



SYNTHESIS INE @ COVID-19

July . 14 . 2020

Statistics Portugal makes available the 15th 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:

- New housing construction cost index – May 2020, published on July 7;
- Business turnover, employment, wages, and hours worked – May 2020, published on July 8;
- Indices of Production, Employment, and Wages in Construction – May 2020, published on July 9;
- Investment survey – 1st Semi-annual 2020, published on July 9;
- Consumer price index – June 2020, published on July 10;
- Business Turnover, Employment, Wages, and Hours Worked Indices in Services – May 2020, published on July 10;
- International Trade Statistics – May 2020, published on July 10.

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



Year-on-year housing construction costs rose to 0.9%

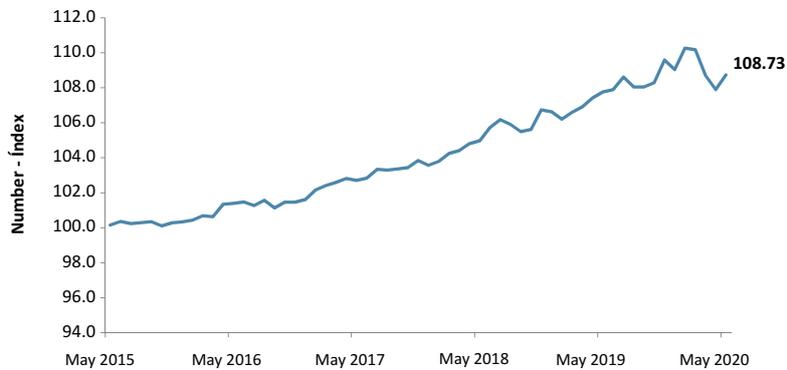
In May, the year-on-year rate of change in the New Housing Construction Costs Index (CCINH) was 0.9% (+0.6 percentage points (p.p.) than in the previous month).

In the same month, the price of materials and labour costs increased by 0.6% and 1.4% respectively (+0.8% and -0.4% in April, in the same order).

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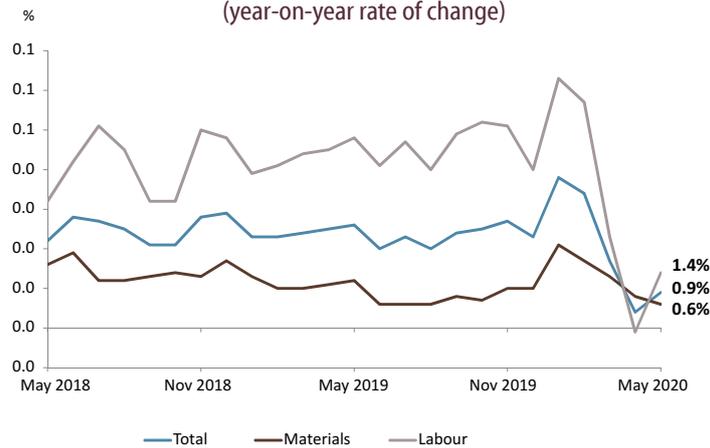
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Construction Costs Index for New Housing (100=2015)



Note: The value for May 2020 is provisional.

Construction Costs Index for New Housing (year-on-year rate of change)



Note: The value for May 2020 is provisional.



In May, compared to the previous month, the CCINH rate of change was 0.9%. The price of materials and the labour costs increased by 0.1% and 2.1%, respectively (-0.2% and -1.7% in April, in the same order).

More information available at:
[New housing construction cost index – May 2020](#)
(7 July 2020)

Industry Turnover Index declined by 31.2% in May

In year-on-year terms, the industry turnover index rate of change was -31.2% in May (-33.3% in the previous month).

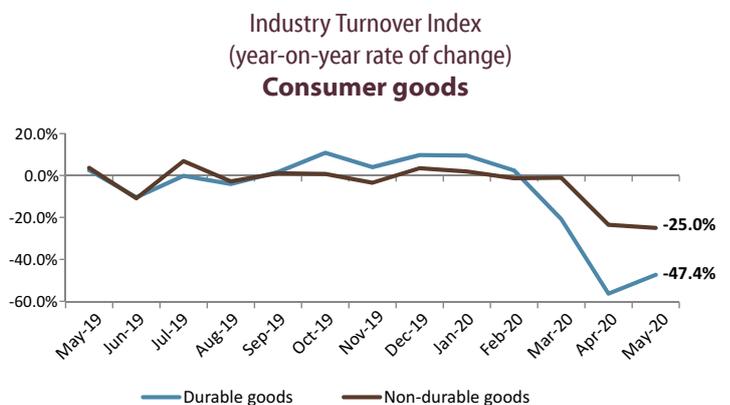


In year-on-year terms, sales in the industry in May accounted for less negative rates of change in both markets than in April:

- Domestic market: -23.3% (-26.5% in April);
- Non-domestic market: -42.0% (-42.9% in April).

In May, the major industrial groupings recorded year-on-year rates of change in opposite directions and with different amplitudes compared with the previous month, with the emphasis on:

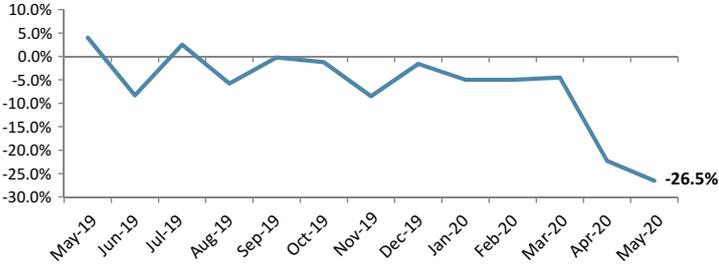
- *Investment goods*: -41.8% (-65.0% in April);
- *Intermediate goods*: -26.5% (-22.3% in April);
- *Durable consumer goods*: -47.4% (-56.4% in April).



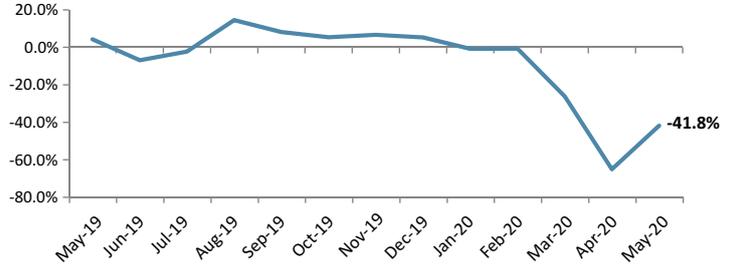
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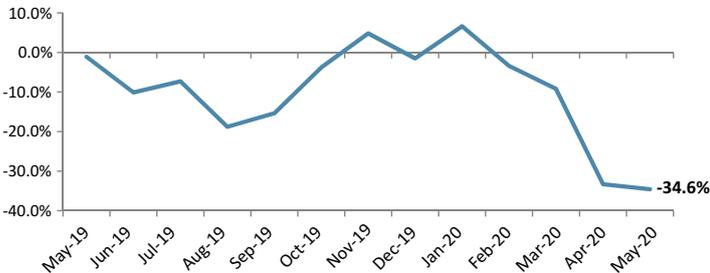
Industry Turnover Index
(year-on-year rate of change)
Intermediate goods



Industry Turnover Index
(year-on-year rate of change)
Investment goods



Industry Turnover Index
(year-on-year rate of change)
Energy



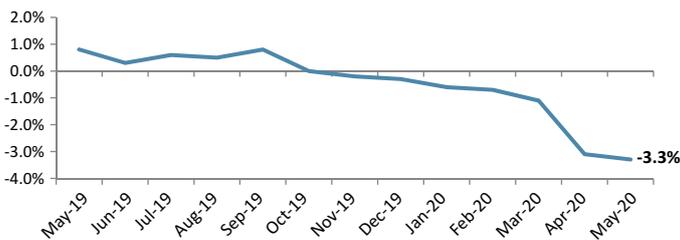
In May, the month-on-month rate of change of Business turnover, employment, wages, and hours worked indices was +13.4% (+10.0% in May 2019).

Employment and wages

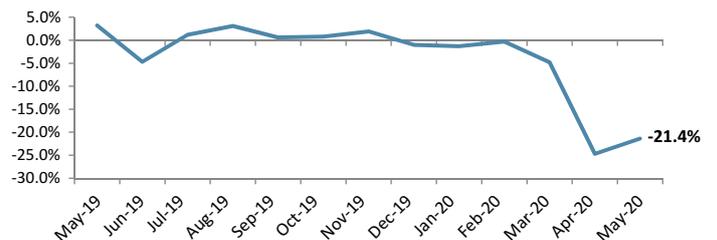
In May, the indices of employment, wages, and hours worked recorded the following rates of change:

- In year-on-year terms: -3.3%, -6.3% and -21.4% respectively (-3.1%, -6.1% and -24.7% in April);
- Month-on-month: +0.1%, +1.5% and +9.7% respectively (+0.3%, +1.7% and +5.0% in May 2019).

Employment in Industry Index
(year-on-year rate of change)
Total



Employment in Industry Index
(year-on-year rate of change)
Hours worked



Note: Index adjusted of calendar effects

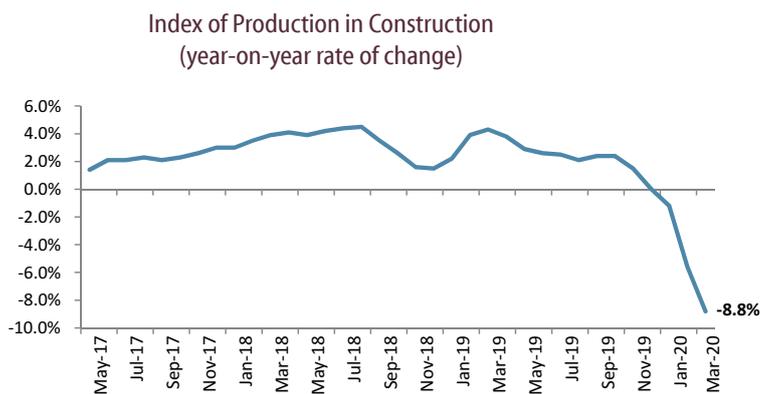
More information available at:

[Business turnover, employment, wages, and hours worked – May 2020](#)
(8 July 2020)

The Construction Production Index decreased by 8.8% in May

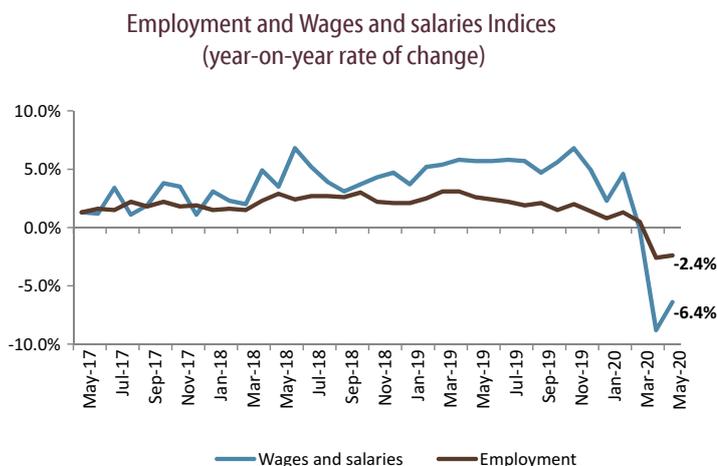
In May, the Construction Production Index decreased by 8.8% in year-on-year terms (-5.5% in April), with the performance of the following aggregates:

- *Bulding construction*: -8.8% (-5.2% in April);
- *Civil engeneering*: -8.9% (-6.2% in April).



The Indices of Employment and Wages in Construction registered:

- Year-on-year rates of change of -2.4% and -6.4% respectively (-2.6% and -8.8% in April, in the same order).
- Month-on-month rates of change of +0.6% and +4.6% respectively (+0.5% and +1.9% in May 2019).

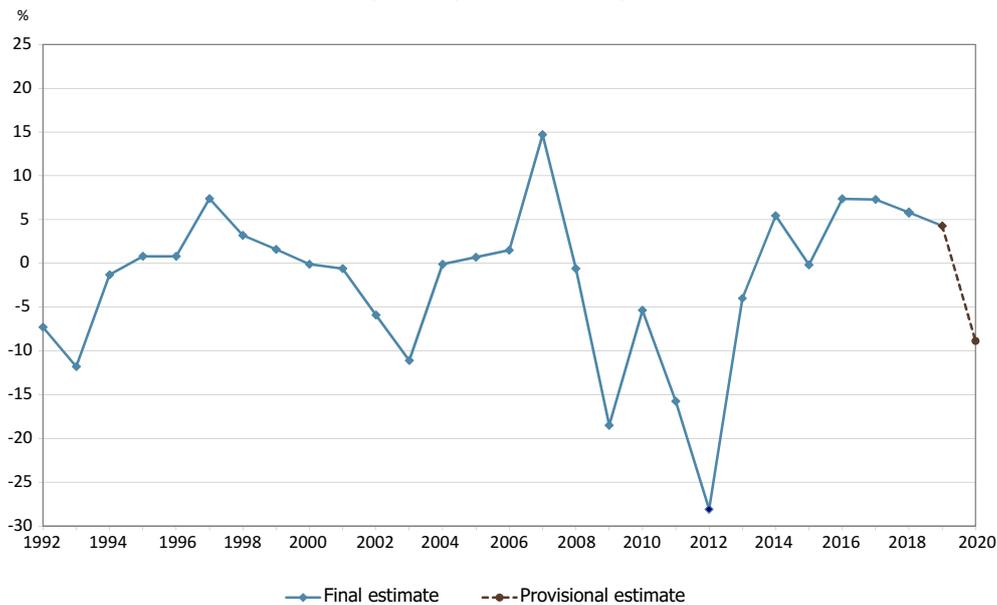


More information available at:
[Indices of Production, Employment, and Wages in Construction – May 2020](#)
 (9 July 2020)

Business investment expected to decrease by 8.9% in nominal terms in 2020

The expectations reported by the enterprises in the April 2020¹ Investment Survey indicate that this year the entrepreneurial investment should decrease by 8.9% in nominal terms (+3.6% in October 2019, on the intentions for 2020). This change reflects the impact of the COVID-19 pandemic on economic activity and business expectations, which was significantly felt from March onwards.

Evolution of business GFCF in value
(year-on-year rate of change)



Declining rates of change in business Gross Fixed Capital Formation (GFCF) in eight of the thirteen sections of the Classification of Economic Activities (CAE) were expected for 2020, with the emphasis on:

- *Manufacturing*: -21.5%;
- *Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles*: -18.2%.

Conversely, the most significant positive rates of change recorded in business GFCFE in 2020 occurred in the following sections:

- *Transportation and storage*: +39.6%;
- *Real Estate Activities*: +23.4%;
- *Financial and Insurance Activities*: +9.8%.

¹ The survey took place between April 1 and June 25. 51% of the responses from the enterprises were obtained during April, so some of the responses may not reflect readjustments in the intentions of the enterprises in investing in light of the pandemic situation.



The perspectives for a decrease in investment in *Manufacturing* in 2020 are recorded in thirteen of its fourteen subsections, with the emphasis on *Manufacture of Basic Metals; Manufacture of Fabricated Metal Products*: -29.0%.

In 2020, an increase in the percentage of enterprises indicating limitations to investment is observed in all economic activities: 44% (27.9% in 2019). This is the case in twelve of the thirteen sections surveyed.

In *Manufacturing*, 49.9% of the enterprises reported limitations to investment (32.9% in 2019), with a more significant increase for exporting enterprises: 55.0% (32.7% in 2019).

The factor limiting investment most mentioned by the enterprises for 2020 was the deterioration of sales perspectives: 46.7% of enterprises (36.3% in 2019).

It is expected that in 2020, compared to the previous year, there will be an increase in the relative weight of the deterioration in sales perspectives and a reduction in the relative weight of the difficulty in recruiting qualified labour force.

More information available at:
[Investment Survey – 1st Semi-annual 2020](#)
(9 July 2020)

The Consumer Price Index increased to 0.1% in June, in year-on-year terms

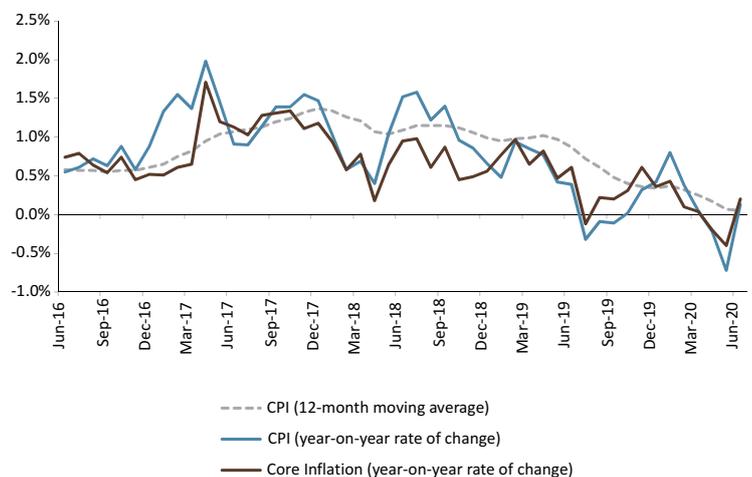
In June, the year-on-year rate of change in the Consumer Price Index (CPI) was +0.1% (-0.7% in May).

The index for unprocessed food products recorded a year-on-year rate of change of +5.2% in June (+5.0% in May), while that for energy products registered a rate of change of -7.4% (-10.9% in May).

The annual core inflation rate (total index excluding unprocessed food and energy products) registered a year-on-year rate of change of 0.2% (-0.4% in May).



Consumer price and core inflation indices
(year-on-year rate of change and 12-month moving average)



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In comparison with the previous month, the increases in the year-on-year rates of change of the following aggregates are particularly noteworthy:

- *Transports*: -2.0% (-4.2% in May);
- *Clothing and footwear*: -5.4% (-7.3% in May).

In the opposite direction, the year-on-year rate of change of *Housing, water, electricity, gas, and other fuels class* has decreased: -0.9% (-0.8% in May).

Month-on-month rate of change

In June 2020, the CPI recorded a monthly rate of change of +0.9% (-0.4% in the previous month and a nil variation in June 2019). Excluding unprocessed food and energy products, the CPI rate of change was +0.8% (-0.4% in the previous month, and 0.2% in June 2019).

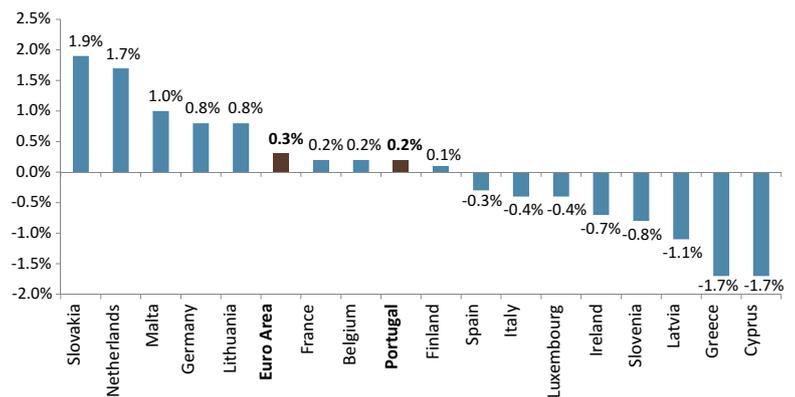
Harmonized Consumer Price Index

In June, 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 +0.2% (-0.6% in May).

According to data available for June 2020, taking as a reference Eurostat's flash estimate, the year-on-year rate of change of the HICP in Portugal was 0.1 percentage points (p.p.) lower than in the Euro area (+0.7 p.p. in May).



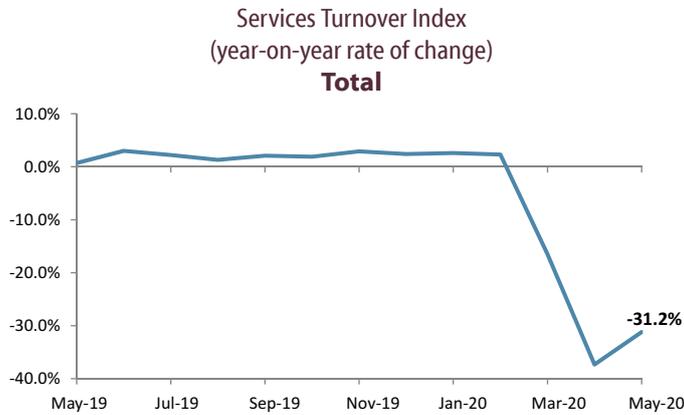
Harmonised Index of Consumer Prices
(year-on-year rate of change in the Euro Area Countries)



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

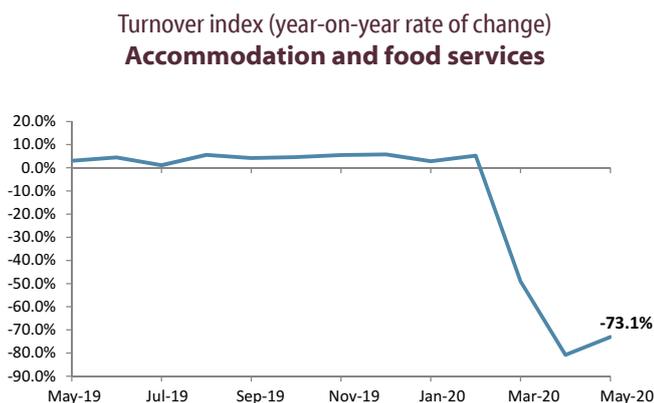
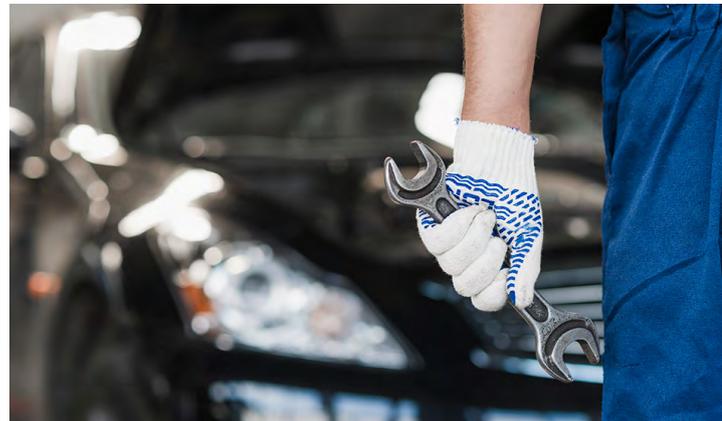
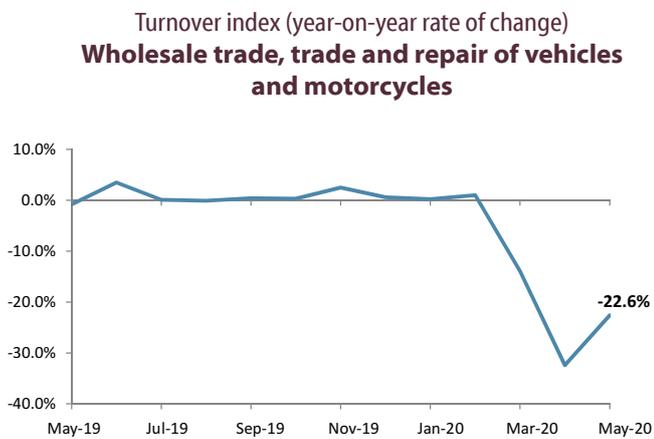
The Services turnover index decreased by 31.2%

In May, the Services turnover index decreased by 31.2% in year-on-year terms (-37.3% in the previous month).

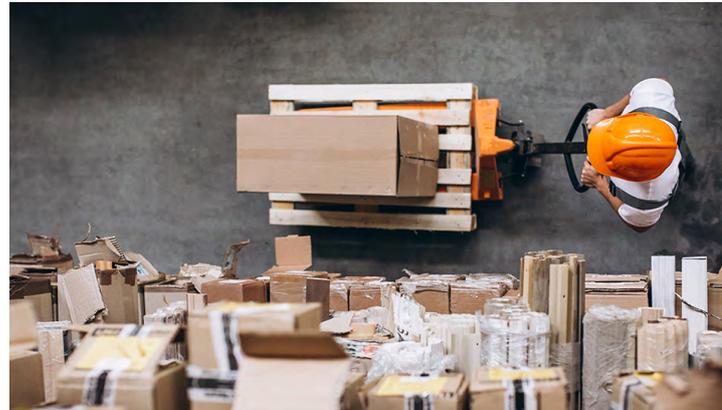
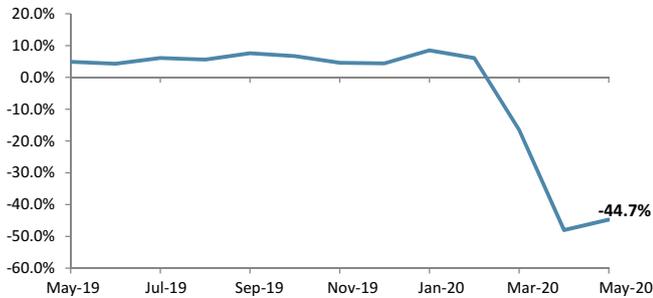


In May, all sections presented declining year-on-year rates of change, more so:

- *Wholesale trade, trade and maintenance of motor vehicles and motorcycles*: -22.6% (-32.4% in April);
- *Accommodation and food services*: -73.1% (-80.8% in April);
- *Transportation and storage*: -44.7% (-48.0% in April).



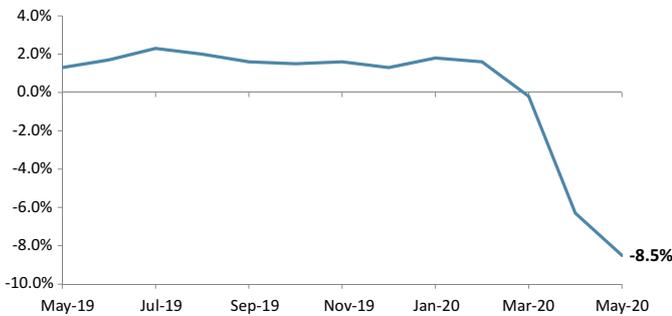
Turnover index (year-on-year rate of change)
Transportation and storage



The month-on-month rate of change in the turnover index was +10.3% (-25.4% in April).

The year-on-year rates of change in the Services turnover index, together with the rates of change in Manufacturing, provide an indication of the magnitude of the change in economic activity that occurred in May, continuing, albeit in a less intense way, what had already happened in April.

Services Employment Index
(year-on-year rate of change)
Total

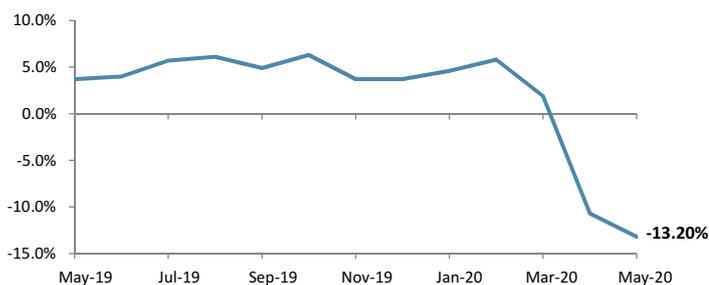


Employment

In May, the Services employment index registered a year-on-year decrease of 8.5% (-6.3% in April).

The month-on-month rate of change in the Employment index was -1.4% (-5.2% in April).

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



Wages and salaries

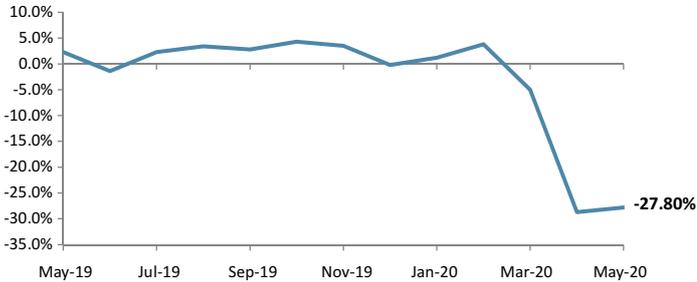
In year-on-year terms, in May, the rate of change in the Wages and salaries effectively paid in Services index was -13.2% (-10.7% in April).

Compared to the previous month, the Wages and salaries in the services index recorded a nil rate of change in May (+2.9% in the same month in 2019).

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Services Employment Index
(year-on-year rate of change)
Total



Hours worked

The year-on-year rate of change of the volume of hours worked in Services index, in May, measured in hours worked adjusted of calendar effects, was -27.8% (-28.7% in April).

In May, the month-on-month rate of change in the Volume of services Index was +5.4% (+4.0% in the same period of 2019).

More information available at:
[Sales turnover index – May 2020](#)
(10 July 2020)

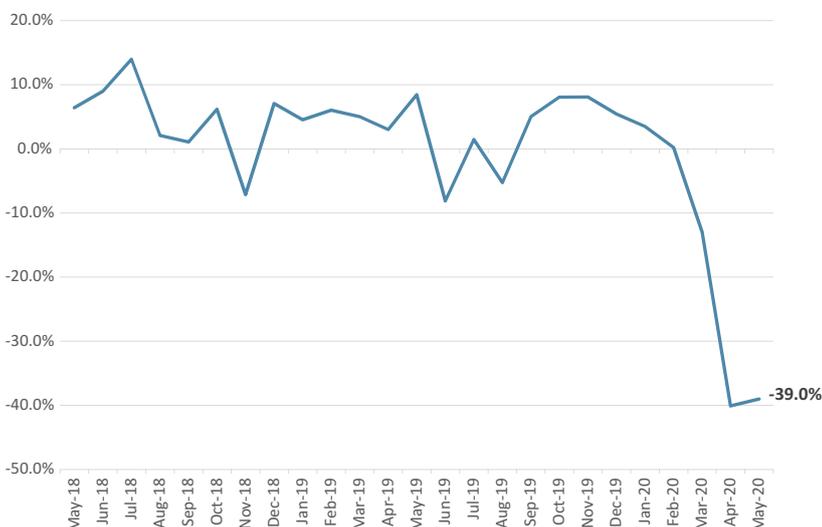
Exports and imports of goods decreased by 39.0% and 40.2% respectively, in nominal terms

In May 2020, exports and imports of goods recorded nominal year-on-year rates of change of -39.0% and -40.2% respectively (-40.1% and -39.5% in April 2020, in the same order).

All product categories in international trade presented significant decreases in May, with the emphasis on *Transport equipment*, in both flows:

- Exports: -54.0%;
- Imports: -66.6%.

Exports - **Total**
(year-on-year rate of change)



In May, excluding *Fuels and lubricants*, exports decreased by 35.2% (-39.2% in April) and imports declined by 35.1% (-38.3%).

As regards the rates of change compared to the previous month, in May:

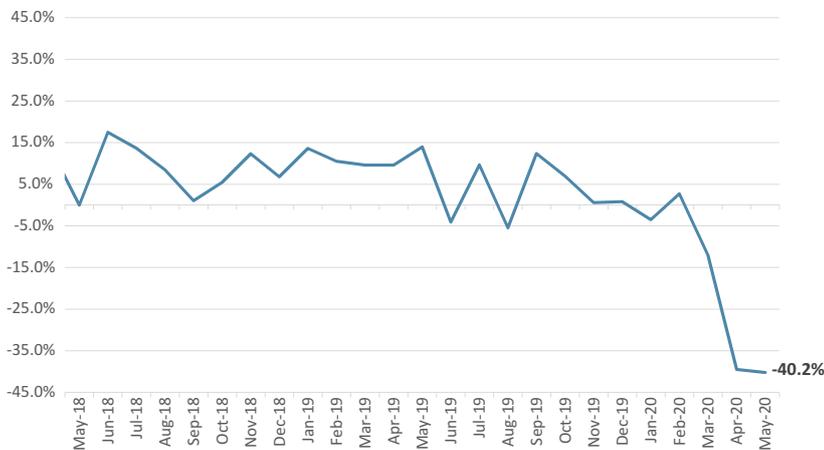
- Exports increased by 14.4% (-33.7% in April);
- Imports increased by 5.2% (-33.7% in April).

In May 2020, in year-on-year terms, exports decreased to all the ten main partner countries, from 52.4% (USA) to 29.7% (Poland). There were year-on-year declining rates of change above 40% from:

- United Kingdom: -45.6%;
- Spain: 41.2%;
- Italy: -40.7%;
- Angola: -40.6%.

The €554 million decrease in exports to Spain, the main Portuguese partner, stood out, mainly concerning *Industrial supplies, Consumer goods and Transport equipment*.

Imports - Total
(year-on-year rate of change)



In May 2020, imports decreased, in year-on-year terms, to nine of the top ten supplier countries. These declining year-on-year rates of change ranged from -78.7% (Russia) to -21.6% (the Netherlands), and stood also above 40% to:

- USA: -68.3%;
- France: -62.6%;
- United Kingdom: -57.1%;
- Germany: -42.4%.

The only positive variation was recorded in imports from China (5.1%), due to *Consumer Goods*, mainly personal protective equipment (mostly masks).

Also in imports, in terms of value, the reduction concerning Spain, Portugal's main supplier, stands out: -€670 million, mainly in *Industrial supplies*.

In May 2020, the deficit on the balance of trade in goods decreased by EUR 722 million compared to the same month of 2019, reaching €908 million.

Excluding *Fuels and lubricants*, the trade balance reached a negative balance of €778 million, corresponding to a decrease of €420 million in the deficit compared to May 2019.

More information available at:
[International trade statistics – May 2020](#)
(10 July 2020)

Press releases between 13-07-2020 to 17-07-2020:

Press Releases	Reference period	Release date
Health satellite account	2019	13 July 2020
Tourism activity	May 2020	15 July 2020
Industrial production price index	June 2020	17 July 2020
Monthly Economic Survey	June 2020	17 July 2020
Construction and housing statistics	2019	17 July 2020