

17th October, 2008

Monthly Economic Survey September 2008

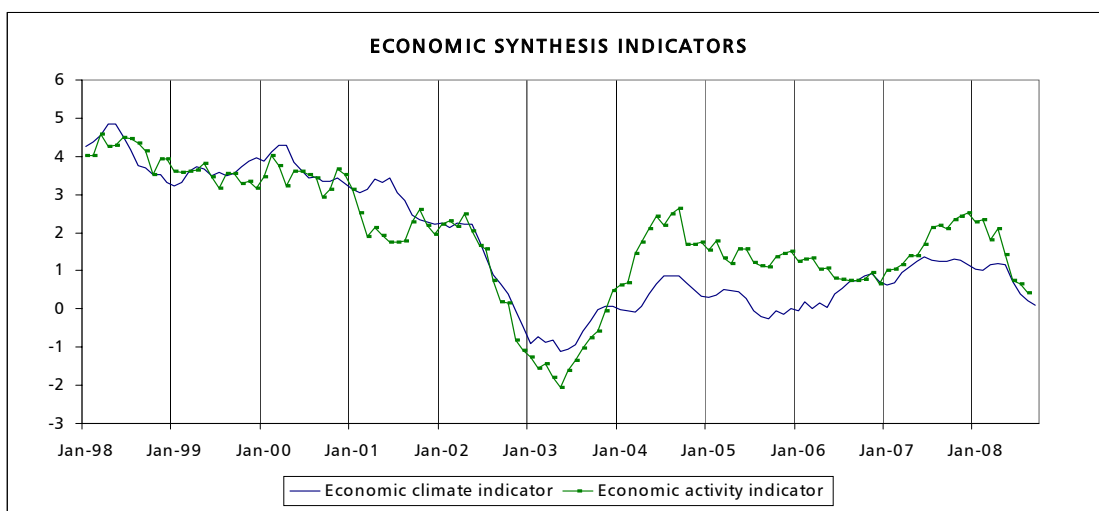
The available information points to a slowdown of economic activity.

In the Euro Area (EA), the economic sentiment and the consumer confidence indicators extended in September the downward movement observed since August 2007. It should be noticed that the qualitative information, both at national and EA level, available up to September, does not reflect completely the latest developments of the financial crises in that month, since it only includes answers until September 24.

On the domestic side, the signs for a slowdown of economic activity remain. The economic climate indicator, available up to September, and the economic activity indicator, available until August, declined, registering in the second case the minimum since November 2003. The private consumption indicator recovered in August, although less intensely than in the previous month, due to the positive evolution of durable consumption, while non-durable consumption stabilized. However, it should be noticed that this recovery in the last two months might be partially connected to adjustments made to previous changes in the VAT and vehicle tax. The GFCF indicator might have deteriorated in July and August, what was common to all components but especially intense in transport material. On the supply side, in August the Short Term Indicators information revealed declines in services and construction and a recovery in industry. Concerning the international trade, imports (from 8.5% to 8.6%) and exports (from 2.7% to 2.8%) were relatively stable in August in nominal terms.

Employment, accordingly to the Short Term Indicators, with information available up to August, might have slowdown in the last three months, inverting the upward movement that has been registered since the beginning of 2007.

In September, year-on-year inflation was 3.1%, 0.1 p.p. more than in the previous month. The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP decreased 0.3 p.p. in September to 0.4 p.p..



Report based on information available up to October 16, 2008.

Next report will be released on November 19, 2008.

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 2006	Year 2007	Quarter 3 2007	Quarter 4 2007	Quarter 1 2008	Quarter 2 2008	Quarter 3 2008	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
International background															
GDP of customer countries	s.a/y.r.	3.4	2.9	3.0	2.6	2.4	1.6	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a/y.r.	3.1	2.9	2.9	2.5	2.3	1.7	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	2.9	2.6	2.6	2.1	2.1	1.4	-	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	3.2	2.7	2.9	2.2	1.4	-1.1	-	1.4	1.5	0.1	-1.1	-2.3	-2.6	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	107.5	110.8	111.4	107.1	101.8	96.5	86.9	101.8	100.1	99.0	96.5	93.5	90.0	86.9
Economic Sentiment Indicator in EA	ind/s.a.-3mma	106.3	108.4	108.7	104.3	100.5	96.5	88.6	100.5	99.0	98.1	96.5	94.0	90.9	88.6
Order books in industry of customer countries	balance/s.a.-3mma	-2.2	3.4	3.9	-0.8	-2.4	-7.8	-18.3	-2.4	-3.5	-4.9	-7.8	-11.6	-14.2	-18.3
Consumer confidence indicator in EU	balance/s.a.-3mma	-7.6	-4.2	-3.1	-6.2	-10.4	-14.0	-19.2	-10.4	-11.0	-12.0	-14.0	-16.7	-18.6	-19.2
Unemployment rate in EU	s.a/%	8.2	7.1	7.1	6.9	6.8	6.9	-	6.8	6.8	6.9	6.9	6.9	6.9	-
Harmonised index of consumer prices in EA	y.r.	2.2	2.1	1.9	2.9	3.4	3.6	3.8	3.6	3.3	3.7	4.0	4.0	3.8	3.6
Production price index of supplying countries	y.r./3-mma	4.3	3.2	2.7	4.7	5.7	6.9	-	5.7	5.9	6.3	6.9	7.7	8.0	-
Crude oil price (Brent)	Euros	51.9	52.6	54.5	61.1	64.6	77.8	75.8	66.7	69.3	78.9	85.1	84.2	75.6	67.7
Crude oil price (Brent)	y.r.	18.2	1.4	-0.2	32.1	46.6	52.8	39.1	42.4	38.7	58.7	60.7	50.1	45.6	21.8
Economic activity															
GDP	y.r.	1.4	1.9	1.8	1.9	0.9	0.7	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	0.5	1.2	1.3	1.1	1.2	0.7	0.1	1.2	1.2	1.2	0.7	0.4	0.2	0.1
Economic activity indicator	3-mma	0.9	1.9	2.1	2.5	1.8	0.8	-	1.8	2.1	1.4	0.8	0.7	0.4	-
Total turnover index	y.r./3-mma	2.6	4.7	4.0	5.8	3.6	2.9	-	3.6	4.3	1.5	2.9	3.3	3.1	-
Manufacturing industry production index	s.a/y.r./3-mma	2.3	3.2	2.0	2.8	-0.3	-1.7	-	-0.3	1.2	-1.7	-1.7	-2.9	-0.8	-
Production index in construction	s.a/y.r./3-mma	-6.6	-4.1	-3.4	-0.3	-2.8	-1.9	-	-2.8	-0.6	-3.0	-1.9	-3.6	-3.7	-
Retail trade turnover index (real)	y.r./3-mma	1.2	-0.1	-0.2	-0.3	2.3	-0.1	-	2.3	1.5	0.4	-0.1	1.1	0.8	-
Sales of passenger vehicles	y.r./3-mma	-5.8	3.7	11.9	10.1	11.5	1.9	0.3	11.5	12.8	7.6	1.9	-3.6	-4.7	0.3
Consumption															
Consumer confidence indicator	balance/3-mma	-34.2	-35.2	-35.5	-39.2	-42.9	-44.8	-43.0	-42.9	-41.8	-43.4	-44.8	-47.2	-45.3	-43.0
Quantitative indicator of private consumption	y.r./3-mma	1.4	2.0	1.9	2.3	2.2	0.4	-	2.2	2.1	1.1	0.4	1.1	1.2	-
Indicator of non-durable consumer goods	y.r./3-mma	1.5	1.6	1.5	1.7	1.7	1.1	-	1.7	1.6	1.2	1.1	1.7	1.7	-
Indicator of durable consumer goods	y.r./3-mma	0.8	5.5	5.0	6.5	5.6	-4.7	-	5.6	6.1	0.6	-4.7	-3.1	-2.3	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-3.0	5.6	3.3	4.9	5.9	-12.8	-	5.9	6.9	-2.2	-12.8	-9.9	-7.8	-
Investment															
GFCF indicator		-3.0	3.5	2.6	10.8	-1.8	-1.8	-	-1.8	-0.2	-2.2	-1.8	-3.8	-5.3	-
Cement sales	y.r./3-mma	-7.6	2.1	2.0	12.0	-7.5	-3.1	-	-7.5	-4.0	-7.7	-3.1	-4.3	-	-
Sales of steel for concrete	y.r./3-mma	5.9	-6.5	-12.2	-2.9	-8.7	-8.2	-	-8.7	-7.2	-6.9	-8.2	-4.0	-	-
Credit for purchase of habitation	y.r./stocks	15.6	9.8	9.8	9.8	9.3	8.4	-	9.3	9.2	8.7	8.4	9.0	-	-
Licenses for construction of new habitations	y.r./3-mma	-5.7	-8.6	-5.4	-7.0	-11.6	-17.3	-	-11.6	-7.0	-17.1	-17.3	-26.2	-28.7	-
Machinery and equipment indicator		2.7	4.6	5.1	5.0	4.5	3.0	3.0	4.5	4.4	4.2	3.0	2.8	2.3	3.0
Sales of light commercial vehicles	y.r./3-mma	-7.3	6.3	-17.5	-7.9	-18.0	-38.1	5.9	-18.0	-16.9	-20.2	-38.1	-32.9	-32.0	5.9
Sales of new heavy commercial vehicles	y.r./3-mma	12.9	6.2	-19.8	92.9	19.0	4.6	-3.2	19.0	17.3	8.8	4.6	2.5	-2.1	-3.2
External demand															
External demand indicator in value	s.a/y.r./3-mma	12.9	4.3	5.7	4.2	8.2	5.5	-	8.2	8.5	7.2	5.5	5.6	-	-
External order books	balance/3-mma	-14.4	-3.6	-1.3	-4.0	-10.3	-12.3	-16.7	-10.3	-10.0	-11.0	-12.3	-12.7	-13.7	-16.7
Exports of merchandises in value	y.r./3-mma	12.4	8.9	6.4	6.0	4.8	3.7	-	4.8	6.8	2.6	3.7	2.7	2.8	-
Imports of merchandises in value	y.r./3-mma	8.1	7.4	7.4	12.0	12.3	9.3	-	12.3	14.4	8.3	9.3	8.5	8.6	-
Labour market															
Unemployment rate	%	7.7	8.0	7.9	7.8	7.6	7.3	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.7	0.2	0.2	0.9	1.1	1.4	-	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	1.1	-6.7	-6.5	-10.8	0.0	7.2	-	0.0	4.8	4.8	7.2	7.4	8.6	-
Unemployment expectations	balance/3-mma	43.8	42.2	42.7	45.3	46.6	47.5	48.1	46.6	45.2	46.1	47.5	49.7	48.9	48.1
Vacancies along the month	s.a/y.r./3-mma	3.6	13.6	10.8	25.3	1.0	-3.4	-	1.0	1.2	-3.5	-3.4	0.0	5.5	-
Employment indicator (short-term statistics)	y.r./3-mma	-1.9	-0.4	-0.3	0.4	0.7	0.5	-	0.7	0.7	0.7	0.5	0.4	0.2	-
Average declared wages	s.a/y.r./3-mma	3.5	3.5	3.6	3.3	4.1	3.9	-	4.1	4.1	4.0	3.9	3.9	4.3	-
Wage negotiation	av/3-mma w.	2.8	2.9	2.9	3.2	2.9	3.0	-	2.9	2.8	3.1	3.0	3.1	2.9	-
Prices and exchange rates															
Consumer price index	y.r.	3.1	2.5	2.2	2.7	2.9	2.9	3.0	3.1	2.5	2.8	3.4	3.1	3.0	3.1
Core inflation indicator	y.r.	2.0	1.9	2.0	2.1	2.2	2.0	2.0	2.3	2.0	2.0	2.0	1.5	2.1	2.4
Consumer price index - goods	y.r.	3.2	2.2	1.8	2.5	2.6	2.9	3.2	2.8	2.3	2.8	3.7	3.3	3.1	3.2
Consumer price index - services	y.r.	2.9	2.9	2.9	3.0	3.5	2.8	2.8	3.6	2.8	2.8	2.8	2.7	2.9	2.9
Manufacturing industry production price index	y.r./3-mma	4.6	2.5	1.7	5.2	7.2	7.8	-	7.2	7.2	7.6	7.8	8.7	8.9	-
Effective exchange rate index for Portugal	y.r.	0.2	0.8	0.6	1.3	1.6	1.8	-	1.8	1.9	1.8	1.8	1.8	1.5	-
Exchange rate eur/USD	y.r.	0.9	9.1	7.9	12.4	14.4	15.9	9.3	17.3	16.5	15.1	15.9	15.0	9.9	3.4
Exchange rate USD/euro	USD	1.256	1.371	1.374	1.449	1.500	1.562	1.504	1.553	1.575	1.556	1.555	1.577	1.498	1.437
Exchange rate eur/JPY	y.r.	6.6	10.4	9.3	7.9	0.8	0.3	-0.2	0.9	0.5	-0.6	1.0	1.0	2.9	-4.1