

19th June, 2009

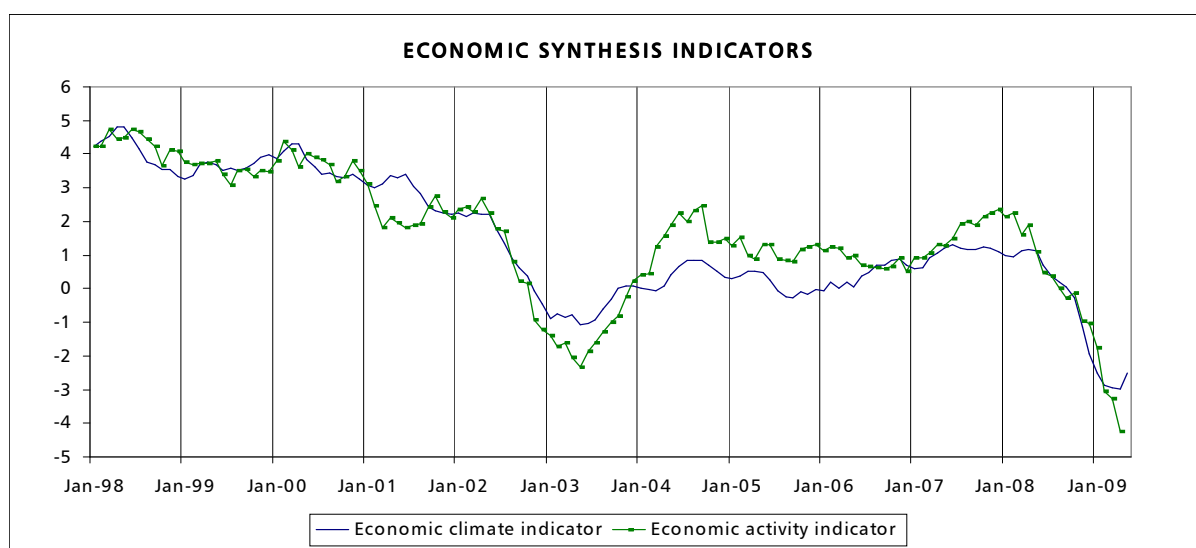
Monthly Economic Survey May 2009

Information available for May slightly less negative.

In May, the economic sentiment and the consumer confidence indicators recovered tenuously in the Euro Area (EA) and in the European Union (EU27).

In Portugal, the economic climate indicator increased in May, interrupting the strong downward movement started a year before. The economic activity indicator diminished again in April, maintaining the negative trend started in January 2008. The private consumption indicator stabilized in April, due to the stabilization of the non-durable consumption component, while the durable consumption component was slightly less negative. The GFCF indicator continued to present a strong negative variation in April, although less accentuated than in March reflecting, mainly, the less negative behaviour of the construction component. Concerning the international trade of goods, imports and exports continued to register strong negative year-on-year nominal growth rates in April, respectively -30.2% and -27.8% (-24.7% and -27.7%, in the same order, in March). The more intense reduction of imports since the beginning of the year might reflect, partly, a gain in the terms of trade.

In May, the year-on-year monthly change rate of the Consumer Price Index was -1.2%, prolonging the downward movement started in July 2008 (when the normal VAT rate was reduced 1.0 p.p.). The core inflation index presented a year-on-year growth rate of 0.5% (0.4 p.p. less than in the previous month). The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP stabilised in May in 1.2 p.p..



**Report based on information available up to June 18, 2009.
Next report will be released on July 17, 2009.**

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 2007 | Year 2008 | Quarter 1 2008 | Quarter 2 2008 | Quarter 3 2008 | Quarter 4 2008 | Quarter 1 2009 | Nov-08 | Dec-08 | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 |
|---|-------------------|--------------|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|
| International background | | | | | | | | | | | | | | | |
| GDP of customer countries | s.a/y.r. | 2.9 | 0.9 | 2.5 | 1.7 | 0.7 | -1.3 | -3.9 | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. |
| GDP European Union | s.a/y.r. | 2.9 | 0.9 | 2.4 | 1.7 | 0.7 | -1.6 | -4.5 | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. |
| GDP Euro Area | s.a/y.r. | 2.7 | 0.7 | 2.2 | 1.5 | 0.5 | -1.7 | -4.8 | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. |
| Industrial production index of customer countries | s.a/y.r./3-mma | 2.7 | -3.6 | 1.7 | -1.2 | -3.8 | -11.0 | -18.2 | -8.2 | -11.0 | -13.7 | -16.3 | -18.2 | - | - |
| Economic Sentiment Indicator in EU | ind/s.a.-3mma | 111.2 | 90.7 | 102.8 | 97.9 | 88.7 | 73.3 | 61.5 | 73.5 | 66.6 | 63.2 | 60.9 | 60.4 | 63.9 | 66.7 |
| Economic Sentiment Indicator in EA | ind/s.a.-3mma | 108.9 | 91.1 | 101.4 | 97.5 | 89.9 | 75.8 | 65.7 | 76.8 | 68.9 | 67.2 | 65.3 | 64.7 | 67.2 | 69.3 |
| Order books in industry of customer countries | balance/s.a.-3mma | 3.4 | -17.2 | -2.4 | -7.8 | -18.8 | -39.6 | -53.4 | -31.4 | -39.6 | -45.3 | -50.4 | -53.4 | -56.4 | -56.7 |
| Consumer confidence indicator in EU | balance/s.a.-3mma | -4.2 | -17.2 | -10.4 | -14.0 | -19.2 | -25.1 | -31.3 | -21.9 | -25.1 | -27.6 | -30.1 | -31.3 | -30.7 | -30.3 |
| Unemployment rate in EU | s.a/% | 7.1 | 7.0 | 6.8 | 6.8 | 7.0 | 7.4 | 8.1 | 7.4 | 7.6 | 7.9 | 8.1 | 8.4 | 8.6 | - |
| Harmonised index of consumer prices in EA | y.r. | 2.1 | 3.3 | 3.4 | 3.6 | 3.8 | 2.3 | 1.0 | 2.1 | 1.6 | 1.1 | 1.2 | 0.6 | 0.6 | 0.0 |
| Production price index of supplying countries | y.r./3-mma | 3.2 | 5.5 | 6.1 | 7.2 | 7.7 | 1.2 | -3.8 | 4.0 | 1.2 | -1.1 | -2.6 | -3.8 | -4.7 | - |
| Crude oil price (Brent) | Euros | 52.6 | 64.9 | 64.6 | 77.8 | 75.8 | 41.5 | 34.1 | 41.2 | 29.7 | 32.8 | 33.9 | 35.7 | 38.0 | 42.0 |
| Crude oil price (Brent) | y.r. | 1.4 | 23.4 | 46.6 | 52.8 | 39.1 | -32.0 | -47.2 | -34.5 | -52.4 | -47.6 | -47.4 | -46.6 | -45.1 | -46.8 |
| Economic activity | | | | | | | | | | | | | | | |
| GDP | y.r. | 1.9 | 0.0 | 0.9 | 0.7 | 0.3 | -2.0 | -3.7 | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. |
| Economic climate indicator | balance/3-mma | 1.1 | 0.0 | 1.1 | 0.7 | 0.1 | -1.9 | -2.9 | -1.2 | -1.9 | -2.5 | -2.9 | -2.9 | -3.0 | -2.5 |
| Economic activity indicator | 3-mma | 1.7 | 0.2 | 1.6 | 0.5 | -0.3 | -1.0 | -3.3 | -1.0 | -1.0 | -1.8 | -3.1 | -3.3 | -4.2 | - |
| Total turnover index | y.r./3-mma | 4.0 | 1.1 | 4.1 | 3.5 | 4.1 | -6.5 | -15.4 | -2.6 | -6.5 | -10.7 | -13.6 | -15.4 | -15.4 | - |
| Manufacturing industry production index | s.a/y.r./3-mma | 1.2 | -3.9 | -1.3 | -2.9 | -3.3 | -8.3 | -16.1 | -5.9 | -8.3 | -11.7 | -16.2 | -16.1 | -14.7 | - |
| Production index in construction | s.a/y.r./3-mma | -3.8 | -1.4 | -0.9 | -1.2 | -1.0 | -2.4 | -4.2 | -0.5 | -2.4 | -4.2 | -5.5 | -4.2 | -3.2 | - |
| Retail trade turnover index (real) | y.r./3-mma | 0.3 | 0.2 | 2.4 | -0.1 | 0.3 | -1.7 | -4.7 | 0.0 | -1.7 | -2.2 | -4.0 | -4.7 | -4.3 | - |
| Sales of passenger vehicles | y.r./3-mma | 3.7 | 5.6 | 11.5 | 1.9 | 0.3 | 9.4 | -42.4 | -1.6 | 9.4 | -3.1 | -17.1 | -42.4 | -39.6 | -36.7 |
| Consumption | | | | | | | | | | | | | | | |
| Consumer confidence indicator | balance/3-mma | -29.2 | -38.4 | -36.9 | -37.5 | -36.5 | -42.7 | -51.0 | -37.5 | -42.7 | -46.1 | -50.0 | -51.0 | -49.5 | -46.2 |
| Quantitative indicator of private consumption | y.r./3-mma | 2.2 | 1.7 | 2.4 | 0.7 | 2.4 | 1.2 | -1.7 | 1.4 | 1.2 | 0.7 | -0.3 | -1.7 | -1.7 | - |
| Indicator of non-durable consumer goods | y.r./3-mma | 1.8 | 1.8 | 1.9 | 1.5 | 2.2 | 1.7 | 1.1 | 2.0 | 1.7 | 1.7 | 1.3 | 1.1 | 1.1 | - |
| Indicator of durable consumer goods | y.r./3-mma | 5.4 | 0.4 | 5.5 | -5.0 | 3.2 | -2.0 | -22.5 | -3.0 | -2.0 | -7.0 | -12.3 | -22.5 | -22.2 | - |
| Vol. ind. consumption of passenger vehicles | y.r./3-mma | 5.6 | -0.7 | 5.9 | -13.9 | 4.6 | 4.3 | -35.2 | -5.3 | 4.3 | -6.0 | -15.8 | -35.2 | -34.9 | - |
| Investment | | | | | | | | | | | | | | | |
| GFCF indicator | | 4.2 | -3.4 | -1.1 | -1.0 | -3.6 | -8.0 | -19.6 | -6.7 | -8.0 | -13.2 | -15.7 | -19.6 | -19.1 | - |
| Cement sales | y.r./3-mma | 2.1 | -7.9 | -8.2 | -2.7 | -6.3 | -14.5 | -18.6 | -11.1 | -14.5 | -20.4 | -21.2 | -18.6 | - | - |
| Sales of steel for concrete | y.r./3-mma | -6.5 | -16.2 | -9.4 | -6.7 | -33.7 | -18.0 | -29.1 | -18.5 | -18.0 | -24.0 | -36.7 | -29.1 | - | - |
| Credit for purchase of habitation | y.r./stocks | 9.8 | 3.9 | 9.3 | 8.4 | 5.6 | 3.9 | 2.4 | 4.2 | 3.9 | 3.2 | 2.8 | 2.4 | - | - |
| Licenses for construction of new habitations | y.r./3-mma | -8.6 | -20.9 | -11.2 | -16.7 | -24.6 | -32.9 | -41.2 | -28.4 | -32.9 | -39.1 | -42.6 | -41.2 | -38.8 | - |
| Machinery and equipment indicator | | 6.2 | 3.3 | 6.1 | 3.4 | 3.4 | 0.3 | -3.7 | 1.9 | 0.3 | -0.5 | -2.4 | -3.7 | -3.7 | -3.1 |
| Sales of light commercial vehicles | y.r./3-mma | 6.3 | -19.1 | -18.0 | -38.1 | 5.9 | -10.4 | -40.5 | -10.2 | -10.4 | -20.3 | -26.8 | -40.5 | -36.4 | -37.6 |
| Sales of new heavy commercial vehicles | y.r./3-mma | 6.2 | -1.7 | 19.0 | 4.6 | -3.2 | -24.4 | -38.3 | -18.2 | -24.4 | -32.1 | -28.7 | -38.3 | -48.4 | -46.2 |
| External demand | | | | | | | | | | | | | | | |
| External demand indicator in value | s.a/y.r./3-mma | 6.4 | -0.1 | 6.1 | 3.2 | 1.3 | -10.7 | -23.6 | -5.0 | -10.7 | -17.0 | -20.8 | -23.6 | - | - |
| External order books | balance/3-mma | -3.6 | -23.1 | -10.3 | -12.3 | -16.7 | -53.0 | -66.0 | -40.3 | -53.0 | -61.0 | -65.3 | -66.0 | -68.0 | -66.0 |
| Exports of merchandises in value | y.r./3-mma | 8.9 | 1.0 | 5.2 | 4.6 | 5.4 | -11.0 | -27.7 | -5.2 | -11.0 | -19.4 | -25.5 | -27.7 | -27.8 | - |
| Imports of merchandises in value | y.r./3-mma | 7.4 | 7.2 | 14.0 | 11.4 | 11.3 | -6.4 | -27.4 | -0.7 | -6.4 | -15.3 | -23.5 | -27.4 | -30.2 | - |
| Labour market | | | | | | | | | | | | | | | |
| Unemployment rate | % | 8.0 | 7.6 | 7.6 | 7.3 | 7.7 | 7.8 | 8.9 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Employment | y.r. | 0.2 | 0.5 | 1.1 | 1.4 | -0.1 | -0.2 | -1.8 | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. | n.d. |
| Unemployed registration along the month | s.a/y.r./3-mma | -6.7 | 11.2 | 0.0 | 7.2 | 11.0 | 27.2 | 35.7 | 20.4 | 27.2 | 31.1 | 34.3 | 35.7 | 36.7 | - |
| Unemployment expectations | balance/3-mma | 43.2 | 50.6 | 47.6 | 48.1 | 45.5 | 61.1 | 79.8 | 51.9 | 61.1 | 68.9 | 76.1 | 79.8 | 78.4 | 73.8 |
| Vacancies along the month | s.a/y.r./3-mma | 13.6 | 6.0 | 1.0 | -3.4 | 11.2 | 14.0 | -16.1 | 11.3 | 14.0 | 8.1 | -5.9 | -16.1 | -14.9 | - |
| Average declared wages | s.a/y.r./3-mma | 3.5 | 4.0 | 4.0 | 3.9 | 4.0 | 4.2 | 3.5 | 4.3 | 4.2 | 4.1 | 3.7 | 3.5 | 3.3 | - |
| Wage negotiation | av./3-mmaq.w. | 2.9 | 3.1 | 2.9 | 3.0 | 3.0 | 3.3 | 2.6 | 3.4 | 3.3 | 3.3 | 2.9 | 2.6 | 2.4 | - |
| Prices and exchange rates | | | | | | | | | | | | | | | |
| Consumer price index | y.r. | 2.5 | 2.6 | 2.9 | 2.9 | 3.0 | 1.5 | 0.0 | 1.4 | 0.8 | 0.2 | 0.2 | -0.4 | -0.5 | -1.2 |
| Core inflation indicator | y.r. | 2.2 | 2.4 | 2.7 | 2.3 | 2.4 | 2.2 | 1.4 | 2.2 | 2.0 | 1.8 | 1.4 | 0.9 | 0.9 | 0.5 |
| Consumer price index - goods | y.r. | 2.2 | 2.3 | 2.6 | 2.9 | 3.2 | 0.7 | -1.2 | 0.5 | -0.5 | -0.8 | -0.9 | -1.8 | -2.0 | -2.9 |
| Consumer price index - services | y.r. | 2.9 | 3.0 | 3.5 | 2.8 | 2.8 | 3.0 | 1.9 | 2.9 | 3.0 | 2.0 | 1.9 | 1.7 | 1.9 | 1.8 |
| Manufacturing industry production price index | y.r./3-mma | 2.7 | 5.9 | 6.8 | 7.0 | 8.7 | 1.1 | -5.1 | 4.6 | 1.1 | -2.2 | -3.9 | -5.1 | -5.9 | - |
| Effective exchange rate index for Portugal | y.r. | 0.8 | 1.2 | 1.6 | 1.8 | 1.4 | 0.1 | 0.4 | -0.4 | 0.8 | 0.6 | 0.2 | 0.4 | -0.2 | - |
| Exchange rate euro/USD | y.r. | 9.1 | 6.9 | 14.4 | 15.9 | 9.3 | -9.2 | -13.1 | -13.3 | -7.7 | -10.0 | -13.3 | -16.0 | -16.3 | -12.3 |
| Exchange rate USD/euro | USD | 1.371 | 1.471 | 1.500 | 1.562 | 1.504 | 1.317 | 1.302 | 1.273 | 1.345 | 1.324 | 1.279 | 1.305 | 1.319 | 1.365 |
| Exchange rate euro/JPY | y.r. | 10.4 | -6.6 | 0.8 | 0.3 | -0.2 | -22.9 | -22.8 | -24.3 | -25.1 | -24.5 | -25.1 | -18.5 | -19.4 | -18.8 |