



*Banco de Portugal*

EUROSYSTEM

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## BACKGROUND OF THE PORTUGUESE ECONOMY

On 3 December 2009, the **Governing Council of the European Central Bank** (ECB) decided to keep the official interest rates unchanged, at 1.0 per cent for the interest rate on the main refinancing operations (MRO) and at 1.75 and 0.25 per cent, respectively, for the interest rates on the marginal lending facility and on the deposit facility. The Governing Council considered that the current level of interest rates remains appropriate, taking into account the available information. In November, the year on year rate of change of the **Harmonized Index of Consumer Prices** (HICP) returned to positive territory, and it is expected to remain subdued over the policy-relevant horizon. Recent data has confirmed the Governing Council's assessment that the euro area economic activity is gradually recovering, albeit in an environment of high uncertainty that will likely determine a slow and uneven recovery in economic activity in the coming months. As regards medium to longer-term inflation expectations, available indicators suggest that they remain firmly anchored in line with the Governing Council's aim of keeping inflation rates below, but close to, 2 per cent over the medium term. Against this background, the Governing Council expects price stability to be maintained over the medium term, thereby supporting the purchasing power of euro area households. Regarding the ECB's tender operations, the Governing Council decided to continue conducting the MRO as fixed rate tender procedures with full allotment for as long as is needed and at least until the end of the first quarter of 2010. On 16 December the last full allotment of the 12-month LTRO (Long-Term Refinancing Operation) was carried out, where the interest rate will be fixed as the average minimum bid rate of the MRO during the life of the operation. In this operation, it was allotted €96.9 billion, which contrasts with the operation in September where €75.2 billion were allotted. The Governing Council also decided that the last 6-month LTRO will take place on 31 March 2010, using a full allotment fixed rate tender procedure. The regular three-month tender operations already announced for the first quarter of 2010 will also be conducted in a fixed rate tender with full allotment.

In the euro area money market, **Euribor interest rates** were relatively stable at very low levels in November and in the first half of December. On 14 December, one, three, six and twelve-month rates stood at 0.49, 0.72, 1.00 and 1.25 per cent, respectively, which correspond to changes of 6, -1, -1 and 1 basis points (b.p.) since the end of October.

The **euro** depreciated 0.9 per cent in nominal effective terms between 30 October and 14 December. In bilateral terms, this behaviour resulted, in particular, from depreciations against the yen and the dollar of 3.8 and 1.0 per cent, respectively. This evolution of the euro was partially offset by an appreciation against the pound sterling of 0.8 per cent.

The year on year rate of change of the **HICP** in the euro area stood at 0.5 per cent in November, following five consecutive months of declines (-0.1 per cent in October). This evolution mainly reflected the less marked decline of the energy component (-2.4 per cent after -8.5 per cent in the previous month). Processed food prices accelerated from 0.3 to 0.5 per cent and unprocessed food prices recorded a less steep fall (-1.3 per cent against -1.6 per cent in the previous month). The year on year change of the HICP excluding energy remained at 0.8 per cent.

In November, the **international price of oil** interrupted the movement of a significant increase recorded in October, and showed some irregularity, ranging

between 75 and 80 USD/barrel throughout November, and thereafter started to decline. On 14 December, the price of Brent stood at 71.7 USD/barrel (49.0 euros/barrel), a fall of 7.0 per cent from end-October (fall of 6.0 per cent in euros).

According to the Eurostat's first estimate, in the third quarter of 2009, **Gross Domestic Product** (GDP) in the euro area grew by 0.4 per cent quarter-on-quarter, following a 0.2 per cent fall in the previous quarter. In year-on-year terms, GDP still recorded a fall of 4.1 per cent, after a fall of 4.8 per cent in the previous quarter. The quarterly growth was mainly driven by the change in inventories, which accounted for 0.3 p.p. of GDP growth (-0.6 p.p. in the previous quarter), by net exports and government consumption with 0.1 p.p. in both cases (which compare with 0.6 p.p. and 0.1 p.p. in the second quarter, respectively). The recovery of activity was accompanied by an improvement of euro area external trade flows, with exports and imports recording quarter on quarter changes, respectively, of 2.9 and 2.6 per cent in the third quarter, which contrasts with falls of 1.3 and 2.9 per cent in the previous quarter. Regarding domestic demand, both euro area private consumption and Gross Fixed Capital Formation (GFCF) recorded falls in the third quarter (-0.2 and -0.4 per cent, respectively), which compares with changes of 0.0 and -1.7 per cent in the previous quarter.

GDP growth of the euro area in the third quarter may have benefited from a set of positive factors, namely the impact of the fiscal stimulus packages, the inventory cycle and the acceleration of world trade. According to the **Eurosystem staff macroeconomic projections**,<sup>1</sup> released in December, after the likely reversal of some of these temporary factors in the beginning of 2010, euro area quarterly GDP will continue to expand although at a more moderate pace. Over the projection horizon until 2011, activity is projected to be gradually supported by exports and by strengthening domestic demand. The lagged effects of monetary policy and of the efforts to restore the functioning of the financial system will help to support the recovery of economic activity over the projection horizon. However, growth is expected to remain below the levels seen before the recession, reflecting the need for balance-sheet adjustments in various sectors and the impact on private consumption of weak labour market prospects. In average annual terms, after a contraction between -4.1 and -3.9 per cent in 2009, real GDP is forecast to record again positive growth rates in subsequent years, between 0.1 and 1.5 per cent in 2010, and between 0.2 and 2.2 per cent in 2011 (Annex 1). Compared to the September 2009 ECB projections, the ranges projected for GDP growth in 2009 and 2010 were revised upwards, reflecting the better-than-expected growth in the euro area in the third quarter.

As regards inflation in the euro area, inflation measured by the HICP is expected to stand at 0.3 per cent in 2009, in average annual terms, and then gradually increase to values between 0.9 and 1.7 per cent in 2010, and between 0.8 and 2.0 per cent in 2011 (Annex 1). The excess capacity prevailing in the economy should contribute to keep price pressures moderate. The ranges projected for inflation remain largely unchanged compared to the September 2009 projections.

On 2 December, the Ecofin Council, in the context of Article 126(6) of the Lisbon Treaty (Article 104(6) of the Maastricht Treaty), adopted decisions on the **existence of excessive deficits** in Belgium, Czech Republic, Germany, Italy, The Netherlands, Austria, Portugal, Slovenia and Slovakia. Concerning the

(1) The technical assumptions for interest rates, oil and non-energy commodity prices underlying these projections are based on market expectations with a cut-off date of 12 November 2009.

deadline for correction, the Council established the year 2013 for these Member-states, with the exception of Belgium and Italy which should present a general government deficit equal or below 3 per cent of GDP until 2012.

## PORTUGUESE ECONOMY

According to the **Quarterly National Accounts**, released by *Instituto Nacional de Estatística (INE)*, in the third quarter of 2009, GDP in Portugal registered a real year-on-year rate of change of -2.5 per cent representing a less severe fall comparative to the previous quarter (-3.7 per cent in the second quarter of 2009). This fall is mainly due to domestic demand evolution that registered a year-on-year drop of 2.5 per cent (comparing to a 4.1 per cent reduction in the second quarter of 2009). The evolution of domestic demand was mainly driven by a smaller fall of investment that register a year-on-year growth rate of -10.4 per cent (comparing to -17.6 per cent in the previous quarter) as private consumption registered a year-on-year drop of 1.1 per cent slightly higher than the 0.9 per cent fall in the previous quarter. The net external demand contribution to the year-on-year rate of change of GDP was slightly positive (0.2 p.p.) and lower than the one registered in the previous quarter (0.9 p.p.). In the third quarter, exports and imports, in volume, fell 9.7 and 8.0 per cent, respectively, representing smaller reductions than the ones observed in the previous quarter (-15.8 and -14.4 per cent, respectively).

In November 2009, the **monthly coincident indicator for the year-on-year evolution of economic activity**, calculated by Banco de Portugal, improved relative to the previous month. In the same period, the **monthly coincident indicator for the year-on-year evolution of private consumption**, calculated by Banco de Portugal, increased in comparison to the previous month.<sup>2</sup>

Regarding **private consumption**, in the three-month period ended in October, the retail turnover index<sup>3</sup> released by *INE* decreased by 1.4 per cent, in real terms (-1.2 per cent in the third quarter of 2009). In the three-month period ended in November, sales of light passenger vehicles, including four-wheel drive, declined by 2.4 per cent, in year-on-year terms (-16.7 per cent in the third quarter of 2009).

Considering **gross fixed capital formation**, in the three-month period ended in November, sales of light commercial vehicles decreased by 15.1 per cent, in year-on-year terms (-25.0 per cent in the third quarter of 2009), whereas sales of heavy commercial vehicles dropped 37.9 per cent (-24.1 per cent in the third quarter of 2009). In the same period, cement sales of national firms to the domestic market declined by 13.0 per cent, in year-on-year terms (-13.8 per cent in the third quarter of 2009).

According to the **European Commission opinion surveys**, in the three-month period ended in November, consumer confidence increased compared to

(2) For further details regarding the methodology see Rua (2004), "A new coincident indicator for the Portuguese economy", *Economic Bulletin* – June, Banco de Portugal and Rua (2005), "A new coincident indicator for the Portuguese private consumption", *Economic Bulletin* – Autumn, Banco de Portugal.

(3) This index does not include sales of vehicles and motorcycles.

the third quarter of 2009 maintaining the recovery trend which began in the second quarter of 2009. In the same period, confidence in manufacturing and retail trade has also increased compared to the third quarter of 2009. In contrast, confidence in construction was unchanged and confidence in services declined in the three-month period ended in November comparing to the third quarter of 2009.

According to data on **external merchandise trade**, released by *INE*,<sup>4</sup> in October, nominal exports and imports decreased by 11.8 and 15.7 per cent, respectively, in year-on-year terms, (growth rates of -21.6 and -21.9 per cent, respectively, from January to October 2009). From January to September, total exports and imports fell by 22.7 and 22.6 per cent, respectively. In the same period, excluding fuel, exports and imports dropped by 21.7 and 18.5 per cent, respectively.

In November, the year-on-year rate of change of the *CPI* registered a 0.9 p.p. increase, in comparison to October, to -0.6 per cent, while the annual average change decreased by 0.2 p.p., in comparison to the previous month, to -0.8 per cent. Inflation behaviour in November continued to reflect the declining trend of goods prices, though less pronounced than the previous month (-1.7 per cent, after -3.1 per cent in October). Services prices registered a slight acceleration in comparison to the previous month to 1.3 per cent (1.2 per cent in October). In November, the year-on-year rate of change of the **HICP** increased by 0.8 p.p., in comparison to October, to -0.8 per cent, whereas the annual average change decreased by 0.2 p.p. to -0.8 per cent.

According to the **Monthly Bulletin of the General Directorate of the Budget of October 2009**, **State tax revenue** recorded a 14.8 per cent decline in the first ten months of the year, more pronounced than the one observed in the January-September period (-13.8 per cent). This evolution is explained by developments concerning direct tax receipts, in particular the Personal Income Tax. Indeed, the 4.6 per cent reduction in the Personal Income Tax revenue results, to a large extent, from a transfer to local government, in October, in the context of the Local Finance Law. Correcting for this effect, Personal Income Tax receipts would have increased by 0.6 per cent in the period analysed. The receipts of the Corporate Income Tax continued to show a strong decline, although slightly less marked than until the previous month (-23.7 per cent until October). The same pattern was observed in VAT and the Tax on Motor Vehicles, as far as indirect taxes are concerned, whose receipts recorded rates of change of -21.4 and -26.4 per cent, respectively. **State current primary expenditure** went up by 4.2 per cent in the January-October period (slightly below the 4.5 per cent growth recorded until September). If the impact of the amortisation of the tariff deficit in the electricity sector is excluded in 2008, the growth of current primary expenditure would have reached 5.8 per cent. At the end of October 2009, the **State deficit on a Public Accounts basis** amounted to €11674.0 million (€4901.1 million in the same period of 2008).

Contributions to the **general social security system** rose by 0.4 per cent between January and October. The year-on-year growth of expenditure with old-age pensions stood at 5.1 per cent, accelerating slightly *vis-à-vis* the figure recorded until September (4.8 per cent). The amounts spent with unemployment benefits and employment support continued to accelerate, reaching a growth of 29.4 per cent, while in most other social expenditure components a de-

(4) Since August 2009, *INE* releases the international trade information 40 days after the end of the reference period, in the form of flash estimate of aggregate data, in the publication International Trade Statistics. For more details, see [www.ine.pt](http://www.ine.pt).

celeration was observed, although still at a high growth rate (18.4 per cent, as a whole). Pensions paid by the **civil servants pension system**, of its own responsibility, recorded a 7.1 per cent increase in the same period.

On 2 December, the Ecofin Council adopted a decision on the **existence of excessive deficit** in Portugal and established, in the context of Article 126(7) of the Lisbon Treaty (Article 104(6) of the Maastricht Treaty), that this situation should be corrected until 2013. Accordingly, the Council recommended that an average annual fiscal effort of 1.25 per cent of GDP over the period 2010-2013 should be ensured, which should also contribute to bringing the debt ratio back on a declining path that approaches the reference value at a satisfactory pace. Additionally, the Council established the deadline of 2 June 2010 for the Portuguese Government to outline in some detail the consolidation strategy necessary for the correction of the excessive deficit.

On 11 December was approved the **second Amendment to the 2009 State Budget**, presented by the Government to the Parliament on 24 November. According to this document, the limit for overall direct net indebtedness of central government was increased to €15011.7 million (plus €7669.5 million and €4903.8 million than what stemmed from the Budget Law and its first amendment, respectively).

In October, loans **granted to the non-monetary sector** (excluding general government) continued to slow down, standing the annual growth rate at 2.4 per cent (which compares to 2.7 per cent in the previous month).<sup>5</sup> This path reflected the decrease in loans granted to non-monetary financial institutions (that presented an annual growth rate of -0.4 per cent), as well as the slowdown of loans to the non-financial private sector (whose annual growth rate decreased from 2.8 to 2.5 per cent).

The path of loans granted to the **non-financial private sector** reflected different developments in the segments that compose the sector. While loans to non-financial corporations slowed down (the corresponding annual growth rate decreased from 3.7 to 2.8 per cent), loans granted to households recorded again a slight acceleration (the respective annual growth rate increased 0.1 p.p. to 2.2 per cent). In turn, this acceleration reflected increases in the annual growth rates of loans both for house purchase and for consumption and other purposes (from 2.3 and 1.0 per cent to 2.5 and 1.3 per cent, respectively).

In October, the **average interest rates on outstanding amounts** of lending and deposit operations with costumers continued to show a downward trend.<sup>6</sup> The interest rates on outstanding amounts of loans to households for house purchase and for consumption and other purposes decreased, respectively, 13 and 12 b.p. in comparison with the previous month, standing at 2.17 and 7.50 per cent. In the segment of loans to non-financial corporations, the interest rate decreased from 3.55 to 3.51 per cent. In turn, interest rates applied on deposits with agreed maturities up to 2 years decreased 9 b.p. to 1.96 per cent.

At end-November, the **yield on 10-year government bonds** stood at 3.77 per cent, which compares with 3.81 per cent at end-October. In the same period,

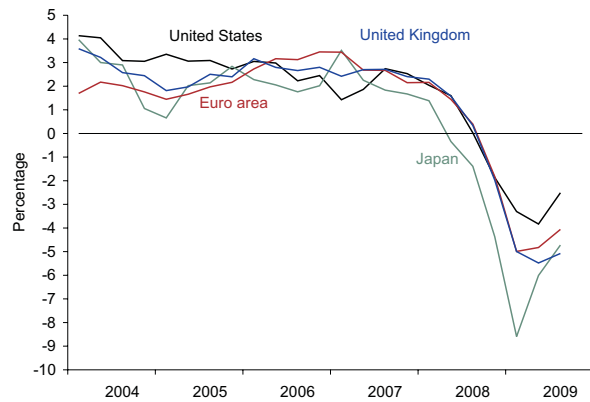
(5) Annual growth rates are obtained from the relation between outstanding amounts of bank loans, adjusted for securitisation, and monthly transactions, which are calculated using the outstanding amounts corrected of reclassifications, write-offs, exchange rate changes and price revaluations.

(6) Interest rates are computed as averages of interest rates on outstanding amounts of loans and deposits of MFI denominated in euros for each sector and/or purpose, weighted by the corresponding outstanding amounts at the end of the month in each original maturity.

the yield on comparable German government bonds also recorded a slight decrease, standing at 3.16 per cent. In the first half of December, the yields presented an upward trend, reflecting the reassessment of the sovereign risk of some euro area countries by rating agencies Fitch and S&P. On 14 December, the Portuguese yield stood at 3.86 per cent, while the German yield stood at 3.19 per cent.

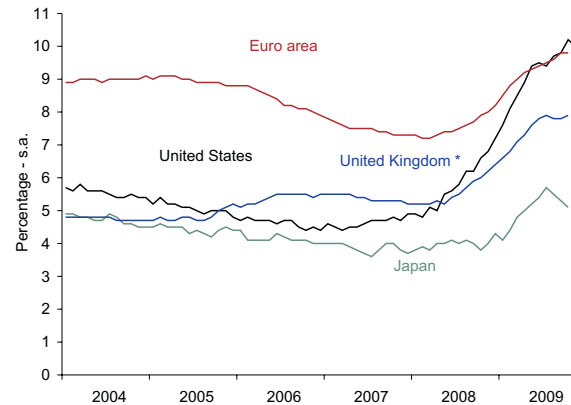
In November, the **PSI Geral index** recorded a slight devaluation of 0.5 per cent, taking into account end of period figures. In the same period, the Dow Jones Euro Stoxx index presented a growth of 1.5 per cent. On 14 December, the Portuguese stock index recorded a level similar to that observed at the end of the previous month.

GROSS DOMESTIC PRODUCT | Year-on-year rate of change



Sources: Eurostat and Thomson Reuters.

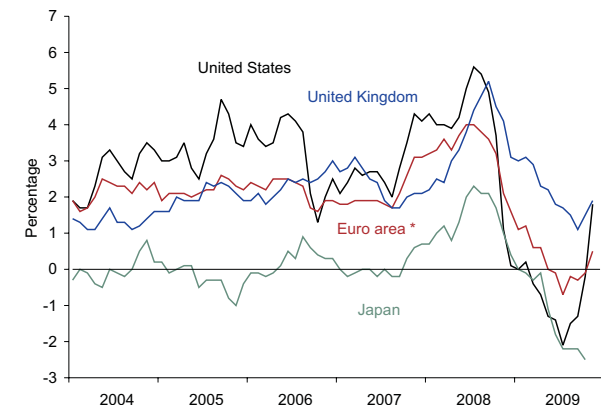
UNEMPLOYMENT RATE



Sources: Eurostat and Thomson Reuters.

Note: \* Three-month moving average.

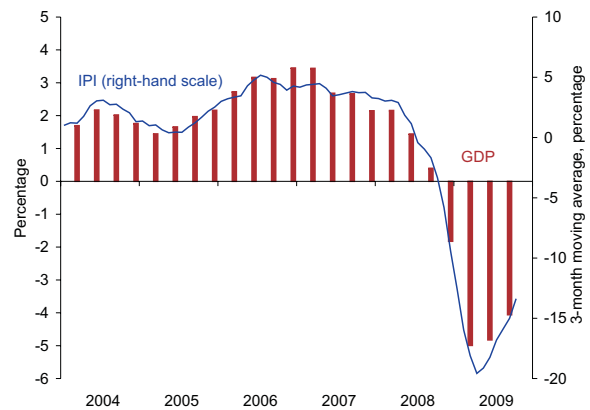
CONSUMER PRICES | Year-on-year rate of change



Sources: Eurostat and Thomson Reuters.

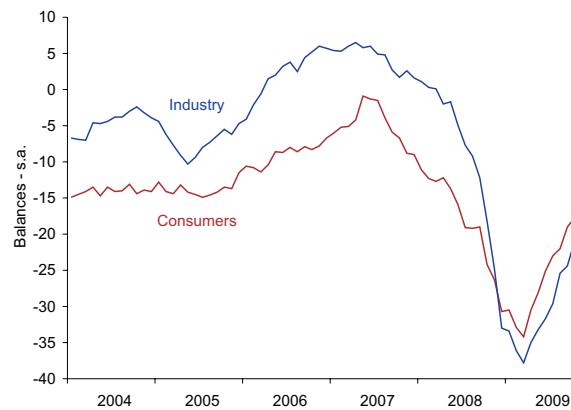
Note: \* See Table 1, note (3).

GROSS DOMESTIC PRODUCT AND INDUSTRIAL PRODUCTION EURO AREA | Year-on-year rate of change



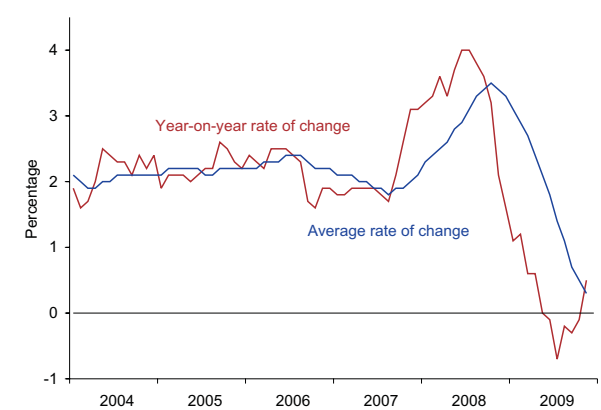
Source: Eurostat.

CONFIDENCE INDICATORS EURO AREA



Source: European Commission.

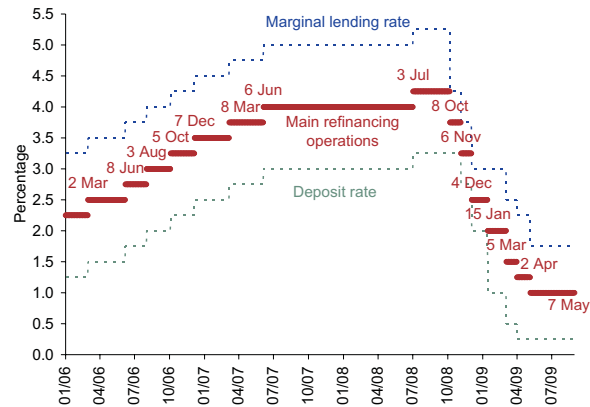
HARMONIZED INDEX OF CONSUMER PRICES\* EURO AREA



Source: Eurostat.

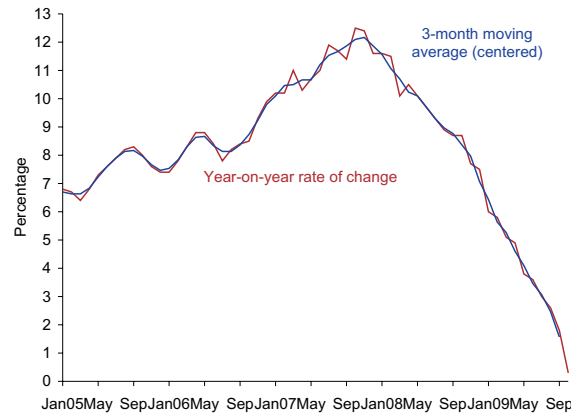
Note: \* See Table 1, note (3).

ECB INTEREST RATES



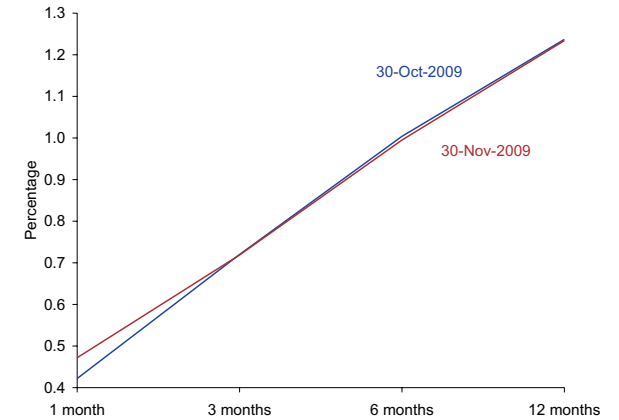
Source: ECB.  
Note: Date of the decision.

EVOLUTION OF THE MONETARY AGGREGATE M3 IN THE EURO AREA



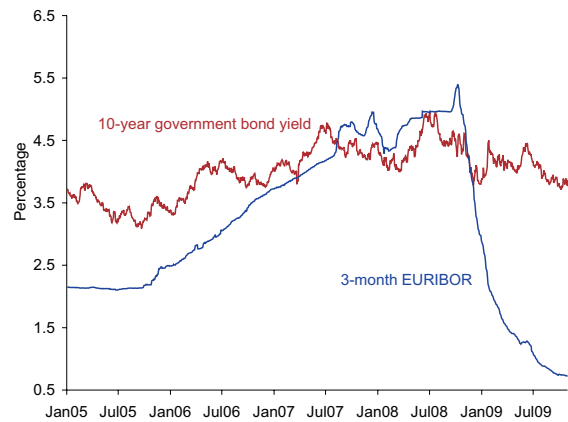
Source: ECB.  
Note: See Table 2, note (3).

MONEY MARKET YIELD CURVE IN THE EURO AREA



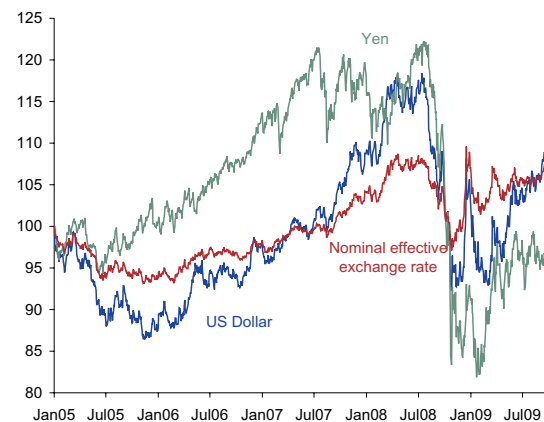
Source: Thomson Reuters.

SHORT-TERM AND LONG-TERM INTEREST RATES IN THE EURO AREA



Sources: BIS and Thomson Reuters.  
Note: Daily figures.

NOMINAL EFFECTIVE EXCHANGE RATE OF THE EURO AND EXCHANGE RATES AGAINST THE DOLLAR AND THE JAPANESE YEN | Index, January 2005=100



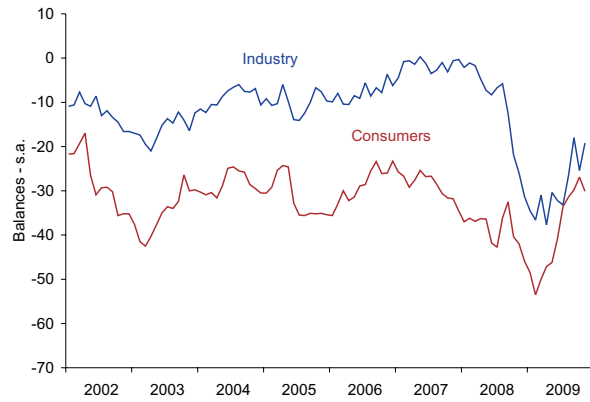
Source: ECB.  
Note: Daily figures.

STOCK MARKET INDICES | Index, January 2005=100



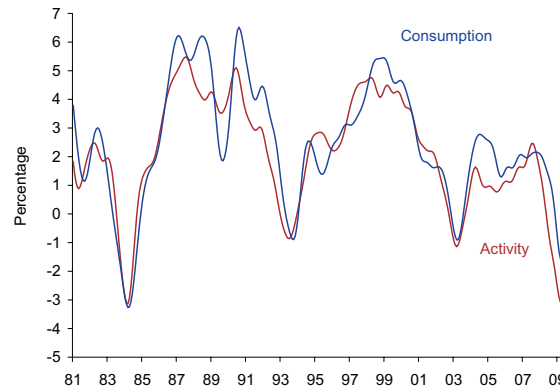
Source: Bloomberg.  
Note: Daily figures.

CONFIDENCE INDICATORS  
PORTUGAL



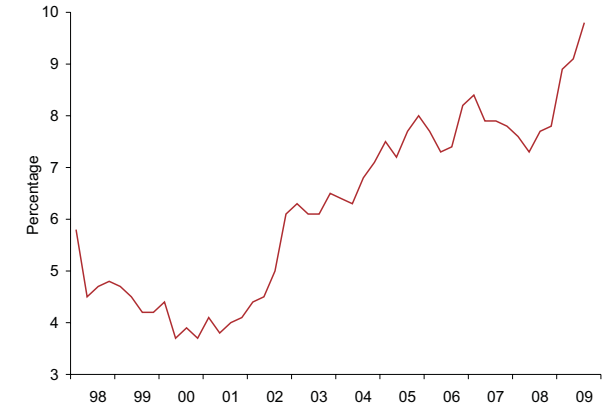
Source: European Commission.

COINCIDENT INDICATORS OF ACTIVITY AND PRIVATE  
CONSUMPTION  
PORTUGAL | Year on year rate of change



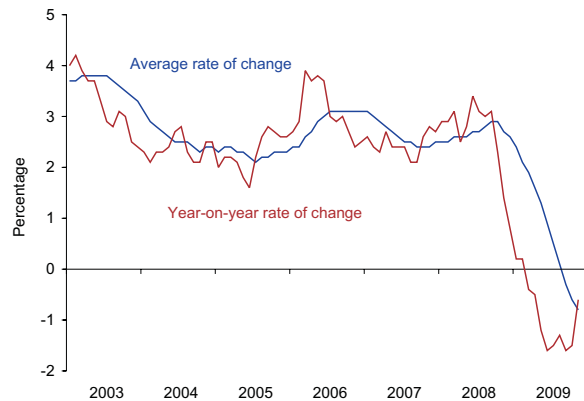
Note: See Tables 4 and 5, note (1).

UNEMPLOYMENT RATE  
PORTUGAL



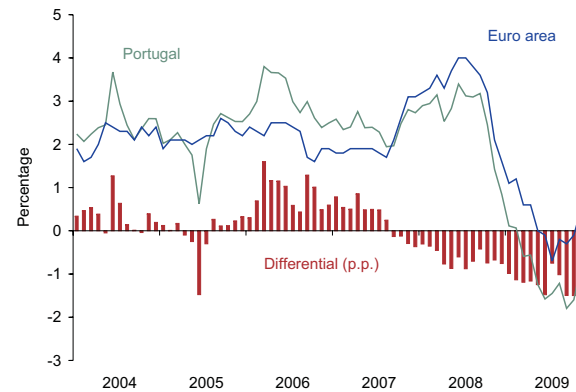
Source: INE.

CONSUMER PRICE INDEX  
PORTUGAL



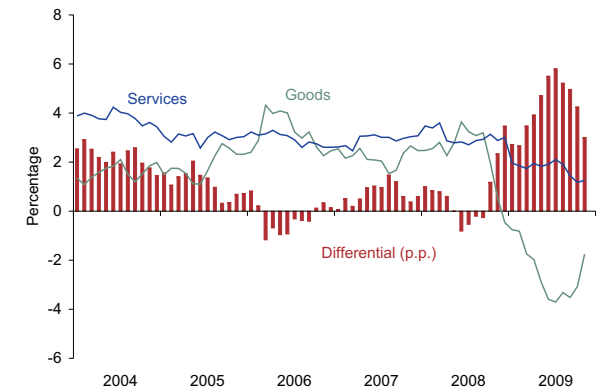
Source: INE.  
Note: See Table 6, note (1).

HARMONIZED INDEX OF CONSUMER PRICES |  
Year-on-year rate of change



Source: Eurostat.

INFLATION INDICATORS  
PORTUGAL | Year-on-year rate of change



Sources: INE and Banco de Portugal.  
Note: See Table 6, note (1).

Table 1 | Euro Area

## ACTIVITY, LABOUR MARKET AND INFLATION INDICATORS

	2007	2008	2009	Until the month	2007				2008				2009				2008								2009	
			a.v.		IV	I	II	III	IV	I	II	III	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
<b>NATIONAL ACCOUNTS</b>																										
Gross Domestic Product (GDP) (y.r.)	2.7	0.5			2.1	2.2	1.4	0.4	-1.8	-5.0	-4.8	-4.1														
Private Consumption	1.6	0.3			1.2	1.5	0.5	0.0	-0.7	-1.3	-0.9	-1.1														
Government Consumption	2.2	2.1			2.0	1.6	2.1	2.2	2.4	2.5	2.4	2.5														
Gross Fixed Capital Formation	4.7	-0.5			3.1	2.9	1.4	-0.8	-5.5	-10.9	-11.3	-10.4														
Exports <sup>(1)</sup>	6.3	0.8			4.2	5.5	3.8	1.0	-6.9	-16.8	-17.4	-13.9														
Imports <sup>(1)</sup>	5.5	0.8			3.5	4.2	2.4	0.7	-4.1	-12.8	-14.4	-12.1														
Contributions to the GDP y.r. (p.p.)																										
Domestic Demand (excl. stockbuilding)	2.4	0.5			1.8	1.8	1.0	0.3	-1.1	-2.6	-2.5	-2.4														
Stockbuilding	0.0	0.0			0.1	-0.3	-0.2	0.0	0.6	-0.5	-0.8	-0.8														
Net External Demand	0.4	0.0			0.3	0.6	0.6	0.1	-1.3	-1.9	-1.5	-0.9														
<b>ACTIVITY</b>																										
Industrial Production (y.r.) <sup>(2)</sup>																										
Total (excluding construction)	3.7	-1.8	-16.6	Oct	3.3	3.1	1.2	-1.7	-9.4	-18.1	-18.2	-15.0	-9.0	-12.9	-15.9	-19.1	-19.4	-20.2	-17.7	-16.7	-16.0	-15.0	-14.0	-11.0		
Intermediate Goods	3.7	-3.6	-21.5	Oct	1.5	2.1	0.1	-2.6	-13.8	-25.0	-23.5	-18.5	-12.7	-21.3	-24.0	-25.3	-25.8	-26.0	-22.8	-21.8	-20.0	-19.4	-16.0	-12.8		
Consumer Goods	2.3	-2.1	-5.7	Oct	1.4	0.1	-1.1	-2.6	-4.8	-6.8	-5.8	-4.4	-4.8	-4.8	-5.9	-7.2	-7.4	-6.9	-4.9	-5.6	-4.5	-5.1	-3.7	-5.4		
Non-Durable Consumer Goods	2.4	-1.5	-3.5	Oct	2.0	0.5	-1.1	-1.8	-3.6	-5.0	-3.3	-2.3	-3.2	-3.6	-4.3	-5.6	-5.2	-4.5	-2.5	-2.7	-1.9	-3.6	-1.5	-3.3		
Durable Consumer Goods	1.2	-5.9	-19.3	Oct	-2.4	-1.4	-2.1	-7.7	-12.6	-18.8	-21.4	-18.1	-14.0	-12.9	-16.2	-19.2	-21.1	-20.8	-19.8	-23.4	-20.9	-15.1	-18.2	-18.0		
Capital Goods	6.8	0.0	-22.5	Oct	6.0	5.9	3.5	-0.8	-8.4	-24.0	-23.8	-21.4	-8.8	-10.5	-22.9	-25.2	-23.8	-26.3	-22.9	-22.0	-23.2	-22.1	-18.7	-16.8		
Energy	-0.8	0.4	-6.6	Oct	5.8	4.0	2.1	-0.3	-4.1	-4.6	-8.7	-6.4	-4.9	-4.9	0.1	-3.6	-10.2	-12.4	-7.4	-6.3	-5.6	-6.2	-7.3	-6.8		
Manufacturing	4.1	-1.9	-17.5	Oct	2.6	3.5	1.1	-2.4	-9.8	-19.5	-18.9	-15.7	-9.5	-13.1	-18.3	-20.3	-20.1	-20.8	-18.1	-17.6	-16.8	-16.4	-13.7	-12.1		
Retail sales (volume) (y.r.) <sup>(2)</sup>	1.8	-0.7	-2.4	Oct	0.7	0.5	-0.2	-1.2	-1.7	-2.6	-2.3	-2.3	-1.5	-1.7	-2.5	-2.9	-2.3	-1.9	-2.9	-2.1	-2.2	-2.0	-2.8	-1.9		
Confidence Indicators (s.a.)																										
Economic Sentiment Indicator (Index 1990-2006=100)	108.9	91.2	74.8	Nov	105.0	101.4	97.7	89.9	75.6	65.7	70.2	79.9	76.6	68.7	67.2	65.3	64.6	67.3	70.2	73.2	76.0	80.8	82.8	86.1	88.8	
Consumer Confidence Indicator (balances)	-5	-18	-25	Nov	-8	-12	-14	-19	-27	-33	-28	-21	-26	-31	-31	-33	-34	-31	-28	-25	-23	-19	-18	-17		
Industrial Confidence Indicator (balances)	4	-9	-30	Nov	2	1	-3	-10	-25	-36	-33	-26	-25	-33	-33	-36	-38	-35	-33	-32	-30	-25	-24	-21	-19	
Construction Confidence Indicator (balances)	0	-14	-31	Nov	-3	-7	-10	-14	-23	-31	-34	-32	-23	-27	-30	-32	-32	-34	-34	-33	-33	-32	-30	-29	-26	
Retail Trade Confidence Indicator (balances)	1	-7	-16	Nov	1	0	-3	-9	-15	-19	-17	-14	-13	-20	-20	-19	-17	-20	-14	-17	-13	-14	-15	-15	-11	
Services Confidence Indicator (balances)	19	2	-17	Nov	15	10	8	1	-12	-24	-22	-12	-12	-17	-22	-24	-25	-24	-23	-20	-18	-11	-9	-7	-4	
<b>LABOUR MARKET</b>																										
Unemployment rate (%) (s.a.)	7.5	7.6	9.3	Oct	7.3	7.2	7.4	7.6	8.0	8.8	9.3	9.6	8.0	8.2	8.5	8.8	9.0	9.2	9.3	9.4	9.5	9.6	9.8	9.8		
Number of unemployed (y.r.)	-9.4	1.9	25.5	Oct	-7.3	-4.9	-0.8	2.9	10.6	22.1	27.0	27.4	10.6	13.0	17.7	21.5	27.1	26.9	26.6	27.4	27.6	27.2	27.5	25.4		
<b>INFLATION</b>																										
Harmonized index of consumer prices (HICP) - Total <sup>(3)</sup>																										
Monthly rate of change				Nov	2.9	3.4	3.6	3.8	2.3	1.0	0.2	-0.4	-0.5	-0.1	-0.8	0.4	0.4	0.4	0.1	0.2	-0.7	0.3	0.0	0.2	0.1	
Year-on-year rate of change													2.1	1.6	1.1	1.2	0.6	0.6	0.0	-0.1	-0.7	-0.2	-0.3	-0.1	0.5	
Average rate of change	2.1	3.3	0.2										3.4	3.3	3.1	2.9	2.7	2.4	2.1	1.8	1.4	1.1	0.7	0.5	0.3	
Main HICP aggregates (y.r.) <sup>(3)</sup>																										
Goods	1.9	3.8	-1.0	Nov	3.2	3.9	4.5	4.7	2.1	0.1	-1.2	-1.9	1.8	0.9	0.2	0.3	-0.4	-0.7	-1.4	-1.6	-2.4	-1.5	-1.8	-1.4	-0.3	
Food	2.8	5.1	0.8	Nov	3.9	5.2	5.7	5.6	3.8	2.4	1.0	-0.1	3.7	3.3	2.7	2.5	1.9	1.4	0.9	0.7	0.0	-0.1	-0.2	-0.4	-0.1	
Unprocessed	3.0	3.5	0.4	Nov	3.1	3.5	3.7	3.9	3.0	2.8	0.8	-1.2	2.8	2.8	2.6	3.3	2.4	1.6	0.7	0.0	-1.1	-1.2	-1.3	-1.6	-1.3	
Processed	2.8	6.1	1.1	Nov	4.5	6.4	6.9	6.7	4.3	2.1	1.1	0.6	4.2	3.5	2.7	2.0	1.6	1.2	1.0	1.1	0.8	0.6	0.5	0.3	0.5	
Industrial	1.4	3.1	-1.9	Nov	2.8	3.2	3.9	4.2	1.2	-1.1	-2.3	-2.8	0.8	-0.3	-1.0	-0.7	-1.5	-1.7	-2.5	-2.7	-3.6	-2.3	-2.6	-2.0	-0.4	
Non-energy	1.0	0.8	0.6	Nov	1.0	0.8	0.8	0.7	0.9	0.7	0.7	0.5	0.9	0.8	0.5	0.7	0.8	0.8	0.8	0.6	0.5	0.6	0.5	0.3	0.2	
Energy	2.6	10.3	-8.9	Nov	8.1	10.7	13.6	15.1	2.1	-6.1	-10.7	-11.9	0.7	-3.7	-5.3	-4.9	-8.1	-8.8	-11.6	-11.7	-14.4	-10.2	-11.0	-8.5	-2.4	
Services	2.5	2.6	2.0	Nov	2.5	2.6	2.4	2.6	2.6	2.2	2.2	1.8	2.6	2.6	2.4	2.4	1.9	2.5	2.1	2.0	1.9	1.8	1.8	1.8	1.6	
Producer prices - Total industry (excluding construction) (y.r.)	2.7	6.0	-5.4	Oct	4.2	5.4	7.0	8.4	3.4	-2.0	-5.7	-7.8	2.9	1.2	-0.8	-1.9	-3.2	-4.8	-5.9	-6.5	-8.4	-7.5	-7.6	-6.7		

Sources: European Commission, Eurostat and Banco de Portugal calculations.

Notes:

(1) Includes internal cross-border trade in the euro area. (2) Adjusted for variations in the number of working days. (3) Corresponds to the country composition of the euro area in each period.

a.v.	accumulated values.
y.r.	year-on-year rate of change.
p.p.	percentage points.
s.a.	seasonally adjusted.

Table 2 | Euro Area

## MAIN MONETARY AND FINANCIAL INDICATORS

	Basis	2007				2008		2009					2009	
		Dec	Mar	Jun	Sep	Dec	Mar	May	Jun	Jul	Aug	Sep	Oct	Nov
Euro exchange rate														
USDollar	USD, averages	1.457	1.553	1.555	1.437	1.345	1.305	1.365	1.402	1.409	1.427	1.456	1.482	1.491
	USD, end-of-period	1.472	1.581	1.576	1.430	1.392	1.331	1.410	1.413	1.414	1.427	1.464	1.480	1.502
JPYen	JPY, averages	163.6	156.6	166.3	153.2	122.5	127.7	131.9	135.4	133.1	135.3	133.1	133.9	133.0
	JPY, end-of-period	164.9	157.4	166.4	150.5	126.1	131.2	135.2	135.5	135.3	133.1	131.1	134.7	129.8
Nominal effective exchange rate <sup>(1)</sup>	1999-Q1 = 100, averages	111.4	114.8	115.8	112.0	112.7	113.3	113.0	114.0	113.8	113.9	115.2	116.6	116.3
	1999-Q1 = 100, end-of-period	112.4	116.5	116.3	111.7	115.4	114.6	114.5	114.2	113.3	114.2	115.6	116.3	116.9
Interest rates														
Eurosystem interest rates														
Main refinancing operations	%, end-of-period	4.00	4.00	4.00	4.25	2.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Marginal lending facility	%, end-of-period	5.00	5.00	5.00	5.25	3.00	2.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Deposit facility	%, end-of-period	3.00	3.00	3.00	3.25	2.00	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Money market interest rates														
Overnight (EONIA)	%, averages	3.88	4.09	4.01	4.27	2.49	1.06	0.78	0.70	0.36	0.35	0.36	0.36	0.36
	%, end-of-period	3.92	4.16	4.27	4.17	2.35	1.64	0.83	0.40	0.36	0.34	0.53	0.40	0.43
1-month Euribor	%, averages	4.71	4.30	4.47	4.66	2.99	1.27	0.88	0.91	0.61	0.51	0.46	0.43	0.44
	%, end-of-period	4.29	4.36	4.44	5.05	2.60	1.12	0.94	0.75	0.53	0.48	0.44	0.42	0.47
3-month Euribor	%, averages	4.85	4.60	4.94	5.02	3.29	1.64	1.28	1.23	0.97	0.86	0.77	0.74	0.72
	%, end-of-period	4.68	4.73	4.95	5.28	2.89	1.51	1.27	1.10	0.89	0.82	0.75	0.72	0.72
6-month Euribor	%, averages	4.82	4.59	5.09	5.22	3.37	1.77	1.48	1.44	1.21	1.12	1.04	1.02	0.99
	%, end-of-period	4.71	4.73	5.13	5.38	2.97	1.67	1.47	1.31	1.14	1.08	1.02	1.00	1.00
12-month Euribor	%, averages	4.79	4.59	5.36	5.38	3.45	1.91	1.64	1.61	1.41	1.33	1.26	1.24	1.23
	%, end-of-period	4.75	4.73	5.39	5.50	3.05	1.81	1.63	1.50	1.36	1.30	1.24	1.24	1.23
Government bond yields <sup>(2)</sup>														
5 years	%, averages	4.14	3.65	4.75	4.21	3.29	3.00	3.00	3.14	2.86	2.81	2.68	2.67	2.64
	%, averages	4.38	4.07	4.81	4.50	3.89	4.15	4.14	4.32	4.09	3.89	3.86	3.80	3.83
10 years	%, end-of-period	4.44	4.15	4.91	4.53	3.84	4.07	4.33	4.16	3.89	3.83	3.81	3.77	3.79
Stock market														
Dow Jones Euro Stoxx index	in points, averages	414.5	342.9	340.2	301.3	219.0	184.6	225.7	226.7	228.0	250.7	264.0	268.7	265.4
	in points, end-of-period	414.9	347.0	321.6	282.6	222.7	191.6	227.5	223.0	243.9	257.8	269.1	256.6	260.4
Monetary aggregates <sup>(3)</sup>														
M1	%, annual percentage change	4.0	2.8	1.6	1.2	3.3	6.0	8.0	9.4	12.2	13.6	12.8	11.8	
M3	%, annual percentage change	11.6	10.1	9.7	8.7	7.5	5.1	3.8	3.6	3.0	2.6	1.8	0.3	
	3-month moving average (centered)	11.9	10.7	9.7	8.8	7.1	5.3	4.1	3.5	3.1	2.5	1.6		

Sources: Bloomberg and ECB. Data refer to the changing composition of the euro area except for the nominal effective exchange rate.

Notes:

(1) EER-21. ECB calculations. A positive variation means an appreciation. (2) ECB calculations. The weights are the nominal outstanding amounts of government bonds in each maturity band. (3) The rates of growth of monetary aggregates are calculated on the basis of data adjusted for seasonal and end-of-month effects.

Table 3 | Euro Area

## EUROSYSTEM MONETARY POLICY OPERATIONS ALLOTTED THROUGH TENDERS

Euro millions, unless otherwise stated

Tender date	Type of operation	Bids (amount)	Allotment (amount)	Fixed rate tenders (%)	Variable rate tenders (%)			Running for (...) days	EONIA Euribor (%) <sup>(2)</sup>
					Marginal	Weighted Average	Minimum/Maximum Bid <sup>(1)</sup>		
12-08-2009	Longer-term <sup>(3)</sup>	11 875	11 875	1.00				182	1.13
12-08-2009	Longer-term	13 024	13 024	1.00				91	0.88
18-08-2009	Main	76 056	76 056	1.00				7	0.35
25-08-2009	Main	77 530	77 530	1.00				7	0.35
26-08-2009	Longer-term	8 321	8 321	1.00				91	0.83
01-09-2009	Main	72 086	72 086	1.00				7	0.33
08-09-2009	Liquidity-absorbing fine-tuning	196 299	195 099		0.80	0.73	0.95	1	0.54
08-09-2009	Main	93 285	93 285	1.00				7	0.54
08-09-2009	Refinancing with special term	10 627	10 627	1.00				35	0.46
09-09-2009	Longer-term <sup>(3)</sup>	3 686	3 686	1.00				182	1.05
09-09-2009	Longer-term <sup>(3)</sup>	3 161	3 161	1.00				91	0.78
15-09-2009	Main	87 800	87 800	1.00				7	0.36
22-09-2009	Main	85 004	85 004	1.00				7	0.36
29-09-2009	Main	66 767	66 767	1.00				7	0.35
30-09-2009	Longer-term <sup>(3)</sup>	75 241	75 241	1.00				364	1.24
30-09-2009	Longer-term	2 769	2 769	1.00				77	0.75
06-10-2009	Main	62 620	62 620	1.00				7	0.37
07-10-2009	Longer-term <sup>(3)</sup>	2 368	2 368	1.00				182	1.01
07-10-2009	Longer-term	1 128	1 128	1.00				98	0.74
13-10-2009	Liquidity-absorbing fine-tuning	170 131	169 680		0.80	0.74	1.00	1	0.57
13-10-2009	Main	61 565	61 565	1.00				7	0.57
13-10-2009	Refinancing with special term	7 741	7 741	1.00				28	0.43
20-10-2009	Main	49 803	49 803	1.00				7	0.35
27-10-2009	Main	48 660	48 660	1.00				7	0.34
28-10-2009	Longer-term	3 284	3 284	1.00				91	0.72
03-11-2009	Main	46 201	46 201	1.00				7	0.32
10-11-2009	Liquidity-absorbing fine-tuning	191 883	191 379		0.80	0.76	1.00	1	0.69
10-11-2009	Main	51 250	51 250	1.00				7	0.69
10-11-2009	Refinancing with special term	2 536	2 536	1.00				27	0.43
11-11-2009	Longer-term <sup>(3)</sup>	782	782	1.00				182	0.99
11-11-2009	Longer-term <sup>(3)</sup>	10 794	10 794	1.00				91	0.72
17-11-2009	Main	52 580	52 580	1.00				7	0.34
24-11-2009	Main	59 066	59 066	1.00				7	0.35
25-11-2009	Longer-term	2 065	2 065	1.00				91	0.72

Source: ECB.

Notes:

(1) Minimum (maximum) bid rate accepted in liquidity providing (absorbing) operations. (2) In the longer-term refinancing operations it is considered the Euribor rate with the same maturity of the operation, at the tender date. (3) Supplementary.

Table 4 | Portugal

## INDICATORS OF CONSUMPTION, INVESTMENT AND INTERNATIONAL TRADE

	2007	2008	2009	Until the month	2007				2008				2009				2008				2009				
			a.v.		IV	I	II	III	IV	I	II	III	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>CONSUMPTION</b>																									
Private Consumption Coincident Indicator (y.r.) <sup>(1)</sup>	2.1	1.2	-0.5	Nov	2.1	2.0	1.6	1.1	0.1	-1.3	-1.4	0.0	0.1	-0.4	-0.9	-1.3	-1.6	-1.6	-1.4	-1.1	-0.6	0.0	0.6	1.2	1.7
Consumer Confidence Indicator - balances (s.a.) <sup>(2)</sup>	-29	-39	-40	Nov	-33	-37	-38	-37	-43	-51	-45	-32	-42	-46	-49	-54	-50	-47	-46	-41	-34	-31	-30	-27	-30
Retail Trade Turnover Index <sup>(3)</sup>																									
Nominal	2.2	2.3	-6.2	Oct	2.2	5.2	2.9	3.4	-1.7	-7.3	-5.4	-6.3	-0.4	-5.5	-3.6	-8.7	-9.4	-2.7	-8.3	-5.0	-5.7	-7.0	-6.2	-5.1	
Real	0.3	0.2	-2.2	Oct	-0.1	2.4	-0.1	0.3	-1.7	-4.6	-1.2	-1.2	-0.3	-4.5	-1.2	-6.4	-6.3	0.7	-4.3	0.0	-0.3	-2.0	-1.3	-1.0	
Business Survey in the Retail Trade - balances (n.s.a.)																									
Volume of Sales	-6	-20	-32	Nov	-5	-9	-16	-22	-31	-40	-50	-21	-34	-41	-21	-47	-51	-56	-58	-37	-24	-26	-14	-11	-10
Sales of passenger vehicles (y.r.)	3.7	5.7	-25.3	Nov	10.3	11.7	1.9	0.9	9.1	-42.5	-30.2	-16.7	-3.3	37.9	-43.2	-42.2	-42.1	-33.9	-33.6	-23.7	-20.5	-14.9	-12.5	3.5	1.0
<b>INVESTMENT IN MACHINERY AND TRANSPORT EQUIPMENT</b>																									
Industrial Production Index (y.r.)																									
Investment goods	-2.3	-3.8	-17.4	Oct	-7.8	-3.3	-7.2	-3.8	-0.4	-18.4	-16.1	-17.7	8.5	-3.4	-18.7	-23.1	-13.4	-20.5	-9.9	-17.7	-16.4	-20.6	-17.0	-17.1	
Industrial Turnover Index (y.r.)																									
Investment goods	17.8	-4.5	-17.9	Oct	10.1	5.6	-0.6	-7.9	-13.9	-24.8	-18.4	-14.5	-16.8	-16.8	-29.6	-26.0	-19.0	-24.2	-16.1	-14.6	-18.7	-11.4	-11.9	-5.6	
Monthly Survey of Manufacturing Industry - balances (n.s.a.)																									
Vehicles manufacturing, production	32	-2	-1	Nov	14	5	9	-26	3	-52	5	18	-89	49	-31	-100	-25	-31	-11	58	55	0	0	69	0
Other equipment goods, production	11	-3	-23	Nov	20	2	7	4	-24	-38	-26	-17	-25	-32	-33	-40	-41	-32	-27	-18	-15	-17	-19	-1	-15
Sales of commercial vehicles (y.r.)																									
Under 3.5 ton. (excluding 4x4)	6.1	-19.0	-30.9	Nov	-8.3	-18.3	-38.0	6.6	-10.2	-40.5	-36.5	-25.0	-17.7	-4.2	-45.8	-38.3	-38.1	-32.9	-41.8	-34.1	-33.9	-23.6	-15.7	-19.1	-10.6
Above 3.5 ton.	6.4	-0.7	-39.9	Nov	92.9	21.3	5.7	-3.5	-23.4	-38.2	-47.4	-24.1	-45.3	-17.5	-24.3	-42.6	-49.4	-53.3	-32.4	-54.2	-25.1	-45.7	-7.6	-49.4	-59.3
<b>INVESTMENT IN CONSTRUCTION</b>																									
Cement sales (y.r.) <sup>(4)</sup>	0.9	-6.6	-15.0	Nov	11.3	-8.7	0.5	-3.4	-14.6	-16.9	-16.1	-13.8	-20.4	-14.0	-25.0	-23.4	-2.4	-13.4	-17.1	-17.8	-18.9	-6.0	-14.2	-18.1	-5.5
Construction Confidence Indicator - balances (s.a.) <sup>(2)</sup>	-37	-37	-44	Nov	-35	-34	-38	-35	-40	-48	-43	-42	-42	-41	-42	-55	-48	-43	-46	-39	-42	-41	-43	-40	-42
<b>INTERNATIONAL TRADE OF MERCHANDISE</b>																									
Exports (y.r.)																									
Total <sup>(5)</sup>	8.9	1.0	-21.6	Oct	6.0	5.2	4.5	5.3	-11.1	-26.0	-24.1	-17.6	-14.4	-14.4	-27.3	-29.7	-20.9	-27.1	-24.1	-20.9	-20.5	-16.2	-15.3	-11.8	
Total excluding fuels	10.1	-0.6	-21.7	Sep	6.4	3.0	1.9	4.0	-11.0	-24.3	-22.6	-17.9	-14.7	-13.1	-25.5	-28.3	-19.0	-26.6	-22.3	-18.7	-19.2	-16.4	-17.4		
Imports (y.r.)																									
Total <sup>(5)</sup>	7.4	7.2	-21.9	Oct	12.0	14.0	11.4	11.3	-6.4	-22.6	-25.6	-19.6	-10.7	-9.4	-20.6	-30.4	-16.3	-29.4	-28.4	-18.6	-21.7	-22.0	-15.3	-15.7	
Total excluding fuels	9.1	3.6	-18.5	Sep	8.8	9.3	6.2	5.8	-6.0	-18.6	-22.1	-14.5	-12.2	-5.2	-17.2	-24.0	-14.5	-24.8	-24.0	-17.3	-13.7	-14.1	-15.6		
Extra-community <sup>(6)</sup>																									
Exports (y.r.)																									
Total	12.6	13.4	-22.9	Oct	10.2	12.3	14.9	21.0	5.6	-22.3	-26.7	-21.2	3.1	4.7	-25.7	-25.3	-15.7	-28.1	-25.8	-26.3	-19.7	-21.0	-23.1	-19.1	
Total excluding fuels	14.4	12.7	-20.6	Oct	7.5	6.1	8.7	24.0	12.3	-16.1	-21.0	-22.6	12.3	11.0	-20.2	-19.6	-8.0	-23.0	-19.8	-20.3	-19.8	-21.6	-26.5	-25.1	
Imports (y.r.)																									
Total	8.5	15.3	-35.0	Oct	21.1	26.1	23.7	23.1	-9.5	-38.5	-37.8	-35.2	-11.9	-10.2	-34.9	-54.9	-24.7	-41.9	-48.0	-21.7	-45.9	-42.2	-10.9	-12.3	
Total excluding fuels	14.5	5.9	-29.3	Oct	10.4	13.8	7.3	6.0	-3.1	-31.0	-32.1	-29.5	-12.5	15.3	-28.5	-35.0	-29.5	-27.9	-42.7	-23.6	-33.0	-34.9	-21.2	-14.0	
<b>INTERNATIONAL TRADE OF SERVICES</b>																									
Exports (y.r.)	16.0	5.6	-10.4	Sep	15.8	13.0	7.6	3.5	0.4	-11.5	-10.4	-9.7	-1.8	0.3	-10.6	-8.3	-15.0	-7.2	-13.7	-9.9	-8.9	-7.2	-13.2		
Imports (y.r.)	8.4	8.5	-9.6	Sep	12.4	10.7	11.6	8.8	3.3	-8.1	-7.7	-12.9	-1.9	0.6	-6.3	-8.1	-9.7	-3.0	-11.0	-9.0	-11.9	-15.3	-11.6		

Sources: ACAP, Cimpor, European Commission, INE, Secil and Banco de Portugal.

Notes:

(1) See methodology in Rua (2005), "A new coincident indicator for the Portuguese private consumption", Banco de Portugal, *Economic Bulletin-Autumn*. (2) Source: European Commission. (3) It does not include the sale of vehicles and motorcycles. (4) Cement sales of national firms to the domestic market excluding cement imports. (5) The value for the last month refers to the flash estimate released by INE. (6) As a consequence of the integration in the European Union of two new Member States (Bulgaria and Romania) on 1 January 2007, the extra-community trade data no longer include these countries, which are included in the intra-community trade data from January 2007 onwards. The year-on-year rates of change were calculated from similar universes.

a.v. accumulated values.  
3-mma three-months moving average.  
balances differences between the percentage of respondents giving positive and negative replies.  
y.r. year-on-year rate of change.  
s.a. seasonally adjusted.  
n.s.a. non seasonally adjusted.  
a.r. rate of change over accumulated values.

Table 5 | Portugal

## INDICATORS OF ACTIVITY AND LABOUR MARKET

	2007	2008	2009	Until the month	2007				2008				2009				2009								
			a.v.		IV	I	II	III	IV	I	II	III	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>ACTIVITY</b>																									
Monthly Coincident Indicator (y.r.) <sup>(1)</sup>	2.0	-0.5	-2.1	Nov	1.9	1.1	0.0	-1.1	-1.9	-2.9	-2.9	-1.6	-1.9	-2.3	-2.6	-2.9	-3.1	-3.1	-2.9	-2.6	-2.1	-1.6	-1.1	-0.6	0.0
Economic Sentiment Indicator (s.a.)(Index 1990-2006=100)	102.3	92.2	73.6	Nov	102.9	101.5	97.2	92.5	77.7	65.1	68.3	81.5	79.0	72.9	66.2	61.9	67.1	62.5	70.9	71.4	75.8	81.3	87.3	81.2	83.7
Industrial Production Index - Manufacturing (y.r.)	1.1	-3.9	-11.4	Oct	-1.2	-1.5	-2.8	-3.1	-8.2	-16.4	-12.1	-7.4	-7.7	-10.8	-17.5	-20.6	-11.1	-13.9	-10.0	-12.5	-8.5	-7.7	-6.0	-5.2	
Turnover index in Industry - Manufacturing (y.r.)	5.5	0.9	-19.1	Oct	6.4	4.4	5.0	5.1	-10.5	-23.4	-20.6	-16.4	-14.1	-13.8	-24.4	-27.2	-18.6	-22.7	-21.0	-17.9	-20.1	-16.2	-12.3	-10.4	
Rate of capacity utilization in manufacturing (%) (n.s.a.)	81	79	72	Sep	77	81	81	81	75	69	73	74													
Industrial Confidence Indicator - balances (s.a.) <sup>(2)</sup>	-2	-11	-30	Nov	-1	-2	-7	-8	-26	-34	-33	-26	-26	-31	-35	-37	-31	-38	-30	-32	-33	-27	-18	-25	-19
Monthly Survey of Manufacturing Industry - balances (n.s.a.)																									
Current production	6	-12	-20	Nov	2	-6	-3	-10	-30	-38	-20	-11	-50	-26	-34	-45	-35	-30	-22	-9	-11	-8	-13	3	-12
Stocks of finished products	4	5	8	Nov	3	-1	5	9	6	8	12	4	-5	10	5	8	11	15	9	13	9	6	-4	17	4
Global demand	-7	-27	-62	Nov	-6	-14	-24	-17	-55	-70	-68	-54	-60	-63	-71	-72	-68	-73	-64	-66	-69	-50	-43	-48	-53
Internal demand	-20	-29	-56	Nov	-21	-12	-28	-28	-47	-64	-58	-50	-56	-57	-64	-66	-63	-67	-61	-46	-63	-45	-42	-43	-57
External demand	-4	-23	-55	Nov	-4	-10	-12	-17	-53	-66	-66	-48	-55	-59	-69	-68	-61	-75	-62	-61	-63	-45	-35	-29	-35
Business Survey in Retail Trade - balances (n.s.a.)																									
Volume of sales	-4	-15	-28	Nov	-3	-4	-12	-16	-26	-37	-38	-19	-27	-30	-22	-41	-47	-44	-40	-31	-23	-20	-14	-11	-12
Volume of stocks	6	7	1	Nov	5	6	8	7	8	5	1	-1	8	9	4	7	4	3	1	0	0	-1	-2	-3	-4
Bednights in Portuguese hotels (y.r.)																									
Total	5.8	-1.3	-6.6	Oct	5.8	8.6	-2.8	-1.6	-6.9	-14.6	-3.8	-5.1	-9.2	-10.3	-7.2	-12.0	-20.8	4.1	-11.4	-2.5	-6.3	-3.4	-6.0	-5.5	
Non-residents	6.2	-2.1	-11.2	Oct	5.1	9.1	-2.1	-3.4	-9.2	-18.3	-9.8	-9.4	-13.6	-14.6	-12.7	-18.4	-21.4	-0.3	-15.4	-11.7	-11.2	-9.5	-7.5	-8.1	
Turnover index in Services (y.r.)	5.9	0.4	-13.2	Oct	6.9	4.4	2.5	2.1	-6.5	-13.9	-15.8	-10.9	-10.1	-5.8	-14.7	-16.9	-10.3	-15.5	-17.9	-14.0	-13.1	-9.5	-9.9	-10.4	
Services Confidence Indicator - balances (s.a.) <sup>(2)</sup>	9	3	-16	Nov	12	9	9	1	-5	-22	-20	-10	-6	-6	-19	-23	-23	-23	-18	-18	-12	-9	-9	-10	-15
Monthly Survey of Services - balances (n.s.a.)																									
Business activity	3	-4	-20	Nov	8	-5	2	-4	-10	-23	-23	-16	-8	-12	-19	-25	-25	-25	-22	-21	-19	-15	-14	-15	-17
Prospects of evolution of demand	15	10	-3	Nov	6	19	33	1	-11	-15	9	0	-9	-20	-35	-11	2	1	13	12	7	0	-7	-7	-9
<b>LABOUR MARKET</b>																									
Average wage growth implicit in collective contracts																									
Private sector (y.r.) <sup>(3)</sup>	2.9	3.1	2.8	Jul	2.4	3.1	2.9	2.7	2.6	3.0	1.9	1.9			2.6	4.0	4.9	1.8	4.2	2.7	1.9				
Number of workers (thousands)	1539.4	1747.4	1159.9	Jul	0.9	1516.6	199.4	17.8	13.5	992.7	140.3	26.9			845.4	4.1	143.3	131.3	0.7	8.3	26.9				
Changes in compensation of employees declared to social security <sup>(4)</sup>																									
Average number of beneficiaries with compensation	3206	3280	3197	Oct									3280	3280	3214	3209	3208	3207	3207	3208	3209	3207	3205	3197	
Year-on-year rate of change of the average declared compensation	3.5	4.0	3.6	Oct									4.0	4.0						3.9	3.7	3.6	3.6	3.6	
Employment and Unemployment																									
Unemployment rate (%)	8.0	7.6	9.3	Sep	7.8	7.6	7.3	7.7	7.8	8.9	9.1	9.8													
Total employment (y.r.)	0.2	0.5	-2.7	Sep	0.9	1.1	1.4	-0.1	-0.2	-1.8	-2.9	-3.4													
Wage-earners (y.r.)	0.1	1.2	-2.1	Sep	0.3	1.1	2.1	0.5	1.1	-1.0	-2.6	-2.6													
Unemployment (y.r.)	4.9	-4.8	22.1	Sep	-4.2	-9.1	-6.9	-2.4	-0.4	16.1	23.9	26.3													
Participation rate, 15 to 64 years (%)	74.1	74.2	73.7	Sep	74.2	74.1	74.4	74.2	74.0	73.9	73.8	73.4													
Long-term unemployment (% of total unemployment)	48.9	49.8	45.3	Sep	48.8	51.9	50.2	49.3	47.8	43.4	46.3	46.3													
Registered unemployment and vacancies - Job Centers																									
Flow along the period (thousands) <sup>(5)</sup>																									
New applications for employment by the unemployed	45.6	50.7	60.9	Oct	46.2	47.4	44.1	53.3	58.0	65.6	54.3	61.2	59.3	48.6	70.3	60.6	65.7	58.2	51.9	52.8	60.2	50.7	72.6	65.5	
New vacancies	10.0	10.6	10.6	Oct	9.1	9.9	10.1	11.9	10.3	8.5	10.7	12.3	10.4	8.3	8.8	6.9	9.7	9.3	11.0	11.7	13.2	10.2	13.6	11.2	
Situation at the end-of-period (thousands)																									
Registered unemployment	390.3	416.0	517.5	Oct	390.3	391.0	382.5	395.2	416.0	484.1	489.8	510.4	408.6	416.0	448.0	469.3	484.1	491.6	489.1	489.8	496.7	501.7	510.4	517.5	
New vacancies	13.8	15.3	21.4	Oct	13.8	14.7	15.9	19.0	15.3	14.7	18.5	22.0	16.7	15.3	14.6	14.1	14.7	14.2	15.7	18.5	20.0	21.1	22.0	21.4	

Sources: European Commission, INE, Instituto do Emprego e Formação Profissional, Ministério das Actividades Económicas e do Trabalho and Banco de Portugal.

Notes:

(1) See methodology in Rua (2004), "A new coincident indicator for the Portuguese economy", Banco de Portugal, *Economic Bulletin*-June. (2) Source: European Commission. (3) In each column, the contracts that began in the period were considered. (4) For each month, the figures correspond to the accumulated average values since the beginning of the year. (5) Values for quarters and years correspond to the respective monthly average.

a.v. accumulated values.  
y.r. year-on-year rate of change.  
balances differences between the percentage of respondents giving positive and negative replies.  
s.a. seasonally adjusted.  
n.s.a. non seasonally adjusted.



Table 7 | Portugal

## BALANCE OF PAYMENTS - MAIN ITEMS | Net values

Million of euros

	2006 <sup>P</sup>	2007 <sup>P</sup>	2008 <sup>P</sup>	2007 <sup>P</sup>	2008 <sup>P</sup>	2009 <sup>P</sup>	2007 <sup>P</sup>	2008 <sup>P</sup>	2009 <sup>P</sup>
				Jan-Sep	Jan-Sep	Jan-Sep	Sep	Sep	Sep
1. Current Account	-15 589.2	-15 374.3	-20 163.4	-10 402.3	-14 689.0	-10 685.6	-1 366.8	-1 571.2	- 891.5
1.1. Goods f.o.b.	-16 762.8	-17 549.3	-21 361.8	-12 294.0	-15 919.4	-11 869.8	-1 541.0	-1 778.0	-1 431.2
1.2. Services	4 953.8	6 489.3	6 547.7	4 936.9	5 070.4	4 477.7	668.5	746.2	632.9
1.3. Income	-6 301.4	-6 921.2	-7 817.1	-4 990.8	-5 783.5	-4 938.5	- 548.7	- 735.7	- 505.1
1.4. Current transfers	2 521.1	2 606.9	2 467.8	1 945.6	1 943.5	1 645.0	54.4	196.3	411.9
1.4.1. Official transfers	273.7	35.4	- 174.5	- 10.1	68.6	84.8	- 106.7	- 56.0	247.8
1.4.2. Private transfers	2 247.5	2 571.5	2 642.3	1 955.8	1 875.0	1 560.3	161.1	252.2	164.2
2. Capital Account	1 233.6	2 096.8	2 747.3	1 335.3	1 973.2	1 113.4	- 4.2	189.0	7.8
3. Financial Account	14 116.1	13 135.7	18 050.0	8 514.4	13 723.6	8 823.2	1 087.1	1 492.5	641.7
3.1. Direct investment	3 004.2	-1 775.7	973.7	- 487.3	505.9	30.5	166.1	211.0	- 451.2
3.1.1. Portuguese investment abroad	-5 691.2	-4 013.3	-1 437.4	-2 873.5	-1 594.7	-1 137.3	- 371.1	- 115.9	- 207.4
3.1.2. Foreign investment in Portugal	8 695.4	2 237.6	2 411.2	2 386.2	2 100.6	1 167.7	537.2	326.8	- 243.8
3.2. Portfolio investment	3 864.0	10 042.6	13 821.2	7 124.5	15 173.0	5 440.5	- 341.1	3 195.1	-3 133.0
3.2.1. Assets	-6 602.1	-7 988.4	-12 363.4	-6 467.8	-4 282.2	-15 974.6	1 028.6	736.8	-1 225.5
3.2.1.1. Equity securities	-3 273.0	- 42.6	- 42.6	-3 336.4	- 265.0	297.8	216.2	1 047.1	- 193.5
3.2.1.2. Long-term debt securities	-6 005.0	-8 690.5	-12 833.9	-6 248.2	-5 280.8	-16 808.0	359.0	- 352.4	- 684.3
3.2.1.3. Money market instruments	2 675.9	2 458.2	513.0	3 116.8	1 263.6	535.6	453.3	42.1	- 347.7
3.2.2. Liabilities	10 466.1	18 031.0	26 184.6	13 592.3	19 455.2	21 415.0	-1 369.7	2 458.3	-1 907.5
3.2.2.1. Equity securities	2 933.5	239.2	4 934.9	- 118.3	1 314.9	3 876.4	-2 025.9	1 871.1	- 343.6
3.2.2.2. Long-term debt securities	11 912.5	16 687.4	14 505.6	13 597.7	12 821.4	18 279.4	86.3	1 197.4	628.6
3.2.2.3. Money market instruments	-4 379.9	1 104.4	6 744.1	112.9	5 318.8	- 740.7	569.9	- 610.2	-2 192.4
3.3. Financial derivatives	- 219.9	173.2	250.6	137.7	- 564.8	- 24.5	- 37.3	- 98.4	- 70.5
3.4. Other investment	5 548.3	3 982.8	3 083.4	990.7	-1 255.8	3 275.6	1 360.0	-1 976.9	4 250.2
3.4.1. Assets	-13 652.1	-11 634.3	11 730.0	-13 101.5	-3 650.6	4 382.2	- 246.2	4 117.8	2 473.9
3.4.1.1. Monetary authorities	-1 078.7	-1 799.5	4 054.7	-4 205.5	- 975.1	56.5	- 334.5	- 67.3	- 142.8
3.4.1.2. General government	56.5	494.6	- 348.3	- 21.6	- 5.9	254.2	- 4.7	- 5.9	26.6
3.4.1.3. Monetary financial institutions	-9 752.2	-6 184.1	9 251.0	-6 089.0	105.3	1 766.1	- 166.4	4 005.5	2 113.5
3.4.1.3.1. Long-term	-1 239.7	-4 596.8	- 834.1	-3 408.7	- 866.1	-1 174.3	- 351.1	- 194.3	- 750.1
3.4.1.3.2. Short-term	-8 512.6	-1 587.3	10 085.0	-2 680.3	971.5	2 940.4	184.7	4 199.9	2 863.6
3.4.1.4. Other sectors	-2 877.6	-4 145.3	-1 227.3	-2 785.5	-2 774.9	2 305.5	259.4	185.4	476.6
3.4.2. Liabilities	19 200.4	15 617.1	-8 646.6	14 092.2	2 394.8	-1 106.6	1 606.3	-6 094.6	1 776.3
3.4.2.1. Monetary authorities	-6 025.2	- 489.1	12 745.7	3 451.6	8 013.6	1 339.2	683.1	-2 295.0	656.0
3.4.2.2. General government	98.6	1 083.8	-1 930.8	1 124.0	-1 350.4	216.6	216.7	462.9	331.3
3.4.2.3. Monetary financial institutions	24 834.5	14 282.1	-19 052.9	9 856.2	-4 580.9	-2 916.3	702.9	-3 779.8	258.6
3.4.2.3.1. Long-term	10 488.4	4 897.5	-6 394.7	2 412.2	-3 855.7	-6 970.1	664.6	-1 770.3	98.0
3.4.2.3.2. Short-term	14 346.1	9 384.6	-12 658.2	7 444.0	- 725.2	4 053.8	38.3	-2 009.5	160.6
3.4.2.4. Other sectors	292.4	740.4	- 408.5	- 339.5	312.4	253.9	3.6	- 482.7	530.3
3.5. Reserve assets	1 919.5	712.8	- 78.9	748.8	- 134.7	101.2	- 60.7	161.7	46.2
4. Errors and omissions	239.4	141.8	- 633.9	552.5	-1 007.8	749.0	283.9	- 110.2	242.0
<i>Memo items:</i>									
Current Account + Capital Account	-14 355.5	-13 277.5	-17 416.1	-9 067.0	-12 715.8	-9 572.2	-1 371.0	-1 382.3	- 883.7

Note:

P – Provisional.

Table 8 | Portugal

## MAIN MONETARY AND FINANCIAL INDICATORS

	Basis	2007		2008		2009		2009						
		Dec	Jun	Sep	Dec	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Interest rates														
Interest rates on outstanding amounts of MFI <sup>(1)</sup>														
Loans to non-financial corporations	% , averages, end of month	6.15	6.29	6.47	6.14	4.85	4.50	4.27	4.02	3.82	3.70	3.55	3.51	n.a.
Loans to private individuals for house purchase	% , averages, end of month	5.51	5.63	5.86	5.86	4.62	4.07	3.56	3.08	2.64	2.45	2.30	2.17	n.a.
Loans to private individuals for consumer credit and other purposes	% , averages, end of month	8.75	8.98	9.24	9.03	8.52	8.25	8.13	7.98	7.75	7.68	7.62	7.50	n.a.
Deposits with agreed maturity <sup>(2)</sup> up to 2 years	% , averages, end of month	3.58	3.72	3.99	3.99	3.19	2.83	2.48	2.37	2.23	2.15	2.06	1.96	n.a.
Yield on Treasury bonds - 10 Years <sup>(3)</sup>														
	% , averages	4.47	4.96	4.66	4.00	4.68	4.53	4.29	4.50	4.25	3.95	3.93	3.85	3.80
	% , end-of-month	4.53	5.08	4.72	3.96	4.57	4.38	4.42	4.41	3.94	3.89	3.86	3.81	3.77
Portuguese Stock Index - 20 (PSI-20)														
	31/12/1992=3000, monthly average	13 082	9 928	8 277	6 214	6 014	6 561	7 142	7 086	7 186	7 640	8 177	8 639	8 452
	end-of-month	13 019	8 904	8 033	6 341	6 175	6 756	7 224	7 111	7 293	7 828	8 475	8 341	8 254
Portuguese Stock Index - Geral (PSI-Geral)														
	5/01/1988=1000, monthly average	4 141	3 293	2 741	2 038	2 022	2 219	2 473	2 473	2 484	2 611	2 793	2 936	2 880
	end-of-month	4 124	2 985	2 644	2 074	2 082	2 320	2 518	2 480	2 507	2 676	2 899	2 835	2 820
Credit aggregates <sup>(4)</sup>														
Loans to the non-monetary sector, except GG	annual change, % , end-of-month	10.7	10.4	9.5	7.7	5.5	4.7	4.6	3.9	3.2	2.9	2.7	2.4	n.a.
Loans to non-monetary financial institutions	annual change, % , end-of-month	27.0	23.6	24.2	17.4	13.4	6.1	5.3	7.5	5.3	2.2	0.4	-0.4	n.a.
Loans to the private non-financial sector	annual change, % , end-of-month	9.9	9.7	8.7	7.1	5.0	4.5	4.5	3.6	3.1	2.9	2.8	2.5	n.a.
Loans to non-financial corporations	annual change, % , end-of-month	11.2	12.3	12.0	10.5	7.5	6.9	7.1	5.4	4.4	4.1	3.7	2.8	n.a.
Loans to private individuals (includes emigrants)	annual change, % , end-of-month	9.0	7.8	6.3	4.6	3.1	2.7	2.5	2.2	2.1	2.0	2.1	2.2	n.a.
Loans to private individuals for house purchase	annual change, % , end-of-month	8.5	7.1	5.8	4.3	3.2	2.9	2.7	2.5	2.3	2.3	2.3	2.5	n.a.
Loans to private individuals for consumer credit and other purposes	annual change, % , end-of-month	11.3	10.6	8.7	6.2	2.9	2.2	1.9	1.3	0.9	0.9	1.0	1.3	n.a.
General Government Financing														
	10 <sup>6</sup> Euros, cumulative figures	3 387	-1 275	974	4 572	1 038	2 852	2 760	7 292	9 859	9 386	10 359	n.a.	n.a.

## Notes:

(1) Average rates on outstanding amounts of loans and deposits of MFI, denominated in euros to residents in the Euro area, for each sector and/or purpose, weighted by the corresponding outstanding amounts at the end of month in each original maturity. (2) Excludes overnight deposits, deposits redeemable at notice and repurchase agreements. (3) Values extracted from Thomson Reuters (closing hour). (4) The annual growth rates are obtained from the relation between the outstanding amounts of bank loans, adjusted for securitisation operations, and the monthly transactions, which are calculated from the outstanding amounts corrected of reclassifications, write-offs/write-downs, exchange rate changes and price revaluations.

**Annex 1****EUROSYSTEM / ECB PROJECTIONS FOR THE EURO AREA**

Rate of change, per cent

	December 2009			September 2009		
	2009	2010	2011	2009	2010	2011
HICP	0.3 – 0.3	0.9 – 1.7	0.8 – 2.0	0.2 – 0.6	0.8 – 1.6	–
GDP (real)	-4.1 – -3.9	0.1 – 1.5	0.2 – 2.2	-4.4 – -3.8	-0.5 – 0.9	–
Private consumption	-1.2 – -1.0	-0.2 – 0.8	0.2 – 1.8	-1.3 – -0.5	-0.8 – 0.6	–
Public consumption	2.2 – 3.0	0.5 – 1.7	0.4 – 1.8	1.4 – 2.0	1.0 – 1.8	–
Gross fixed capital formation	-11.3 – -10.5	-3.1 – -0.1	-1.7 – 2.3	-12.1 – -9.9	-5.2 – -1.2	–
Exports (goods and services)	-14.5 – -12.5	0.6 – 5.6	0.7 – 6.5	-16.2 – -13.6	-0.6 – 2.4	–
Imports (goods and services)	-12.6 – -11.0	0.4 – 4.6	0.8 – 5.4	-13.6 – -11.0	-2.3 – 2.1	–

Source: ECB, *Monthly Bulletin*.

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