

18th February, 2009

Monthly Economic Survey

Rectified version (Feb 18, 06h00PM)

January 2009

Correction, Page 2, GDP line (Economic Activity), 4th Quarter 2008 value, **-2,1** (instead of -2,2)

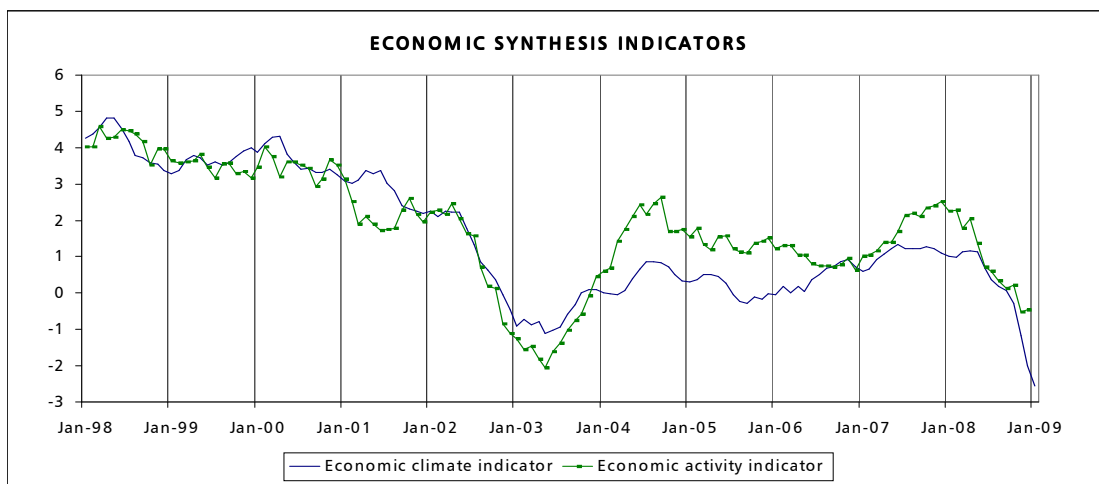
Negative GDP year-on-year growth rate in the 4th quarter reflects significant reductions of investment and exports

The GDP flash estimate published by EUROSTAT for the Euro Area (EA) and the European Union (EU), pointed to year-on-year growth rates of -1.2% and -1.1% in the 4th quarter, 1.8 and 1.9 percentage points (p.p.) less than in the previous quarter, respectively. The GDP of the main customer countries presented a year-on-year growth rate of -1.0% (+0.7% in the 3rd quarter). In January, in the Euro Area (EA), the economic sentiment and the consumer confidence indicators extended the downward movement observed since August 2007.

In Portugal, the GDP flash estimate points to a year-on-year growth rate of -2.1% in the 4th quarter (+0.5% in the previous quarter) mainly due to the strong reduction of investment and exports. From the 3rd to the 4th quarter, the economic climate and the economic activity indicators diminished again. In January, the economic climate indicator recorded the minimum value of the series started in 1989. The private consumption indicator decelerated in the 4th quarter, due to the negative evolution of both components. In the same quarter, the GFCF indicator accentuated its negative evolution, driven by the decline registered in all components, but mainly in construction. On the supply side, the Short Term Indicators information revealed declines in the year-on-year change rates in all sectors from the 3rd to the 4th quarter and in December when compared with the previous month. Concerning the international trade of goods, from the 3rd to the 4th quarter, imports (partially reflecting the evolution of the oil prices, shifting from a strong year-on-year growth rate in the 3rd quarter to a significant year-on-year decrease in the 4th quarter) and exports year-on-year nominal growth rates might have registered pronounced reductions, from 10.9% to -7.6% and from 5.2% to -11.8%, respectively.

In the 4th quarter, the unemployment rate was 7.8%, the same value as in the 4th quarter of 2007. Employment recorded a year-on-year growth rate of -0.2%, 0.1 p.p. less than in the previous quarter.

In January, year-on-year inflation was 0.2%, 0.6 p.p. less than in the previous month, attaining a new minimum value for the series started in 1992. The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP increased 0.2 p.p. in December to 1.0 p.p..



Report based on information available up to February 17, 2009.
Next report will be released on March 18, 2009.

NOTES

With exception of situations duly identified, the values presented in tables and graphs and others that also serve for the analysis are, in the case of quantitative series, year-on-year rates of change (y.r.) under three-month moving average (3-mma) or, in the case of qualitative series, 3-mma of seasonally adjusted values (s.a.) or of effective values (e.v). Annual information correspond to 12-mma, with the exception of variables presented as y.r. on stocks, where the annual value corresponds to the variation of the balance at the end of the year. Annualised variation (a.v.). Weight (w.).

Balances: differences between the percentage of respondents giving positive and negative replies.

		Year 2007	Year 2008	Quarter 4 2007	Quarter 1 2008	Quarter 2 2008	Quarter 3 2008	Quarter 4 2008	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09
International background															
GDP of customer countries	s.a/y.r.	2.9	1.0	2.7	2.5	1.7	0.7	-1.0	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP European Union	s.a/y.r.	2.9	0.9	2.5	2.3	1.7	0.8	-1.1	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP Euro Area	s.a/y.r.	2.6	0.7	2.1	2.1	1.4	0.6	-1.2	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Industrial production index of customer countries	s.a/y.r./3-mma	2.8	-3.4	2.6	1.5	-1.1	-3.5	-10.4	-2.4	-2.8	-3.5	-5.4	-7.7	-10.4	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	111.8	91.8	108.3	103.8	98.8	89.8	74.8	91.7	89.8	88.0	81.1	75.1	68.2	64.9
Economic Sentiment Indicator in EA	ind/s.a.-3mma	109.8	92.4	106.0	102.6	98.7	91.2	77.3	92.2	91.2	90.1	83.1	78.4	70.4	68.9
Order books in industry of customer countries	balance/s.a.-3mma	3.4	-17.2	-0.8	-2.4	-7.8	-18.8	-39.6	-11.6	-14.2	-18.8	-23.4	-31.4	-39.6	-45.2
Consumer confidence indicator in EU	balance/s.a.-3mma	-4.2	-17.2	-6.2	-10.4	-14.0	-19.2	-25.1	-16.7	-18.6	-19.2	-20.2	-21.9	-25.1	-27.6
Unemployment rate in EU	s.a/%	7.1	7.0	6.9	6.8	6.9	7.0	7.3	6.9	7.0	7.1	7.2	7.3	7.4	-
Harmonised index of consumer prices in EA	y.r.	2.1	3.3	2.9	3.4	3.6	3.8	2.3	4.0	3.8	3.6	3.2	2.1	1.6	1.1
Production price index of supplying countries	y.r./3-mma	3.2	5.6	4.6	5.7	6.9	7.8	2.2	7.7	8.0	7.8	6.6	4.6	2.2	-
Crude oil price (Brent)	Euros	52.6	64.9	61.1	64.6	77.8	75.8	41.5	84.2	75.6	67.7	53.7	41.2	29.7	32.8
Crude oil price (Brent)	y.r.	1.4	23.4	32.1	46.6	52.8	39.1	-32.0	50.1	45.6	21.8	-7.2	-34.5	-52.4	-47.6
Economic activity															
GDP	y.r.	1.9	0.0	2.0	0.9	0.6	0.5	-2.1	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Economic climate indicator	balance/3-mma	1.1	0.0	1.1	1.1	0.7	0.1	-2.0	0.4	0.2	0.1	-0.3	-1.2	-2.0	-2.5
Economic activity indicator	3-mma	1.9	0.5	2.5	1.8	0.7	0.1	-0.5	0.6	0.3	0.1	0.2	-0.5	-0.5	-
Total turnover index	y.r./3-mma	4.7	1.1	5.8	3.6	2.9	4.2	-5.8	3.3	3.0	4.2	0.8	-1.8	-5.8	-
Manufacturing industry production index	s.a/y.r./3-mma	3.2	-3.0	2.8	-0.3	-1.7	-1.4	-8.5	-2.9	-0.9	-1.4	-3.2	-5.9	-8.5	-
Production index in construction	s.a/y.r./3-mma	-4.1	-2.6	-0.3	-2.8	-1.9	-1.8	-3.8	-3.6	-3.6	-1.8	-1.5	-1.0	-3.8	-
Retail trade turnover index (real)	y.r./3-mma	-0.1	0.1	-0.3	2.3	-0.1	1.3	-2.5	1.2	0.6	1.3	0.1	-0.3	-2.5	-
Sales of passenger vehicles	y.r./3-mma	3.7	5.6	10.1	11.5	1.9	0.3	9.4	-3.6	-4.7	0.3	1.0	-1.6	9.4	-3.1
Consumption															
Consumer confidence indicator	balance/3-mma	-35.2	-44.8	-39.2	-42.9	-44.8	-43.0	-48.2	-47.2	-45.3	-43.0	-43.1	-45.3	-48.2	-50.0
Quantitative indicator of private consumption	y.r./3-mma	2.0	1.5	2.3	2.2	0.3	2.2	1.1	1.0	1.1	2.2	1.3	1.2	1.1	-
Indicator of non-durable consumer goods	y.r./3-mma	1.6	1.6	1.7	1.7	1.1	2.0	1.4	1.7	1.6	2.0	1.7	1.7	1.4	-
Indicator of durable consumer goods	y.r./3-mma	5.5	0.6	6.5	5.6	-5.2	3.4	-1.4	-3.9	-3.2	3.4	-2.2	-2.8	-1.4	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	5.6	-1.0	4.9	5.9	-13.7	3.8	3.8	-11.5	-9.5	3.8	-5.5	-6.1	3.8	-
Investment															
GFCF indicator		3.5	-4.0	10.8	-2.1	-1.4	-4.1	-8.5	-3.2	-5.2	-4.1	-4.7	-7.0	-8.5	-
Cement sales	y.r./3-mma	2.1	-	12.0	-8.3	-3.0	-6.7	-	-4.2	-6.7	-6.7	-10.7	-11.9	-	-
Sales of steel for concrete	y.r./3-mma	-6.5	-	-2.9	-9.4	-7.0	-34.1	-	-6.3	-26.1	-34.1	-38.6	-19.3	-	-
Credit for purchase of habitation	y.r./stocks	9.8	-	9.8	9.3	8.4	5.6	-	8.9	8.1	5.6	4.9	4.2	-	-
Licenses for construction of new habitations	y.r./3-mma	-8.6	-21.6	-7.0	-11.5	-17.0	-25.2	-34.6	-25.5	-27.4	-25.2	-27.9	-29.5	-34.6	-
Machinery and equipment indicator		4.6	3.0	5.0	4.5	3.0	3.0	1.4	2.8	2.3	3.0	2.7	2.3	1.4	1.0
Sales of light commercial vehicles	y.r./3-mma	6.3	-19.1	-7.9	-18.0	-38.1	5.9	-10.4	-32.9	-32.0	5.9	-5.4	-10.2	-10.4	-20.3
Sales of new heavy commercial vehicles	y.r./3-mma	6.2	-1.7	92.9	19.0	4.6	-3.2	-24.4	2.5	-2.1	-3.2	-4.7	-18.2	-24.4	-32.1
External demand															
External demand indicator in value	s.a/y.r./3-mma	6.4	-	5.7	6.1	3.0	1.6	-	1.3	0.9	1.6	-1.0	-2.5	-	-
External order books	balance/3-mma	-3.6	-23.1	-4.0	-10.3	-12.3	-16.7	-53.0	-12.7	-13.7	-16.7	-27.3	-40.3	-53.0	-61.0
Exports of merchandises in value	y.r./3-mma	8.9	0.6	6.0	4.9	4.2	5.2	-11.8	3.5	3.1	5.2	-1.2	-5.9	-11.8	-
Imports of merchandises in value	y.r./3-mma	7.4	6.6	12.0	13.7	11.0	10.9	-7.6	10.5	10.6	10.9	4.5	-1.5	-7.6	-
Labour market															
Unemployment rate	%	8.0	7.6	7.8	7.6	7.3	7.7	7.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.2	0.5	0.9	1.1	1.4	-0.1	-0.2	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Unemployed registration along the month	s.a/y.r./3-mma	-6.7	11.2	-10.8	0.0	7.2	11.0	27.2	7.4	8.6	11.0	14.6	20.4	27.2	-
Unemployment expectations	balance/3-mma	42.2	50.7	45.3	46.6	47.5	48.1	60.6	49.7	48.9	48.1	49.8	54.5	60.6	-
Vacancies along the month	s.a/y.r./3-mma	13.6	6.0	25.3	1.0	-3.4	11.2	14.0	0.0	5.5	11.2	8.7	11.3	14.0	-
Employment indicator (short-term statistics)	y.r./3-mma	-0.4	0.1	0.4	0.7	0.5	-0.2	-0.8	0.3	0.1	-0.2	-0.3	-0.5	-0.8	-
Average declared wages	s.a/y.r./3-mma	3.5	4.0	3.2	4.0	3.9	4.0	4.1	4.0	4.1	4.0	4.1	4.3	4.1	-
Wage negotiation	a.v./3-mmaq.w.	2.9	3.1	3.2	2.9	3.0	3.0	3.3	3.1	2.9	3.0	2.9	3.4	3.3	-
Prices and exchange rates															
Consumer price index	y.r.	2.5	2.6	2.7	2.9	2.9	3.0	1.5	3.1	3.0	3.1	2.3	1.4	0.8	0.2
Core inflation indicator	y.r.	2.2	2.4	2.3	2.7	2.3	2.4	2.2	2.1	2.5	2.7	2.5	2.2	2.0	1.8
Consumer price index - goods	y.r.	2.2	2.3	2.5	2.6	2.9	3.2	0.7	3.3	3.1	3.2	2.0	0.5	-0.5	-0.8
Consumer price index - services	y.r.	2.9	3.0	3.0	3.5	2.8	2.8	3.0	2.7	2.9	2.9	3.1	2.9	3.0	2.0
Manufacturing industry production price index	y.r./3-mma	2.6	6.2	5.2	7.2	7.8	8.5	1.4	8.7	8.9	8.5	7.0	4.6	1.4	-
Effective exchange rate index for Portugal	y.r.	0.8	1.2	1.3	1.6	1.8	1.4	0.1	1.8	1.5	0.9	-0.1	-0.4	0.8	-
Exchange rate eur/USD	y.r.	9.1	6.9	12.4	14.4	15.9	9.3	-9.2	15.0	9.9	3.4	-6.4	-13.3	-7.7	-10.0
Exchange rate USD/Euro	USD	1.371	1.471	1.449	1.500	1.562	1.504	1.317	1.577	1.498	1.437	1.332	1.273	1.345	1.324
Exchange rate eur/JPY	y.r.	10.4	-6.6	7.9	0.8	0.3	-0.2	-22.9	1.0	2.9	-4.1	-19.1	-24.3	-25.1	-24.5