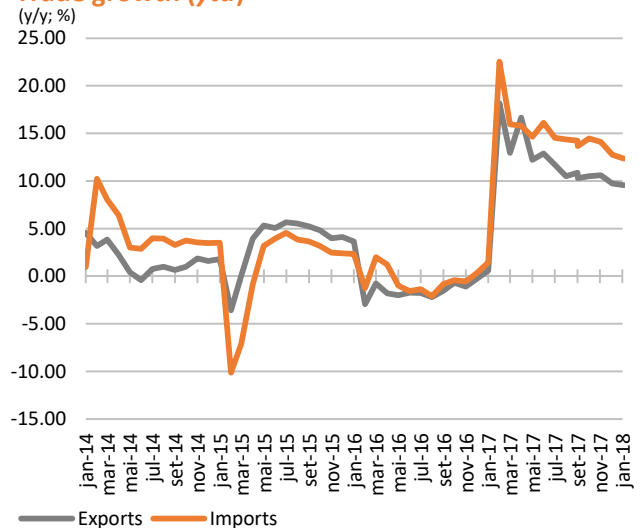


Exports growth driven by car sales

In January 2018 the trade deficit (goods only) widened again. On the positive side, however, the dynamics observed in automobile exports¹ is very favorable, and it is in line with the good behavior of most of the product classes, supporting positive expectations for the global aggregate.

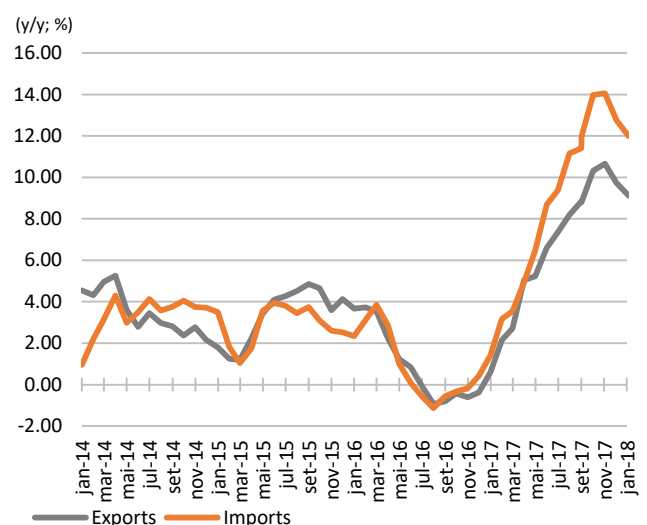
- In the first month of the year, exports and imports of goods registered nominal year-on-year changes of + 9.6% and + 12.4%, respectively, which led to an increase of 245 million euros in the trade deficit comparison to the same month of 2017, for a total of 1,249 million euros. In terms of 12 months accumulated value, from February 2017 to January 2018, the deficit worsened by 2,583 million euros (+ 22.4%). In view of the year-on-year monthly evolution, the dynamics has stabilized in both exports and imports, however the trend of higher rates of change in imports (above exports) results in the maintenance of the current trade deficit.

Trade growth (ytd)



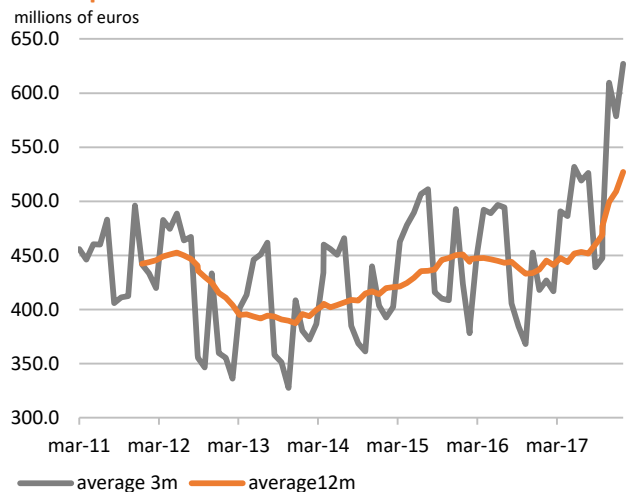
- Car sales accounted for part of the increase in exports, increasing by 46.6% year-on-year, corresponding to an overall amount of 679 million euros in January. The behavior of exports of goods was mainly due to intra-EU trade (+ 10.4% in relation to January 2017 and + 24.4% in relation to the previous month), as the extra-EU trade variations were smaller (+ 6.9% compared to January 2017 and -0.7% in comparison with the previous month). The increase in imports was also a result of the increase in demand for EU products (+ 13.6% year-on-year).
- Portuguese products exported in January 2018 registered a 50% increase in sales of cars (a class called "motor vehicles, tractors, cycles and other land vehicles, parts and accessories") in relation to December 2017. Expelling the existing volatility in the monthly variation of sales and introducing averages of 3 and 12 months, the current trend of increased sales of automobiles abroad is visible. This evolution results from the increased production and exportation of vehicles from the Volkswagen AutoEuropa group. Also contributing to the consolidation of the sector are the production and sales of vehicles, parts of vehicles and accessories by two other important industrial centers: the PSA / Peugeot / Citroen Group of Mangualde (which will produce a new commercial vehicle as of April 2018); and the Renault group in Cacia (region of Leiria).

Trade growth (cumulative 12 months)



- In addition to the significant weight of car exports in the total of exports (14.3% in January 2018), it can be highlightet textiles (9.2%), fuels (6.7%) and plastics (5.3%).
- By destination countries of national exports, we highlight the most significant demand coming from France and Italy, within the Euro Zone, and from Brazil outside the European area. Given the trends seen at the beginning of this year, it is necessary to monitor the slowdown in Spain and the downturn in the US and Angola.

Car exports*



(*) Car, tractors, cycles and other land vehicles, parts and accessories of vehicles

Exports by category of goods

millions of euros	Jan.17	Jan.18	Weight	y/y
Olive oil and oils	56	86	1.8%	53.7%
Wines and beverages	68	74	1.6%	8.1%
Fuels	354	319	6.7%	-9.9%
Plastic Products	239	254	5.3%	6.2%
Cork and cork products	77	80	1.7%	4.6%
Textelis	443	438	9.2%	-1.0%
Shoes	187	189	4.0%	1.0%
Furnitures	150	160	3.4%	7.1%
Motor vehicles	463	679	14.3%	46.6%

Source: BPI Research from INE data

Main Portuguese export destinations

10 ⁶ euros	Jan.17	Jan.18	weight	yoy	contribute
Intra EU	3,292	3,634	76.4%	10.4%	7.9%
Spain	1,128	1,157	24.3%	2.6%	0.7%
Germany	520	544	11.4%	4.7%	0.6%
France	551	638	13.4%	15.6%	2.0%
United Kingdom	296	315	6.6%	6.5%	0.4%
Netherlands	174	177	3.7%	1.8%	0.1%
Italy	147	186	3.9%	26.0%	0.9%
Belgium+Luxembourg	132	157	3.3%	18.7%	0.6%
Others Intra EU	343	461	9.7%	34.3%	2.7%
Extra EU	1,053	1,125	23.6%	6.9%	1.7%
USA	223	220	4.6%	-1.5%	-0.1%
Angola	132	117	2.5%	-11.3%	-0.3%
Brazil	56	109	2.3%	95.9%	1.2%
China	45	58	1.2%	29.0%	0.3%
Switzerland	40	46	1.0%	15.1%	0.1%
Morocco	70	45	1.0%	-34.7%	-0.6%
Tunisia	15	45	0.9%	199.8%	0.7%
Turkey	26	28	0.6%	7.4%	0.0%
Algeria	20	24	0.5%	19.3%	0.1%
Mexico	20	24	0.5%	20.4%	0.1%
Israel	9	23	0.5%	143.7%	0.3%
Others Extra EU	396	385	8.1%	-2.7%	-0.2%
Total	4,344	4,760		9.6%	

Source: BPI Research from INE data

*Car, tractors, cycles and other land vehicles, parts and accessories of vehicles

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Rua Tenente Valadim, 284	4100-476 Porto	Telef.: (351) 22 207 50 00	Telefax: (351) 22 207 58 88	
Largo Jean Monnet, 1-9º	1269-067 Lisboa	Telef.: (351) 21 310 11 86	Telefax: (351) 21 315 39 27	www.bancobpi.pt