Monthly Statistical Bulletin

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Industrial production registers a 7.0% year-on-year decrease

In April 2023, in year-on-year terms:

- The Industrial Production Index (IPI) underwent a negative growth of 7.0% (-3.6% in March);

- Excluding the *Energy* grouping, the variation was -4.6% (-0.9% in the previous month);

- The *Transforming Industries* rate of change was -5.0% (-1.5% in March); and

- Except for *Investment Goods*, all large industrial clusters in the index underwent negative year-on--year variations.

Industrial Production Index (year-on-year rate of change) Total
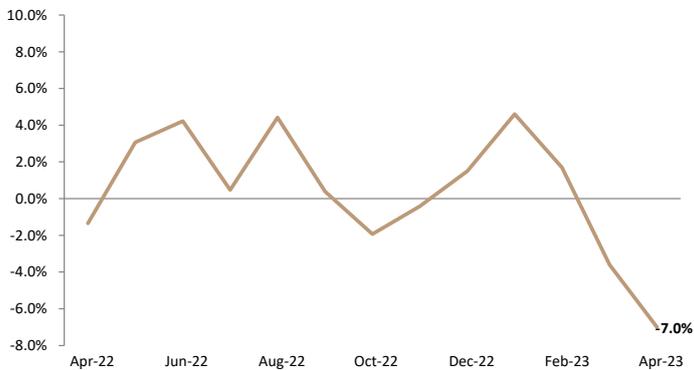
IPI - Total and Main Industrial Groupings (year-on-year rate of change)
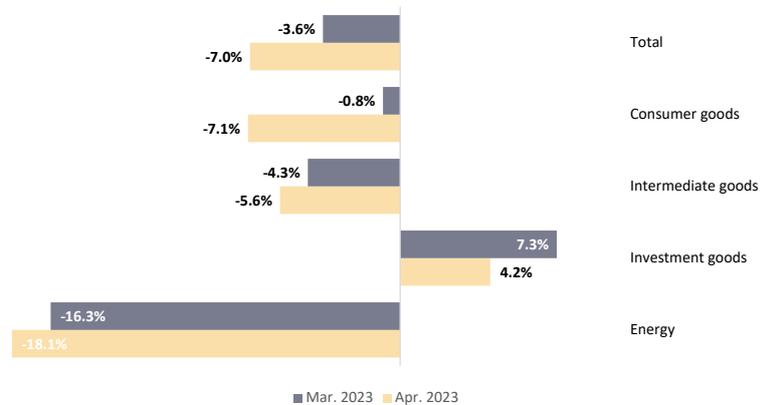
	Mar. 2023	Apr. 2023
Total	-3.6%	-7.0%
Consumer goods	-0.8%	-7.1%
Intermediate goods	-4.3%	-5.6%
Investment goods	7.3%	4.2%
Energy	-16.3%	-18.1%

■ Mar. 2023   ■ Apr. 2023

Industrial Production Index (year-on-year rate of change) Investment goods

4.2%

Industrial Production Index (year-on-year rate of change) Consumer goods

-7.1%

Industrial Production Index (year-on-year rate of change)
Intermediate goods

-5.6%

Industrial Production Index (year-on-year rate of change)
Energy

-18.1%

IPI - Total and Main Industrial Groupings
(month-on-month rate of change)

Grouping	Mar. 2023	Apr. 2023
Total	-0.3%	-5.6%
Consumer goods	6.0%	-8.5%
Intermediate goods	-3.2%	-2.4%
Investment goods	3.4%	-6.8%
Energy	-10.3%	-4.5%

■ Mar. 2023   ■ Apr. 2023
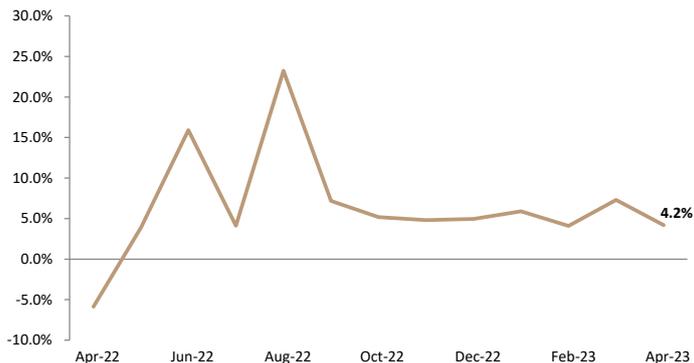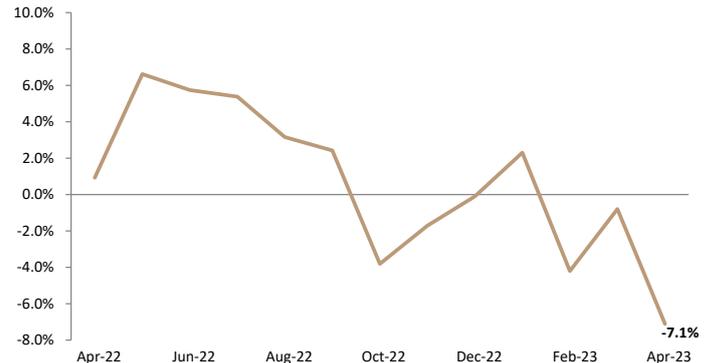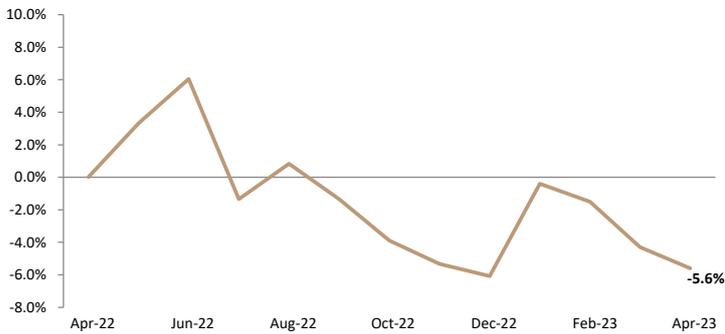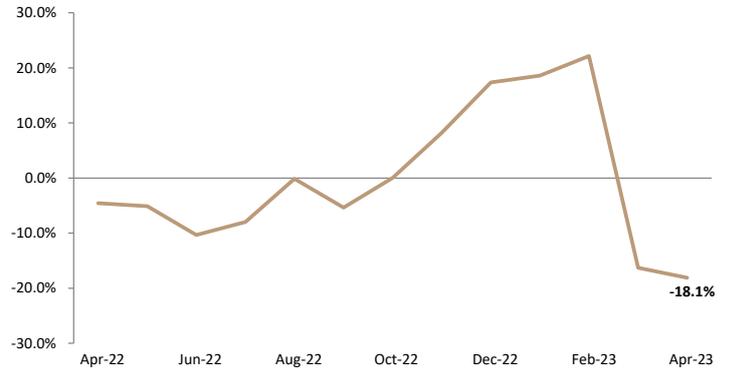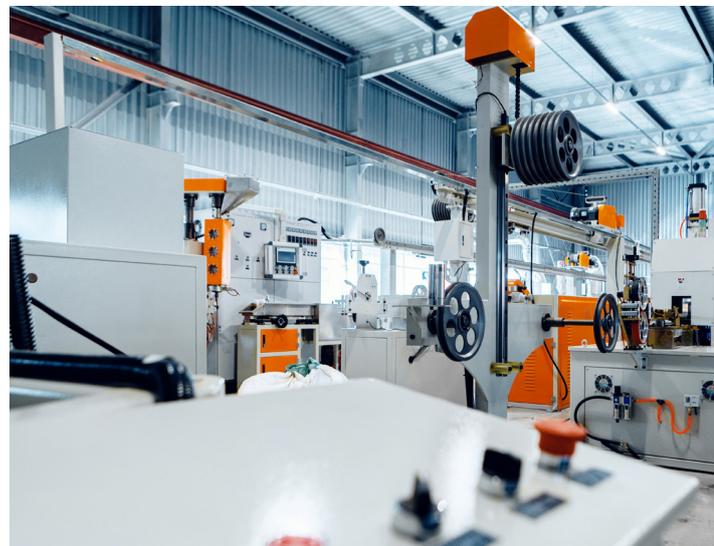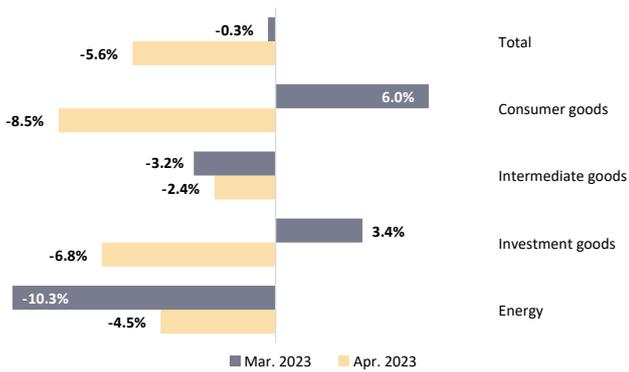
Regarding monthly variation, in April 2023:

- The IPI decreased by 5.6% (in the previous month, it had decreased by 0.3%);

- All major industrial groupings contributed negatively to the global index change, with the *Consumer Goods* grouping standing out for its intensity.

Industry turnover down by 4.3%

In April 2023,[1] compared to the same month the previous year:

- The nominal variation of the Industry Turnover Index (ITI) was -4.3% (+3.9% in March);

- Excluding the *Energy* grouping, sales in Industry decreased by 1.7% (+8.9% in the previous month);

- The index for the domestic market dwindled by 5.5%, 5.0 percentage points (pp) further into negative ground than in the previous month;

- The external market index decreased by 2.5%, 12.8 pp down from the previous month;

Industry Turnover Index (year-on-year rate of change)
Total
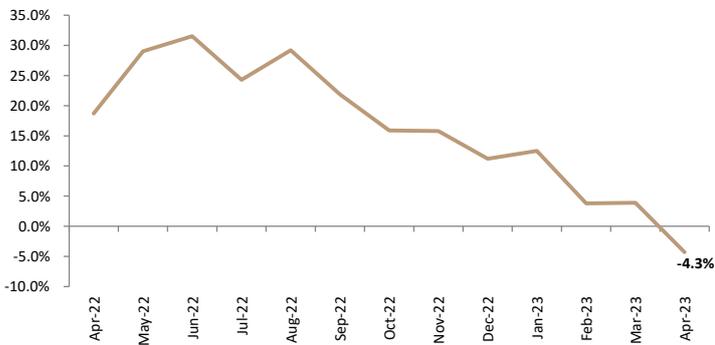
Industry Turnover Index - Major industrial groupings
(year-on-year rate of change)
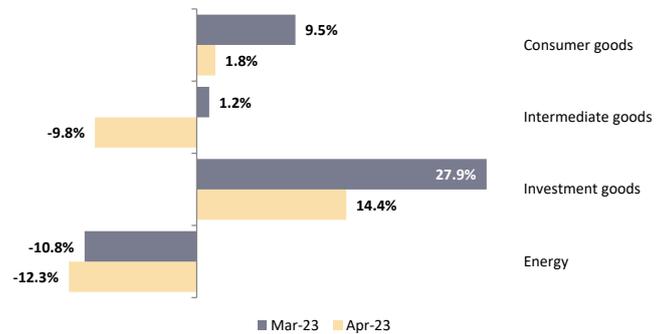
Industry Turnover Index (year-on-year rate of change)
Consumer goods
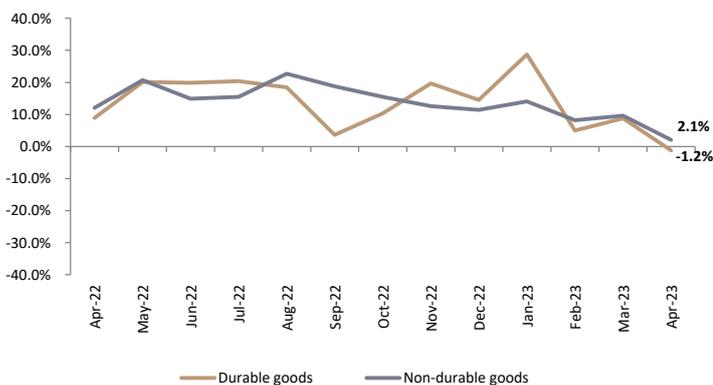
Industry Turnover Index (year-on-year rate of change)
Intermediate goods
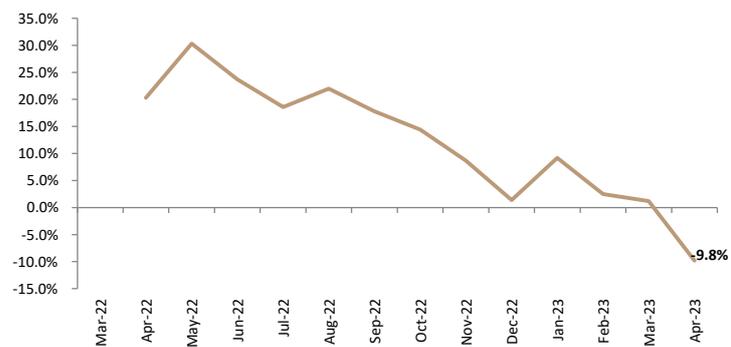
[1] It should be kept in mind that April 2023 had one working day less than the same month in 2022 and five working days less than the previous month, a fact that may influence comparisons.

Industry Turnover Index (year-on-year rate of change)
Investment goods

14.4%

Industry Turnover Index (year-on-year rate of change)
Energy

-12.3%
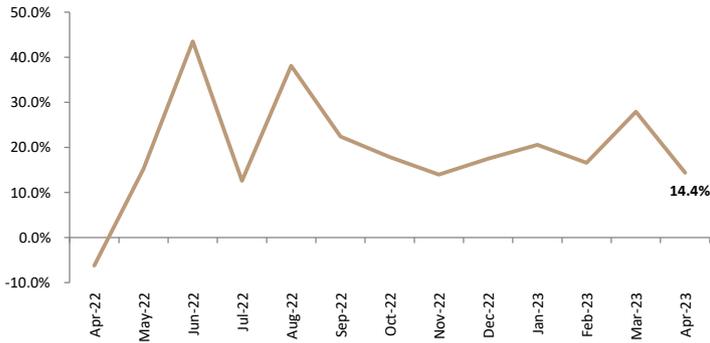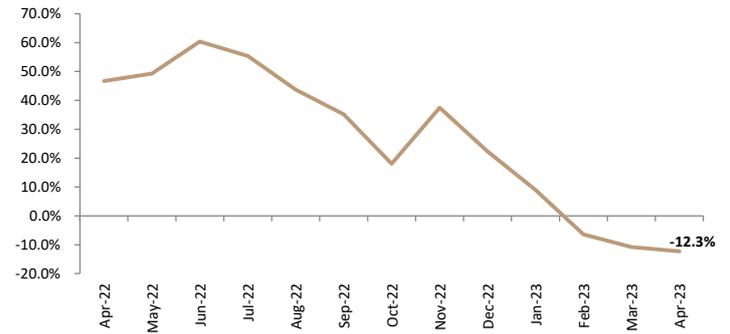
Employment, Wages, and Hours Worked Indices
(year-on-year rate of change)

1.2%		
1.0%		Emnployment
7.8%		
7.1%		Wages
4.6%		
-1.4%		Hours worked

■ Mar-23 ■ Apr-23

- The employment index grew by 1.0%;

- The gross wages and salaries increased by 7.1%; and

- The calendar-adjusted hours worked index decreased by 1.4%.
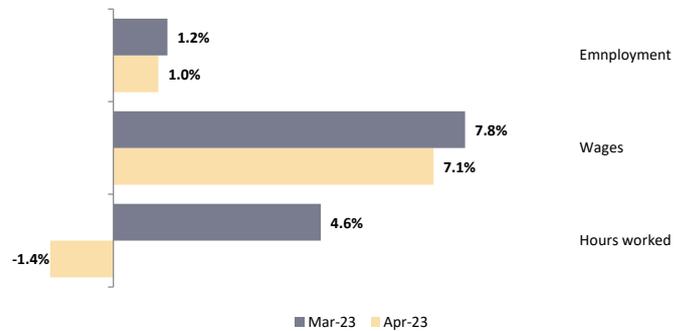
Industry Employment Index
(year-on-year rate of change)

1.0%
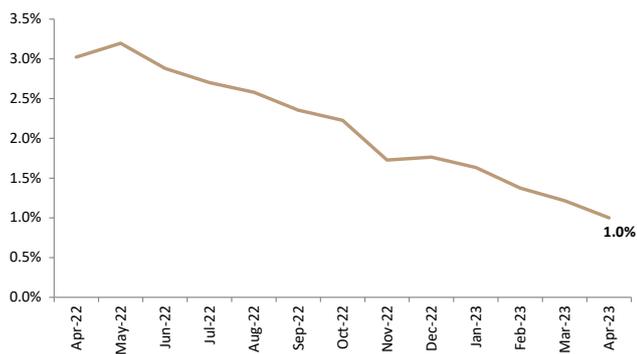
Hours Worked Index*
(year-on-year rate of change)

-1.4%
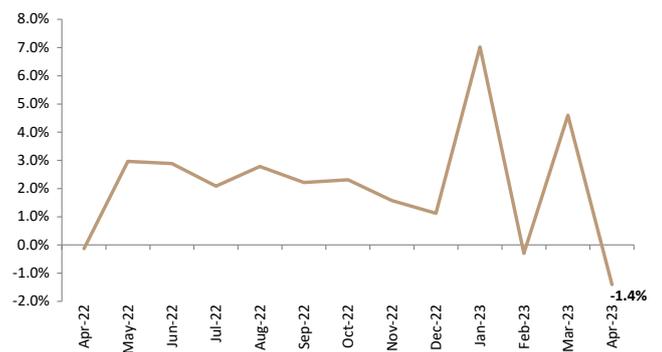
* Values adjusted of calendar effects

Month-on-month, the ITI decreased by 17.2% in April. A year before, the corresponding value was -10.1%.

27.9% of the working population in Portugal uses digital devices all or most of the time at work, below the EU average of 28.5%.

The 2022 Employment Survey included an *ad hoc* module on professional skills, focusing on the time spent using specific skills in cognitive tasks (reading and calculation), manual tasks (hard physical work and manual dexterity), social tasks (training and verbal communication with people inside and outside the work organisation), and working methods (autonomy, repetitiveness, and task standardisation).

This module produced, among others, the following insights into its respondents:

- Some 13.5% (corresponding to 680,000 people in the target population[1]) said they spent at least half of their working time reading technical documents necessary or helpful in carrying out their tasks, while 9.2% (464,400) said they carried out relatively complex calculations;

  In both cases, this proportion was higher in Professional, scientific, technical and related activities: 34.1% and 27.9%, respectively;

Time spent on cognitive tasks

%

	All or most of the working time	Half the working time or slightly more	Part of working time	Little working time	No working time
Reading	5.7	7.9	22.3	27.1	37.1
Calculation	4.0	5.2	15.2	21.6	53.9

■ Reading ■ Calculation
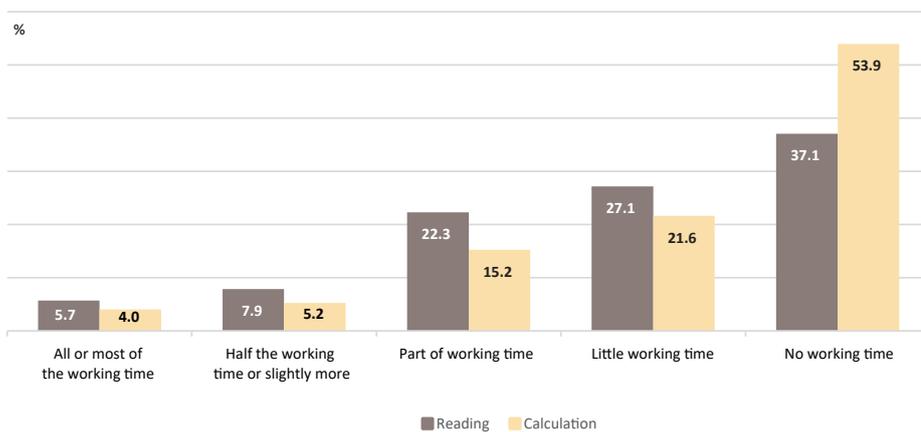
- Just over a quarter (26.1%) said they spent most of their working time doing heavy physical work, and 15.2% on manual dexterity tasks;

  The primary and secondary sectors stood out in terms of time spent on these tasks: 61.0% and 25.7%, respectively;

Time spent on manual tasks

%

	All or most of the working time	Half the working time or slightly more	Part of working time	Little working time	No working time
Physical work	17.0	9.1	15.3	16.7	41.9
Manual dexterity	10.2	5.0	9.3	12.6	62.9

■ Physical work ■ Manual dexterity
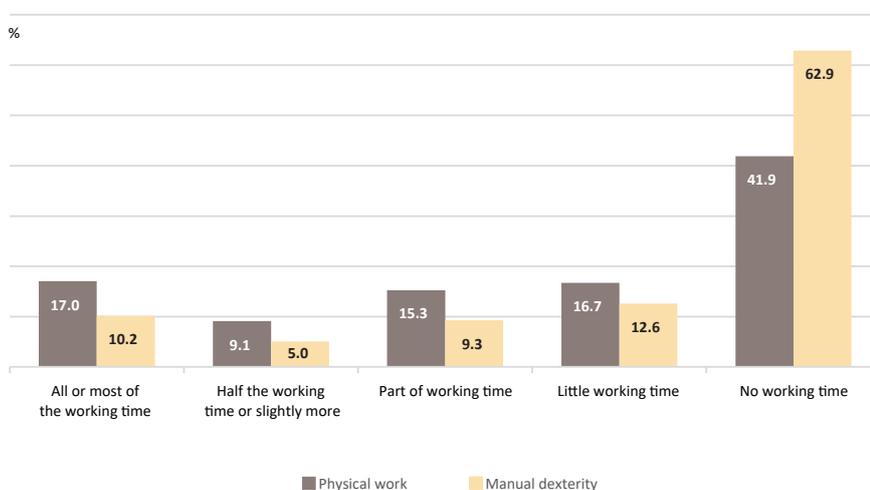
- Almost a third (31.8%; 1,604.2 thousand) said they spent at least half of their working time interacting with people outside their employer (e.g., customers, suppliers, patients, students);

  It is in the Services sector (39.4%) that this social skill is most used, particularly in Education (53.3%);

[1] The Labour Force Survey focuses on a representative sample of its target population, individuals aged 16 to 74 who are employed or who, if not employed, have left their previous job within 24 months. In 2022, this target population totalled 5,369.0 thousand people.

Time spent on social tasks
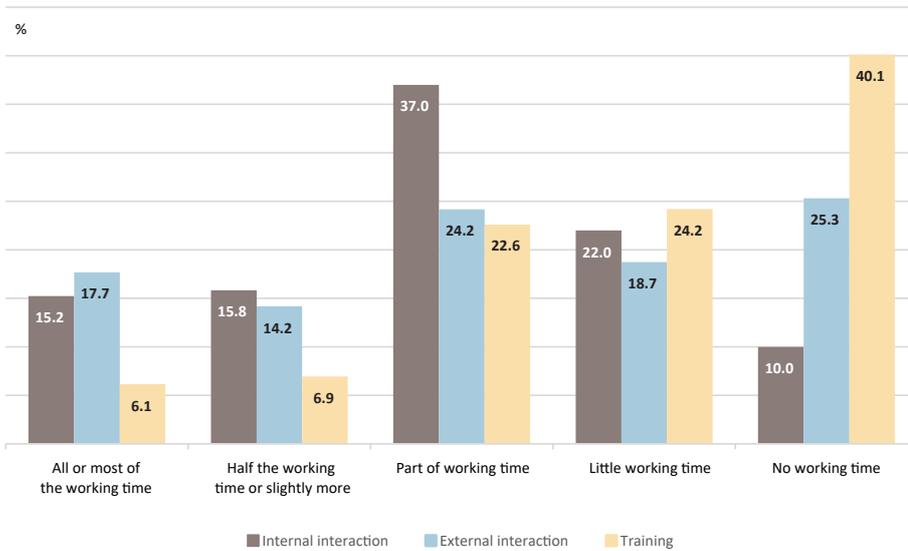
The Counselling, training, or teaching skill occupies the largest share of working time of 13.1% (656.7 thousand). Again, the highest proportion of respondents (49.4%) worked in Education;

Only 10.0% (503.0 thousand) said that they did not spend any time interacting with people coworkers regarding professional matters, and this response was more common in the primary sector (27.8%);

- More than a quarter (26.8%; 1,357.6 thousand) said that they spent all or most of their time working with digital devices for professional purposes;

  The Information and communication activities sector had the highest proportion of people in this situation: 84.3%;

  Restricting the analysis to the employed population[2] aged 15-74, the European average for this indicator was 28.5%, and the national average was 27.9%, making Portugal the 15th EU-27 country in terms of use of digital devices for work purposes;

Time spent working on digital devices by the employed population aged 15 to 74 in the European Union
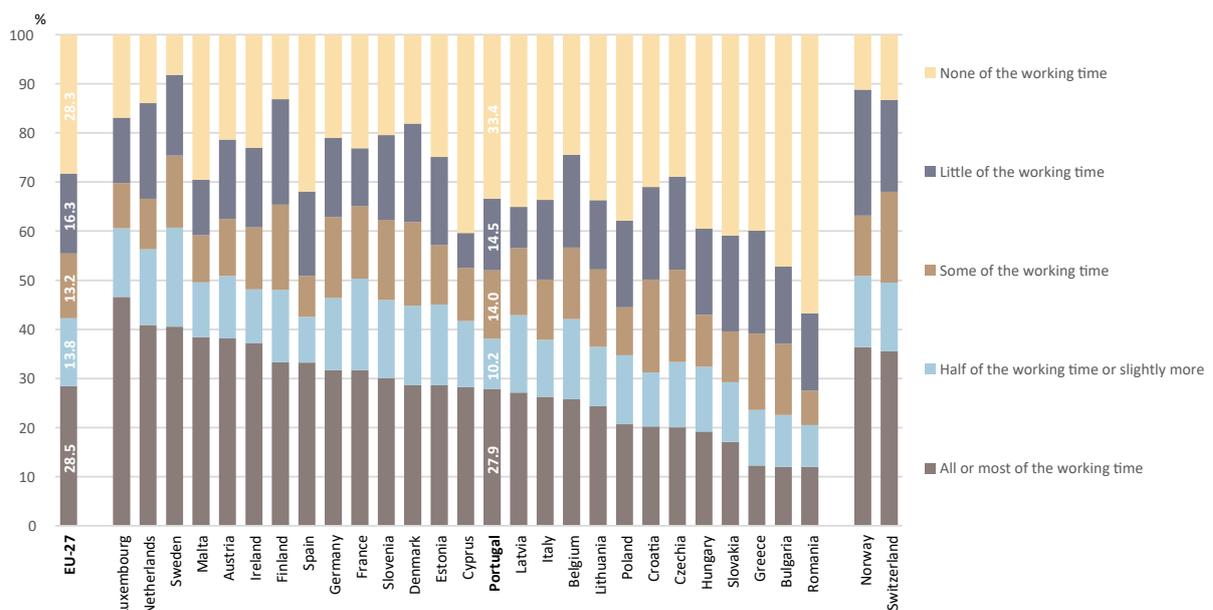
[2] In its publication of the "Vocational skills" module results, Eurostat limited the analysis of the results to the employed population.

- Almost 30% (around 1,500,000) said that their job always or almost always involved repetitive tasks, particularly in the primary sector (39.2%);

  Just over a quarter (26.0%; 1,277,000) always or almost always perform standardised tasks, principally professionals in the Armed Forces (44.0%); and

  Nearly 40% (1,990,000) said they had complete or very complete autonomy to decide on the order and/or content of the tasks they perform, particularly Legislative and executive representatives, managers, directors and executives (77.1%).

Working methods - repetitive tasks and standardised procedures
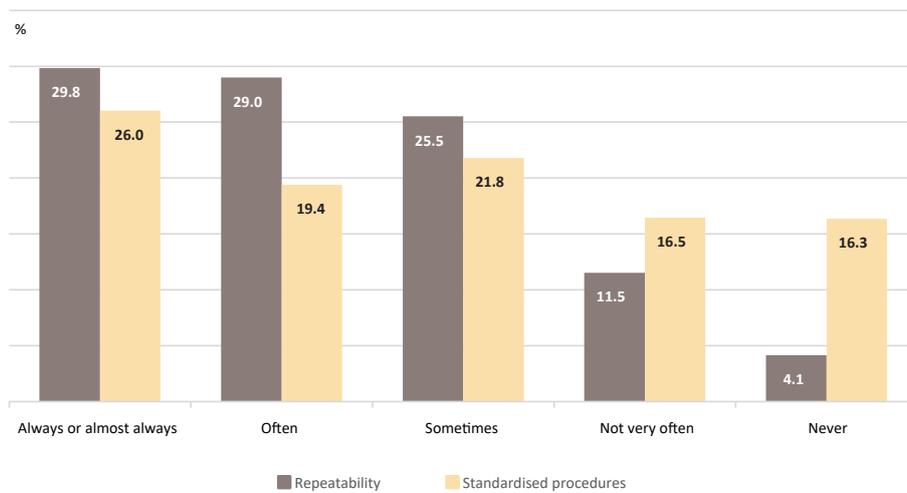
%

Category	Repeatability	Standardised procedures
Always or almost always	29.8	26.0
Often	29.0	19.4
Sometimes	25.5	21.8
Not very often	11.5	16.5
Never	4.1	16.3

■ Repeatability   ■ Standardised procedures

In May, the unemployment rate dropped to 6.8% and the labour underutilisation rate to 11.9%

These estimates are 3-month moving averages centred on the reference month. Thus, provisional results for May consider data collected in April, May, and June, while final figures for April include all data gathered in March, April, and May. As a result, a three-month gap is necessary to ensure comparisons have no overlapping data.

Estimates are adjusted for seasonality and consider the population aged 16 to 74.

In May 2023 (provisional results):

- The working population (5,270.4 thousand people) decreased from the previous month (almost nil) and from February 2023 (0.1%) but increased (1.7%) compared with May 2022;

- The employed population (4,931.8 thousand) grew from the previous month (0.1%), three months earlier (0.3%) and a year earlier (1.3%);

- The unemployed population (338.6 thousand) decreased from the previous month (1.7%) and from three months earlier (6.4%) but increased compared with the same month of last year (8.5%);

- The unemployment rate stood at 6.4%, lower than in April and February 2023 (0.1 pp and 0.5 pp, respectively) but higher than in May 2022 (0.4 pp);

- The inactive population (2,416.8 thousand) increased compared with the previous month and three months earlier (0.1% and 0.2%, respectively) and decreased compared to the same period of the previous year (2.5%); and

- The labour underutilisation rate stood at 11.9%, the same as in the previous month, down by 0.2 pp from three months earlier, but 0.4 pp higher than the same month in 2022.

Unemployment rate
(seasonally adjusted data)
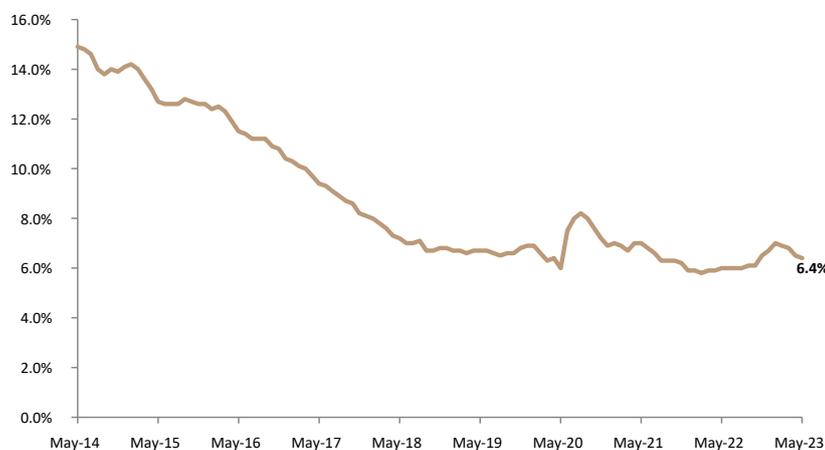
Note: Figures for the most recent period are provisional.

Labour underutilisation rate
(seasonally adjusted data

Young population (ages 16 to 24)	18.1% (Apr-23)
	18.6% (May-23)
Adult population (ages 25 to 74)	5.6% (Apr-23)
	5.5% (May-23)

■ Apr-23 ■ May-23
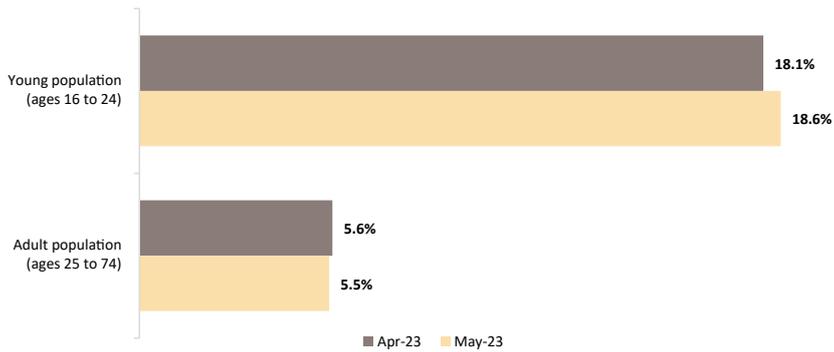
* Values for the most recent month are provisional.

Labour underutilisation rate
(seasonally adjusted data)

11.9%
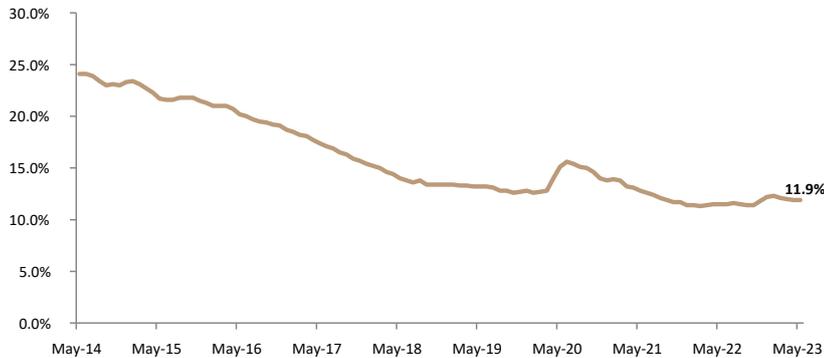
Note: Figures for the most recent period are provisional.

In April 2023:

- The active population (5,272.2 thousand) was down from March 2023 but up by 0.1% from January 2023 and by 1.7% from April 2022;

- The employed population (4,927.7 thousand) increased from the previous month (0.2%), from three months before (0.6%) and from the same month of last year (1.0%);

- The unemployed population (344.5 thousand) decreased by 4.3% from March and by 6.3% from January but increased by 13.5% from the same month a year before;

- The unemployment rate stood at 6.5%, down by 0.3 pp from the previous month, up by 0.5 pp from three months earlier, but up by 0.6 pp from a year earlier;

- The inactive population (2,413.5 thousand) was up by 0.2% from March 2023, while decreasing from January 2023 (0.3%) and April (2.6%) 2022; and

- The labour underutilisation rate stood at 11.9%, down from the previous month and three months earlier (0.1 pp and 0.4 pp, respectively) and up from one year earlier (0.6 p.).

Indicators of the Sustainable Development Goals (SDGs) in Portugal

The United Nations General Assembly adopted the 2030 *Agenda for Sustainable Development* in September 2015. This agenda sets out 17 SDGs and 169 targets that can be monitored through 248 indicators.

According to the publication *Sustainable Development Goals - Agenda 2030. Indicators for Portugal - 2015/2022*, released this month, in Portugal, there is current information for 170[1] of the 248 indicators (11 more than in the last monitoring exercise).

In this publication:

- 13.5% of the indicators have information up to 2022;
- 40.0% until 2021; and
- 29.4% until 2020.

Availability of SDG Indicators for Portugal

Comparing the most recent year with the first year available since 2015, it can be concluded that:

- the majority (101) of the indicators analysed showed a favourable evolution, of which 20 reached the target;
- 28 evolved unfavourably;
- 3 showed no change;
- 38 are not assessable (irregular or short series; inconclusive).

[1] 78 indicators from the UN's global list are not included in this list for Portugal, basically for three reasons: (i) they are not applicable in the national context; (ii) they do not yet have a sufficiently stabilised and clear methodology for their calculation; or (iii) there is no information available.

Development of SDG indicators in Portugal in the period 2015-2022[2]

1 ERRADICAR A POBREZA	🟢🟢🟢🟢🟢🟢🔴🔴
2 ERRADICAR A FOME	🟢🟢🟢🟢🔴⚪⚪⚪
3 SAÚDE DE QUALIDADE	🟢🟢🟢🟢🟢🟢🟢🟢🟢🟢🟢🔴🔴🔴🔴⚪⚪⚪⚪⚪⚪
4 EDUCAÇÃO DE QUALIDADE	🟢🟢🟢🟢🔴⚪⚪⚪
5 IGUALDADE DE GÉNERO	🟢🟢⚪⚪⚪⚪⚪
6 ÁGUA POTÁVEL E SANEAMENTO	🟢🟢🟢🟢🟢⚪
7 ENERGIAS RENOVÁVEIS E ACESSÍVEIS	🟢🟢🟢🔴
8 TRABALHO DIGNO E CRESCIMENTO ECONÓMICO	🟢🟢🟢🟢🟢🟢🟢🟢🔴🔴🔴⚪
9 INDÚSTRIA, INOVAÇÃO E INFRAESTRUTURAS	🟢🟢🟢🟢🟢🔴🔴🔴🔴⚫
10 REDUZIR AS DESIGUALDADES	🟢🟢🟢🟢🟢🟢🔴⚪⚪
11 CIDADES E COMUNIDADES SUSTENTÁVEIS	🟢🟢🟢🟢🟢🟢🔴🔴⚪
12 PRODUÇÃO E CONSUMO SUSTENTÁVEIS	🟢🟢🟢🔴⚪⚪
13 AÇÃO CLIMÁTICA	🟢🟢🟢🔴⚪
14 PROTEGER A VIDA MARINHA	🟢🟢🔴⚪⚪
15 PROTEGER A VIDA TERRESTRE	🟢🟢🟢🟢⚫⚫⚪⚪⚪⚪
16 PAZ, JUSTIÇA E INSTITUIÇÕES EFICAZES	🟢🟢🟢🟢🟢🟢🔴🔴🔴⚪⚪⚪
17 PARCERIAS PARA A IMPLEMENTAÇÃO DOS OBJETIVOS	🟢🟢🟢🟢🟢🟢🟢🟢🟢🔴🔴⚪⚪

🟢 The indicator is progressing in the desirable direction or has reached the target   ⚫ No change

🔴 The indicator is moving in the opposite direction to what is desirable   ⚪ No assessment (e.g. series too short or irregular; inconclusive)

[2] From the first year available from 2015 to the last year available. Each circle represents the indicator. The direction of change over the period is attributed through the rate of change between the most recent year available and the first year available since 2015 (with at least two interpolated observations).

In 2021, five of the 25 NUTS 3 sub-regions exceeded the national average in terms of regional development

The Synthetic Index of Regional Development (ISDR) results from three dimensions - competitiveness, cohesion and environmental quality - to which partial indices correspond. The evolution of territorial disparities in these dimensions can be followed via the respective coefficients of variation.

Coefficient of variation of the competitiveness, cohesion and environmental quality partial indices, 2011-2021
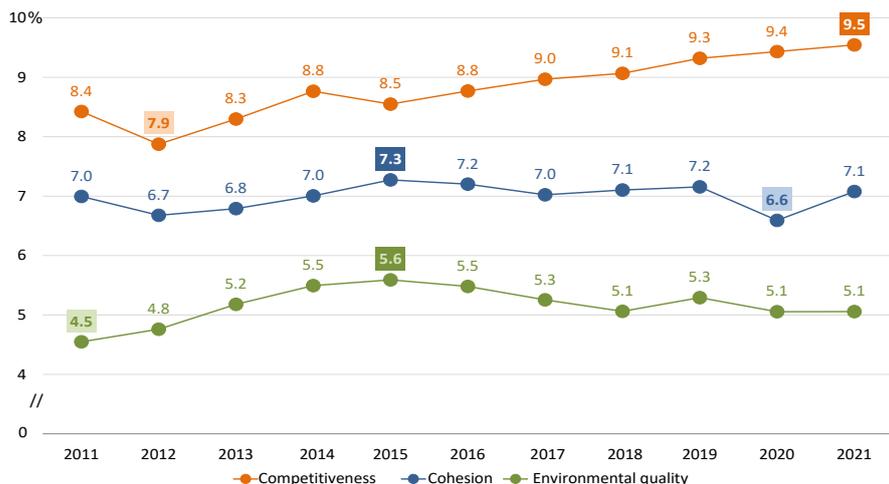
In 2021, five NUTS 3 sub-regions recorded regional development composite index values higher than the national average (Portugal=100), namely:

- Área Metropolitana de Lisboa (106.06);
- Área Metropolitana do Porto (103.32);
- Cávado (101.36);
- Aveiro (101.22); and
- Coimbra (100.39).

Synthetic regional development index (Portugal = 100), NUTS 3, 2021
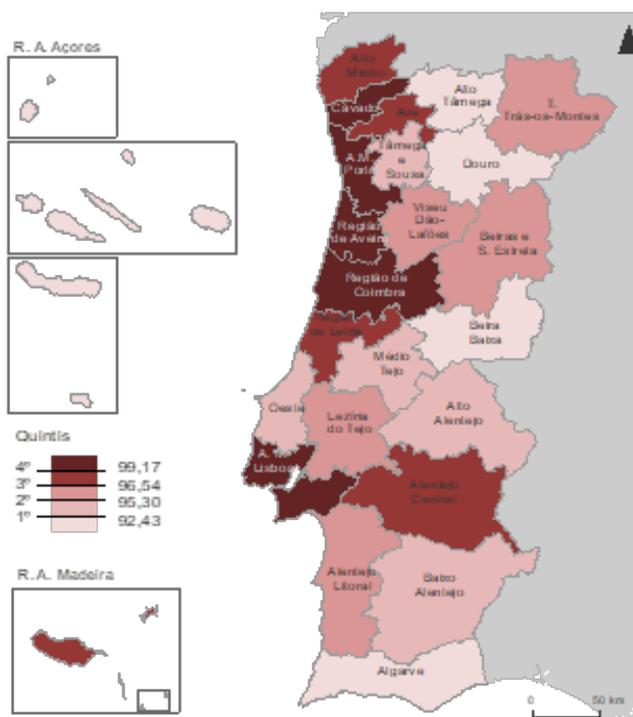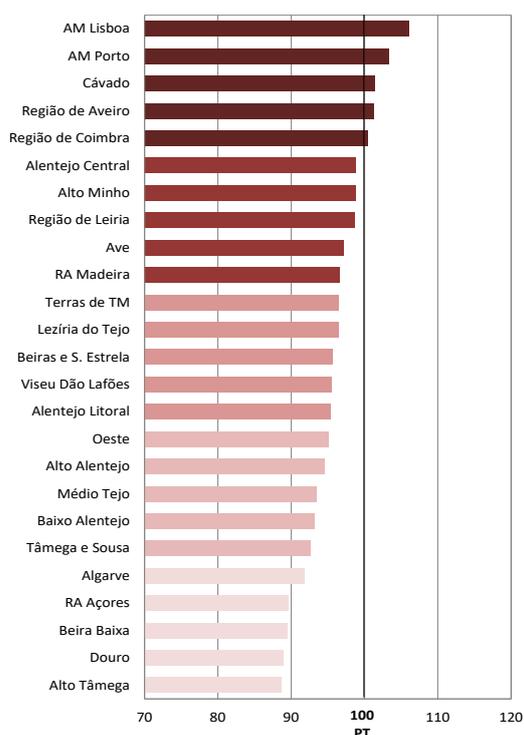
Regarding the three dimensions that structure the RDCI, the most significant regional disparity[1] can be observed in the competitiveness index, with high index values being typical of the mainland coastline, namely of NUTS 3, such as:

- Área Metropolitana de Lisboa (113.17);
- Região de Aveiro (106.88); and
- Área Metropolitana do Porto (106.10).

Competitiveness Index (Portugal = 100), NUTS 3, 2021

In terms of the cohesion index, the results reflect a more balanced territorial portrait to the extent that eight NUTS 3, mostly from the coastal areas of mainland Portugal, exceeded the national average, with the following standing out:

- Coimbra (106.66);

- Cávado (106.21); and

- Área Metropolitana de Lisboa (105.79).

Cohesion Index (Portugal = 100), NUTS 3, 2020
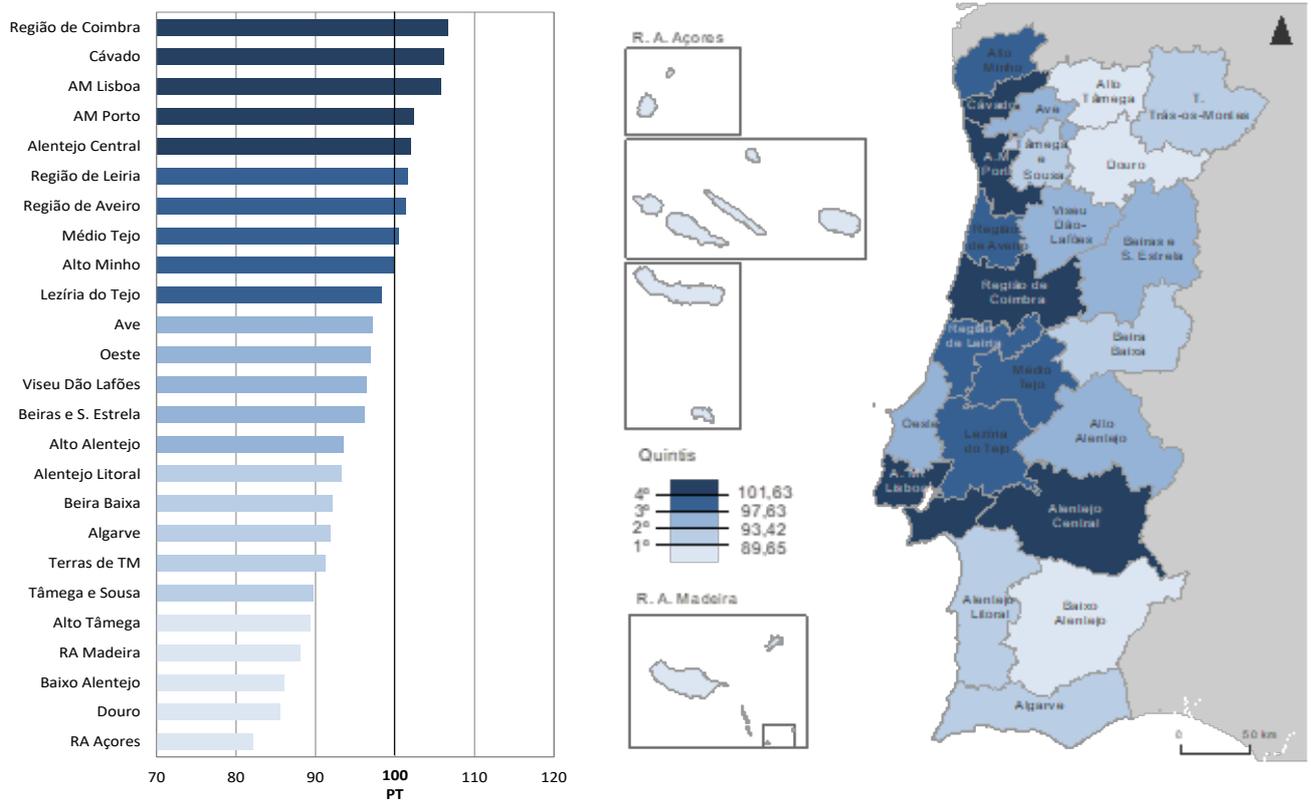
In the case of the environmental quality index, the results reflect a territorial image that tends to be symmetrical to that of competitiveness, with a concentration of sub-regions with higher environmental quality indices in the mainland interior and in the autonomous regions, with the territorial pattern of the results in this dimension suggesting a progressive increase in environmental quality from the coast to the mainland interior. Terras de Trás-os-Montes (112.49) was the sub-region with the highest environmental quality index.

The following NUTS 3 regions stand out on the mainland coast, with results above the national average:

- Alto Minho (102.13);

- Coimbra Region (101.38);

- Área Metropolitana do Porto (101.24); and

- Cávado (100.18).

Environmental Quality Index (Portugal = 100), NUTS 3, 2021
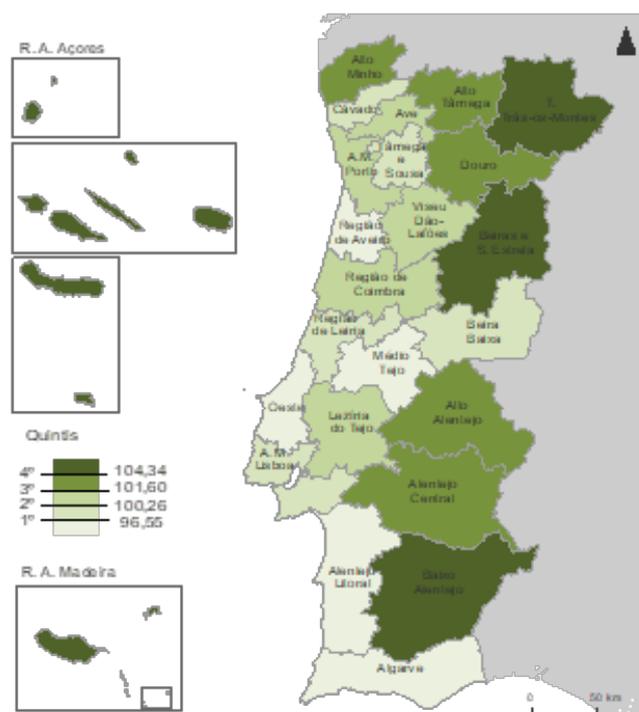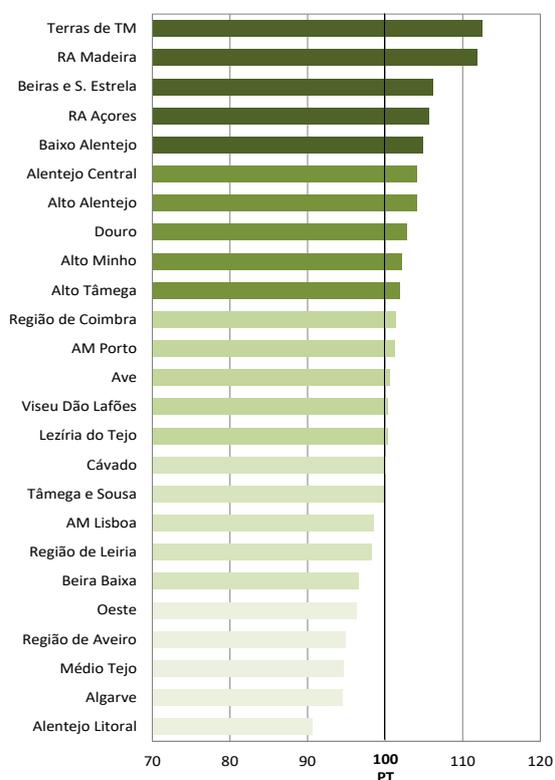
Production in Construction slowed down to 2.8%

In April 2023, the Production Index[1] grew by 2.8% year-on-year (1.2 pp less than in the previous month). This growth was driven by both the segments that make up the sector:

- *Building construction*: 2.3% (3.5% in March); and
- *Civil engineering*: 3.8% (4.6% in the previous month).

Other Construction sector indexes grew, year-on-year, at the following rates:

- Employment index: 2.8% (2.9% in the previous month); and
- Wages and salaries index: 7.8% (8.6% in February).

Index of Production in Construction
(year-on-year rate of change)

As regards month-on-month changes, construction sector indexes behaved in the following ways:

- Total Production index: -0.3% (2.0% in the previous month)
- Production index – *Building construction*: -0.2% (0.7% in March);
- Production index – *Civil engineering*: -0.4% (4.0% in March);
- Employment index: 0.2% (0.4% in the past month); and
- Wages and salaries index: -2.9% (6.6% in the preceding month).

Indices of employment, wages, and salaries in Construction
(year-on-year rate of change)

[1] 3-month moving average, adjusted for calendar effects and seasonality.

Building permits and completed buildings continue to fall

In Q1 2023, the number of building permits (6.2 thousand) decreased by:

- 10.9% compared with the same quarter in 2022 (-2.7% in the previous quarter); and
- 2.4% compared with the same period in 2019.

Of the total building permits issued, 76.1% were for new constructions, 81.7% of which for family housing.

The number of new building permits varied by:

- -11.1% compared with the same quarter of 2022 (+14.5% in the previous quarter); and*
- +6.2% compared with the same quarter of 2019.

The overall number of renovation permits varied by:

- -10.2% compared with the same period in 2022 (+8.9% in the previous quarter); and*
- -22.0% compared with the same quarter of 2019.

The estimated number of completed buildings (3.7 thousand) covering new constructions, expansions, renovations, and reconstructions:

- Decreased by 2.9% compared with the same quarter of 2022 (-4.1% in the previous quarter); and
- Grew by 9.4% compared with the same quarter of 2019;

Most of the buildings completed (82.9%) were new constructions, of which 77.1% were for family housing.

Licensed and Completed Buildings
(year-on-year rates of change)

Compared with the previous quarter:

- The number of building permits increased by 13.3% (-5.2% in Q4 2022);
- The number of completed buildings decreased by 1.8% (+1.5% in Q4 2022).

A monthly analysis shows a continuing downward trend in building licences from October 2022 onwards. The most significant drop was in February: -16.9% compared with the same month last year.

* Updated text

More information:
Construction: Building Permits and Completed Buildings – Q1 2023
12 June 2023

Housing prices slow down to 8.7% in Q1 2023

In Q1 2022, year-on-year:

- The housing price index increased by 8.7%, 2.6 pp less than in the previous quarter;

- The price increase was higher for existing dwellings (9.7%) than for new dwellings (5.7%);

- Transactions decreased for the third consecutive quarter, reaching 34,493 (-20.8%);

- The total value of homes transacted (€6.9 billion) decreased by 15.5%; and

  Transactions of existing dwellings decreased more (-18.2%) than those of new dwellings (-5.7%).

House Price Index
(year-on-year rate of change)
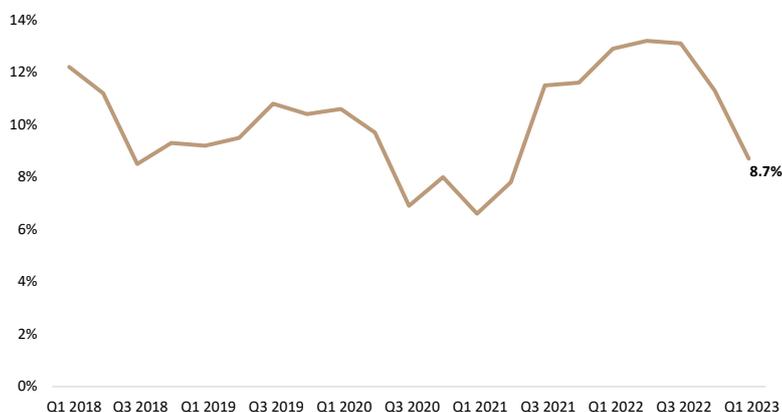
In Q1 2023, quarter on quarter:

- HPI increased by 1.3% (1.1% in Q4 2022); and

- The increase in prices for existing dwellings (1.6%) was more intense than for new dwellings (0.5%).

Housing sales (value)
(Q1 2023)

€10⁶

Existing dwellings	4,989
New dwellings	1,868

Housing sales (No.)
(Q1 2023)

No.

Existing dwellings	27,523
New dwellings	6,970
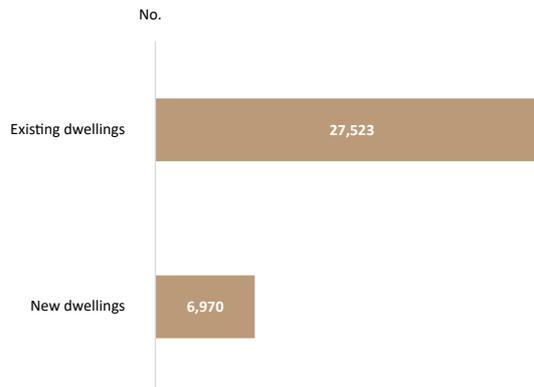
Value of housing transactions Total
(€ thousand million)
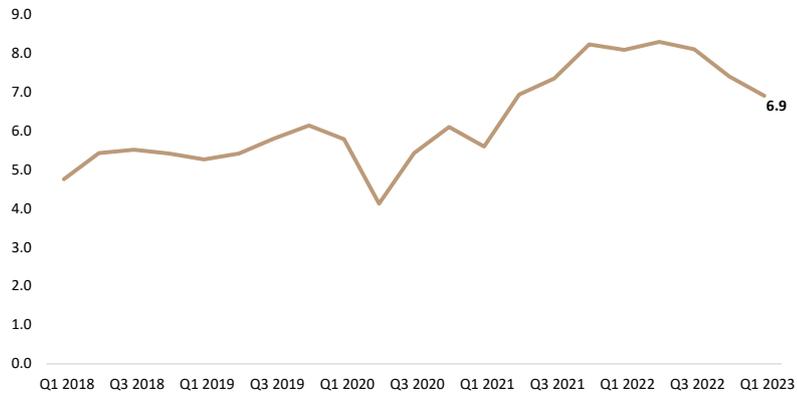
In the reference quarter, it was also observed that:

- Households purchased 28,280 homes (84.9% of the total) by €5.8 billion; and

- Non-residents acquired 2,492 dwellings, 7.2% of all transactions, by 12.7% of the overall transaction value.

Mortgage instalments rose 35.4% year-on-year to €352

In May 2023:

- The implicit interest rate on all housing loan agreements rose to 3.398%, up 28.8 basis points[1] (bps) from the previous month and the highest since June 2009;

  For contracts concluded in the last three months, the interest rate rose to 3.882%, 20.7 bps above the previous month and the highest value since August 2012;

- For *Home Purchases* (the primary type of mortgage lending), the implicit interest rate stood at 3.383% (+28.5 bps than in April);

  For contracts of this nature concluded in the last three months, the rate increased to 3.871% (+21.0 bps from the previous month);

Implicit interest rates in housing loans
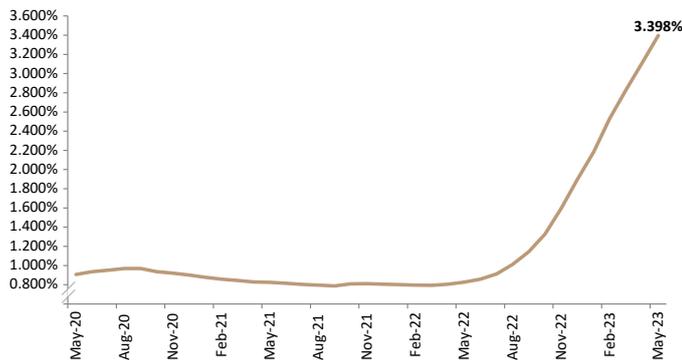
Average owed capital
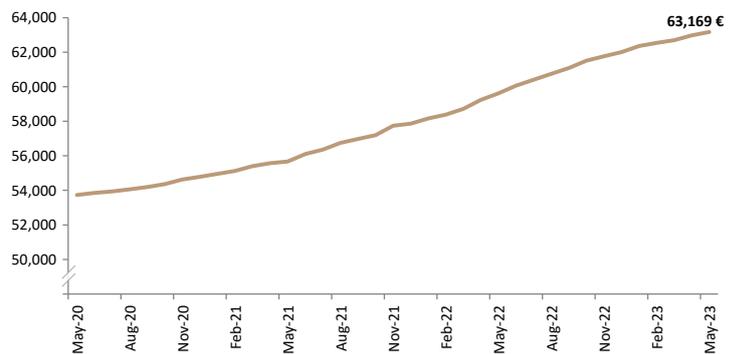
- Considering all contracts, the average value of loan instalments increased by €11 compared with the previous month and €92 year-on-year, reaching €352. Of this amount, €179 (51%) corresponds to interest payments and €173 (49%) to capital amortisation;

  It should be noted that in May 2022, the interest component represented 16% of the average value of loan instalments (€260);

- For contracts concluded in the last three months, the average value of loan instalments increased by €1 to €591; and

- The average outstanding capital for all contracts increased by €197 compared to April, reaching €63,169;

  For contracts concluded in the last three months, the average amount outstanding was €124,065, €1,669 less than in the previous month.

[1] A base point is the equivalent of 0.01 pp.

Bank valuation of housing up to €1,510 per square meter

In May 2023, bank valuation, carried out as part of credit applications for the purchase of housing, had a median value of €1,510 per m^2, up by €19 (+1.3%) from the previous month.

The NUTS 2 region with the most significant increase from the previous month was the Região Autónoma da Madeira (2.8%), and the one with the least significant increase was the Área Metropolitana de Lisboa (0.8%).

In comparison with the same month of the previous year, the median value of valuations rose 9.4% (10.0% in April). The most intense variation was registered in the Região Autónoma da Madeira (18.3%) and the least severe in the Região Autónoma dos Açores (4.5%).

Average Banking Valuation – May 2023
Flats and Houses
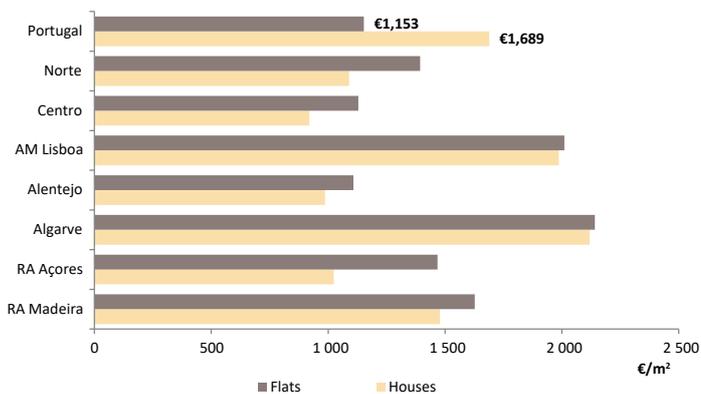
There were approximately 23.3 thousand bank evaluations. This is up by about two thousand from the previous month but 29.6% less than the same month in the last year.

Of the assessments considered in May:

- Around 15.1 thousand concerned flats; and
- Some 8.2 thousand pertained to houses.

In year-on-year terms, the analysis by type of dwelling reveals that in May 2023, the median bank appraisal value:

- Increased by 10.5% for flats, standing at 1,689 €/m^2; and
- Rose 4.4% for houses, reaching 1,153 €/m^2.

In May 2023, compared to the previous month, the median bank appraisal value:

- In flats:

  » T2 increased by €26, to 1,705 €/m^2; and

  » T3 rose by €5, reaching 1,494 €/m^2.

  These two types together accounted for 79.3% of all flat valuations carried out;

- In houses:

  » T2 up by €40, to 1,094 €/m^2;

  » T3 rose by €13, to 1,127 €/m^2; and

  » T4 fell by €4, reaching 1,267 €/m^2.

  Together, these three types accounted for 88.7% of the housing valuations.

Median rent of new leases up by 9.4%, while new contracts dwindle 1.7%, from Q1 2022 to Q1 2023

In Q1 2023 (provisional data), there were 24,300 new leases in Portugal. This is 1.7% less than in the same quarter of the previous year (3.3% year-on-year contraction in the last quarter) but 7.4% more than in the immediately preceding quarter.

The metropolitan areas of Lisboa and Porto accounted for 49.4% of these new contracts (49.7% in Q4 2022).

The number of new contracts increased year-on-year in fifteen (16 in the previous quarter) of the 25 NUTS 3. The sub-regions stood out with increases of over 15% compared with the same quarter last year:

- Alto Alentejo: +20.1%;
- Douro: +19.2%; and
- Alto Tâmega: +16.2%.

In Q1 2023, the national median house rental was €6.74/m^2, thus slowing down by 1.2 pp to a year-on-year growth of 9.4%.

As for median rent in new leases, all the NUTS 3 sub-regions registered year-on-year increases, going over 15% in:

- Alentejo Litoral: +25.6%;
- Beiras e Serra da Estrela (+17.6%);
- Região de Aveiro (+16.9%);
- Região de Coimbra (+16.8%);
- Região de Leiria (+16.7%);
- Alentejo Central (+16.0%); and
- Viseu Dão Lafões (+15.9%).

All the sub-regions with median rents higher than the national average – Área Metropolitana de Lisboa, Algarve, Área Metropolitana do Porto and Região Autónoma da Madeira – grew year-on-year above the country average.

Quarter-on-quarter, the median rent grew by 2.5%

The median rent per m^2 of new rental contracts increased in the 24 municipalities with more than 100 thousand inhabitants. Of these, the following municipalities stand out with year-on-year increases above 20%:

- Porto: +22.1%;
- Lisboa: +20.6%; and
- Barcelos: +20.4%.

Median rent per m^2 and number of new leases, Portugal (Year-on-year change)
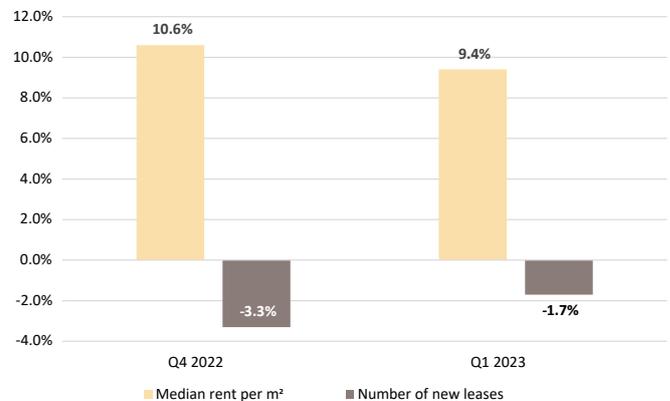
Note: Figures for the most recent period are provisional.

Median rent per m^2 of new rental contracts for dwellings in Portugal and NUTS 3, Q4 2022 and Q1 2023
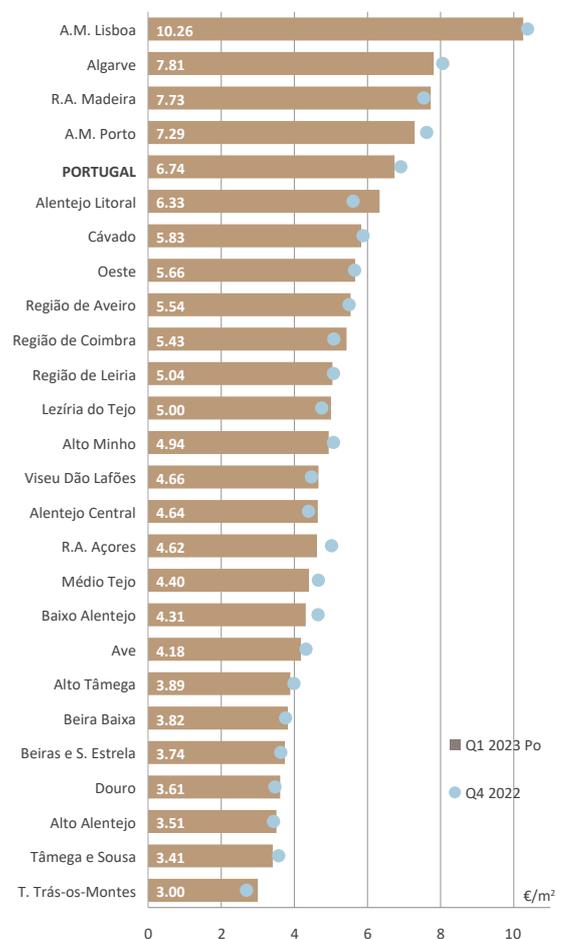
Note: Figures for the most recent period are provisional.

Exports and imports fell by 3.6% and 5.7% in nominal terms

In April 2023,[1] year-on-year and in nominal terms:

- Exports of goods decreased by 3.6% (+18.6% in the previous month); and

- Imports of goods fell by 5.7% (+9.6% in the previous month).

This is the first time since early 2021 that Portugal's goods transactions with foreign markets have decreased.

Nominal rate of change of exports and imports
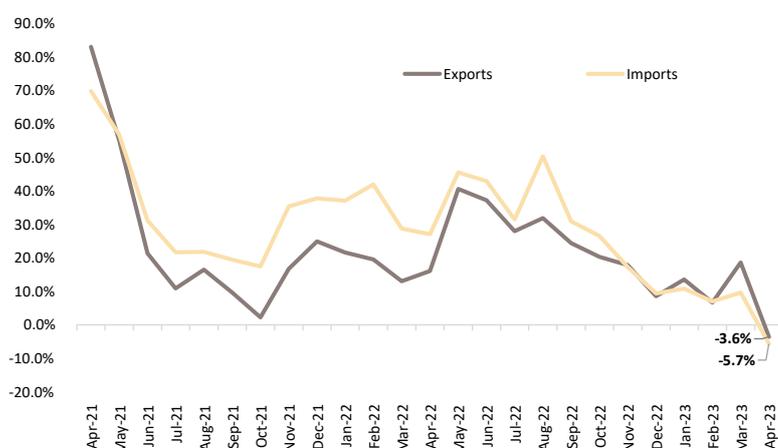
An analysis by major economic categories of goods, still in nominal and year-on-year terms, highlights the April decreases, both in exports and imports, of:

- *Industrial supplies*: -10.0% and -12.4%, respectively; and

- *Fuels and lubricants:* -23.1% and -40.6%, in the same order, reflecting decreases in volume and, more intensely, in prices (in April 2022, transactions in this category of products had practically doubled compared to the same period in 2021).

Excluding *Fuels and lubricants*, there were also:

- A 1.8% reduction in exports (+20.7% in March 2023); and

- - A 1.5% increase in imports (+14.1% in March 2023).

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[1] It should be noted that April 2023 had one fewer working day than the same month in 2022 and five fewer working days than the previous month.

Exports by Broad Economic Categories of Goods, March 2023 (year-on-year change, %)

| Category	Value
Food and beverages	-4.9
Industrial supplies not elsewhere specified	-10.0
Fuels and lubicants	-23.1
Capital goods, and parts and accessories thereof	15.2
Transport equipment and parts and accessories thereof	14.1
Consumer goods not elsewhere specified	-8.3
Goods not elsewhere specified	-61.0

Imports by Broad Economic Categories of Goods, March 2023 (year-on-year change, %)

Category	Value
Food and beverages	11.0
Industrial supplies not elsewhere specified	-12.4
Fuels and lubicants	-40.6
Capital goods, and parts and accessories thereof	5.3
Transport equipment and parts and accessories thereof	24.0
Consumer goods not elsewhere specified	4.7
Goods not elsewhere specified	-18.7

Still in April 2023, but relative to the previous month:

- Exports decreased by 23.8% (+23.2 in March); and
- Imports fell by 17.5% (+13.6% in the previous month).

Regarding unit value indices (prices), there were year-on-year changes of:

- +0.7% in exports (+4.4% in March 2023; +18.7% in April 2022); and
- -5.0% in imports (-2.3% in the previous month; +23.6% in April 2022).

Excluding *Petroleum products*, the variations in prices were:

- +3.2% in exports (+6.1% in the previous month; +14.6% in April 2022); and
- -1.6% in imports (+0.5% in March 2023; +15.6% in April 2022).

In April 2023, the trade balance of goods deficit:

- Reached €2,245 million, decreasing by €269 million compared to the same month in 2022 and increasing by €122 million compared to the previous month; and
- Excluding *Fuels and lubicants*, it totalled €1,776 million, up by €209 million compared to April 2022 and by €451 million compared to the previous month.

In the quarter ending in April 2023, there were year-on-year increases:

- Of 7.5% in exports (+13.1% in Q1 2023); and
- Of 3.7% in imports (+9.1% in Q1 2023).

Indications of a loss of market share for Portuguese exports to the three main destination markets

In 2022:

- Exports from European Union (EU) countries as a whole grew by 21.0% compared to the previous year and by 30.7% compared to 2019;

  Compared to 2021, Portuguese exports grew more (+1.9 pp) than the EU as a whole, although compared to 2019 they grew slightly less (-0.1 pp);

  Compared to the growth of Eurozone countries as a whole, Portuguese exports were more dynamic (+1.8 pp compared to 2021 and +0.7 pp compared to 2019);

International trade in goods - Exports
Year-on-year rate of change in the Member States of the European Union (2022-2021 and 2022-2019)
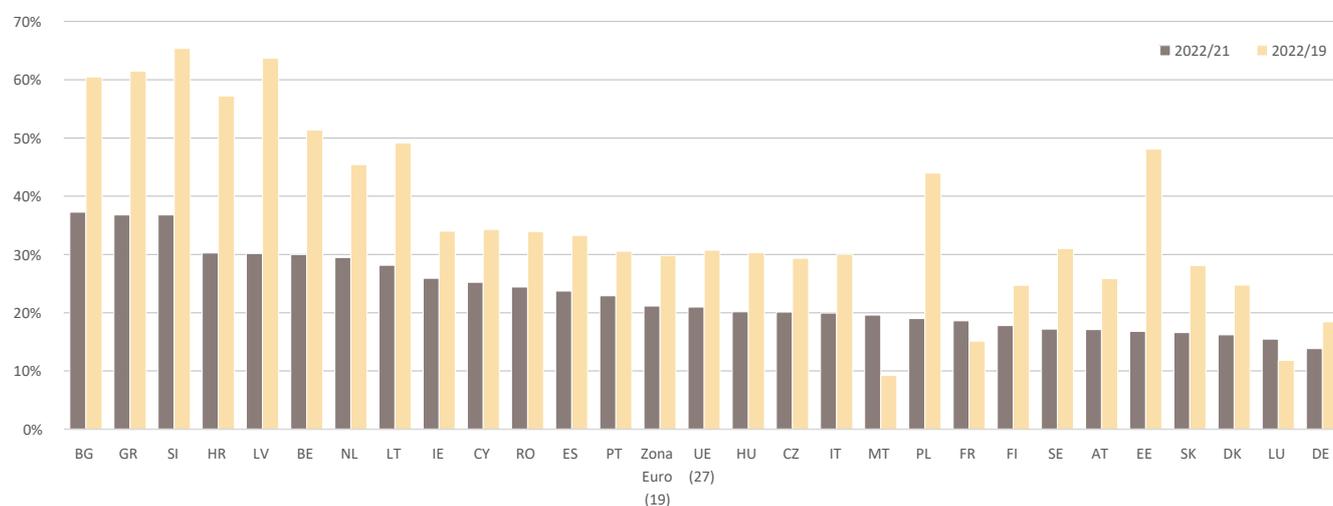
- Total EU imports grew 28.9% compared to the previous year and 43.4% compared to 2019;

  Portuguese imports recorded slightly higher annual growth (+2.5 pp) than that of EU countries as a whole but lower than in 2019 (-6.8 pp);

  Compared to the growth of Eurozone countries as a whole, Portuguese imports grew more compared to 2021 (+1.8 pp) but less compared to 2019 (-6.4 pp);

International trade in goods - Imports
Year-on-year rate of change in the Member States of the European Union (2022-2021 and 2022-2019)
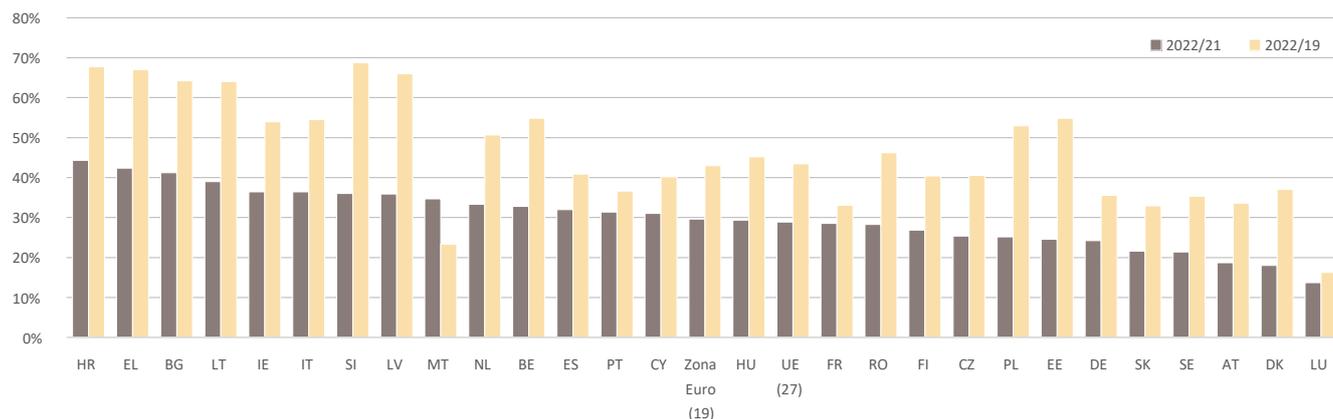
- Portugal's trade deficit corresponded to -13.0% of GDP, the sixth most negative such ratio among EU member states. Malta, Cyprus and Croatia stood out with the highest deficit to GDP ratios and, in the opposite direction, Ireland with the highest surplus to GDP ratio, followed by the Netherlands and Germany; and

International Trade in Goods - Balance of Trade
Trade Balance of the Member States of the European Union, as a % of GDP, 2022

- Portugal's most significant bilateral trade in goods deficits continued to be regarding Spain, China and Germany, although China and Germany swapped positions.

Conversely, Portugal's most significant trade in goods surplus remained with France. The 2nd and 3rd most significant surpluses continued to be regarding the United Kingdom and the United States, respectively.

International trade in goods - Trade Balance
Evolution of the main balances by partner country in 2022
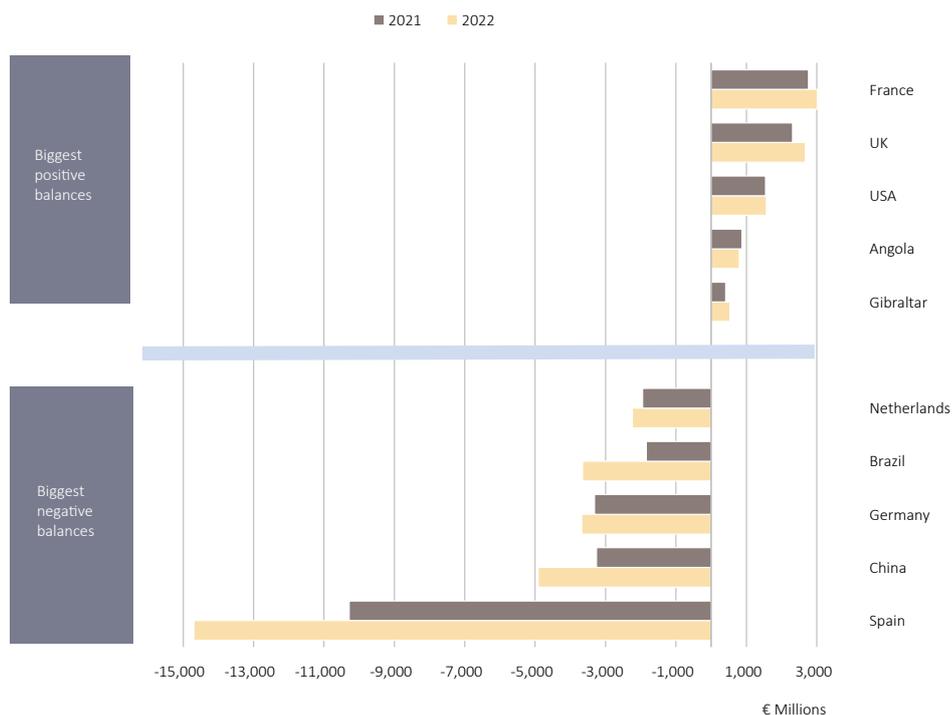
Services turnover down by 5.6%

In April 2023, turnover in Services[1] was 5.6% higher than a year earlier, thus having slowed down 1.3 pp from the previous month.

All sections contributed positively to the index, with the following standing out:

- *Accommodation and food service activities*, whose 1.4 pp contribution resulted from a 16.2% increase;

- *Transportation and storage*, with a 1.0 pp contribution stemming from a 7.6% increase; and

- *Wholesale trade*; repair of motor vehicles and motorcycles, that contributed 1.0 pp by growing 1.8%.

Services Turnover Index sections, February and March 2023
(year-on-year rate of change, %)
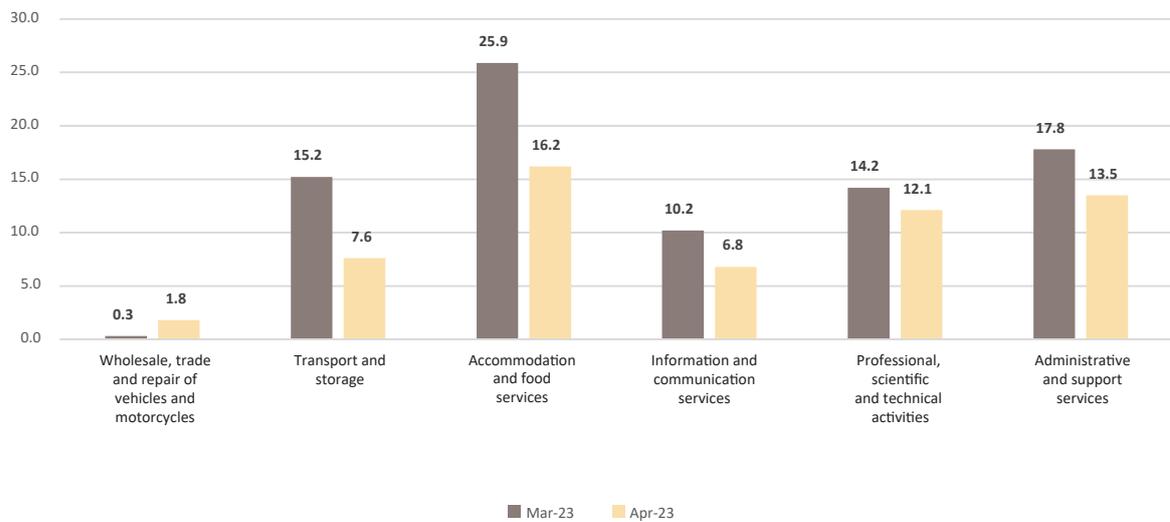
The remaining Services indices grew, year-on-year, at the following rates:

- Employment: 4.3% (4.7% in March);

- Wages and salaries: 11.0% (12.8% in the previous month); and

- Hours worked (adjusted for calendar effects): 3.5% (6.6% a month before).

Services Turnover Index
(year-on-year rate of change)
Total
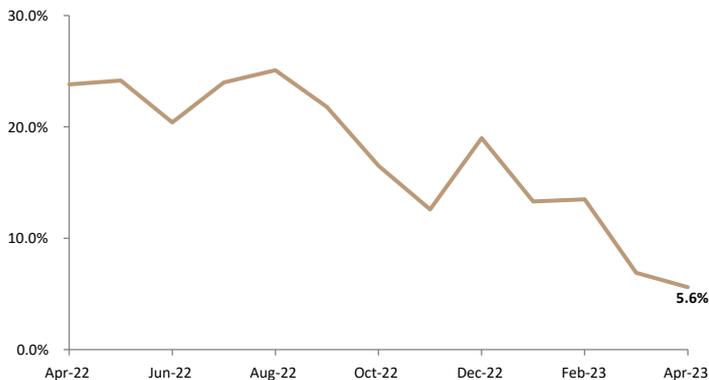
Turnover Index
(year-on-year rate of change)
Wholesale trade, trade and repair of vehicles and motorcycles
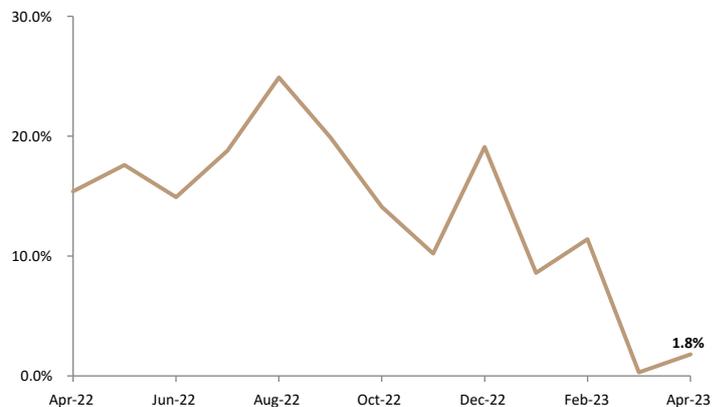
[1] Statistics Portugal measures turnover in services through an index, the IVNES. IVNES is based on adjusted nominal calendar effects and seasonality data.

Turnover Index
(year-on-year rate of change)
Accommodation and food services

16.2%
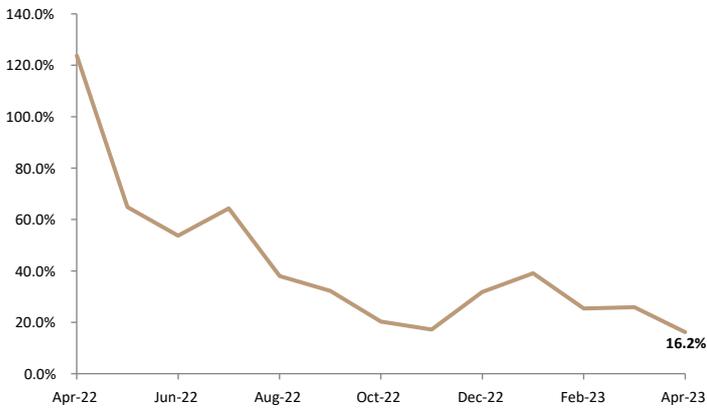
Turnover Index
(year-on-year rate of change)
Transportation and storage

7.6%
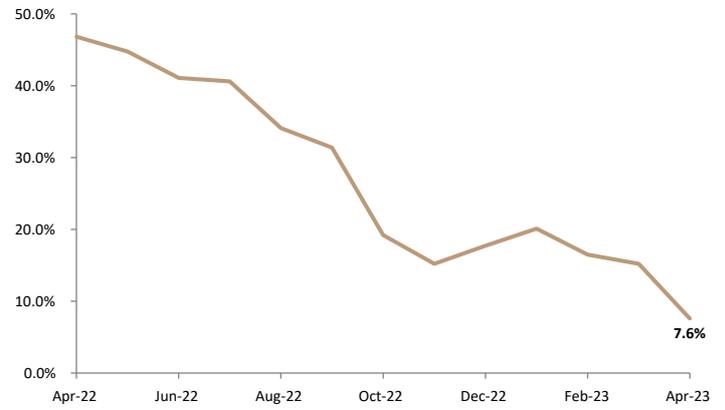
Still in April 2023, but compared to the previous month, turnover in the *Services* fell by 0.8% (0.1% growth in March).

Construction costs increase by 3.2%

Statistics Portugal estimates the following April 2023 year-on-year rates of change in the context of new housing construction costs:

- Construction Cost Index (CCI) for new residential buildings: 3.2%, 3.0 pp less than in March;

- Materials costs: no change, decelerating 4.6 pp from the previous month; and

- Labour costs: 7.8%, 0.7 pp less than in March.

Construction Costs Index for New Housing
(100=2021)

Construction Costs Index for New Housing
(year-on-year rate of change)
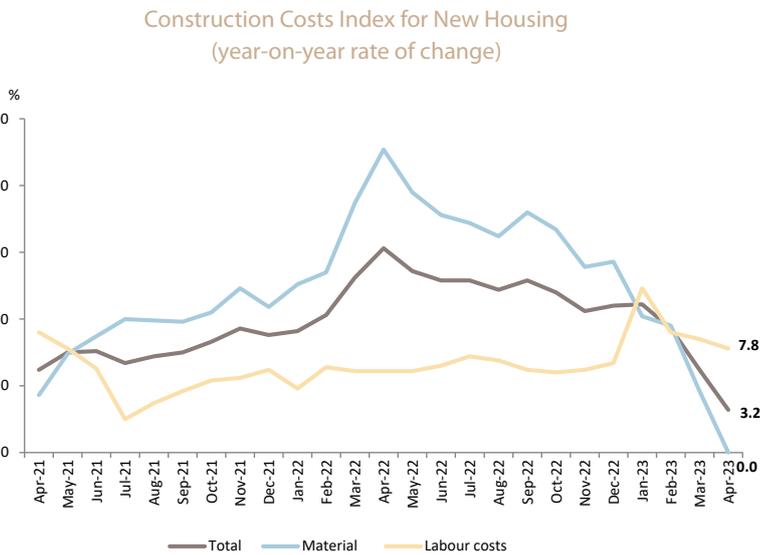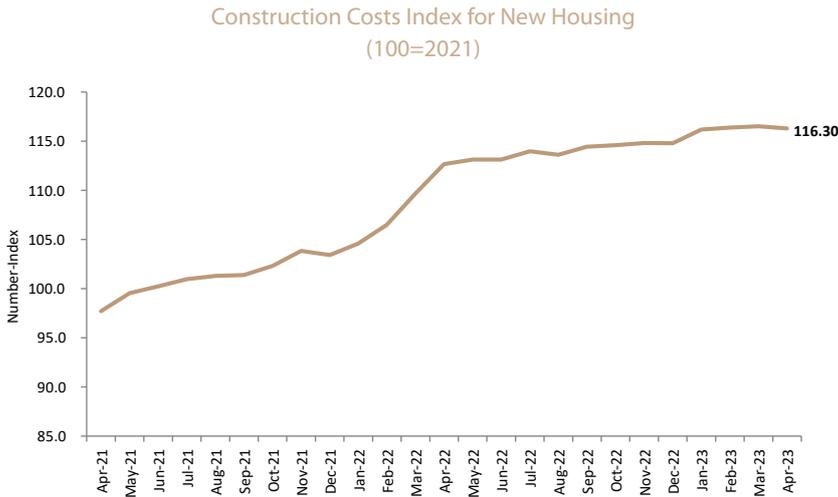
Note: The figures for February, March and April 2023 are provisional.

As for month-on-month change, Statistics Portugal estimates the following rates:

- CCI: -0.2% (0.1% in March);

- Material costs: -0.3 (0.1% in March); and

- Labour costs: -0.1% (0.2% in March).

CPI year-on-year rate of change fell to 4.0% in May

In May 2023, year-on-year:

- The Consumer Price Index (CPI) decreased to 4.0%, 1.7 pp less than a month earlier;

  This deceleration is partly explained by the base effect resulting from the increase in fuel and food prices in May 2022;

- The core inflation rate (excluding unprocessed food products and energy) decelerated to 5.4% (6.6% in April);

- The index for energy products declined further, reaching a negative growth of minus 15.7% (-12.7% in the previous month); and

- The unprocessed food index slowed to 8.9% (14.1% in the previous month).

Consumer price and core inflation indices
(year-on-year rate of change and 12-month moving average)

Legend:
- All items CPI (12-month moving average)
- All items CPI (annual rate)
- Core Inflation (annual rate)

Values marked: 8.2%, 5.4%, 4.0%

CPI - Year-on-year rates of change

	Apr-23	May-23
All items CPI	5.7	4.0
Core inflation	6.6	5.4
Energy products	-12.7	-15.7
Unprocessed food products	14.1	8.9
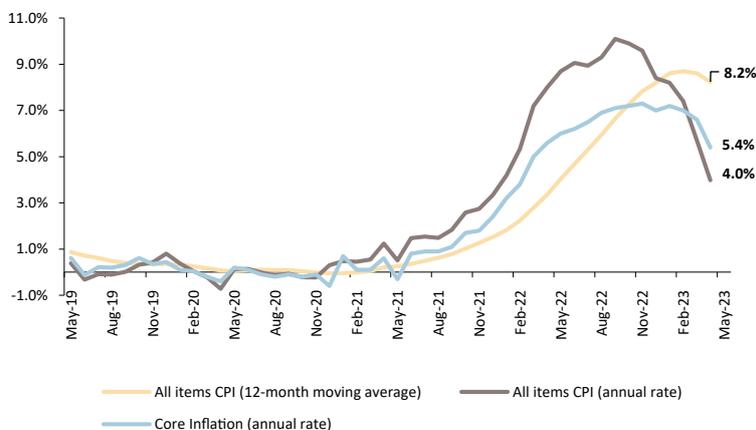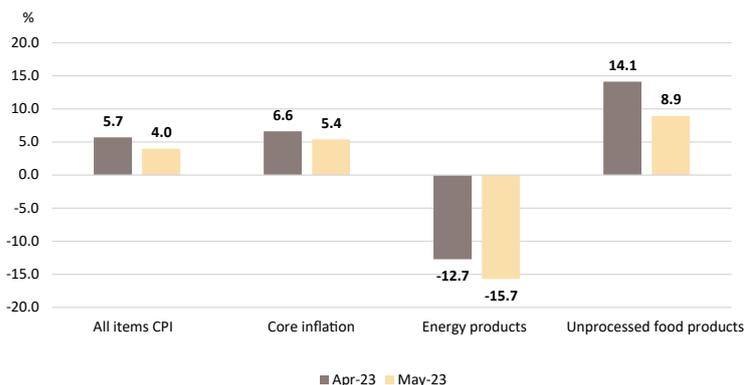
CPI related month-on-month variation rates

	Apr-23	May-23
All items CPI	0.6	-0.7
Core inflation	1.0	-0.3
CPI (12-month moving average)	8.6	8.2
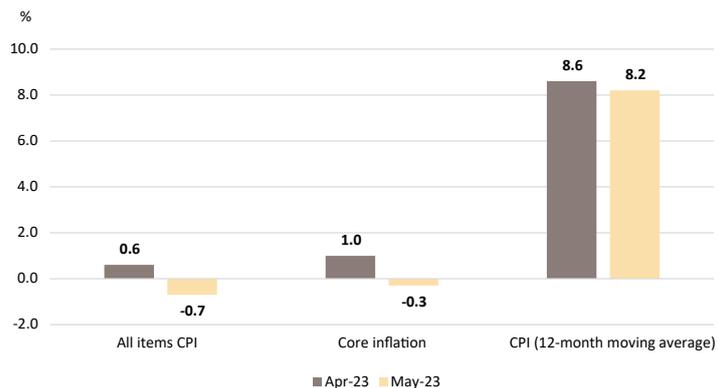
Still in May 2023, but compared to the previous month:

- CPI increased by 0.7% (0.6% in the previous month and 1.0% in May 2022); and

- Core inflation decreased by 0.3%, contrasting with increases of 1.0% in the previous month and 0.7% in May 2022.

The average CPI change over the last 12 months stood at 8.2% (8.6% in April).

As regards the Harmonised Index of Consumer Prices (HICP), the following rates of change were observed in May 2023:

- Year-on-year: 5.4%, 1.5 pp less than a month before and 0.7 pp below Eurostat's estimated value for the Euro Area (EA) (in April, this rate for Portugal difference was narrower: 0.1 pp);

- Year-on-year, excluding unprocessed food products and energy: 7.3% (8.2% in April), which is higher than the estimated value for the Euro Area (6.9%);

- Month-on-month: -0.4% (+1.3% in the previous month and +1.0% in May 2022); and

- Average of the last 12 months: 8.8% (9.0% in the previous month).

HICP year-on-year rate of change
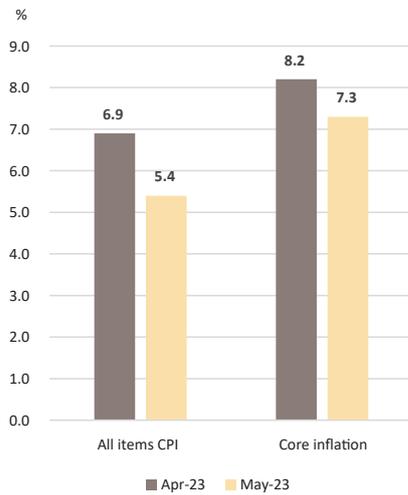
HICP month-on-month rate of change
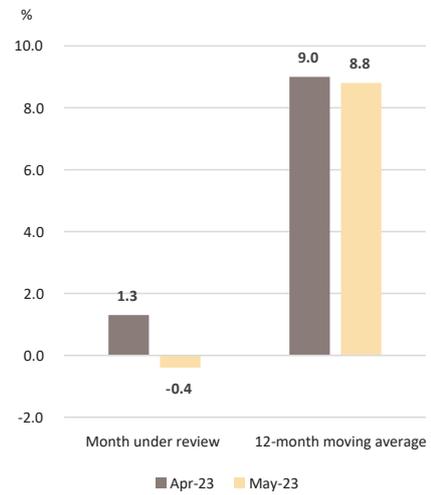
Harmonised Index of Consumer Prices
(year-on-year rate of change in the Euro Area Countries, May 2023)
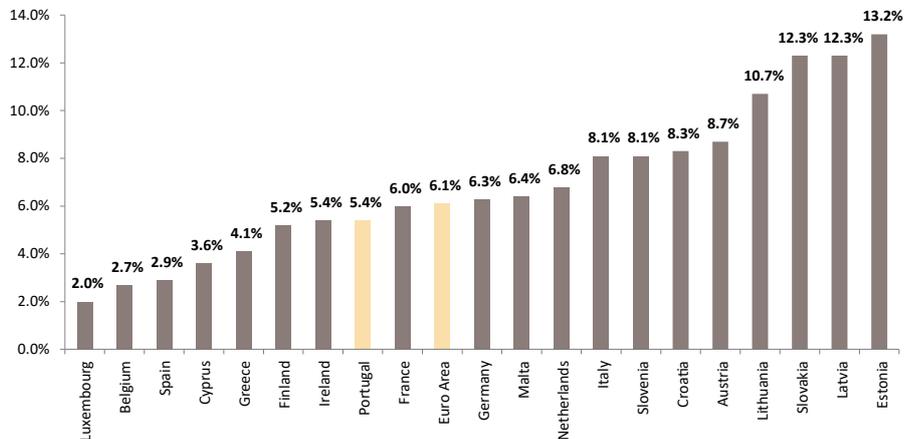
2023 Edition

Industrial production prices decreased 3.5%

In May 2023, on a year-on-year basis:

- The Industrial Production Price Index (IPPI) moved a further 2.6 pp into negative territory, reaching -3.5%;

- The *Energy* grouping contributed the most to the variation in the aggregate index, with -5.1 pp, as a result of its 20.8% reduction (contribution of -4.4 pp and variation of -17.9% in April);

  Without this grouping, the variation of the aggregate index was 2.2% (4.7% in April); and

- The *Consumer goods* grouping, with a year-on-year change of 8.1% (9.9% in April), made the only positive contribution to the index result: 2.3 pp (2.8 pp. in April).

From April to May, the index fell by 1.1%. It had gained 1.5% in the same period of 2022.

Together, the *Energy and Intermediate goods* groupings contributed -1.0 pp to the change in the total index. Their respective rates of change were -2.7% and -1.2% (1.0% and 2.2%, in the same order, in May 2022).

Industrial Production Prices Index
(year-on-year rate of change)
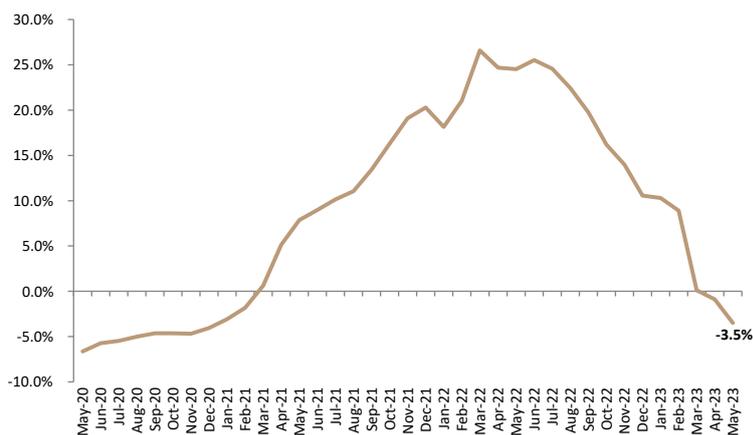
Total Index and Major Industrial Groupings
(month-on-month rate of change)

	May 2022	May 2023
Total	1.5%	-1.1%
Consumer goods	1.3%	-0.3%
Intermediate goods	2.2%	-1.2%
Investment goods	0.7%	-0.1%
Energy	1.0%	-2.7%
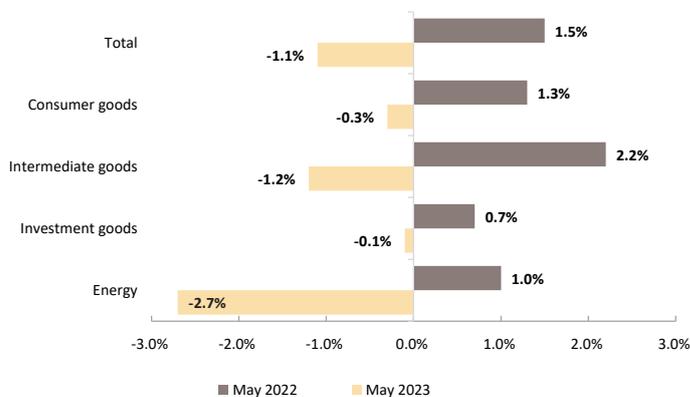
More information:
Industrial Production Price Index – May 2023
20 June 2023

CPI year-on-year rate of change for June estimated at 3.4%

Statistics Portugal estimates that in June 2023, based on the information already available and by comparison with a year earlier:

- The Consumer Price Index (CPI) decreased again, to a variation of 3.4%, which corresponds to a deceleration of this index for the eighth consecutive month, in this case by 0.6 pp;

  This deceleration continues to be partly explained by the base effect resulting from the increase in fuel in June 2022;

- The core inflation index, which excludes the unprocessed food products and energy components, grew 5.2%, 0.2 pp less than the previous month;

- The energy products index moved further into negative ground, at minus 18.8% (minus 15.5% in May);

- The rate for the unprocessed food component decelerated to 8.5% (8.9% in May).

Month-on-month, in June the CPI increased by 0.2% (-0.7% in May 2023 and +0.8% in June 2022).

Statistics Portugal estimates that, in June, the average CPI change in the last twelve months was 7.8% (8.2% in the previous month).

The Harmonised Index of Consumer Prices (HICP) – the most appropriate inflation indicator for comparisons between the different countries of the European Union, and, mainly, in the Euro area – increased by 4.7% in Portugal in June 2023 (0.7 pp less than in the previous month).

	Monthly change (%)[1]		Year-on-year change (%)[1]	
	May-23	Jun-23[*]	May-23	Jun-23[*]
CPI				
Total	-0.67	0.25	3.98	3.39
Total except housing	-0.71	0.24	3.96	3.33
Total excl. unprocessed food and energy	-0.33	0.16	5.44	5.25
Energy products	-1.77	0.48	-15.47	-18.77
Unprocessed food products	-2.35	0.71	8.91	8.48
Processed food products	-2.87	-0.15	8.56	7.58
IHPC				
Total	-0.4	0.4	5.4	4.7

[1] Values rounded to two and one decimal places.
[*] Estimated values

Population increases by more than 46,000 in 2022

Resident population by sex, Portugal, 2011-2022
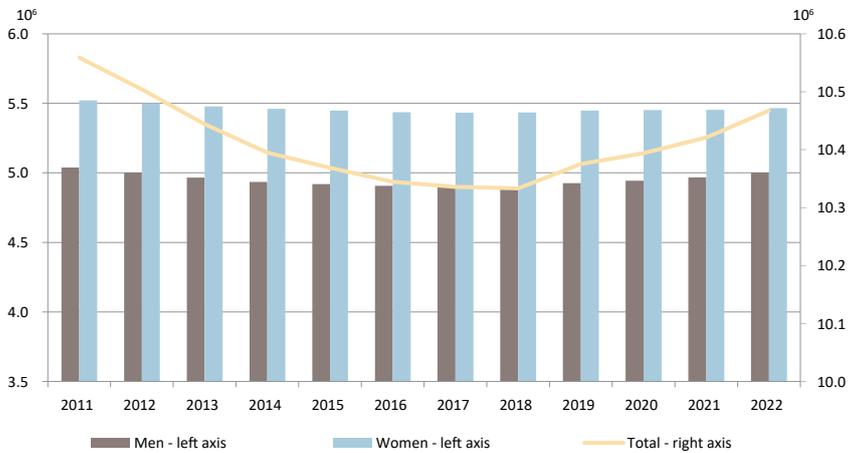
The population reached 10,467,366 people on 31 December 2022, Statistics Portugal estimates. This is 46,249 people more than at the end of 2021, making 2022 the fourth consecutive year in which the population has increased.

The population increase in 2022 resulted from a net migration of 86,889 people (72,040 in 2021), which offset the negative natural change of 40,640 (45,220 in 2021). These results translated into the following growth rates:

- Population growth: +0.44%;
- Net migration: +0.83%; and
- Natural change: -0.39%.

In 2022, the average number of children per woman of childbearing age increased to 1.43 children (1.35 in 2021) due to the increase in the birth rate.

Population change and components, Portugal, 2011-2022
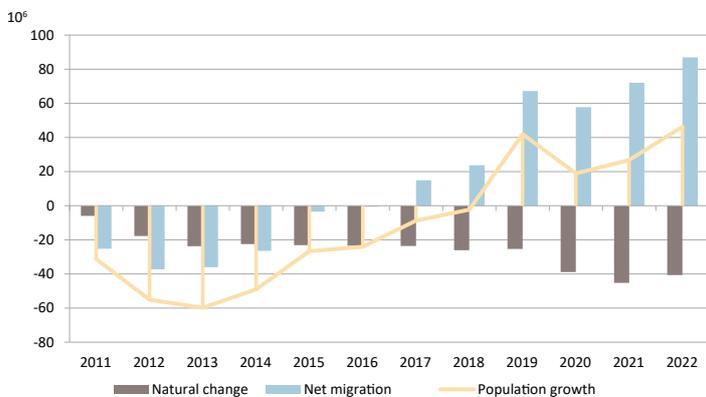
Total Fertility Rate, Portugal, 2011-2022
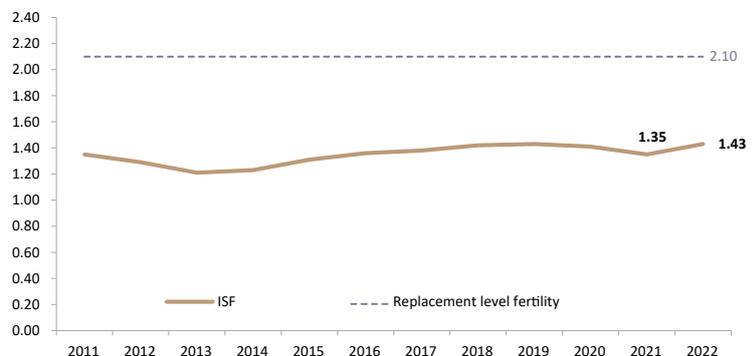
Population ageing in Portugal has continued to increase. In 2022, the ageing ratio, which compares the population aged 65 years and over with those aged 0 to 14, reached 185.6. This is 4.3 more people aged 65 and over for each hundred up to 14 than in 2021.

The median age of the resident population in Portugal, which is the age that divides the population into two equal-sized groups, rose from 46.7 years in 2021 to 47.0 years in 2022.

Age pyramid, Portugal, 2011 and 2022
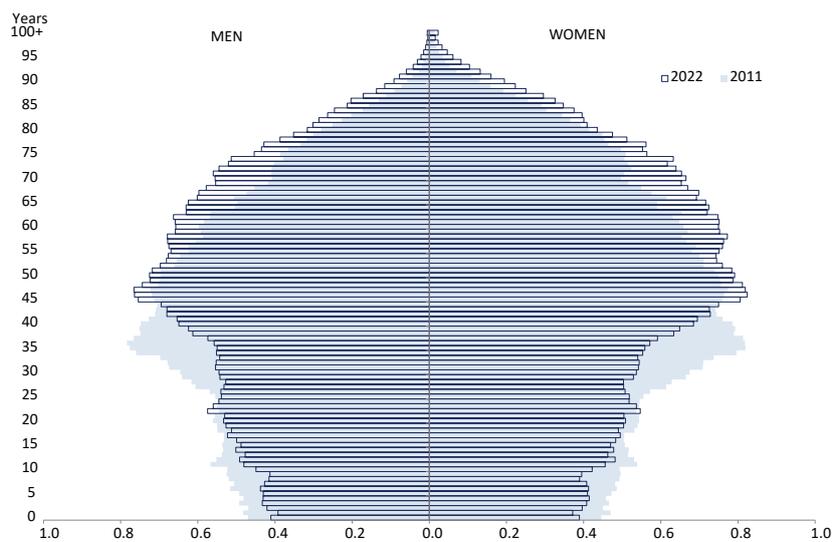
Deaths in May fell by 11.7% compared to the same month in 2022

Mortality

In May 2023 there were 9,168 deaths, 44 less than the previous month (-0.5%) and 1,219 less than in May 2022 (-11.7%).

This month, the number of deaths due to COVID-19:

- Was 171, 1.9% of total mortality; and
- Increased compared to the previous month (+21) and decreased from May 2022 (-700).

The number of deaths recorded in the first five months of 2023 (51,276) was lower than the figure recorded in the same period in 2022 (minus 2,105 deaths; -3.9%).

In March 2023, unlike in February, the EU-27 again recorded excess mortality. Ten of the 27 member states had excess mortality: Germany, Austria, Cyprus, Denmark, Spain, Greece, Ireland, Malta, the Netherlands, and Portugal.

Live births

In April 2023, there were 6,568 live births, a 344 increase (5.5%) compared to April 2022.

The total number of live births in the first four months of 2023 was 27,028, +5.7% more than in the corresponding period of the previous year.

Deaths and year-on-year change, Portugal, January 2019 to May 2023

Excess mortality in EU-27 countries, March 2023
(average 2016-2019=100)

Live births and year-on-year change, Portugal, January 2019 to April 2023
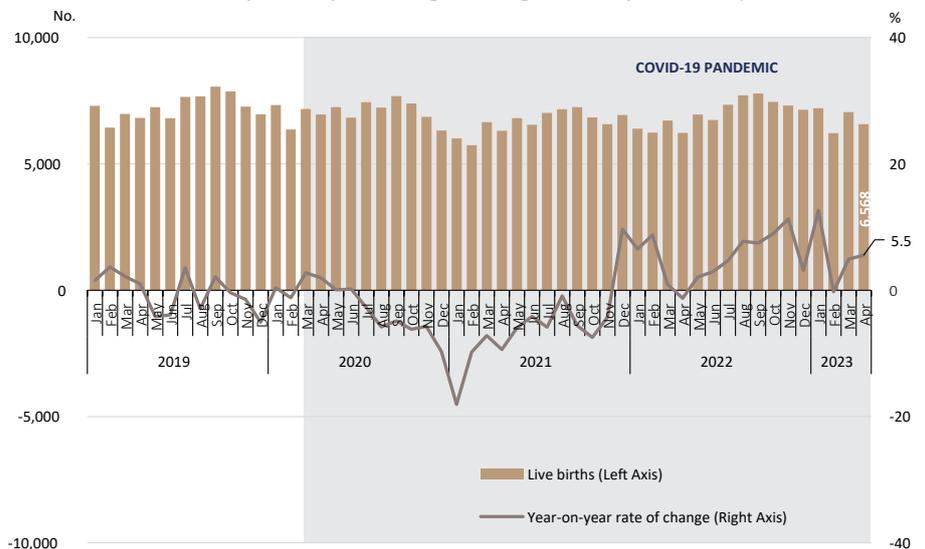
Natural change

The natural change deficit in February 2023 was 2,262, having decreased compared to the same month in 2022, when it was 3,942.

In the first four months of 2023, the cumulative natural change deficit was 15,452. This figure shows some relief compared to the 17,791 observed in the same period of 2022.

Live births, deaths and natural balance, Portugal, January 2019 to April 2023
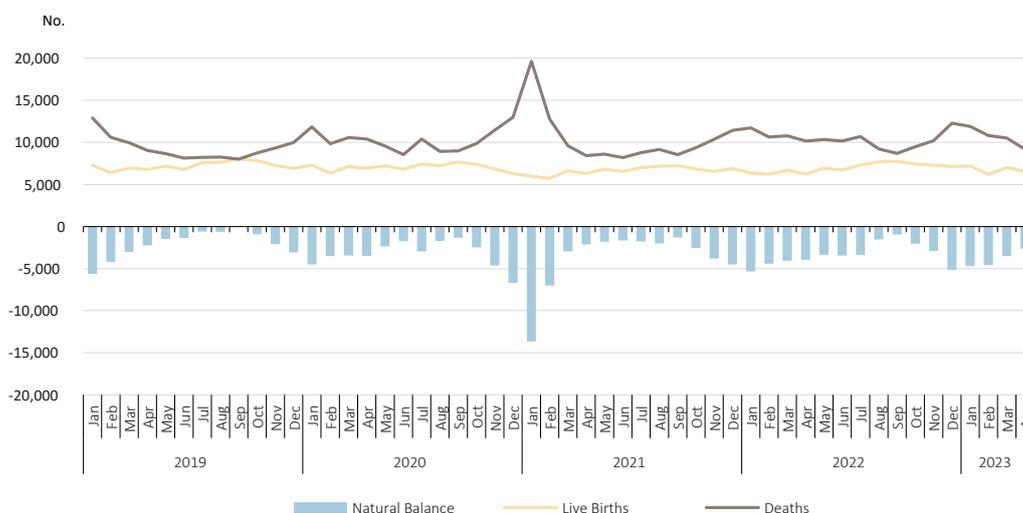
Marriages

Two thousand two hundred ninety-five marriages were celebrated in April 2023, 113 more (+5.2%) than in April 2022.

Marriages and year-on-year variation, Portugal, January 2019 to April 2023
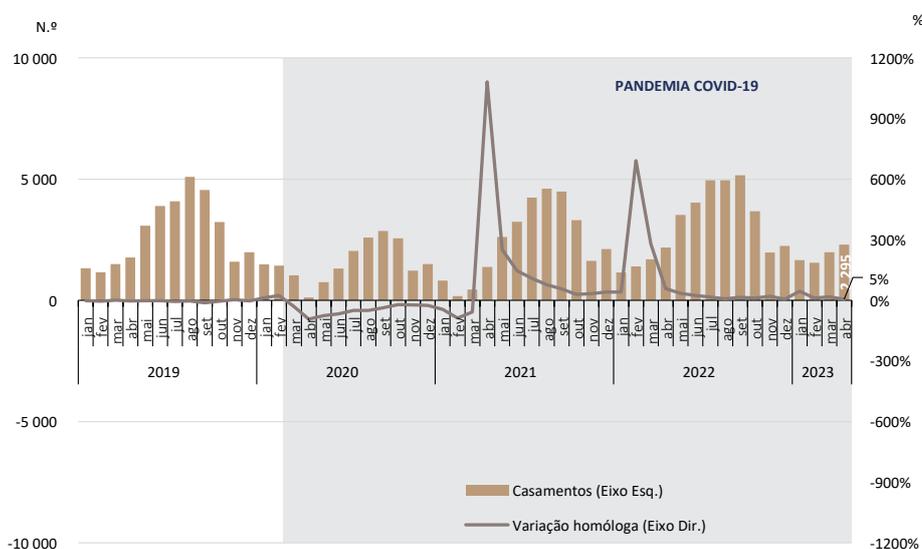
In the first four months of 2023, 7,496 marriages were celebrated, corresponding to a year-on-year increase of 1,078 (+16.8%).

More information:
Vital Statistics, Monthly Data – May 2023
16 June 2023

Average income per occupied room increased by 30.0% compared to 2019

In April 2023,[1] the tourist accommodation sector[2] registered:[3]

- 2.7 million guests;
- 6.8 million overnight stays;
- €497.1 million in total revenue;
- €373.6 million in accommodation revenue;

Guests in tourist establishments

No.
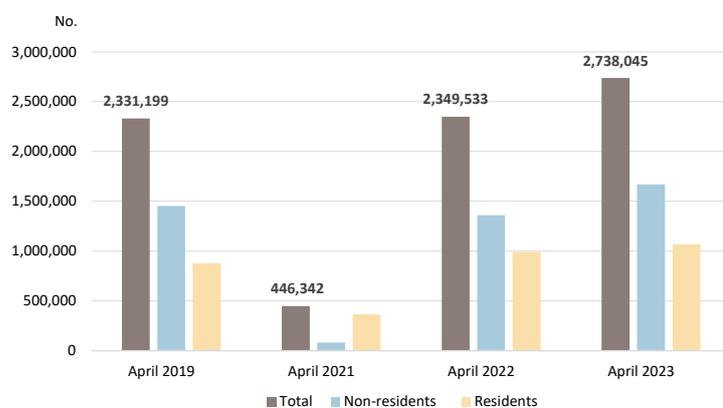
- A net bed occupancy rate of 50.2% (up by 3.3 pp from the same month in 2022);
- A net bedroom occupancy rate of 59.8% (up by 3.9 pp from April 2022);
- An average revenue per available room (RevPAR) of €63.0 (+22.7% compared to April 2022 and +38.4% compared to the same month in 2019); and
- An average daily rate (ADR) of €105.4 (+14.7% compared to April 2022 and +29.6% compared to April 2019).

Overnight stays in tourist establishments

No.

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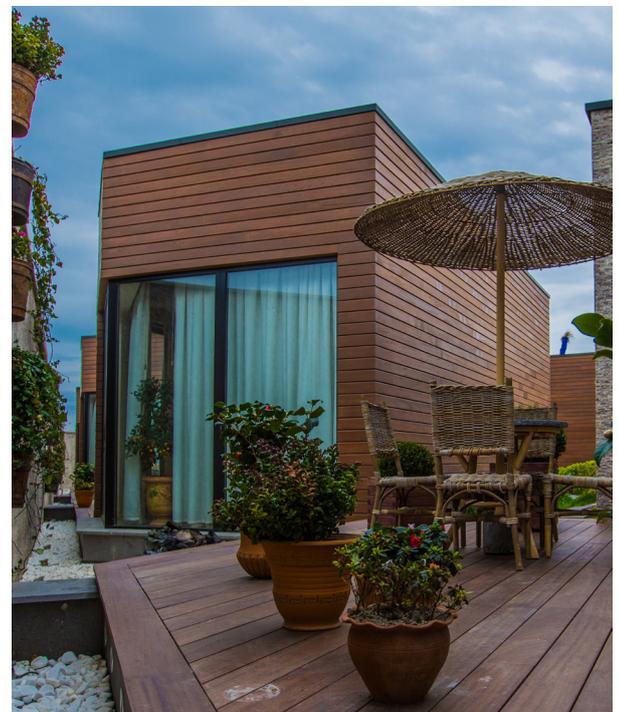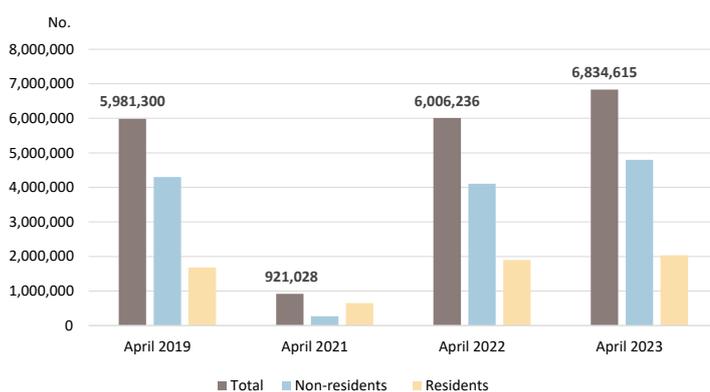
[1] These results are final until the end of 2021, provisional from January 2022 to March 2023, and preliminary in April 2023.

[2] It includes three housing segments: hotels (hotels, hotels-apartments, tourist apartments, tourist villages, Madeira inns and quintas), local accommodation with 10 or more bed places (according to the statistical threshold defined by EU Regulation 692/2011) and residential or rural environment tourism.

[3] Unless otherwise indicated, the rates of change shown in this note correspond to year-on-year rates of change vis-à-vis the same period of the previous year.

Year on year growth of guests, overnight stays and revenue in the tourist accommodation sector

Legend: ■ regarding April 2019   ■ regarding April 2022

- Guests: 17.5% / 16.5%
- Overnight stays: 14.3% / 13.8%
- Revenue total: 48.4% / 28.6%
- Revenue accomodation: 50.0% / 29.4%
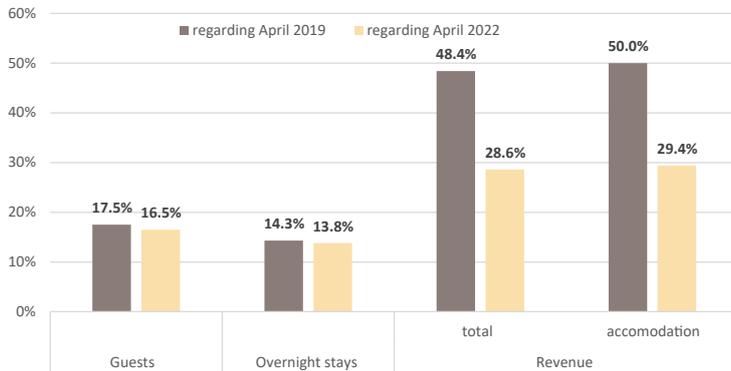
Year-on-year growth of RevPAR and ADR in the accommodation sector

Legend: ■ regarding April 2019   ■ regarding April 2022

- RevPAR: 38.4% / 22.7%
- ADR: 29.6% / 14.7%
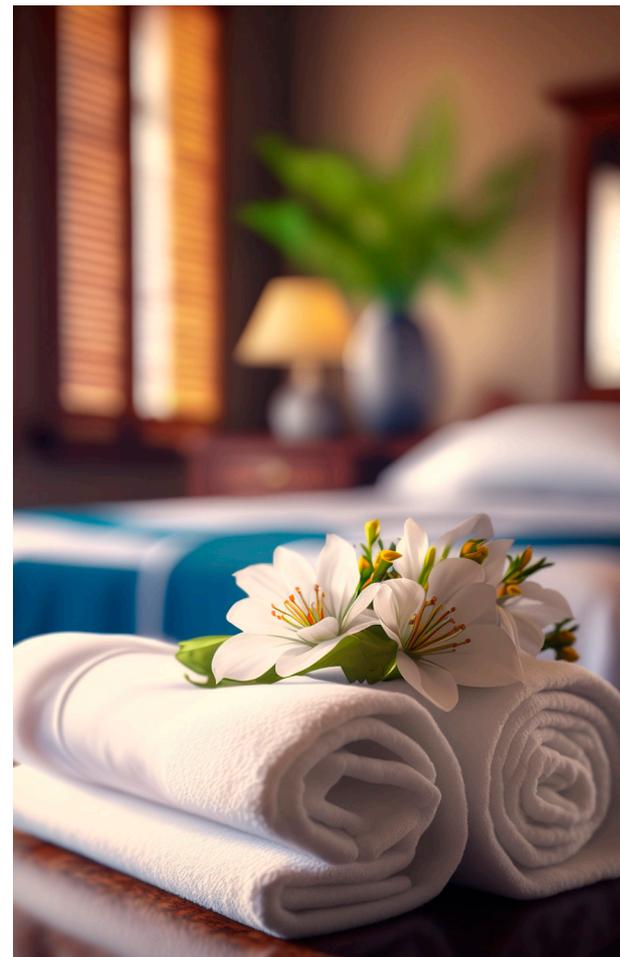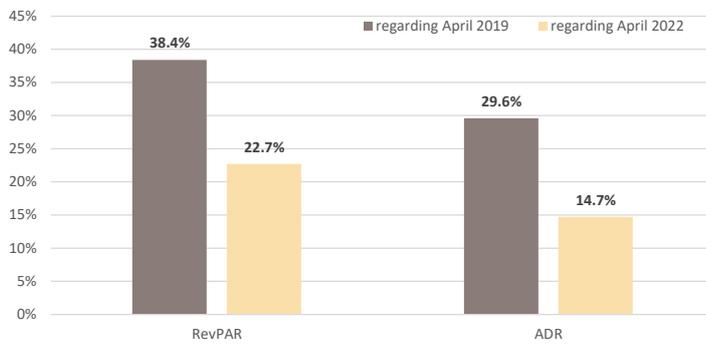
Total revenue in tourist accommodation establishments

€10³

497,080

Years: 2020, 2021, 2022, 2023
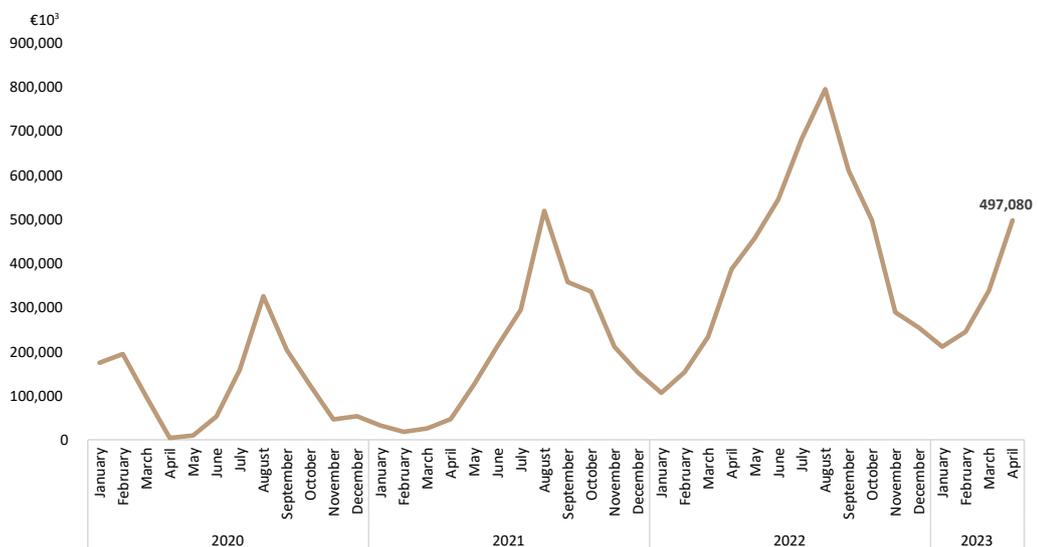
Still in April 2023:

- The Área Metropolitana de Lisboa concentrated 33.7% of the total revenue and 36.2% of the accommodation revenue, followed by the Algarve (24.1% and 21.6%, in the same order), the Norte (16.6% and 17.5%), and the Região Autónoma da Madeira (11.3% and 10.4%);

    The most significant increases were registered in the Região Autónima dos Açores (+38.6% in total revenue and +41.9% in accommodation revenue), the Norte (+31.0% and +33.7%), and the Área Metropolitana de Lisboa (+30.4% and +32.8%);

    Compared to April 2019, the increases in the Região Autónoma da Madeira (+70.2% and +75.4%), the Alentejo (+66.9% and +70.7%), and the Norte (+61.8% and +64.4%) stand out.

- Among the municipalities with a more significant share of overnight stays, the Easter effect was felt significantly in Albufeira, which rose to 2nd place (10.9 % of total overnight stays), although it continued to fall compared to April 2019, albeit less significantly (-5.2 % in total, -11.2 % for residents and -3.7 % for non-residents).

Overnight stays at tourist accommodation establishments,
by NUTS 2 region - April 2023
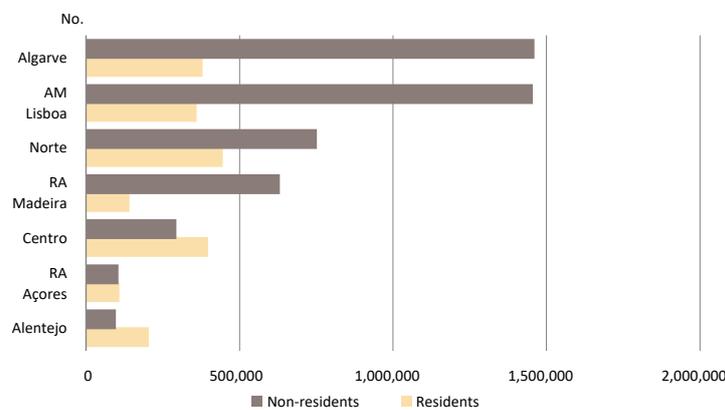
In the first four months of 2023:

- Total overnight stays grew 30.0% (+16.7% in residents and +37.1% in non-residents);

- Total revenue increased by 46.8% (+40.2% compared to the same period in 2019); and

- Accommodation revenue increased 48.4% (+43.6% compared to January-April 2019).

Considering all accommodation facilities (that is, adding camping sites, holiday colonies, and youth hostels to tourist accommodation establishments), in the first four months of 2023, there were:

- 8.4 million guests, up +31.3% from the same period last year; and

- 20.9 million overnight stays, 29.9% more than in January-April 2022.

Compared to January-April 2019, overnight stays increased by 14.7% (+18.6% in residents and +13.0% in non-residents).

GVA and tourism consumption in the economic territory surpassed pre-pandemic levels in 2022

In 2022, there was a nominal increase of 72.7% in the Gross Value Added generated by Tourism (GVAGT) compared to 2021, according to the preliminary estimate of the Tourism Satellite Account.

GVAGT represented 8.9% of national GVA (5.7% in 2021), surpassing the levels of 2019, when it corresponded to 8.1% of the economy's GVA.

Tourism Consumption in the Economic Territory (TCET) was equivalent to 15.8% of GDP (9.8% in 2021), also above 2019 levels, when it was equivalent to 15.3% of GDP.

GVAGT and TCET evolution (2016 – 2022)
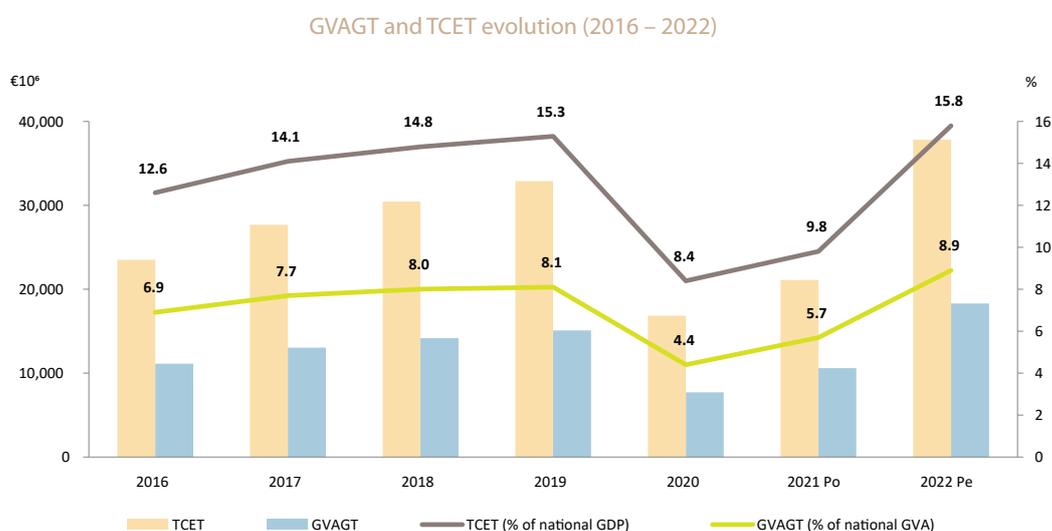
Nota: Po = valores provisórios; Pe = Valores preliminares

Applying the Integrated System of Symmetric Input-Output Matrices to the main results of the Tourism Satellite Account, it is estimated that tourism activity will have generated, in 2022, a total contribution (direct and indirect) of:

- €29.2 billion to GDP, which corresponds to 12.2% of that aggregate (7.8% in 2021 and 6.6% in 2020); and
- €24.9 billion for the national economy's GVA (12.0%).

This year, tourism GDP recorded a nominal growth of 75.2% compared to 2021 and 15.0% compared to the pre-pandemic period (2019).

Evolution of the weight (%) of (direct) GVAGT, total GVA generated by tourism and tourism GDP in the national economy (2016-2022)

	2016	2017	2018	2019	2020	2021 Po	2022 Pe
Total Tourism GDP weight (%)	9.7	10.9	11.5	11.8	6.6	7.8	12.2
Total Tourism GVA weight (%)	9.5	10.7	11.2	11.6	6.4	7.7	12.0
Direct Tourism GVA weight (%)	6.9	7.7	8.0	8.1	4.4	5.7	8.9

● Direct Tourism GVA weight (%) in national economy GVA

◆ Total Tourism GVA weight (%) in national economy GVA

■ Total Tourism GDP weight (%) in national economy GDP
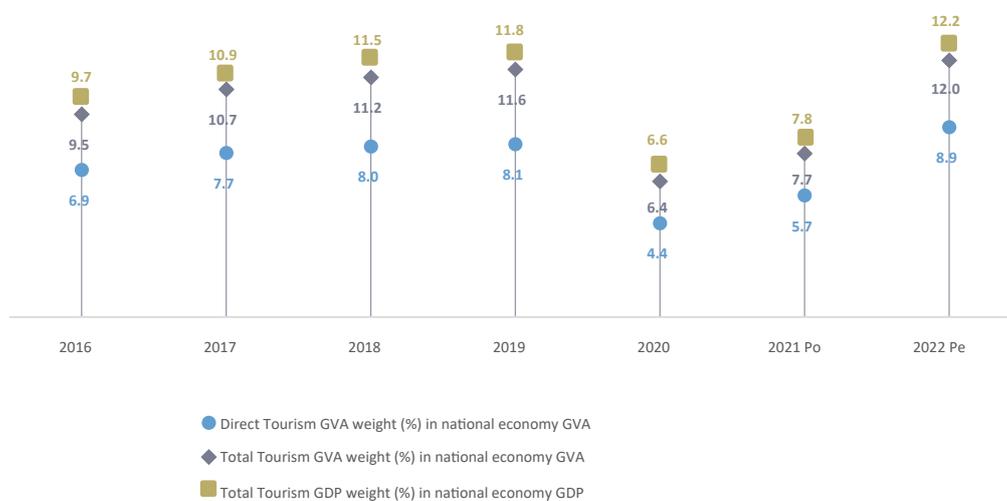
Evolution of the main products contributing to tourism GDP (2019-2022)

€10^6

	2019	2020	2021	2022
Total	**25,403**	**13,197**	**16,679**	**29,224**
Other products	9,694	5,704	6,795	10,643
Rental and leasing services	1,622	347	639	1,575
Air transport services	6,597	3,167	4,031	7,385
Food and beverage serving services	6,402	3,463	4,624	8,430
Accommodation services				

■ Accommodation services   ■ Food and beverage serving services

■ Air transport services   ■ Rental and leasing services

■ Other products
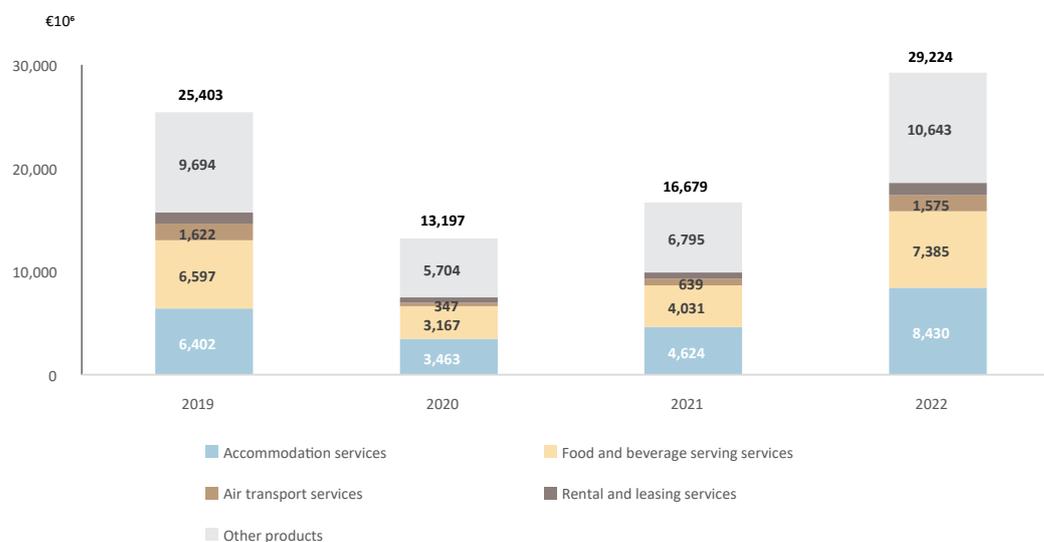
# Overnight stays continue to exceed 2019 levels, mainly in tourism in rural areas and lodging tourism

In May 2023, the tourist accommodation sector[1] welcomed 2.8 million guests for 7.1 million overnight stays. These results represent year-on-year increases of:

- 12.1% in guests (+16.8% in April); and
- 10.0% in overnight stays (+14.0% in April);

Compared to May 2019, the levels now reached represent increases of:

- 8.2% in guests; and
- 9.0% in overnight stays.

Overnight stays in tourist accommodation establishments per month
Cumulative sum
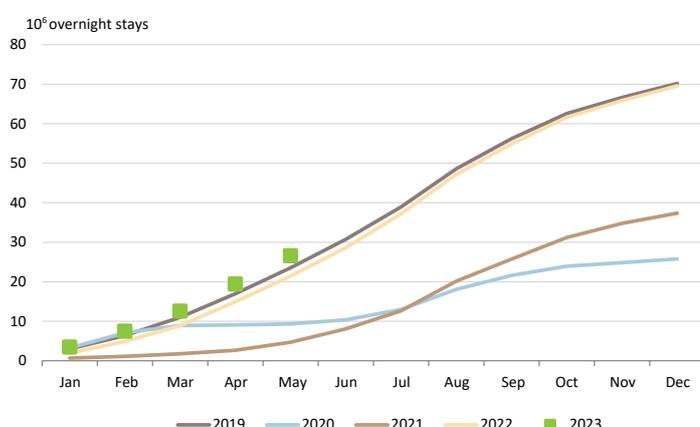
In May 2023, the domestic market contributed 1.8 million overnight stays (+0.4% year-on-year), while inbound markets totalled 5.4 million (+13.6%).

Compared to May 2019, there were increases of:

- 10.2% in domestic tourists' overnight stays; and
- 8.6% in inbound tourists' overnight stays;

In May 2023, the distribution of total overnight stays by accommodation type was as follows:

- Hotels and similar: 82.1%;
- Local accommodation: 14.6%; and
- Rural and lodging tourism: 3.3%.

Overnight stays in May 2023 — year-on-year rates of change

Type of accommodation	Growth from May 2022	Growth from May 2019
Hotels and similar	+8.9%	+7.7%
Local accommodation	+15.9%	+10.2%
Rural and lodging tourism	+12.1%	+46.5%

Overnight stays in tourist accommodation establishments, by NUTS 2 region – May 2023
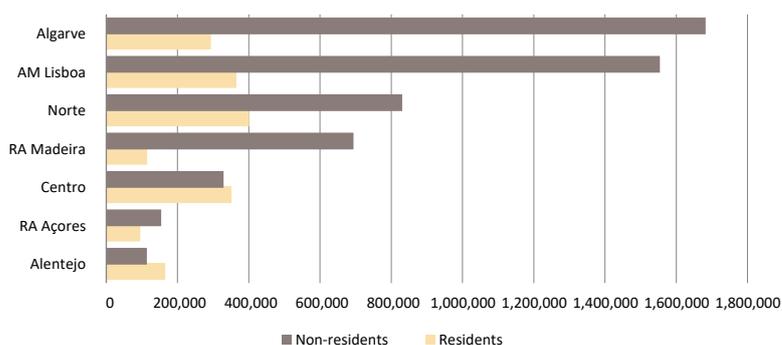
In the month under review, the average stay in tourist accommodation establishments (2.52 nights) diminished by 1.9% year-on-year (-2.4% in April) while breaking down into:

- 1.85 nights for domestic tourists (-1.5% year-on-year); and
- 2.86 nights for inbound tourists (-4.0% compared to the same month last year);

All the NUTS 2 regions recorded year-on-year increases in overnights in May. The Algarve concentrated 27.7% of all overnight stays, followed by the Área Metropolitana de Lisboa (26.9%) and the Norte (17.2%).

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[1] It includes three housing segments: hotels (hotels, hotels-apartments, tourist apartments, tourist villages, inns and farms of Madeira), local accommodation with 10 or more beds (according to the statistical threshold set in Regulation EU 692/2011) and tourism in rural/housing areas.

Compared to May 2019, the number of overnight stays in the Algarve fell again (-0.7%), after increasing since the beginning of the year. The other regions continued to grow, particularly the Norte (+22.8%), the Região Autónoma da Madeira (+21.5%) and the Região Autónoma dos Açores (+12.7%).

Among the seventeen main issuing markets,[2] which represented 87.3% of all nights spent by inbound tourists in May, overnight stays decreased only relatively to two:

- The Netherlands: 8.9%; and

- Finland: 0.4%;

  Canada and the United States continued to be the fastest-growing markets compared to May 2022, with year-on-year variations of +66.3% and +34.6%, respectively.

Still, regarding overnight stays by non-residents in May 2023, but compared to the same month in 2019:

- The British market (20.0% of the total) increased by 4.0%;

- The German market (11.5% share) grew by 2.9%;

- The French market (10.0% share) decreased by 4.6; and

- The Spanish market (with a 6.4% share, thus losing representativeness compared to the French market) fell by 3.0%.

Also, compared with May 2019, the growths of the markets stand out:

- North American: 67.2%; and

- Canadian: 62.2%.

Compared to the same month, guest overnight stays decreased mainly:

- Swedes: 13.1%;

- Finns: 12.8%; and

- Brazilians: 10.3%.

Overnight stays in tourist accommodation establishments per month
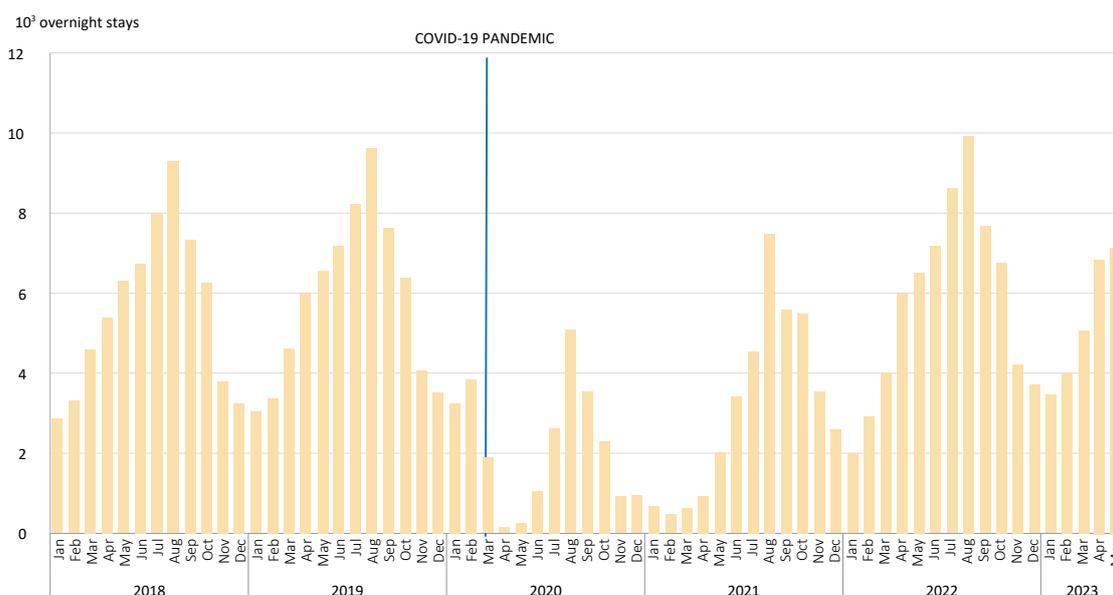
In May 2023, 17.9% of tourist accommodation establishments were closed or recorded no guest movement (20.6% in the previous month).

[2] Based on provisional results of overnight stays in 2022.

Passenger transport maintains growth trend

In Q1 2023, national airports handled 12.9 million passengers, corresponding to:

- +54.3% compared to the same period in 2022; and

- +15.1% compared to Q1 2019.

Passengers carried on rails were:

- 44.3 million on the heavy railway system, which corresponds to growths of 18.0% and 19.3% compared to the same period in 2022 and 2019, respectively; and

- 64.6 million on the light railway, representing 39.7% and 3.7% growth compared year-on--year to 2022 and 2019, respectively.

Passenger transport by inland waterway reached 4.8 million, registering:

- A 32.4% increase compared to Q1 2022; and

- A 1.6% reduction vis-à-vis Q1 2019.

As regards freight transport, the following variations were noted regarding Q1 2022 and Q1 2019, respectively:

- Airway: -0.2% and +11.8%;

- Railway: +0.7% and -3.1%;

- By sea: -4.5% and -8.7%; and

- Roadway: -7.3% and -12.3%.

Aircraft at national airports

No.

49,037
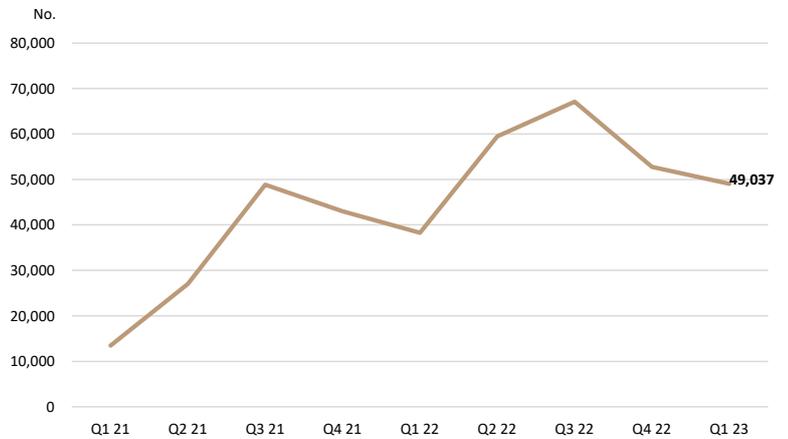
Passengers at national airports

10^3

12,870
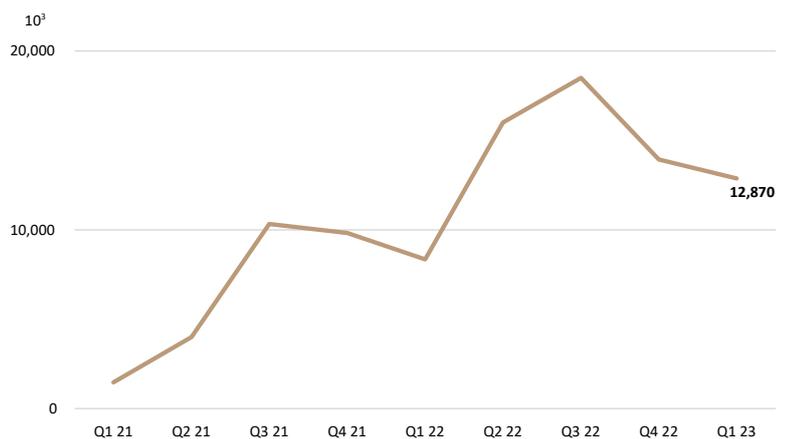
Cargo/mail at national airports

t

52,756

More information:
Transport activities – Q1 2023
6 June 2023
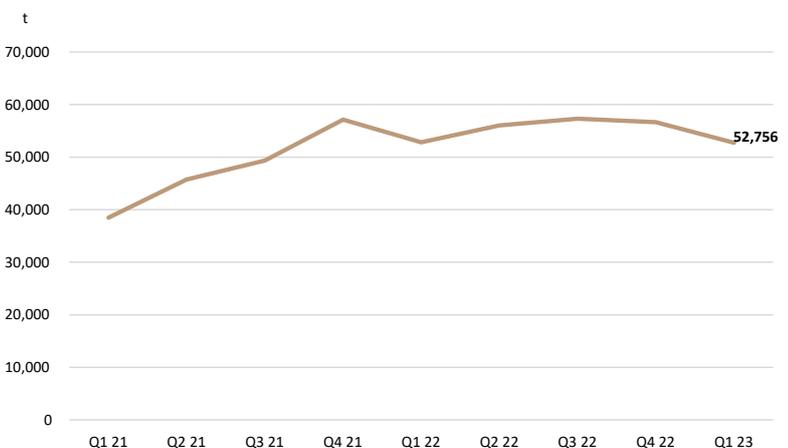
# Passenger traffic at national airports continues to reach historic highs

In April 2023, Portuguese airports witnessed:

- The landing of 20.5 thousand commercial flights (+10.1% year-on-year);
- The comings and goings (boardings, disembarkations, and direct transits) of 5.9 million passengers (+18.7% year-on-year);
- An average daily disembarking of 99 thousand passengers, 18.4% more than in April 2022; and
- The movement of 18.4 thousand tons of cargo and mail (+0.6% year-on-year).

Compared to April 2019, before the pandemic:

- The number of aircraft landed was 3.7% higher;
- The number of passengers increased by 11.0%;
- The average daily number of passengers disembarked increased by 10.8%; and
- The cargo and mail handled increased by 7.7%.

Traffic at national airports, April 2023
(year-on-year rates of change, %)
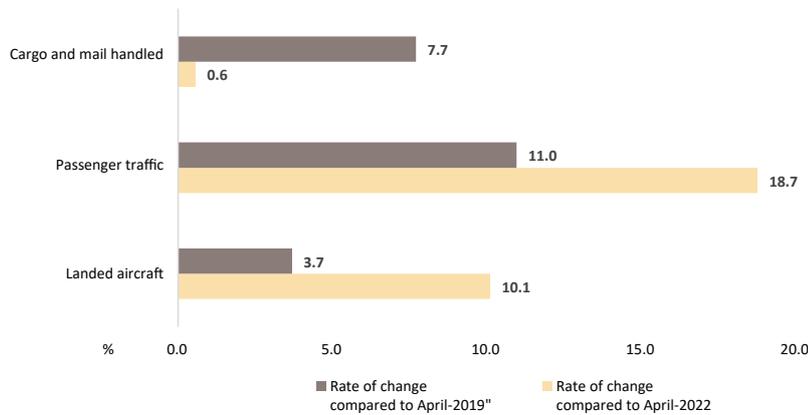
Aircraft landed at national airports
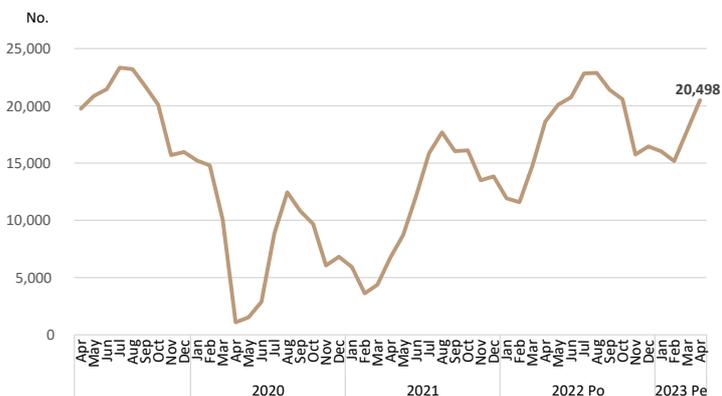
Passenger traffic moving through national airports
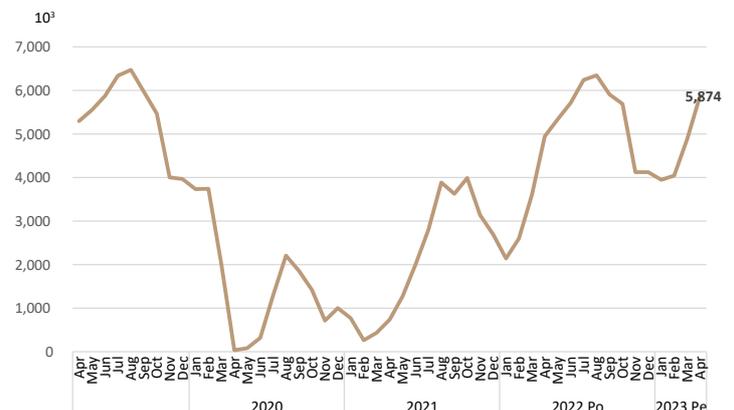
Note: Po = Provisional values; Pe = Preliminary value.

Freight/mail handled at national airports
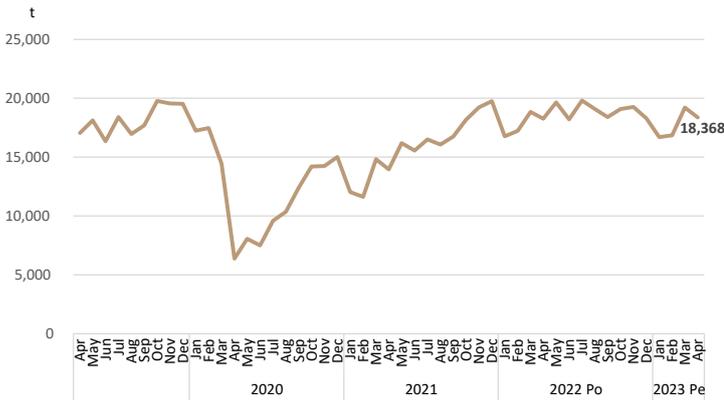
Nota: Po = Valores provisórios; Pe = Valor preliminar.

From January to April 2023:

- Compared to 2022, the number of passengers increased by 41.1%, while cargo and mail movement was stable;

- Compared to 2019, the number of passengers increased by 13.7%, and cargo and mail movement increased by 10.7%;

- Lisbon airport handled about 10 million passengers, 53.1% of the total and 44.6% more than a year before (up by 11.4% from the same period in 2019);

- Porto airport handled 22.8% of all passengers and, compared to 2022, grew by 38.3% (+13.7% regarding the same period in 2019); and

- Faro airport passenger traffic grew by 30.9% (+7.7% compared to 2019).

Passengers disembarked, by main countries of origin, January-April 2023 (thousands and year-on-year growth)

Country	Value	Growth
France	1279.6	↗ 28.6%
UK	1204.6	↗ 37.3%
Spain	1024.2	↗ 65.7%
Germany	644.4	↗ 18.7%
Italy	470.5	↗ 67.8%
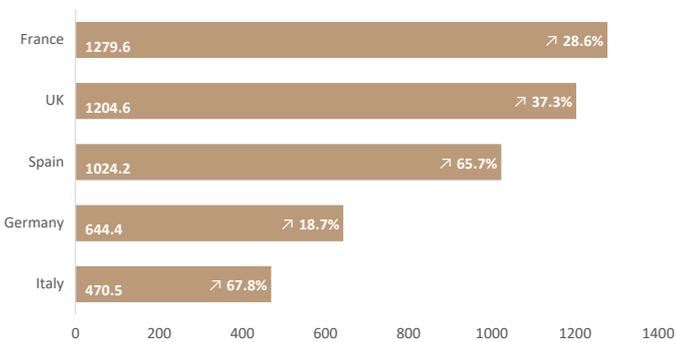
Passengers embarked, by main countries of destination, January-April 2023 (thousands and year-on-year growth)

Country	Value	Growth
France	1266.6	↗ 29.9%
UK	1199.8	↗ 39.6%
Spain	1012.1	↗ 68%
Germany	644.8	↗ 18.4%
Italy	470.5	↗ 67.9%
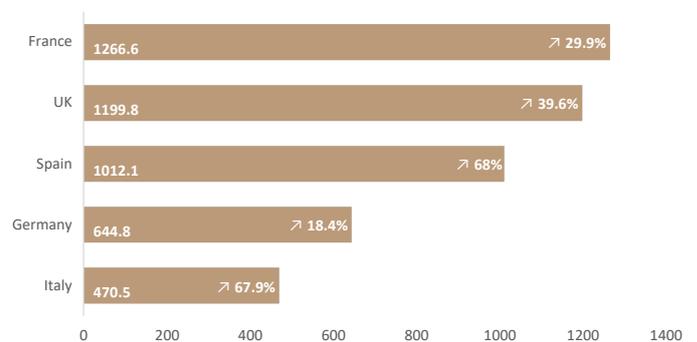
More information:
Air Transport Flash Statistics – April 2023
14 June 2023

Production prices fall more sharply, and consumer prices continue to decelerate

In the Euro Area, in Q1 2023, the gross domestic product (GDP) by volume changed by:

- +1.0% year-on-year (+1.8% in Q4 2022); and
- -0.1% quarter-on-quarter (also -0.1% Q4 2022).

In Portugal, also in Q1 2023, GDP recorded:

- A year-on-year change, in real terms, of 2.5% (3.2% in the previous quarter); and
- A chain variation of 1.6% (0.3% in the previous quarter);

Still in Portugal, the industrial production prices index showed negative year-on-year rates of change (-0.9%) in April and May (-3.3%), which had not happened since February 2021, after increases of 8.9% and 0.1% in February and March, following the uninterrupted deceleration profile observed since July 2022. In more detail:

- The *Energy* grouping was decisive for the reduction of the IPPI, with rates of -17.9% and -20.8% in April and May, respectively;
- Excluding the *Energy* component, the index decelerated to 2.2% (4.7% in April).
- The *Consumer goods* index registered a year-on-year change of 8.1% (9.9% in the previous month), decelerating for the sixth consecutive month, after reaching the highest value of the series in November (16.2%);

The year-on-year change in the Consumer Price Index (CPI) slowed to 4.0% in May (-1.7 pp than in the previous month), with:

- The *Unprocessed foodstuffs* index decelerated from a year-on-year change of 14.1% in April to 8.9% in May.

On the external front, implicit prices of exports and imports of goods registered, in April, variations of 0.7% and -5.0%, respectively (4.4% and -2.3% in March);

Short-term indicators of economic activity from the production perspective, available for April, point to:

- A decrease in *Industry*;
- A deceleration in *Services* and *Construction*.

From the expenditure perspective, the economic activity indicator decelerated in April, with:

- An increase in the investment indicator; and
- A deceleration in the private consumption indicator.

The economic climate indicator, which summarises the questions regarding the qualitative business surveys, decreased in May after increasing between January and April.

According to the Labour Force Survey monthly estimates:

- The unemployment rate (16 to 74 years old), seasonally adjusted, was 6.8% in April, 0.2 pp below the figure recorded in March (7.1% in January and 5.9% in April 2022);
- The labour underutilisation rate (16 to 74 years old) stood at 12.1%, 0.1 pp down on the previous month (12.5% in January and 11.4% in April 2022), and
- The employed population (aged 16 to 74), also seasonally adjusted, rose 0.7% year-on-year and fell 0.1% compared to the previous month (year-on-year change of 0.6% in March).

Production prices fall more sharply, and consumer prices continue to decelerate

Some additional economic activity and private consumption indicators for May (year-on-year changes):

- Average weekday electricity consumption posted a decrease of 2.4%, which compares with rates of -1.2% in March and -2.9 in April;

Average electricity consumption on working days
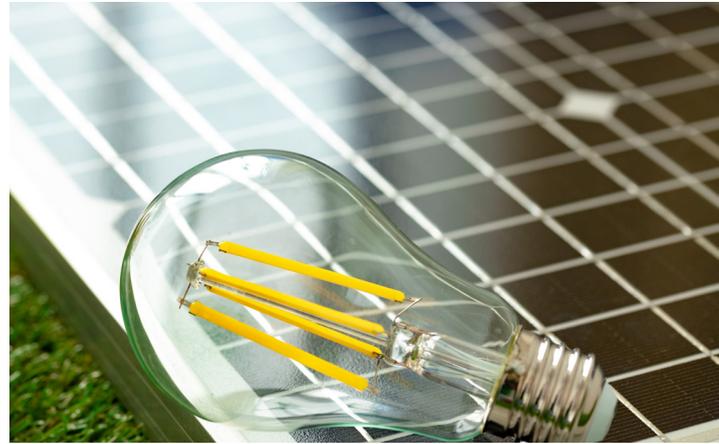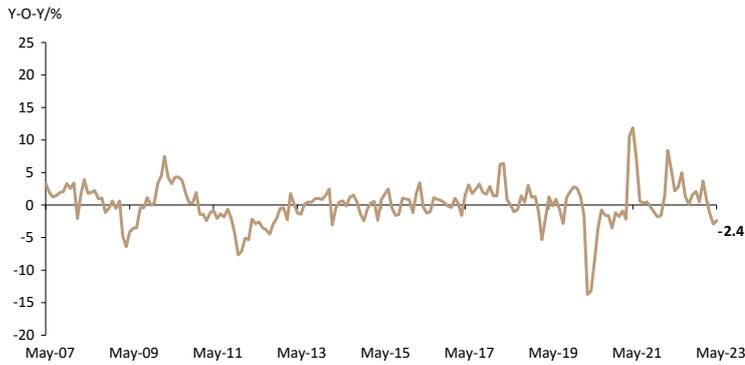
Operations carried out on the Multibanco network (value)
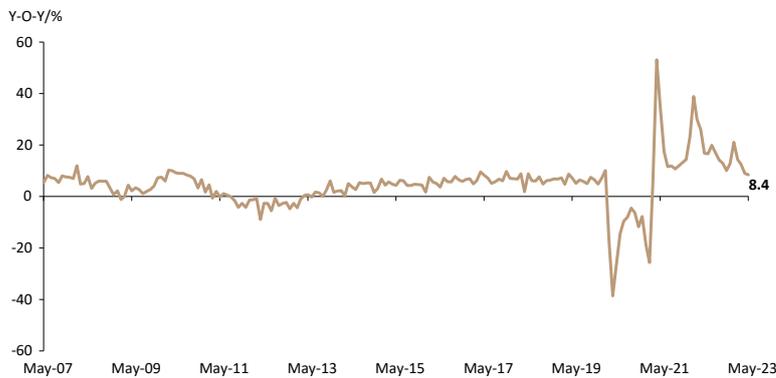
- The overall value of national withdrawals, payments for services and purchases at point-of-sale terminals in the Multibanco network showed an increase of 8.4% (9.0% in the previous month);

  Excluding payment services, there was an increase of 7.0% (8.2% in April); and

Passenger car sales
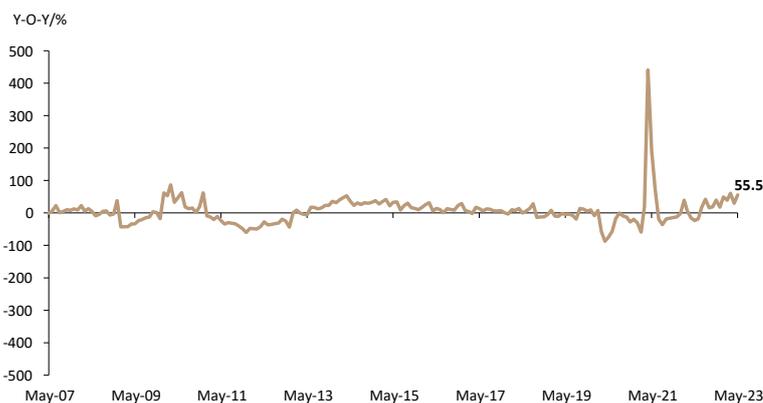
- Sales of passenger cars grew 55.5%, accelerating significantly from 29.5% recorded in the previous month.

Consumer confidence indicator increases, while economic climate indicator stabilises

In June 2023:

- The Consumer confidence indicator increased, as it has since December, and reached its highest value since February 2022, after having registered in November the lowest value since the beginning of the pandemic in April 2020;

- The balance of Consumers' opinions about the past evolution of prices decreased significantly, as it had already done in May, moving away from the high level it was at, following the steep upward trajectory that began in March 2021;

- The economic climate indicator[1] stabilised after decreasing in the previous month;

- Confidence indicators:

  » Increased in *Construction and Public Works*, and *Services*; and

  » Decreased in *Manufacturing Industry*, and *Trade*.

- The balance of entrepreneurs' expectations on the future evolution of sales prices decreased:

  » In *Manufacturing Industry*, extending the marked downward trend observed between November and May, and reaching the lowest value since May 2020;

  » In *Trade*, as has been the case since November, reaching the lowest level since February 2021; and

  » In *Construction and Public Works*, and *Services*, as has been the case since last February, reaching the lowest levels since April and July 2021, respectively.

The information here reported was collected:

- From 1 to 17 June, for the consumer survey; and

- From 1 to 23 June, for the business surveys.

Economic Climate Indicator
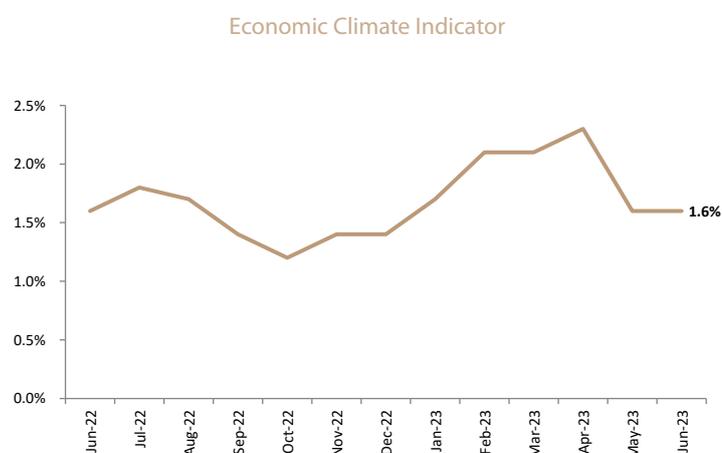
[1] The economic climate indicator summarises the balance of respondents to the business survey questions.

Confidence indicators (BER*)
(monthly seasonally adjusted basic series values)

Consumer Confidence Indicator

- Total
- Household's financial situation in the next 12 months
- Countrie's economic situation in the next 12 months

Values: -9.1, -23.2, -24.3
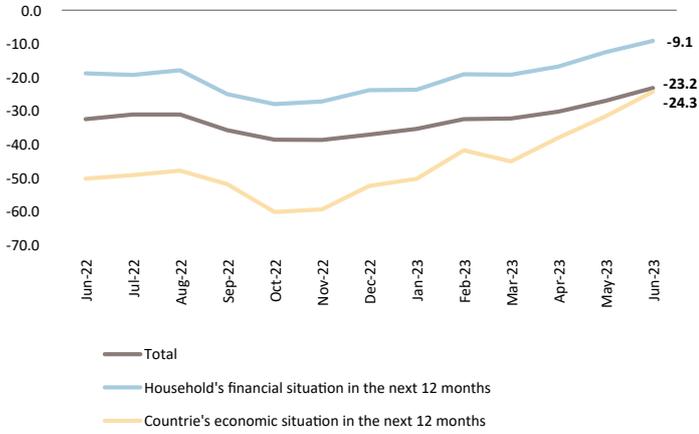
Manufacturing Industry Confidence Indicator

- Total
- Production over the next three months

Values: -1.9, -9.0

Trade Confidence Indicator

- Total
- Wholesale
- Business activity over the next three months

Values: 0.3, -0.6, -1.2
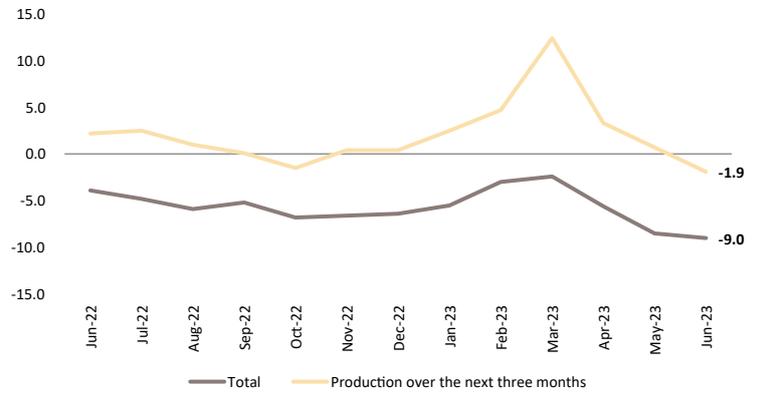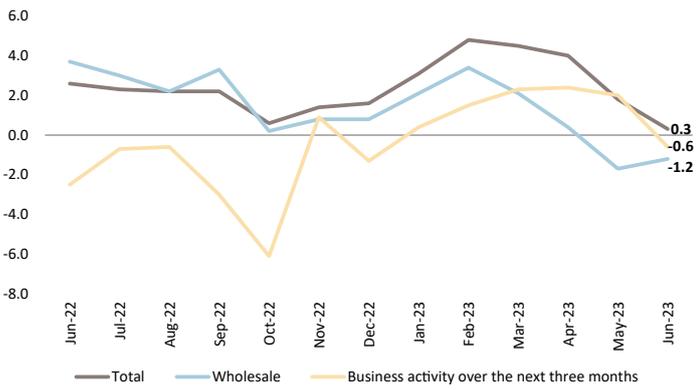
Services Confidence Indicator

- Total
- Demand over the next three months

Values: 10.1, 2.5
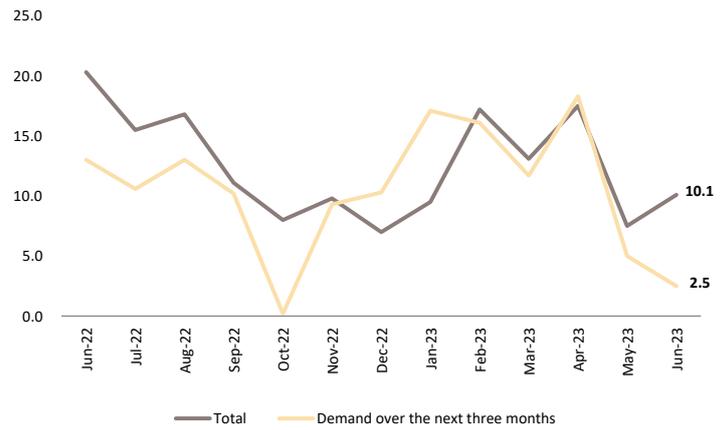
* BER — Balance of extreme responses

Retail sales increased by 3.1%

In May, the Retail Trade Turnover Index[1] was up by 3.1% from the same month in the previous year, accelerating 0.6 pp from the previous month.

Considering the groupings that make up this index:

- Food Products increased 2.8% year-on-year, 1.3 pp more than in April; and
- Non-Food Products kept to a year-on-year growth of 3.2%.

In Retail Trade, the following year-on-year rates of change were also recorded:

- Employment index: 2.2% (2.4% in the previous month);
- Compensation index 11.4% (11.9% in the previous month); and
- Hours worked index:[2] 3.2% (1.2% in the previous month).

in May the Retail Trade Turnover Index grew by 3.2% (-1.8% in April).

In nominal terms, the following year-on-year changes were recorded in May:

- Aggregate index: 4.3% (5.4% in the previous month);
- Food products: 9.8% (10.0% in the previous month); and
- Non-food products: -0.2% (1.6% in April).

Turnover in Retail Trade
(year-on-year rate of change, %)

3.2%
3.1%
2.8%

Total   Food products, beverages and tobacco   Non-food products
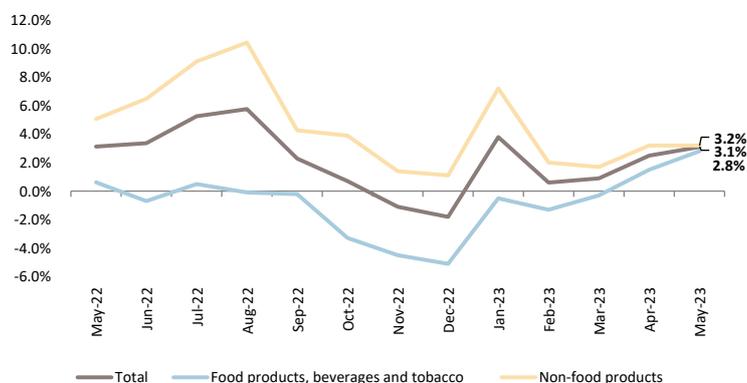
Hours worked(year-on-year rate of change, %)

3.8%
3.2%
2.8%

Total   Food products, beverages and tobacco   Non-food products
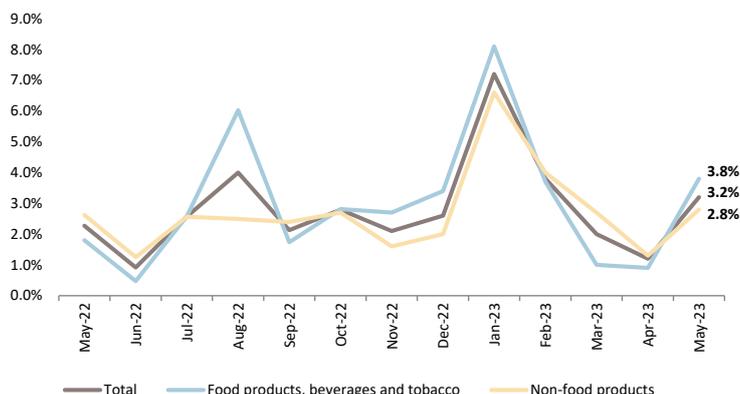
[1] Total index, adjusted for calendar and seasonality effects, deflated.
[2] Adjusted working hours index of calendar effects.

In 2021, the Gross Value Added of forestry decreased by 1.8% in volume and increased by 0.7% in value

## Main results at national level

In 2021, the GVA of forestry decreased 1.8% in volume, maintaining the downward trend observed since 2015.

This evolution in real terms was determined by the combined effect of:

- A decrease in *Output*: -0.7%; and
- An increase in *Intermediate consumption*: +1.5%.

In nominal terms, GVA recorded, for the first time since 2018, a 0.7% increase in value. The 1.6% increase in *Output* was mitigated by the 3.3% increase in *Intermediate consumption*.

The relative weight of forestry in the national economy's GVA remained at 0.4%.
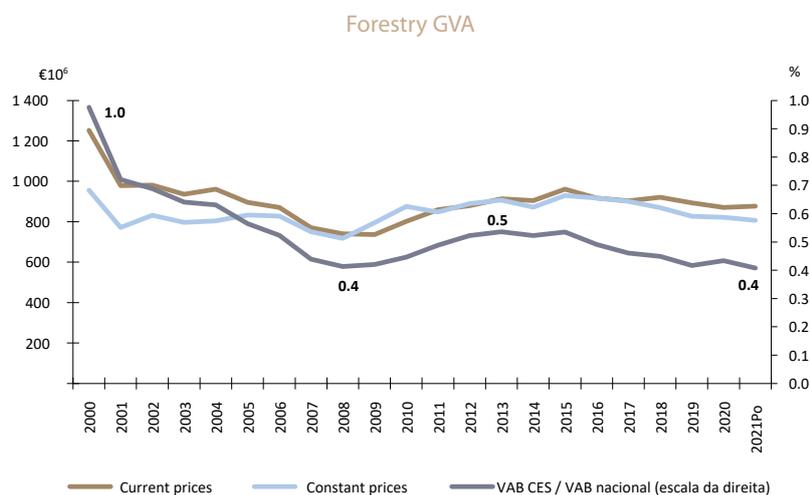
Forestry GVA

By decreasing 14.7% and 2.5% in volume, respectively, cork and forestry services outputs played a major role in the 0.7% contraction of overall output in real terms.

The 1.6% nominal increase in overall output resulted from the 12.1% increase in wood output, which more than counterbalanced the 17.4% and 1.4% decreases in cork, and forestry services outputs, respectively.

In structural terms, pulp wood's share of overall output remains the most significant since 2005-2009, reaching 41.4% in 2021.

Production of wood, cork, and other goods

Output of Forestry services

€10^6

Forestry services · **Afforestation and reforestation** · **Other services**
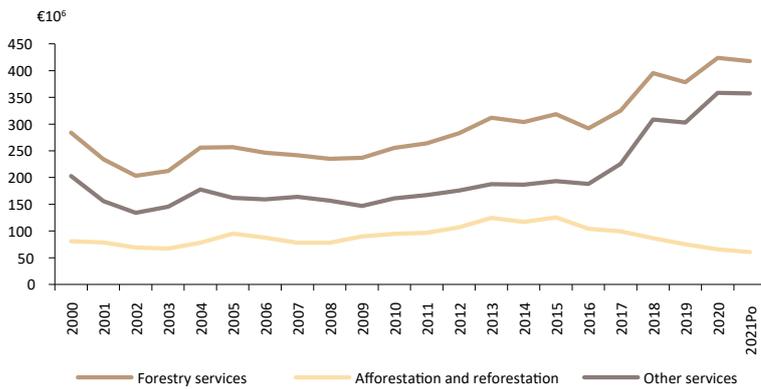
In 2021, contrary to the previous year, the output of *Forestry services (Afforestation and reforestation and Other forestry services)* fell by 2.5% in volume and 1.4% in value.

Afforestation and reforestation have been declining in volume and value since 2015. However, following the major forest fires of 2017, the output of *Other forestry and logging services* has significantly increased.

After two consecutive years of decreases, the total aid paid to forestry (product subsidies, other production subsidies and capital transfers) increased by 7.6% in 2021. Most notably, other production subsidies increased by 39.4%. The amounts allocated to the afforestation of agricultural and non-agricultural land, as compensation for loss of income, contributed to this increase.

Total production aid paid

€10^6

■ **Other subsidies to production** ■ **Product subsidies** ■ **Capital transfers**
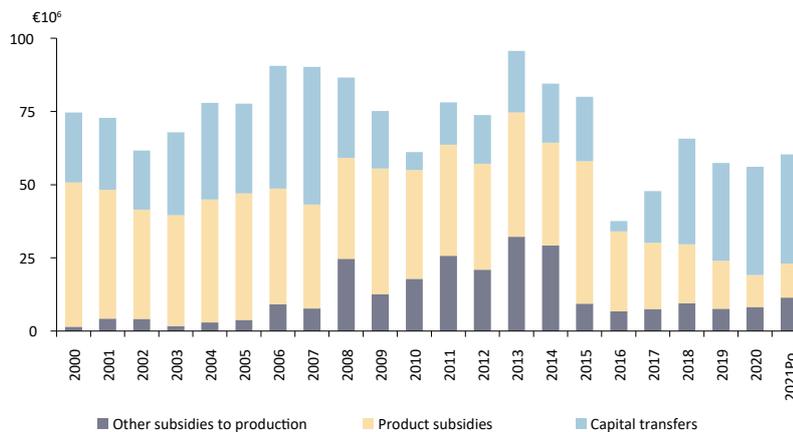
International comparisons

In 2020, Portugal was: [1]

- The 10th EU Member State in terms of forestry and logging's share in the national economy's GVA (0.4%), surpassing countries with Mediterranean characteristics such as Spain (0.1%), Italy (0.1%) or France (0.1%); and

- 5th in the EU in terms of the ratio of forestry and logging GVA to forest area (247 €/ha), a figure well above those recorded in countries where forest area is very important, such as Finland (181 €/ha), Sweden (114 €/ha) or Spain (49 €/ha).

[1] According to the Eurostat database on 6 June 2023.

Forestry GVA/forest area by member state (2020)

€/ha
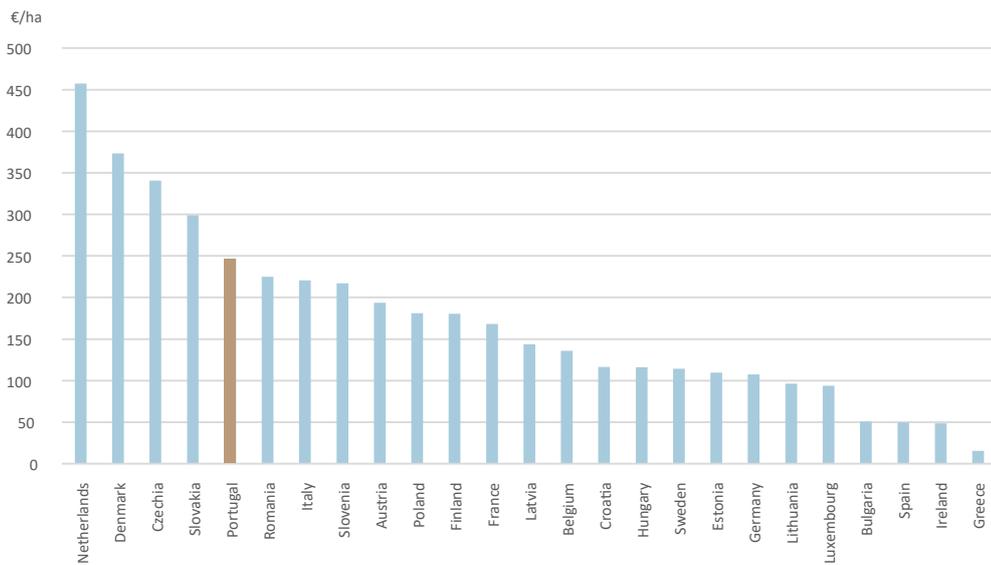
Main forestry products trade balance

In 2018-2022 (the most recent year's data are preliminary), the trade balance for the main forestry products was consecutively in surplus, reaching €2.7 billion in 2021 and €3.3 billion in 2022.

From 2021 to 2022, exports of forestry materials increased by 27.2% and exports of industrial forestry products exports increased by 25.8%. As a result, these products' share of total national exports grew from 8.9% to 9.1%.

However, the trade balance surplus is due to products, given that in 2022 Portugal ran a €435.9 million deficit in terms of materials.

In 2022, cork-based products (stoppers, insulation materials, footwear, decorative items, etc.) gave way to paper and cardboard as the goods group originating the most significant trade surplus (€1,318.5 million).

Balance of trade in the main forestry products

€10⁶

2018   2019   2020   2021   2022Pe
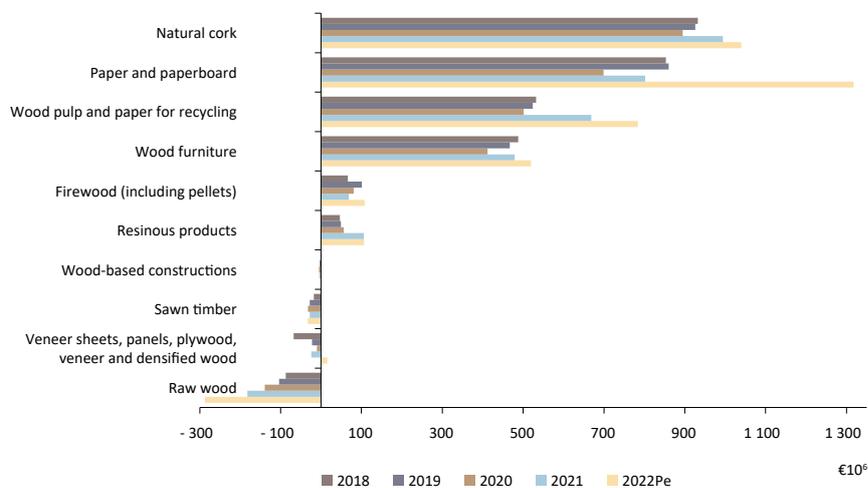
Winter cereals, pastures, and fodder were heavily damaged by another year of severe drought

The 31 May agricultural forecasts, regarding the 2023 campaign, point to the following:

- An agricultural year once again marked by drought affecting 99.9% of mainland Portugal, 35.2% of which is in severe or extreme drought (practically all the territory south of the Tagus);

- One of the worst autumn/winter cereal campaigns, with crops showing thin stands, straw and short ears, and inadequate grain filling;

- Pastures and fodder will also being considerably affected, with fodder availability insufficient to ensure the feeding of many livestock south of the Tagus, with an increase in demand for preserved food in a scenario of scarce supply, with prices doubling compared to 2022;

- The installation of spring/summer crops continues to be carried on normally, with the irrigation campaign assured by 60 hydro-agricultural reservoirs, while five remain with irrigation water use restrictions since last year;

- A 5% increase in the area under rice cultivation due to the completion of work on the canals at the Vale do Sado hydro-agricultural development;

- A 16% increase in tomato production for the industry, as 17,700 hectares have been contracted between the industry and producers;

- The maintenance, compared to 2022, of the area dedicated to maize for irrigated grain;

- A 50 % drop in productivity in cherry orchards, which were severely damaged by adverse weather conditions; and

- Productivity was close to average in peach trees, unaffected by the high temperatures.

Individual storage (% of total capacity) in the main hydro-agricultural reservoirs (31 May 2023)

BACIAS HIDROGRÁFICAS

- Minho
- Âncora, Lima, Neiva e ribeiras costeiras
- Cávado e ribeiras costeiras
- Ave
- Leça e ribeiras costeiras
- Douro
- Vouga e ribeiras costeiras
- Mondego
- Tejo
- Lis e ribeiras costeiras
- Ribeiras do Oeste
- Sado e Ribeiras do Alentejo
- Guadiana
- Mira
- Arade e Ribeiras do Algarve

Reservoir storage labels: Azibo 96%, Aguieira 90%, Idanha 82%, Montargil 90%, Maranhão 87%, Caia 85%, Pego do Altar 80%, Odivelas 60%, Alvito 86%, Alqueva 80%, Campilhas 11%, Roxo 45%, Monte da Rocha 10%, Santa Clara 35%, Bravura 13%, Odeleite 53%

20 km

Productivity of some crops in mainland Portugal, 2020-2023 (kg/ha)

Legend: ■ 2020 ■ 2021 ■ 2022 ■ 2023
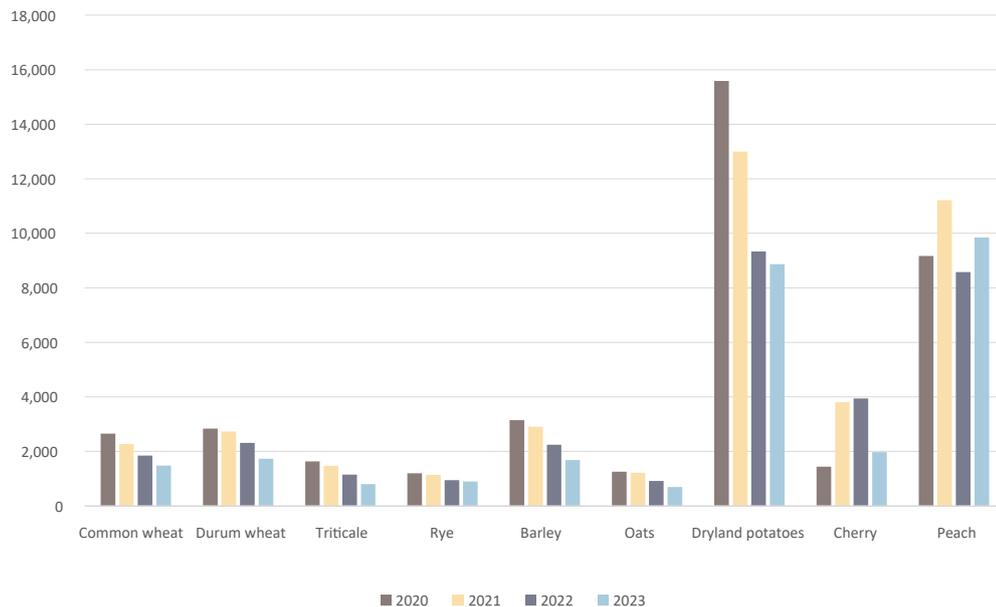
The external balance of the Portuguese improved to 0.4% of the GDP

From Q4 2022 to Q1 2023, the Portuguese economy went from a net borrowing of 0.6% of its Gross Domestic Product (GDP)[1] to a net lending of 0.4%.

Gross National Income (GNI) and Gross Disposable Income (GDI) increased by 2.7% and 2.6%, respectively (2.6% and 2.7% growth in the previous quarter).

The increase in the economy's external balance reflected the reduction in the deficit of Non-Financial Corporations (NFC) and the surplus of General Government (GG), which had recorded a negative balance in the previous quarter.

In what concerns Households:

- Its GDI increased by 1.9% compared to the previous quarter;

   The 2.7% quarter-on-quarter salary growth was essential to this result;

- Final consumption expenditure increased by 2.6% (3.1% in the previous quarter), causing the savings rate to fall to 5.9% (6.5% in the last quarter), which led to a net lending of 0.4% of GDP (0.6% of GDP in the previous quarter); and

- In real terms, adjusted GDI per capita fell by 0.1%.

Regarding Non-Financial Corporations:

- Their balance was -2.0% of GDP, improving 0.7 pp from the previous quarter;

- Gross Value Added rose by 3.3%, which exceeded the growth in salaries paid by 0.1 pp; and

- Gross Capital Formation fell by 0.3%.

The balance of Financial Corporations remained at 1.9% of GDP.

As for Public Administrations (PA):

- Their balance increased by 0.5 pp in the year ending in Q1 2023, going from a borrowing requirement of 0.4% of GDP in Q4 to a net lending of 0.1%;

- Considering quarterly figures and not the year ending in the quarter, the PA balance in Q1 2023 was positive by €761.3 million, corresponding to 1.2% of GDP (-0.6% in the same period of the previous year); and

- Compared with the same period last year, there was a 9.3% increase in revenue and a 4.3% increase in expenditure, mainly reflecting the strong growth in interest payments (year-on-year change of 22.1%).

Net Lending(+) /Borrowing(-) by institutional sector
(in % of GDP, accumulated sum of 4 quarters)
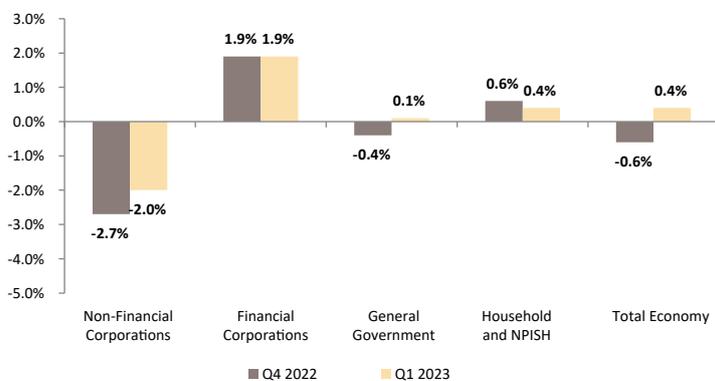
Saving rate of Households and NPISH (%; accumulated sum of 4 quarters)
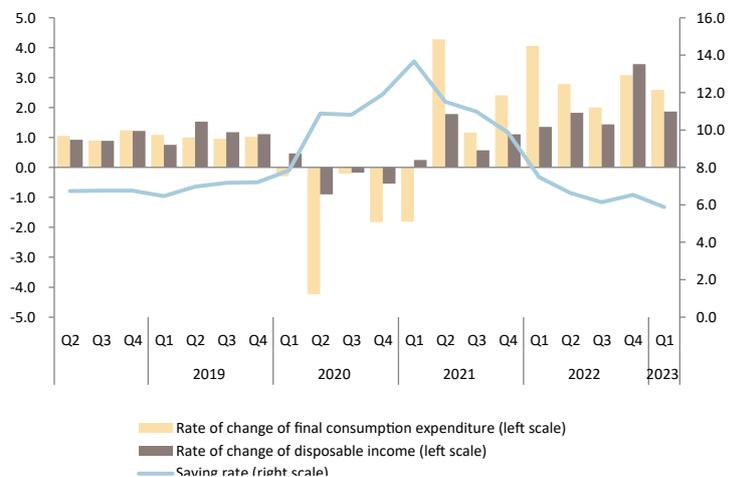
[1] Unless otherwise stated, to eliminate seasonal fluctuations, reduce irregularity, and better capture the trend, the information presented refers to the year ending in the reference quarter. The comparison between consecutive quarters generally uses quarter-on-quarter rates of change between the year ended in the quarter in question and the year ended in the previous quarter.

More information:
Quarterly National Sector Accounts – Q1 2023
23 June 2023