Business and Consumer Surveys

April 2020

Consumer confidence and economic climate indicators reveal significant reductions

In the context of the current pandemic, the Consumer confidence indicator registered in April the greatest reduction in the series compared to the previous month, reaching the minimum value since September 2014. Not considering three-month moving averages (see next section), this indicator reached the minimum since May 2013.

In business surveys, the situation generated by the pandemic has also severely penalized the opinions and expectations of entrepreneurs. The economic climate indicator declined sharply in April, dropping to values close to those observed at the end of 2013. Not considering three-month moving averages, this indicator showed the sharpest reduction in the series, reaching the minimum value. Confidence indicators for Manufacturing Industry, Construction and Public Works, Trade and Services declined sharply compared to March, especially in the latter case. It should be noted that in the Services, the sections of "Arts, entertainment and recreation" and "Accommodation and food service activities" registered the most significant reductions.

In the last month, the reduction of the Consumer[1] confidence indicator resulted mainly from the tremendously negative contribution of expectations regarding the evolution of the country's economic situation, the household's financial situation and the perspectives regarding the major purchases. In the same direction, but to a lesser extent, opinions regarding the past evolution of the household's financial situation also contributed negatively.

In Manufacturing Industry, the confidence indicator decreased between February and April, reaching the lowest value since April 2013, as a result of the negative contribution of the firm's production perspective over the next three months and opinions on global demand in the last three months, more intense in the first case. The confidence indicator for Construction and Public Works revealed in April the sharpest decrease in the series, reaching the minimum value since February 2018. The evolution of the indicator in the last month reflected the strong negative contribution of both components, perspectives on employment and opinions on order books, more intense in the latter case. The confidence indicator for Trade registered the highest reduction of the series, reaching the minimum value since August 2013. This evolution reflected the strong negative contribution of all components, balance of the perspectives on business activity, opinions on the sales evolution and on the opinions on the volume of *stocks*. The Services' confidence indicator registered also the highest reduction of the series, reaching the minimum value since July 2013. The behaviour of the indicator resulted from the strong negative contribution of all components, and opinions and perspectives on the evolution of the order books and opinions on the evolution of the business situation, with the reduction of balances with greater magnitude of the respective series.

The period for collecting qualitative surveys for the month of April occurred from 01 to 17 April in the case of the consumer survey and from 01 to 23 April for business surveys (see final notes).

Despite the circumstances determined by the pandemic COVID-19, Statistics Portugal will try to maintain the statistical production and release calendar, although some adjustments might occur associated with the impact of the pandemic in obtaining primary information. For this reason, Statistics Portugal asks for the best collaboration by firms, households and public entities in answering to Statistics Portugal's requests to obtain information, using Internet and telephone as alternative channels to face-to-face contacts. In fact, the quality of official statistics, particularly its ability to identify the impacts of the COVID-19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

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[1] Unless stated otherwise, the analysis in this press release refers to three-month moving averages for the monthly series and to two-quarter moving averages for the quarterly ones. In the next section, the analysis based on effective values (raw or seasonally adjusted data) is available.

Section: Impacts of the COVID-19 pandemic

The usual press release of Business and Surveys is based on the analysis of three-month moving averages (3mma) for monthly variables and two-quarter moving averages (2qma) for quarterly variables. Moving averages make it possible to smooth the series, eliminating part of the irregular movements in order to highlight short-term trends. However, the impact of the COVID-19 pandemic crisis on economic activity is sudden, unexpected and potentially severe, so it is necessary to complement this analysis, not considering moving averages but effective monthly values.

The **economic climate indicator**, which summarizes the balances of business surveys' questions revealed a tremendous reduction in April compared to previous month, being the highest in the series and originating a new minimum.

Graph 1
Economic Climate Indicator
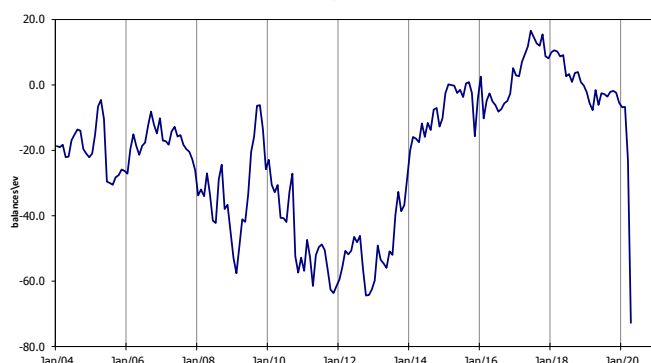**- Manufacturing Industry, Construction and Public Works, Trade and Services-**
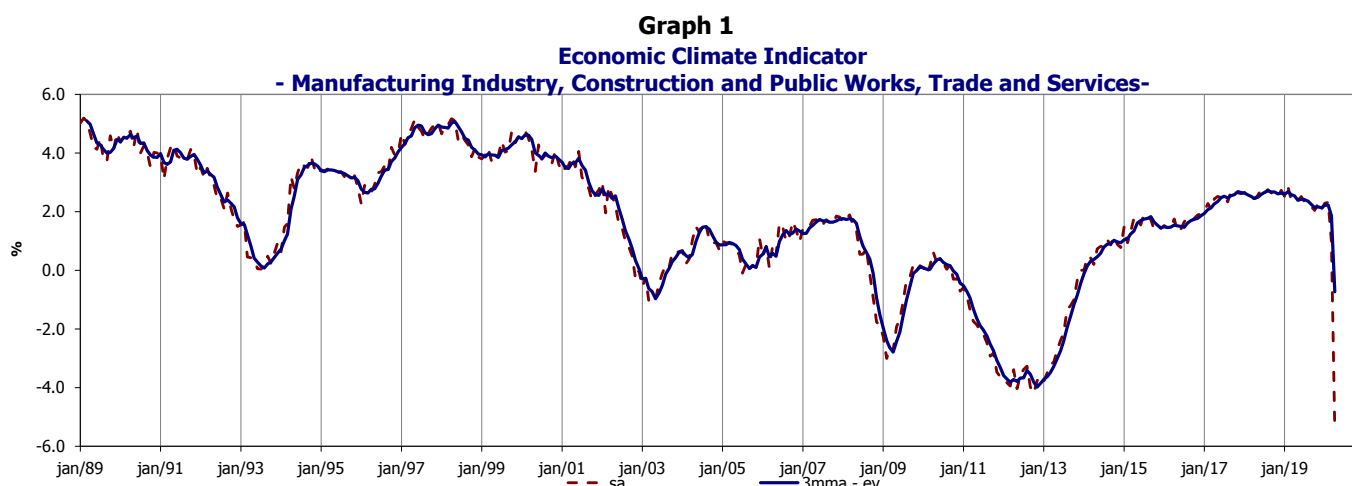
The following analysis is a brief summary of the evolution of confidence indicators and their components, for consumer and business surveys.

The **consumer confidence indicator** registered the highest decrease compared to the previous month of the series started in September 1997, reaching the minimum value since May 2013. All series that composes the indicator, which are related to developments in the next twelve months, also registered the most significant decreases in the respective series, and in the case of expectations regarding the evolution of the country's economic situation and major purchases, the minimum values of these series were also reached in April.
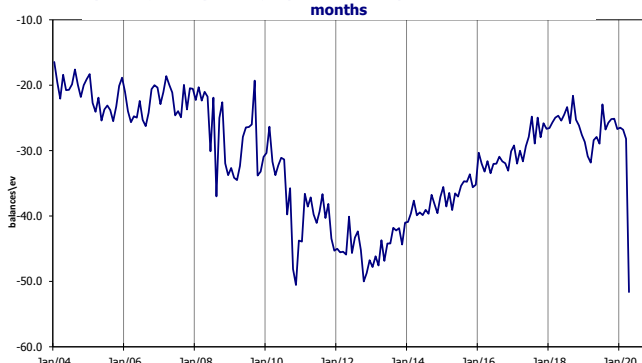
Graph 2

Consumer confidence indicator

Graph 3

Financial situation of households
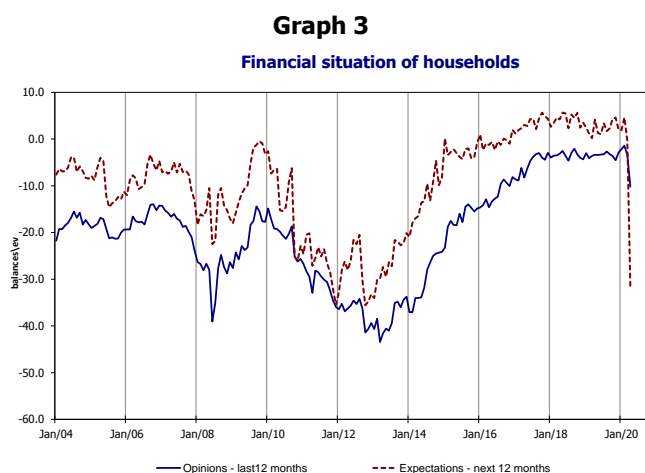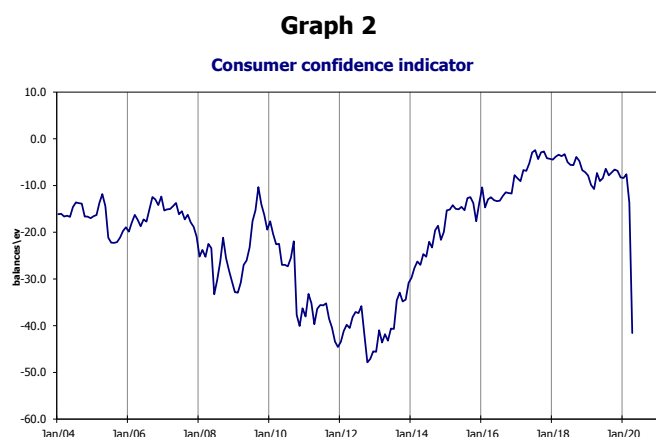
Graph 4

General economic situation - Expectations for the next 12 months

Graph 5

Spending money on major purchases - Expectations for the next 12 months

The **Manufacturing Industry confidence indicator** reached its lowest level since April 2009, as a result of the sharpest reduction since the beginning of the series. The behaviour of the indicator reflected the negative contributions of the balance on the current global demand in the last three months, which reached in April the minimum value since March 2013, and the firm's production perspectives over the next three months that registered the minimum value of the series. Opinions on current stock of finished products contributed positively to the indicator.

In the **Durable Consumer Goods** grouping, the indicator recorded the series minimum historical value, with negative contributions from the balances of global demand (minimum value since July 2009) and production perspectives (minimum value of the series), with opinions on current stock of finished products contributing positively to the indicator.

Regarding **Investment Goods**, the confidence indicator also presented the minimum value of the series, similar to that observed in the balance of opinions on current global demand, while the production perspectives, receding to a level similar to that observed in February 2009. The balance of stock of finished products remained identical to that observed in the previous month.

The confidence indicator in the **Intermediate Goods** grouping presented the lowest value since April 2009, as a result of the negative contributions of the three components, registering the minimum of the series and the highest reduction compared to March in the firm's production perspectives and in the case of opinions on current global demand, the minimum value since June 2014.

The rate of current operating capacity decreased significantly in April, reaching 70.9% (80.7% in January), registering a new historical minimum of the series. The number of weeks of assured production by the current overall order books also declined significantly in April, reaching the lowest level since October 2005.
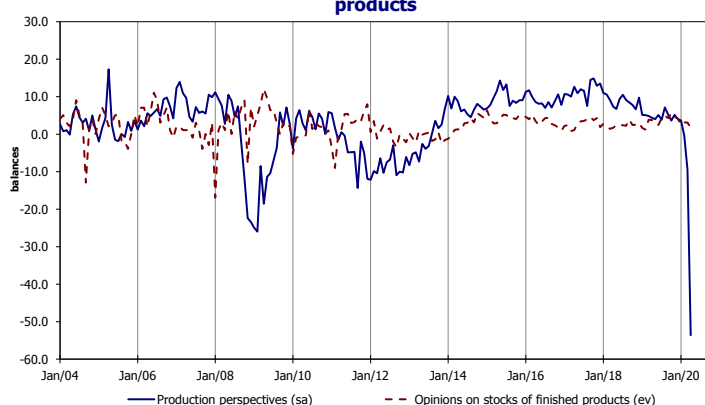
Graph 6
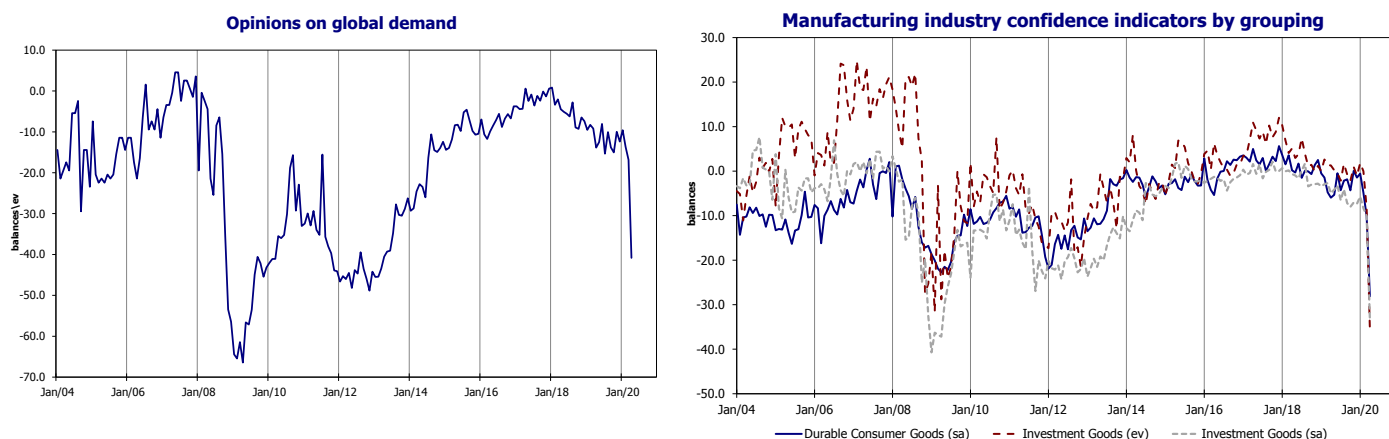
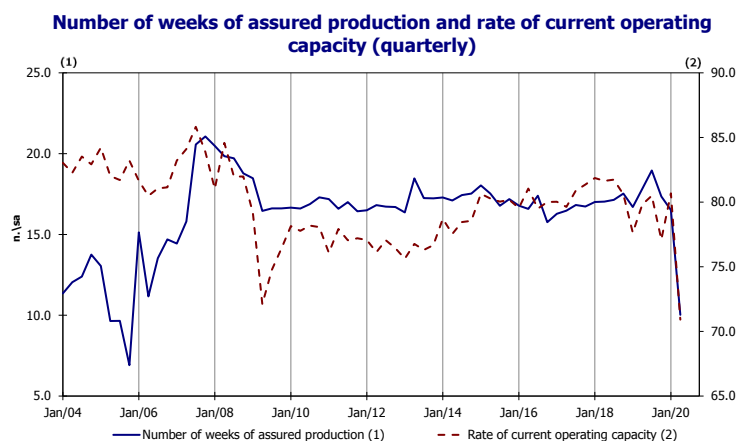**Manufacturing Industry Confidence Indicator**

Graph 7

Production perspectives and opinions on stocks of finished products

Production perspectives (sa) —— Opinions on stocks of finished products (ev) - - - -

Opinions on global demand

Manufacturing industry confidence indicators by grouping

Durable Consumer Goods (sa) — Investment Goods (ev) --- Investment Goods (sa) ---

Graph 10

Number of weeks of assured production and rate of current operating capacity (quarterly)

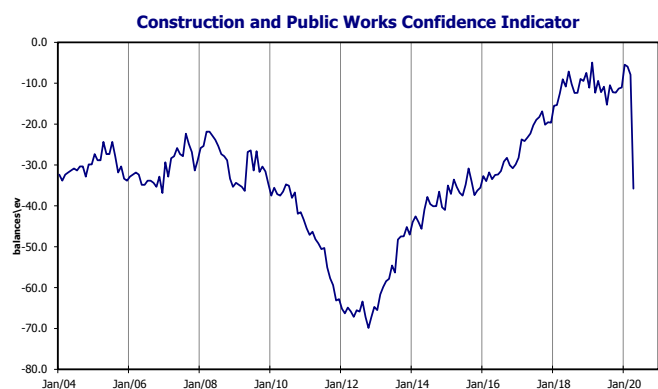Number of weeks of assured production (1) — Rate of current operating capacity (2) ---

The **Construction and Public Works confidence indicator** in April presented the highest decrease in the series, reaching the minimum value since November 2015. This behaviour of the indicator reflected the strong negative contribution of both components, opinions on order books and perspectives on employment, which reached new minimums since July 2016 and September 2013, respectively.

The indicator decreased sharply in the three divisions of NACE, "**Construction of Buildings**", "**Civil Engineering**" and "**Specialized Construction Activities**", mainly in the last case, but all the divisions registered the highest decrease of the series.
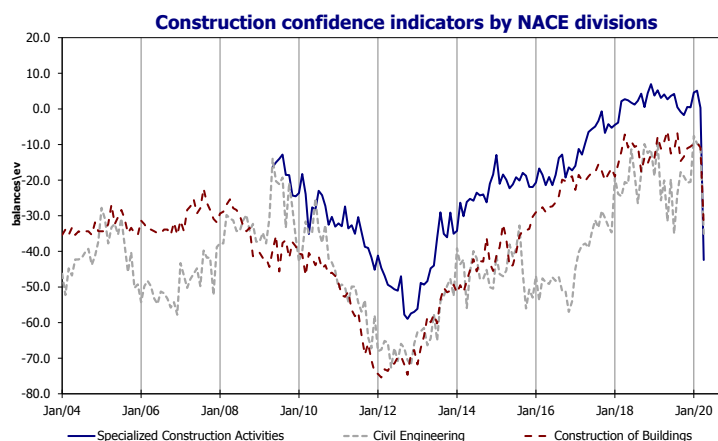
Graph 11

Construction and Public Works Confidence Indicator

Graph 12

Opinions on current order books and employment over the next 3 months

Current order books (1) — Employment over the next 3 months (2) ---

Graph 13

Construction confidence indicators by NACE divisions

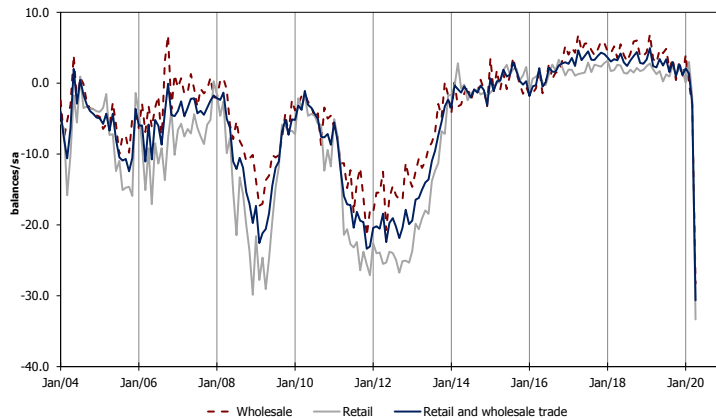Specialized Construction Activities — Civil Engineering — Construction of Buildings

The **Trade confidence indicator** declined significantly in April, registering a new minimum in the series. This evolution resulted from the negative contribution of the company's perspectives on business activity in the next three months, which registered a new minimum in the series, opinions on the sales evolution and on the volume of stocks.

By subsector, the confidence indicator decreased more sharply in **Retail Trade** than in **Wholesale Trade**. In both sub-sectors, all components registered significant reductions, with a higher magnitude in the case of perspectives on business activity.
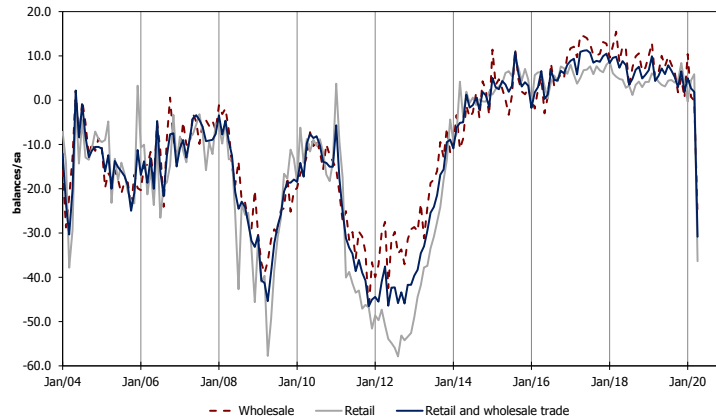
Graph 14

Trade Confidence Indicator

Wholesale — Retail — Retail and wholesale trade

Graph 15

Opinions on the sales evolution

Wholesale — Retail — Retail and wholesale trade

Graph 16

Opinions on the volume of stocks

Wholesales — Retail — Retail and wholesaile trade
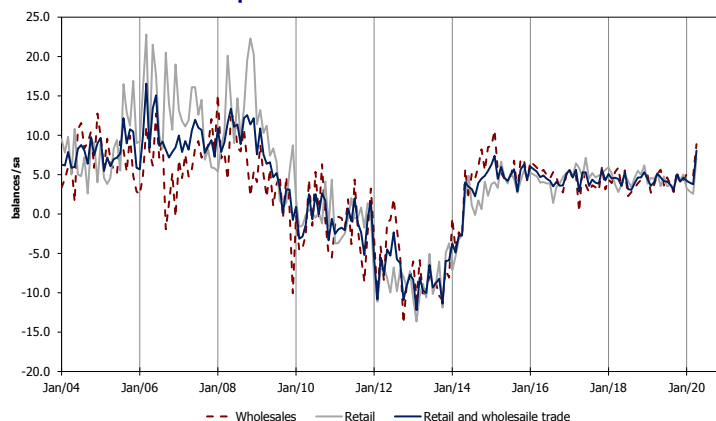
Graph 17

Perspectives on business activity in the next three months

Wholesale — Retail — Retail and wholesale trade
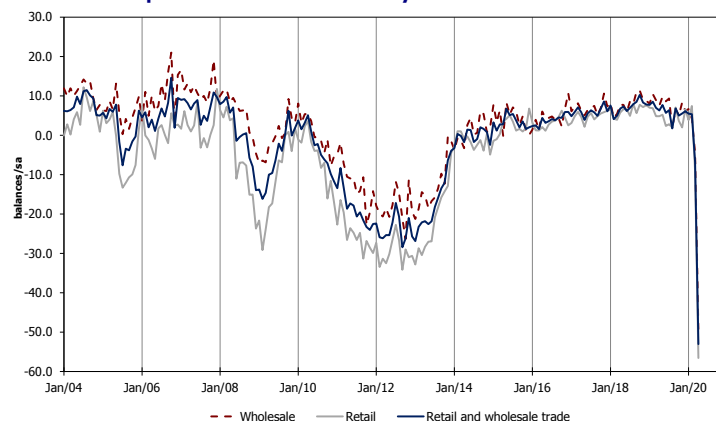
The **Services' confidence indicator** decreased to the minimum value of the series started in April 2001, with the negative contributions of all components, which registered the highest monthly reduction in the respective series and reached minimum values.

In April, the confidence indicators in the sections "**Transport and storage activities**", "**Accommodation and food service activities**", "**Information and communication activities**", "**Real estate activities**", " **Professional, scientific and technical activities**", "**Administrative and support service activities**" and "**Arts, entertainment and recreation**" presented minimum values for the respective series. This last section registered the highest reduction in the series, following the section "Accommodation and food service activities".
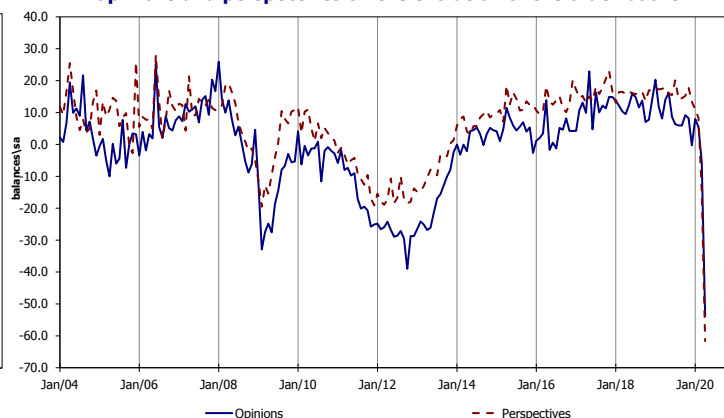
Graph 18
Services Confidence Indicator

Graph 19
Opinions and perspectives on the evolution of the order books

— Opinions   - - - Perspectives

Graph 20
Perspectives on the evolution of the business situation

Graph 21
Services Confidence Indicators by NACE setors

—— H - Transport and storage activities   - - - I - Accommodation and food service activities
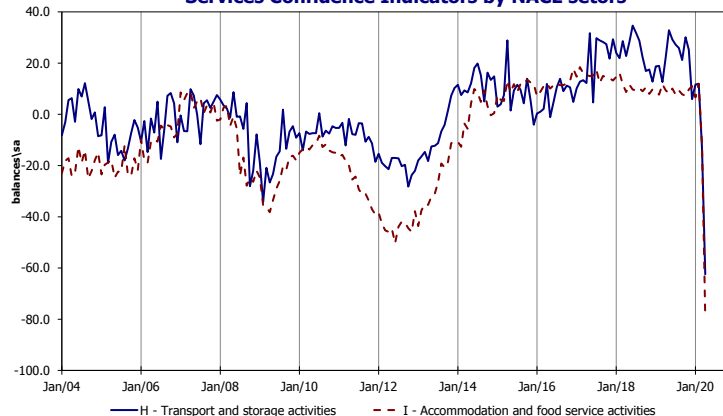
Graph 22
Services Confidence Indicators by NACE setors

—— J -Information and communication activities   - - - L - Real State Activities
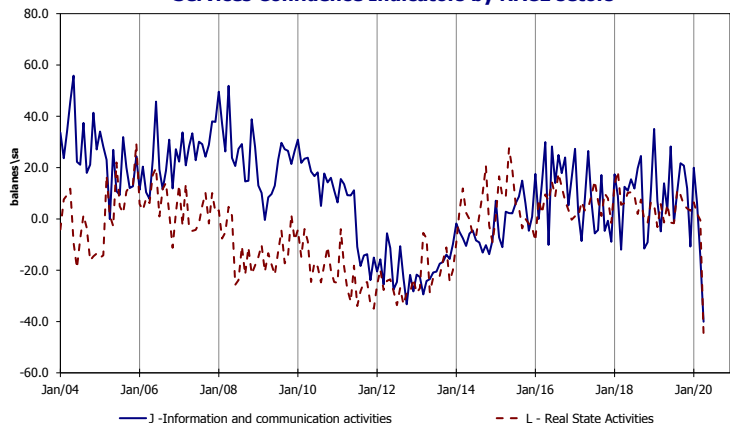
Graph 23
Services Confidence Indicators by NACE setors

—— M - Professional, scientific and technical activities   - - - N - Administrative and support service activities

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Graph 24

Services Confidence Indicators by NACE setors

Legend: R - Arts, entertainment and recreation activities — — S - Other Service Activities
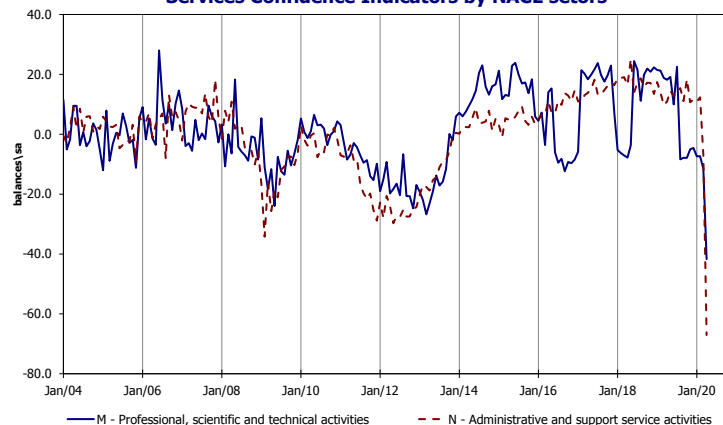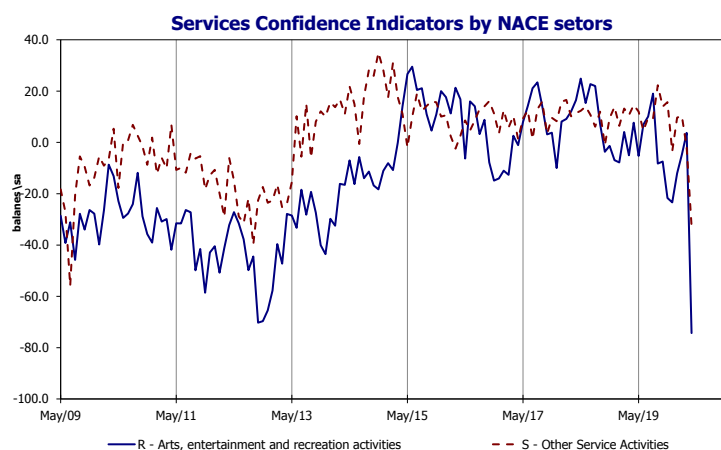
Confidence indicators and their underlying series and economic climate indicator (3mma)

	Unit	First Period	Average*	Minimum Value	Minimum Date	Maximum Value	Maximum Date	2019 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020 Jan	Feb	Mar	Apr
Consumers - confidence indicator (a+b+c+d)/4	balance	Nov-97	-17.5	-46.8	Dec-12	-0.8	Nov-97	-9.3	-9.0	-8.3	-8.0	-7.6	-7.1	-7.2	-6.9	-7.2	-7.8	-8.1	-9.9	-21.0
a Financial situation of the households over the last 12 months	balance	Nov-97	-16.8	-41.9	May-13	-0.5	Jul-99	-3.7	-3.5	-3.4	-3.3	-3.1	-3.0	-3.2	-3.8	-3.7	-3.2	-2.2	-2.3	-5.0
b Financial situation of the households over the next 12 months	balance	Nov-97	-7.1	-34.5	Dec-12	7.6	Apr-99	1.8	1.9	2.2	1.9	2.1	2.5	2.8	3.7	3.6	2.8	2.8	2.1	-9.1
c General economic situation in the country over the next 12 months	balance	Nov-97	-18.8	-63.7	Dec-12	14.6	Aug-17	-5.0	-5.1	-3.4	-3.8	-3.0	-2.8	-2.5	-2.1	-3.2	-4.9	-6.3	-12.2	-34.1
d Major purchases over the next 12 months	balance	Nov-97	-27.2	-48.5	Dec-12	-11.0	Nov-97	-30.4	-29.4	-28.4	-26.6	-26.2	-25.1	-25.9	-25.3	-25.7	-26.1	-26.7	-27.2	-35.5
Manufacturing industry - confidence indicator (a+b-c)/3	balance/sa	Mar-87	-2.8	-30.5	Feb-09	18.1	May-87	-2.9	-3.7	-3.4	-3.7	-3.2	-4.1	-4.2	-4.4	-4.3	-3.4	-4.2	-6.1	-15.9
a Demand/order books	balance	Mar-87	-14.0	-64.4	Apr-09	14.6	Jun-87	-10.4	-11.8	-11.5	-12.0	-11.2	-13.1	-13.0	-12.9	-12.5	-10.6	-11.9	-13.4	-23.8
b Production over the next 3 months	balance/sa	Mar-87	9.0	-24.8	Feb-09	32.8	Mar-87	4.8	4.4	4.5	4.3	5.4	5.4	5.3	4.7	4.3	4.3	2.4	-2.1	-21.2
c Stocks of finished goods	balance	Mar-87	3.4	-9.1	Sep-87	21.6	Jul-93	2.9	3.7	3.2	3.4	3.9	4.5	4.9	4.8	4.8	3.8	3.3	2.9	2.7
Construction and public works - confidence indicator (a+b)/2	balance	Jun-97	-25.6	-68.1	Nov-12	18.9	Sep-97	-8.9	-11.3	-10.8	-12.8	-12.2	-12.7	-11.7	-11.9	-11.6	-9.3	-7.5	-6.4	-16.5
a Current order books	balance	Jun-97	-38.5	-79.8	Dec-12	15.9	Nov-97	-17.5	-19.5	-20.5	-20.9	-20.3	-20.3	-19.6	-20.0	-19.6	-18.7	-17.2	-17.1	-25.6
b Employment over the next 3 months	balance	Jun-97	-12.8	-56.7	Nov-12	25.9	Aug-97	-0.3	-3.1	-1.1	-4.6	-4.1	-5.0	-3.7	-3.9	-3.5	0.2	2.2	4.2	-7.4
Trade - confidence indicator (a+b-c)/3	balance/sa	Mar-89	-1.7	-22.3	Jan-12	11.0	Jun-98	3.2	2.7	2.7	3.1	2.5	2.6	1.8	2.2	1.6	2.0	1.5	0.2	-10.7
-Wholesale	balance/sa	Mar-89	0.0	-19.3	Jan-12	12.6	Jun-98	4.4	3.7	4.0	4.6	3.7	3.4	2.0	2.3	1.5	2.7	1.6	0.3	-10.5
-Retail trade	balance/sa	Mar-89	-3.2	-27.2	Apr-09	10.9	Aug-98	2.0	1.6	1.1	1.1	0.8	1.6	1.6	1.9	1.7	1.3	1.7	0.4	-10.7
a Sales over the past 3 months	balance/sa	Mar-89	-5.7	-45.3	Jan-12	14.8	Jun-98	6.6	5.7	6.2	7.0	6.8	6.6	4.9	4.9	3.8	4.5	3.2	3.2	-8.8
- Wholesale	balance/sa	Mar-89	-4.4	-41.3	Jan-12	16.7	Apr-89	8.0	7.1	8.0	9.2	8.5	8.1	5.4	4.4	2.4	5.3	3.9	3.7	-8.5
- Retail trade	balance/sa	Mar-89	-7.0	-56.2	Aug-12	18.1	Apr-99	5.2	4.4	3.6	3.7	4.0	4.3	4.3	5.6	5.6	4.0	2.7	3.3	-8.7
b Business situation over the next 3 months***	balance/sa	Mar-89	9.9	-25.8	Apr-12	33.9	Dec-89	7.3	7.0	6.6	6.6	4.6	5.0	4.5	5.8	5.6	5.7	5.7	1.4	-18.1
- Wholesale	balance/sa	Mar-89	11.7	-20.7	Oct-12	38.0	Dec-89	9.0	8.8	8.7	9.3	6.5	5.9	4.5	6.7	6.5	7.1	5.7	2.1	-16.7
- Retail trade	balance/sa	Mar-89	8.5	-32.4	Apr-12	38.5	Sep-94	5.5	5.0	4.2	3.5	2.4	3.9	4.2	4.3	4.1	4.2	6.0	0.7	-19.4
c Volume of stock	balance	Mar-89	9.3	-10.0	Apr-13	28.8	Aug-90	4.2	4.6	4.7	4.3	4.0	3.6	3.9	4.1	4.6	4.3	4.3	4.0	5.3
- Wholesale	balance	Mar-89	7.5	-10.4	Dec-12	27.9	Aug-90	3.8	4.8	4.8	4.6	4.0	3.7	4.0	4.0	4.5	4.4	4.8	4.9	6.2
- Retail trade	balance	Mar-89	11.2	-11.6	Mar-13	29.8	Jun-90	4.8	4.4	4.5	3.9	4.0	3.5	3.9	4.1	4.6	4.2	3.7	2.9	4.2
Services - confidence indicator (a+b+c)/3	balance/sa	Jun-01	1.6	-28.2	Nov-12	24.6	Jun-01	13.7	14.4	14.5	13.4	11.3	9.9	10.4	11.4	10.1	8.2	6.5	2.7	-18.2
a Business situation over the past 3 months**	balance/sa	Jun-01	-1.2	-34.4	Dec-12	29.0	Jun-01	12.2	13.2	14.1	12.8	10.4	7.4	9.5	10.5	9.0	5.3	4.3	4.0	-13.9
b Demand over the next 3 months	balance/sa	Jun-01	6.7	-22.7	Apr-20	21.1	Mar-02	17.5	17.1	16.4	17.2	16.6	16.2	14.6	15.8	15.5	14.1	10.9	1.5	-22.7
c Demand/order books over the past 3 months	balance/sa	Jun-01	-0.6	-32.4	Nov-12	24.3	Jun-01	11.3	12.8	12.9	10.4	7.0	6.1	7.0	7.8	5.7	5.3	4.4	2.6	-18.0
Economic climate indicator ****	%/sa	Mar-89	1.7	-3.9	Dec-12	5.3	Mar-89	2.3	2.4	2.4	2.4	2.4	2.2	2.1	2.2	2.1	2.2	2.2	1.9	-0.7

* Series average since its beginning till the current observation.

** In May 2003 a break in the series occurred, until that moment the reference period was the month under review and afterwards it refers to the past 3 months.

*** In May 2003 a break in the series occurred, until that moment the question refered to the next 6 months.

**** From September 2004 onwards Services sector was included, besides industry, trade and construction. From May 2019, the indicator includes seasonally adjusted series.

Confidence indicators and their underlying series

		Unit	First Period	Average*	Standard Deviation	Minimum Value	Minimum Date	Maximum Value	Maximum Date	2019 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020 Jan	Feb	Mar	Apr
Consumers - confidence indicator (a+b+c+d)/4		balance	Sep-97	-17.5	11.7	-47.8	Oct-12	-0.1	Sep-97	-7.3	-9.0	-8.4	-6.4	-7.8	-7.2	-6.6	-6.9	-8.3	-8.4	-7.6	-13.7	-41.6
a	Financial situation of the households over the last 12 months	balance	Sep-97	-16.7	11.2	-43.5	Mar-13	0.5	Jan-99	-3.4	-3.4	-3.3	-3.3	-2.7	-3.2	-3.6	-4.5	-2.9	-2.2	-1.4	-3.4	-10.2
b	Financial situation of the households over the next 12 months	balance	Sep-97	-7.1	10.8	-35.6	Oct-12	8.6	Feb-99	4.1	1.3	1.1	3.4	1.7	2.3	4.3	4.6	2.0	1.9	4.6	-0.3	-31.8
c	General economic situation in the country over the next 12 months	balance	Sep-97	-18.8	19.9	-72.7	Sep-15	16.6	Jun-17	-1.6	-6.1	-2.5	-2.8	-3.6	-2.1	-1.8	-2.4	-5.5	-6.8	-6.7	-23.0	-72.7
d	Major purchases over the next 12 months	balance	Sep-97	-27.2	9.7	-51.6	Apr-20	-6.4	Sep-97	-28.4	-27.9	-28.9	-22.9	-26.8	-25.7	-25.2	-25.1	-26.7	-26.5	-26.8	-28.2	-51.6
Manufacturing industry - confidence indicator (a+b-c)/3		balance/sa	Jan-87	-2.8	8.9	-32.3	Apr-09	19.0	Mar-87	-4.4	-4.0	-1.8	-5.2	-2.7	-4.3	-5.7	-3.2	-4.2	-2.8	-5.7	-9.8	-32.1
a	Demand/order books	balance	Jan-87	-14.0	16.2	-66.4	Apr-09	14.6	Apr-87	-13.8	-12.5	-8.1	-15.3	-10.1	-13.8	-15.0	-10.0	-12.4	-9.6	-13.7	-16.9	-40.8
b	Production over the next 3 months	balance/sa	Jan-87	8.9	10.2	-53.6	Apr-20	34.0	Feb-87	4.4	4.0	5.1	3.8	7.1	5.3	3.6	5.1	4.0	3.7	-0.4	-9.5	-53.6
c	Stocks of finished goods	balance	Jan-87	3.4	5.1	-16.9	Jan-08	23.2	Jun-93	3.8	3.4	2.4	4.2	5.0	4.3	5.5	4.6	4.2	2.5	3.2	3.1	1.8
Construction and public works - confidence indicator (a+b)/2		balance	Apr-97	-25.5	20.0	-69.9	Oct-12	20.2	Sep-97	-9.4	-12.2	-10.8	-15.3	-10.5	-12.2	-12.3	-11.3	-11.0	-5.5	-5.9	-7.9	-35.8
a	Current order books	balance	Apr-97	-38.3	21.9	-82.2	Oct-12	18.6	Sep-97	-19.6	-20.8	-21.2	-20.7	-19.0	-21.1	-18.8	-20.0	-20.0	-16.1	-15.4	-19.8	-41.7
b	Employment over the next 3 months	balance	Apr-97	-12.7	18.9	-57.9	Jan-12	29.9	Jun-97	0.7	-3.6	-0.5	-9.8	-2.0	-3.3	-5.8	-2.6	-2.1	5.1	3.6	4.0	-29.9
Trade - confidence indicator (a+b-c)/3		balance/sa	Jan-89	-1.7	8.2	-30.6	Apr-20	11.9	Jun-98	2.2	3.4	2.5	3.4	1.6	3.0	1.0	2.7	1.1	2.1	1.4	-2.9	-30.6
	-Wholesale	balance/sa	Jan-89	-0.1	7.7	-28.3	Apr-20	14.0	Apr-98	2.9	4.7	4.2	4.8	2.0	3.4	0.4	3.1	0.8	4.0	0.0	-3.1	-28.3
	-Retail trade	balance/sa	Jan-89	-3.3	9.5	-33.3	Apr-20	12.3	Jul-98	1.3	1.7	0.2	1.2	0.9	2.6	1.2	2.0	1.9	0.1	3.0	-1.9	-33.3
a	Sales over the past 3 months	balance/sa	Jan-89	-5.7	15.3	-46.5	Nov-11	19.0	Feb-89	5.5	7.2	5.9	7.9	6.7	5.2	2.9	6.5	2.0	5.0	2.7	1.9	-30.8
	- Wholesale	balance/sa	Jan-89	-4.4	14.4	-47.2	Nov-11	22.8	Feb-89	6.2	10.0	7.7	9.9	8.1	6.3	1.8	4.9	0.5	10.4	0.7	-0.1	-26.0
	- Retail trade	balance/sa	Jan-89	-6.9	17.0	-57.9	Aug-12	20.2	Apr-99	4.2	3.5	3.1	4.4	4.5	4.0	4.4	8.4	3.9	-0.3	4.5	5.9	-36.4
b	Business situation over the next 3 months***	balance/sa	Jan-89	9.8	15.6	-53.1	Apr-20	40.9	Oct-89	6.3	7.7	5.7	6.4	1.7	6.8	5.0	5.5	6.1	5.5	5.4	-6.7	-53.1
	- Wholesale	balance/sa	Jan-89	11.7	14.2	-50.0	Apr-20	50.4	Oct-89	7.5	9.8	8.6	9.3	1.7	6.7	5.0	8.3	6.2	6.7	4.2	-4.5	-50.0
	- Retail trade	balance/sa	Jan-89	8.4	18.2	-56.6	Apr-20	41.2	Jul-94	4.8	5.2	2.4	2.8	2.0	7.1	3.7	2.0	6.6	3.8	7.4	-9.1	-56.6
c	Volume of stock	balance	Jan-89	9.3	8.0	-12.2	Feb-13	29.1	Jul-90	5.1	4.7	4.2	4.1	3.7	3.0	5.0	4.1	4.6	4.2	4.0	3.8	8.1
	- Wholesale	balance	Jan-89	7.5	7.4	-13.9	Oct-12	29.6	Jul-90	5.1	5.6	3.6	4.7	3.8	2.8	5.4	3.9	4.3	5.1	4.9	4.8	8.9
	- Retail trade	balance	Jan-89	11.2	9.7	-13.7	Feb-13	36.5	Jul-89	5.2	3.5	4.8	3.5	3.7	3.3	4.5	4.4	5.0	3.3	2.8	2.6	7.1
Services - confidence indicator (a+b+c)/3		balance/sa	Apr-01	1.6	12.3	-55.3	Apr-20	26.7	Jun-01	14.5	15.7	13.2	11.4	9.3	9.0	12.9	12.3	5.0	7.4	7.2	-6.5	-55.3
a	Business situation over the past 3 months**	balance/sa	Apr-01	-1.2	13.8	-50.5	Apr-20	33.0	Jun-01	11.7	15.0	15.5	7.9	7.8	6.6	14.3	10.8	1.9	3.3	7.8	0.9	-50.5
b	Demand over the next 3 months	balance/sa	Apr-01	6.5	11.6	-61.6	Apr-20	28.0	Jun-06	17.8	15.9	15.5	20.1	14.2	14.5	15.2	17.8	13.4	11.0	8.3	-14.9	-61.6
c	Demand/order books over the past 3 months	balance/sa	Apr-01	-0.6	13.5	-53.9	Oct-12	27.7	Apr-01	14.0	16.2	8.6	6.3	5.9	5.9	9.2	8.3	-0.3	8.0	5.4	-5.6	-53.9

* Series average since its beginning till the current observation.

** In May 2003 a break in the series occurred, until that moment the reference period was the month under review and afterwards it refers to the past 3 months.

*** In May 2003 a break in the series occurred, until that moment the question refered to the next 6 months.

The Business and Consumer Qualitative Surveys published by Statistics Portugal are developed in the framework of the harmonized EU Business and Consumer Surveys Programme of the European Commission (EC) DG-ECFIN (*Directorate-General for Economic and Financial Affairs*) and are financially supported in the framework of the agreement signed between these two institutions. The questionnaires are harmonized among the European countries, as well as the respective confidence indicators' methodology. The surveys' results are sent to the EC in effective values, and, therefore, the seasonally adjusted values published by the EC are computed by this entity and presented without using three months moving averages. The seasonal adjustment method used by the EC is available on the user guide, accessible in:
http://ec.europa.eu/economy_finance/db_indicators/surveys/documents/bcs_user_guide_en.pdf

The text and graphs of this press release are based on three terms moving averages, for the monthly variables, and two terms, for the quarterly variables, and on original values, except the cases of the seasonally adjusted series. The seasonal adjustment uses the X13-Arima method (combination of moving averages process and auto-regressive integrated moving average models) developed in the JDemetra+[2] software provided by Eurostat. This application relies on the use of probabilistic models to correct seasonal effects from the original series. The seasonal treatment is updated in May, for monthly and quarterly series, which might result on a revision of the series previously published. The use of moving averages smoothes out the series by removing the irregular movements, allowing the detection of the short-term trends. Since the average is not centred (the information is used to analyse the evolution of the last month) there is a small lag compared with the trend that is supposed to detect.

In order to compare the difference between original and moving average series, the graphical representation of the confidence indicators presents both types of series.

The balances of the questions are the difference between the positive and negative answers, that is Balance=%answer (+)-%answer (-). In the Consumer Survey there are questions with more than one option of positive/negative answer. In these cases, to the most positive/negative answers is given the weight 1 and to the others the weight 0.5, that is Balance= [%answer (++)*1+%answer (+)*0.5] - [%answer (--)*1+%answer (-)*0.5]. The percentage of answers that correspond to "equal" is not considered.

INFORMATION ON DATA COLLECTION - MARCH AND APRIL 2020

In the results obtained from business and consumer surveys for the collection of **March**, the data collecting period occurred from 02 to 13 March in the case of the consumer survey (telephone interviews) and from 01 to 24 March for business surveys (Webinq).

In the case of the data collection from the consumer survey, approximately 86.4% of the total interviews were obtained until March 10 (the day before the announcement of the closure of schools and universities) and on March 13, the collection process ended. In the case of firms, the cumulative percentages of responses obtained before March 16 (the date when schools and universities were closed) for each survey were as follows: Manufacturing Industry - 79.6%; Construction - 87.1%; Trade - 85.6% and Services - 86.7%.

In the **April**, the collection period occurred from 01 to 17 April (working days) in the case of the consumer survey and from 01 to 23 April for business surveys.

As a result of the methodology for sizing and updating the sample of the consumer survey, which is based on a quarterly rotation scheme (in January, April, July and October) of the accommodations, the sample was refreshed in April. Given that the rotation scheme of 1/8 of the households (replacement of 345 households every three months and remaining in the sample for a maximum period of two years) did not allow reaching the minimum threshold of desirable responses in the last few months, there was a reinforcement of the sample and a change in the rotation scheme to 1/4 (replacement of 890 households every three months and remaining in the sample for a maximum period of one year), in order to reduce the statistical burden on respondents.

With this update, the number of responses obtained increased from 850 in March to 1130 in April (average of 903 responses in the previous fifteen months). The response rate decreased in April from 73.8% to 61.2%, as a result of the lower response rate in the new rotation compared to the others, which tends to happen in the first month of data collection of the new rotation.

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[2]JDemetra+ is an open source tool for seasonal adjustment, available in: http://www.cros-portal.eu/content/jdemetra

The consumer survey recorded the following response rates:

Qualitative Consumer Survey	Response rate		
	Average of the last twelve months	March 2020	April 2020
	71.2%	73.8%	61.2%%

The distribution of the cumulative number of responses to the consumer survey in the months of March and April is presented below:
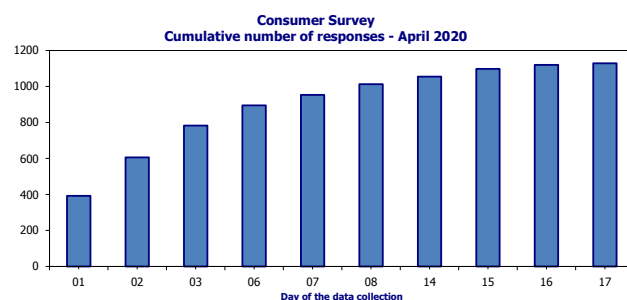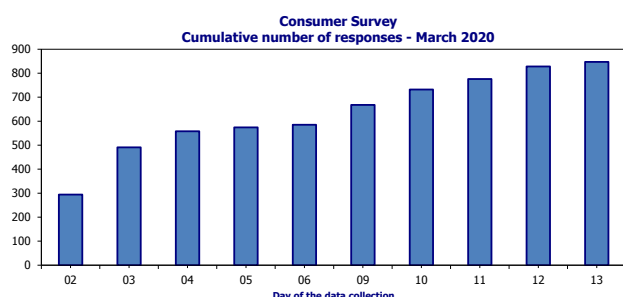
In the current context of the Covid-19 pandemic, the response and weighted response rates for business surveys observed in April are lower than the usual pattern, with a greater impact on services survey rates.

| Qualitative Business Surveys	Sample[1]	Response Rate[3]			Weighted Response Rate[3]		
		2019[2]	March 2020	April 2020	2019[2]	March 2020	April 2020
Manufacturing Industry	1,106	92.0%	88.1%	78.2%	96.1%	93.3%	88.5%
Construction and Public Works	701	88.7%	85.6%	78.6%	90.7%	85.4%	81.5%
Trade	1.351	92.8%	89.3%	83.3%	96.7%	95.8%	91.3%
Services	1.443	91.9%	88.1%	76.8%	97.1%	93.7%	88.4%

[1] December 2019

[2] Annual average.

[3] Corresponds to the ratio between the turnover of the firms that answered to the survey and the turnover of all the firms in the sample.

The following graphs show the distribution of the cumulative number of responses to business surveys in the months of March and April.

Trade Survey
Cumulative number of responses

Services Survey
Cumulative number of responses
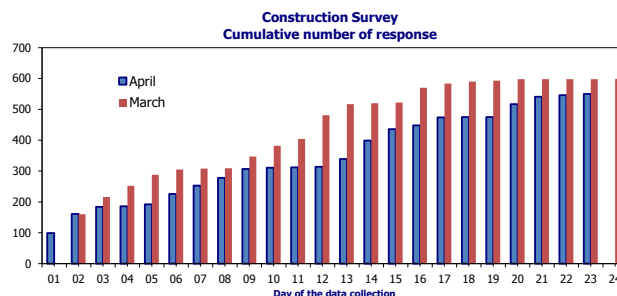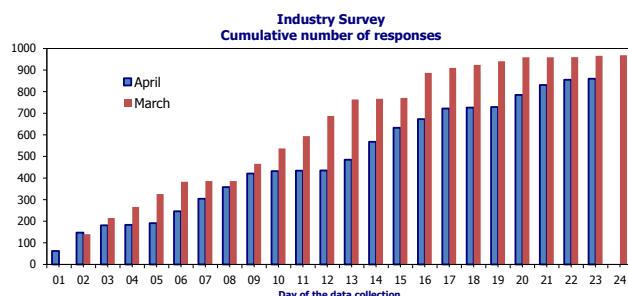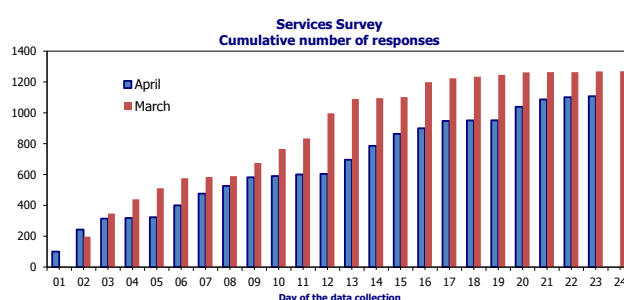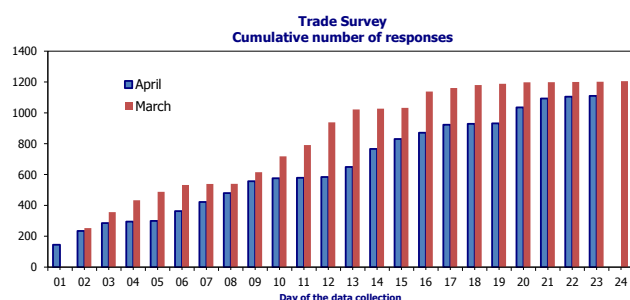
It should also be noted that the representativeness of the branches of activity covered by Business Surveys, considering the Gross Added Value (GVA) at current prices (Final Annual National Accounts 2017) as the economic variable is as follows:

Business Surveys	Weight of the GVA of the branches of each survey in the total GVA of the economy
Industry	14.3%
Construction	4.1%
Trade	13.8%
Services	36.8%

ECONOMIC CLIMATE INDICATOR

Synthetic Indicator estimated using balances of questions from the Manufacturing Industry, Trade, Construction and Public Works and Services Surveys. The method for this indicator uses the factor analysis and the estimated series (the common component) is calibrated using the GDP change rates. The questions that integrate the indicator are:

- <u>Qualitative Manufacturing Industry survey</u>

- How has your production developed over the past 3 months? It has… 1. + increased; 2. = remained unchanged; 3. - decreased.
- Do you consider your current overall order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- Do you consider your current export order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- How do you expect your production to develop over the next 3 months? It will… 1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)

- <u>Qualitative Trade survey</u>

- How has (have) your business activity (sales) developed over the past 3 months? It has… (They have...) 1. + improved (increased); 2. = remained unchanged; 3. - deteriorated (decreased). (seasonally adjusted)
- How do you expect your orders placed with suppliers to change over the next 3 months? They will... 1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)
- Your business activity is currently…: 1. + more than sufficient; 2. = sufficient; 3. - not sufficient.
- How do you expect your business activity (sales) to change over the next 3 months? It (They) will... 1. + improve (increase); 2. = remain unchanged 3. – deteriorate (decrease). (seasonally adjusted)

- <u>Qualitative Construction and Public Works survey</u>
- How has your building activity developed over the past 3 months? It has...; 1. + increased; 2. = remained unchanged; 3. - decreased.
- Do you consider your current overall order books to be…?: 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. – not sufficient (below normal).
- How do you expect your firm's total employment to change over the next 3 months? It will...; 1. + increase; 2. = remain unchanged; 3. - decrease.

- Qualitative Services survey
  - How has your business situation developed over the past 3 months? It has… 1. + improved; 2. = remained unchanged; 3. - deteriorated. (seasonally adjusted)
  - How has demand (turnover) for your company's services changed over the past 3 months? It has… 1. + increased; 2. = remained unchanged; 3. - decreased. (seasonally adjusted)
  - How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will…1. + increase; 2. = remain unchanged; 3. – decrease. (seasonally adjusted)

SECTORIAL CONFIDENCE INDICATORS

The confidence indicators (CI) are the result of the arithmetic average of balance of the following questions:

- Manufacturing Industry confidence indicator
  - Do you consider your current overall order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. − not sufficient (below normal).
  - How do you expect your production to develop over the next 3 months? It will... 1. + increase; 2. = remain unchanged; 3. - decrease.
  - [Inverted Sign] Do you consider your current stock of finished products to be...? 1. + too large (above normal); 2. = adequate (normal for the season); 3. − too small (below normal).
- Trade confidence indicator
  - How has (have) your business activity (sales) developed over the past 3 months? It has… (They have...) 1. + improved (increased); 2. = remained unchanged; 3. − deteriorated (decreased).
  - How do you expect your business activity (sales) to change over the next 3 months? It (They) will... 1. + improve (increase); 2. = remain unchanged 3. − deteriorate (decrease).
  - [Inverted Sign] Do you consider the volume of stock you currently hold to be...? 1. + too large (above normal); 2. = adequate (normal for the season); 3. − too small (below normal).
- Construction and Public Works confidence indicator
  - Do you consider your current overall order books to be…?: 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. − not sufficient (below normal).
  - How do you expect your firm's total employment to change over the next 3 months? It will...; 1. + increase; 2. = remain unchanged; 3. - decrease.

- Services confidence indicator
  - How has your business situation developed over the past 3 months? It has… 1. + improved; 2. = remained unchanged; 3. - deteriorated.
  - How has demand (turnover) for your company's services changed over the past 3 months? It has… 1. + increased; 2. = remained unchanged; 3. - decreased.
  - How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will… 1. + increase; 2. = remain unchanged; 3. – decrease.

CONSUMER CONFIDENCE INDICATOR

The consumer confidence indicator results of the arithmetic average of the balances of the following questions:

- How has the financial situation of your household changed over the last 12 months? It has...1. + + got a lot better; 2. + got a little better; 3.= stayed the same; 4.– got a little worse; 5. − − got a lot worse; 6. N don't know.
- How do you expect the financial position of your household to change over the next 12 months? It will...1. + + get a lot better; 2. + get a little better; 3.= stay the same; 4.– get a little worse; 5. − − get a lot worse; 6. N don't know.
- How do you expect the general economic situation in this country to develop over the next 12 months? It will... 1. + + get a lot better; 2. + get a little better; 3.= stay the same; 4.– get a little worse; 5. − − get a lot worse; 6. N don't know.
- Compared to the past 12 months, do you expect to spend more or less money on major purchases (furniture, electrical/electronic devices, etc.) over the next 12 months? I will spend...1. + +much more; 2. + a little more; 3.– a little less; 4. − − much less; 5. N don't know.

ABBREVIATIONS

Balances: Weighted difference between the percentages of positive and negative responses.
E.V.: Effective Values.
S.A.: Seasonally Adjusted values.
3MMA: Three-Months Moving Average.
2QMA: Two-Quarters Moving Average