

WEEKLY ECONOMY NEWS REPORT

February 29 — March 6, 2020

- ⇒ The five largest banks headquartered in Portugal recorded an aggregated profit of 874,4 million euros in 2019, an increase when compared to 375,1 million euros recorded in 2018. Only Novo Banco recorded losses of 1.058,8 million euros, a decrease when compared to the losses of 1.412,6 million euros of 2018. Caixa Geral was the one with highest profits: 776 million euros (+57% when compared to the 496 million euros recorded in 2018). Santander Totta increased its profits in 5,5%, from 500 million euros to 527,3 million euros. Millennium BCP also saw its gains going up slightly, from 301,1 million euros in 2018 to 302 million euros last year. BPI recorded a fall in its profits, from 490,6 million euros in 2018 to 327,9 million euros in 2019.
- ⇒ The five major banks operating in Portugal collected, in 2019, more than 1.859 million euros in bank commissions, an increase of 50 million euros when compared to 2018. Novo Banco was the last to present results (losses of 1.058 million euros), but even so collected 323,5 million euros in commissions, an increase of 3,1% when compared to the year before. In 2019, Millennium BCP charged 483 million euros (+1,9%), Caixa Geral de Depósitos 414 million euros (+5,3%), Santander Totta 380 million euros (+4,8%) and BPI 257 million euros (-7,2%).
- ⇒ The National Bureau of Statistics (INE) announced that in 2019 the GDP went up 2,2% in volume and 3,9% in value, reaching 212,3 thousand million euros. A quick estimation released in mid-February pointed to an economic growth of 2%. By then, INE also revealed that in the fourth quarter of 2019 the GDP went up 2,2% when compared to the same quarter of 2018 and 0,6% when compared to the previous quarter.

- ⇒ The unemployment rate in Portugal went up to 6,9% in January, after standing at 6,6% in January of last year. In December, this indicator stood at 6,7%. In January, there were 358,6 thousand unemployed, an increase of 2,6% when compared to December and of 5,4% when compared to January of the last year. As far as the employed population is concerned, there were 4,86 million employed, an increase of 0,2% when compared to December. In the whole 2019, the unemployment rate stood at 6,5%, a decrease of 0,5% when compared to the 2018. For this year, the Government estimates the unemployment rate to stand at 6,1%.

- ⇒ The public administrations recorded a surplus of 1.287,5 million euros in January, 238,5 million euros less than in the same month of 2019, the Ministry of Finance announced. This fall is explained by the fact that the expenditure grew more than the revenue, 11,5% and 5,5%, respectively.

- ⇒ The State collected 3,55 thousand million euros in taxes in January, which reflects a yearly increase of 1%, according to the Budget Directorate-General of the Finance Ministry.

- ⇒ The Portuguese families spent last year 9,7 thousand million euros in home shopping, an increase of 4,8% comparing to 2018. This is a record high, based on a growth of consumption in all categories of products. Frozen products, beverages and house cleaning products went up above the market average, between 8% to 6%. Grocery and personal care products increased 5%, with the first being accountable for 38,8% of the spending. Only dairy products, whose sales went up 2%, stood below the market average. Even so, they are the second item Portuguese buy the most, being accountable for 17,6% of the purchases (18,1% in 2018).

- ⇒ David Neeleman, the largest private shareholder of TAP, is believed to be preparing to sell his share in the company. Eco newspaper published in

November that the German Lufthansa was leading the list of interested. By mid-February, it published that Lufthansa and United Airlines were coordinating positions in partnerships and negotiating with Neeleman. David Neeleman is the largest private shareholder, with 45% of Atlantic Gateway. The remaining capital is held in 50% by the Portuguese State and 5% by the employees. Still according to Eco, there are ongoing negotiations with other airlines, including Air France and KLM.