

18th November, 2009

Monthly Economic Survey October 2009

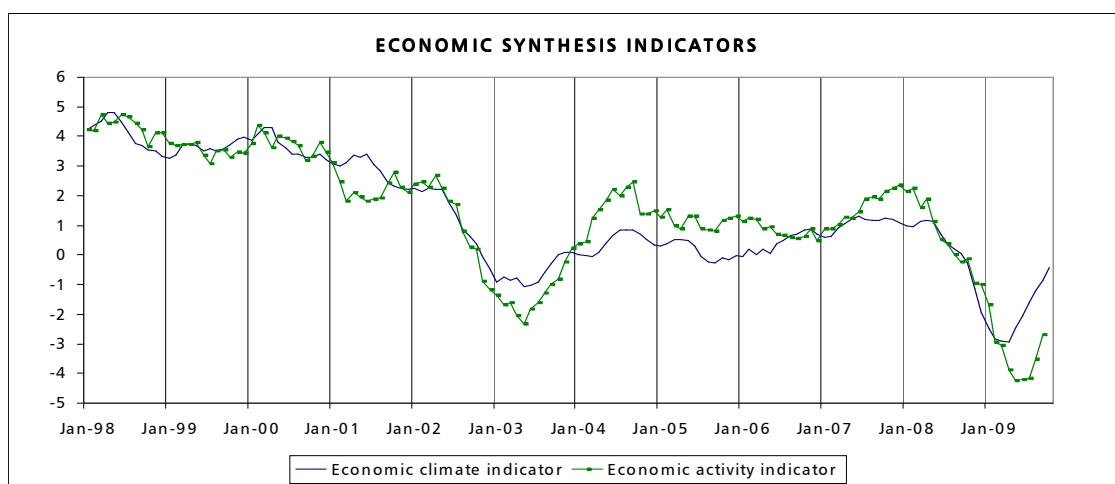
GDP year-on-year change rate less negative in the 3rd quarter of 2009. Investment and Exports present less intense year-on-year reductions.

Accordingly with the EUROSTAT flash estimate, the Euro Area (EA) and the European Union (EU27) GDP registered year-on-year change rates of -4.1% and -4.3% in the 3rd quarter of 2009 (-4.8% and -4.9% in the 2nd quarter, respectively). In October, the economic sentiment and the consumer confidence indicators maintained the upward movement observed in the last months in the EA and in the EU27.

In Portugal, accordingly with the flash estimate, the GDP recorded a year-on-year change rate of -2.4% in the 3rd quarter (-3.7% in the 2nd quarter). The less negative behaviour observed in the 3rd quarter was mainly due to an increase of the domestic demand contribution, reflecting a less intense year-on-year reduction of Investment, while the net external demand contribution remained positive and close to the observed in the previous quarter. The economic activity indicator increased significantly in the 3rd quarter of 2009, interrupting the strong downward movement started in the 1st quarter of 2008. The private consumption indicator presented a slightly less intense decrease in the 3rd quarter of 2009, due to the less negative contribution of the durable consumption, while the non-durable consumption decelerated. In the same quarter, the GFCF indicator also decreased less intensely, reflecting the less negative evolution registered in all components, but mainly in transport material. Concerning the international trade of goods, in the 3rd quarter of 2009 imports and exports recorded less negative year-on-year nominal change rates than in the two previous quarters, although still significant (changing from -25.8% to -20.4% in the first case and from -24.4% to -17.5% in the second, from the 2nd to the 3rd quarter). Meanwhile, the economic climate indicator recovered in the last two quarters, after decreasing in the four previous, increasing again in October.

In the 3rd quarter of 2009, the unemployment rate was 9.8%, 2.1 p.p. more than in the same quarter of 2008, attaining a new maximum for the series started in 1998. Employment shifted from a -2.9% year-on-year change rate in the 2nd quarter of 2009 to -3.4% in the 3rd (the lowest rate of the series started in 1999).

In October, the year-on-year change rate of the Consumer Price Index was -1.5% (-1.6% in September and June, and the minimum change rate of the series started in 1992). The core inflation index registered a change rate of -0.4% (in the previous month this indicator presented the first negative rate of the series, -0.2%). In October, the prices of goods and of services maintained the different behaviours observed in the previous months, with the first recording a year-on-year change rate of -3.1% and the second a year-on-year growth of 1.2% (-3.5% and 1.4% in September, respectively). The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP was 1.5 p.p in October, the same value as in September.



Report based on information available up to November 17, 2009.
Next report will be released on December 21, 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 3 2008	Quarter 4 2008	Quarter 1 2009	Quarter 2 2009	Quarter 3 2009	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09
International background															
GDP of customer countries	s.a.y.r.	2.9	0.7	0.5	-1.5	-4.2	-4.5	-3.8	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	0.7	-1.7	-4.8	-4.9	-4.3	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	0.5	-1.8	-4.9	-4.8	-4.1	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	2.8	-3.6	-4.0	-11.1	-18.2	-17.2	-	-19.0	-18.4	-17.2	-16.0	-15.0	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	111.2	90.7	88.7	73.1	61.5	67.7	79.5	64.0	67.9	71.1	75.0	81.0	82.6	86.0
Economic Sentiment Indicator in EA	ind/s.a.-3mma	108.9	91.2	89.9	75.6	65.7	70.2	79.9	67.3	70.2	73.2	76.0	80.8	82.8	86.2
Order books in industry of customer countries	balance/s.a.-3mma	3.4	-17.2	-18.8	-39.6	-53.4	-56.3	-52.9	-56.4	-56.7	-56.3	-56.3	-55.1	-52.9	-49.4
Consumer confidence indicator in EU	balance/s.a.-3mma	-4.2	-17.4	-19.3	-26.3	-31.4	-25.5	-19.2	-30.5	-28.5	-25.5	-23.2	-21.2	-19.2	-17.4
Unemployment rate in EU	s.a.%	7.1	7.0	7.0	7.5	8.2	8.8	9.1	8.7	8.8	8.9	9.0	9.1	9.2	-
Harmonised index of consumer prices in EA	y.r.	2.1	3.3	3.8	2.3	1.0	0.2	-0.4	0.6	0.0	-0.1	-0.7	-0.2	-0.3	-0.1
Production price index of supplying countries	y.r./3-mma	3.3	5.6	7.8	1.1	-4.1	-6.7	-7.3	-5.0	-6.0	-6.7	-7.5	-7.5	-7.3	-
Crude oil price (Brent)	Euros	52.6	64.9	75.8	41.5	34.1	43.0	47.7	38.0	42.0	49.0	45.7	50.8	46.5	49.1
Crude oil price (Brent)	y.r.	1.4	23.4	39.1	-32.0	-47.2	-44.7	-37.1	-45.1	-46.8	-42.5	-45.6	-32.8	-31.3	-8.6
Economic activity															
GDP	y.r.	1.9	0.0	0.4	-1.9	-4.0	-3.7	-2.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	1.1	0.0	0.1	-1.9	-2.9	-2.0	-0.8	-3.0	-2.5	-2.0	-1.6	-1.2	-0.8	-0.4
Economic activity indicator	3-mma	1.7	0.2	-0.2	-1.0	-3.1	-4.2	-2.7	-3.9	-4.2	-4.2	-4.2	-3.5	-2.7	-
Total turnover index	y.r./3-mma	4.0	1.0	3.8	-6.7	-15.6	-15.9	-11.9	-15.7	-15.4	-15.9	-15.4	-13.2	-11.9	-
Manufacturing industry production index	s.a.y.r./3-mma	1.1	-4.0	-3.6	-8.3	-16.1	-11.8	-7.1	-14.6	-11.5	-11.8	-10.7	-8.9	-7.1	-
Production index in construction	s.a.y.r./3-mma	-3.8	-1.4	-1.0	-2.4	-4.1	-3.4	-5.0	-3.3	-2.0	-3.4	-4.3	-4.7	-5.0	-
Retail trade turnover index (real)	y.r./3-mma	0.3	0.2	0.3	-1.7	-4.6	-1.2	-1.2	-4.0	-3.4	-1.2	-1.5	-0.8	-1.2	-
Sales of passenger vehicles	y.r./3-mma	3.7	5.6	0.3	9.4	-42.4	-30.1	-16.6	-39.6	-36.7	-30.1	-25.6	-20.3	-16.6	-7.4
Consumption															
Consumer confidence indicator	balance/3-mma	-29.2	-38.4	-36.5	-42.7	-51.0	-43.5	-29.5	-49.5	-46.2	-43.5	-39.3	-34.3	-29.5	-27.0
Quantitative indicator of private consumption	y.r./3-mma	2.2	1.7	2.4	1.2	-1.7	-0.5	-0.1	-1.6	-1.1	-0.5	-0.4	-0.1	-0.1	-
Indicator of non-durable consumer goods	y.r./3-mma	1.8	1.8	2.2	1.7	1.1	1.8	1.3	1.1	1.4	1.8	1.7	1.6	1.3	-
Indicator of durable consumer goods	y.r./3-mma	5.4	0.4	3.3	-2.0	-22.2	-17.4	-10.6	-21.4	-19.4	-17.4	-15.3	-12.6	-10.6	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	5.6	-0.7	4.7	4.3	-35.2	-30.5	-22.2	-35.0	-33.0	-30.5	-26.8	-24.6	-22.2	-
Investment															
GFCF indicator		4.2	-3.5	-3.6	-8.0	-17.9	-16.1	-9.3	-17.0	-16.2	-16.1	-14.3	-11.7	-9.3	-
Cement sales	y.r./3-mma	2.1	-7.9	-6.3	-14.5	-14.0	-12.1	-	-9.7	-8.8	-12.1	-11.2	-8.1	-	-
Sales of steel for concrete	y.r./3-mma	-6.5	-16.2	-33.7	-18.0	-29.8	-27.0	-	-21.7	-22.4	-27.0	-29.2	-4.1	-	-
Credit for purchase of habitation	y.r./stocks	9.8	3.9	5.6	3.9	2.4	1.5	-	1.9	1.6	1.5	1.3	1.2	-	-
Licenses for construction of new habitations	y.r./3-mma	-8.6	-21.3	-24.9	-33.3	-40.7	-33.0	-25.6	-37.3	-32.8	-33.0	-29.2	-26.4	-25.6	-
Machinery and equipment indicator		6.2	3.3	3.4	0.3	-3.7	-3.4	-0.8	-3.7	-3.1	-3.4	-3.4	-2.7	-0.8	0.5
Sales of light commercial vehicles	y.r./3-mma	6.3	-19.1	5.9	-10.4	-40.5	-36.6	-25.2	-36.4	-37.6	-36.6	-37.2	-32.0	-25.2	-18.9
Sales of new heavy commercial vehicles	y.r./3-mma	6.2	-1.7	-3.2	-24.4	-38.3	-48.3	-26.2	-48.4	-46.2	-48.3	-39.0	-42.7	-26.2	-35.3
External demand															
External demand indicator in value	s.a.y.r./3-mma	6.4	-0.1	1.2	-10.7	-24.0	-26.8	-	-24.8	-26.2	-26.8	-26.1	-25.4	-	-
External order books	balance/3-mma	-3.6	-23.1	-16.7	-53.0	-66.0	-66.0	-47.7	-68.0	-66.0	-66.0	-62.0	-56.3	-47.7	-36.3
Exports of merchandises in value	y.r./3-mma	8.9	1.0	5.3	-11.1	-26.2	-24.4	-17.5	-26.2	-24.3	-24.4	-22.0	-19.7	-17.5	-
Imports of merchandises in value	y.r./3-mma	7.4	7.2	11.3	-6.4	-23.5	-25.8	-20.4	-25.7	-25.1	-25.8	-23.5	-21.4	-20.4	-
Labour market															
Unemployment rate	%	8.0	7.6	7.7	7.8	8.9	9.1	9.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.2	0.5	-0.1	-0.2	-1.8	-2.9	-3.4	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	11.1	11.7	27.0	35.2	26.2	16.2	36.0	32.0	26.2	21.3	18.8	16.2	-
Unemployment expectations	balance/3-mma	43.2	50.6	45.5	61.1	79.8	70.0	52.5	78.4	73.8	70.0	64.1	57.7	52.5	50.3
Vacancies along the month	s.a.y.r./3-mma	13.5	5.8	11.4	12.8	-15.2	7.7	3.9	-14.2	-1.4	7.7	13.4	8.2	3.9	-
Employment indicator (short-term statistics)	y.r./3-mma	-1.1	0.0	0.0	-0.8	-3.1	-4.2	-4.2	-3.7	-4.0	-4.2	-4.2	-4.2	-4.2	-
Average declared wages	s.a.y.r./3-mma	3.5	4.0	4.0	4.2	3.6	4.0	3.2	3.7	3.6	4.0	3.8	3.6	3.2	-
Wage negotiation	a.v./3-mmaq.w.	2.9	3.1	3.0	3.3	2.6	3.9	2.5	2.4	2.7	3.9	3.8	3.7	2.5	2.4
Prices and exchange rates															
Consumer price index	y.r.	2.5	2.6	3.0	1.5	0.0	-1.1	-1.5	-0.5	-1.2	-1.6	-1.5	-1.3	-1.6	-1.5
Core inflation indicator	y.r.	2.2	2.4	2.4	2.2	1.4	0.6	0.2	0.9	0.5	0.3	0.5	0.2	-0.2	-0.4
Consumer price index - goods	y.r.	2.2	2.3	3.2	0.7	-1.1	-2.8	-3.5	-2.0	-2.9	-3.6	-3.7	-3.3	-3.5	-3.1
Consumer price index - services	y.r.	2.9	3.0	2.8	3.0	1.8	1.9	1.8	1.9	1.8	1.9	2.1	1.9	1.4	1.2
Manufacturing industry production price index	y.r./3-mma	2.7	4.7	7.1	-0.1	-4.6	-7.0	-7.9	-5.4	-6.3	-7.0	-8.0	-8.1	-7.9	-
Effective exchange rate index for Portugal	y.r.	0.8	1.2	1.4	0.1	0.4	0.0	-	-0.2	0.0	0.0	-0.1	0.3	0.9	-
Exchange rate eur/USD	y.r.	9.1	6.9	9.3	-9.2	-13.1	-12.9	-4.7	-16.3	-12.3	-9.9	-10.7	-4.7	1.3	11.2
Exchange rate USD/euro	USD	1.371	1.471	1.504	1.317	1.302	1.362	1.431	1.319	1.365	1.402	1.409	1.427	1.456	1.482
Exchange rate eur/JPY	y.r.	10.4	-6.6	-0.2	-22.9	-22.8	-18.9	-17.1	-19.4	-18.8	-18.6	-21.0	-17.3	-13.1	0.3