

Business and Consumer Surveys

May 2020

Consumer confidence and economic climate indicators recover partially in May after strong reductions in April

In May, the consumer confidence indicator recovered partially¹, registering the highest increase in the series, after recording in April the greatest reduction compared to the previous month and the minimum value since May 2013.

The economic climate indicator increased slightly in May after reaching a new minimum of the series in the previous month. The confidence indicators increased moderately in Construction and Public Works and in Trade, and decreased again in Manufacturing Industry and in Services, extending the abrupt reductions recorded in April and reaching new minimums. It should be noticed that in Services, "Accommodation and food service activities" and "Arts, entertainment and recreation" stand out by presenting the lowest levels for the confidence indicators.

Despite the circumstances determined by the pandemic COVID-19, Statistics Portugal will try to maintain the statistical production and release calendar, although some adjustments might occur associated with the impact of the pandemic in obtaining primary information. For this reason, Statistics Portugal asks for the best collaboration by firms, households and public entities in answering to Statistics Portugal's requests to obtain information, using Internet and telephone as alternative channels to face-to-face contacts. In fact, the quality of official statistics, particularly its ability to identify the impacts of the COVID-19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

The increase of the Consumer confidence indicator in May resulted from the improvements in the perspectives regarding the evolution of the country's economic situation, the household's financial situation and the perspectives regarding the major purchases, after the historical decreases of the previous month. Conversely, opinions regarding the past evolution of the household's financial situation contributed negatively to the evolution of the indicator.

In Manufacturing Industry, the confidence indicator decreased between February and May, extending the abrupt reduction registered in April and reaching the series' historic minimum. The evolution of the indicator reflected the negative contributions of the balance of the firm's production perspective over the next three months, which in May registered again the greatest reduction in the series in relation to the previous month and reached the minimum of the series, as well as the opinions on current stock of finished products, after contributing positively to the indicator in the previous month. The firm's production perspectives over the next three months recovered significantly in May after recording in April the minimum value of the series. The confidence indicator decreased in the group of "Intermediate Goods", prolonging the tremendous decline of the previous month and reaching the minimum of the series, while in the groupings of "Consumer Goods" and "Investment Goods" increased.

The confidence indicator for Construction and Public Works recovered partially from the most pronounced decrease in the series observed in April, as a result of the increase in the balance of the perspectives on employment, while the opinions on order books worsened again, reaching a new level minimum since July 2016. The indicator increased significantly in the "Civil Engineering" NACE division, having also increased in the "Specialized Construction Activities" and in the "Construction of Buildings", slightly in the latter division.

The confidence indicator for Trade increased moderately, after having decreased significantly in April and attaining a new series minimum. The components of this indicator revealed different evolutions, with the balance of the perspectives on business activity in the next three months recovering sharply from the historical series minimum observed in April. The opinions on the volume of stocks also presented a positive contribution, but to a lesser extent than the perspectives on business activity. Conversely, opinions on sales volume extended in May the strong fall of the previous month, reaching a new minimum in the series. By subsector, the confidence indicator increased more sharply

¹ The analysis in this press release is based on effective values (raw or seasonally adjusted data).

in "Retail Trade" than in "Wholesale Trade", with the perspectives on business activity recovering more intensely in the former case.

The Services' confidence indicator decreased between February and May, extending the abrupt fall registered in April and reaching a new historical minimum of the series started in April 2001, with the significant negative contributions of the opinions on the evolution of the business situation and of the order books, which reached new minimums. Conversely, perspectives on the evolution of the order books partially recovered from the greatest monthly reduction in the series observed in the previous month. In May, the confidence indicators in the sections of "Accommodation and food service activities", "Information and communication activities", "Real estate activities" and "Arts, entertainment and recreation" recorded new minimums of the respective series.

The economic climate indicator, which summarizes the balances of business surveys' questions revealed a slight increase after the tremendous reduction in April compared to previous month which originated a new minimum.

Graph 1
Economic Climate Indicator
- Manufacturing Industry, Construction and Public Works, Trade and Services-



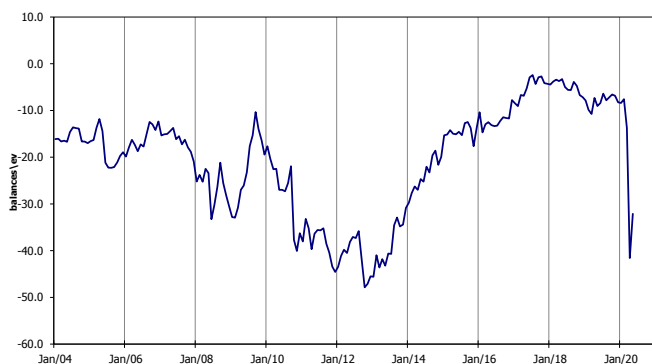
It should be noticed that the collection period (see final notes of the press release) of the consumer survey occurred from 04 to 15 May and from 01 to 22 May in the case of the business surveys, covering the period of the first phase of the plan for lifting COVID-19 containment restrictions in Portugal (from 04 to 17 May), which partially explains the results obtained.

Considering this exceptional period, in order to allow for a clear picture of the impacts of the pandemic COVID-19 on opinions and expectations of consumers and entrepreneurs, the analysis in this press release is exclusively based on actual monthly values (raw or seasonally adjusted data). The summary table with the data from the confidence indicators and respective base series and the economic climate indicator based on three-month moving averages is maintained (page 10).

The **consumer confidence indicator** registered, in May, the highest increase in the series, partially recovering from the lowest value recorded since May 2013, which was reached in the previous month when the strongest decline of the series was registered. This evolution resulted from the positive contribution of the expectations regarding the future evolution of the country's economic situation, of households' financial situation and of major purchases, after the historical decreases observed in the previous month.. On the other hand, the opinions regarding the past evolution of households' financial situation deteriorated in May, for the third consecutive month.

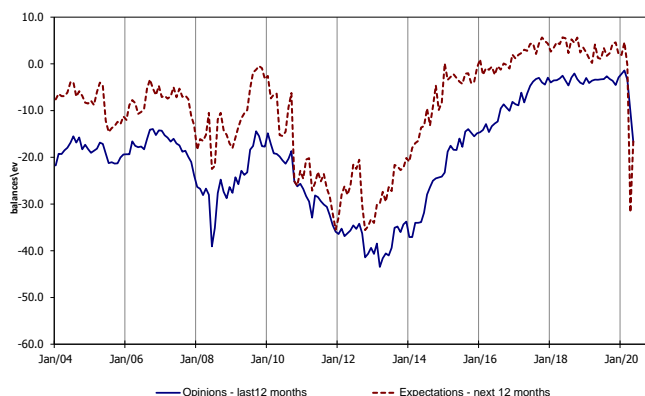
Graph 2

Consumer confidence indicator



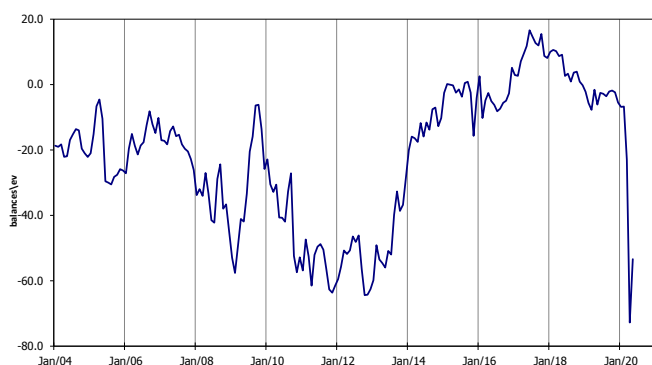
Graph 3

Financial situation of households



Graph 4

General economic situation - Expectations for the next 12 months



Graph 5

Spending money on major purchases - Expectations for the next 12 months



The **Manufacturing Industry confidence indicator** decreased between February and May, less intensely in May than in April, reaching a new historic minimum. The behaviour of the indicator reflected the negative contributions of the balance on the global demand in the last three months and on the current stock of finished products, more intense in the first case, while the firm's production perspectives over the next three months contributed positively, as a result of a strong recovery.

The confidence indicator in the **Intermediate Goods** grouping presented the minimum in the series, as a result of the negative contribution of the opinions of global demand (minimum since March 2009) and, to a lesser extent, of opinions on the stocks of finished products, while the firm's production perspectives recovered in May.

In the **Consumer Goods** grouping, the indicator increased, reflecting a strong positive contribution of the production perspectives and negative contributions from the balances of global demand (minimum since the beginning of the series) and of opinions on current stock of finished products.

Regarding **Investment Goods**, the confidence indicator also increased in May, due to the positive contribution of the production perspectives that recovered significantly from the strong decrease in April. Opinions on global demand and on current stocks of finished products contributed negatively to the evolution of the confidence indicator.

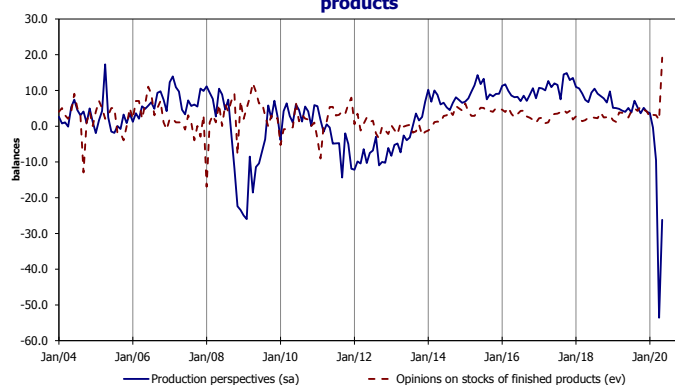
Graph 6

Manufacturing Industry Confidence Indicator



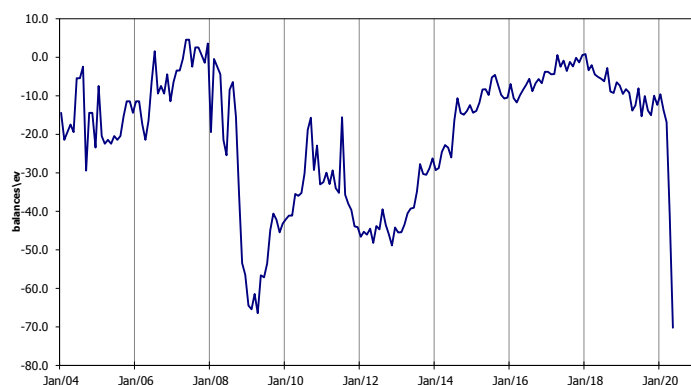
Graph 7

Production perspectives and opinions on stocks of finished products



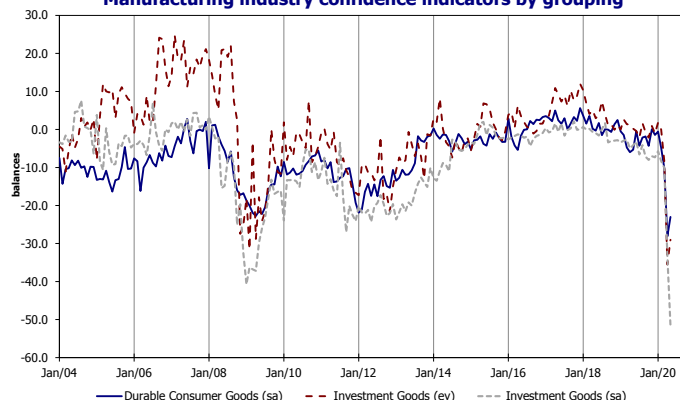
Graph 8

Opinions on global demand



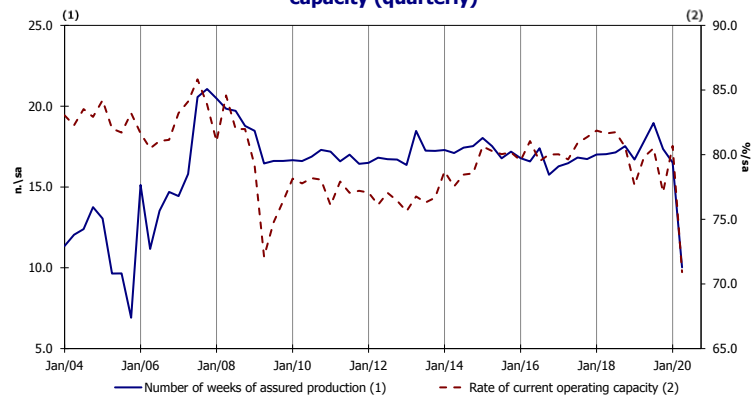
Graph 9

Manufacturing industry confidence indicators by grouping



Graph 10

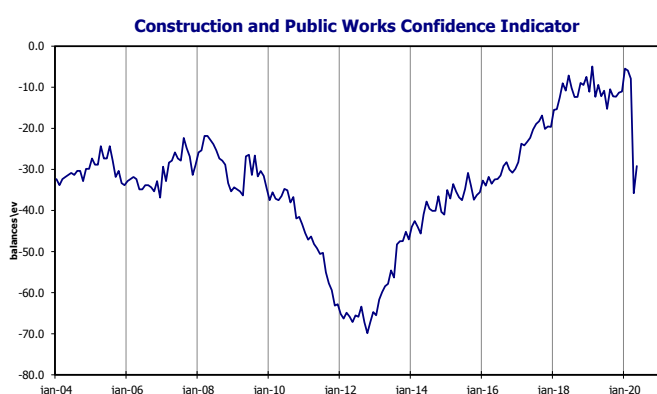
Number of weeks of assured production and rate of current operating capacity (quarterly)



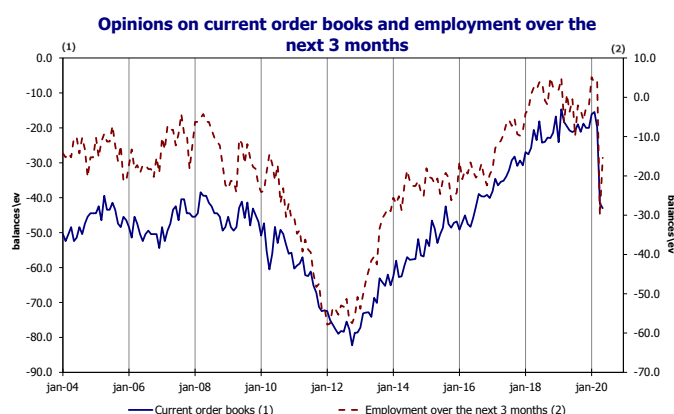
The **Construction and Public Works confidence indicator** recovered in May, after having reached in the previous month the minimum value since November 2015 and presented the sharpest decrease since the beginning of the series, initiated in April 1997. The increase of the indicator in May reflected the strong positive contribution of perspectives on employment, while opinions on order books maintained a negative contribution, more pronounced in the reference month.

The indicator increased in the three divisions of NACE, "**Construction of Buildings**", "**Civil Engineering**" and "**Specialized Construction Activities**", slightly in the first case, but pronounced in the second case.

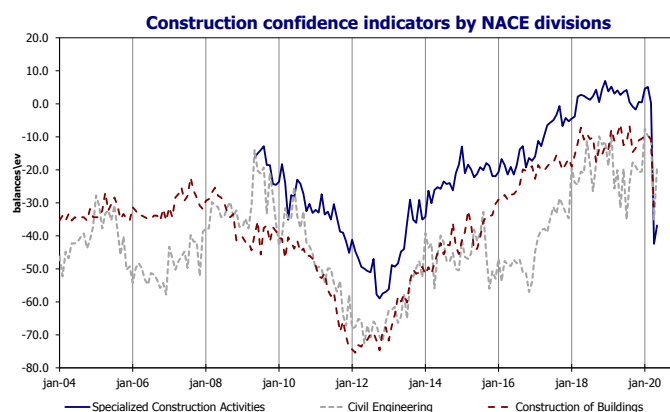
Graph 11



Graph 12



Graph 13

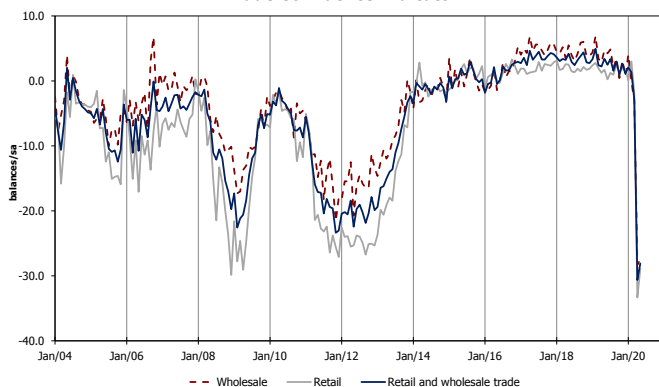


The **Trade confidence indicator** increased moderately in May, after recording a significantly decreased in April and the series' lowest historical minimum. This evolution reflected the strong positive contribution of the firm's perspectives on business activity in the next three months and, to a lesser extent, of the opinions on the volume of stocks, with opinions on the sales evolution contributing negatively.

By subsector, the confidence indicator increased more sharply in **Retail Trade** than in **Wholesale Trade**, with the firm's activity perspectives on business activity increasing more intensely in the first case.

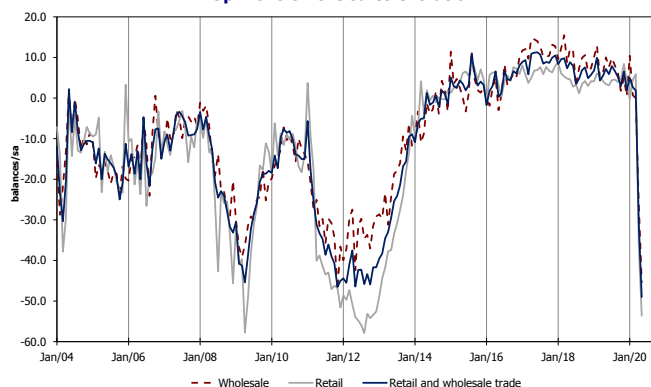
Graph 14

Trade Confidence Indicator



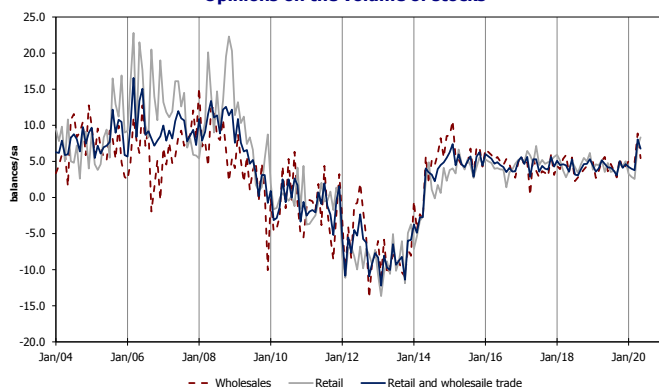
Graph 15

Opinions on the sales evolution



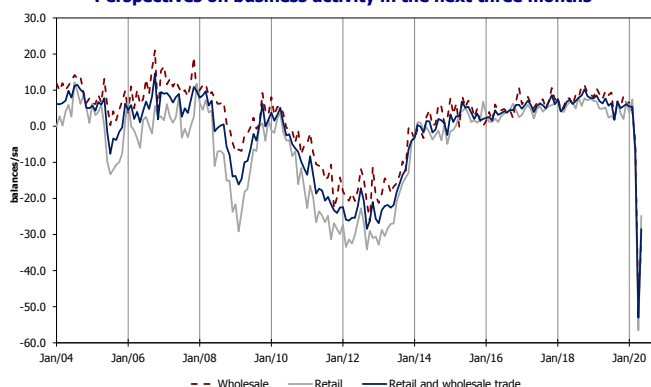
Graph 16

Opinions on the volume of stocks



Graph 17

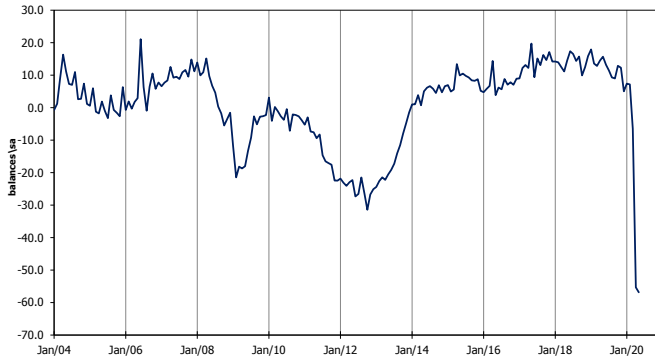
Perspectives on business activity in the next three months



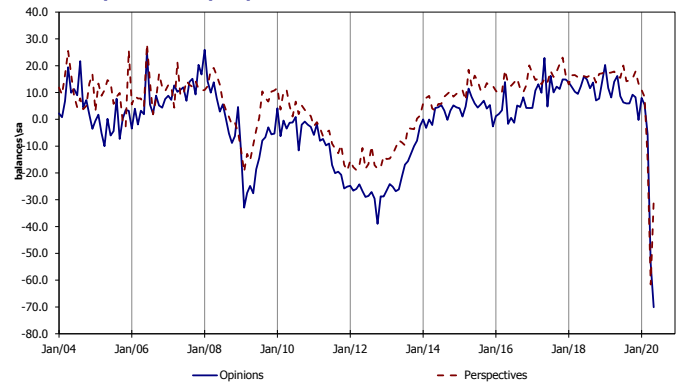
The **Services' confidence indicator** decreased between February and May, extending the abrupt fall recorded in April and reaching a new historical minimum in the series started in April 2001. The evolution of the indicator resulted from the negative contributions of opinions on the evolution of the business situation and on order books, which reached new minimums, offsetting the strong positive contribution of the perspectives on the evolution of the order books.

The confidence indicators of the sections of **Accommodation and food service activities, Arts, entertainment and recreation, Information and communication activities** and **Real estate activities** registered new minimums of the respective series, with the first two sections standing out by reaching particularly low levels for the indicators. Conversely, the confidence indicator increased in the sections of **Transport and storage activities, Professional, scientific and technical activities, Administrative and support service activities** and **Other service activities**. With the exception of this last section, the remaining ones registered in April, the minimum value of the respective series.

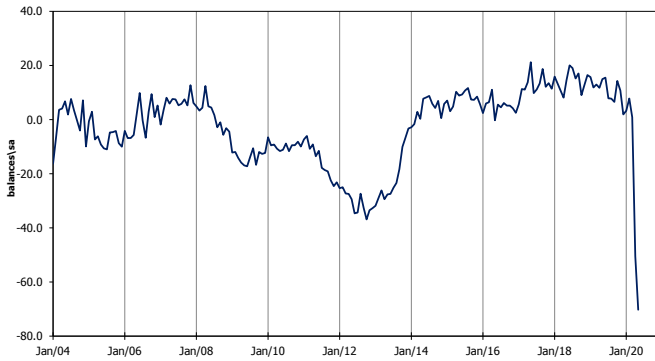
Graph 18
Services Confidence Indicator



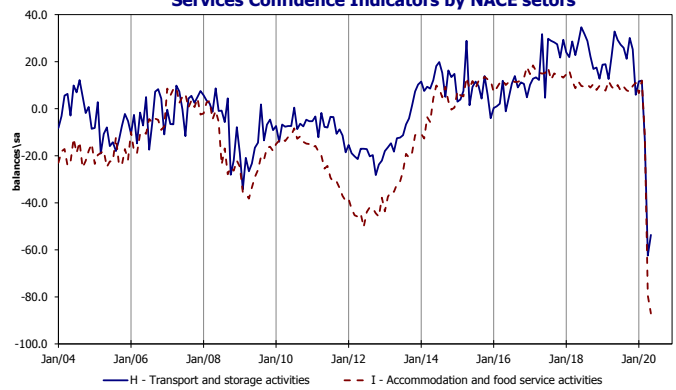
Graph 19
Opinions and perspectives on the evolution of the order books



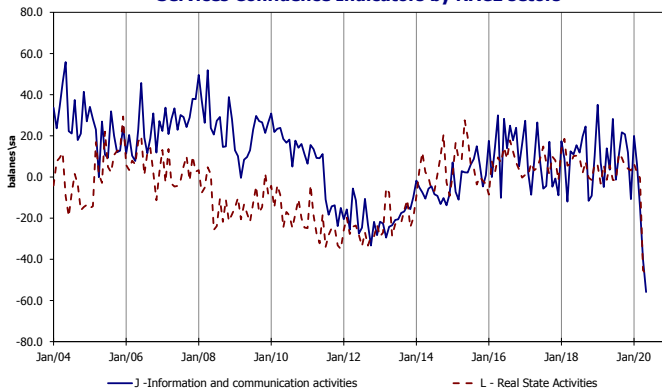
Graph 20
Perspectives on the evolution of the business situation



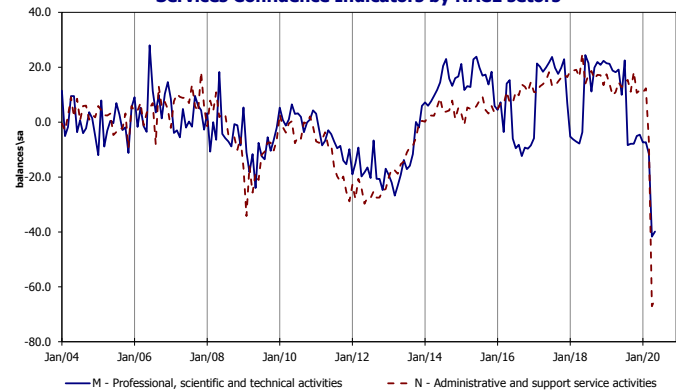
Graph 21
Services Confidence Indicators by NACE sectors



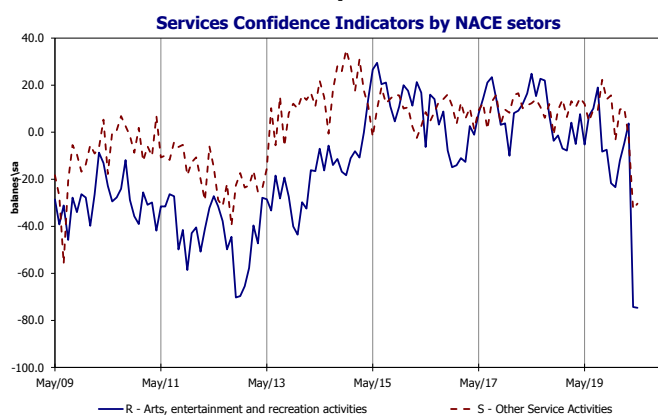
Graph 22
Services Confidence Indicators by NACE sectors



Graph 23
Services Confidence Indicators by NACE sectors



Graph 24



The next press release will be disseminated on June 29, 2020.

Confidence indicators and their underlying series

	Unit	First Period	Average*	Standard Deviation	Minimum		Maximum		2019								2020				
					Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Consumers - confidence indicator (a+b+c+d)/4	balance	Sep-97	-17.5	11.8	-47.8	Oct-12	-0.1	Sep-97	-9.0	-8.4	-6.4	-7.8	-7.2	-6.6	-6.9	-8.3	-8.4	-7.6	-13.7	-41.6	-32.1
a Financial situation of the households over the last 12 months	balance	Sep-97	-16.7	11.1	-43.5	Mar-13	0.5	Jan-99	-3.4	-3.3	-3.3	-2.7	-3.2	-3.6	-4.5	-2.9	-2.2	-1.4	-3.4	-10.2	-16.8
b Financial situation of the households over the next 12 months	balance	Sep-97	-7.2	10.8	-35.6	Oct-12	8.6	Feb-99	1.3	1.1	3.4	1.7	2.3	4.3	4.6	2.0	1.9	4.6	-0.3	-31.8	-16.4
c General economic situation in the country over the next 12 months	balance	Sep-97	-18.9	20.0	-72.7	Sep-15	16.6	Jun-17	-6.1	-2.5	-2.8	-3.6	-2.1	-1.8	-2.4	-5.5	-6.8	-6.7	-23.0	-72.7	-53.4
d Major purchases over the next 12 months	balance	Sep-97	-27.3	9.8	-51.6	Apr-20	-6.4	Sep-97	-27.9	-28.9	-22.9	-26.8	-25.7	-25.2	-25.1	-26.7	-26.5	-26.8	-28.2	-51.6	-41.9
Manufacturing industry - confidence indicator (a+b-c)/3	balance/sa	Jan-87	-2.9	9.1	-38.5	May-20	19.0	Mar-87	-4.0	-1.8	-5.2	-2.7	-4.3	-5.7	-3.2	-4.2	-2.8	-5.7	-9.8	-32.1	-38.5
a Demand/order books	balance	Jan-87	-14.2	16.4	-70.2	May-20	14.6	Apr-87	-12.5	-8.1	-15.3	-10.1	-13.8	-15.0	-10.0	-12.4	-9.6	-13.7	-16.9	-40.8	-70.2
b Production over the next 3 months	balance/sa	Jan-87	8.9	10.4	-53.6	Apr-20	34.0	Feb-87	4.0	5.1	3.8	7.1	5.3	3.6	5.1	4.0	3.7	-0.4	-9.5	-53.6	-26.2
c Stocks of finished goods	balance	Jan-87	3.4	5.2	-16.9	Jan-08	23.2	Jun-93	3.4	2.4	4.2	5.0	4.3	5.5	4.6	4.2	2.5	3.2	3.1	1.8	19.2
Construction and public works - confidence indicator (a+b)/2	balance	Apr-97	-25.5	20.0	-69.9	Oct-12	20.2	Sep-97	-12.2	-10.8	-15.3	-10.5	-12.2	-12.3	-11.3	-11.0	-5.5	-5.9	-7.9	-35.8	-29.2
a Current order books	balance	Apr-97	-38.3	21.8	-82.2	Oct-12	18.6	Sep-97	-20.8	-21.2	-20.7	-19.0	-21.1	-18.8	-20.0	-20.0	-16.1	-15.4	-19.8	-41.7	-43.0
b Employment over the next 3 months	balance	Apr-97	-12.7	18.9	-57.9	Jan-12	29.9	Jun-97	-3.6	-0.5	-9.8	-2.0	-3.3	-5.8	-2.6	-2.1	5.1	3.6	4.0	-29.9	-15.4
Trade - confidence indicator (a+b-c)/3	balance/sa	Jan-89	-1.8	8.3	-30.6	Apr-20	11.9	Jun-98	3.4	2.5	3.4	1.6	3.0	1.0	2.7	1.1	2.1	1.4	-2.9	-30.6	-28.1
-Wholesale	balance/sa	Jan-89	-0.2	7.8	-28.3	Apr-20	14.0	Apr-98	4.7	4.2	4.8	2.0	3.4	0.4	3.1	0.8	4.0	0.0	-3.1	-28.3	-27.5
-Retail trade	balance/sa	Jan-89	-3.3	9.6	-33.3	Apr-20	12.3	Jul-98	1.7	0.2	1.2	0.9	2.6	1.2	2.0	1.9	0.1	3.0	-1.9	-33.3	-28.9
a Sales over the past 3 months	balance/sa	Jan-89	-5.8	15.4	-49.0	May-20	19.0	Feb-89	7.2	5.9	7.9	6.7	5.2	2.9	6.5	2.0	5.0	2.7	1.9	-30.8	-49.0
- Wholesale	balance/sa	Jan-89	-4.5	14.5	-47.2	Nov-11	22.8	Feb-89	10.0	7.7	9.9	8.1	6.3	1.8	4.9	0.5	10.4	0.7	-0.1	-26.0	-45.4
- Retail trade	balance/sa	Jan-89	-7.1	17.2	-57.9	Aug-12	20.2	Apr-99	3.5	3.1	4.4	4.5	4.0	4.4	8.4	3.9	-0.3	4.5	5.9	-36.4	-53.6
b Business situation over the next 3 months***	balance/sa	Jan-89	9.7	15.7	-53.1	Apr-20	40.9	Oct-89	7.7	5.7	6.4	1.7	6.8	5.0	5.5	6.1	5.5	5.4	-6.7	-53.1	-28.5
- Wholesale	balance/sa	Jan-89	11.6	14.3	-50.0	Apr-20	50.4	Oct-89	9.8	8.6	9.3	1.7	6.7	5.0	8.3	6.2	6.7	4.2	-4.5	-50.0	-31.6
- Retail trade	balance/sa	Jan-89	8.3	18.3	-56.6	Apr-20	41.2	Jul-94	5.2	2.4	2.8	2.0	7.1	3.7	2.0	6.6	3.8	7.4	-9.1	-56.6	-24.8
c Volume of stock	balance	Jan-89	9.3	8.0	-12.2	Feb-13	29.1	Jul-90	4.7	4.2	4.1	3.7	3.0	5.0	4.1	4.6	4.2	4.0	3.8	8.1	6.8
- Wholesale	balance	Jan-89	7.5	7.4	-13.9	Oct-12	29.6	Jul-90	5.6	3.6	4.7	3.8	2.8	5.4	3.9	4.3	5.1	4.9	4.8	8.9	5.4
- Retail trade	balance	Jan-89	11.2	9.7	-13.7	Feb-13	36.5	Jul-89	3.5	4.8	3.5	3.7	3.3	4.5	4.4	5.0	3.3	2.8	2.6	7.1	8.3
Services - confidence indicator (a+b+c)/3	balance/sa	Apr-01	1.3	12.9	-56.8	May-20	26.7	Jun-01	15.7	13.2	11.4	9.3	9.0	12.9	12.3	5.0	7.4	7.2	-6.5	-55.3	-56.8
a Business situation over the past 3 months**	balance/sa	Apr-01	-1.5	14.5	-70.3	May-20	33.0	Jun-01	15.0	15.5	7.9	7.8	6.6	14.3	10.8	1.9	3.3	7.8	0.9	-50.5	-70.3
b Demand over the next 3 months	balance/sa	Apr-01	6.3	11.9	-61.6	Apr-20	28.0	Jun-06	15.9	15.5	20.1	14.2	14.5	15.2	17.8	13.4	11.0	8.3	-14.9	-61.6	-30.2
c Demand/order books over the past 3 months	balance/sa	Apr-01	-0.9	14.2	-70.1	Oct-12	27.7	Apr-01	16.2	8.6	6.3	5.9	5.9	9.2	8.3	-0.3	8.0	5.4	-5.6	-53.9	-70.1

Confidence indicators and their underlying series and economic climate indicator (3mma)

	Unit	First Period	Average*	Minimum		Maximum		2019								2020					
				Value	Date	Value	Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Consumers - confidence indicator (a+b+c+d)/4	balance	Nov-97	-17.5	-46.8	Dec-12	-0.8	Nov-97	-9.0	-8.3	-8.0	-7.6	-7.1	-7.2	-6.9	-7.2	-7.8	-8.1	-9.9	-21.0	-29.1	
a Financial situation of the households over the last 12 months	balance	Nov-97	-16.8	-41.9	May-13	-0.5	Jul-99	-3.5	-3.4	-3.3	-3.1	-3.0	-3.2	-3.8	-3.7	-3.2	-2.2	-2.3	-5.0	-10.1	
b Financial situation of the households over the next 12 months	balance	Nov-97	-7.2	-34.5	Dec-12	7.6	Apr-99	1.9	2.2	1.9	2.1	2.5	2.8	3.7	3.6	2.8	2.8	2.1	-9.1	-16.2	
c General economic situation in the country over the next 12 months	balance	Nov-97	-18.9	-63.7	Dec-12	14.6	Aug-17	-5.1	-3.4	-3.8	-3.0	-2.8	-2.5	-2.1	-3.2	-4.9	-6.3	-12.2	-34.1	-49.7	
d Major purchases over the next 12 months	balance	Nov-97	-27.3	-48.5	Dec-12	-11.0	Nov-97	-29.4	-28.4	-26.6	-26.2	-25.1	-25.9	-25.3	-25.7	-26.1	-26.7	-27.2	-35.5	-40.6	
Manufacturing industry - confidence indicator (a+b-c)/3	balance/sa	Mar-87	-2.9	-30.5	Feb-09	18.1	May-87	-3.7	-3.4	-3.7	-3.2	-4.1	-4.2	-4.4	-4.3	-3.4	-4.2	-6.1	-15.9	-26.8	
a Demand/order books	balance	Mar-87	-14.1	-64.4	Apr-09	14.6	Jun-87	-11.8	-11.5	-12.0	-11.2	-13.1	-13.0	-12.9	-12.5	-10.6	-11.9	-13.4	-23.8	-42.6	
b Production over the next 3 months	balance/sa	Mar-87	8.9	-29.8	May-20	32.8	Mar-87	4.4	4.5	4.3	5.4	5.4	5.3	4.7	4.3	4.3	2.4	-2.1	-21.2	-29.8	
c Stocks of finished goods	balance	Mar-87	3.4	-9.1	Sep-87	21.6	Jul-93	3.7	3.2	3.4	3.9	4.5	4.9	4.8	4.8	3.8	3.3	2.9	2.7	8.0	
Construction and public works - confidence indicator (a+b)/2	balance	Jun-97	-25.6	-68.1	Nov-12	18.9	Sep-97	-11.3	-10.8	-12.8	-12.2	-12.7	-11.7	-11.9	-11.6	-9.3	-7.5	-6.4	-16.5	-24.3	
a Current order books	balance	Jun-97	-38.5	-79.8	Dec-12	15.9	Nov-97	-19.5	-20.5	-20.9	-20.3	-20.3	-19.6	-20.0	-19.6	-18.7	-17.2	-17.1	-25.6	-34.8	
b Employment over the next 3 months	balance	Jun-97	-12.8	-56.7	Nov-12	25.9	Aug-97	-3.1	-1.1	-4.6	-4.1	-5.0	-3.7	-3.9	-3.5	0.2	2.2	4.2	-7.4	-13.8	
Trade - confidence indicator (a+b-c)/3	balance/sa	Mar-89	-1.8	-22.3	Jan-12	11.0	Jun-98	2.7	2.7	3.1	2.5	2.6	1.8	2.2	1.6	2.0	1.5	0.2	-10.7	-20.5	
-Wholesale	balance/sa	Mar-89	-0.1	-19.6	May-20	12.6	Jun-98	3.7	4.0	4.6	3.7	3.4	2.0	2.3	1.5	2.7	1.6	0.3	-10.5	-19.6	
-Retail trade	balance/sa	Mar-89	-3.3	-27.2	Apr-09	10.9	Aug-98	1.6	1.1	1.1	0.8	1.6	1.6	1.9	1.7	1.3	1.7	0.4	-10.7	-21.4	
a Sales over the past 3 months	balance/sa	Mar-89	-5.8	-45.3	Jan-12	14.8	Jun-98	5.7	6.2	7.0	6.8	6.6	4.9	4.9	3.8	4.5	3.2	3.2	-8.8	-26.0	
- Wholesale	balance/sa	Mar-89	-4.4	-41.3	Jan-12	16.7	Apr-89	7.1	8.0	9.2	8.5	8.1	5.4	4.4	2.4	5.3	3.9	3.7	-8.5	-23.8	
- Retail trade	balance/sa	Mar-89	-7.0	-56.2	Aug-12	18.1	Apr-99	4.4	3.6	3.7	4.0	4.3	4.3	5.6	5.6	4.0	2.7	3.3	-8.7	-28.0	
b Business situation over the next 3 months***	balance/sa	Mar-89	9.8	-29.4	May-20	33.9	Dec-89	7.0	6.6	6.6	4.6	5.0	4.5	5.8	5.6	5.7	5.7	1.4	-18.1	-29.4	
- Wholesale	balance/sa	Mar-89	11.6	-28.7	May-20	38.0	Dec-89	8.8	8.7	9.3	6.5	5.9	4.5	6.7	6.5	7.1	5.7	2.1	-16.7	-28.7	
- Retail trade	balance/sa	Mar-89	8.4	-32.4	Apr-12	38.5	Sep-94	5.0	4.2	3.5	2.4	3.9	4.2	4.3	4.1	4.2	6.0	0.7	-19.4	-30.2	
c Volume of stock	balance	Mar-89	9.3	-10.0	Apr-13	28.8	Aug-90	4.6	4.7	4.3	4.0	3.6	3.9	4.1	4.6	4.3	4.3	4.0	5.3	6.2	
- Wholesale	balance	Mar-89	7.5	-10.4	Dec-12	27.9	Aug-90	4.8	4.8	4.6	4.0	3.7	4.0	4.0	4.5	4.4	4.8	4.9	6.2	6.4	
- Retail trade	balance	Mar-89	11.2	-11.6	Mar-13	29.8	Jun-90	4.4	4.5	3.9	4.0	3.5	3.9	4.1	4.6	4.2	3.7	2.9	4.2	6.0	
Services - confidence indicator (a+b+c)/3	balance/sa	Jun-01	1.4	-39.6	May-20	24.6	Jun-01	14.4	14.5	13.4	11.3	9.9	10.4	11.4	10.1	8.2	6.5	2.7	-18.2	-39.6	
a Business situation over the past 3 months**	balance/sa	Jun-01	-1.3	-40.0	May-20	29.0	Jun-01	13.2	14.1	12.8	10.4	7.4	9.5	10.5	9.0	5.3	4.3	4.0	-13.9	-40.0	
b Demand over the next 3 months	balance/sa	Jun-01	6.5	-35.6	May-20	21.1	Mar-02	17.1	16.4	17.2	16.6	16.2	14.6	15.8	15.5	14.1	10.9	1.5	-22.7	-35.6	
c Demand/order books over the past 3 months	balance/sa	Jun-01	-0.8	-43.2	May-20	24.3	Jun-01	12.8	12.9	10.4	7.0	6.1	7.0	7.8	5.7	5.3	4.4	2.6	-18.0	-43.2	
Economic climate indicator ****	%/sa	Mar-89	1.7	-4.0	Nov-12	5.1	Mar-89	2.4	2.4	2.4	2.4	2.2	2.1	2.2	2.1	2.2	2.2	2.2	1.9	-0.7	-3.2

* Series average since its beginning till the current observation.

** In May 2003 a break in the series occurred, until that moment the reference period was the month under review and afterwards it refers to the past 3 months.

*** In May 2003 a break in the series occurred, until that moment the question referred to the next 6 months.

**** From September 2004 onwards Services sector was included, besides industry, trade and construction. From May 2019, the indicator includes seasonally adjusted series.

Notes

The Business and Consumer Qualitative Surveys published by Statistics Portugal are developed in the framework of the harmonized EU Business and Consumer Surveys Programme of the European Commission (EC) DG-ECFIN (*Directorate-General for Economic and Financial Affairs*) and are financially supported in the framework of the agreement signed between these two institutions. The questionnaires are harmonized among the European countries, as well as the respective confidence indicators' methodology. The surveys' results are sent to the EC in effective values, and, therefore, the seasonally adjusted values published by the EC are computed by this entity and presented without using three months moving averages. The seasonal adjustment method used by the EC is available on the user guide, accessible in:

http://ec.europa.eu/economy_finance/db_indicators/surveys/documents/bcs_user_guide_en.pdf

The text and graphs of this press release are based on three terms moving averages, for the monthly variables, and two terms, for the quarterly variables, and on original values, except the cases of the seasonally adjusted series. The seasonal adjustment uses the X13-Arima method (combination of moving averages process and auto-regressive integrated moving average models) developed in the JDemetra+² software provided by Eurostat. This application relies on the use of probabilistic models to correct seasonal effects from the original series. The seasonal treatment is updated in May, for monthly and quarterly series, which might result on a revision of the series previously published. The use of moving averages smoothes out the series by removing the irregular movements, allowing the detection of the short-term trends. Since the average is not centred (the information is used to analyse the evolution of the last month) there is a small lag compared with the trend that is supposed to detect.

In order to compare the difference between original and moving average series, the graphical representation of the confidence indicators presents both types of series.

The balances of the questions are the difference between the positive and negative answers, that is $\text{Balance} = \% \text{answer (+)} - \% \text{answer (-)}$. In the Consumer Survey there are questions with more than one option of positive/negative answer. In these cases, to the most positive/negative answers is given the weight 1 and to the others the weight 0.5, that is $\text{Balance} = [\% \text{answer (++)} * 1 + \% \text{answer (+)} * 0.5] - [\% \text{answer (--)} * 1 + \% \text{answer (-)} * 0.5]$. The percentage of answers that correspond to "equal" is not considered.

INFORMATION ON DATA COLLECTION - MARCH, APRIL AND MAY 2020

The collection period for the business and consumer surveys in **March** occurred from 02 to 13 March in the case of the consumer survey (telephone interviews) and from 01 to 24 March for business surveys ([Webing](#)).

In the case of the data collection from the consumer survey, approximately 86.4% of the total interviews were already obtained until March 10 (the day before the announcement of the closure of schools and universities) and on March 13, the collection process ended. In the case of firms, the cumulative percentages of responses obtained before March 16 (the date when schools and universities were closed) for each survey were as follows: Manufacturing Industry - 79.6%; Construction - 87.1%; Trade - 85.6% and Services - 86.7%.

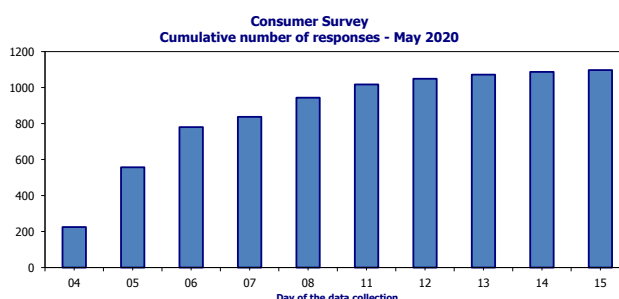
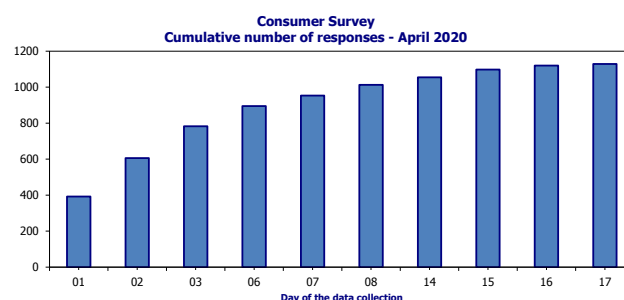
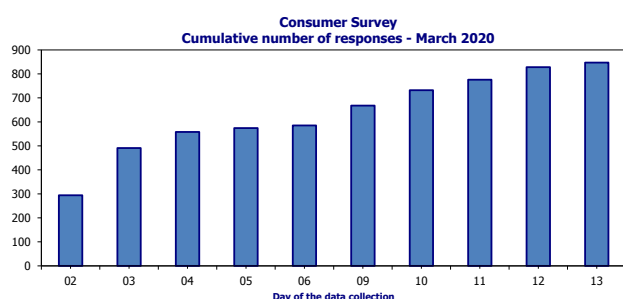
In **April**, the collection period occurred from 01 to 17 April (working days) in the case of the consumer survey and from 01 to 23 April for business surveys.

As a result of the methodology for sizing and updating the sample of the consumer survey, which is based on a quarterly rotation scheme (in January, April, July and October) of the accommodations, the sample was updated in April. With this update, the number of responses obtained increased from 850 in March to 1130 in April (average of 903 responses in the previous fifteen months).

In **May**, the telephone interviews of the consumer survey took place from 04 to 15 May (working days), covering the period of the first phase plan for lifting COVID-19 containment restrictions in Portugal (from 04 to 17 May) and obtaining 1101 responses.

²JDemetra+ is an open source tool for seasonal adjustment, available in: <http://www.cros-portal.eu/content/jdemetra>

The distribution of the cumulative number of responses to the consumer survey in the months between March and May is presented below:



In business surveys, the collection period occurred from 01 to 22 May, with the following accumulated percentages of responses for each survey until May 17: Manufacturing Industry - 76.7%; Construction - 80.3%; Trade - 73.4% and Services - 76.8%.

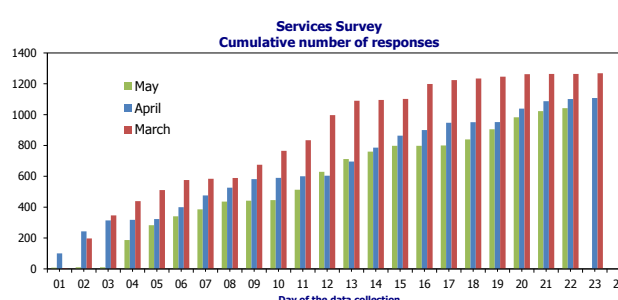
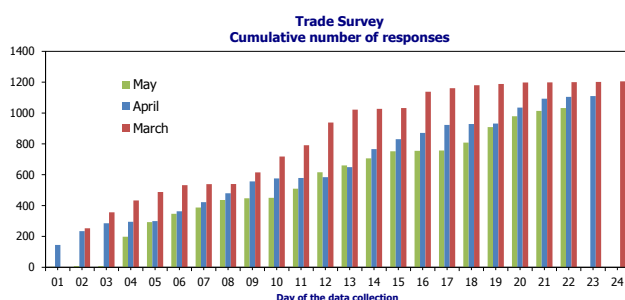
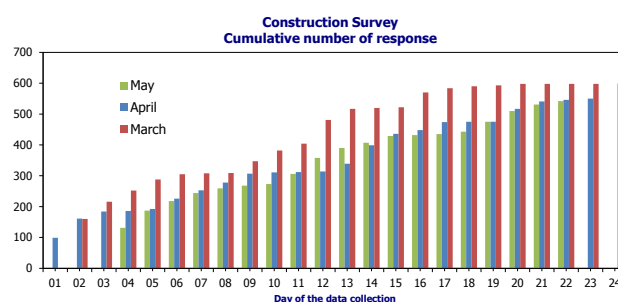
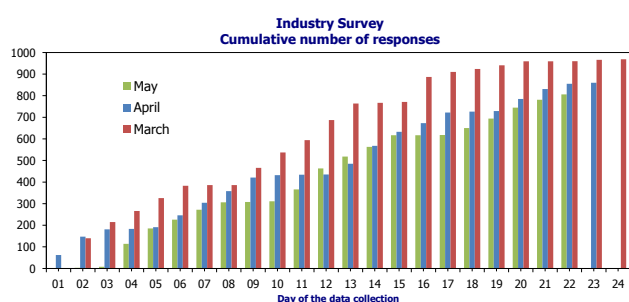
In the current context of the Covid-19 pandemic, the response and weighted response rates for business surveys observed in April, and in particular in May, are lower than the usual pattern, with a greater impact on services survey rates.

Qualitative Business Surveys	Response Rate				Weighted Response Rate ⁽²⁾			
	2019 ⁽¹⁾	March 2020	April 2020	May 2020	2019 ⁽¹⁾	March 2020	April 2020	May 2020
Manufacturing Industry	92.0%	88.1%	78.2%	73.3%	96.1%	93.3%	88.5%	88.4%
Construction and Public Works	88.7%	85.6%	78.6%	77.5%	90.7%	85.4%	81.5%	79.8%
Trade	92.8%	89.3%	83.3%	77.5%	96.7%	95.8%	91.3%	84.4%
Services	91.9%	88.1%	76.8%	72.3%	97.1%	93.7%	88.4%	78.4%

⁽¹⁾ Annual average.

⁽²⁾ Corresponds to the ratio between the turnover of the firms that answered to the survey and the turnover of all the firms in the sample.

The following graphs show the distribution of the cumulative number of responses to business surveys between March and May.



It should also be noted that the representativeness of the branches of activity covered by Business Surveys, considering the Gross Added Value (GVA) at current prices (Final Annual National Accounts 2017) as the economic variable is as follows:

Business Surveys	Weight of the GVA of the branches of each survey in the total GVA of the economy
Industry	14.3%
Construction	4.1%
Trade	13.8%
Services	36.8%

ECONOMIC CLIMATE INDICATOR

Synthetic Indicator estimated using balances of questions from the Manufacturing Industry, Trade, Construction and Public Works and Services Surveys. The method for this indicator uses the factor analysis and the estimated series (the common component) is calibrated using the GDP change rates. The questions that integrate the indicator are:

- Qualitative Manufacturing Industry survey
 - How has your production developed over the past 3 months? It has... 1. + increased; 2. = remained unchanged; 3. - decreased.
 - Do you consider your current overall order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. - not sufficient (below normal).
 - Do you consider your current export order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. - not sufficient (below normal).
 - How do you expect your production to develop over the next 3 months? It will... 1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)

- Qualitative Trade survey
 - How has (have) your business activity (sales) developed over the past 3 months? It has... (They have...) 1. + improved (increased); 2. = remained unchanged; 3. - deteriorated (decreased). (seasonally adjusted)
 - How do you expect your orders placed with suppliers to change over the next 3 months? They will... 1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)
 - Your business activity is currently...: 1. + more than sufficient; 2. = sufficient; 3. - not sufficient.
 - How do you expect your business activity (sales) to change over the next 3 months? It (They) will... 1. + improve (increase); 2. = remain unchanged 3. - deteriorate (decrease). (seasonally adjusted)
- Qualitative Construction and Public Works survey
 - How has your building activity developed over the past 3 months? It has...; 1. + increased; 2. = remained unchanged; 3. - decreased.
 - Do you consider your current overall order books to be...?: 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. - not sufficient (below normal).
 - How do you expect your firm's total employment to change over the next 3 months? It will...; 1. + increase; 2. = remain unchanged; 3. - decrease.
- Qualitative Services survey
 - How has your business situation developed over the past 3 months? It has... 1. + improved; 2. = remained unchanged; 3. - deteriorated. (seasonally adjusted)
 - How has demand (turnover) for your company's services changed over the past 3 months? It has... 1. + increased; 2. = remained unchanged; 3. - decreased. (seasonally adjusted)
 - How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will...1. + increase; 2. = remain unchanged; 3. - decrease. (seasonally adjusted)

SECTORIAL CONFIDENCE INDICATORS

The confidence indicators (CI) are the result of the arithmetic average of balance of the following questions:

- Manufacturing Industry confidence indicator
 - Do you consider your current overall order books to be...? 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. - not sufficient (below normal).
 - How do you expect your production to develop over the next 3 months? It will... 1. + increase; 2. = remain unchanged; 3. - decrease.
 - [Inverted Sign] Do you consider your current stock of finished products to be...? 1. + too large (above normal); 2. = adequate (normal for the season); 3. - too small (below normal).
- Trade confidence indicator
 - How has (have) your business activity (sales) developed over the past 3 months? It has... (They have...) 1. + improved (increased); 2. = remained unchanged; 3. - deteriorated (decreased).
 - How do you expect your business activity (sales) to change over the next 3 months? It (They) will... 1. + improve (increase); 2. = remain unchanged 3. - deteriorate (decrease).
 - [Inverted Sign] Do you consider the volume of stock you currently hold to be...? 1. + too large (above normal); 2. = adequate (normal for the season); 3. - too small (below normal).
- Construction and Public Works confidence indicator
 - Do you consider your current overall order books to be...?: 1. + more than sufficient (above normal); 2. = sufficient (normal for the season); 3. - not sufficient (below normal).
 - How do you expect your firm's total employment to change over the next 3 months? It will...; 1. + increase; 2. = remain unchanged; 3. - decrease.
- Services confidence indicator
 - How has your business situation developed over the past 3 months? It has... 1. + improved; 2. = remained unchanged; 3. - deteriorated.
 - How has demand (turnover) for your company's services changed over the past 3 months? It has... 1. + increased; 2. = remained unchanged; 3. - decreased.
 - How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will... 1. + increase; 2. = remain unchanged; 3. - decrease.

CONSUMER CONFIDENCE INDICATOR

The consumer confidence indicator results of the arithmetic average of the balances of the following questions:

- How has the financial situation of your household changed over the last 12 months? It has...1. + + got a lot better; 2. + got a little better; 3.= stayed the same; 4.- got a little worse; 5. - - got a lot worse; 6. N don't know.
- How do you expect the financial position of your household to change over the next 12 months? It will...1. + + get a lot better; 2. + get a little better; 3.= stay the same; 4.- get a little worse; 5. - - get a lot worse; 6. N don't know.
- How do you expect the general economic situation in this country to develop over the next 12 months? It will... 1. + + get a lot better; 2. + get a little better; 3.= stay the same; 4.- get a little worse; 5. - - get a lot worse; 6. N don't know.
- Compared to the past 12 months, do you expect to spend more or less money on major purchases (furniture, electrical/electronic devices, etc.) over the next 12 months? I will spend...1. + +much more; 2. + a little more; 3.- a little less; 4. - - much less; 5. N don't know.

ABBREVIATIONS

Balances: Weighted difference between the percentages of positive and negative responses.

E.V.: Effective Values.

S.A.: Seasonally Adjusted values.

3MMA: Three-Months Moving Average.

2QMA: Two-Quarters Moving Average