

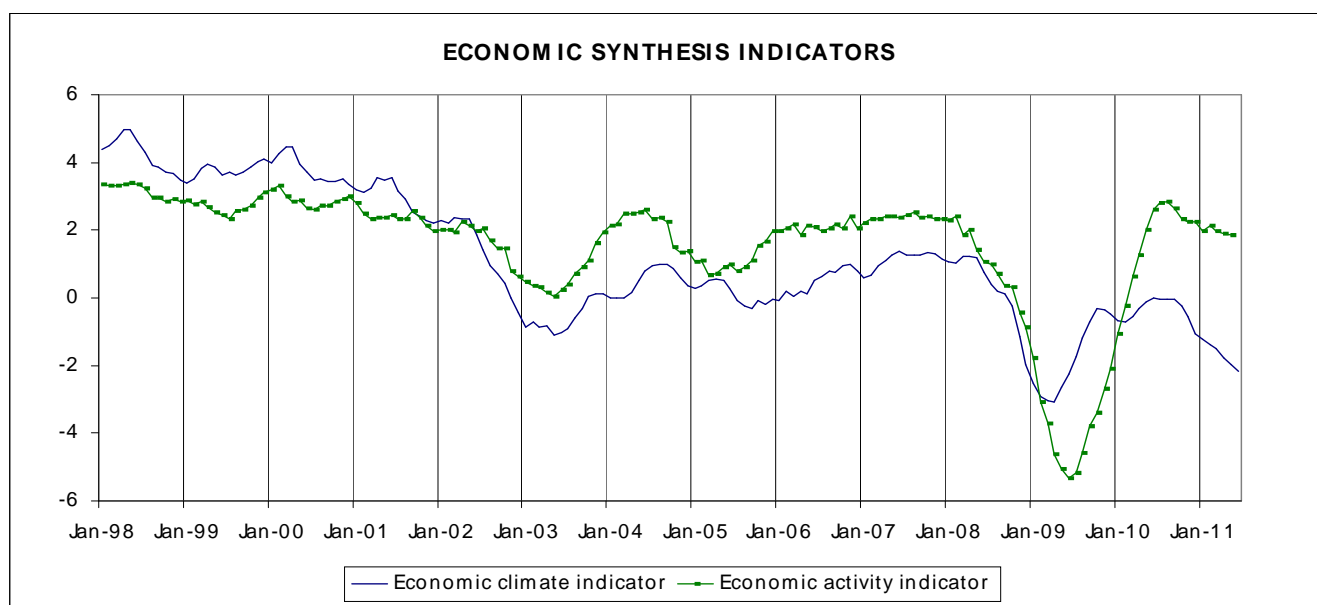
Monthly Economic Survey  
June 2011

**Domestic demand declines, mostly due to investment. In May, imports and exports of goods continue to record strong year-on-year nominal growth rates.**

In June, the economic sentiment indicator diminished and the consumer confidence indicator slightly increased in the Euro Area (EA) and in the European Union (EU27). Raw materials and oil prices continued to register strong year-on-year growth rates in June, although decelerating when compared to May.

In Portugal, the economic climate indicator maintained in June the downward movement started in July 2010. The economic activity indicator, information available until May, has stabilized, suspending the descending path observed since September. In May, the private consumption indicator decreased, reflecting the negative contribution of both components, durable and non-durable consumption. The Gross Fixed Capital Formation (GFCF) indicator presented a stronger reduction in May, due to the negative evolution of all components, but mainly that of construction. Concerning the international trade of goods, imports and exports in May continued to register significant year-on-year nominal growth rates, of 10.8% and 16.4% (9.2% and 16.5% in April), respectively.

In June, the year-on-year change rate of the Consumer Price Index (CPI) was 3.4% (3.8% in May). Excluding energy and unprocessed food products, the year-on-year change rate was 2.3% (2.5% in the previous month). The prices of the goods and of the services components presented year-on-year growth rates of 3.9% and 2.6% in June (4.6% and 2.8% in May), respectively. The differential between the change rate of the Portuguese Harmonized Index of Consumer Prices (HICP) and of the EA HICP diminished 0.4 p.p. in June, to 0.6 p.p..



**Report based on information available up to July 18, 2011.**  
**Next report will be released on August 18, 2011.**

**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<br>2009 | Year<br>2010 | Quarter<br>2 2010 | Quarter<br>3 2010 | Quarter<br>4 2010 | Quarter<br>1 2011 | Quarter<br>2 2011 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 |
|---|-------------------|--------------|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|
| <b>International background</b>                   |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| GDP of customer countries                         | s.a.y.r.          | -3.7         | 1.1          | 1.3               | 1.5               | 1.6               | 2.1               | -                 | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   |
| GDP European Union                                | s.a.y.r.          | -4.2         | 1.8          | 2.0               | 2.2               | 2.1               | 2.5               | -                 | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   |
| GDP Euro Area                                     | s.a.y.r.          | -4.1         | 1.7          | 2.0               | 2.0               | 1.9               | 2.5               | -                 | 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   | -14.3        | 5.1          | 6.8               | 4.9               | 5.3               | 5.3               | -                 | 5.3    | 5.7    | 5.9    | 5.3    | 4.4    | -      | -      |
| Economic Sentiment Indicator in EU                | ind/s.a.-3mma     | 79.6         | 101.7        | 100.4             | 103.0             | 105.3             | 106.9             | 105.0             | 105.3  | 105.9  | 106.5  | 106.9  | 106.6  | 106.0  | 105.0  |
| Economic Sentiment Indicator in EA                | ind/s.a.-3mma     | 80.7         | 100.9        | 99.2              | 102.3             | 105.7             | 107.4             | 105.6             | 105.7  | 106.5  | 107.3  | 107.4  | 107.1  | 106.3  | 105.6  |
| Order books in industry of customer countries     | balance/s.a.-3mma | -54.0        | -26.4        | -29.0             | -22.0             | -14.2             | -7.3              | -7.2              | -14.2  | -11.5  | -8.4   | -7.3   | -6.3   | -7.0   | -7.2   |
| Consumer confidence indicator in EU               | balance/s.a.-3mma | -22.8        | -12.8        | -14.0             | -12.2             | -11.5             | -12.6             | -11.9             | -11.5  | -11.9  | -12.4  | -12.6  | -13.0  | -12.5  | -11.9  |
| Unemployment rate in EU                           | s.a/%             | 9.0          | 9.7          | 9.7               | 9.7               | 9.6               | 9.4               | -                 | 9.6    | 9.5    | 9.4    | 9.4    | 9.3    | 9.3    | -      |
| Harmonised index of consumer prices in EA         | y.r.              | 0.3          | 1.6          | 1.6               | 1.7               | 2.0               | 2.5               | 2.8               | 2.2    | 2.3    | 2.4    | 2.7    | 2.8    | 2.7    | 2.7    |
| Production price index of supplying countries     | y.r./3-mma        | -5.2         | 3.7          | 4.2               | 3.8               | 4.7               | 6.6               | -                 | 4.7    | 5.3    | 6.1    | 6.6    | 6.9    | 6.6    | -      |
| Crude oil price (Brent)                           | Euros             | 43.9         | 60.3         | 61.7              | 60.1              | 64.2              | 76.5              | 81.5              | 69.6   | 73.1   | 75.1   | 81.4   | 85.3   | 80.1   | 79.1   |
| Crude oil price (Brent)                           | y.r.              | -33.2        | 37.4         | 43.1              | 26.1              | 27.2              | 38.8              | 32.3              | 36.9   | 36.7   | 39.7   | 39.8   | 35.1   | 32.7   | 28.9   |
| <b>Economic activity</b>                          |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| GDP   | y.r.              | -2.5         | 1.3          | 1.4               | 1.2               | 1.0               | -0.6              | -                 | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   |
| Economic climate indicator                        | balance/3-mma     | -1.6         | -0.4         | 0.0               | 0.0               | -1.1              | -1.5              | -2.2              | -1.1   | -1.2   | -1.4   | -1.5   | -1.8   | -2.0   | -2.2   |
| Economic activity indicator                       | 3-mma             | -3.7         | 2.0          | 2.6               | 2.7               | 2.2               | 2.0               | -                 | 2.2    | 2.0    | 2.1    | 2.0    | 1.9    | 1.9    | -      |
| Total turnover index                              | y.r./3-mma        | -12.6        | 4.4          | 6.3               | 3.3               | 3.9               | 0.4               | -                 | 3.9    | 4.1    | 3.4    | 0.4    | -0.1   | -1.1   | -      |
| Manufacturing industry production index           | s.a./y.r./3-mma   | -9.9         | 2.0          | 2.7               | -0.2              | 0.7               | 0.5               | -                 | 0.7    | 1.8    | 2.2    | 0.5    | 0.7    | 0.0    | -      |
| Production index in construction                  | s.a./y.r./3-mma   | -6.6         | -8.4         | -7.7              | -8.2              | -9.5              | -6.9              | -                 | -9.5   | -7.4   | -5.2   | -6.9   | -8.9   | -10.4  | -      |
| Retail trade turnover index (real)                | y.r./3-mma        | -2.1         | -0.2         | 0.6               | -0.3              | -1.7              | -6.2              | -                 | -1.7   | -3.4   | -3.2   | -6.2   | -5.5   | -6.9   | -      |
| Sales of passenger vehicles                       | y.r./3-mma        | -24.5        | 38.8         | 48.6              | 16.0              | 29.1              | -15.3             | -24.6             | 29.1   | 26.2   | 15.8   | -15.3  | -15.6  | -18.9  | -24.6  |
| <b>Consumption</b>                                |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Consumer confidence indicator                     | balance/3-mma     | -38.5        | -40.8        | -40.1             | -37.4             | -50.2             | -48.4             | -50.7             | -50.2  | -50.6  | -49.1  | -48.4  | -49.5  | -50.3  | -50.7  |
| Quantitative indicator of private consumption     | y.r./3-mma        | -0.1         | 3.2          | 4.2               | 2.5               | 2.4               | -1.2              | -                 | 2.4    | 1.7    | 1.4    | -1.2   | -1.2   | -1.8   | -      |
| Indicator of non-durable consumer goods           | y.r./3-mma        | 1.6          | 2.2          | 2.6               | 2.3               | 1.5               | -0.1              | -                 | 1.5    | 0.8    | 0.9    | -0.1   | -0.1   | -0.3   | -      |
| Indicator of durable consumer goods               | y.r./3-mma        | -13.9        | 12.9         | 18.5              | 4.8               | 10.5              | -10.2             | -                 | 10.5   | 8.8    | 5.6    | -10.2  | -11.0  | -14.1  | -      |
| Vol. ind. consumption of passenger vehicles       | y.r./3-mma        | -25.4        | 31.6         | 41.2              | 17.4              | 29.9              | -11.7             | -                 | 29.9   | 27.4   | 19.1   | -11.7  | -12.1  | -16.2  | -      |
| <b>Investment</b>                                 |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| GFCF indicator                                    |                   | -9.8         | -2.5         | -1.4              | -2.9              | -2.6              | -4.2              | -                 | -2.6   | -2.0   | -1.7   | -4.2   | -6.4   | -8.6   | -      |
| Cement sales                                      | y.r./3-mma        | -16.3        | -6.9         | -6.4              | -5.1              | -7.5              | -5.4              | -                 | -7.5   | -5.0   | -2.3   | -5.4   | -10.2  | -13.3  | -      |
| Sales of steel for concrete                       | y.r./3-mma        | -16.3        | -14.4        | -28.4             | -19.8             | -8.2              | -23.9             | -                 | -8.2   | -0.8   | -15.7  | -23.9  | -35.0  | -16.8  | -      |
| Credit for purchase of habitation                 | y.r./stocks       | 5.1          | 3.4          | 5.5               | 5.1               | 3.4               | 3.2               | -                 | 3.4    | 3.9    | 3.6    | 3.2    | 2.8    | -      | -      |
| Licenses for construction of new habitations      | y.r./3-mma        | -28.4        | -7.1         | -1.3              | -9.8              | -11.7             | -11.2             | -                 | -11.7  | -11.6  | -7.1   | -11.2  | -22.4  | -25.3  | -      |
| Machinery and equipment indicator                 |                   | -3.4         | -3.1         | -2.3              | -4.2              | -3.3              | -5.0              | -8.5              | -3.3   | -4.4   | -4.5   | -5.0   | -5.5   | -8.2   | -8.5   |
| Sales of light commercial vehicles                | y.r./3-mma        | -29.8        | 17.5         | 29.3              | 11.9              | 11.4              | -12.5             | -28.7             | 11.4   | 5.9    | 4.8    | -12.5  | -16.8  | -23.2  | -28.7  |
| Sales of new heavy commercial vehicles            | y.r./3-mma        | -40.7        | -6.5         | -3.2              | -9.9              | 45.7              | 35.4              | -2.7              | 45.7   | 70.6   | 42.3   | 35.4   | 34.0   | 19.9   | -2.7   |
| <b>External demand</b>                            |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| External demand indicator in value                | s.a./y.r./3-mma   | -21.5        | 17.2         | 21.6              | 19.5              | 18.5              | 18.9              | -                 | 18.5   | 20.8   | 21.1   | 18.9   | 16.4   | -      | -      |
| External order books                              | balance/3-mma     | -53.5        | -28.7        | -31.3             | -17.5             | -23.5             | -31.3             | -20.9             | -23.5  | -27.7  | -30.7  | -31.3  | -27.4  | -22.1  | -20.9  |
| Exports of merchandises in value                  | y.r./3-mma        | -18.4        | 16.0         | 17.7              | 15.5              | 15.3              | 17.8              | -                 | 15.3   | 19.0   | 22.0   | 17.8   | 16.5   | 16.4   | -      |
| Imports of merchandises in value                  | y.r./3-mma        | -20.0        | 11.0         | 18.9              | 5.1               | 11.5              | 9.4               | -                 | 11.5   | 12.6   | 13.4   | 9.4    | 9.2    | 10.8   | -      |
| <b>Labour market</b>                              |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Unemployment rate (a)                             | %                 | 9.5          | 10.8         | 10.6              | 10.9              | 11.1              | 12.4              | -                 | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   |
| Employment (a)                                    | y.r.              | -2.8         | -1.5         | -1.7              | -1.1              | -1.5              | -2.8              | -                 | 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   | 18.5         | -5.9         | -10.2             | -5.3              | -4.6              | -14.4             | -                 | -4.6   | -5.2   | -6.1   | -14.4  | -14.1  | -10.7  | -      |
| Unemployment expectations                         | balance/3-mma     | 64.1         | 56.4         | 54.9              | 52.5              | 62.3              | 60.6              | 63.5              | 62.3   | 63.3   | 62.1   | 60.6   | 60.9   | 61.9   | 63.5   |
| Vacancies along the month                         | s.a./y.r./3-mma   | -3.3         | 3.9          | 17.9              | -0.9              | -14.4             | -2.9              | -                 | -14.4  | -13.0  | -2.6   | -2.9   | -8.0   | -23.0  | -      |
| Employment indicator (short-term statistics)      | y.r./3-mma        | -4.2         | -2.5         | -2.3              | -2.4              | -2.1              | -1.8              | -                 | -2.1   | -1.8   | -1.7   | -1.8   | -2.6   | -2.6   | -      |
| Average declared wages                            | s.a./y.r./3-mma   | 3.6          | 3.0          | 4.2               | 2.3               | 2.3               | 4.8               | -                 | 2.3    | 3.6    | 4.2    | 4.8    | 4.1    | 2.0    | -      |
| Wage negotiation                                  | a.v./3-mma/vr.    | 2.9          | -            | 2.9               | 1.2               | -                 | 2.4               | 1.5               | -      | -      | 2.3    | 2.4    | 1.8    | 1.8    | 1.5    |
| <b>Prices and exchange rates</b>                  |                   |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Consumer price index                              | y.r.              | -0.8         | 1.4          | 1.0               | 1.9               | 2.4               | 3.7               | 3.7               | 2.5    | 3.6    | 3.5    | 4.0    | 4.1    | 3.8    | 3.4    |
| Core inflation indicator                          | y.r.              | 0.4          | 0.3          | -0.1              | 0.7               | 1.0               | 2.1               | 2.5               | 0.9    | 2.1    | 1.9    | 2.4    | 2.6    | 2.5    | 2.3    |
| Consumer price index - goods                      | y.r.              | -2.3         | 1.7          | 1.2               | 2.5               | 3.2               | 4.5               | 4.4               | 3.4    | 4.3    | 4.4    | 4.9    | 4.8    | 4.6    | 3.9    |
| Consumer price index - services                   | y.r.              | 1.7          | 1.0          | 0.7               | 1.2               | 1.1               | 2.5               | 2.8               | 1.2    | 2.5    | 2.4    | 2.7    | 2.9    | 2.8    | 2.6    |
| Manufacturing industry production price index     | y.r./3-mma        | -5.6         | 3.5          | 4.1               | 3.6               | 4.3               | 6.4               | 6.0               | 4.3    | 4.8    | 5.6    | 6.4    | 6.7    | 6.5    | 6.0    |
| Effective exchange rate index for Portugal        | y.r.              | 0.4          | -1.7         | -1.9              | -2.3              | -2.1              | -1.2              | -                 | -2.4   | -2.0   | -1.1   | -0.6   | 0.2    | 0.8    | -      |
| Exchange rate euro/USD                            | y.r.              | -5.0         | -4.7         | -6.6              | -9.7              | -8.1              | -1.2              | 13.3              | -9.5   | -6.4   | -0.3   | 3.2    | 7.7    | 14.2   | 17.8   |
| Exchange rate USD/euro                            | USD               | 1.393        | 1.327        | 1.273             | 1.291             | 1.359             | 1.367             | 1.439             | 1.322  | 1.336  | 1.365  | 1.400  | 1.444  | 1.435  | 1.439  |
| Exchange rate euro/JPY                            | y.r.              | -13.6        | -10.7        | -11.6             | -17.3             | -15.5             | -10.4             | 0.4               | -16.1  | -15.3  | -8.7   | -7.0   | -3.9   | 0.6    | 4.3    |

(a) From the 1<sup>st</sup> quarter of 2011 onwards, the Employment Survey questionnaire and inquiry method were changed.  
Monthly Economic Survey – June 2011