



# SYNTHESIS INE @ COVID-19

August . 18 . 2020

Statistics Portugal makes available the 20<sup>th</sup> weekly report of some of the most recent and relevant statistical findings released for monitoring the social and economic impact of the COVID-19 pandemic.

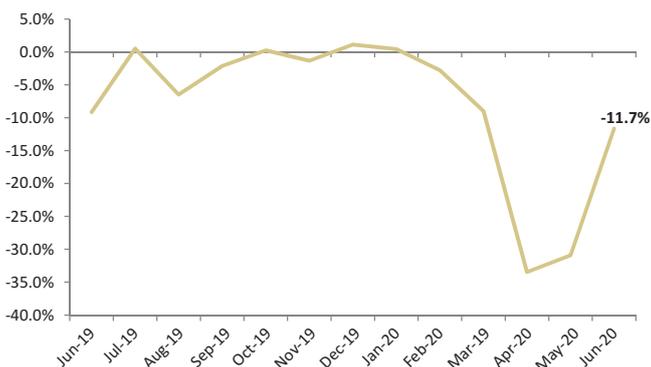
This report covers the press releases concerning:

- Business turnover, employment, wages, and hours worked indices in Industry – June 2020, published on August 10;
- Services turnover index – June 2020, published on August 10;
- Consumer price index – July 2020, published on August 12;
- Quarterly National Accounts - Flash Estimate – July 2020, published on August 14;
- Labour cost index – 2<sup>nd</sup> quarter of 2020, published on August 13;
- Tourism activity – June 2020, published on August 14.

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

## The Industry Turnover Index decreased by 11.7% in June

Industry Turnover Index  
(year-on-year rate of change) - **Total**



The Industry Turnover Index recorded a year-on-year rate of change of -11.7% in June, recovering 19.2 percentage points (p.p.) compared to the previous month.

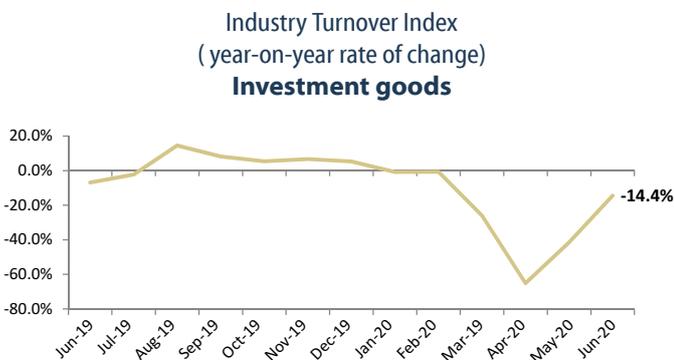
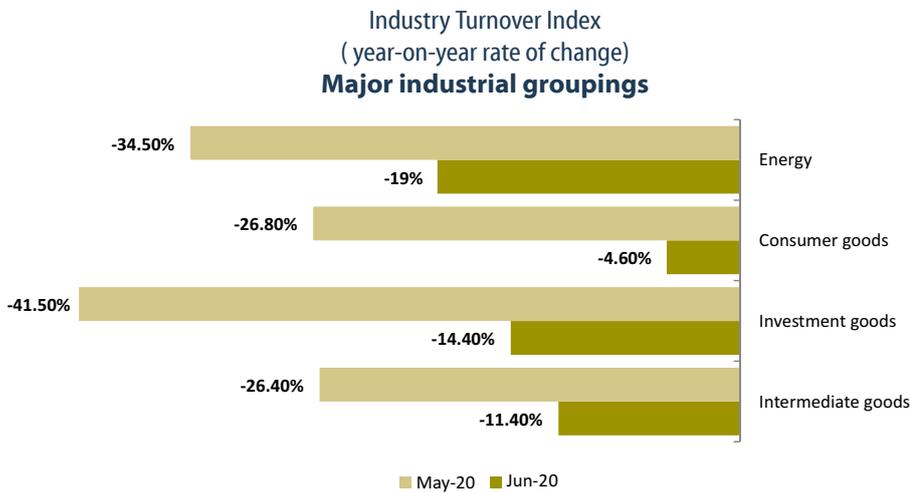
In June, in year-on-year terms, industry sales changed less negatively in both markets than in May:

- Domestic market: -9.2% (-23.3% in May);
- Non-domestic markets: -15.1% (-41.3% in May).

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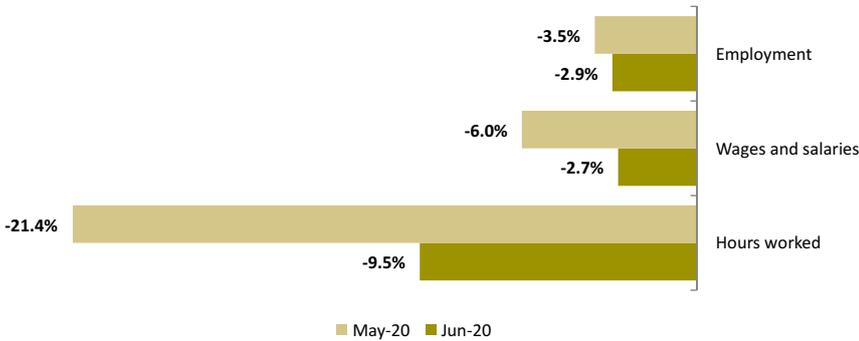
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All the major industrial groupings recorded less pronounced year-on-year rates of change than in the previous month, particularly *Investment Goods* with a recovery of 22.2 p.p.



In June, the month-on-month rate of change of the Industry Turnover Index was +12.3% (+12.2% in June 2019).

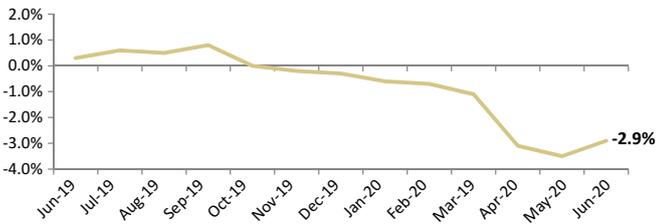
Employment, Wages, and Hours worked Index  
(year-on-year rates of change)



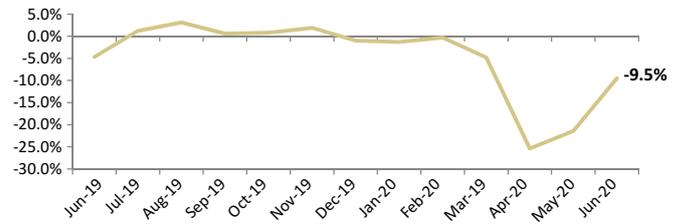
## Employment and wages

In June, the employment, wages, and hours worked indices registered less pronounced year-on-year rates of change than in the previous month, with a reduction of 11.9 p.p. in the hours worked index.

Industry Employment Index  
(year-on-year rates of change)  
**Total**



Industry Employment Index  
(year-on-year rates of change)  
**Hours worked**



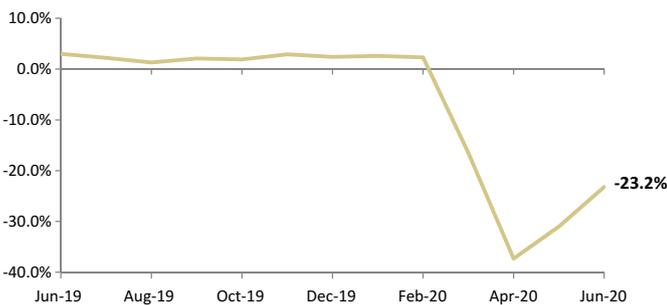
Note: Index adjusted of calendar effects

The employment and hours worked indices registered month-on-month increases of 0.5% and 6.3%, respectively. In June 2019, these indices decreased by 0.1% and 7.7%. Wages increased by 13.8% in June (9.9% in the same period of 2019).

More information available at:  
[Business turnover, employment, wages, and hours worked indices in Industry – June 2020](#)  
(10 August 2020)

## The Services Turnover Index decreased by 23.2%

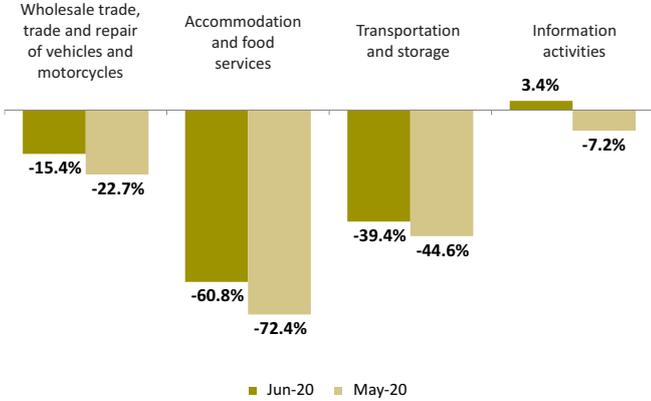
Turnover Index  
(year-on-year rates of change)  
**Total**



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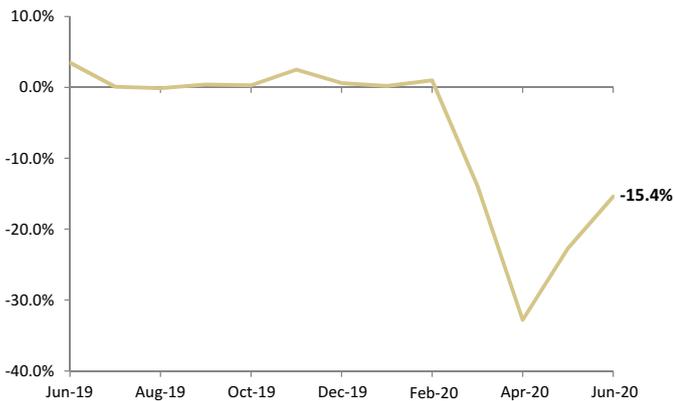
## Services Turnover Index (year-on-year rates of change) Sections that influenced the index the most



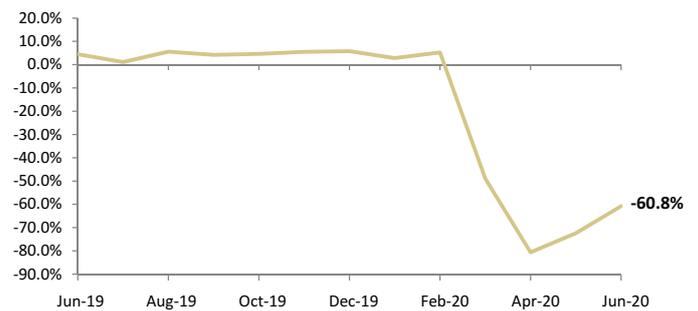
The Services Turnover Index, in nominal terms and adjusted for calendar and seasonal effects, presented a year-on-year rate of change of -23.2% in June (-31.0% in May).

The recovery in June was common to all sections, although they continue to show declining rates of change, except for *Information activities*, which recorded a positive rate of change this month.

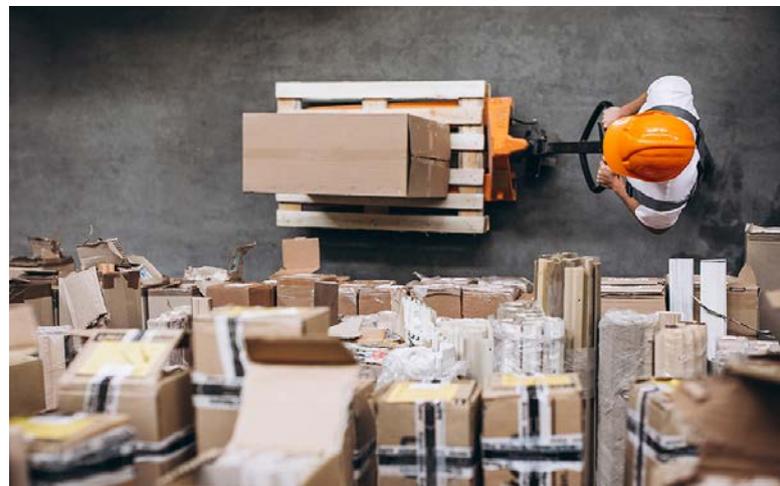
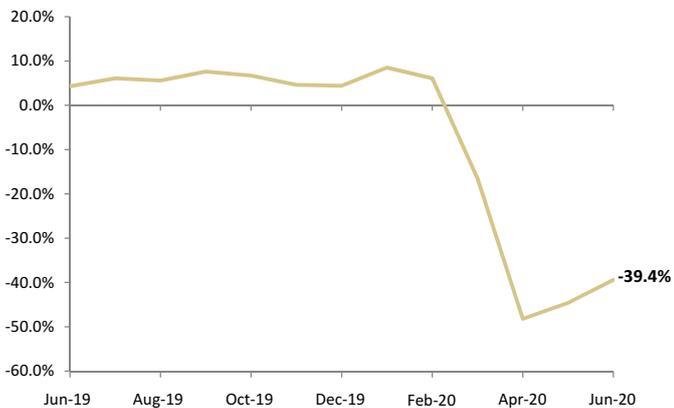
## Turnover Index (year-on-year rates of change) Wholesale trade, trade and repair of vehicles and motorcycles



## Turnover Index (year-on-year rates of change) Accommodation and food services

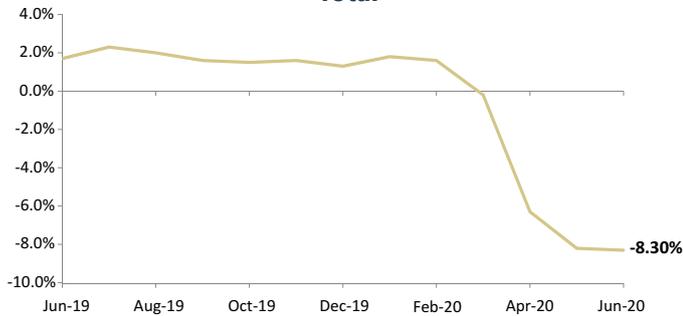


## Turnover Index (year-on-year rates of change) Transportation and storage



In June, the month-on-month rate of change of the Turnover Index was +11.3% (+10.6% in May).

Services Employment Index  
(year-on-year rates of change)  
**Total**

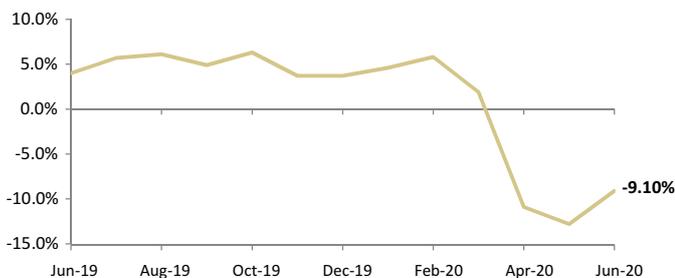


## Employment

The Services Employment Index registered a year-on-year decrease of 8.3% in June (-8.2% in May).

The month-on-month rate of change of the Employment Index was +0.5% in June (-1.1% in May).

Services Wages and Salaries Index  
(year-on-year rates of change)  
**Total**

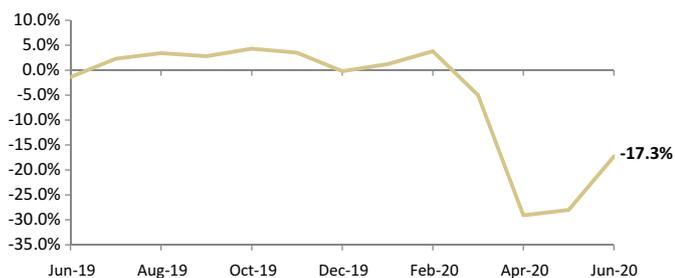


## Wages and salaries

In year-on-year terms, the rate of change of the Wages and Salaries Index was -9.1% in June (-12.8% in May).

In comparison with the previous month, the Wages and Salaries Index registered a rate of change of +18.8% in June (+14.0% in June 2019).

Services Hours worked Index  
(year-on-year rates of change)  
**Total**



## Hours worked

The rate of change of the Work Volume in Services Index, in June, measured by hours worked and adjusted for calendar effects, was -17.3% in year-on-year terms (-28.07% in May).

The month-on-month rate of change of the Work Volume in Services Index, in June, was +8.4% (-5.7% in the same period of 2019).



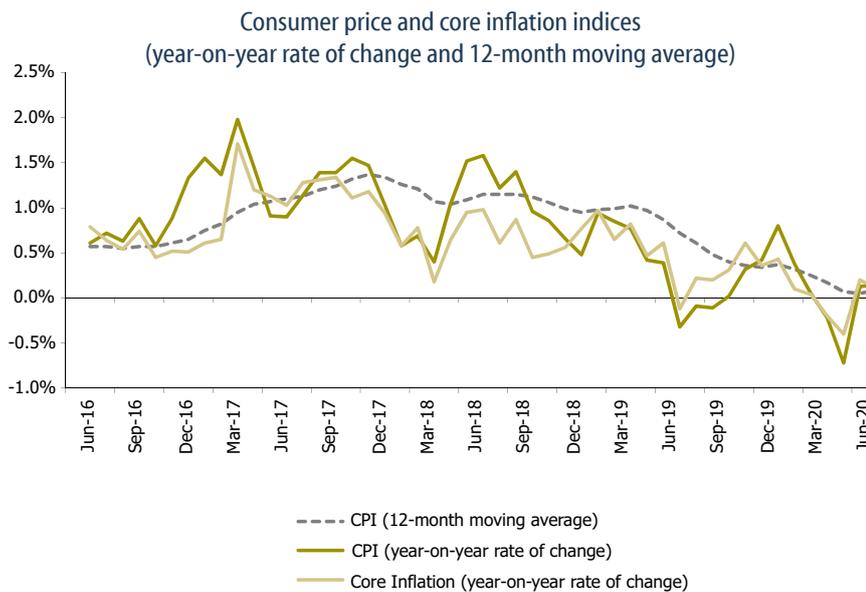
More information available at:  
[Services turnover index – June 2020](#)  
(10 August 2020)

## In July, the year-on-year rate of change of the CPI stood at 0.1%

The year-on-year rate of change of the Consumer Price Index (CPI) was +0.1% in July (the same rate as in June).

The index for unprocessed food products recorded a year-on-year rate of change of +4.8% in July (+5.2% in June), while that for energy products was -5.3% (-7.4% in June).

The core inflation indicator (total index excluding energy and unprocessed food products) registered a year-on-year rate of change of +0.1% (+0.2% in May).



Compared to the previous month, the increases in the year-on-year rates of change of the following items stood out:

- *Clothing and footwear*: +0.2% (-5.4% in June);
- *Housing, water, electricity, gas, and other fuels*: +0.2% (-0.9% in June).

Conversely, the decrease in the year-on-year rates of change of the following items was noteworthy:

- *Restaurants and hotels*: +1.2% (+3.8% in June);
- *Alcoholic beverages and tobacco*: -0.6% (+0.9% in June).

### Month-on-month rate of change

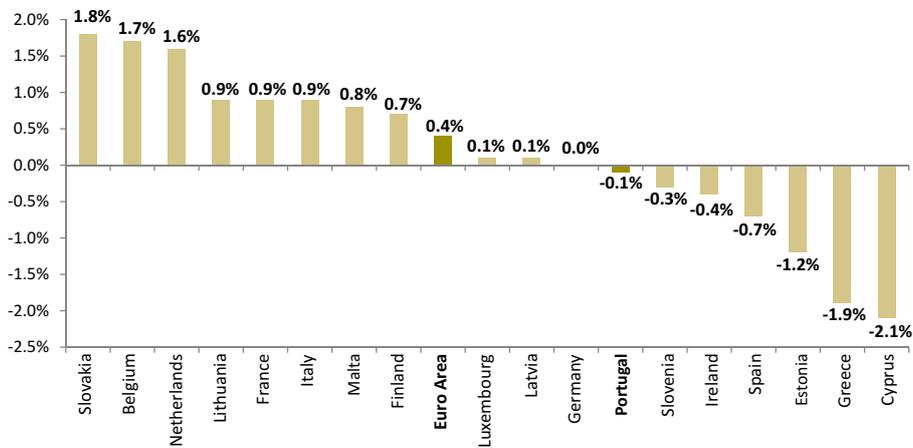
In July 2020, the CPI recorded a month-on-month rate of change of -1.3% (+0.9% in the previous month and -1.3% in July 2019). Excluding unprocessed food and energy products, the CPI rate of change was +1.7% (+0.8% in the previous month and -1.5% in July 2019).

### Harmonized Index of Consumer Prices

In July, the Harmonised Index of Consumer Prices (HICP) - the most appropriate inflation indicator for comparisons between the different countries of the European Union, and particularly in the Euro Area - recorded a year-on-year rate of change in Portugal of -0.1% (+0.2% in June).

According to data available for July 2020, taking as a reference Eurostat's estimate, the year-on-year rate of change of the HICP in Portugal was 0.5 percentage points (p.p.) lower than in the Euro area (-0.1 p.p. in June).

Harmonised Index of Consumer Prices  
(year-on-year rate of change in the Euro Area Countries)



More information available at:  
[Consumer price index – July 2020](#)  
(12 August 2020)

## The Gross Domestic Product registered a year-on-year rate of change of -16.3% in volume

Mirroring the economic impact of the COVID-19 pandemic, the Gross Domestic Product (GDP), in year-on-year terms, decreased by 16.3% in volume in the 2<sup>nd</sup> quarter of 2020 (-2.3% in the previous quarter).

The contribution of the domestic demand to the year-on-year rate of change in GDP (-11.9 percentage points (p.p.)) was considerably sharper than in the previous quarter (-1.2 p.p.), driven by the significant contraction of Private Consumption and Investment.

The contribution of net external demand was more negative in the 2<sup>nd</sup> quarter (-4.4 percentage points), reflecting the more significant decrease in Exports of *Goods and Services* than that observed in Imports of *Goods and Services*, largely due to the almost total interruption of non-resident tourism.



GDP decreased by 13.9% compared to the 1<sup>st</sup> quarter of 2020.

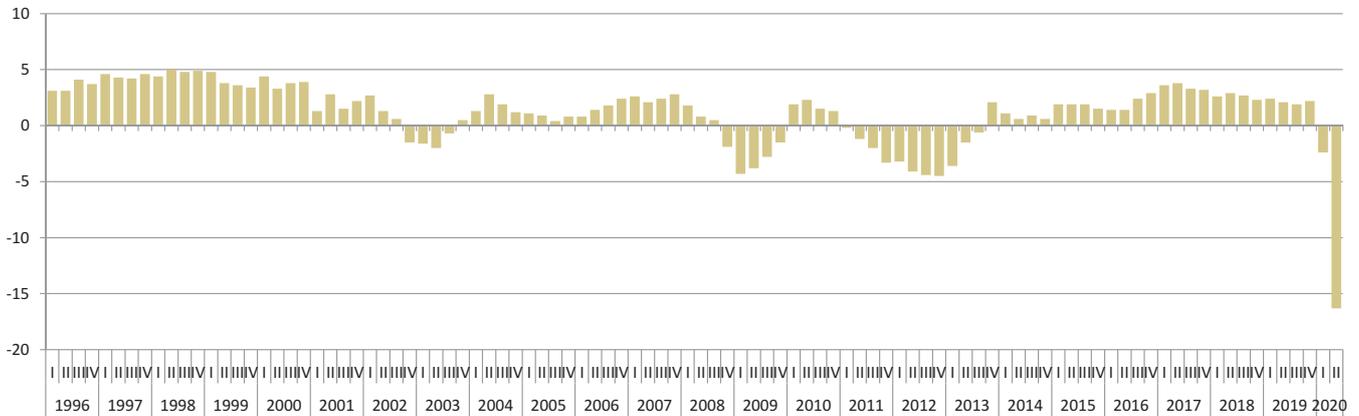
Total exports and imports decreased by 36.2% and 28% respectively (-7.3% and -3.7% in the previous quarter, respectively).

The contribution of domestic demand was considerably more negative, with -10.7 p.p. (-2.1 p.p. in the previous quarter).

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Gross Domestic Product (chain-linked volume data, reference year=2016)  
Calendar and seasonally adjusted data  
(year-on-year rate of change, %)



More information available at:  
[Quarterly National Accounts - Flash Estimate – July 2020](#)  
(14 August 2020)

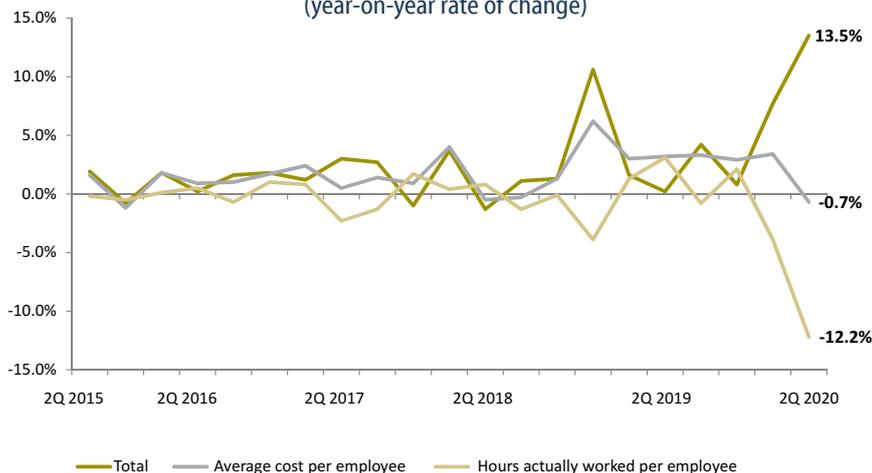
## The Labour Cost Index increased by 13.5%

The Labour Cost Index (LCI) working days adjusted increased by 13.5% in the 1<sup>st</sup> quarter of 2020 (+7.7% in the previous quarter).

This outcome resulted from the combined effect of:

- The average cost per employee: -0.7% (+3.4% in the previous quarter);
- The number of hours effectively worked per employee: -12.2% (-3.9% in the previous quarter).

Labour Cost Index  
Working days adjusted data  
(year-on-year rate of change)



Wage costs increased by 15.2% and other labour costs increased by 5.4% compared to the same period of the previous year.

The reduction in hours worked was strongly influenced by the implementation of the simplified layoff regime.

The increase in wage costs (average hourly cost) results from the combined effect of the increase in average costs per employee and the sharp decrease in hours actually worked per employee.

Except for the activities of the industrial sections, wage costs (average cost per employee) increased, mainly due to increases in the base wage and holiday bonus.

The increase observed in "other costs" (average hourly cost) resulted from the decrease in average costs per employee (due to the decrease or exemption from payment of employers' social contributions) and hours actually worked per employee.

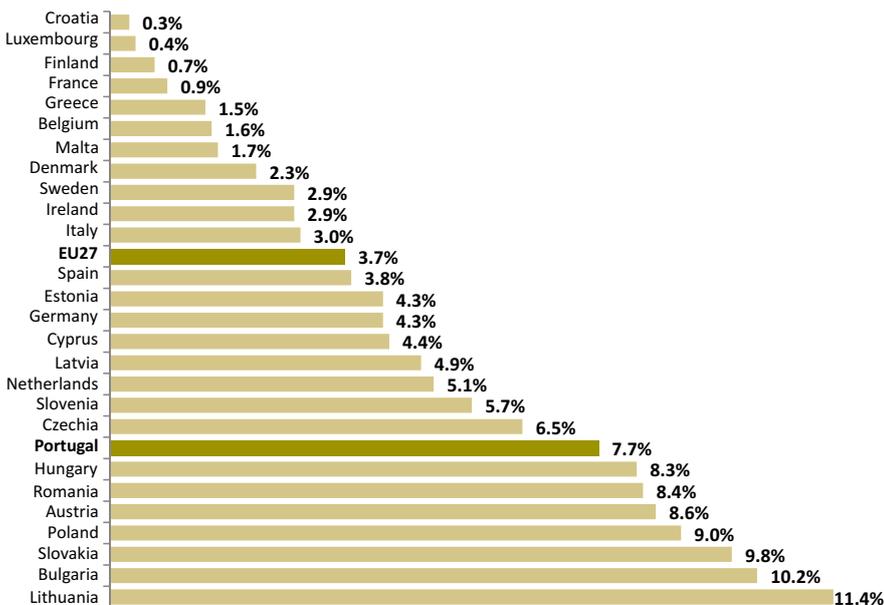
## In comparison with the European Union

The most recent available information on the LCI year-on-year rate of change by Member State refers to the 1<sup>st</sup> quarter of 2020 and was released by Eurostat on 16 June 2020.

The year-on-year rate of change in the LCI for the European Union as a whole (27 countries) was 3.7% in the 1<sup>st</sup> quarter of 2020.

Portugal recorded a year-on-year increase of 7.7% above the European Union average (previously recorded as 6.5%). It was revised in the 2<sup>nd</sup> quarter of 2020.

Labour Cost Index in the EU countries  
Working days adjusted data - 1<sup>st</sup> quarter 2020  
(year-on-year rate of change)



More information available at:  
[Labour cost index – 2<sup>nd</sup> quarter of 2020](#)  
(14 August 2020)

## Tourist activity kept a strong reduction in June, but less intense than in May due to residents

In June 2020, the tourist accommodation sector registered 493.5 thousand guests and 1.1 million overnight stays, corresponding to year-on-year rates of change of -82.0% and -85.2% respectively (-94.8% and -95.8% in May, in the same order).

Overnight stays of residents declined by 59.7% (-86.6% in May) and those of non-residents decreased by 96.2% (-98.8% in May).

By type of accommodation, the reductions in overnight stays in June, in year-on-year terms, were as follows:

- Hotels: 87.6% (69.5% of the total overnight stays);
- Local accommodation establishments: 79.2% (20.4% of the total overnight stays);
- Rural/lodging establishments: 49.6% (10.1% of the total overnight stays).

In *Hostels*, the reduction was 86.8% in June 2020.

In the first half of 2020, the total number of overnight stays declined by 65.9%, as a result of rates of change of -53.0% with regard to residents and -71.1% concerning non-residents.

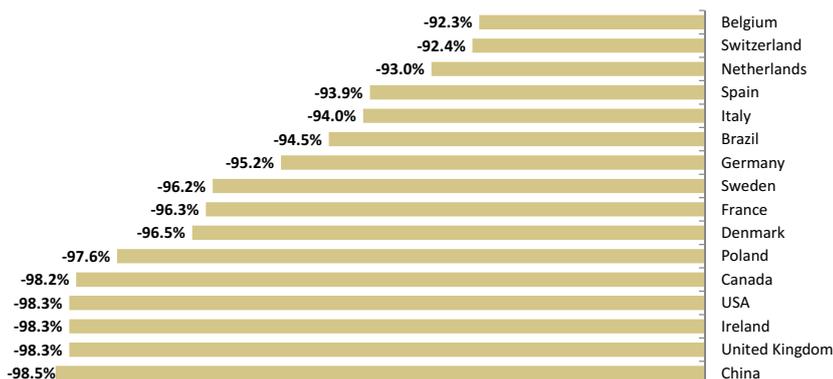
Overnight stays and Guests in June 2020

	Overnight stays		Guests	
	10 <sup>3</sup>	Year-on-year change	10 <sup>3</sup>	Year-on-year change
Total	1 061,1	-85.2%	493,5	-82.0%
Residents	870,9	-59.7%	418,6	-60.3%
Non-residentes	190,2	-96.2%	74,9	-95.6%

In June, 46.3% of the tourist accommodation establishments were closed or did not register any movement of guests (74.1% in May).

In this month, there were very significant decreases (above 92%) in overnight stays of tourists from the 16 main countries of origin.

Overnight stays in tourist accommodation establishments by main countries of origin of tourists - June 2020 (year-on-year rate of change)



The tourists coming from these 16 countries were responsible for 85.7% of overnight stays registered in June.

Taking the first half of 2020 as a whole, the largest reductions in tourist flows were recorded for the following countries:

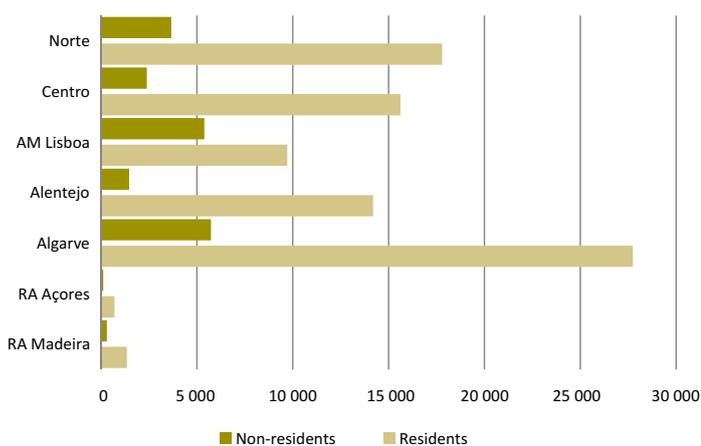
- Ireland (-85.9%);
- USA (-77.3%)
- Belgium (-76.8%);
- Switzerland (-76.6%).

The smallest decreases in the tourist flows came from:

- Canada (-58.0%);
- Brazil (-60.9%);
- Denmark (-60.9%).



Overnight stays in tourist accommodation establishments, by region NUTS II - June 2020



A steep decrease in the number of overnight stays in all regions

In June, all regions registered decreases in overnight stays of more than 70%, except for Alentejo (-48.9%).

The largest reductions occurred in RA Madeira (-97.7%) and RA Azores (-96.9%).

## Average stay decreases

In June 2020, considering all tourist establishments, the average stay of guests (2.15 nights) declined by 17.9% (+18.9% in May):

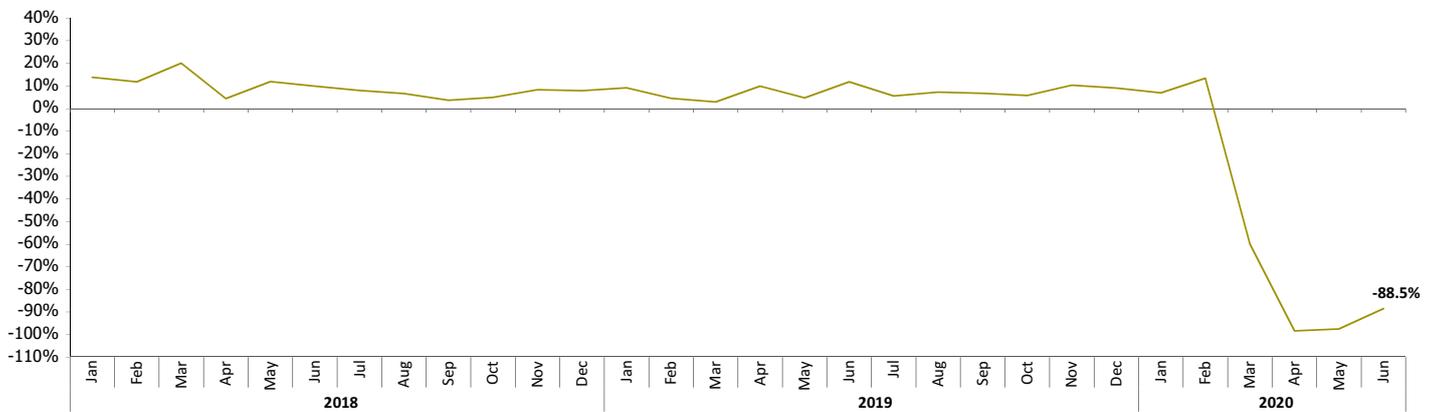
- +1,4% as regards residents;
- -14,6% concerning non-residents.

## Revenue kept decreasing significantly

In June 2020, the revenue originated in tourist accommodation establishments amounted to €53.4 million, corresponding to a rate of change of -88.5% (-97.5% in May).

In June, all regions recorded significant decreases in revenue, with the emphasis on RA Madeira (-98.5%) and RA Azores (-96.0%).

Revenue in tourist accommodation establishments  
(year-on-year rate of change)



More information available at:  
[Tourism activity - June 2020](#)  
 (14 August 2020)

Press releases between 17-08-2020 to 21-08-2020:

Press Releases	Reference period	Release date
Transport activities - Air Transport Flash Statistics	June 2020	17 August 2020
Agricultural forecasts	July 2020	19 August 2020
Industrial production price index	July 2020	19 August 2020
Monthly Economic Survey	July 2020	19 August 2020
Interest rates implied in housing loans	July 2020	20 August 2020