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PRESS RELEASE

26th March 2026
BUSINESS AND CONSUMER SURVEYS
March 2026

CONSUMER CONFIDENCE AND ECONOMIC CLIMATE INDICATORS DECREASE

The Consumer confidence indicator decreased in the last two months, significantly in March[1], registering a significant decline in March to the lowest value since December 2023. This result is mainly due to the pronounced negative contributions of expectations on the future evolution of the country's economic situation and of households' financial situation. Opinions on the past evolution of households' financial situation and perspectives on the future evolution of major purchases by households also contributed negatively, slightly in the last case.

The balance of Consumer perspectives on the future evolution of the country's economic situation decreased in the last two months, significantly in March, reaching the lowest value since January of 2023. The balance of expectations on future price developments increased in the last three months, recording in March the second largest increase of the series and reaching the highest value since March 2022.

The economic climate indicator[2] decreased in March, to a value close to that observed a year ago. The confidence indicators decreased in Trade and in Construction and Public Works, having increased in Manufacturing Industry and in Services.

The Trade confidence indicator decreased in the last four months, reflecting the negative contributions from opinions on the volume of sales and from perspectives regarding activity. In Construction and Public Works, the indicator also decreased in February and March, reflecting the negative contribution of the perspectives on employment. Conversely, the Manufacturing Industry confidence indicator increased in March, reflecting the positive contribution of assessments of stock of finished products and the firm's production perspectives over the next three months. Also, the confidence indicator of Services increased in February and March, driven by the positive contributions from the assessments of the firm's activity and on the evolution of the order books.

In March, the entrepreneurs' expectations regarding the future evolution of selling prices increased all sectors, in Trade, in Construction and Public Works, in Services and, expressively, in Manufacturing Industry, reaching in this latter case, the highest value since October 2022.

This press release also presents the main results of two ad hoc modules about the use of AI technologies and their perceived effects on work included in the Qualitative Survey on Consumers, and the adjustments made by companies of Manufacturing Industry in response to tensions in non-EU markets.

[1] The collection period (see final notes) of the consumer survey occurred from 02 to 17 of March (working days), and from 01 to 24 of March in the case of business surveys.

[2] The economic climate indicator summarizes the balances of business surveys' (Construction and Public Works, Manufacturing Industry, Trade and Services) questions.

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Figure 1.
CONSUMER CONFIDENCE INDICATOR

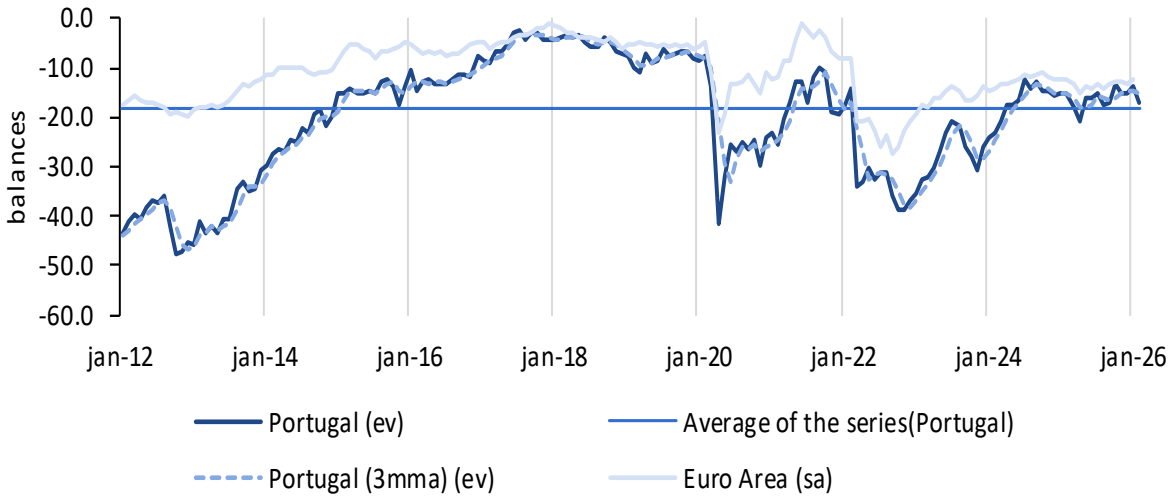

Figure 2.
ECONOMIC CLIMATE INDICATOR
- CONSTRUCTION AND PUBLIC WORKS, MANUFACTURING INDUSTRY, TRADE AND SERVICES -

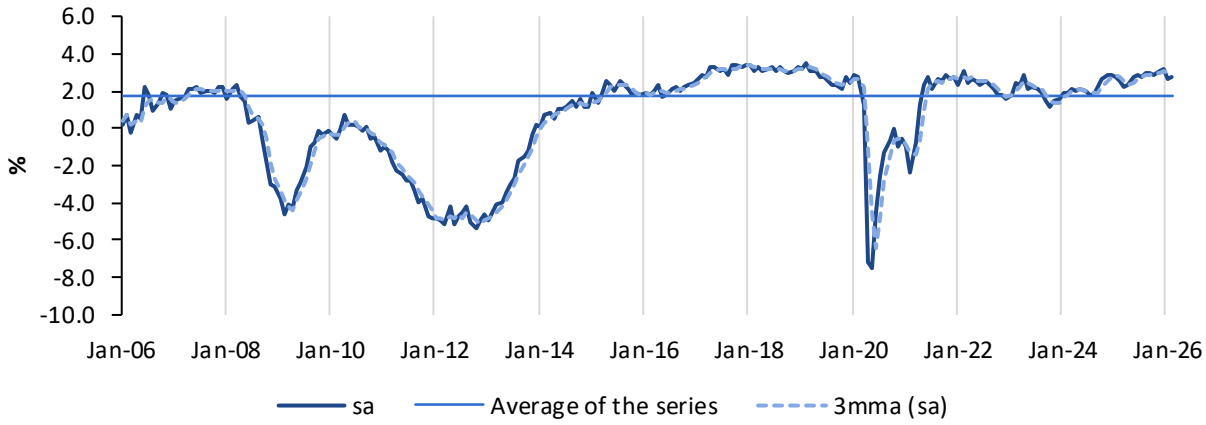

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Figure 3.

MANUFACTURING INDUSTRY CONFIDENCE INDICATOR

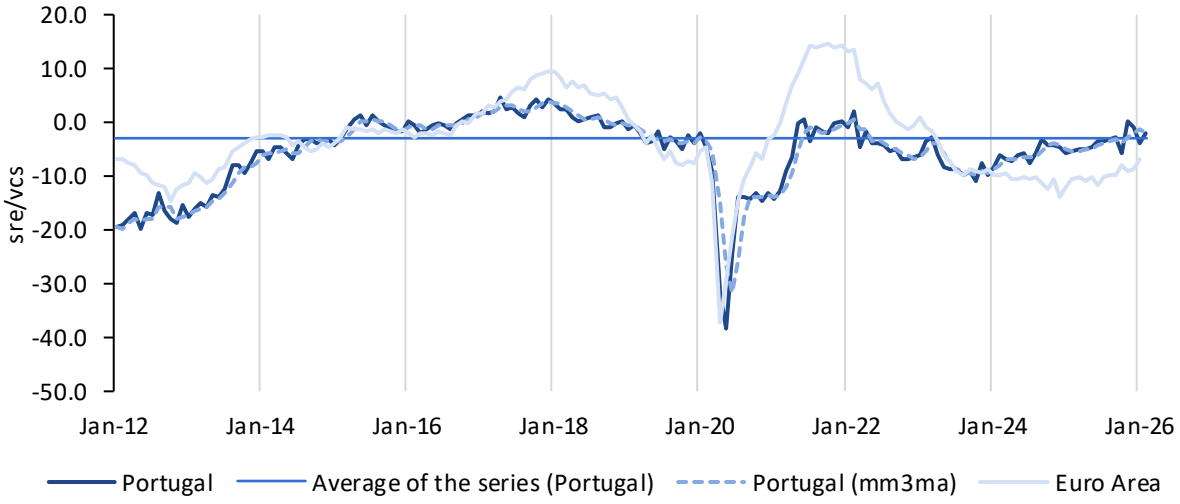

Figure 4.

CONSTRUCTION AND PUBLIC WORKS CONFIDENCE INDICATOR

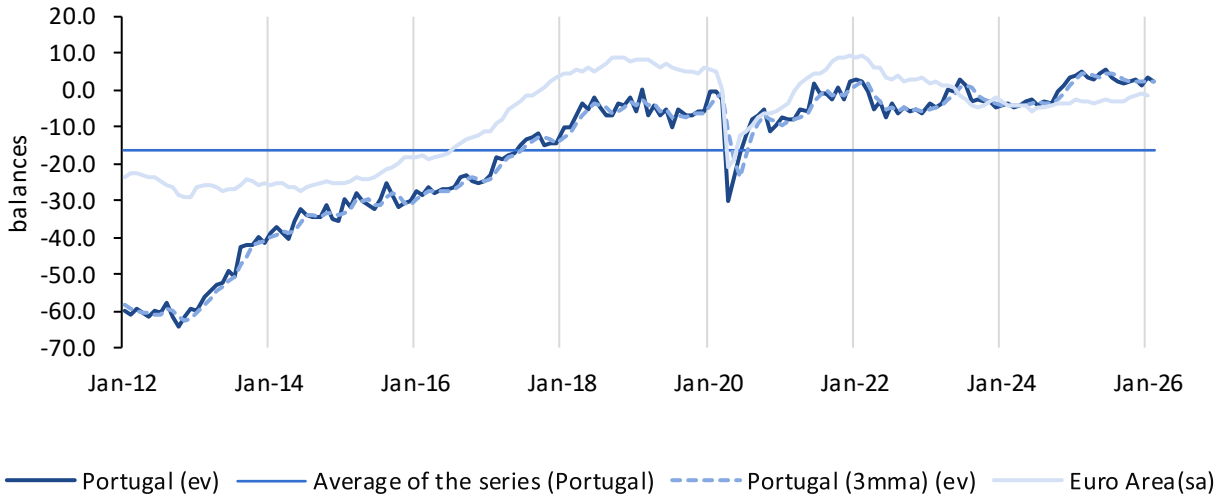

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Figure 5.

TRADE CONFIDENCE INDICATOR

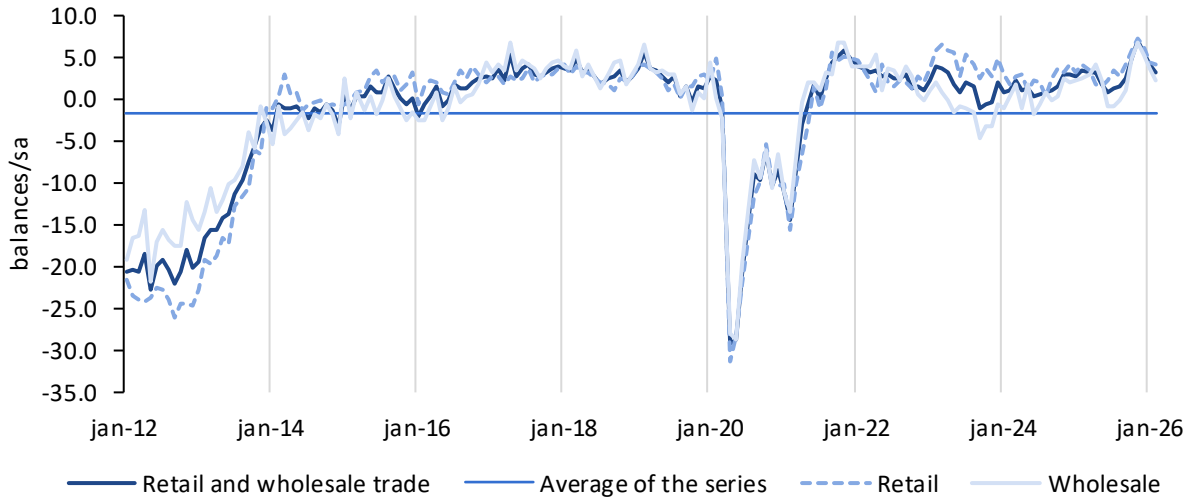
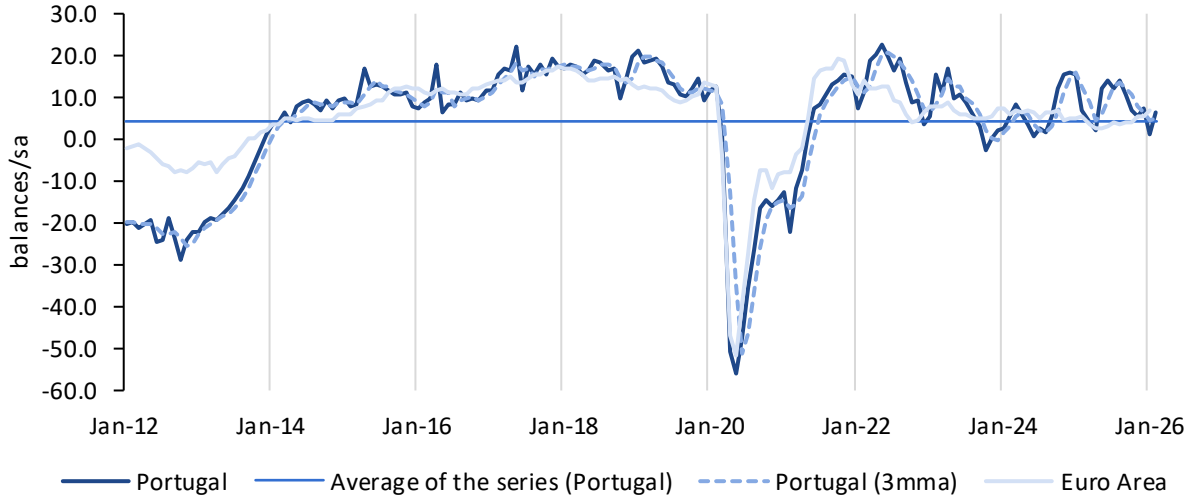


Figure 6.

SERVICES CONFIDENCE INDICATOR



BOX: AD HOC MODULES OF THE QUALITATIVE SURVEYS FOR CONSUMERS AND MANUFACTURING INDUSTRY

As part of the European Programme for the production of Qualitative Surveys, under the responsibility of the European Commission, the Qualitative Surveys for Consumers and for the Manufacturing Industry included, in February/March 2026, a set of ad-hoc questions, with data collection carried out in a single month.

In the case of consumer survey, the questions focused on the use of artificial intelligence (AI) technology and perceptions of its impact on different dimensions of professional activity.

For the Manufacturing Industry Survey, the ad hoc module focused on analyzing firms' responses to the current global economic environment, marked by increasing geopolitical tensions, disruptions in supply chains and changes in trade policies. These factors have become increasingly relevant in shaping business strategies, particularly with regard to import and export policies and decisions on production location.

In Portugal, Statistics Portugal (INE) conducted the collection of the ad hoc questions between 1 and 20 February for the Manufacturing Industry survey, obtaining 1,332 responses. In the Consumer Survey, ad hoc module was collected between the 2nd and 17th of March, totalling 1,236 responses.

USE OF ARTIFICIAL INTELLIGENCE (AI) AND CONSUMER'S PERCEPTIONS OF ITS IMPACT ON PRODUCTIVITY

The recent development of artificial intelligence tools has been accompanied by growing use by an increasing number of people and across a wider range of tasks. To assess the degree of use of these tools, the ad hoc module[3] began by determining whether individuals use AI tools and in what context — exclusively at work, only for personal purposes, or in both.

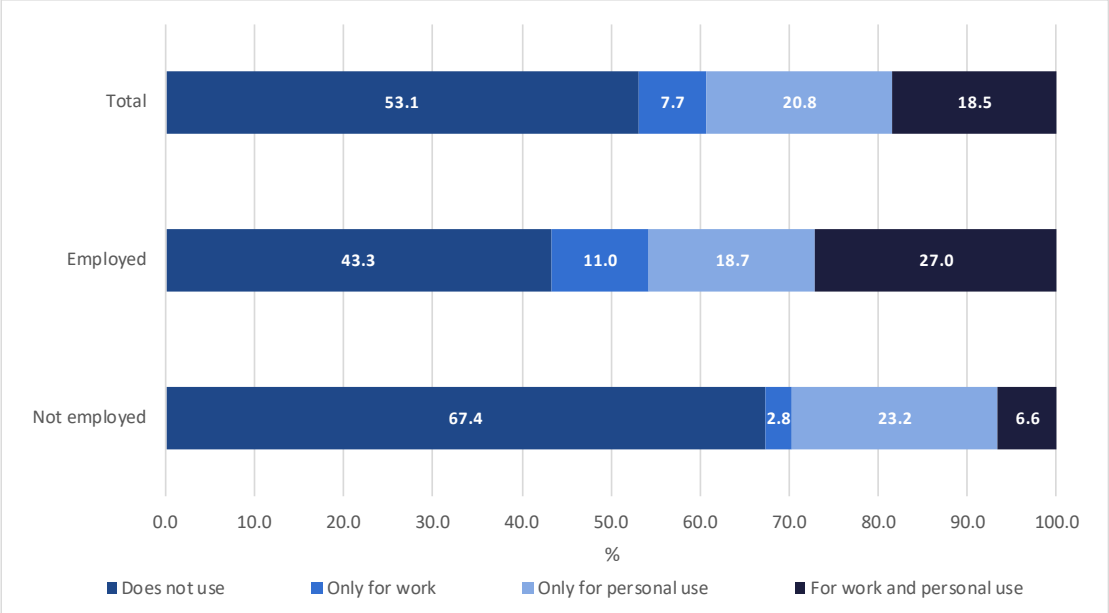
47% OF RESPONDENTS USE AI TOOLS AT WORK OR FOR PERSONAL PURPOSES

When asked about the use of AI tools at work or for personal purposes, 46.9%[4] of respondents reported using them in at least one of these contexts, while 53.1% said they did not. Among users, 7.7% rely on these tools exclusively at work, 20.8% use them only for personal purposes and 18.5% in both contexts.

[3] The introduction to the module highlighted that these technologies make it possible to search for information and create various types of content (texts, images, multimedia, code, among others), and presented as examples some of the most widely used AI tools today, namely ChatGPT, DALL·E, Midjourney, Adobe Firefly, GitHub Copilot, Gemini and Perplexity.

[4] The percentages presented correspond to weighted estimates, designed to reflect the structure of the population by gender and age group at the national level, and by gender at the NUTS II regional level.

Figure 7 - **Use of Artificial Intelligence tools**



Considering only employed individuals, the share of AI users rises to 56.7%. As expected, this group shows greater use in the workplace, with the share of respondents using AI at work increasing from 26.2% to 38.0%, and a lower share using it exclusively for personal purposes. Among non-employed individuals[5], the opposite pattern is observed, with the share of AI users falling to 32.6%.

AI USE IS MORE PREVALENT AMONG YOUNGER RESPONDENTS, THOSE WITH HIGHER EDUCATION AND THOSE WITH HIGHER INCOME

The analysis of responses by age group, education and income quartile[6], reveals differentiated patterns of AI use, with greater usage among younger age groups, those with higher educational attainment and those in the upper income quartiles.

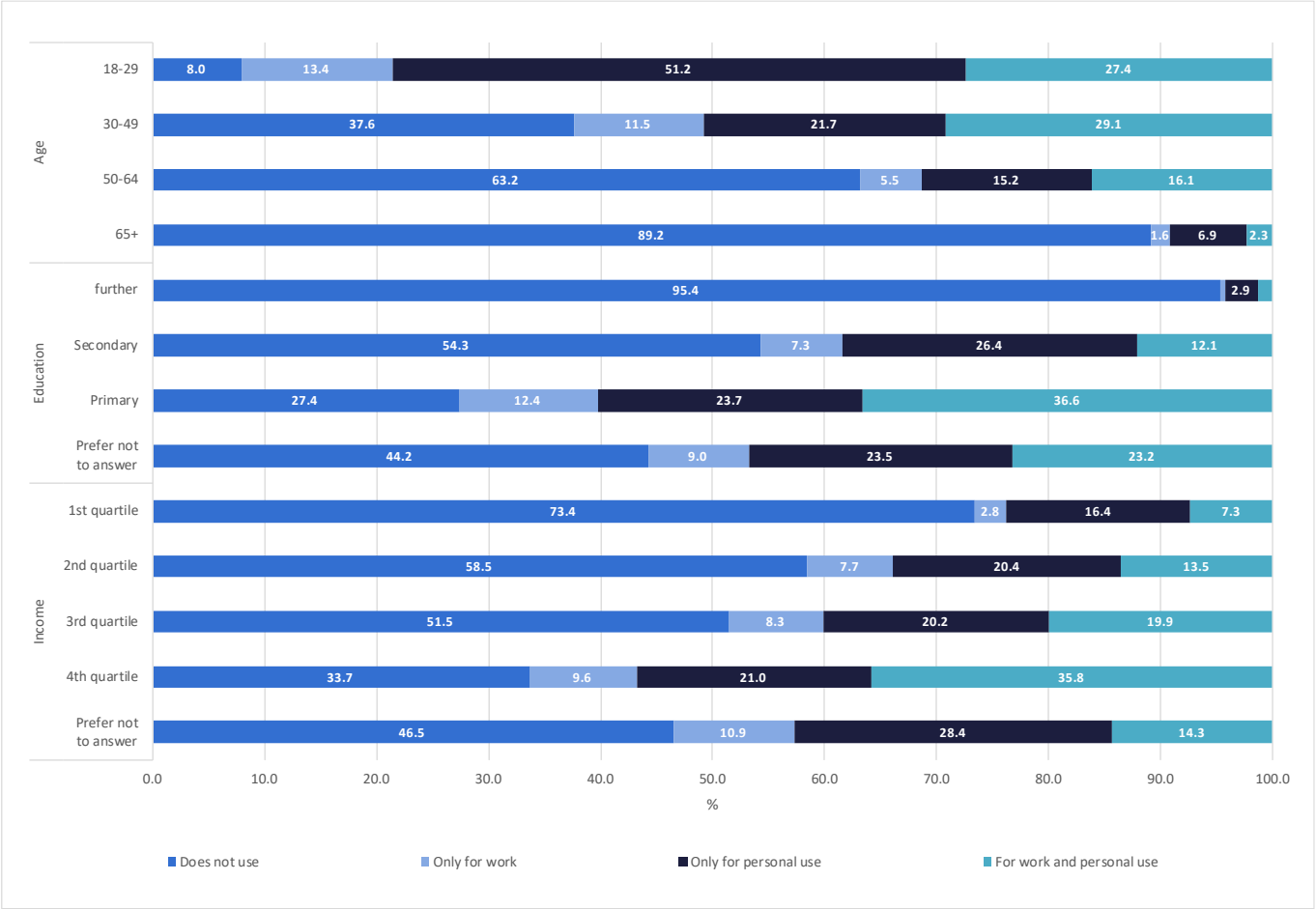
Among respondents aged 18 to 29, only 8.0% report not using AI. This percentage increases progressively with age: 37.6% among those aged 30 to 49, to 63.2% among those aged 50 to 64, and to 89.2% among those aged 65 or over.

[5] It includes unemployed persons, students, unpaid interns, retirees, among others. In the labour-force status variable there is an option "prefer not to answer", so the number of responses considered in this breakdown is lower than the total number of respondents. Since only 2,6% of respondents preferred not to provide their occupation, we opted in this case not to present the results for this group.

[6] The values by net monthly income quartile refer to the household income per equivalent adult. This concept uses an equivalence scale that assigns a weight of 1 to the first adult in the household, 0.5 to each additional adult, and 0.3 to each child. For this purpose, individuals aged 14 or over are considered adults.

Among younger respondents, the most notable pattern is the use of AI exclusively for personal purposes, which reaches 51.2%, well above the values observed in the remaining age groups (21.7%, 15.2% and 6.9%, respectively). Even so, younger respondents are also the ones who make the greatest use of AI in the workplace, reaching 40.8% (13.4% only at work and 27.4% in both contexts). Among those aged 30 to 49, workplace use is very similar (40.7%), before falling markedly in the following two age groups, to 21.6% among those aged 50–64 and 3.9% among individuals aged 65 or over.

Figure 8 – Use of Artificial Intelligence tools – breakdown by age group, education and income quartile[7]



Regarding educational attainment, the use of AI tools rises from 4.6% among respondents with primary education to 45.7% among those with secondary education and 72.6% among those with further education.

[7] In the breakdown of respondents by highest completed education level and net monthly income, the option "prefer not to answer" is available, meaning that the number of responses considered in these classifications is lower than the total number of respondents. In these cases, the percentage of respondents that preferred not to answer is more significant (8.2% for education and 14.8% for income) than in the case of occupation so we opted to present the results.

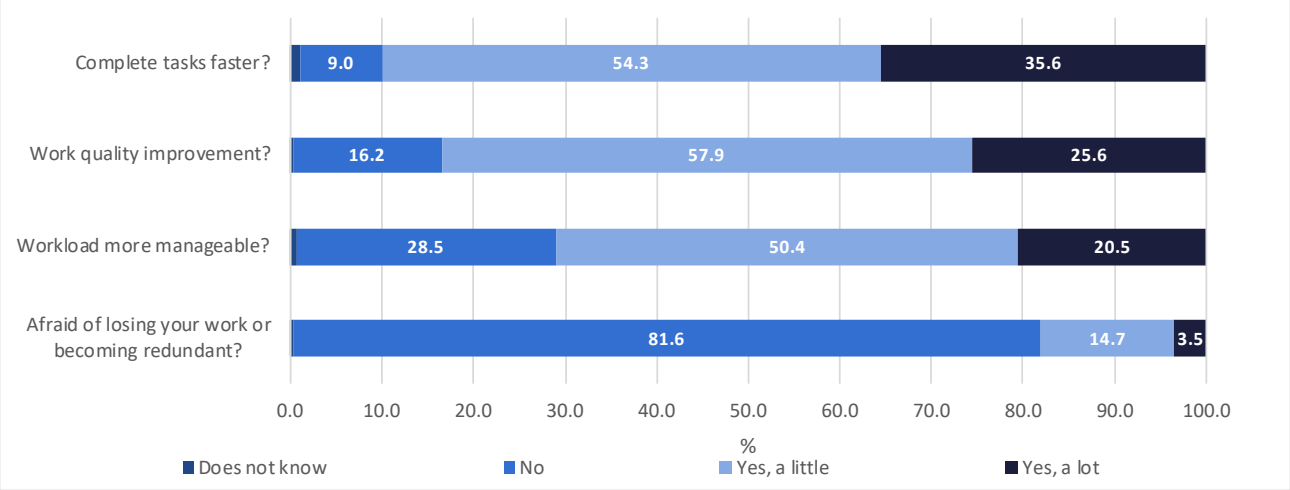
The analysis by income quartile shows a higher prevalence of AI use among higher-income groups, although the differences across quartiles are less pronounced than those observed in the breakdown by age group or educational attainment. Even so, AI use stands at 26.6% among individuals in the first income quartile, 41.5% in the second quartile, 48.5% in the third quartile and 66.3% in the highest income quartile.

AI USE AT WORK IS ASSOCIATED WITH EFFICIENCY GAINS AND LOW FEAR OF REDUNDANCY

In the work context, questions were asked to simultaneously capture the perceived benefits of using AI and concerns related to the impact of this technology on the labour market.

Among respondents who use AI tools in a professional context, 89.9% state that these tools allow them to complete tasks faster (35.6% significantly faster), 83.5% say they improve the quality of their work (25.6% significantly), and 70.9% say they make their workload easier to manage. Despite these perceived benefits, only 18.1% of users fear that the growing adoption of AI could result in job loss or eventual redundancy.

Figure 9 - Impact of the use of Artificial Intelligence tools at work



BUSINESS REACTION TO TENSIONS IN EXTERNAL MARKETS: EVIDENCE FOR THE MANUFACTURING INDUSTRY

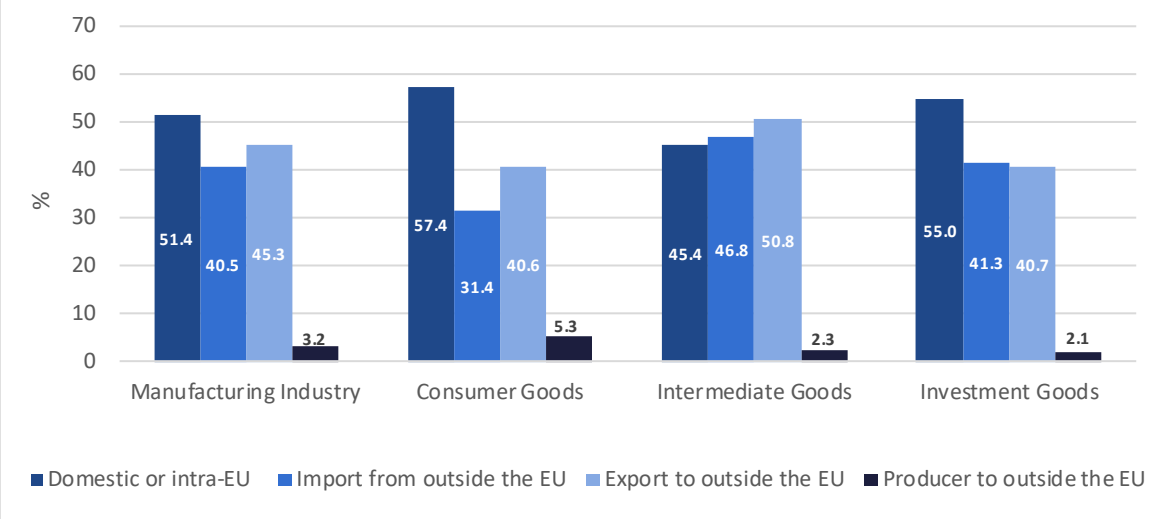
The increase in geopolitical tensions and changes in trade policy has been pressuring firms to reconfigure their operations, either by adjusting import and export policies or by relocating part of their production to other regions.

48.6% OF ENTERPRISES HAVE ACTIVITIES IN NON-EU MARKETS

In this context, the first question of the ad hoc module sought to characterize the degree of exposure of firms to external markets, establishing a typology of business activity that distinguishes firms whose operations take place exclusively in Portugal or in the intra-EU market from those that maintain commercial or production links with countries outside the European Union. This question makes it possible to identify different levels of involvement of firms with non-EU markets, whether through import and export flows or through the existence of production structures outside the European Union.

Regarding the type of activity, the results show that, for the Manufacturing Industry as a whole, most firms (51.4%) operate only in Portugal or within the Intra-EU market. Among the remaining firms (48.6%), , which could select more than one type of interaction with non-EU markets, 45.3% export to countries outside the European Union, 40.5% import from non-EU countries, and 3.2% produce in countries outside the European Union.

Figure 10- **Activities and operating markets of firms in the Manufacturing Industry**



In the groupings of Investment Goods and Consumer Goods, most firms operate exclusively in Portugal or within the intra-EU market. In the case of Intermediate Goods, a different pattern emerges: most firms (50.8%) identify themselves as exporters to non-EU markets.

MOST FIRMS HAVE NOT MADE NOR PLAN TO MAKE ADJUSTMENTS TO IMPORTS, EXPORTS OR PRODUCTION IN NON-EU MARKETS

The following questions in the ad hoc module sought to assess how firms have adjusted — or plan to adjust — their strategies according to the type of activity they conduct in non-EU markets, in response to geopolitical tensions, supply chain disruptions, and changes in trade policy in markets outside the European Union. This set of questions makes it possible to identify not only whether adjustments have been made, but also the specific type of response adopted, distinguishing between more strategic changes (such as shifting the countries of origin of imports/destination of exports or revising contracts) and operational adjustments (such as changing the products imported/exported or increasing stock levels). The options also included the possibility of no recent or planned adjustment, allowing an assessment of the share of firms that have kept their strategy unchanged despite the adverse external context.

Among firms that import from non-EU countries, the majority indicate that they have not made — and do not plan to make — any adjustment in response to current geopolitical tensions or changes in trade policies of partner countries (68.4% in the Manufacturing Industry as a whole, 65.0% in the Consumer Goods grouping, 72.4% in Intermediate Goods, and 64.6% in Investment Goods). Among the firms that do report making changes, adjusting inventories emerges as the main response, followed by changing the countries of origin of imports in the Manufacturing Industry overall and in the Consumer Goods and Intermediate Goods groupings. In the case of firms in the Investment Goods grouping, the main reported adjustment is the reduction in imports.

Table 1 - **Adjustments made by extra-EU importing firms in the Manufacturing Industry to their import strategies, %**[8]

	No adjustment	Reducing imports	Changing import countries	Adjusting inventories	Modifying products	Reviewing import contracts	Other
Consumer Goods	65.0	6.6	10.8	21.5	0.1	4.2	10.0
Intermediate Goods	72.4	10.2	14.3	16.4	0.5	5.3	7.1
Investment Goods	64.6	8.3	4.1	33.4	0.1	8.3	0.1
MANUFACTURING INDUSTRY	**68.4**	**8.6**	**11.0**	**21.7**	**0.3**	**5.6**	**6.6**

The firms that export to non-EU countries also indicate, for the most part, that they have not made — and do not plan to make — any adjustments to their export strategies: 79.1% in the Manufacturing Industry as a whole, 76.3% in the Consumer Goods grouping, 78.7% in Intermediate Goods, and 84.3% in Investment Goods. Among the firms that report changes, adjustments to export prices emerge as the main change in the Manufacturing Industry, in Consumer Goods, and in Investment Goods. In the case of Intermediate Goods, the most frequent adjustment is changing the destination countries of exports, highlighting a reorganization of the external markets targeted by these firms.

[8] The "Other" option includes, for example: strengthening the supply chain, compliance and risk-monitoring processes; investment in technologies that enhance resilience; financial hedging; etc..

Table 2 - Adjustments made by extra-EU exporting firms in the Manufacturing Industry to their export strategies, %

	No adjustment	Reducing exports	Changing export countries	Adjusting export prices	Modifying products	Reviewing export contracts	Other
Consumer Goods	76.3	1.8	2.5	13.0	4.7	4.8	7.8
Intermediate Goods	78.7	3.1	12.6	6.3	0.8	4.7	5.0
Investment Goods	84.3	1.3	0.4	9.8	1.3	5.8	3.2
MANUFACTURING INDUSTRY	**79.1**	**2.3**	**6.7**	**9.3**	**2.2**	**5.0**	**5.6**

For firms that produce outside the European Union, it is observed that none of the firms in the Intermediate Goods or Consumer Goods groupings expect to make any adjustments to their production. Only in the Investment Goods grouping were possible changes reported, corresponding to the relocation of production to Portugal or to other EU countries (2.2%), or to other non-EU countries where they already operate (2.2%).

METHODOLOGICAL NOTE

The Business and Consumer Qualitative Surveys published by Statistics Portugal are developed in the framework of the harmonized 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. The seasonal adjustment method used by the EC is available on the user guide, accessible in: Methodological User Guide.

The seasonal adjustment uses the X13-Arima method (combination of moving averages process and auto-regressive integrated moving average models) developed in the JDemetra+[9], 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 for monthly and quarterly series in May, 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 centered (the information is used to analyze 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 Balance = %answer(+) - %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 Balance = [%answer (++)*1+ %answer (+)*0.5] - [%answer (--)*1 +%answer (-)*0.5]. The percentage of answers that correspond to "equal" is not considered.

The analysis of this press release is based on monthly series of effective values (raw or seasonally adjusted data), which allows for a clearer identification of very short-term movements, particularly relevant in the context of worsening impacts of the COVID-19 pandemic. The monthly series in three-months moving average (3mma) and the quarterly series in two-quarters moving averages (2qma) are available in the excel file that supports this press release.

[9] JDemetra+ is free and open-source software, available at: JDemetra+ documentation.

INFORMATION ON DATA COLLECTION

In March 2026, the data collection period for the Consumer Survey occurred between the 2nd and 17th (business days), with 1236 responses obtained (telephone interviews), and from the 1st to 24th for business surveys (Webinq) with 1159 responses in the Trade sector, 629 responses in the Construction sector, 1428 responses in the Industry sector and 1375 responses in the Services sector.

The response and weighted response rates for business surveys were:

Table 3.

RESPONSE AND WEIGHTED RESPONSE RATES

Business Surveys	Response Rate				Weighted Response Rate(2)			
	2025[1]	January 2026	February 2026	March 2026	2025[1]	January 2026	February 2026	March 2026
Manufacturing Industry	77.6%	76.7%	71.7%	76.9%	90.9%	92.0%	87.3%	91.2%
Construction and Public Works	74.6%	74.2%	71.9%	75.5%	87.4%	87.9%	87.3%	89.8%
Trade	76.5%	75.4%	69.6%	74.5%	92.3%	92.5%	91.1%	93.7%
Services	76.3%	76.1%	73.3%	74.8%	91.4%	92.0%	89.8%	89.7%

(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 collection of the Business Surveys in February 2026 was affected by operational constraints associated with storms, which significantly impacted several regions of the country. It is also important to recall that no imputation of missing responses is performed in these surveys; therefore, February's results should be interpreted with greater caution, given the lower number of responding firms and the geographical incidence of the storm effects.

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

Table 4.

WEIGHT OF BRANCHES' GVA

Qualitative Business Surveys	Weight of the GVA of the branches of each survey in the total GVA of the economy 2023
Manufacturing Industry	13.9%
Construction and Public Works	4.9%
Trade	12.0%
Services	38.4%

ECONOMIC CLIMATE INDICATOR

Synthetic Indicator estimated using balances from the questions of the Manufacturing Industry, Trade, Construction and Public Works and Services Surveys. This indicator's methodology is based on factor analysis and the estimated series (the common component) is calibrated using GDP's rates of change. The questions that integrate the indicator are:

Manufacturing Industry Qualitative 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)

Trade Qualitative 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)
- 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)

Construction and Public Works Qualitative 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.

Services Qualitative 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.

UNCERTAINTY INDICATOR

The indicator “Uncertainty about the future evolution of activity – Balance” is part of the European Commission’s harmonised survey programme. It is an indicator directly associated with measuring economic uncertainty, introduced in 2021 when the Commission began including in its qualitative surveys of businesses and consumers a specific metric designed to capture the perceived difficulty economic agents have in forecasting the future evolution of their activity.

This indicator does not directly ask about the “level of uncertainty.” Instead, consumers or business managers are surveyed in a way that evaluates the objective difficulty of forecasting, whether they anticipate an unfavourable or favourable scenario.

The wording of the question is identical across all business surveys (Manufacturing, Services, Retail Trade, and Construction):“Do you consider that the future evolution of your company’s activity is currently: 1.Easy to predict (++); 2.Reasonably easy to predict (+); 3.Reasonably difficult to predict (-); 4. Difficult to predict (--).”

In the case of the consumer survey, the question is as follows: “The future financial situation of your household is…: 1.Easy to predict (++); 2. More or less easy to predict (+); 3. More or less difficult to predict (-); 4.Difficult to predict (--).”

The indicator results from the weighted average of the different response options, as follows:

$$\text{Balance} = [\%(\text{"--"}) + 0.5 \times \%(\text{"-"})] - [\%(\text{"++"}) + 0.5 \times \%(\text{"+"})]$$

Thus, a positive indicator value suggests greater uncertainty, indicating greater difficulty in forecasting the future evolution of activity, while a negative value indicates lower uncertainty, signalling greater ease of prediction.

LABOUR HOARDING INDICATOR

The Labour Hoarding Indicator (LHI) aims to measure the accumulation of the labour factor, to monitor this phenomenon throughout the economic cycle. Labour-factor accumulation can be understood as the portion of the labour input that is not fully used by a company in its production process at a given moment, particularly during periods of reduced economic activity.

The LHI is a monthly indicator and is calculated from firm-level microdata, combining responses from business managers to two questions from qualitative surveys, namely expectations regarding the future evolution of employment and production.

The formulation of the employment question is identical across all business surveys: "Do you expect that, over the next 3 months, the number of persons employed in your company will: 1. Increase; 2. Remain stable; 3. Decrease."

Regarding production expectations, the questions differ slightly in formulation across the four surveys. The industry survey asks about production expectations, the services survey about demand (turnover), and the trade survey about business activity (sales). The response options are essentially the same in these three questions: 1. Increase; 2. Remain the same; 3. Decrease. In the construction survey, the question refers to opinions about the order book, with the following options: 1. Above normal; 2. Normal; 3. Below normal.

The construction of the indicator is based on the idea that labour-factor accumulation occurs when companies expect their production to decrease, but their employment to remain stable or even increase.

For further information on the construction of the indicator, please consult the special issue on the December 2023 press release.

ABBREVIATIONS

Bal: Balances correspond to weighted difference between the percentages of positive and negative responses.

DG-ECFIN: Directorate-General for Economic and Financial Affairs.

EC: European Commission.

EV: Effective Values.

GVA: Gross Added Value.

SA: Seasonally Adjusted values.

3MMA: Three-Months Moving Average.

2QMA: Two-Quarters Moving Average

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METHODOLOGICAL DOCUMENTS (ONLY IN PORTUGUESE VERSION)

Consumer survey

Trade survey

Construction survey

Manufacturing industry survey

Services survey

INDICATORS AVAILABLE AT STATISTICS PORTUGAL OFFICIAL WEBSITE

Indicators are published in the Dissemination Database on the INE.

Attached to this press release is an excel file containing the analyzed indicators and additional information.

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