

Economic Activity

According to [INE's latest data](#), the economic activity indicator, available until April, has increased. The quantitative indicator of private consumption has also increased in April – due to both the durable and non-durable components -, whereas the GFCF indicator decelerated, reflecting the less intense negative contribution of all its components.

The economic climate indicator has increased in both May and June, reaching its highest value since 2002. More information available [here](#).

Labour market

According to INE's [latest data](#), **the unemployment rate in April stood at 7.2%**, down 0.3 p.p. from the previous month. It is the lowest monthly unemployment figure since November 2002. Furthermore, the estimation for the unemployed population was 369 thousand people (less 16.6 thousand than in the previous month).

Tourism Industry

In April, **tourism accommodation activity** recorded **4.7 million overnight stays** (a y-o-y decrease of 8.4%, partially due to the Easter effect). The average stay decreased by 3.1% to 2.62 nights per tourist. Moreover, **average revenue per room** grew 1.0%, below the 17.8% recorded in March. INE's press release available [here](#).

External Adjustment

i. International Trade

In April, nominal **exports of goods** increased 18.1% y-o-y (up from -5.4% in March). Imports increased by 13.1% y-o-y, an acceleration from the +0.7% recorded in the previous month. INE's press release available [here](#).

ii. Balance of Payments

In 2018, until April, the **current and capital account** balance stood at -€290M (a deterioration when compared to the +€267M in the same period of 2017). Capital account registered a positive figure of €432M. BdP's data available [here](#).

Price Developments

The CPI 12-month average was 1.1% in June (1% in the previous month). By its turn, the **CPI annual rate** was 1.6%, up from 1% in May, whilst core inflation stood at 1.0% (+0.4p.p. than in the previous month). In the same month, the **HICP** annual rate of change in Portugal was 2% (1.4% in May). INE's data available [here](#).

According to [INE's](#) data, in May the **industrial production prices** index grew 3.1% y-o-y (1.4% in April). Excluding energy, the index registered a 1.5% growth rate (1.3% in the previous month).

Budgetary Outturn

Up to May 2018, the general government **budget deficit** on a cash basis stood at €2,224.6M, €1,591.7M higher than in the same period of 2017. This evolution is explained by a decrease of 2.3% in **revenue**, simultaneous with an increase of 2.9% in **expenditure**.

The expenditure fall results from the tax revenue downward, namely on direct taxes (-25.7%), due to a deadline extension of CIT invoices and a faster PIT reimbursement. On the expenditure side, the raise comes from the payment of swap's coupons to Santander, interests payed (+9.8%) and the acquisition of good and services (+10.5% - including National Health Service's arrears). As happened in the previous months, there was a partially offset from a lower compensation of employees (-1.8%), following the end of the payment of half of the Christmas bonus in twelfths.

The **primary surplus** reached €1,505.5M, (€1,259.6M lower than 2017).

Treasury Financing

According to the Debt Management Agency (IGCP), in May the Portuguese State direct debt **amounted** to €246,345M, which represents a 0.4% increase vis-à-vis April (before cambial hedging).

On June 13th, €412M of PGB 4.95%_25Oct2023 and €588M of PGB 2.125%_17Oct2028 were **issued**. The yield was 0.746% and 1.919%, respectively, and the price was 122.01% and 101.91%.

In addition, on June 20th, €300M and €950M of 3 and 12-month T-bills were **issued**, at weighted average yields of -0.399% and -0.290%, respectively.

General Government Debt

According to [BdP](#), Maastricht debt reached €250,085M in April (+€4,233M than in the previous month). Maastricht debt net of central government deposits stood at €225,003M (+€1,770M than in the previous month).

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