	-18.8	-19.3	-17.9	-25.0	-28.0	-27.2	-23.8	-23.7	-19.1	-19.2	-16.8	-12.5
Realização de compras importantes nos próximos 12 meses (d)	sre/ve	-51.6	Apr-20	-6.4	Sep-97	-36.5	-37.6	-28.4	-32.6	-36.1	-34.0	-34.2	-39.8	-34.8	-38.3	-33.7	-34.6	-36.9
Situação económica do país nos últimos 12 meses	sre/vcs	-77.1	Oct-12	20.1	Oct-17	-61.3	-62.8	-65.5	-65.4	-71.8	-76.1	-76.5	-73.5	-75.1	-69.0	-71.6	-67.5	-60.5
Realização de compras importantes nos útimos 12 meses	sre/vcs	-88.1	Dec-08	-14.5	Sep-97	-72.6	-75.8	-72.6	-75.9	-79.6	-80.5	-78.2	-80.7	-80.7	-81.0	-79.6	-79.2	-81.6
Poupança no momento atual	sre/ve	-55.1	Nov-22	-0.2	Sep-97	-46.0	-45.8	-45.7	-46.6	-50.9	-49.8	-55.1	-54.4	-51.9	-52.9	-54.1	-53.9	-52.5
Poupança nos próximos 12 meses	sre/ve	-43.4	Nov-22	0.9	Oct-97	-36.0	-33.9	-35.4	-31.7	-39.1	-41.0	-43.4	-42.6	-34.8	-38.3	-39.6	-39.6	-37.8
Desemprego próximos 12 meses	sre/ve	-20.0	Jun-17	85.5	Feb-09	24.0	24.0	21.4	22.9	28.3	34.6	42.8	38.0	36.1	33.1	31.5	26.2	24.6
Preços nos últimos 12 meses	sre/ve	-14.6	Sep-09	87.0	Oct-22	76.8	79.2	83.1	83.1	83.2	87.0	86.2	83.9	85.3	83.4	83.9	84.3	73.5
Preços próximos 12 meses	sre/vcs	-7.6	Dec-15	81.3	Mar-22	58.0	59.4	48.9	44.5	45.2	51.7	41.7	33.3	27.2	27.9	22.6	12.5	13.4

Table 3. Monthly series of Manufacturing Industry Survey

	Unit	Minimum		Maximum		2022								2023				
		Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Confidence Indicator (a+b-c)/3	bal/sa	-38.5	May-20	19.4	Mar-87	-4.0	-3.9	-4.8	-5.9	-5.2	-6.8	-6.6	-6.4	-5.5	-3.0	-2.4	-5.6	-8.5
Consumer goods	bal/sa	-27.2	Apr-20	12.6	Jan-99	-1.4	-1.1	-1.5	-4.9	-3.4	-2.8	-4.5	-6.3	-5.2	-3.2	-4.5	-4.3	-6.6
Investment goods	bal/ev	-36.0	Apr-20	24.3	Feb-07	-8.1	-6.0	-6.1	0.7	-2.7	-3.5	-3.5	-2.2	-2.5	1.2	-1.2	-2.9	-0.9
Intermediate goods	bal/sa	-50.6	May-20	17.6	Jan-95	-2.5	-3.8	-6.0	-8.4	-8.5	-12.8	-11.5	-9.6	-6.7	-5.3	-0.9	-8.3	-11.7
Current overall order books (a)	bal/ev	-70.2	May-20	14.6	Mar-98	-13.4	-13.4	-13.4	-14.8	-13.3	-15.5	-16.0	-14.8	-15.0	-12.3	-14.7	-14.7	-19.3
Consumer goods	bal/ev	-60.9	May-20	6.1	Dec-17	-10.3	-9.4	-8.7	-11.4	-8.3	-9.7	-10.8	-7.7	-15.3	-11.8	-12.9	-14.5	-18.1
Investment goods	bal/ev	-84.0	May-20	33.8	Jan-08	-25.2	-19.8	-22.3	-9.6	-14.4	-11.8	-8.4	-8.2	-10.0	-7.4	-12.8	-11.8	-9.1
Intermediate goods	bal/ev	-72.4	Jun-20	33.8	Mar-98	-10.1	-13.4	-12.7	-19.8	-16.5	-21.5	-23.4	-23.1	-17.0	-15.0	-17.0	-16.2	-24.5
Production over next 3 months (b)	bal/sa	-52.7	Apr-20	34.8	Feb-87	0.8	2.2	2.5	1.0	0.1	-1.5	0.4	0.4	2.5	4.7	12.4	3.3	0.7
Consumer goods	bal/sa	-48.5	Apr-20	39.5	Aug-98	8.0	6.6	6.4	1.5	-2.2	1.4	0.4	-5.3	3.3	1.6	6.1	8.2	4.7
Investment goods	bal/sa	-44.9	Feb-20	50.6	Aug-00	-0.1	3.9	7.0	12.7	9.3	3.4	-0.7	4.6	5.4	7.8	6.8	3.0	8.2
Intermediate goods	bal/sa	-59.8	Apr-20	32.6	Jan-97	0.4	1.9	-0.5	-0.6	-4.8	-10.6	-4.6	-0.4	1.9	4.4	21.3	-1.6	-1.2
Current stock finished products (c)	bal/ev	-17.6	Jan-08	22.5	Jun-93	-0.6	0.6	3.5	3.9	2.4	3.4	4.4	5.0	4.1	1.5	4.8	5.4	6.8
Consumer goods	bal/ev	-11.5	Jan-10	22.3	Aug-07	1.9	0.6	2.3	4.7	-0.3	0.1	3.2	5.8	3.5	-0.6	6.6	6.6	6.5
Investment goods	bal/ev	-37.9	Jan-09	22.4	Jun-10	-0.9	1.9	2.9	0.9	2.8	2.2	1.5	2.9	2.9	-3.3	-2.5	-0.2	1.8
Intermediate goods	bal/ev	-30.8	Jan-08	36.5	May-20	-2.3	-0.1	4.7	4.7	4.2	6.4	6.6	5.4	5.1	5.4	7.0	7.2	9.3
Firm's employment next 3 months	bal/ev	-28.4	Apr-20	13.0	Sep-17	6.8	4.8	5.9	6.4	3.3	2.1	11.6	11.2	4.9	5.1	6.3	5.5	2.7
Selling prices next 3 months	bal/sa	-24.7	Apr-20	44.5	Apr-22	36.3	31.3	24.9	23.3	26.9	28.9	22.2	18.2	13.8	10.2	6.5	4.1	-2.3

Table 4. Monthly series of Construction and Public Works Survey

	Unit	Minimum		Maximum		2022								2023				
		Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Confidence Indicator (a+b)/2	bal/ev	-64.5	Oct-12	25.6	Sep-97	-2.9	-7.4	-3.5	-6.5	-4.4	-5.8	-5.3	-6.4	-3.6	-4.5	-3.6	0.4	-0.5
Construction of buildings	bal/ev	-70.2	Feb-12	26.4	Sep-97	-2.7	-7.3	-1.3	-4.3	-2.6	-2.6	-4.8	-7.5	-5.8	-7.5	-3.8	3.4	2.7
Civil engineering	bal/ev	-64.3	May-12	16.7	Jul-97	-1.6	-10.4	-11.4	-17.1	-8.7	-14.4	-7.1	-8.1	0.8	-0.8	-2.7	-6.3	-8.0
Specialised construction activities	bal/ev	-57.7	Oct-12	8.2	Dec-18	-4.2	-5.2	-1.2	-2.1	-4.2	-4.7	-4.6	-3.4	-3.1	-2.1	-4.1	0.4	-0.5
Current overall order books (a)	bal/ev	-77.5	Oct-12	23.3	Sep-97	-13.3	-16.6	-13.7	-14.7	-12.9	-13.5	-11.2	-14.1	-9.6	-14.6	-13.1	-10.2	-8.7
Construction of buildings	bal/ev	-85.6	Oct-12	22.1	Sep-97	-10.0	-11.8	-10.3	-11.6	-8.5	-7.8	-10.1	-13.6	-10.0	-17.5	-10.8	-5.2	-4.3
Civil engineering	bal/ev	-71.5	Jul-12	12.1	Jul-97	-17.4	-28.8	-30.1	-33.4	-26.0	-31.8	-13.2	-21.5	-12.0	-11.4	-16.2	-23.9	-21.1
Specialised construction activities	bal/ev	-73.3	Oct-12	2.1	Jul-19	-15.7	-15.3	-6.9	-5.3	-10.2	-9.1	-11.5	-9.3	-7.1	-12.3	-14.7	-8.1	-7.6
Employment next 3 months (b)	bal/ev	-51.8	Jan-12	35.9	Jun-97	7.6	1.8	6.7	1.6	4.0	1.8	0.7	1.2	2.4	5.7	5.8	11.0	7.8
Construction of buildings	bal/ev	-59.0	Jan-12	37.6	Jun-97	4.7	-2.8	7.8	3.0	3.2	2.6	0.5	-1.4	-1.7	2.6	3.2	12.1	9.6
Civil engineering	bal/ev	-61.7	May-12	31.2	Jul-01	14.1	8.1	7.3	-0.9	8.7	3.0	-1.0	5.3	13.6	9.7	10.7	11.3	5.0
Specialised construction activities	bal/ev	-43.6	Dec-12	16.3	Dec-18	7.4	4.8	4.4	1.2	1.7	-0.3	2.3	2.4	0.9	8.0	6.6	8.9	6.7
Activity past 3 months	bal/ev	-65.5	Apr-12	26.7	May-98	2.8	-0.7	3.6	6.9	3.8	4.3	-0.3	-0.1	4.8	4.1	0.3	3.6	1.9
Selling prices next 3 months	bal/ev	-29.3	Aug-12	43.0	Jun-22	40.0	43.0	39.2	39.2	40.0	39.8	39.7	31.3	33.5	30.2	29.1	26.7	16.6

Table 5. Monthly series of Trade Survey

	Unit	Minimum		Maximum		2022								2023				
		Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Confidence indicator (a+b-c)/3	bal/sa	-29.3	Apr-20	11.7	Jun-98	2.5	2.6	2.3	2.2	2.2	0.6	1.4	1.6	3.1	4.8	4.5	4.0	1.8
Wholesale	bal/sa	-29.0	May-20	13.1	Apr-98	0.9	3.7	3.0	2.2	3.3	0.2	0.8	0.8	2.1	3.4	2.1	0.4	-1.7
Retail	bal/sa	-31.6	Apr-20	13.1	Jul-98	4.7	2.3	2.2	2.2	1.2	0.7	2.3	2.4	3.8	6.1	6.9	6.1	6.1
Business activity past 3 months (a)	bal/sa	-56.4	Jun-20	16.4	Feb-89	5.5	6.5	4.8	2.2	5.4	6.2	1.7	6.2	10.4	12.8	12.4	12.3	7.5
Wholesale	bal/sa	-58.0	Jun-20	19.3	Feb-89	3.8	10.5	7.7	3.3	11.6	11.0	4.3	6.8	11.2	12.0	8.9	7.6	0.1
Retail	bal/sa	-58.5	Aug-12	19.2	Apr-99	6.5	3.7	1.7	0.8	-0.5	0.7	0.6	5.1	9.6	13.6	16.3	16.3	14.3
Business activity next 3 months (b)	bal/sa	-51.9	Apr-20	40.2	Oct-89	-3.1	-2.5	-0.7	-0.6	-3.0	-6.1	0.9	-1.3	0.4	1.5	2.3	2.4	2.0
Wholesale	bal/sa	-50.9	Apr-20	49.6	Oct-89	-1.2	1.2	4.4	2.3	0.6	-6.0	2.6	0.7	1.8	2.8	2.8	0.3	2.5
Retail	bal/sa	-56.7	Apr-20	40.8	Jul-94	-2.6	-5.2	-3.9	-3.4	-6.6	-6.4	-1.4	-3.0	-1.4	-0.1	1.0	1.1	3.8
Current volume of stocks (c)	bal/ev	-14.9	Feb-13	26.4	Jul-90	-5.2	-3.8	-2.8	-5.0	-4.2	-1.6	-1.5	0.0	1.7	-0.1	1.1	2.8	3.9
Wholesale	bal/ev	-15.3	Oct-12	28.2	Jul-90	0.0	0.6	3.0	-1.0	2.3	4.5	4.5	5.2	6.7	4.6	5.6	6.5	7.8
Retail	bal/ev	-17.5	Feb-13	32.6	Jul-89	-10.3	-8.3	-8.7	-9.1	-10.6	-7.8	-7.6	-5.2	-3.3	-4.8	-3.5	-0.9	-0.3
Orders next 3 months	bal/ev	-45.2	Apr-20	20.4	Aug-98	-3.1	-6.6	-3.2	-5.2	-5.1	-6.0	-3.4	-3.4	-2.8	-3.5	-0.9	-1.0	-3.4
Employment next 3 months	bal/ev	-29.2	Oct-12	22.8	Sep-97	3.2	1.8	4.0	0.8	0.4	0.8	0.1	0.7	0.1	0.1	3.1	1.4	4.8
Selling prices past month	bal/sa	-11.7	Apr-09	41.5	Apr-22	35.6	37.8	31.6	25.5	33.2	38.6	31.4	26.5	23.8	23.1	20.4	18.1	4.4
Selling prices next 3 months	bal/sa	-11.8	Jul-03	41.6	Mar-22	35.2	36.5	30.4	25.8	33.7	38.4	32.5	27.8	26.0	25.1	20.5	17.3	10.1

Table 6. Monthly series of Services Survey

	Unit	Minimum		Maximum		2022								2023				
		Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Confidence indicator (a+b+c)/3	bal/sa	-57.2	May-20	29.5	Jun-01	20.2	20.3	15.5	16.8	11.1	8.0	9.8	7.0	9.5	17.2	13.1	17.5	7.5
Business activity past 3 months (a)	bal/sa	-72.4	May-20	33.4	Jun-01	23.4	26.5	21.0	18.7	12.8	11.4	11.8	4.8	4.9	20.4	12.6	16.3	6.7
Demand next 3 months (b)	bal/sa	-55.2	Apr-20	34.6	Jan-02	14.4	13.0	10.6	13.0	10.2	0.2	9.3	10.3	17.1	16.1	11.7	18.3	5.0
Demand past 3 months (c)	bal/sa	-71.7	May-20	29.1	Apr-01	22.7	21.4	14.9	18.9	10.2	12.3	8.2	5.8	6.5	15.2	15.1	17.8	10.9
Employment next 3 months	bal/sa	-29.7	Apr-20	19.4	Aug-19	11.3	12.1	8.1	9.7	8.6	6.7	7.9	2.2	9.0	7.3	5.7	7.5	3.8
Selling prices next 3 months	bal/sa	-23.5	Apr-20	24.4	Mar-22	20.7	20.5	20.2	16.5	17.4	16.7	18.2	19.5	19.6	18.7	18.5	16.8	8.5

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 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.

INFORMATION ON THE UPDATE OF THE SAMPLES OF THE BUSINESS SURVEYS

From May 2023 onwards, the update of the samples of the Qualitative Business Surveys will include a quarterly rotation scheme ((introduced in February, May, August and November), replacing a percentage of firms in the sample in each stratum (only for the non-exhaustive strata, composed of corporations not belonging to the highest strata of Turnover), which makes it possible to reduce the time that firms remain in the sample. A complete rotation cycle lasts 24 months, with eight rotations. At the end of each rotation cycle, that is, every two years (in the month of May), the business firms' population, the respective sampling frames and samples are updated. Firms that are included in the scope of rotation or in the initial update of the sample will only be replaced in the next rotation cycle, after completing 24 months.

This regular update process also makes it possible to exclude companies that in the sampling frame no longer meet the selection criteria and to include companies created more recently whenever the new sizing implies a reinforcement of the sample in a given stratum. It should also be noted that no additional methodological changes have been introduced, notably regarding the questionnaire or in the calculation of the results.

Thus, with the regular update process of the samples of the business surveys it is no longer necessary the previous procedure for updating the samples every five years that was in force until May 2021. The previous procedure involved a period of one year of simultaneous survey of the old and new samples, implying the need to link the results of the different samples in order to ensure consistency and comparability of the long time series.

It should also be noted that the seasonal adjustment process was also updated, as usual in the May release of each year, for the monthly and quarterly series, leading to revisions in previously published seasonally adjusted series.

The following figure contains additional information regarding the different samples (the information refers to the period when the new samples come into force, May 2021).

The following figure contains additional information regarding the May 2021 and 2023 samples.

Table 7. **Number of firms and turnover of the selected samples in 2021 and 2023**

Business Surveys		Trade	Construction and Public Works	Industry	Services
Number of firms	Sample 2023	1,689	872	1,812	1,813
	Sample 2021	1,653	830	1,627	1,791
Nº de empresas	New [1]	306	195	462	347
	Common [2]	1,383	677	1,350	1,466
Volume de negócios	Sample 2023 [4]	45.5%	34.9%	61.4%	33.1%
	Sample 2021 [4]	42.1%	34.3%	58.7%	32.5%

[1] - Firms included in May 2023 (rotation and new sample size).

[2] - Firms that belonged to the sample in abril 2023.

[3] - Percentage of the respective total population after cut-off.

INFORMATION ON DATA COLLECTION

In the results obtained from business and consumer surveys for the collection of May 2023, the data collecting period occurred from 02 to 17 in the case of the consumer survey, with 1333 responses obtained (telephone interviews) and from 02 to 23 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 12. Consumer Survey - Number of responses by data collection's months
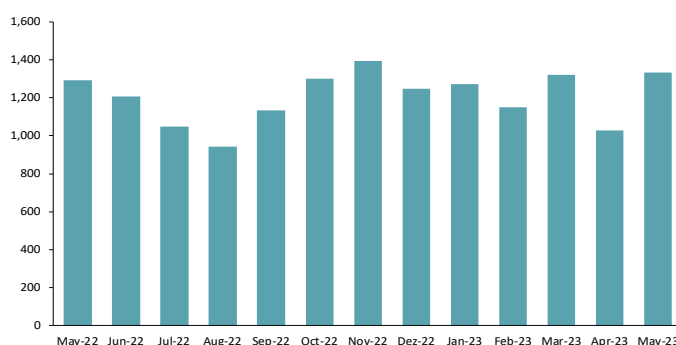
The response and weighted response rates for business surveys were:

Table 8. Response and weighted response rates

Business Surveys	Response Rate				Weighted Response Rate [2]			
	2022[1]	March 2023	April 2023	May 2023	2022[1]	March 2023	April 2023	May 2023
Manufacturing Industry	79.0%	77.6%	76.8%	78.2%	92.3%	89.8%	89.7%	92.5%
Construction and Public Works	71.7%	74.6%	71.4%	71.3%	87.8%	88.7%	86.7%	87.4%
Trade	76.6%	78.4%	76.3%	78.2%	93.5%	93.7%	91.5%	92.5%
Services	76.8%	77.1%	75.7%	79.5%	91.8%	93.6%	94.1%	92.1%

[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 13. Manufacturing Industry Survey - Number of responses by data collection's months
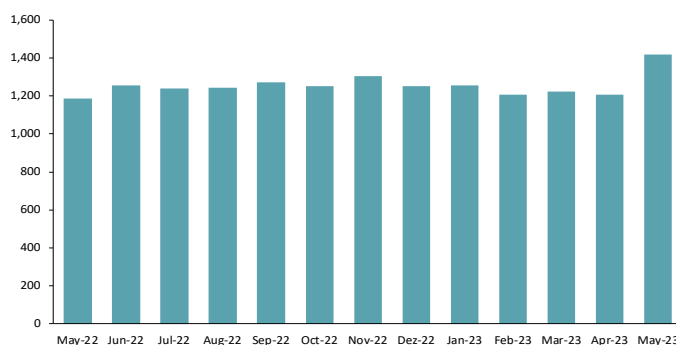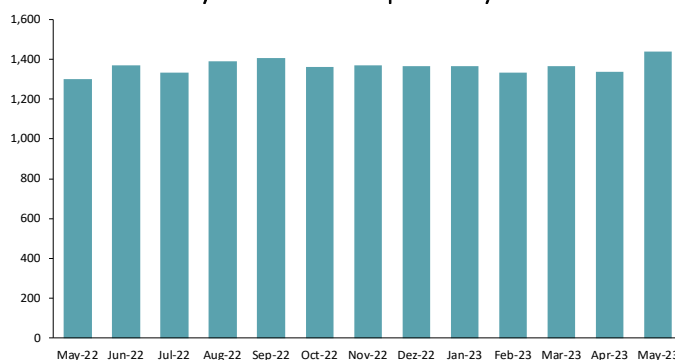
Figure 14. Construction and Public Works - Number of responses by data collection's months

Figure 15. Trade Survey - Number of responses by data collection's months

Figure 16. 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:

Table 9. 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 – June 29th 2023