

Monthly Economic Survey
July 2011

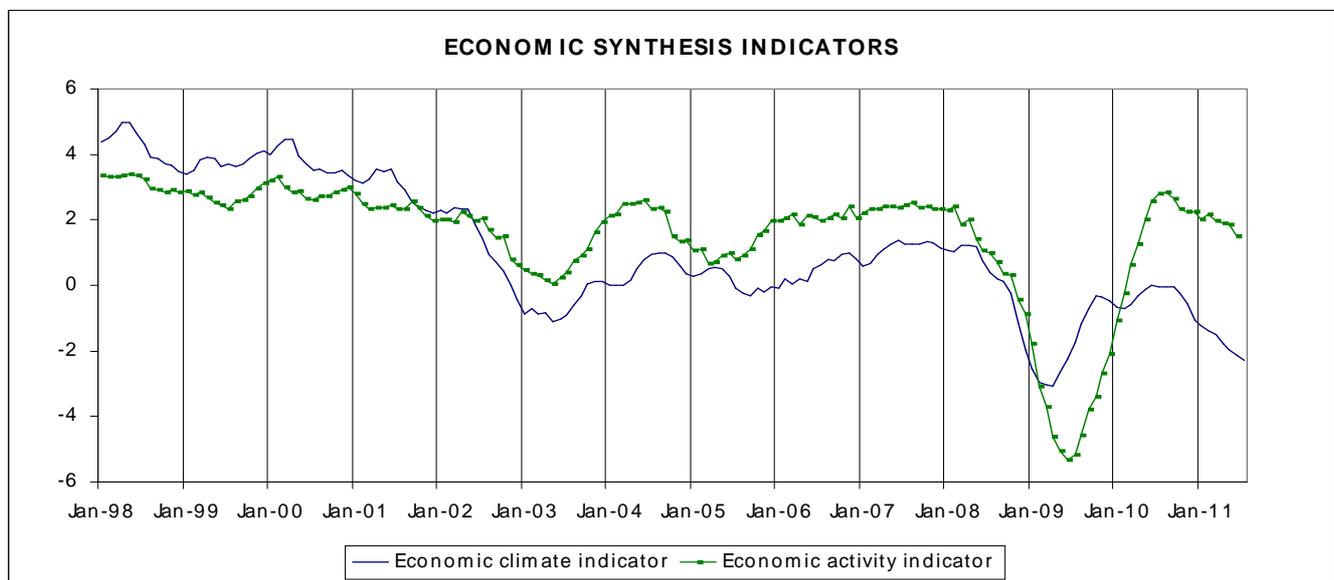
Domestic demand diminishes and nominal imports of goods decelerate intensely. Exports of goods continue to record strong year-on-year nominal growth rate in June.

According to the flash estimate compiled by the Eurostat, in the 2nd quarter of 2011, the Euro Area (EA) and the European Union (EU27) GDP registered year-on-year change rates of 1.7% in real terms (2.5% in the previous quarter). In July, the economic sentiment indicator diminished and the consumer confidence indicator slightly increased in the EA and in the EU27. Raw materials and oil prices continued to register strong year-on-year growth rates in July, although decelerating when compared to June in the first case.

In Portugal, according to the flash estimate, the GDP recorded a year-on-year change rate of -0.9% in volume in the 2nd quarter of 2011 (-0.6% in the 1st quarter). This evolution might reflect a strong decrease of the private consumption, and mainly due to the durable goods component, and investment, with the Gross Fixed Capital Formation (GFCF) in construction diminishing strongly. Monthly, the economic climate indicator decreased in July, maintaining the downward movement started in October 2010. The private consumption indicator decreased again in June, although stabilising when compared with the previous month, and the investment indicator also continued to diminish. Concerning the international trade of goods, in nominal terms, exports maintained a strong year-on-year growth rate (17.4% in June and 17.1% in the previous month), while imports shifted from a year-on-year change rate of 11.9% in May to 1.9% in June, partially reflecting the import of military equipment in June 2010.

In the 2nd quarter of 2011, the unemployment rate was 12.1%, less 0.3 p.p. than in the previous quarter, in part due to seasonal effects. The total employees shifted from a change rate of -0.7% in the 1st quarter of 2011 to -0.2% in the 2nd quarter.

In July, the year-on-year change rate of the Consumer Price Index (CPI) was 3.2% (3.4% in June). Excluding energy and unprocessed food products, the year-on-year change rate was 2.1% (2.3% in the previous month). The prices of the goods and of the services components presented year-on-year growth rates of 3.6% and 2.5% in July (3.9% and 2.6% in June), respectively. The differential between the change rate of the Portuguese Harmonized Index of Consumer Prices (HICP) and that of the EA HICP diminished 0.1 p.p. in July, to 0.5 p.p..



Report based on information available up to August 17, 2011.

Next report will be released on September 19, 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 2009	Year 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010	Quarter 1 2011	Quarter 2 2011	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
International background															
GDP of customer countries	s.a/y.r.	-3.7	1.1	1.3	1.5	1.6	2.0	1.3	n.a.						
GDP European Union	s.a/y.r.	-4.2	1.8	2.0	2.2	2.1	2.5	1.7	n.a.						
GDP Euro Area	s.a/y.r.	-4.1	1.7	2.0	2.0	2.0	2.5	1.7	n.a.						
Industrial production index of customer countries	s.a./y.r./3-mma	-14.3	5.1	6.8	4.9	5.3	5.4	-	5.7	6.0	5.4	4.5	3.2	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	79.6	101.7	100.4	103.0	105.3	106.9	105.0	105.9	106.5	106.9	106.6	106.0	105.0	104.1
Economic Sentiment Indicator in EA	ind/s.a.-3mma	80.7	100.9	99.2	102.3	105.7	107.4	105.6	106.5	107.3	107.4	107.1	106.3	105.7	104.7
Order books in industry of customer countries	balance/s.a.-3mma	-54.0	-26.4	-29.0	-22.0	-14.2	-7.3	-7.1	-11.5	-8.4	-7.3	-6.3	-7.0	-7.1	-8.2
Consumer confidence indicator in EU	balance/s.a.-3mma	-22.8	-12.8	-14.0	-12.2	-11.5	-12.6	-11.8	-11.9	-12.4	-12.6	-13.0	-12.5	-11.8	-11.3
Unemployment rate in EU	s.a./%	9.0	9.7	9.7	9.6	9.6	9.5	9.4	9.5	9.5	9.4	9.4	9.4	9.4	-
Harmonised index of consumer prices in EA	y.r.	0.3	1.6	1.6	1.7	2.0	2.5	2.8	2.3	2.4	2.7	2.8	2.7	2.7	2.5
Production price index of supplying countries	y.r./3-mma	-5.2	3.7	4.2	3.8	4.7	6.6	6.2	5.3	6.1	6.6	6.9	6.6	6.2	-
Crude oil price (Brent)	Euros	43.9	60.3	61.7	60.1	64.2	76.5	81.5	73.1	75.1	81.4	85.3	80.1	79.1	82.0
Crude oil price (Brent)	y.r.	-33.2	37.4	43.1	26.1	27.2	38.8	32.3	36.7	39.7	39.8	35.1	32.7	28.9	37.9
Economic activity															
GDP	y.r.	-2.5	1.3	1.4	1.2	1.0	-0.6	-0.9	n.a.						
Economic climate indicator	balance/3-mma	-1.6	-0.4	0.0	0.0	-1.1	-1.5	-2.2	-1.2	-1.4	-1.5	-1.8	-2.0	-2.2	-2.3
Economic activity indicator	3-mma	-3.7	2.0	2.6	2.7	2.2	2.0	1.5	2.0	2.2	2.0	1.9	1.9	1.5	-
Total turnover index	y.r./3-mma	-12.6	4.4	6.3	3.3	3.9	0.4	-2.2	4.1	3.4	0.4	-0.1	-1.0	-2.2	-
Manufacturing industry production index	s.a./y.r./3-mma	-9.9	2.0	2.7	-0.2	0.7	0.5	0.2	1.8	2.2	0.5	0.6	0.0	0.2	-
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	-9.5	-
Retail trade turnover index (real)	y.r./3-mma	-2.1	-0.2	0.6	-0.3	-1.7	-6.2	-6.1	-3.4	-3.2	-6.2	-5.5	-6.7	-6.1	-
Sales of passenger vehicles	y.r./3-mma	-24.5	38.8	48.6	16.0	29.1	-15.3	-24.6	26.2	15.8	-15.3	-15.6	-18.9	-24.6	-29.6
Consumption															
Consumer confidence indicator	balance/3-mma	-38.5	-40.8	-40.1	-37.4	-50.2	-48.4	-50.7	-50.6	-49.1	-48.4	-49.5	-50.3	-50.7	-49.1
Quantitative indicator of private consumption	y.r./3-mma	-0.1	3.2	4.2	2.5	2.4	-1.2	-1.7	1.7	1.4	-1.2	-1.2	-1.7	-1.7	-
Indicator of non-durable consumer goods	y.r./3-mma	1.6	2.2	2.6	2.3	1.5	-0.1	0.2	0.8	0.9	-0.1	0.0	-0.3	0.2	-
Indicator of durable consumer goods	y.r./3-mma	-13.9	12.9	18.5	4.8	10.5	-10.2	-18.1	8.8	5.6	-10.2	-11.0	-13.9	-18.1	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-25.4	31.6	41.2	17.4	29.9	-11.7	-24.9	27.4	19.1	-11.7	-12.1	-16.2	-24.9	-
Investment															
GFCF indicator		-9.8	-2.5	-1.4	-2.9	-2.6	-4.2	-10.6	-2.0	-1.7	-4.2	-6.4	-8.6	-10.6	-
Cement sales	y.r./3-mma	-16.3	-6.9	-6.4	-5.1	-7.5	-5.4	-16.5	-5.0	-2.3	-5.4	-10.2	-13.3	-16.5	-
Sales of steel for concrete	y.r./3-mma	-16.3	-14.4	-28.4	-19.8	-8.2	-23.9	-37.5	-0.8	-15.7	-23.9	-35.0	-16.8	-37.5	-
Credit for purchase of habitation	y.r./stocks	5.1	3.4	5.5	5.1	3.4	3.2	-	3.9	3.6	3.2	2.8	2.4	-	-
Licenses for construction of new habitations	y.r./3-mma	-28.4	-7.1	-1.3	-9.8	-11.7	-11.2	-27.6	-11.6	-7.1	-11.2	-22.3	-24.2	-27.6	-
Machinery and equipment indicator		-3.4	-3.1	-2.3	-4.2	-3.3	-5.0	-8.5	-4.4	-4.5	-5.0	-5.5	-8.2	-8.5	-9.6
Sales of light commercial vehicles	y.r./3-mma	-29.8	17.5	29.3	11.9	11.4	-12.5	-28.7	5.9	4.8	-12.5	-16.8	-23.2	-28.7	-29.8
Sales of new heavy commercial vehicles	y.r./3-mma	-40.7	-6.5	-3.2	-9.9	45.7	35.4	-2.7	70.6	42.3	35.4	34.0	19.9	-2.7	-29.4
External demand															
External demand indicator in value	s.a./y.r./3-mma	-21.5	17.2	21.6	19.5	18.5	18.9	-	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	-27.7	-30.7	-31.3	-27.4	-22.1	-20.9	-15.0
Exports of merchandises in value	y.r./3-mma	-18.4	16.0	17.7	15.5	15.3	17.9	17.4	19.0	22.0	17.9	16.9	17.1	17.4	-
Imports of merchandises in value	y.r./3-mma	-20.0	11.0	18.9	5.1	11.5	9.7	1.9	12.6	13.4	9.7	10.0	11.9	1.9	-
Labour market															
Unemployment rate (a)	%	9.5	10.8	10.6	10.9	11.1	12.4	12.1	n.a.						
Employment (a)	y.r.	-2.8	-1.5	-1.7	-1.1	-1.5	-2.8	-2.0	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	-1.2	-5.2	-6.1	-14.4	-14.1	-10.7	-1.2	-
Unemployment expectations	balance/3-mma	64.1	56.4	54.9	52.5	62.3	60.6	63.5	63.3	62.1	60.6	60.9	61.9	63.5	63.2
Vacancies along the month	s.a./y.r./3-mma	-3.3	3.9	17.9	-0.9	-14.4	-2.9	-23.6	-13.0	-2.6	-2.9	-8.0	-23.0	-23.6	-
Employment indicator (short-term statistics)	y.r./3-mma	-4.2	-2.3	-2.3	-2.0	-1.7	-1.9	-2.2	-1.8	-1.9	-1.9	-1.9	-2.0	-2.2	-
Average declared wages	s.a./y.r./3-mma	3.6	3.0	4.2	2.3	2.3	4.8	2.5	3.5	4.1	4.8	4.2	2.4	2.5	-
Wage negotiation	a.v./3-mma/w.	2.9	-	2.9	1.2	-	2.4	1.5	-	2.3	2.4	1.8	1.8	1.5	1.6
Prices and exchange rates															
Consumer price index	y.r.	-0.8	1.4	1.0	1.9	2.4	3.7	3.7	3.6	3.5	4.0	4.1	3.8	3.4	3.2
Core inflation indicator	y.r.	0.4	0.3	-0.1	0.7	1.0	2.1	2.5	2.1	1.9	2.4	2.6	2.5	2.3	2.1
Consumer price index - goods	y.r.	-2.3	1.7	1.2	2.5	3.2	4.5	4.4	4.3	4.4	4.9	4.8	4.6	3.9	3.6
Consumer price index - services	y.r.	1.7	1.0	0.7	1.2	1.1	2.5	2.8	2.5	2.4	2.7	2.9	2.8	2.6	2.5
Manufacturing industry production price index	y.r./3-mma	-5.6	3.5	4.1	3.6	4.3	6.4	6.0	4.8	5.6	6.4	6.7	6.5	6.0	5.7
Effective exchange rate index for Portugal	y.r.	0.4	-1.7	-1.9	-2.3	-2.1	-1.2	0.8	-2.0	-1.1	-0.6	0.2	0.8	1.4	-
Exchange rate USD/USD	y.r.	-5.0	-4.7	-6.6	-9.7	-8.1	-1.2	13.3	-6.4	-0.3	3.2	7.7	14.2	17.8	11.7
Exchange rate USD/euro	USD	1,393	1,327	1,273	1,291	1,359	1,367	1,439	1,336	1,365	1,400	1,444	1,435	1,439	1,426
Exchange rate euro/JPY	y.r.	-13.6	-10.7	-11.6	-17.3	-15.5	-10.4	0.4	-15.3	-8.7	-7.0	-3.9	0.6	4.3	1.4

(a) From the 1st quarter of 2011 onwards, the Employment Survey questionnaire and inquiry method were changed.