

MONTHLY ECONOMIC SURVEY  
July 2014

**Economic activity indicator stabilizes and economic climate indicator recovers again. Nominal exports diminish and imports increase**

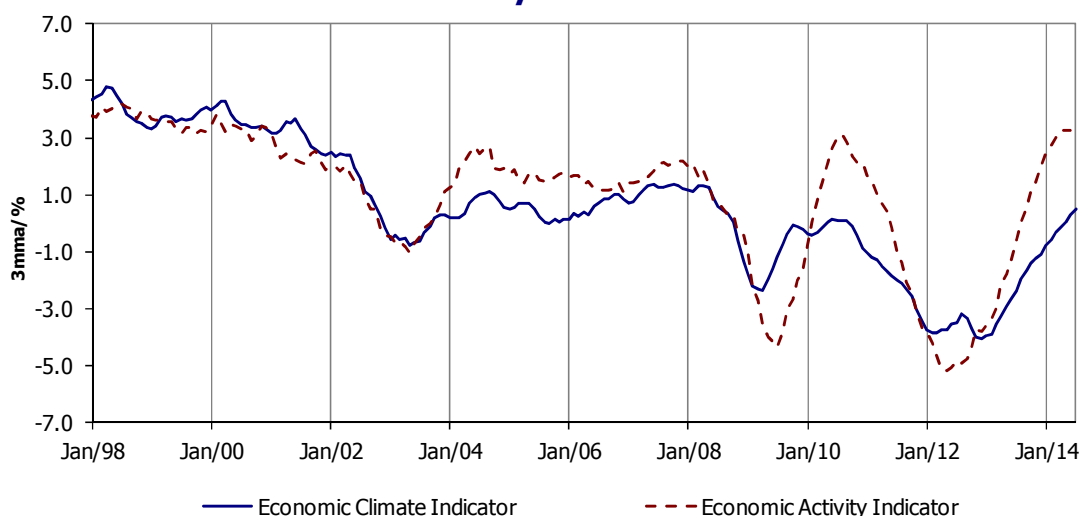
In the Euro Area (EA), GDP in real terms registered a year-on-year change rate of 0.7% in the second quarter (0.9% in the previous quarter). In July, the consumer confidence indicator for the EA stabilized, while the economic sentiment indicator slightly increased.

In Portugal, according to the flash estimate, GDP recorded a volume year-on-year growth rate of 0.8% in the second quarter, after registering a change rate of 1.3% in the first quarter. Comparing with the previous quarter, the GDP change rate was 0.6% in the second quarter (-0.6% in first quarter). In Portugal, the economic activity indicator stabilized in June, for the second consecutive month. The information from Short-Term Statistics revealed a less negative evolution in industry, services and construction. The economic climate indicator, already available for July, recovered, attaining the highest value from the last six years. The private consumption indicator presented a slightly more intense year-on-year growth rate in June, reflecting the increase of the positive contribution of the non-durable consumption component and the Gross Fixed Capital Formation (GFCF) indicator stabilized. Concerning the international trade of goods, exports and imports recorded year-on-year nominal change rates of -0.4% and 1.3% in June (-3.3% and -1.1% in the previous month), respectively. Without considering three months moving average, nominal exports and imports of goods shifted from -3.7% and 1.5% change rates in May to 8.0% and 9.6% in June, respectively.

In the second quarter, the unemployment rate was 13.9% (15.1% in the previous quarter). Total employment and total employees recorded year-on-year change rates of 2.0% and 4.4% (1.7% and 3.2% in the first quarter), respectively. Comparing with the same quarter of the previous year, the active population diminished 0.9% (-1.3% in the previous quarter).

The year-on-year change rate of the Consumer Price Index (CPI) was -0.9% in July (-0.4% in May and June). In the last month, the goods component registered a -2.1% change rate (-1.1% in June) and the services component 0.8% (more 0.3 percentage points than in the previous month). The Harmonized Consumer Price Index (HCPI) was 1.1 percentage points lower than the EA HICP in July (0.7 percentage points lower in June).

**Economic Synthesis Indicators**



Based on information available up to August 19, 2014.

	Unit	First Period	Minimum		Maximum		Year			Quarter					Month													
			Value	Date	Value	Date	2011	2012	2013	2013			2014		2013						2014							
										II	III	IV	I	II	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
<b>National Accounts (a)</b>																												
GDP	s.a/y.r./%	1996.I	-4.1	2009.I	5.6	1998.IV	-1.3	-3.2	-1.4	-2.0	-0.9	1.5	1.3	0.8														
Private Consumption	s.a/y.r./%	1996.I	-5.9	2011.IV	6.5	1999.I	-3.3	-5.3	-1.7	-2.3	-0.9	0.6	1.5	-														
Public Consumption	s.a/y.r./%	1996.I	-7.9	2011.IV	7.1	1998.II	-5.0	-4.7	-1.8	-2.4	-1.4	0.0	0.1	-														
Gross Capital Formation	s.a/y.r./%	1996.I	-21.6	2011.IV	17.1	1998.I	-11.1	-13.4	-6.6	-6.1	-4.3	0.9	12.2	-														
Exports of Goods and Services	s.a/y.r./%	1996.I	-18.6	2009.I	13.6	2006.IV	6.9	3.2	6.1	7.4	7.2	9.1	4.3	-														
Imports of Goods and Services	s.a/y.r./%	1996.I	-15.3	2009.I	16.5	1998.I	-5.3	-6.6	3.1	5.2	5.5	6.4	8.5	-														
Contribution of internal demand for GDP change rate	p.p.	1996.I	-10.0	2011.IV	8.9	1998.IV	-5.5	-6.9	-2.5	-2.9	-1.6	0.5	2.9	-														
Contribution of external demand for GDP change r.	p.p.	1996.I	-3.1	1998.IV	7.3	2011.IV	4.4	3.7	1.1	0.8	0.6	1.0	-1.7	-														
<b>Economic Activity</b>																												
Economic activity indicator	3-mma/%	Jan-91	-5.2	May-12	4.2	Jun-98	-1.2	-4.6	-0.4	-1.4	0.6	2.0	3.0	3.3	-0.6	0.0	0.6	1.1	1.4	2.0	2.4	2.7	3.0	3.3	3.3	3.3	-	
Manufacturing industry production index	s.a./y.r./3-mma	Mar-96	-13.0	Feb-09	7.3	May-01	-0.9	-6.1	0.4	1.5	-1.6	3.8	2.1	1.3	-0.5	-2.0	-1.6	0.6	2.8	3.8	4.0	3.9	2.1	2.1	1.2	1.3	-	
Construction production index	s.a./y.r./3-mma	Mar-01	-18.5	Mar-13	7.9	Dec-01	-12.7	-16.3	-15.9	-15.5	-15.4	-14.0	-13.1	-10.0	-15.2	-15.5	-15.4	-15.3	-14.5	-14.0	-13.8	-13.2	-13.1	-11.5	-11.2	-10.0	-	
Total turnover index (b)	y.r./3-mma	Apr-01	-16.8	Jun-09	16.8	Oct-05	-3.9	-6.7	-2.4	-2.0	-0.9	0.5	-0.8	-0.7	-1.8	-2.2	-0.9	-1.4	-0.1	0.5	0.6	0.2	-0.8	-0.8	-1.6	-0.7	-	
Services turnover index	y.r./3-mma	Mar-01	-14.6	Jun-09	9.0	Aug-01	-7.7	-8.9	-3.3	-3.4	-1.8	-0.4	-0.8	-0.3	-3.0	-2.8	-1.8	-1.9	-1.2	-0.4	0.0	0.1	-0.8	-0.6	-0.9	-0.3	-	
Economic climate indicator	3-mma	Jan-89	-4.1	Dec-12	5.0	Mar-89	-2.2	-3.7	-2.2	-2.7	-1.6	-1.1	-0.3	0.3	-2.4	-1.9	-1.6	-1.4	-1.2	-1.1	-0.8	-0.6	-0.3	-0.2	0.1	0.3	0.5	
<b>Private Consumption</b>																												
Qualitative consumption indicator	3-mma/%	May-89	-2.3	Feb-13	1.5	Apr-99	-1.6	-2.2	-1.5	-1.7	-1.3	-1.0	-0.5	-0.2	-1.6	-1.4	-1.3	-1.2	-1.1	-1.0	-0.8	-0.7	-0.5	-0.4	-0.3	-0.2	-0.2	
Quantitative consumption indicator	y.r./3-mma/%	Mar-92	-6.6	Dec-11	8.2	Mar-92	-3.8	-2.6	0.3	-0.3	0.9	2.1	2.2	2.7	-0.1	0.5	0.9	1.2	2.2	2.1	2.1	1.8	2.2	2.7	2.6	2.7	-	
- Non-durable goods and services	y.r./3-mma/%	Mar-92	-4.1	Nov-11	7.0	Mar-92	-2.0	-0.7	0.2	0.0	0.7	1.4	1.0	1.4	-0.1	0.3	0.7	0.9	1.7	1.4	1.4	0.8	1.0	1.2	1.1	1.4	-	
- Durable goods	y.r./3-mma/%	Mar-92	-30.3	Dec-11	22.8	Apr-92	-18.2	-22.0	0.8	-3.5	3.9	10.4	18.9	20.1	-0.2	2.4	3.9	5.7	8.7	10.4	12.2	15.0	18.9	21.7	21.7	20.1	-	
Consumer confidence indicator	balance/3-mma	Sep-97	-59.8	Dec-12	-5.5	Nov-97	-51.7	-54.3	-48.7	-53.9	-45.3	-40.4	-30.7	-27.6	-52.7	-49.0	-45.3	-42.8	-41.8	-40.4	-36.7	-32.6	-30.7	-30.3	-29.4	-27.6	-25.3	
<b>Investment</b>																												
GFCF indicator	y.r./3-mma/%	Mar-95	-18.6	Feb-13	15.9	Feb-97	-9.7	-15.9	-9.2	-9.8	-6.2	-2.5	-1.9	-0.6	-8.3	-7.9	-6.2	-6.1	-4.6	-2.5	-1.2	-1.7	-1.9	-1.2	-0.6	-0.6	-	
- Construction	y.r./3-mma/%	Mar-95	-25.1	Mar-13	18.1	Feb-97	-10.2	-18.3	-13.7	-13.9	-9.3	-6.7	-7.3	-5.8	-12.4	-11.8	-9.3	-8.0	-6.7	-5.9	-7.5	-7.3	-7.3	-6.3	-5.8	-		
- Machinery and equipment	y.r./3-mma/%	Jan-89	-10.9	Jan-12	20.6	Jun-90	-7.2	-7.0	-2.7	-2.7	-3.5	-0.6	2.2	2.9	-2.8	-4.3	-3.5	-2.5	-0.7	-0.6	0.2	1.2	2.2	2.7	2.7	2.9	2.3	
- Transport material	y.r./3-mma/%	Mar-95	-34.1	Apr-09	40.3	Feb-14	-14.3	-24.9	10.9	3.2	7.9	34.2	31.0	26.3	4.5	9.4	7.9	11.0	12.7	34.2	36.6	40.3	31.0	32.2	31.6	26.3	-	

(a) - Quarterly National Accounts - Benchmark year 2006 - Chain linked volume data (reference year = 2006); Annual National Accounts: 2011 - provisional data and 2012 and 2013 - preliminary data. Information available in 09/06/2014. Except GDP, updated with the flash estimate on 14/08/2014.

(b) - Includes industry, services and retail trade.

	Unit	First Period	Minimum		Maximum		Year			Quarter					Month												
			Value	Date	Value	Date	2011	2012	2013	2013			2014		2013						2014						
										II	III	IV	I	II	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>External Demand</b>																											
Nominal exports of goods - International trade	y.r./3-mma/%	Mar-96	-26.7	Mar-09	23.2	May-10	14.9	5.7	4.7	6.2	5.8	6.7	1.4	-0.4	4.0	2.2	5.8	4.7	6.7	6.7	5.8	5.0	1.4	-0.9	-3.3	-0.4	-
Nominal imports of goods - International trade	y.r./3-mma/%	Mar-96	-26.8	Apr-09	24.0	Feb-00	1.0	-5.2	1.0	2.8	3.6	4.2	5.6	1.3	3.2	3.0	3.6	1.4	3.5	4.2	6.2	7.0	5.6	-0.1	-1.1	1.3	-
Coverage rate	3-mma/%	Mar-95	56.6	Dec-99	85.9	May-13	72.3	80.6	83.5	85.7	81.4	81.7	82.0	84.2	85.5	82.9	81.4	79.7	82.4	81.7	82.0	80.4	82.0	84.0	83.9	84.2	-
External demand indicator	s.a./y.r./3-mma/%	Mar-91	-26.4	Jan-00	26.3	Jan-00	11.2	1.2	-2.6	-3.2	-2.8	-1.0	0.9	-	-3.1	-3.6	-2.8	-2.5	-1.3	-1.0	-0.4	0.4	0.9	1.1	1.3	-	-
<b>Labour Market</b>																											
Employment indicator - Short-term statistics	y.r./3-mma	Mar-01	-6.9	Jan-13	2.4	Jun-01	-2.9	-6.2	-4.9	-5.3	-4.4	-3.3	-2.0	-0.6	-4.9	-4.7	-4.4	-4.1	-3.6	-3.3	-2.8	-2.5	-2.0	-1.5	-1.0	-0.6	-
Reg. unemp. along the month - State emp. agencies	s.a./y.r./3-mma	Mar-90	-20.0	May-90	45.2	Jun-93	5.4	8.3	-0.2	-1.8	0.5	1.1	-4.4	-5.6	-3.0	-2.5	0.5	1.3	1.3	1.1	0.6	2.6	-4.4	-5.8	-9.1	-5.6	-
Vacancies along the month - State employment ag.	s.a./y.r./3-mma	Mar-90	-24.7	Jul-11	73.5	Feb-14	-18.7	-9.3	48.2	47.0	50.9	61.2	67.0	22.9	44.9	40.5	50.9	52.9	57.6	61.2	65.2	73.5	67.0	50.4	34.7	22.9	-
Employment expectations of entrepreneurs	balance/3-mma	Jan-03	-25.7	Nov-12	-5.3	Apr-08	-18.3	-24.1	-18.4	-20.5	-16.5	-13.6	-7.8	-7.5	-19.4	-17.5	-16.5	-15.4	-14.5	-13.6	-10.8	-9.3	-7.8	-8.5	-8.0	-7.5	-7.4
Unemployment expectations of consumers	balance/3-mma	Sep-97	8.7	Aug-00	79.8	Mar-09	65.4	71.6	57.1	67.0	50.9	39.8	22.2	16.8	64.0	58.0	50.9	46.4	43.1	39.8	32.7	24.9	22.2	22.3	21.8	16.8	13.1
Average monthly wage declared by worker	s.a./y.r./3-mma	Mar-02	-1.9	Jan-14	4.8	Dec-02	3.5	-0.4	1.4	2.0	1.5	-1.4	-0.1	0.7	1.5	1.7	1.5	1.9	0.9	-1.4	-1.9	-1.6	-0.1	-0.3	-0.2	0.7	-
<b>Prices</b>																											
Consumer price index - Total	y.r./%	Jan-49	-3.7	Sep-54	36.7	May-77	3.7	2.8	0.3	0.6	0.3	-0.1	-0.1	-0.3	0.8	0.2	0.1	-0.2	-0.2	0.2	0.1	-0.1	-0.4	-0.1	-0.4	-0.4	-0.9
- Goods	y.r./%	Jan-49	-3.7	Jul-09	38.2	May-77	4.4	2.5	0.0	0.5	0.0	-0.2	-0.7	-1.1	0.6	-0.4	-0.1	-0.5	-0.2	0.0	-0.4	-0.8	-0.8	-1.0	-1.2	-1.1	-2.1
- Services	y.r./%	Jan-49	-4.4	Sep-54	30.5	Mar-74	2.5	3.1	0.7	0.8	0.7	0.2	0.6	0.7	0.9	0.8	0.4	0.2	-0.1	0.4	0.8	0.9	0.2	1.0	0.7	0.5	0.8
Core inflation indicator	y.r./%	Jan-49	-4.3	Oct-54	31.1	May-84	2.3	1.5	0.2	0.5	0.3	0.1	0.0	0.0	0.5	0.0	0.3	0.2	0.0	0.2	0.1	0.1	-0.2	0.1	0.0	0.0	-0.4
Harmonised index of consumer prices	y.r./%	Jan-96	-1.8	Sep-09	5.1	Mar-01	3.6	2.8	0.4	0.8	0.4	0.1	-0.1	-0.2	0.8	0.2	0.3	0.0	0.1	0.2	0.1	-0.1	-0.4	-0.1	-0.3	-0.2	-0.7
Manufacturing industry production price index	y.r./3-mma/%	Mar-01	-7.9	Aug-09	7.7	Apr-11	5.7	2.2	-0.8	-0.9	-1.2	-2.1	-2.4	-1.3	-0.3	-0.5	-1.2	-2.1	-2.5	-2.1	-2.0	-2.0	-2.4	-2.1	-1.7	-1.3	-1.3
Consumers expectations of prices evolution	balance/3-mma	Sep-97	-3.7	Jul-09	62.5	Jan-11	57.6	37.7	25.1	25.4	23.1	19.0	18.4	17.1	25.9	24.4	23.1	20.4	18.9	19.0	21.3	20.5	18.4	13.7	14.5	17.1	17.6
Expectations of prices in manufacturing industry	bal./s.a./3-mma	Jan-87	-24.2	Jan-09	26.5	Nov-90	5.6	-1.0	-1.2	-18.1	10.6	9.2	-4.9	-11.3	-7.4	1.0	10.6	11.4	11.1	9.2	3.0	-0.9	-4.9	-6.9	-9.4	-11.3	-10.8
Effective exchange rate ind. for Portugal (nominal)	y.r.	Mar-01	-2.4	Jun-10	3.6	May-03	0.0	-1.3	0.9	0.7	1.5	1.2	0.7	0.6	1.5	1.8	1.2	1.2	1.3	1.2	0.7	0.4	1.0	0.9	0.7	0.3	-

## 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.