

19th August, 2009

Monthly Economic Survey July 2009

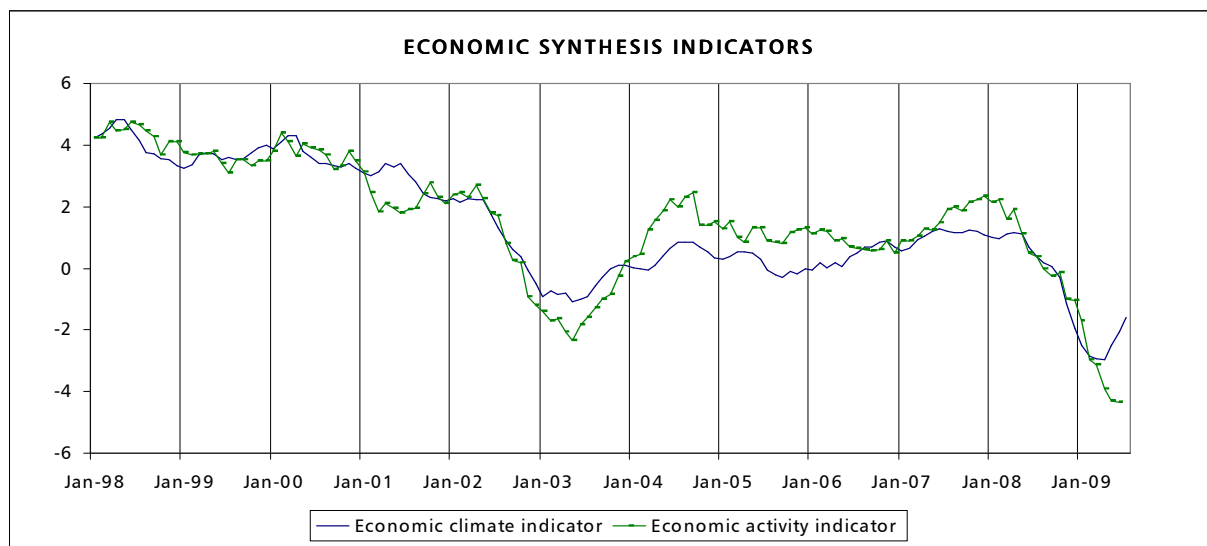
GDP year-on-year change rate slightly less negative in the 2nd quarter of 2009. Employment decreases more intensely.

Accordingly with the EUROSTAT flash estimate, the Euro Area (EA) and the European Union (EU) GDP registered year-on-year change rates of -4.6% and -4.8% in the 2nd quarter of 2009, (-4.9% and -4.7% in the previous quarter, respectively). In July, the economic sentiment and the consumer confidence indicators recovered again.

In Portugal, accordingly with the flash estimate, the GDP reduced 3.7% in the 2nd quarter comparing with the same quarter of 2008 (-3.9% in the previous quarter) due to the contraction of exports, of investment and, in a smaller degree, of private consumption. The economic activity indicator diminished in the 2nd quarter of 2009, while the economic climate indicator recovered, after decreasing in the four previous quarters. The private consumption indicator decreased less intensely in the 2nd quarter of 2009, due to the positive contribution of the non-durable consumption and to the less negative contribution of the durable consumption. In the same quarter, the GFCF indicator was less negative, driven by the evolution registered in all components, but mainly in transport material. Concerning the international trade of goods, imports and exports registered strong negative year-on-year nominal change rates in the 2nd quarter of 2009 (-27.6% and -25.2%, 2.6 p.p. less and 1.5 p.p. more than in the previous quarter, respectively). In July, the economic climate and the consumer confidence indicators recovered again.

In the 2nd quarter of 2009, the unemployment rate was 9.1%, 1.8 p.p. more than in the same quarter of 2008, attaining a new maximum for the series started in 1998. Employment shifted from a -1.8% year-on-year change rate in the 1st quarter of 2009 to -2.9% (the lowest rate of the series started in 1999).

In July, the year-on-year monthly change rate of the Consumer Price Index stood at -1.5%, 0.1 p.p. more than in June. The core inflation index increased 0.5% (0.2 p.p. more than in the previous month). The prices of goods and of services continued to move in opposite directions, the first presenting a change rate of -3.7% in July (0.1 p.p. less than in the previous month) and the latter increasing 2.1% (0.2 p.p. more). The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP was 0.7 p.p in July, diminishing 0.8 p.p. comparing with June.



Report based on information available up to August 18, 2009.
Next report will be released on September 17, 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 2 2008	Quarter 3 2008	Quarter 4 2008	Quarter 1 2009	Quarter 2 2009	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
International background															
GDP of customer countries	s.a.y.r.	2.9	0.9	1.7	0.6	-1.3	-4.1	-4.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a.y.r.	2.9	0.9	1.7	0.7	-1.6	-4.7	-4.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a.y.r.	2.7	0.7	1.5	0.5	-1.7	-4.9	-4.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industrial production index of customer countries	s.a.y.r./3-mma	2.7	-3.7	-1.4	-4.0	-10.9	-17.8	-	-13.6	-16.0	-17.8	-18.8	-18.5	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	111.2	90.7	98.0	88.7	73.1	61.5	67.7	63.2	60.8	60.4	64.0	67.9	71.1	75.0
Economic Sentiment Indicator in EA	ind/s.a.-3mma	108.9	91.2	97.7	89.9	75.6	65.7	70.2	67.2	65.3	64.6	67.3	70.2	73.2	76.0
Order books in industry of customer countries	balance/s.a.-3mma	3.4	-17.2	-7.8	-18.8	-39.6	-53.4	-56.3	-45.3	-50.4	-53.4	-56.4	-56.7	-56.3	-56.2
Consumer confidence indicator in EU	balance/s.a.-3mma	-4.2	-17.4	-13.6	-19.3	-26.3	-31.4	-25.5	-28.6	-30.6	-31.4	-30.5	-28.5	-25.5	-23.2
Unemployment rate in EU	s.a./%	7.1	7.0	6.8	7.0	7.5	8.3	8.8	8.0	8.3	8.5	8.7	8.8	8.9	-
Harmonised index of consumer prices in EA	y.r.	2.1	3.3	3.6	3.8	2.3	1.0	0.2	1.1	1.2	0.6	0.6	0.0	-0.1	-0.7
Production price index of supplying countries	y.r./3-mma	3.2	5.5	7.1	7.7	1.2	-3.8	-6.4	-1.1	-2.6	-3.8	-4.7	-5.7	-6.4	-
Crude oil price (Brent)	Euros	52.6	64.9	77.8	75.8	41.5	34.1	43.0	32.8	33.9	35.7	38.0	42.0	49.0	45.7
Crude oil price (Brent)	y.r.	1.4	23.4	52.8	39.1	-32.0	-47.2	-44.7	-47.6	-47.4	-46.6	-45.1	-46.8	-42.5	-45.6
Economic activity															
GDP	y.r.	1.9	0.0	0.7	0.3	-2.0	-3.9	-3.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	1.1	0.0	0.7	0.1	-1.9	-2.9	-2.0	-2.5	-2.9	-2.9	-3.0	-2.5	-2.0	-1.6
Economic activity indicator	3-mma	1.7	0.2	0.5	-0.3	-1.0	-3.1	-4.3	-1.7	-3.0	-3.1	-3.9	-4.3	-4.3	-
Total turnover index	y.r./3-mma	4.0	1.0	3.2	3.8	-6.7	-15.6	-15.8	-10.9	-13.8	-15.6	-15.7	-15.3	-15.8	-
Manufacturing industry production index	s.a.y.r./3-mma	1.1	-4.0	-2.9	-3.6	-8.3	-16.1	-11.7	-11.8	-16.2	-16.1	-14.6	-11.5	-11.7	-
Production index in construction	s.a.y.r./3-mma	-3.8	-1.4	-1.2	-1.0	-2.4	-4.1	-3.6	-4.2	-5.5	-4.1	-3.3	-2.0	-3.6	-
Retail trade turnover index (real)	y.r./3-mma	0.3	0.2	-0.1	0.3	-1.7	-4.6	-0.8	-2.2	-4.0	-4.6	-4.0	-3.0	-0.8	-
Sales of passenger vehicles	y.r./3-mma	3.7	5.6	1.9	0.3	9.4	-42.4	-30.1	-3.1	-17.1	-42.4	-39.6	-36.7	-30.1	-25.6
Consumption															
Consumer confidence indicator	balance/3-mma	-29.2	-38.4	-37.5	-36.5	-42.7	-51.0	-43.5	-46.1	-50.0	-51.0	-49.5	-46.2	-43.5	-39.3
Quantitative indicator of private consumption	y.r./3-mma	2.2	1.7	0.7	2.4	1.2	-1.7	-0.6	0.7	-0.3	-1.7	-1.6	-1.1	-0.6	-
Indicator of non-durable consumer goods	y.r./3-mma	1.8	1.8	1.5	2.2	1.7	1.1	1.7	1.7	1.3	1.1	1.1	1.4	1.7	-
Indicator of durable consumer goods	y.r./3-mma	5.4	0.4	-5.0	3.2	-2.0	-22.2	-17.6	-7.0	-12.3	-22.2	-21.4	-19.3	-17.6	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	5.6	-0.7	-13.8	4.6	4.3	-35.2	-30.5	-6.0	-15.9	-35.2	-35.0	-32.9	-30.5	-
Investment															
GFCF indicator		4.2	-3.4	-1.0	-3.6	-8.0	-17.6	-16.6	-12.7	-14.3	-17.6	-16.3	-16.0	-16.6	-
Cement sales	y.r./3-mma	2.1	-7.9	-2.7	-6.3	-14.5	-13.2	-	-19.0	-17.4	-13.2	-8.0	-8.4	-	-
Sales of steel for concrete	y.r./3-mma	-6.5	-16.2	-6.7	-33.7	-18.0	-29.8	-	-24.0	-36.7	-29.8	-21.2	-	-	-
Credit for purchase of habitation	y.r./stocks	9.8	3.9	8.4	5.6	3.9	2.4	-	3.2	2.8	2.4	1.9	-	-	-
Licenses for construction of new habitations	y.r./3-mma	-8.6	-21.3	-17.0	-24.9	-33.3	-41.0	-34.2	-39.3	-42.6	-41.0	-37.7	-33.4	-34.2	-
Machinery and equipment indicator		6.2	3.3	3.4	3.4	0.3	-3.7	-3.4	-0.5	-2.4	-3.7	-3.7	-3.1	-3.4	-3.4
Sales of light commercial vehicles	y.r./3-mma	6.3	-19.1	-38.1	5.9	-10.4	-40.5	-36.6	-20.3	-26.8	-40.5	-36.4	-37.6	-36.6	-37.2
Sales of new heavy commercial vehicles	y.r./3-mma	6.2	-1.7	4.6	-3.2	-24.4	-38.3	-48.3	-32.1	-28.7	-38.3	-48.4	-46.2	-48.3	-39.0
External demand															
External demand indicator in value	s.a.y.r./3-mma	6.4	-0.1	3.4	1.3	-10.8	-23.8	-	-17.3	-21.1	-23.8	-24.8	-26.5	-	-
External order books	balance/3-mma	-3.6	-23.1	-12.3	-16.7	-53.0	-66.0	-66.0	-61.0	-65.3	-66.0	-68.0	-66.0	-66.0	-62.0
Exports of merchandises in value	y.r./3-mma	8.9	1.0	4.5	5.3	-11.1	-26.7	-25.2	-19.2	-24.8	-26.7	-26.7	-25.0	-25.2	-
Imports of merchandises in value	y.r./3-mma	7.4	7.2	11.4	11.3	-6.4	-25.0	-27.6	-14.9	-22.1	-25.0	-27.2	-26.8	-27.6	-
Labour market															
Unemployment rate	%	8.0	7.6	7.3	7.7	7.8	8.9	9.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.2	0.5	1.4	-0.1	-0.2	-1.8	-2.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployed registration along the month	s.a.y.r./3-mma	-6.7	11.2	7.2	11.0	27.2	35.7	26.5	31.1	34.3	35.7	36.7	32.4	26.5	21.2
Unemployment expectations	balance/3-mma	43.2	50.6	48.1	45.5	61.1	79.8	70.0	68.9	76.1	79.8	78.4	73.8	70.0	64.1
Vacancies along the month	s.a.y.r./3-mma	13.6	6.0	-3.4	11.2	14.0	-16.1	7.4	8.1	-5.9	-16.1	-14.9	-1.4	7.4	14.1
Employment indicator (short-term statistics)	y.r./3-mma	-1.1	0.0	0.4	0.0	-0.8	-3.1	-4.2	-1.5	-2.3	-3.1	-3.7	-4.0	-4.2	-
Average declared wages	s.a.y.r./3-mma	3.5	4.0	3.9	4.1	4.3	3.6	3.8	4.3	4.2	3.8	3.6	3.5	3.5	3.8
Wage negotiation	av/3-mma/w.	2.9	3.1	3.0	3.0	3.3	2.6	3.1	3.3	2.9	2.6	2.4	2.7	3.1	-
Prices and exchange rates															
Consumer price index	y.r.	2.5	2.6	2.9	3.0	1.5	0.0	-1.1	0.2	0.2	-0.4	-0.5	-1.2	-1.6	-1.5
Core inflation indicator	y.r.	2.2	2.4	2.3	2.4	2.2	1.4	0.6	1.8	1.4	0.9	0.9	0.5	0.3	0.5
Consumer price index - goods	y.r.	2.2	2.3	2.9	3.2	0.7	-1.1	-2.8	-0.8	-0.8	-1.7	-2.0	-2.9	-3.6	-3.7
Consumer price index - services	y.r.	2.9	3.0	2.8	2.8	3.0	1.8	1.9	2.0	1.9	1.7	1.9	1.8	1.9	2.1
Manufacturing industry production price index	y.r./3-mma	2.7	5.9	7.0	8.7	1.1	-5.1	-7.3	-2.1	-3.9	-5.1	-5.9	-6.7	-7.3	-
Effective exchange rate index for Portugal	y.r.	0.8	1.2	1.8	1.4	0.1	0.4	0.0	0.6	0.2	0.4	-0.2	0.0	0.0	-
Exchange rate eur/USD	y.r.	9.1	6.9	15.9	9.3	-9.2	-13.1	-12.9	-10.0	-13.3	-16.0	-16.3	-12.3	-9.9	-10.7
Exchange rate USD/Euro	USD	1.471	1.471	1.562	1.504	1.317	1.302	1.362	1.324	1.279	1.305	1.319	1.365	1.402	1.409
Exchange rate eur/JPY	y.r.	10.4	-6.6	0.3	-0.2	-22.9	-22.8	-18.9	-24.5	-25.1	-18.5	-19.4	-18.8	-18.6	-21.0