



SYNTHESIS INE @ COVID-19

June . 01 . 2020

Statistics Portugal makes available the synthesis of the 9th weekly report of some of the most relevant statistical findings released for monitoring the social and economic impact of the COVID-19 pandemic.

This report covers the press releases concerning: Business and Consumer Surveys (May), Housing Bank Assessment Survey (April) and HICP Quick Estimate (May), all published on May 28; Retail Trade Turnover, Employment, Compensation and Hours Worked Index (March) and Quarterly National Accounts (1st Quarter 2020), both published on May 29.

For further details, see the links for related information available throughout this press release.



Consumer confidence and economic climate indicators partially recover in May after strong reductions in April

In May, the Consumer Confidence Indicator recovered partially, recording the largest monthly change ever.

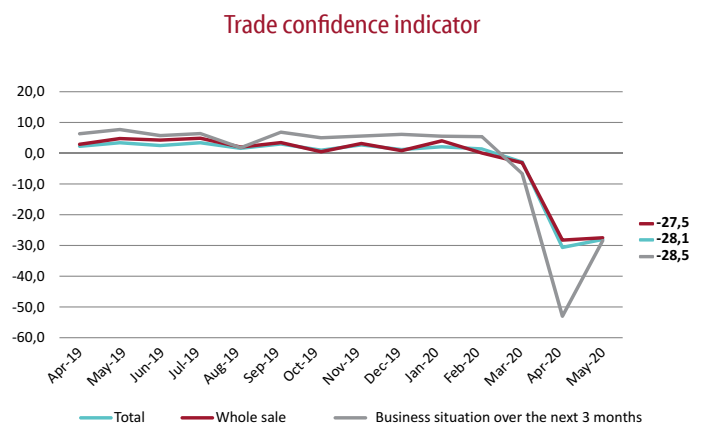
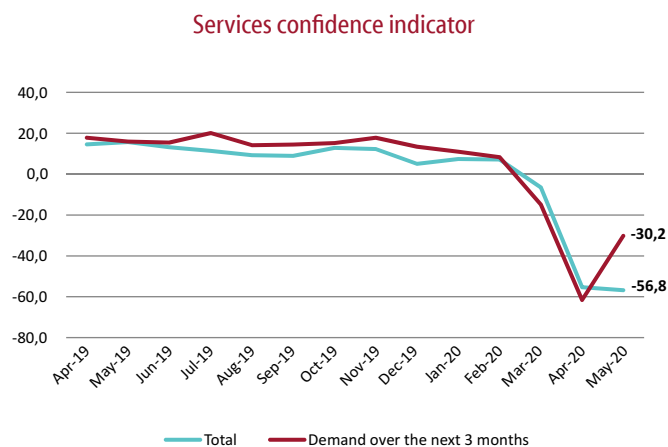
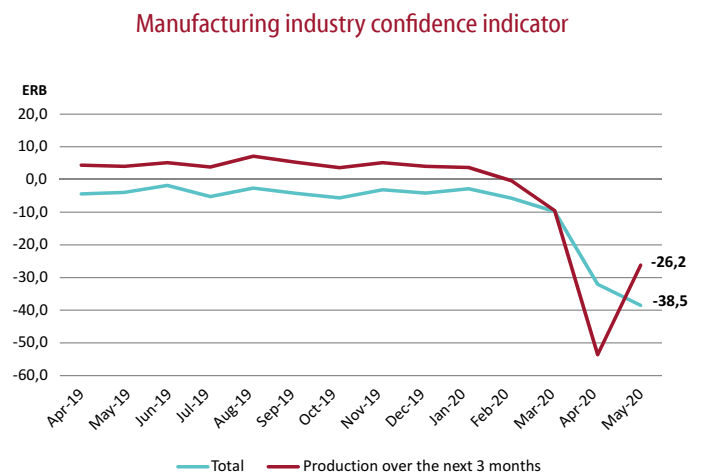
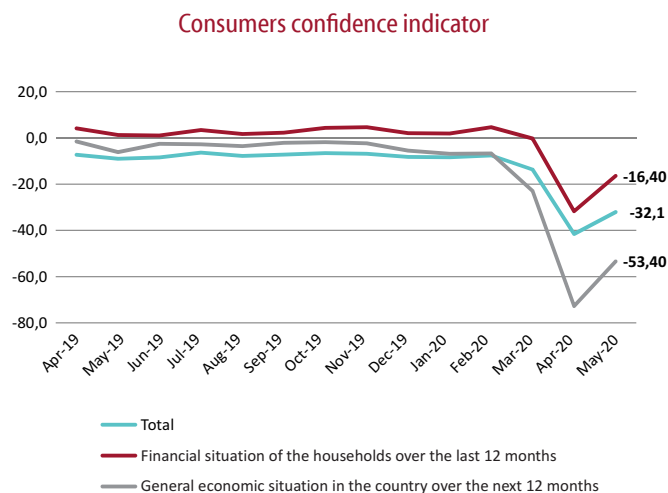
The economic climate indicator increased slightly in May compared to the previous month (in which it had recorded the largest reduction in the series and its minimum value).

In May, the Consumer Confidence indicator partially recovered – registering the largest increase in the series – from the abrupt reductions that occurred in April, when it reached the minimum value since May 2013. This recovery resulted from the improved perspectives on the evolution of the country's economic situation, the household's financial situation, and the perspectives regarding the major purchases.

Also in May regarding the economic climate indicator:

- The Manufacturing Industry confidence indicator continued to decline, prolonging the abrupt reduction recorded in April and reaching a new minimum in the series started in January 1987, reflecting the negative contributions of the balance of assessments on global demand developments as well as the opinions on current stock of finished products. The firm's production perspectives recovered significantly, contributing positively to the indicator.
- The Services confidence indicator continued to fall sharply, reaching a new historical minimum in the series started in April 2001.
- The Trade confidence indicator increased moderately, after the significant decrease recorded in April, attaining a new series minimum. This increase was due to the sharp recovery of the firm's perspectives on business activity in the next three months and, albeit to a lesser extent, to the opinions on the volume of stocks.

Confidence indicators and their basic series (ERB*)
(monthly basic series figures)



* ERB – Extreme response balance

In May, the telephone interviews made for the consumer survey took place from 04 to 15 May and the business surveys took place from 01 to 22 May, almost coinciding with the first phase of the “de-confinement” plan (from 04 to 17 May). This may have contributed to the change in sentiment that occurred in some of the surveys.

More information available at:
[Business and consumer surveys](#)
(28 May 2020)

In April, bank appraisals rose €1, to €1,111 per square meter

In April 2020, the median value of the bank appraisals carried out in the context of credit applications for home purchase was €1,111 per square metre (€1 more than in March), which represents increases of 0.1% compared to the previous month and 9.5% compared to the same month in 2019.

It should be noted that in April – during the pandemic – the number of appraisals reported (around 22 thousand), which underlies the results presented, decreased by 12% compared to March and by 2% compared to April 2019.

At a regional level (NUTS II) and compared with the previous month:

- The Região Autónoma dos Açores recorded the highest increase (3.2%).
- The Alentejo registered the sharpest decrease (-0.2%).

The highest year-on-year rate of change for all appraisals occurred in the Área Metropolitana de Lisboa (11.0%) and the lowest in the Alentejo (0.0%).

The analysis by type of housing reveals that, in April, the median value of the bank appraisal was €1,210 per square metre for apartments and €939 per square metre for houses, which represents increases of 10.3% and 6.7%, respectively, compared to April 2019.



Still regarding the median value of bank appraisals and compared to the previous month:

- For T2 apartments, this value rose by €1, to €1,235 per square metre. For three-bedroom apartments, it went down by €1 to €1,093 per square metre. Together, these types accounted for 80.7% of the apartment appraisals in April.
- For T2, T3 and T4 houses, which accounted for 58.8% of the appraisals, these values reached €810 per square metre, €834 per square metre, and €929 per square metre (plus €7, €13, and €36 respectively).

The Index of the median value of banking appraisals in April also shows that, at the level of NUTS III regions, only the Algarve, the Área Metropolitana de Lisboa, and the Alentejo Litoral presented appraisal values higher than the country's median (33% in the first two regions and 3% in the last) and that the regions of Beira Baixa and Beiras and Serra da Estrela were those that presented the lowest values in relation to the country's median (-40% and -38%, respectively).

More information available at:
[Survey on bank evaluation on housing](#)
(28 May 2020)

CPI annual rate of change estimated at -0.7% (Flash estimate)

The year-on-year rate of change in the Consumer Price Index (CPI) is expected to have fallen in May to -0.7%, which corresponds to a decline of 0.5 p.p. compared to the previous month.

The year-on-year rate of change in the index for energy products was -11.2%, standing out, and is even lower than in April (-9.4%), reflecting reductions in fuel prices.

The core inflation indicator (total index excluding unprocessed food and energy) is estimated to have registered a rate of change of -0.4%, 0.2 percentage points lower than in April.

In terms of month-on-month rates of change, the CPI will have decreased by 0.4% (in April, that rate was 0.3%).

	Monthly rate (%)		Annual rate (%)	
	Apr-20	May-20 (*)	Apr-20	May-20 (*)
CPI				
Total	0,32	-0,44	-0,22	0,72
All items excluding housing	0,32	-0,45	-0,36	-0,87
All items excl. unproc. food and energy	0,43	-0,36	-0,17	-0,41
Unprocessed food	3,26	-0,68	6,50	5,02
Energy	-5,03	-1,04	-9,42	-11,19
HICP				
Total	0,8	-0,2	-0,1	-0,6

(*) Estimated values



Considering the Harmonised Index of Consumer Prices (HICP), the most appropriate inflation indicator for comparisons between the different European Union countries, and particularly in the Euro Area, Portugal will have recorded a year-on-year rate of change of -0.6% in May (-0.1% in April).

More information available at:
[CPI/HICP Flash Estimate](#)
 (29 May 2020)

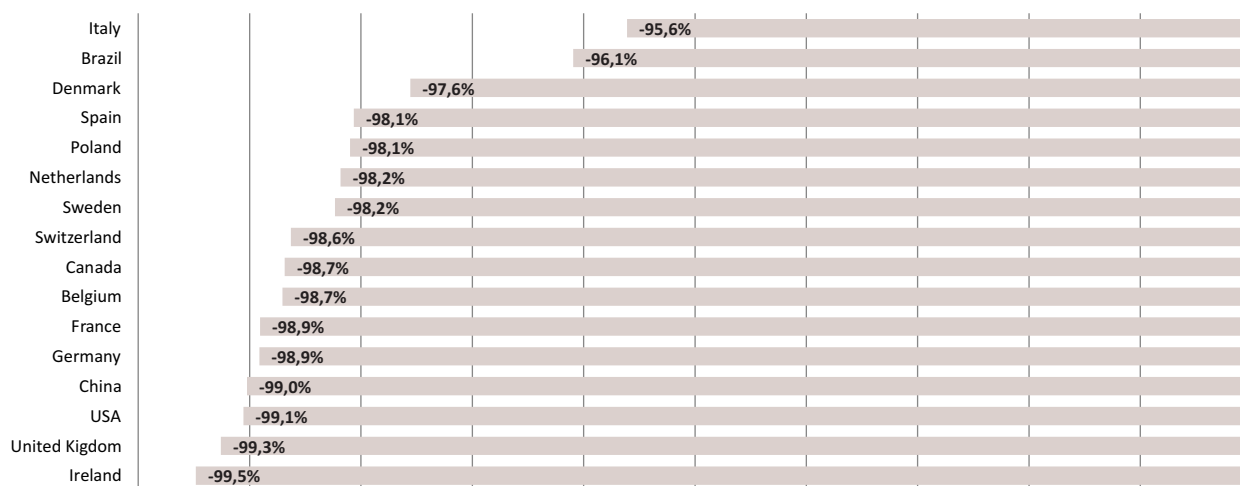
Almost complete interruption of tourist activity in April (Flash estimate)

According to the flash estimate, in April 2020, the tourist accommodation should have registered 68.0 thousand guests and 193.8 thousand overnight stays, corresponding to year-on-year rates of change of -97.1% and -96.7%, respectively (-62.3% and -58.7% in March, in the same order).

Tourist accommodation: 68.0 thousand guests (-97,1%) | 193.8 thousand overnight stays (-96,7%)

- Overnight stays from residents will have decreased by 92.7% (-57.6% in March).
- Overnight stays of non-residents will have fallen by 98.3% (-59.2% in March).
- Resident guests will have been 48.2 thousand, having decreased by 94.5% (-61.9% in March).
- Non-resident guests will have reached a total of 19.8 thousand, decreasing by 98.6% (-62.6% in March).

Year-on-year rates of change of overnight stays in tourist accommodation establishments, by country of residence



In April, there were quite significant decreases (above 95%) in the number of tourists, with the emphasis on the following:

- Irish (-99.5%)
- British (-99.3%)
- North Americans (-99.1%)
- Chinese (-99.0%)

Italian tourists declined the least (-95,6%).

In April, in the context of the state of emergency, around 80.6% of tourist accommodation establishments would have been closed or did not receive guests.

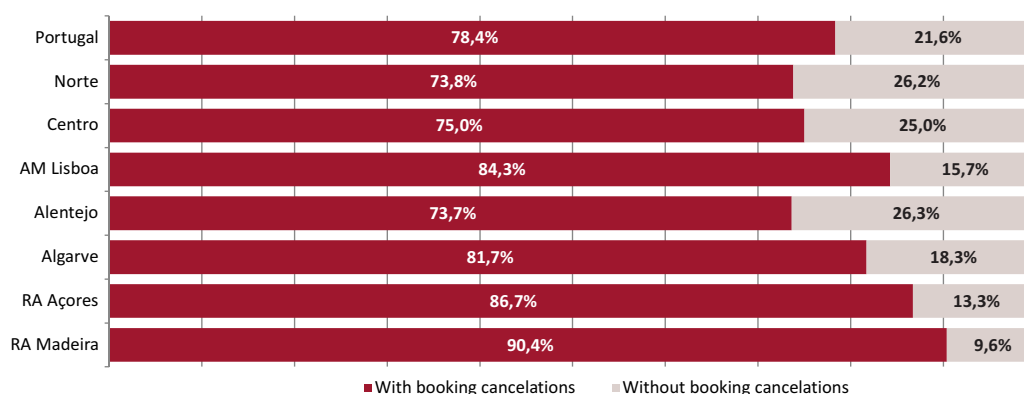
The profile of the few tourists who stayed in tourist accommodation establishments this month was different from the usual, with several situations being reported to Statistics Portugal, such as for example guests staying in Portugal without the possibility of returning to their country of residence, or people who, for professional reasons, had to travel in the country and spend the night outside their place of residence.

Booking cancellations in most establishments

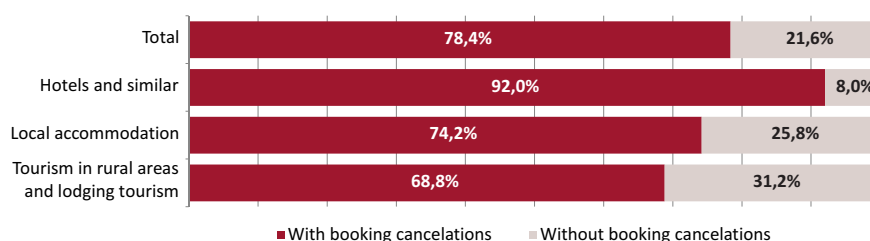
In Portugal, 78.4% of the respondent tourist accommodation establishments indicated that the pandemic led to the cancellation of bookings scheduled for March to August 2020 (these establishments represent 90.4% of the capacity of the respondent establishments).

The more restrictive measures to the mobility of people may have influenced the higher rate of cancellations that occurred in the Autonomous Regions.

Proportion of establishments with booking cancellations by NUTS II



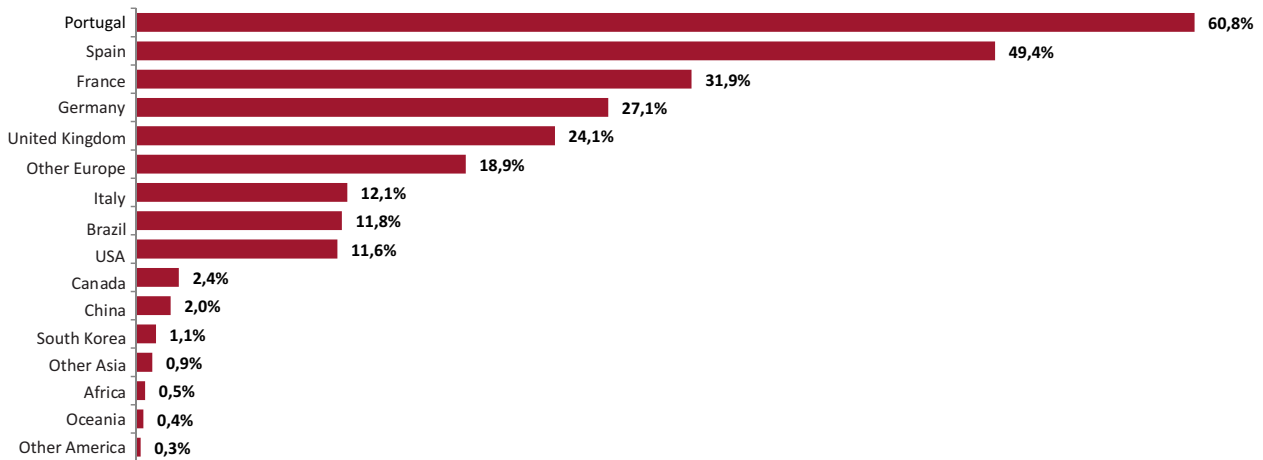
Proportion of establishments with booking cancellations by segment of the establishment



The cancellation of bookings, partial or total, decreased in the months when traditionally the request for tourist accommodation services is most intense: 74.4% reported cancellations for June, 63.6% for July, and 57.5% for August.

For 60.8% of the tourist accommodation establishments, Portuguese tourists were the ones that cancelled the most bookings, followed by the Spanish (49.4% of the establishments) and by the French (31.9%).

Main markets with booking cancellations by establishment (%)



Booking cancellations in establishments by country of origin of the tourists (%)

Tourists with the most cancellations by type of accommodation:

- Hotels: Portuguese (66.5% of the establishments) and Spanish (58.1%).
- Local accommodation establishments: Spanish (49.8% of the establishments) and Portuguese (48.2%).
- Rural tourism and lodging establishments: Portuguese (74.5% of the establishments).

More information available at:

[Tourism activity - Flash Estimate](#)

(29 May 2020)



Retail trade turnover down by 21.6%

Retail Trade Turnover Index registered a negative year-on-year rate of change of 21.6% in April (it decreased by 5.6% in the previous month).

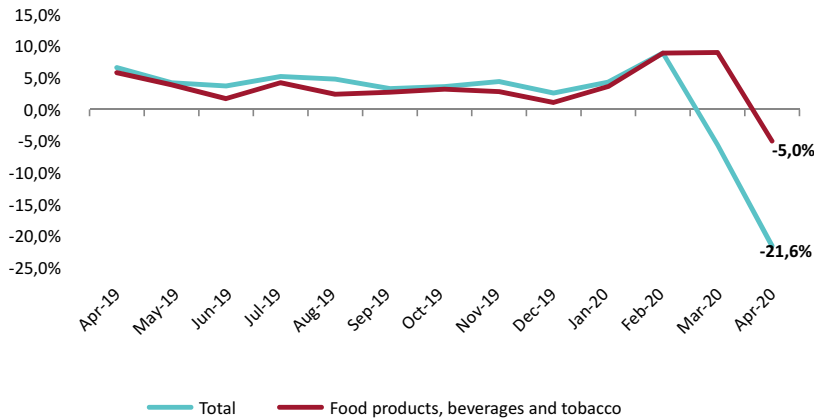
In April, the evolution of its two groupings had distinct performances:

- Non-Food Products registered a reduction of 34.3% (-16.8% in March).
- Food Products decreased by 5.0% (9.0% growth in March).

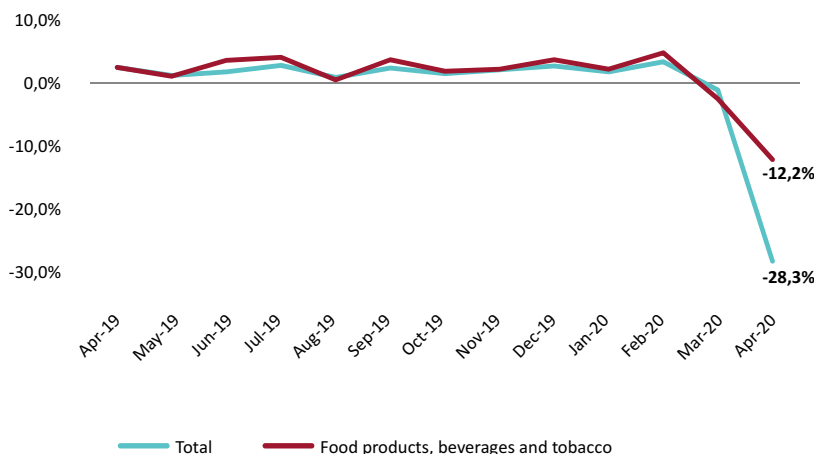
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Turnover in Retail Trade (deflated),
year-on-year change rate (%)



Hours worked (calendar effects adjusted),
year-on-year change rate (%)



The index of hours worked went from -1.2% in March to -28.3% in April.

The month-on-month rate of change of the hours worked index stood at -27.6% (-0.2% in April of the previous year).

More information available at:
[Business turnover, employment, wage and hours worked index in retail trade](#)
(29 May 2020)

GDP in volume registered a year-on-year rate of change of -2.3% and -3.8% quarter-on-quarter

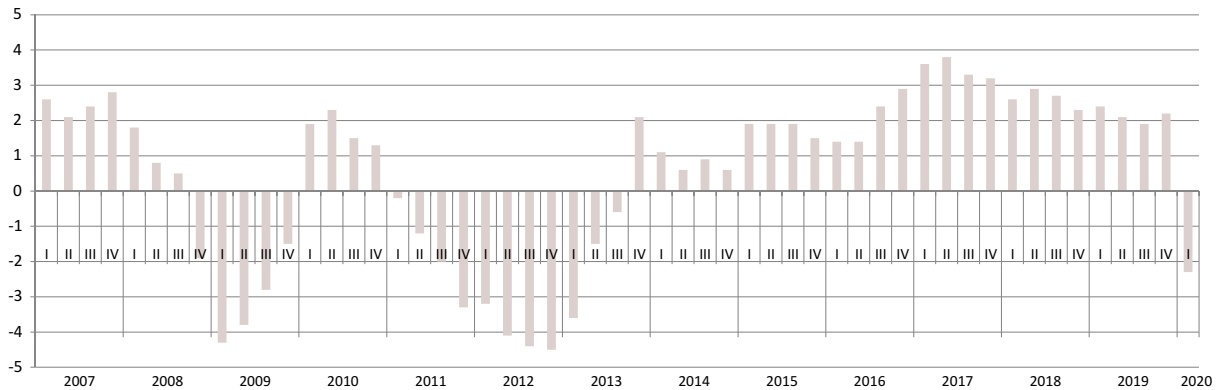
The GDP recorded a year-on-year rate of change of -2.3% in the first quarter of 2020 (+2.2% in the previous quarter), reflecting the significant impact of the COVID-19 pandemic particularly in the last month of the quarter.

In the first quarter, the contribution of net external demand to GDP year-on-year rate of change registered a negative contribution of 1.3 percentage points (+1.1 percentage points in the previous quarter), due to a more pronounced decrease, in volume, of Exports of Goods and Services (-4.9%) than of Imports of Goods and Services (-2.0%).

Domestic demand made a negative contribution (-1.1 p.p.), for the first time since the 3rd quarter of 2013, as a result of the decrease in private consumption and investment.

In nominal terms, the GDP declined by 0.7% in the first quarter compared to the same period a year earlier (+3.8% in the previous quarter).

Gross Domestic Product in volume (reference year =2016)
Seasonally and calendar effects adjusted data - Year-on-Year rate of change, %



Private consumption presented a year-on-year rate of change of -1.0% in real terms (+1.9% in the precedent quarter), while Investment decreased by 2.5% (-2.2% in the fourth quarter of 2019).

Public consumption decelerated to a year-on-year rate of change of 0.5% (1.5% in the previous quarter), reflecting to some extent the negative impact on non-market production, in volume, of the measures adopted to reduce the spread of COVID-19, despite the increase in nominal terms of general government expenditure.

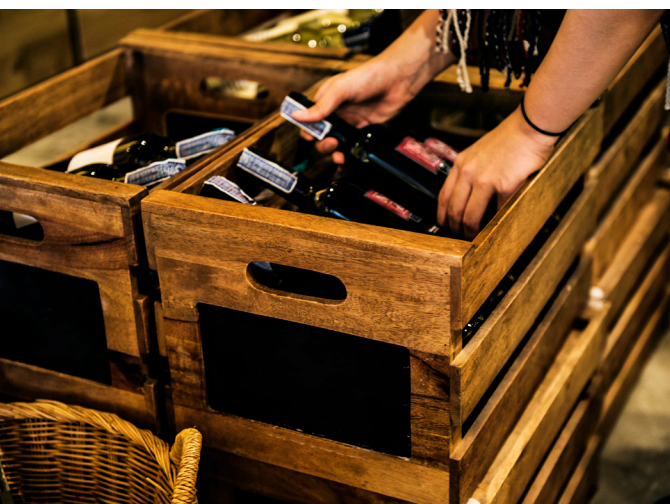
Final consumption expenditure of Resident Households diminished by 1.1%

In the first quarter of 2020, final consumption expenditure of Resident Households recorded a year-on-year decrease of 1.1% in volume (+2.0% in the previous quarter).

Final Consumption Expenditure of Resident Households in durable goods registered a year-on-year growth rate of -5.3% (+2.1% in the fourth quarter of 2019), mainly reflecting the strong reduction in the acquisition of motor vehicles.

The non-durable goods and services component recorded a year-on-year decrease of 0.7% (+1.9% in the previous quarter), although there was a more marked growth in the component of food products.

Comparing with the fourth quarter 2019, final consumption expenditure of Resident Households diminished by 3.0% (+0.1% in the previous quarter), with a 8.8% decrease in the component of durable goods (mainly motor vehicles), while expenditure on non-durable goods and services decreased by 2.4% (rates of 2.2% and -0.1% in the fourth quarter, respectively).



The private consumption recorded a year-on-year rate of change of -2.2% in the first quarter of 2020, following an increase of 2.7% in the previous quarter.

Investment recorded a year-on-year decrease of 2.5%

In the first quarter of 2020, Investment registered a year-on-year decrease of 2.5% in volume (-2.2% in the previous quarter),

However, it should be noted that Gross Fixed Capital Formation (GFCF) in Transport Equipment presented a year-on-year increase of 1.5%, after diminishing 11.3% in the previous quarter due to the component of other transport equipment, reflecting imports under financial leasing regime of aircrafts, which more than offset the reduction in the motor vehicle component.

When compared with the fourth quarter of 2019, total Investment increased by 0.2% after declining by 4.8% in the previous quarter.

Exports and Imports, in real terms, decreased by 4.9% and 2.0%, respectively

Exports of Goods and Services, in real terms, registered a year-on-year rate of change of -4.9% (+6.2% in the previous quarter). For this evolution, it is worth mentioning the more pronounced decrease in exports of services, with a rate of change of -9.6% (+3.0% in the previous quarter), mainly as a result of the contraction of tourism activity. Goods exports also decreased, shifting from a year-on-year rate of change of +7.7% to -2.7% in the first quarter of 2020.

In the first quarter, Imports of Goods and Services, in volume, fell by 2.0%, after recording a year-on-year growth rate of +3.5% in the fourth quarter of 2019. The goods component decreased by 1.4% and imports of services presented a rate of -5.3% after year-on-year growths of 2.4% and 8.8% in the previous quarter, respectively.

Comparing with the previous quarter, total exports and imports decreased by 7.1% and by 3.1% respectively (+4.1% and +0.7% in the previous quarter, in the same order).

Employment decreased by 0.5%

In the first quarter, seasonally adjusted employment registered a year-on-year rate of change of -0.5%, 0.8 percentage points lower than in the previous quarter.

The number of employees (also seasonally adjusted) increased year-on-year by 0.7% in the first quarter of 2020, 0.7 percentage points lower than in the previous quarter.

More information available at:

[Quarterly national accounts](#)

(29 May 2020)

Press releases between 01-06-2020 to 05-06-2020:

Press Releases	Reference period	Release data	Observations
Industrial production index	April 2020	01 June 2020	Published
Fast and Exceptional Enterprise Survey - COVID-19	2 nd fortnight, May 2020	02 June 2020	Published
Monthly Employment and Unemployment Estimates	April 2020	02 June 2020	Published
Transport activities	1 st Quarter 2020	04 June 2020	Confirmed
Regional Development Composite Index	2018	04 June 2020	Confirmed
Context indicators for the COVID-19 pandemic in Portugal - Data until June 03		05 June 2020	Foreseen