



SYNTHESIS INE @ COVID-19

September . 08 . 2020

Statistics Portugal makes available the 23rd 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:

- CPI/HICP Flash Estimate, published on August 31;
- Tourism activity, flash estimate – July 2020, published on August 31;
- Monthly Employment and Unemployment Estimates – July 2020, published on August 31;
- Quarterly national accounts – 2nd Quarter 2020, published on August 31;
- Industrial production index – July 2020, published on September 01.

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

In August, the CPI year-on-year rate of change was estimated at 0.0% - flash estimate

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

In year-on-year terms, consumer prices would have a null variation in all groups, except *Energy products*, which recorded a -5.0% rate of change (-5.3% in July).

The core inflation index (total index excluding *energy and unprocessed food products*) was also null (+ 0.1% in July).

Concerning month-on-month rates of change, the CPI should have had a 0.2% reduction (-1.3% in July; -0.1% in August 2019). There were declining month-on-month rates of change in all groupings, except for *Energy products* with null variation (+2.0% in July).



| | Monthly rate (%) ¹ | | Annual rate (%) ¹ | |
|---|-------------------------------|---------|------------------------------|---------|
| | Jul-20 | Aug-20* | Jul-20 | Aug-20* |
| CPI | | | | |
| Total | -1.29 | -0.24 | 0.14 | 0.02 |
| All items excluding housing | -1.36 | -0.26 | 0.05 | -0.08 |
| All items excl. unproc. food and energy | -1.65 | -0.26 | 0.08 | -0.04 |
| Unprocessed food | -0.54 | -0.26 | 4.8 | 4.22 |
| Energy products | 1.66 | -0.04 | -5.28 | -4.96 |
| HIPC | | | | |
| Total | -2.0 | -0.2 | -0.1 | -0.2 |

* Estimated values

¹ 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 year-on-year rate of change of -0.2% in August (-0.1% in July).

More information available at:

[CPI/HICP Flash Estimate](#)
(31 August 2020)

Tourist activity keeps recovery in July, mostly due to the residents

According to the flash estimate, in July 2020, the tourist accommodation sector should have registered 1.0 million guests and 2.6 million overnight stays, corresponding to year-on-year rates of change of -64.0% and -68.0%, respectively (-82.0% and -85.2% in June, in the same order).

In July, in year-on-year terms:

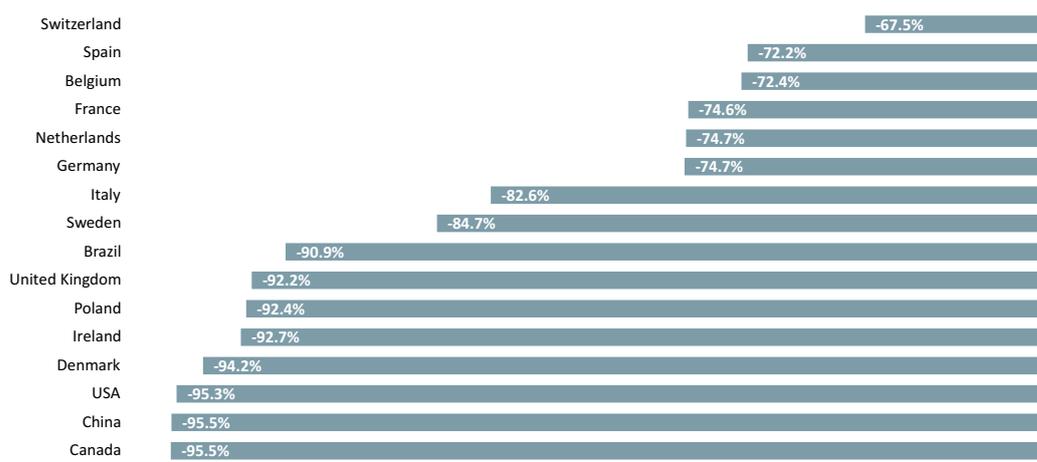
- Overnight stays of residents would have been 1.7 million, -31.3% (-59.7% in June);
- Overnight stays of non-residents would have been 906.6 thousand, -84.2% (-96.2% in June);
- Resident guests would have been 719.3 thousand, -32.7% (-60.3% in June);
- Non-resident guests would have been 305.8 thousand, -82.8% (-95.6% in June).



Alentejo region will have continued to present the smallest decrease in the number of overnight stays, compared to the same month last year, decreasing by 25.8% (-6.6% in the residents and -63.3% in the non-residents) after the negative variation of 48.9% in the previous month.

In July, there were very significant decreases (over 65%), in year-on-year terms, in tourists from all the main inbound markets.

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



In July, around 27.6% of the tourist accommodation establishments will have been closed or will have not registered any movement of guests (+46.3% in June).

More information available at:
[Tourism activity, flash estimate – July 2020](#)
 (31 August 2020)

In June, the employed population increased by 0.3%, the unemployment rate increased by 1.4 percentage points (p.p.) and the labour underutilisation rate increased by 0.9 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 June 2020 comprise the months of May, June and July, while the provisional estimates for July 2020 include the months of June, July and August.

The unemployment rate (population aged 15 to 74) in June 2020 stood at 7.3% (+1.4 p.p. than in the previous month and +0.7 p.p. compared to June 2019).

The employment rate in July 2020 was estimated at 60.0% (the same of the previous month and -2.3 p.p. compared to the same month of 2019).

The labour underutilization rate was 15.7% (+0.2 p.p. than in the previous month; +2.8 p.p. in year-on-year terms).

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In June 2020, compared to the previous month:

- The employed population increased by 0.3% (13.3 thousand people);
- The unemployed population (370.3 thousand) increased by 27.9% (80.7 thousand);
- The active population (5,038,9 thousand) increased by 1.9% (94.0 thousand);
- The inactive population (2,741.8 thousand) decreased by 3.3% (93.7 thousand).

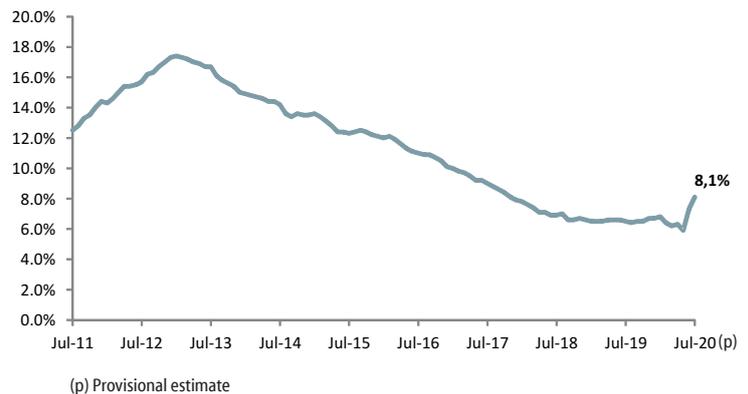
The increase in the active population resulted from the increases in the employed population (13.3 thousand) and in the unemployed population (80.7 thousand).

The provisional estimate of the unemployment rate in July 2020 stood at 8.1% (+0.8 p.p. than in the previous month and +1.6 p.p. than in July 2019), being:

- 26.3% for the young population (+1.1 p.p. than in the previous month);
- 6.8% for the adult population (+0.8 p.p. than in the previous month).



Unemployment Rate
(seasonally adjusted data)

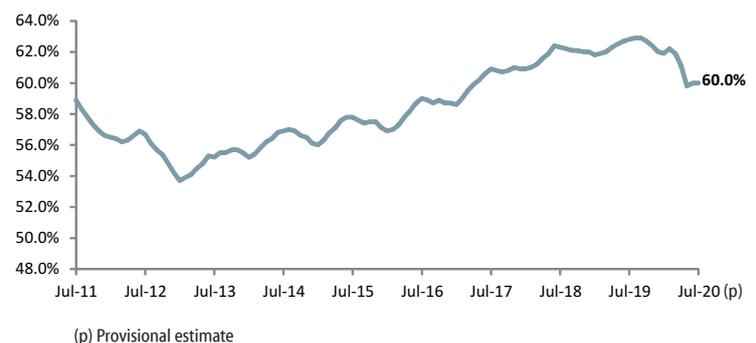


In July 2020, compared to the previous month:

- The unemployed population increased by 10.6% (39.4 thousand people);
- The employed population increased by 0.1% (2.7 thousand);
- The active population increased by 0.8% (42.1 thousand);
- The inactive population decreased by 1.5% (41.0 thousand);
- The inactivity rate stood at 34.7% (-0.5 p.p vis-à-vis the previous month; +1.4 p.p. compared to July 2019).

The estimated employment rate in May 2020 stood at 60.0% (the same of the previous month and -2.2 p.p. year-on-year).

Employment Rate
(seasonally adjusted data)

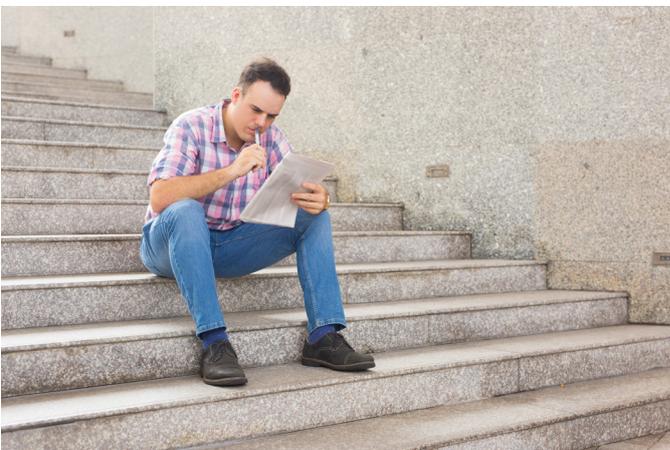


Labour underutilization

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.

Labour underutilisation rate (seasonally adjusted data)



This indicator allow its data users a broader measure of the labour underutilisation than the more restrictive measure given by the official unemployment rate (ILO concept).

In July 2020 (provisional estimate):

- The underutilization of labour covered 841.8 thousand people (+1.6% (13.0 thousand) compared to the previous month and +21.3% (148.0 thousand) in year-on-year terms);
- The labour underutilization rate was 15.7% (+0.2 p.p. than in the previous month; +2.8 p.p. in year-on-year terms).

More information available at:

[Monthly employment and unemployment estimates – July 2020](#)
(31 August 2020)

GDP in volume registered a year-on-year rate of change of -16.3% and -13.9% quarter-on-quarter

The GDP recorded a year-on-year rate of change of -16.3% in the second quarter of 2020 (-2.3% in the previous quarter). Reflecting the significant impact of the COVID-19 pandemic particularly in the last month of the quarter. The strong contraction of the economic activity reflected the COVID-19 pandemic impact which had, in the first two months of the quarter, a significant impact.

This result is largely explained by the contribution of domestic demand, which is considerably more negative than that observed in the previous quarter, reflecting the significant contraction in private consumption and investment.

The contribution of net external demand was more negative in the second quarter (shifting from -1.1 to -4.4 percentage points (p.p.)), driven by the more significant decrease in Exports of Goods and Services (-39.5%) than that observed in Imports of Goods and Services (-29.9%), due largely to the near interruption of non-residents tourism.



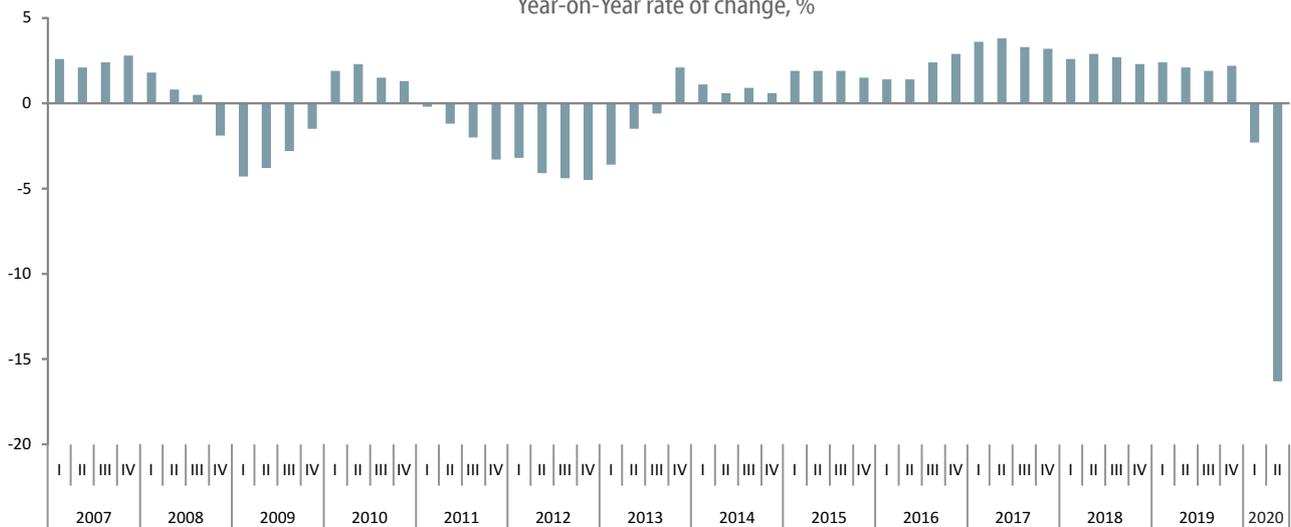
In comparison with the first quarter of 2020, GDP decreased by 13.9% in real terms (-3.8% in the precedent quarter). This result is also explained, to a large extent, by the negative contribution (-10.7 p.p.) of domestic demand, and also by the more negative contribution of net external demand (-3.1 p.p.).

In nominal terms, the GDP declined by 12.4% in the second quarter compared to the same period a year earlier (-0.5% in the previous quarter).

Gross Domestic Product in volume (reference year =2016)

Seasonally and calendar effects adjusted data

Year-on-Year rate of change, %



Private consumption presented a year-on-year rate of change of -14.5% in real terms (-1.0% in the precedent quarter), while Investment decreased by 10.8% (-3.5% in the first quarter).

Public consumption also decreased in volume, recording a year-on-year rate of change of -3.4% (0.4% in the previous quarter), reflecting to some extent the negative impact on non-market production of the measures adopted to reduce the spread of COVID-19, which implied the closure of several public services, such as courts and offices with public service, among others. On the contrary, in nominal terms, there was an increase in this aggregate.

Final consumption expenditure of Resident Households diminished by 15.0%

In the second quarter of 2020, final consumption expenditure of Resident Households recorded a year-on-year decrease of 15.0% (+1.0% in the previous quarter).

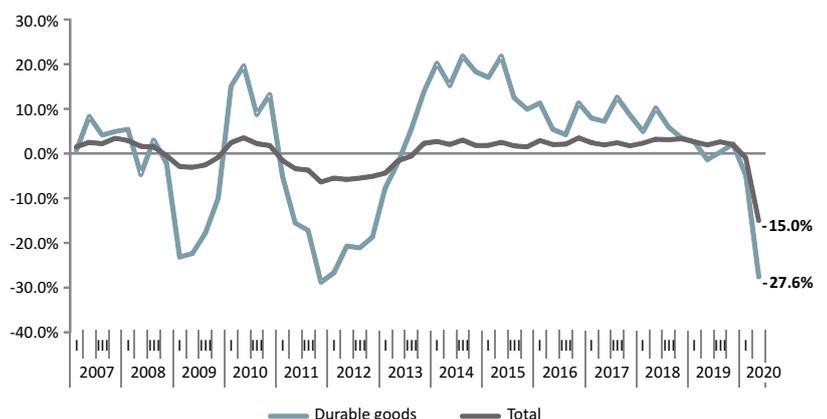
Final Consumption Expenditure of Resident Households in durable goods registered a negative year-on-year change of 27.6% (-4.9% in the previous quarter), mainly reflecting the strong reduction in the acquisition of motor vehicles. The year-on-year change in the 2nd quarter of 2020 is practically at the same level as in the 4th quarter of 2011 (-28.8%), the biggest decrease seen in the consumption of durable goods in this century so far.

The non-durable goods and services component recorded a year-on-year decrease of 13.6% (-0.6% in the previous quarter), although there was a more marked growth in the component of food products in the first and second quarters.

Final consumption expenditure

Resident households

(Year-on-year change)

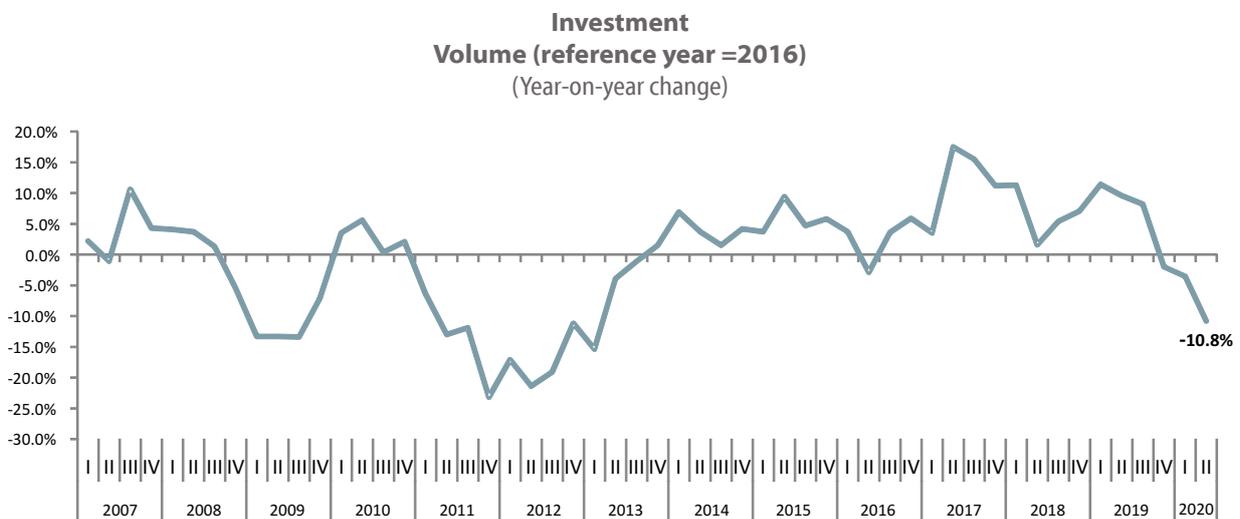


Comparing with the first quarter 2020:

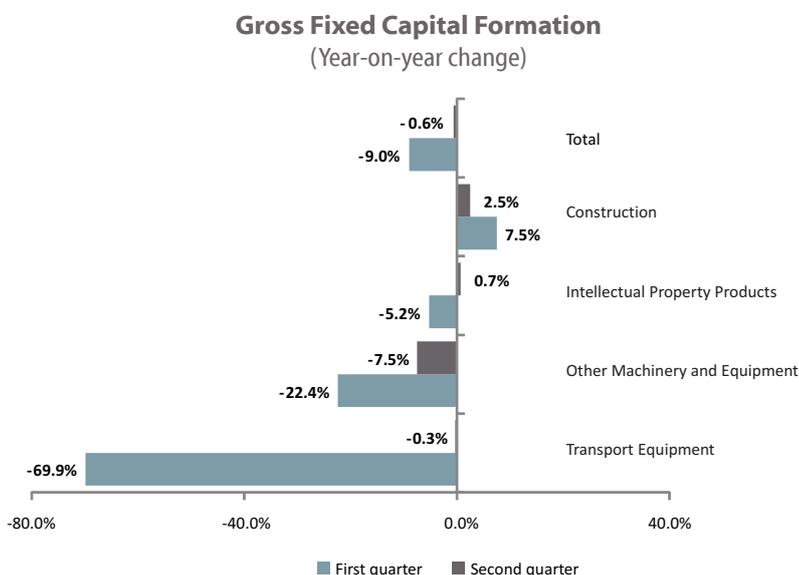
- The final consumption expenditure of Resident Households diminished by 14.0% (-2.9% in the previous quarter), with a 23.8% decrease in the component of durable goods (mainly motor vehicles);
- The expenditure on non-durable goods and services decreased by 13.0% (rates of -8.4% and -2.3% in the first quarter, respectively);
- The private consumption recorded a year-on-year rate of change of -21.7% (-2.1% in the previous quarter).

Investment recorded a year-on-year decrease of 10.8%

In the second quarter of 2020, Investment registered a year-on-year decrease of 10.8% in volume (-3.5% in the previous quarter).



The Gross Fixed Capital Formation (GFCF) decreased by 9.0% year-on-year (-0.6% in the previous quarter), but with a very heterogeneous behavior in its components.



Mention should be made of the GFCF component in Construction, which in the opposite direction increased by 7.5% (+ 2.5% in the previous quarter), in contrast to that observed in several European Union countries, where the construction sector will also have been greatly affected by the negative impact of the COVID-19 pandemic.

When compared with the first quarter of 2020, total Investment declined by 6.6% (-1.1% in the previous quarter).

Exports and Imports, in real terms, decreased by 39.5% and 29.9%, respectively

Exports of Goods and Services, in real terms, registered a year-on-year rate of change of -39.5% (-5.1% in the previous quarter). For this evolution, it is worth mentioning the more pronounced decrease in exports of services, with a rate of change of -54.5% (-8.9% in the previous quarter), mainly as a result of the strong contraction of tourism activity. Goods exports also decreased, shifting from a year-on-year rate of change of -3.3% to -32.6% in the second quarter.

In the second quarter, Imports of Goods and Services, in volume, fell by 29.9%, after recording a year-on-year rate of change -2.5% in the first quarter. The goods component decreased by 28.9% and imports of services presented a rate of -34.8% (-2.0% and -5.3% in the previous quarter, respectively)

Comparing with the previous quarter, total exports and imports decreased by 36.1% and by 28.1% respectively (-7.3% and -3.7% in the previous quarter, in the same order).

Employment decreased by 3,6%

In the second quarter, seasonally adjusted employment registered a year-on-year rate of change of -3.6% (-0.5% in the previous quarter).

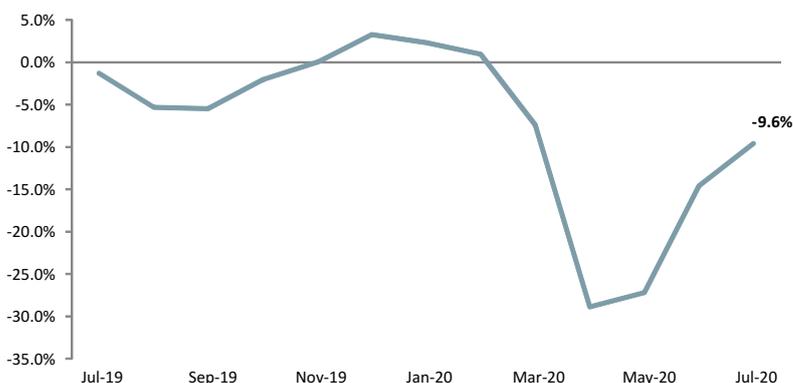
The number of employees (seasonally adjusted) decreased by 3.3%, in year-on-year terms, in the second quarter of 2020 (+0.7% in the first quarter).

More information available at:
[Quarterly national accounts](#)
(31 August 2020)

In July, the Industrial Production Index registered a year-on-year rate of change of -9.6%

In July, the Industrial Production Index (IPI) year-on-year rate of change was -9.6% (-14.6% in the previous month).

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

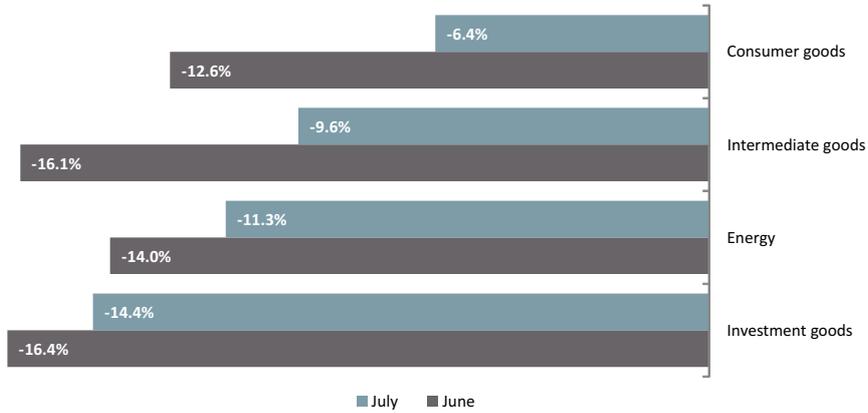


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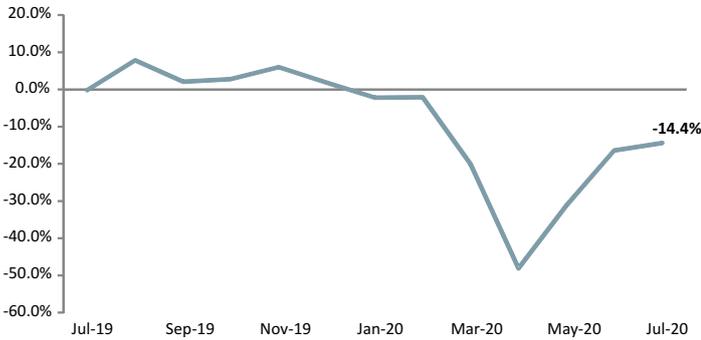
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Although all the Major Industrial Groupings improved in July, they continued to show negative year-on-year growth rates (although less expressive than in the previous month).

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



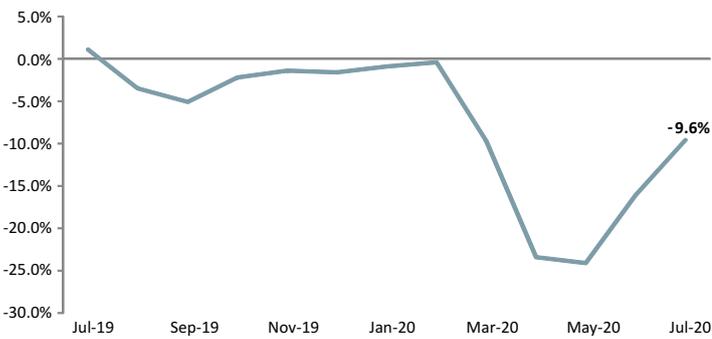
Industrial Production Index
(Year-on-year rate of change)
Investment goods



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



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



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

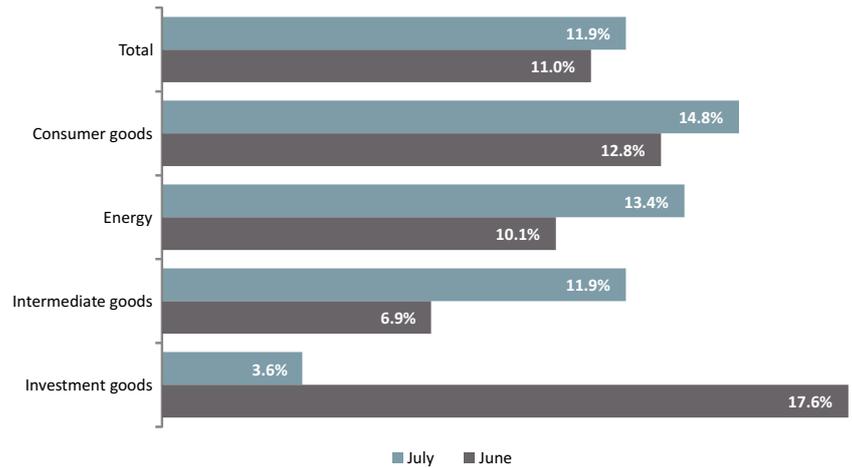


In July, compared to the previous month, the IPI registered a rate of change of +11.9% (+11.0% in June).

All the Major Industrial Groupings had positive contributions to the variation of the total index, with emphasis on the *Consumer Goods* with a monthly variation rate of 14.8% (12.8% in the previous month).



Major Industrial Groupings
(monthly variaton)



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

Press releases between 07-09-2020 to 11-09-2020:

| Press Releases | Reference period | Release date |
|--|------------------------------|-------------------|
| New housing construction cost index | July 2020 | 08 September 2020 |
| International trade statistics | July 2020 | 09 September 2020 |
| Transport activities | 2 nd Quarter 2020 | 09 September 2020 |
| Consumer price index | August 2020 | 10 September 2020 |
| Production, employment, wage and hours worked index in construction and public works | July 2020 | 10 September 2020 |
| Business turnover, employment, wage and hours worked indices in industry | July 2020 | 10 September 2020 |
| Construction: building permits and completed buildings | 2 nd Quarter 2020 | 11 September 2020 |
| Business turnover, employment, wage and hours worked indices in services | July 2020 | 11 September 2020 |