



# SYNTHESIS INE @ COVID-19

August . 05 . 2020

Statistics Portugal makes available the 18<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.

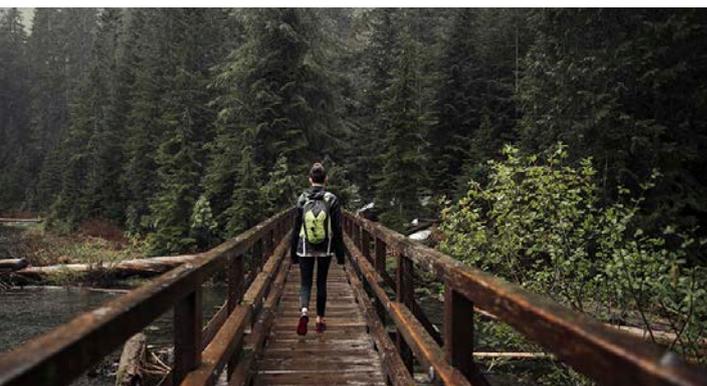
This report covers the press releases concerning:

- Tourism demand of residents – 1<sup>st</sup> quarter 2020, published on July 27;
- Survey on bank evaluation on housing – June 2020, published on July 28;
- Monthly employment and unemployment estimates – June 2020, published on July 29;
- Fast and Exceptional Enterprise Survey - COVID-19 – 1<sup>st</sup> fortnight July 2020, published on July 30;
- Business and consumer surveys – July 2020, published on July 30;
- Industrial production index – June 2020, published on July 30;
- Retail trade turnover, employment, wages and salaries, and hours worked indices – June 2020, published on July 29;
- Quarterly national accounts – 2<sup>nd</sup> quarter 2020, 30-day flash estimate, published on July 31;
- Perspectives on Exports of Goods – 2020, 2<sup>nd</sup> forecast, published on July 31;
- CPI/HIPC Flash Estimate – July 2020, published on July 31;
- Survey on the Identification of Qualification Needs in Enterprises – 2020, published on July 31.

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

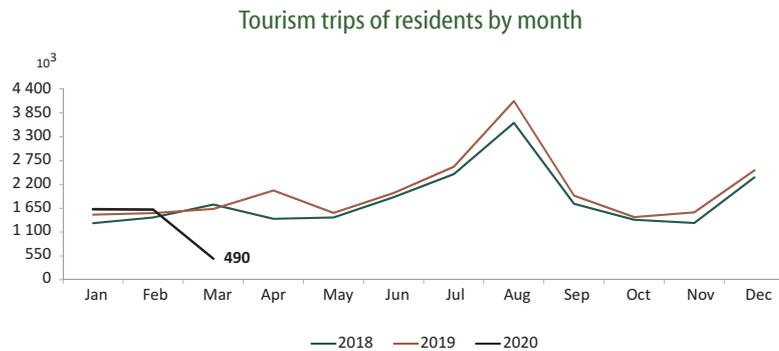
## Tourism trips of residents declined by 20.0% in the 1<sup>st</sup> quarter of 2020

In the 1<sup>st</sup> quarter of 2020, residents in Portugal made 3.7 million trips, which corresponded to a decrease of 20.0% in year-on-year terms (+9.3% in the 4<sup>th</sup> quarter of 2019). This reduction results from a 70% decrease in March (when the State of Emergency was declared due to the COVID-19 pandemic), as in January and February the number of trips had increased by 8.4% and 5.2% respectively.



In the 1<sup>st</sup> quarter of 2020, about 88.1% of the trips made by residents were domestic trips (3.3 million), which decreased by 19.6% compared to the same quarter of the previous year (rates of change of +8.9% in January, +3.6% in February, and -68.2% in March).

In the same period, tourist trips made by residents abroad (444.2 thousand and 11.9% of the total) decreased by 22.9%, also due to the strong decrease in March (81.9%), which countered the increases observed in January (+5.3%) and February (+18.3%).



In the 1<sup>st</sup> quarter of 2020, the trips made by residents were distributed according to the following motivations:

- *Leisure, recreation or holidays*: 1.52 million trips (+40.8% of the total and -14.6% than in the same quarter a year earlier);
- *Visit to relatives or friends*: 1.47 million trips (+39.3% of the total and -29.1%, the largest decrease vis-à-vis the same period of the previous year);
- *Professional or business*: 472.4 thousand (+12.6% of the total and -24.6% in year-on-year terms).

In the 1<sup>st</sup> quarter of 2020, there was an average of 4.68 overnight stays in the trips of each resident tourist, which stands for an increase of 19.7% (3.91 nights in the 1<sup>st</sup> quarter of 2019). It should be noted, however, that this growth is the result of a very significant increase in the number of overnight stays spent outside the usual environment by tourists in March: 9.2 nights (3.96 in February and 3.86 in January).

Hotels and similar concentrated 21.2% of overnight stays resulting from tourism trips in the 1<sup>st</sup> quarter of 2020, losing representativeness (-3.7 p.p.). Free private accommodation was the only type of accommodation with an increase in representativeness (+5.5 p.p., a weight of 73.9% of the total).

More information available at:  
[Tourism demand of residents – 1<sup>st</sup> quarter 2020](#)  
(27 July 2020)



## In June, the bank appraisals went up to €1,115 per square metre

In June 2020, the median value of the bank appraisals on housing was €1,115/m<sup>2</sup> (€1 more than in May), representing a year-on-year increase of 8.3% (+8.9% in May).

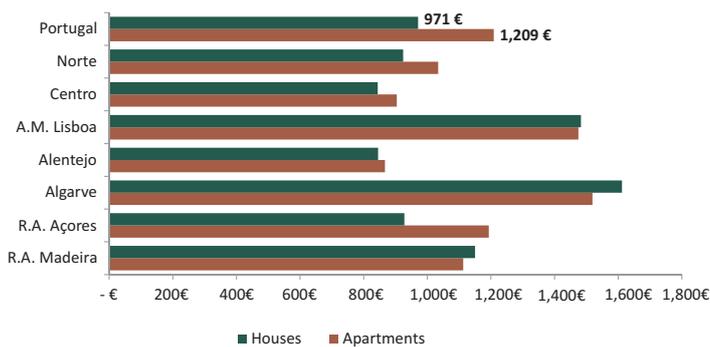
It should be noted that in June the number of bank appraisals reported (around 16,000), which underlies the results presented, decreased by 27.5% compared to the same month of the previous year (it had been around 19,000 in May 2020).

At regional level (NUTS II) in June 2020:

- Compared to the previous month:
  - Alentejo registered the largest increase: 3.9%;
  - Área Metropolitana de Lisboa recorded the only decline: -0.5%.
- In year-on-year terms:
  - Região Autónoma dos Açores registered the highest rate of change: 12.9%;
  - Alentejo recorded the lowest rate of change: 5.8%.

The analysis by type of housing reveals that in May, the median bank appraisals was €1,209/m<sup>2</sup> for apartments and €971/m<sup>2</sup> for houses, which corresponds to increases of 8.4% and 9.7%, respectively, compared to June 2019.

Median value of bank appraisals of apartments and houses in June 2020  
(Euros/m<sup>2</sup>)



Still concerning the median value of bank appraisals, but compared to the previous month:

- Apartments, by type:
  - T2 went down by €1, to €1,233/m<sup>2</sup>;
  - T3 went down by €3, to €1,091/m<sup>2</sup>.

Together, these two types accounted for 81.3% of the apartment appraisals in June.

- Houses, by type:
  - T2 went down by €31, to €782/m<sup>2</sup>;
  - T3 went up by €6, to €855/m<sup>2</sup>;
  - T4 went up by €35, to €996/m<sup>2</sup>.

Together, these three typologies accounted for 56.3% of housing evaluations.



In June, the index of the median value of bank appraisals also shows that at NUTS III region level:

- The following regions presented bank appraisals above the country's median:
  - Área Metropolitana de Lisboa: +38%;
  - Algarve: +32%;
  - Alentejo Litoral: +2%;
  - Área Metropolitana de Lisboa: +1%;
  - Região Autónoma da Madeira: +1%.
- Terras de Trás-os-Montes was the region that presented the lowest values: 44% less than the country's median.



More information available at:  
[Survey on bank evaluation on housing – June 2020](#)  
(28 July 2020)

**In May, the employed population decreased by 2.0%; the unemployment rate declined by 0.4 percentage points (p.p.), and the labour underutilisation rate increased by 1.2 p.p.**

The monthly estimates presented correspond to mobile quarters, the reference month of which is the central month of each of these quarters, therefore the definitive estimates for May 2020 comprise the months of April, May and June, while the provisional estimates for June 2020 include the months of May, June and July.

The unemployment rate (population aged 15 to 74) in May 2020 stood at 5.9% (-0.4 p.p. than in the previous month and -0.7 p.p. compared to May 2019).

The employment rate in June 2020 was estimated at 59.9% (+0.1 p.p. compared to the previous month and -2.3 p.p. compared to the same month of 2019).



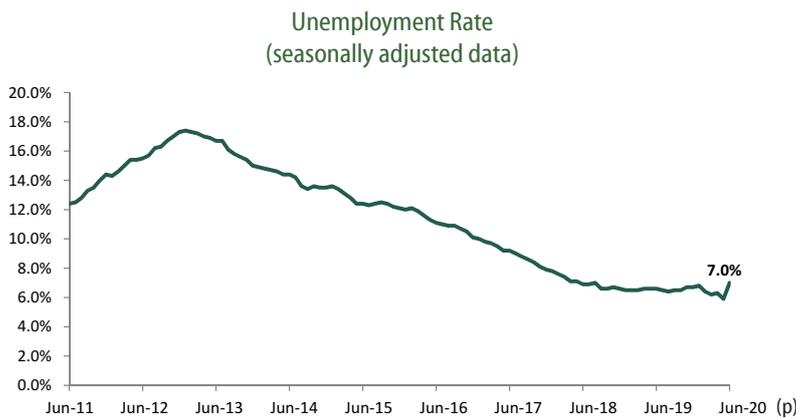
In May 2020, compared to the previous month:

- The employed population decreased by 2.0% (96.2 thousand people);
- The unemployed population (289.6 thousand) dropped by 9.2% (29.2 thousand);
- The active population decreased by 2.5% (125.4 thousand), the lowest value since 1998 (4,944.9 thousand);
- The inactive population (2,835.5 thousand) increased by 4.6% (125.8 thousand).

The decrease in the active population resulted from the decrease in the employed population (96.2 thousand) and, to a lesser degree, from the decrease in the unemployed population (29.2 thousand).

The provisional estimate of the unemployment rate in June 2020 stood at 7.0% (+1.1 p.p. than in the previous month and +0.4 p.p. than in June 2019), being:

- 25,6% for the young population (+4.2 p.p. than in the previous month);
- 5,7% for the adult population (+0.8 p.p. than in the previous month).



(p) Provisional estimate



In June 2020, compared to the previous month:

- The unemployed population increased by 21.2% (61.3 thousand people);
- The employed population increased by 0.1% (2.6 thousand);
- The active population increased by 1.3% (63.9 thousand);
- The inactive population decreased by 2.2% (63.7 thousand), mainly due to the decrease in the number of inactive people available but not looking for a job (35.1 thousand);
- The inactivity rate stood at 35.6% (-0,8 p.p. vis-à-vis the previous month; -2,2 p.p. compared to June 2019).

The estimated employment rate in May 2020 stood at 59.7% (-1.4 p.p. vis-à-vis the previous month and -2.6 p.p. year-on-year).



(p) Provisional estimate

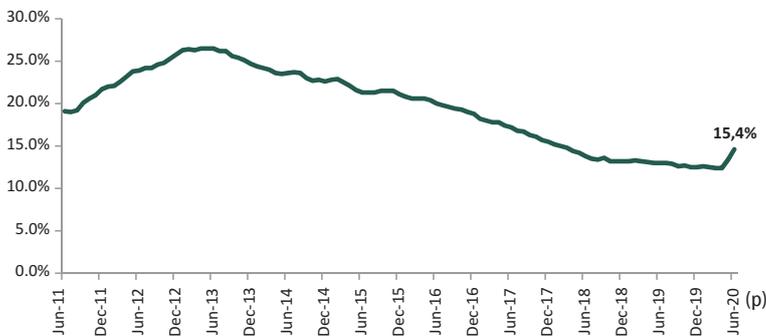
## Labour underutilization

The labour underutilization is an indicator that aggregates:

- The unemployed population;
- The underemployment of part-time workers;
- The inactive looking for employment but not available for work;
- The inactive available, but not seeking employment.

Given the restrictions on mobility associated with the pandemic, the analysis of the evolution of this indicator is particularly relevant in this context.

Labour underutilisation rate  
(seasonally adjusted data)



(p) Provisional estimate

In June 2020 (provisional estimate):

- The underutilization of labour covered 820.0 thousand people (+6.2% (7.9 thousand) compared to the previous month and +17.4% (121.2 thousand) in year-on-year terms);
- The labour underutilization rate was 15.4% (+0.8 p.p. than in the previous month, +2.4 p.p. in year-on-year terms).

More information available at:

[Monthly employment and unemployment estimates – June 2020](#)  
(29 July 2020)

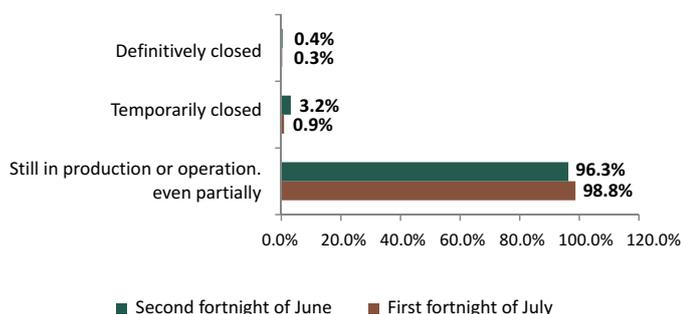
## COVID-19: monitoring the impact of the pandemic on enterprises

Statistics Portugal and the Banco de Portugal launched the Fast and Exceptional Enterprise Survey (COVID-IREE), to identify the effects of the pandemic on the activity of the enterprises. Initially released weekly it is now available every fortnight.

The survey is necessarily short in order not to overburden enterprises. In the fifteen days under review, questions were asked about turnover, persons employed, staff working from home (remote working) and with an alternate presence in the premises of the enterprise, the difficulty in complying with the sanitary and requirements necessary for the resumption of the activity, the use of public supporting measures, and the use of credit.

This survey does not cover the financial sector or public administration organizations.

Situation of the enterprises, as a % of the total number of enterprises



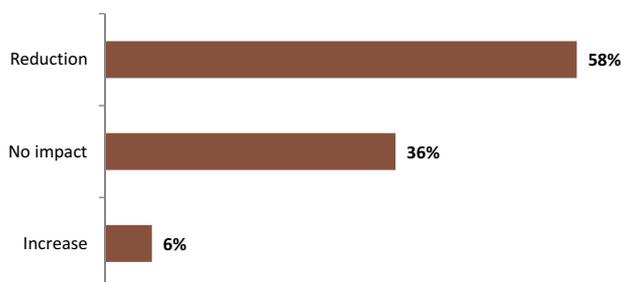
In the first fortnight of July, 98.8% of the responding enterprises were in production or operation, even partially (96.3% in the previous week).

The *Accommodation and food services* sector kept being the one with the least percentage of enterprises operating (93%) although registering the most significant increase compared to the previous fortnight (+11 p.p.).

Compared to April, the percentage of enterprises in production or operation increased by 16 p.p. The *Accommodation and food services* sector, particularly affected by the closure of enterprises in April, was the one with the most significant improvement (from 41% to 93% in July).

## Impact of the pandemic on turnover

Impact of the COVID-19 pandemic on turnover, in the first fortnight of July 2020\*



\* In percentage of the total of enterprises in production or operation or temporarily closed.

Given the situation that could be expected without the pandemic, 58% of the enterprises continued to report a negative impact on turnover (66% in the previous fortnight).

Sectors with the highest reductions in turnover:

- *Accommodation and food services*: 88% (+1 p.p. vis-à-vis the previous fortnight);
- *Transportation and storage*: 76% (-4 p.p. vis-à-vis the previous fortnight).

In contrast, the sector *Construction and real estate activities* had the lowest percentage of enterprises reporting a reduction in turnover (39%; -14 p.p. compared to the previous fortnight).

Compared to April, the percentage of enterprises that recorded a reduction in turnover, compared to the expected situation without a pandemic, fell from 80% to 58% in July (-22 p.p.).

The *Construction and real estate activities* sector stands out for being the least affected by the pandemic and for the sharpest improvement compared to April: the percentage of enterprises reporting a negative impact on turnover in April was 74% and decreased by 35 p.p. in July to 39%.

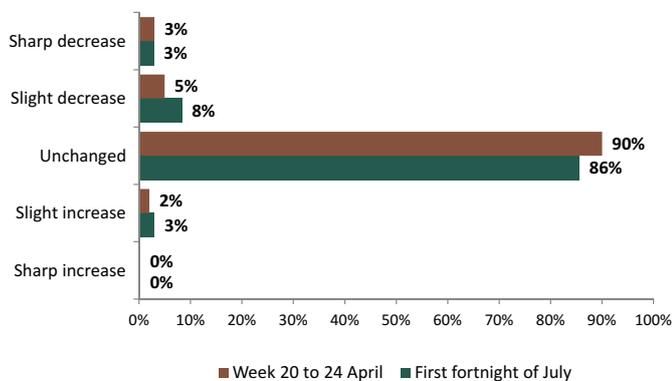
## Impact of the pandemic on prices

Most enterprises reported that they will keep prices unchanged compared to the expected situation without a pandemic:

- 86% of enterprises reported that prices remained unchanged;
- 11% reported price decreases;
- 3% reported price increases.

It should be noted that in April, 90% of the enterprises reported an intention to maintain prices and 8% wanted to reduce them.

Impact of the COVID-19 pandemic on prices charged by enterprises in the 1<sup>st</sup> fortnight of July 2020 given the expected situation without pandemic\*



\* In percentage of the total of enterprises in production or operation or temporarily closed.

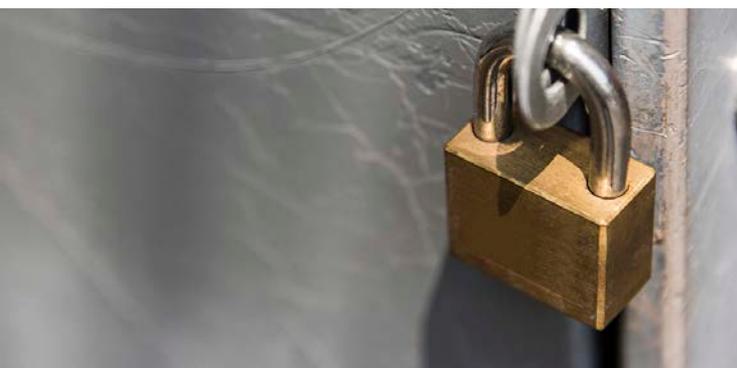
The percentage of enterprises that reported a price reduction in July, as a consequence of the COVID-19 pandemic, increases slightly with the size of the company, being reported by 16% of large-sized enterprises, compared to 9% of micro-enterprises.

The proportion of enterprises that reported price reductions due to the COVID-19 pandemic was more significant (22%) in the *Accommodation and food services* sector.

## Use of the Government support measures and assessment of their importance for the liquidity of the enterprises

23% to 31% of the responding enterprises have already benefited from government support measures, assessing them as very important for their liquidity situation.

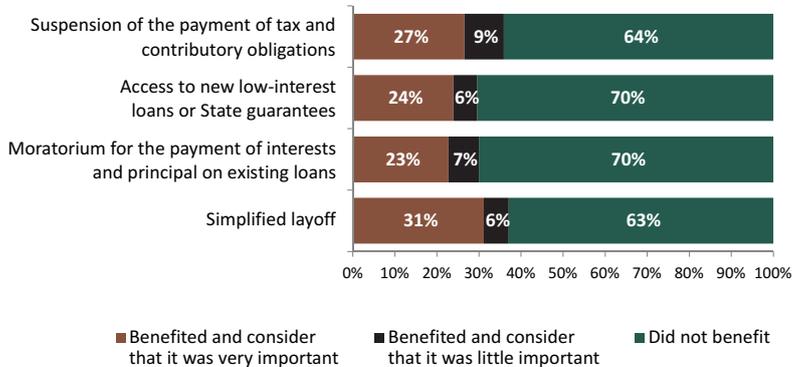
More than 60% of the responding enterprises have not benefited from the Government support measures following the COVID-19 pandemic, including the simplified layoff.



The use of the simplified layoff was reported by 37% of enterprises and the suspension of tax and contributory obligations by 36% of enterprises.

The percentage of enterprises that benefited from the moratorium on the payment of interest and capital from existing credits and access to new low-interest loans or State guarantees was 30% in both cases.

Resource to the measures presented by the Government due to the COVID-19 pandemic and their importance to the liquidity situation of the enterprises\*  
Total responding enterprises



\*In percentage of the total of enterprises in production or operation or temporarily closed.

The *Accommodation and food services* sector stands out with the highest proportion of its enterprises using the Government support measures, given that:

- 85% used the simplified layoff;
- 65% have benefited from the suspension of tax and contributory obligations;
- 53% benefited from the moratorium;
- 56% accessed new low-interest loans.

In contrast, in the "Construction and real estate activities" sector the proportion of enterprises that benefited from the measures is relatively small, particularly concerning the simplified layoff.

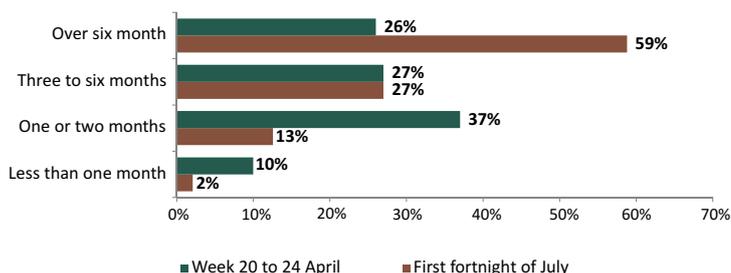
## Estimated time in business without additional liquidity support measures

59% of the enterprises expect to remain in business for more than six months without additional liquidity support measures, an increase of 33 p.p. in comparison with the week of 20 to 24 April.

The percentage of enterprises that reported being able to remain in business for up to 2 months without additional liquidity support measures stood at 15% in the first fortnight of July. In April, this percentage stood at 47%.

73% of large-sized enterprises and 51% of micro-enterprises expect to remain in business for more than 6 months without additional liquidity support measures.

Remaining time in activity without additional liquidity support measures in the 1<sup>st</sup> fortnight of July 2020\*  
Total responding enterprises



About 20% of micro and small enterprises reported not being able to stay in business for more than 2 months, which compares with a share equal to or below 11% in the case of medium and large-sized enterprises.

By sector, *Accommodation and food services* and *Transportation and storage* stand out due to the higher percentage of enterprises that cannot stay in business for more than 2 months (30% and 20%, respectively).

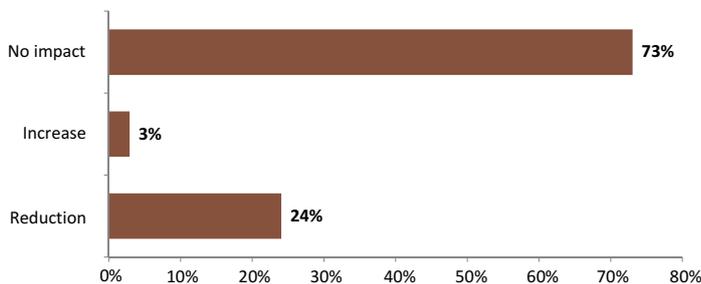
\*In percentage of the total of enterprises in production or operation or temporarily closed.

## Impact of the pandemic on persons employed effectively working

Most enterprises reported that there were no changes concerning the number of persons employed effectively working in the first fortnight of July vis-à-vis the previous fortnight (73% of enterprises, +14 p.p. than in the previous fortnight). These enterprises correspond to 48% of the total persons employed in the responding enterprises.

24% of enterprises reported a reduction in persons employed effectively working in the first fortnight of July, compared to the expected situation without a pandemic (-12 p.p. than in the previous fortnight). These enterprises represent 49% of the persons employed in the responding companies. The reduction in staff was more than 50% to 5% of the enterprises.

Impact of the COVID-19 pandemic on the persons employed effectively working in the 1<sup>st</sup> fortnight of July 2020 given the situation without pandemic\*  
Total responding enterprises



\*In percentage of the total of enterprises in production or operation or temporarily closed.



By sector, the *Accommodation and food services* enterprises kept standing out, with 58% reporting a reduction in persons employed (-6 p.p. than in the previous fortnight), with this reduction exceeding 75% in 11% of enterprises in this sector (-13 p.p. than in the previous fortnight).

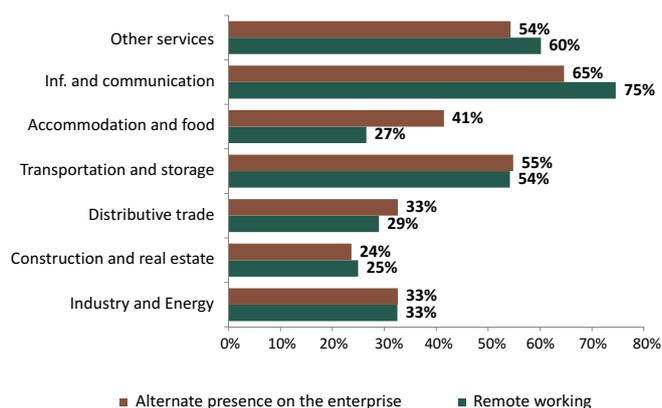
Compared to April, the percentage of enterprises with a reduction in persons employed decreased by 35 p.p. (from 59% in April to 24% in July). In the *Trade sector*, this improvement was more evident, increasing from 59% in April to 18% in July (-41 p.p.).

## Remote working and alternate presence on the enterprises' premises

37% of the responding enterprises had people in remote working in the first fortnight of July (-10 p.p. than in the previous fortnight), of which 7% had more than 75% of the persons employed effectively working in remote working.

The proportion of enterprises that reported having persons employed in remote working increases with the dimension of the enterprise: 17% in micro-enterprises and 74% in large-sized enterprises.

Persons employed effectively working on remote working and alternate presence on the enterprise, 1<sup>st</sup> fortnight of July 2020\*



\*In percentage of the total of enterprises in production or operation or temporarily closed



Concerning enterprises that reported having staff in remote working, by sector:

- *Information and communication* registered the largest percentage: 75%;
- *Construction and real estate activities* presented the lowest proportion: 25%.

Between April and July 2020, the percentage of enterprises with persons employed in remote working decreased by 21 p.p. (from 58% in April to 37% in July). In particular, the percentage of enterprises with more than 75% of staff in remote working decreased from 16% in April to 7% in July (-9 p.p.).

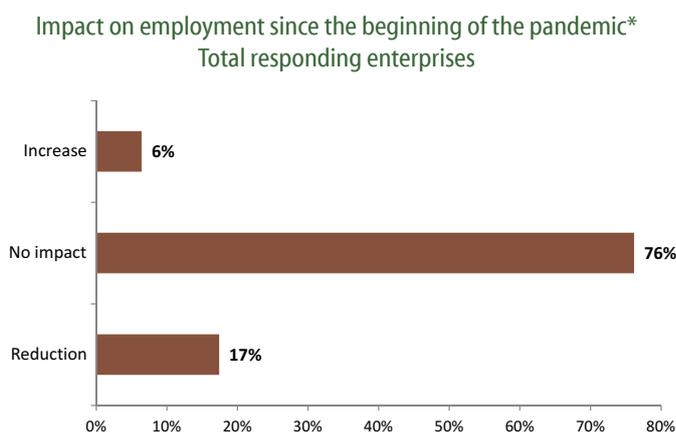
38% of the enterprises had workers in alternate presence on the premises (-6 p.p. than in the previous fortnight).

The use of alternate presence on the premises increases with the size of the enterprise, being reported by 21% of micro-enterprises and 68% of large-sized enterprises. The *Information and Communication* sector stands out in the use of this method, reported by 65% of enterprises.

## Impact on the total of persons employed (whether or not effectively working)

The impact on the total number of persons employed since the beginning of the pandemic was reported by enterprises as follows:

- 76% reported that the pandemic had no impact on the total number of persons employed;
- 17% reported having reduced the number of jobs since the beginning of the pandemic (decreed on March 11). The majority of the reported reductions covered less than 10% of persons employed;
- A smaller percentage (6%) increased employment during the pandemic period. These increases were mostly less than 5%;
- By sector, the reduction in the total number of persons employed due to the pandemic was mostly reported in *Accommodation and food services* and *Transportation and storage* (39% and 28% of enterprises, respectively).



\*In percentage of the total of enterprises in production or operation or temporarily closed



## Estimated impact on employment since the beginning of the pandemic in the absence of the use of the simplified layoff measure

The enterprises that benefited from the simplified layoff reported a less negative impact on employment than would have been the case without this measure:

- 77% would have reduced employment if they had not had access to this measure;
- 30% reduced employment. These reductions were more than 10% of the workforce for 11% of enterprises.

Of the enterprises that used the simplified layoff:

- 67% reported a continuation of employment since the beginning of the pandemic;
- 3% reported increases.

The difference between the percentage of enterprises that would have reduced employment in the absence of the simplified layoff and the percentage of enterprises that reduced employment (having benefited from this measure) is greater in smaller enterprises.

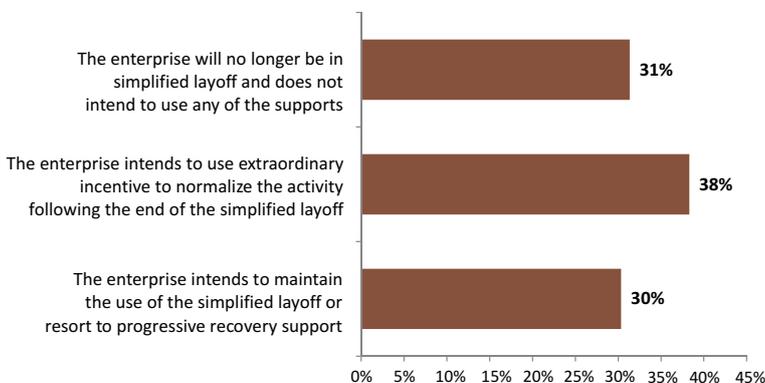
Options to be followed by enterprises in August, considering the changes announced to the simplified layoff

In August, 38% of the enterprises intend to use the extraordinary incentive to normalize their activity, following the end of the simplified layoff:

- 30% of enterprises should choose to maintain the use of the simplified layoff or to use the support for a gradual recovery;
- 47% of large-sized enterprises would rather use the extraordinary incentive to normalise their activity (compared to 35% in micro enterprises).
- 31% of micro-enterprises prefer to maintain the use of simplified layoff or to use the support for a gradual recovery, which is only being considered by 18% of large-sized enterprises;
- By sector, almost half of the *Accommodation and food services*, *Information and communication*, and *Transportation and storage* enterprises intend to opt to maintain the use of the simplified layoff in August 2020.

Option to be followed by the enterprises in August, taking into account the changes announced to the simplified layoff\*

Total responding enterprises



\* In percentage of the total of enterprises in production or operation or temporarily closed that used layoff.

The expected employment policy of enterprises by the end of 2020

- 83% of the responding enterprises plan to maintain jobs until the end of 2020, while 9% plan to increase and 8% decrease.
- The large-sized enterprises plan to change the number of jobs the most, either by increasing them (14%, compared to 4% in micro-enterprises) or by reducing them (11%, compared to 6% in micro-enterprises).
- Enterprises belonging to the *Other services* and *Information and communication* sectors are the ones that most plan to increase the number of jobs (14% in both cases) and those in *Accommodation and food services* are the ones that most plan to decrease the number of jobs (23%) by the end of the year 2020.

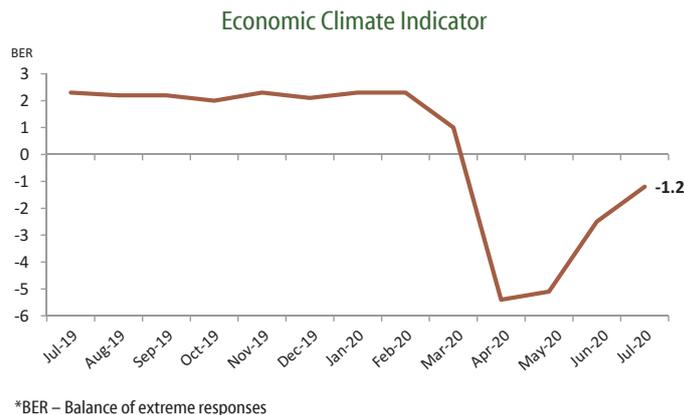
More information available at:

[Fast and Exceptional Enterprise Survey - COVID-19 – 1ª fortnight July 2020](#)  
(30 July 2020)

## In July, the consumer confidence indicator decreased and the economic climate indicator continued to recover

The consumer confidence indicator declined in July, after partially recovering in the two previous months from the largest decline, compared to the previous month in April.

The economic climate indicator increased between May and July, after reaching the series minimum value in April.



The confidence indicators recovered in all sectors in July:

- The Manufacturing Industry confidence indicator kept the largest increase in the series recorded in the previous month, after registering the series minimum value in May, following the abrupt reduction recorded in April. This outcome reflected the positive contributions of all the components of the index: opinions on the evolution of overall demand, production perspectives of the enterprise and opinions on current stocks of finished goods;
- The Construction and Public Works confidence indicator partially recovered between May and July, after registering in April the sharpest decrease in the series, reaching the minimum value since November 2015. The recovery in the last two months reflected the significant positive contribution of both the balance of opinions on order books and perspectives on employment;
- The Trade confidence indicator increased between May and July, after the significant decrease registered in April when it reached the minimum value of the series. This outcome reflected the positive contributions of opinions on the volume of sales and the perspectives on business activity over the next three months (the first being more expressive), which fully recovered from the historical minimum of the series observed in April; the contribution of opinions on the volume of stocks was nil;
- The Services confidence indicator also increased in June and July, after declining between February and May, when it reached the historical minimum value of the series. The increase recorded in July was the result of the positive contribution of all components: perspectives on the evolution of demand, opinions on the business situation, and assessments on the evolution of the order books.

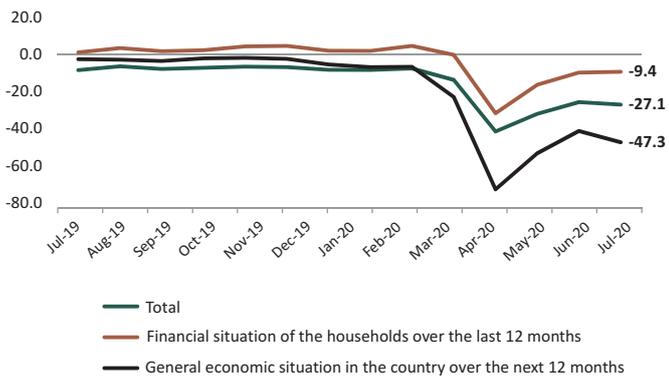


# SYNTHESIS INE @ COVID-19

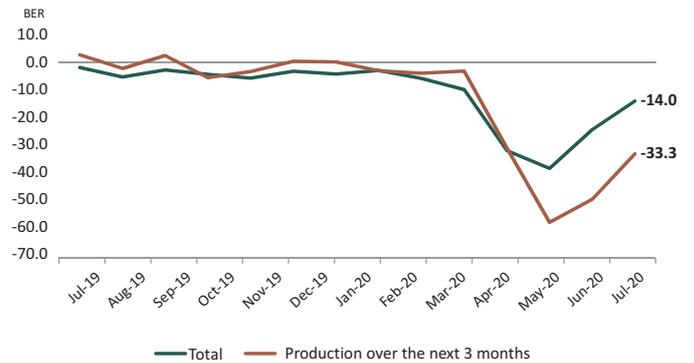
August . 05. 2020

## Confidence indicators (BER\*) (monthly seasonally adjusted basic series values)

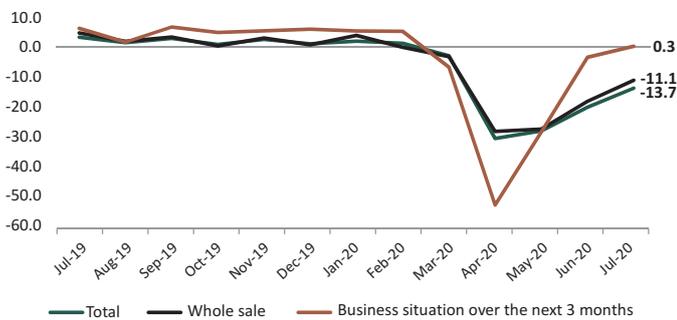
### Consumers Confidence indicator



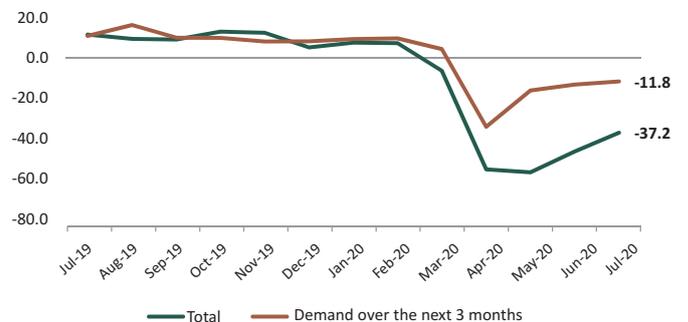
### Manufacturing Industry Confidence Indicator



### Trade Confidence Indicator



### Services Confidence Indicator



\*BER – Balance of extreme responses

In July, the telephone interviews of the consumer survey took place from 1 to 17, and those of the business surveys from 1 to 24, coinciding with the transition to the alert situation and the end of the state of calamity for most of the country.

More information available at:  
[Business and consumer surveys – July 2020](#)  
 (30 July 2020)

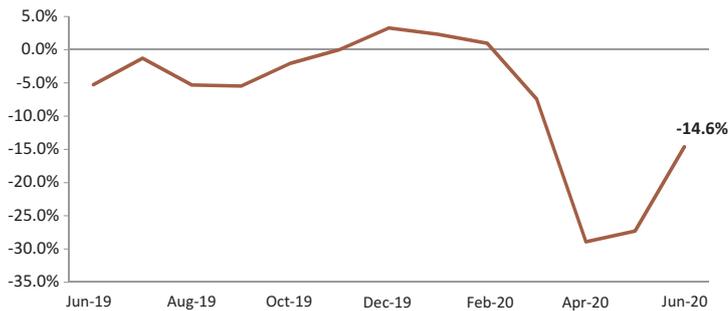
# SYNTHESIS INE @ COVID-19

August . 05. 2020

In June, the Industrial Production Index registered a year-on-year rate of change of -14.6%

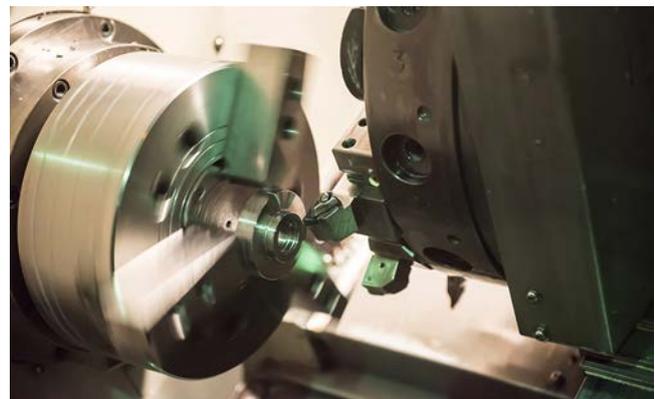
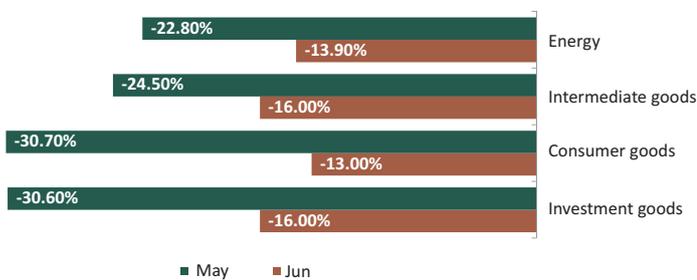
In June, the Industrial Production Index (IPI) year-on-year rate of change was -14.6% (-27.3% in the previous month).

**Industrial Production Index  
(Year-on-year rate of change)**



In June, all the Major Industrial Groupings recorded negative year-on-year rates of change (although less so than in the previous month).

**Major Industrial Groupings  
(Year-on-year rate of change)**

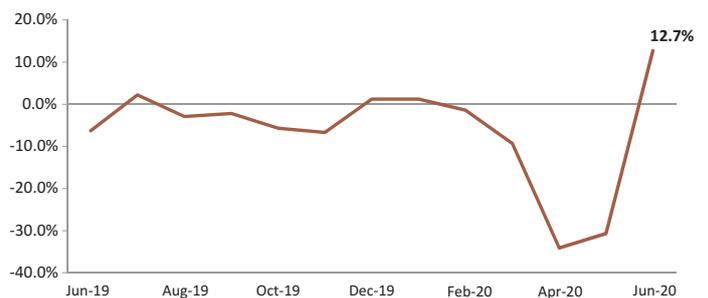


Concerning the Consumer Goods, the Durable Goods recorded a less negative year-on-year rate of change than Non-durable Goods: -6.9% and -13.8% respectively (-38.3% and -29.7% in May, in the same order).

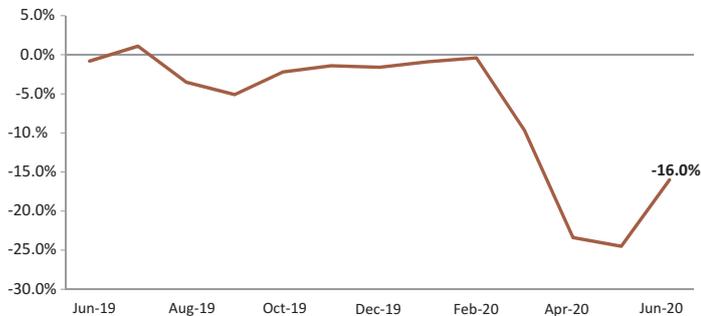
**Industrial Production Index (Year-on-year change)  
Investment goods**



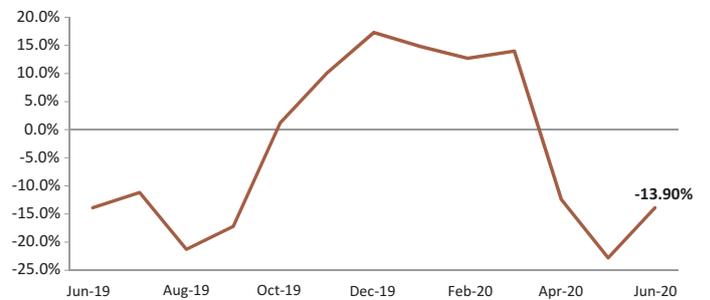
**Industrial Production Index (Year-on-year change)  
Consumer goods**



Industrial Production Index (Year-on-year change)  
**Intermediate goods**



Industrial Production Index (Year-on-year change)  
**Energy**



In June, compared to the previous month, the IPI registered a rate of change of +11.2% (+2.7% in May).

More information available at:  
[Industrial production index – June 2020](#)  
(30 July 2020)

## Retail trade sales decreased by 6.6%

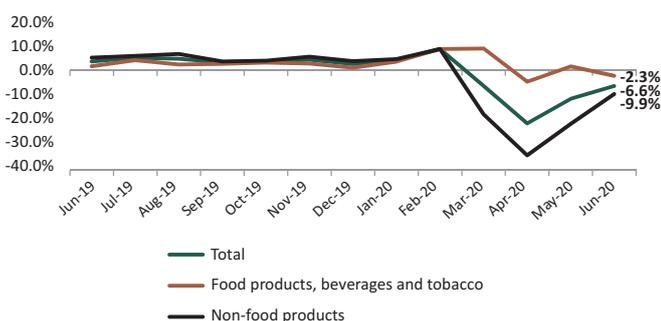
The Retail Trade Turnover Index registered a declining year-on-year rate of change of 6.6% in June (-11.9% in the previous month).

The two major groupings that make up this index have evolved in the same direction:

- Non-Food Products registered a reduction of 9.9% (-22.4% in May);
- Food Products decreased by 2.3% (-1.6% in May).



Turnover in Retail Trade (deflated),  
year-on-year change rate (%)

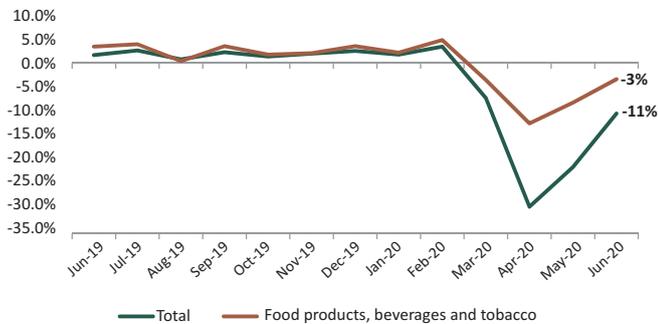


In June, the Employment and the Wage and salaries indices both decreased by 3.2% in year-on-year terms (rates of change of -3.5% and -4.0% in May, in the same order).

The Retail Trade Hours Worked Index registered a year-on-year rate of change of -10.7% in June (-22.1% in May).

The month-on-month rate of change of the Hours Worked Index in June was 13.5% (-0.9% in the same month of the previous year).

Hours worked (calendar effects adjusted),  
year-on-year change rate (%)



More information available at:  
[Retail trade turnover, employment, wages and salaries, and hours worked indices – June 2020](#)  
 (29 July 2020)



Gross Domestic Product in volume registered a year-on-year rate of change of -16.5% and a quarter-on-quarter rate of change of -14.1%

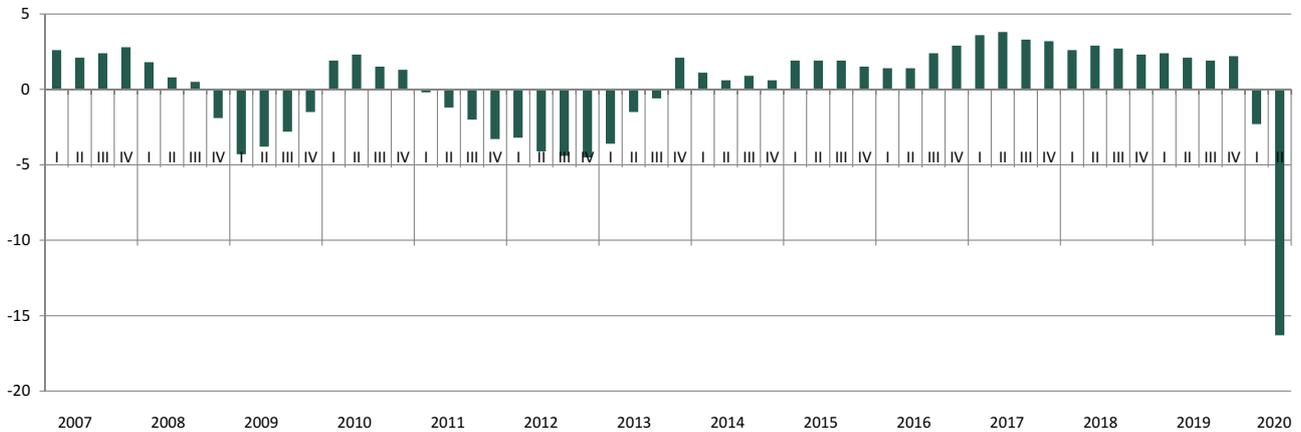
As a consequence of the economic impact of the pandemic, the Gross Domestic Product (GDP) would have registered a strong contraction in the second quarter of 2020, decreasing by 16.5% in volume, in year-on-year terms (-2.3% in the previous quarter).

This result is largely explained by the negative contribution of domestic demand to the year-on-year GDP rate of change, which was considerably more negative compared to the previous quarter, reflecting the significant contraction in private consumption and investment.

The negative contribution of net external demand was more pronounced in the second quarter, as a result of the more intense reduction in Exports of Goods and Services than in Imports of Goods and Services, largely due to the near complete interruption of non-residents' tourism.

When compared with the first quarter of 2020, GDP diminished 14.1% in real terms (quarter-on-quarter rate of change of -3.8% in the previous quarter). This result is likewise explained, to a large extent, by the negative contribution of domestic demand to the quarter-on-quarter GDP rate of change, and also by a more negative contribution of the net external demand.

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



Note: Given the current context, and in line with other European Union member states, Statistics Portugal has anticipated the release of the Quarterly National Accounts results for the 2<sup>nd</sup> quarter of 2020, with flash estimates at around 30 days for the quarterly GDP rates of change in volume. As expected, this earlier release of results implies a higher probability of more significant revisions than those occurring with 45-day estimates.

More information available at:  
[Quarterly national accounts – 2<sup>nd</sup> quarter 2020, 30-day flash estimate \(31 July 2020\)](#)

## Enterprises expect a 13.0% nominal decrease in exports of goods in 2020



In June, the exporting enterprises expected a 13.0% nominal decrease in exports in 2020 (-15.1 percentage points (p.p.) than in the 1<sup>st</sup> forecast, in November 2019), as a result of the update of their expectations for:

- Intra-EU exports: -12.3% (-14.7 p.p. than in the 1<sup>st</sup> forecast);
- Extra-EU exports: -15.0% (-16.1 p.p. than in the 1<sup>st</sup> forecast).

Excluding *Fuels and lubricants*, the perspectives of the enterprises indicate a decrease of 11.8% in 2020 (-13.5 p.p. compared to the 1<sup>st</sup> forecast), as follows:

- Intra-EU exports: -11.6% (-13.8 p.p. than in the 1<sup>st</sup> forecast);
- Extra-EU exports: -12.4% (-12.3 p.p. than in the 1<sup>st</sup> forecast).

# SYNTHESIS INE @ COVID-19

August . 05. 2020

This downward revision of export activity focuses mainly on exports of *Transport equipment and parts and accessories thereof*, both to extra-EU and intra-EU countries (-27.3% and -18.9% respectively).

	EXTRA-UE	INTRA-UE	INTERNATIONAL
<b>TOTAL</b>	-15.0%	-12.3%	<b>-13.0%</b>
TOTAL excluding fuels and lubricants	-12.4%	-11.6%	<b>-11.8%</b>
Of which:			
Food and beverages	-7.3%	-4.9%	<b>-5.7%</b>
Industrial supplies not elsewhere specified	-10.3%	-11.9%	<b>-11.5%</b>
Capital goods and parts and accessories thereof	-5.9%	-3.1%	<b>-3.8%</b>
Transport equipment and parts and accessories thereof	-27.3%	-18.9%	<b>-20.3%</b>
Consumer goods not elsewhere specified	-13.2%	-11.4%	<b>-11.7%</b>

From the enterprises that presented revisions in exports compared to the 1<sup>st</sup> forecast (56.7% of the responding enterprises):

- 53.0% reported that the revision was due exclusively to the COVID-19 pandemic;
- 29% reported that the revision was partially due to the COVID-19 pandemic (“largely due” for 2/3 of the enterprises and “not much due” for 1/3 of them);
- 18% responded that the revision was not due to the pandemic.

The following should also be noted:

- The majority (54.5%) of enterprises in the *Construction* sector indicated that the revision was not due to the pandemic and only 22.7% indicated that it was entirely due to the pandemic;
- The enterprises in the *Manufacturing* sector were the ones that most indicated that the revision was entirely due to the pandemic (50.9%).

14.2% of the respondent enterprises have changed or intend to change their production and export strategy as a result of the COVID-19 pandemic, namely by diversifying destination markets (31.7%), refocusing exports on EU markets (13.8%) and diversifying suppliers (11.0%).

About 38% of the enterprises do not yet know whether they will change their production and export strategy as a result of the pandemic and 47.4% indicate that they do not intend to do so.

The main reasons pointed out by the enterprises for the downward revision were worse than expected performances of most of the destination markets already customers (41.4%) and of specific markets as well (14.1%).

More information available at:  
[Perspectives on Exports of Goods – 2020, 2<sup>nd</sup> forecast](#)  
(31 July 2020)

## In July, the CPI year-on-year rate of change was estimated at 0.2% Flash estimate

In July, the year-on-year rate of change of the Consumer Price Index (CPI) should have been +0.2% (+0.1% in June).

In year-on-year terms, consumer prices would have increased in all groupings, except *Energy products*, which recorded a -5.3% rate of change (-7.4% in June).

The core inflation index (total index excluding *energy and unprocessed food products*) would have registered a +0.1% rate of change (+0.2% in June).

Concerning month-on-month rates of change, the CPI should have had a 1.3% reduction (+0.9% in June; -1.3% in July 2019). There were declining month-on-month rates of change in all groupings, except for *Energy products*: +1.6% (+2.0% in June).

	Monthly rate (%) <sup>1</sup>		Annual rate (%) <sup>1</sup>	
	Jun-20	Jul-20*	Jun-20	Jul-20*
<b>CPI</b>				
Total	0,89	-1,26	0,13	0,17
All items excluding housing	0,93	-1,33	0,03	0,08
All items excl. unproc. food and energy	0,83	-1,62	0,20	0,11
Unprocessed food	0,57	-0,54	5,22	4,79
Energy products	2,02	1,64	-7,43	-5,29
<b>HIPC</b>				
Total	1,2	-2,0	0,2	0,0

\*Estimated values

<sup>1</sup> Values rounded to two and one decimal place.

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



More information available at:  
[CPI/HIPC Flash Estimate – July 2020](#)  
(31 July 2020)

## Enterprises intend to recruit more than 345 thousand workers in the next two years

In the next years (2021-2022) the Portuguese enterprises intend to recruit 345,584 workers, which will correspond to a gross increase of 10.8% of their employed persons.\*

Breakdown of workers to be recruited:

- 49,9% of the workers should have a non-tertiary education course (professional);
- 32,2% should have tertiary education;
- for 17.9% no specific qualification level is indicated.

These recruitment intentions correspond to gross increases of 17.8% of workers with tertiary education courses and 9.1% of workers without tertiary education qualifications (on the survey, the responding enterprises don't report how many persons employed will leave).

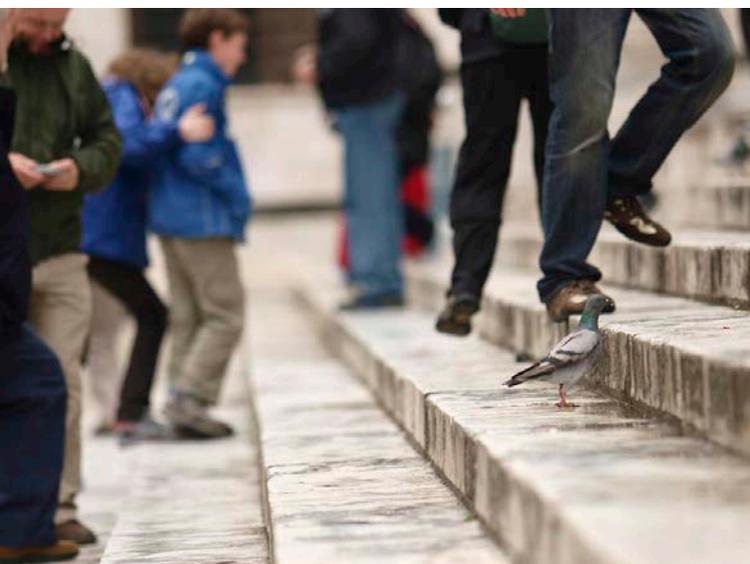
Despite the context of the pandemic, the non-tertiary qualifications most indicated by the enterprises in terms of recruitment needs were:

- Restaurant/bar employee (9th year + professional certification): 9.0% of the total recruitment needs of workers with non-tertiary education;
- Trade technician (12th year + professional certification): 6.4% of the total with non-tertiary education;
- Restaurant/bar technician (12th year + professional certification): 5.9% of the total with non-tertiary education.

The most requested tertiary education courses:

- Computer engineering, computers, telecommunications and information systems: 11.5% of the total recruitment needs of workers with tertiary education;
- Software engineering and information systems: 6.7% of the total with tertiary education;
- Sales and commercial management: 6.3% of the total with tertiary education.

Área Metropolitana de Lisboa and Norte regions are those for which enterprises most intend to recruit workers in the next 2 years: 39.5% and 32.0% of the total workers to be recruited respectively.



\* The results presented are the result of the Survey on the Identification of Qualifications Needs in Enterprises (IINQE), carried out for the first time within the National Statistical System. The survey was conducted (electronically) from March 13 to the end of June, which, given the context arising from the pandemic, may have conditioned the recruitment intentions reported by the enterprises. The response rate to the survey was 73.2%. The dissemination of the results of the IINQE is made at the [STATSLab – Statistics in development portal of Statistics Portugal](#).

Workers that enterprises foresee to recruit in the next 2 years,  
by workplace, 2020 (%)

Geographical localization	Workers %
A. M. Lisboa	39.5%
Norte	32.0%
Centro	13.0%
Algarve	8.8%
Alentejo	4.4%
R. A. Açores	1.4%
R. A. Madeira	1.0%

Concerning the dimension of the enterprises, it is the large-sized enterprises that are most likely to recruit: around 46% of the total number of workers to be recruited in the next two years.

Large-sized enterprises intending to recruit mostly belong to the following sectors of economic activity:

- Other service activities: 29.8% of the total workers to be recruited by large-sized enterprises;
- Trade and maintenance of motor vehicles: 23.2% of that total;
- Accommodation and food services: 12.8% of that total.

The reasons most frequently mentioned by the enterprises for the recruitment of workers in the next 2 years were:

- Expansion of activity: 60.4%;
- Replacement of the labour force: 24.9%.

The expansion of activity is mostly referred to by micro-enterprises as a reason for new recruitments (62.4% of micro-enterprises) and the Replacement of the labour force is more referred to by large-sized enterprises (43.4% of large-sized enterprises).

More information available at:  
[Survey on the Identification of Qualification Needs in Enterprises – 2020](#)  
(31 July 2020)

Press releases between 03-08-2020 to 07-08-2020:

Press Releases	Reference period	Release date
Tourism activity - Flash Estimate	June 2020	03 August 2020
Employment statistics	2 <sup>nd</sup> Quarter 2020	05 August 2020
Employment statistics - Gross monthly earnings per worker		06 August 2020
International trade statistics	June 2020	07 August 2020
Production, employment, wage and hours worked index in construction and public works	June 2020	07 August 2020
New housing construction cost index	June 2020	07 August 2020