30 December, 2008

Statistical Yearbook 2007

(Issue year 2008)

STATISTICAL YEARBOOK OF PORTUGAL

Statistics Portugal released its main reference publication, "Anuário Estatístico de Portugal" (**Statistical Yearbook of Portugal**). The 2007 issue is divided into four main chapters - Territory, People, Economic Activity and State – and 28 sub-chapters with detailed statistic tables. It also includes a summary on the developments in the main indicators compared with 2006 and comparisons between Portugal and the European Union.

The population

In 2007 the former evolution trends continued and, in some cases, became more marked. Resident population has been rising since 2002 at an increasingly lower rate, this rise being mainly due to migration growth. In 2007 population residing in Portugal was estimated at 10,617,575 persons, i.e. 18,480 more than in the previous year, reflecting 0.17% growth. The relative importance of net migration becomes apparent by considering average growth rates of population between 1990 and 2007, which stood at 0.32%, and comparing them with their components: average natural growth rates, of around 0.07%, and average migration rates, of approximately 0.25% (Figure 1).

The slowdown in population growth is associated with both a deceleration in migration growth started in 2003 and the downward trend, albeit irregular, of natural growth observed since 2000. Continuing this trend, the natural evolution was actually negative in 2007, albeit slightly, and hence resident population growth in that year was entirely attributed to net migration. In turn, population has been ageing gradually, as a result of a decline in fertility and an increase in longevity. Since 1990 the share of those aged less than 24 has been declining in each five-year period by around 2.8 percentage points (p.p.) in the population structure, to stand at 27.0% in 2007 (Figure 2).

Figure 1 – Dynamics of population growth

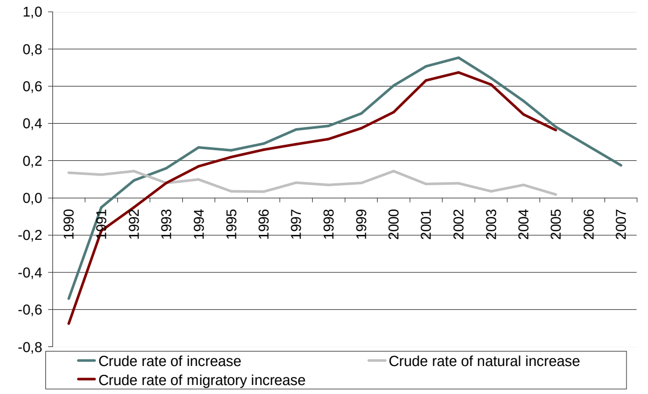
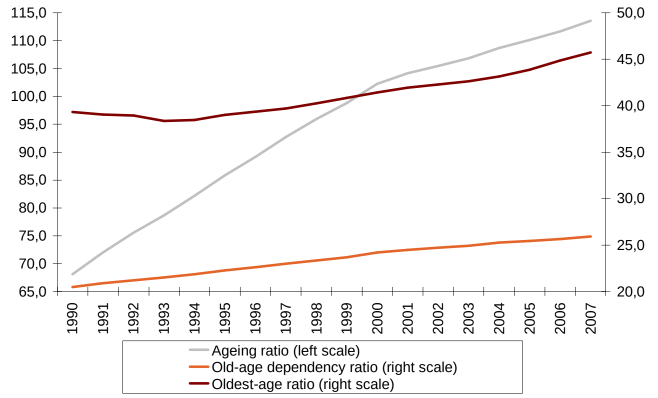
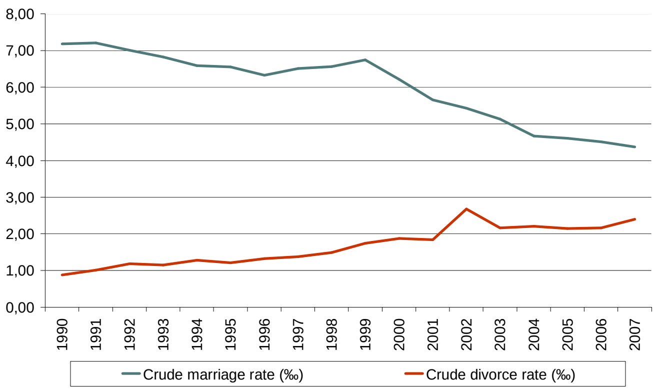


Figure 2 – Outcome of population ageing



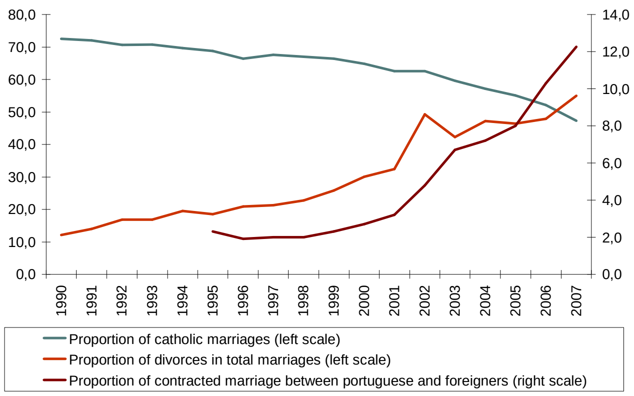
These population trends are associated with social behavioural changes, as shown by a set of indicators. Taking as reference the start of the previous decade, not only the number of weddings tends to decline, but also the number of divorces evolved in the opposite direction, more moderate from 2003 to 2006, but sharpening further in 2007 (Figure 3).

Figure 3 – Crude marriage and divorce rates



The number of Catholic weddings has been following the trend of weddings in general, evolving even more intensely. By contrast, the share of weddings between foreigners and Portuguese citizens has increased, standing at 12.3% in 2007, more than five times the case in 1995 (Figure 4).

Figure 4 – Weddings and divorces



In turn, the average age of women and men at the time of the first marriage, and also the average age of women at the birth of the first child continued to increase (Figure 6). In turn, the number of births outside marriage rose, accounting for 33.6% of the total in 2007, while the adolescent fertility rate followed a downward trend (Figure 6).

Figure 5 – Indicators of nuptiality and births

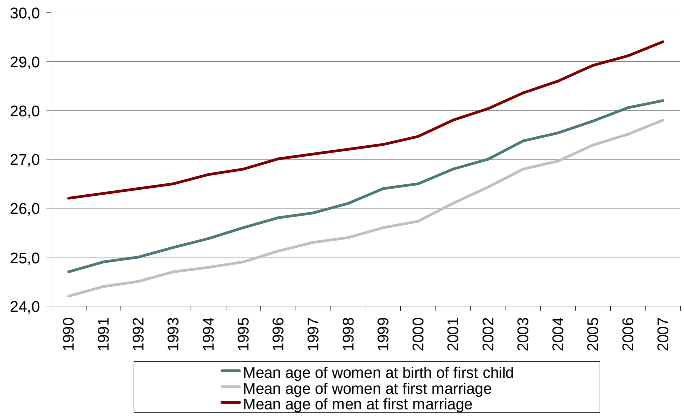
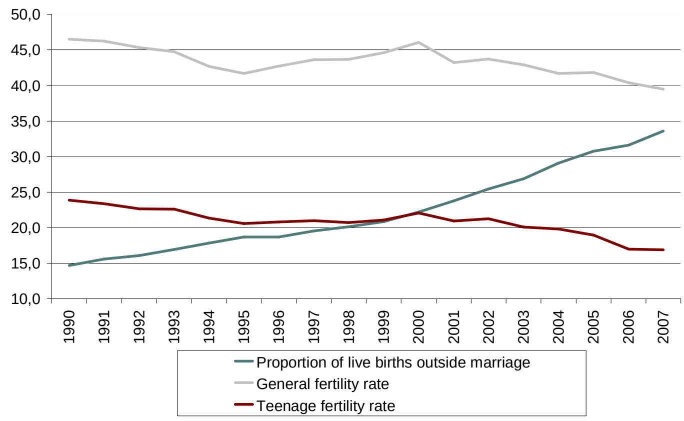


Figure 6 – Indicators of births



Socioeconomic framework

Working population, employment and unemployment

In 2007 the activity rate continued to rise (Figure 7), with a major contribution from an increase in women's participation in the labour market, a possible postponement of retirement age and the dynamics of migration flows (Figure 8). This upward trend, apparent throughout the whole decade starting in 1998, also corresponded to an increment in the qualifications of the workforce, judging by educational attainment: from 1998 to 2007 an increase in the total labour force to an amount of 520,000 persons corresponded to an increase of around 630,000 persons with at least completed secondary education (Figure 9).

Figure 7 – Activity rates

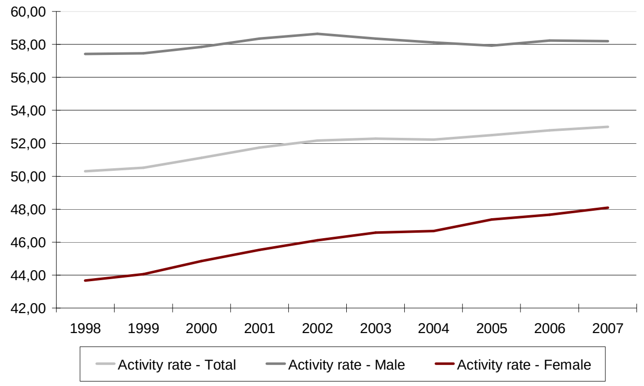


Figure 8 – Indicators of active population composition

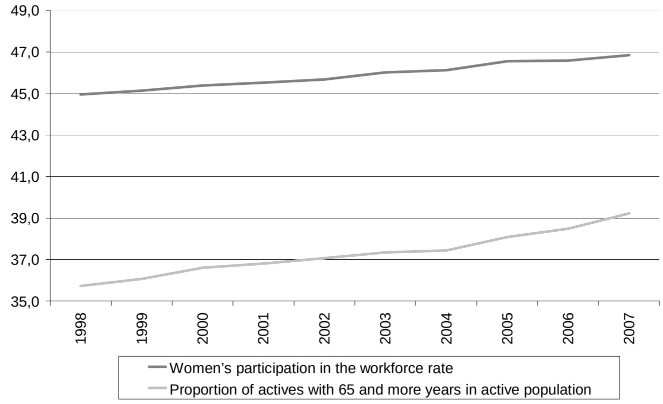
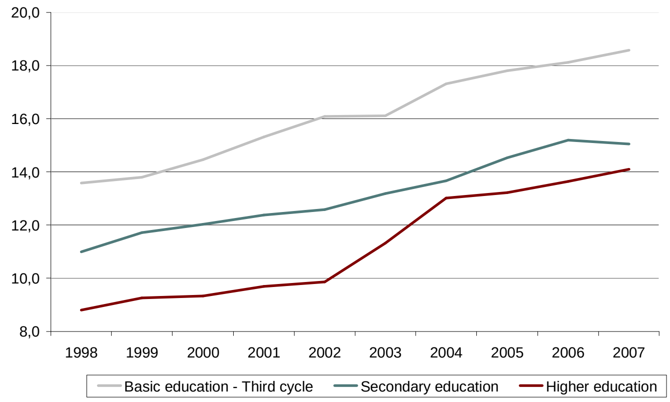


Figure 9 – Proportion (%) of active population according to educational levels completed



Employment increased in 2007, although less markedly than in the previous year. Of the 10,200 jobs created, around 40.0% referred to dependent employment, although there was a decline of over 67,000 permanent contracts (Figure 10 and Figure 11). The remaining part resulted from a rise in self-employment. In turn, that overall increase in job creation (10,200) corresponded to a decline in full-time jobs (-33,300) and a rise in part-time jobs (43,500). By age groups, job creation covered population aged 35-44 and chiefly those aged 45 and over. In the 15-24 and 25-34 age groups there was a decline in employed population. When taking into account a longer period, since 1998 there has been a rise of 320,000 persons in employed population, although more than 90.0% occurred up to 2002. For the longer period the rise in employment was also concentrated on the highest age groups (Figure 12) In 2007, employed population was 5 170 thousand individuals, recording the highest level since 1998.

Figure 10 – Annual rates of change (%) of employed population

Figure 11 – Annual rates of change (%) of employees according to the kind of contract

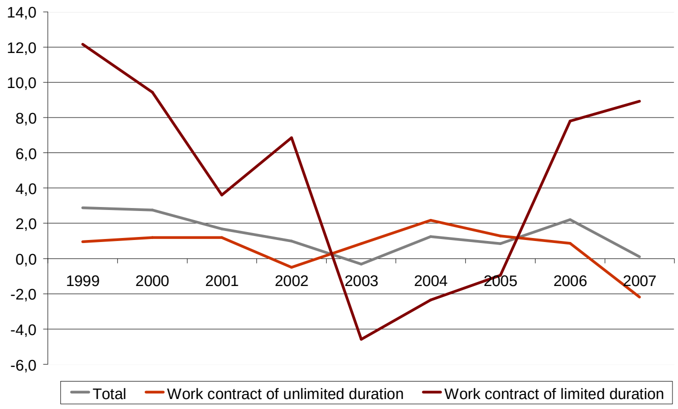
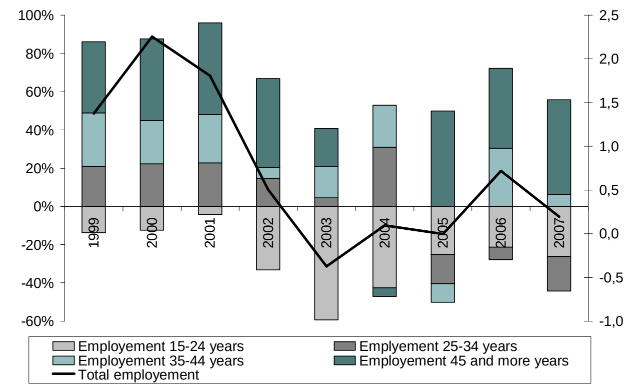


Figure 12 – Contribution (%) of employment age groups to total employment annual rate of change.



In 2007 unemployment rose, in contrast to the previous year. More than 89.0% of the absolute increase concentrated on the female population and corresponded to a rise in short-term unemployment. Long-term unemployment decreased slightly, and the corresponding share also declined, to 48.9% of the total (Figure 13). The unemployment level amounted to 448,600 persons, corresponding to an unemployment rate of 8.0%, the highest until that date. In 2007 the unemployment rate in Portugal became higher than both the EU(15) and the EU(25) (Figure 14).

Figure 13 – Female and long term unemployment

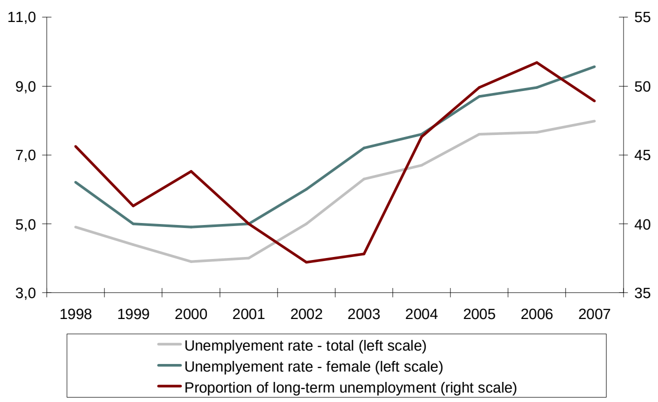
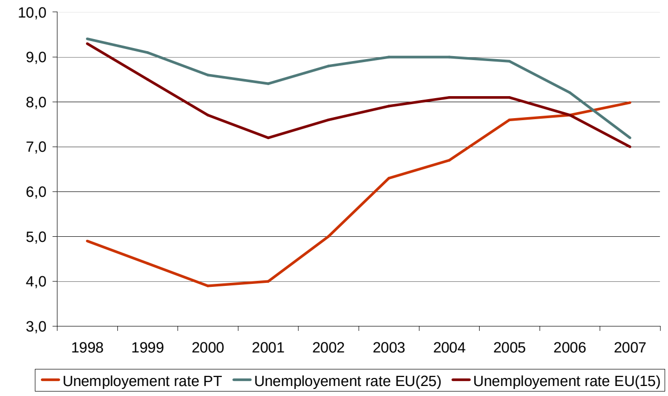


Figure 14 – Unemployment rates (%) in Portugal EU15 e EU25



Income and living conditions of households

According to the results of the 2006 Income and Living Conditions Survey, net equivalent monetary income of the 20% of population with the highest income was 6.8 times higher than that of the 20% of population with the lowest income (this indicator was 4.8 in the EU(25)), with no significant change from the previous results (Figure 15). Data from the above survey show that the risk of poverty, assessed by the share of population with net equivalent monetary income below 60% of median income, stood at 18% (Figure 16), i.e. a slight improvement from 2005 and 2004 results (19% and 20% respectively). Reference should be made to the importance of social transfers in the strict sense, without which the at-risk-of-poverty rate would stand at 25% (26% in 2005 and 27% in 2004). The risk of poverty of population showed differences based on gender (not very significant), age (quite marked for the elderly), household composition (detrimental to the more numerous households and those with one adult and children), status in employment (detrimental to self-employment) and labour intensity of non-dependent household members.

Figure 15 – Inequality of income distribution (S80/S20)

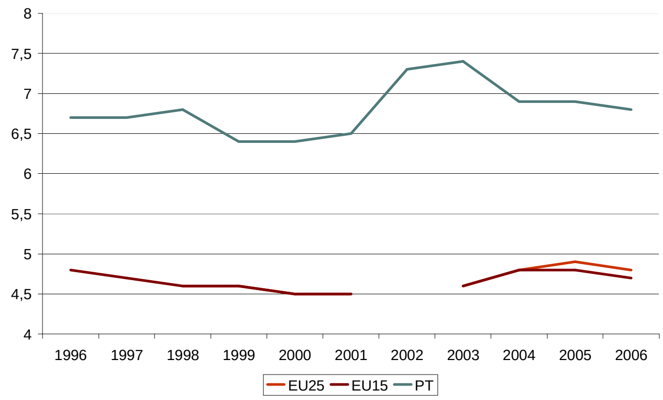
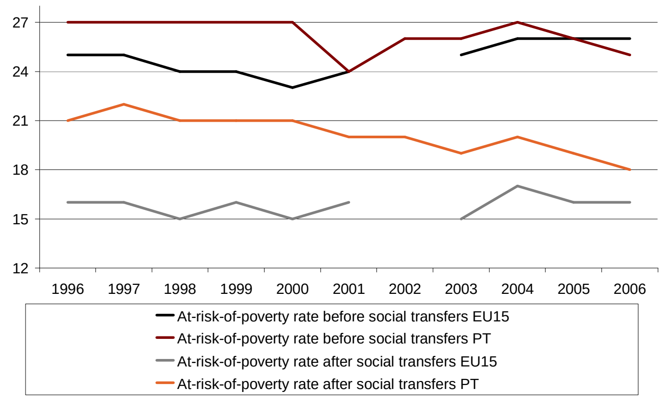


Figure 16 – At-risk-of-poverty rates



According to the 2005/2006 household budget survey, households whose main source of income were social transfers or pensions had lower expenditure than average expenditure of households as a whole, by around 26 to 33 p.p. Expenditure of the group of households whose main source of income was dependent employment was 15 p.p. above average, that of self-employment was 24 p.p. higher and property and capital income also stood above average by 38 p.p. (Figure 17).

Comparing results of similar surveys conducted in 1994-95, 2000 and 2005-06, there was a noticeable relative increase in expenditure on housing, health and culture and recreation, to the detriment of expenditure namely on food, beverages and transports.

Figure 17 – Level of household total expenditure according to the main source of income (Overall households=100)

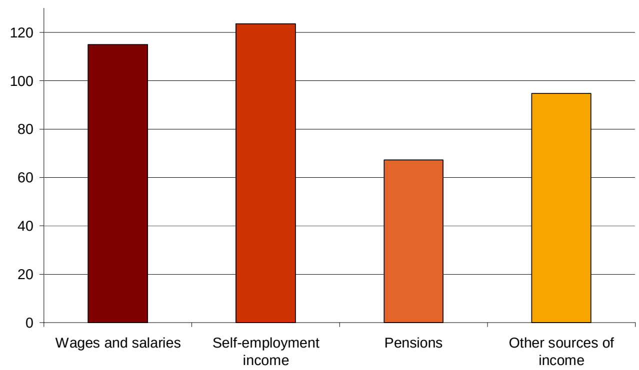
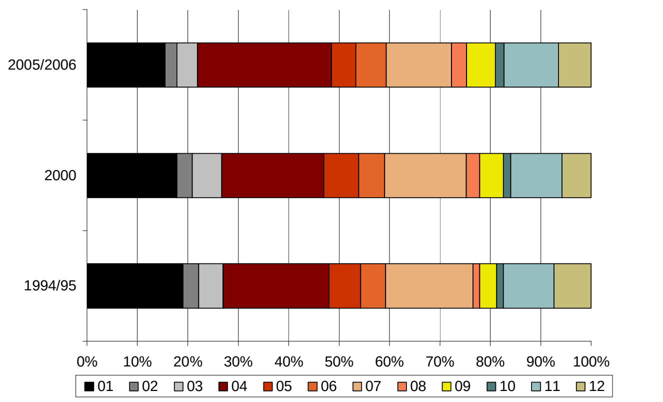


Figure 18 –Share of total household expenditure by COICOP division



Legend

01- Food and non-alcoholic beverages
02 - Alcoholic beverages, tobacco and narcotics
03 - Clothing and footwear
04 - Housing, water, electricity, gas and other fuels
05 - Furnishings, household equipment and routine household maintenance
06 - Health
07 - Transport
08 - Communication
09 - Recreation and culture
10 - Education
11 - Restaurants and hotels
12 - Miscellaneous goods and services

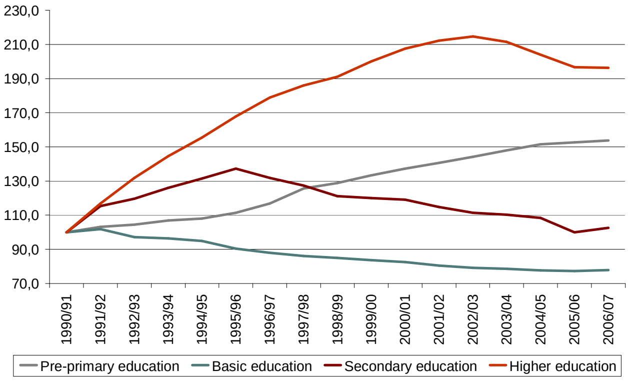
The trend of increasing dissemination of Information and Communication Technologies (ICT) with households continues. In 2007 over 48.0% of households had a computer and almost 40.0% had Internet access (30.0% had broadband access), compared to around 27.0% and 15.0% in 2002. Fixed telephones (70.5% of households had a fixed telephone in 2007 against 75.1% in 2004) were replaced by mobile phones (87.2% in 2007 against 79.0% in 2004).

Education

Schooling structure over the last 20 years has been marked by three main factors: first, the Basic Law of the Education System, published in 1986, which established 9-year compulsory primary education, with phased impacts over the 1990s; second, the decline in the natural growth rate of population; finally, the effort to extend non-compulsory pre-schooling education and to reinforce tertiary education.

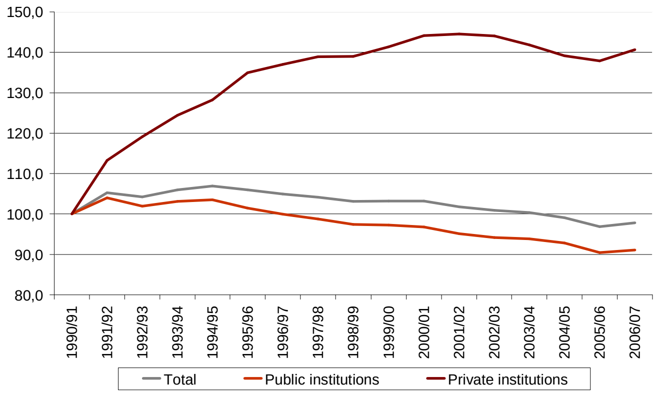
Since the extent of compulsory education has a transitory effect, contrary to the decline in the natural growth rate, school population declined in the 1990s and more noticeably in the present decade, first in primary education and subsequently in secondary education. The 2006/2007 school year saw a discontinuance in this trend, with increases in the number of enrolments in most stages of education (Figure 19).

Figure 19 – Index of enrolled students according to the level of education provided (1990/1991=100)



Mention should be made to the growing relative importance of private education in all primary and secondary education stages (Figure 20). The respective weight, in terms of the number of enrolments, has increased since 1990/1991. In turn, pre-schooling education showed a clearly downward trend, albeit interrupted in 2006/2007. As regards tertiary education, the weight of private education rose up to the end of the first half of the 90s, to decline subsequently, standing below its level in 1990/1991.

Figure 20 – Index of enrolled students according to the nature of educational institutions (1990/1991=100)



The analysis of the achievement of students in tertiary education between 2000/01 and 2006/07 shows an increase in the number of graduates, either in absolute terms (61,100 versus 83,300) or in terms of enrolled students (15.8% versus 22.7%). In turn, reference should be made to the change in preferences from one period to the other. The share of graduates declined in Teacher Training and Education Science, Business and Law. In turn, the main increases were in Engineering Services and Related Technical Consulting Services and Health and Social Services. The comparison of graduates between 2005/06 and 2006/07 points to a significant increase in Engineering Services and Related Technical Consulting Services, and minor increases in Business, Law and Arts (Figure 21).

Figure 21 – Proportion of Students graduated at higher education institutions by field of study

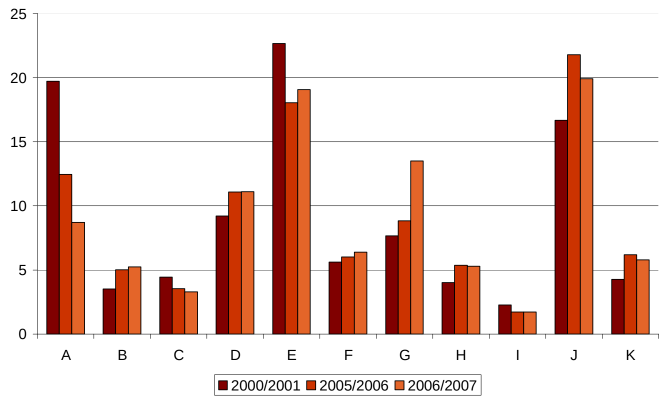
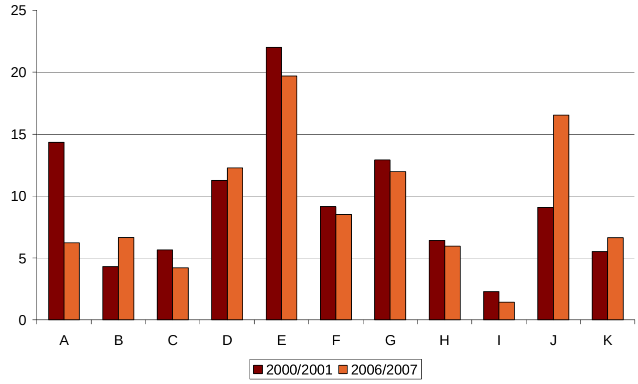


Figure 22 – Proportion of Vacancies at higher education institutions by field of study



Legend

A - Teacher training and education sciences
B - Arts
C - Humanities
D - Social and behavioural science, information and journalism
E - Enterprises Sciences, Law
F - Physical sciences, mathematics and statistics, computer science
G - Engineering and engineering trades, manufacturing industries
H - Architecture and building
I - Agriculture, forestry and fishing, veterinary sciences
J - Health, social services

Health

The latest data, mostly referring to 2006, point to a rise in human resources in the health area, an overall decrease in installed supply capacity, although increasing in more specialised segments, and a more intensive use of resources available.

An analysis of the available human resources shows a continuing improvement in the number of doctors per 1,000 inhabitants, which was 3.6 in 2007. The same trend was observed for the number of nurses: the ratio was 5.1 per 1,000 inhabitants in the same year. The number of doctors specialising in at least one field rose by 1.6% from the previous year, at a similar pace as the average observed as of early in the decade. The increase in the number of non-specialist doctors was even more marked, and hence the number of doctors specialising in at least one field for every 10 non-specialist doctors declined slightly, to 17.

With regard to in-patient capacity, the number of beds in hospitals (actual capacity) was 36,563 in 2006 (37,330 in 2005), accounting for a decrease of 2,345 from 2000, and primary health centres also recorded decreases (103 and 525 less than 2005 and 2000 respectively). In turn, the number of operating rooms in hospitals rose to 781 (24 and 55 more than 2005 and 2000 respectively).

Figure 23 – Health services capacity and use indicators

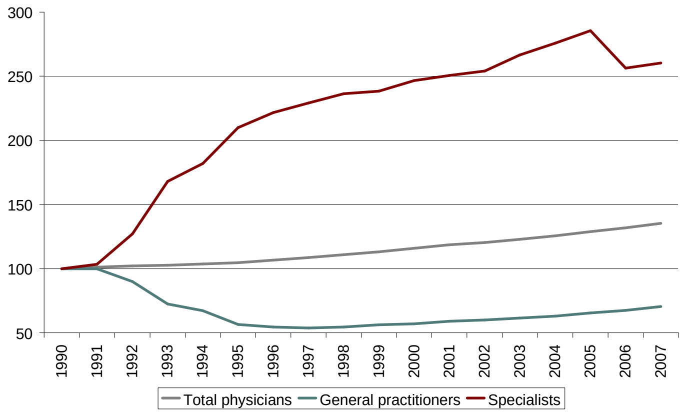
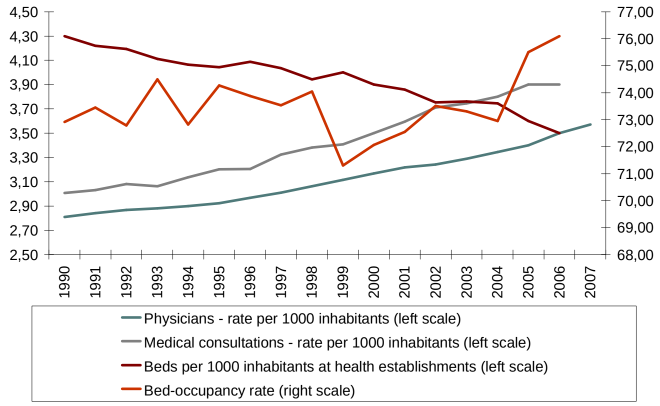


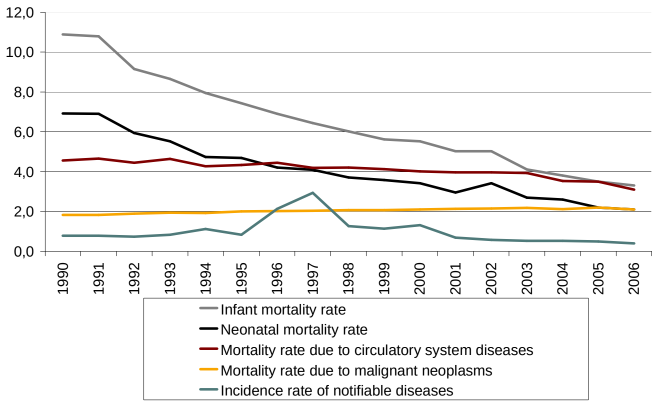
Figure 24 – Physicians index according to mains categories (1990=100)



Services provided have been following an overall upward trend, judging by the available indicators. The rising trend in the number of major and intermediate surgical procedures which had been discontinued in 2005 was resumed. On the other hand, the number of outpatient consultations in hospitals also continued to rise, growing by 5.4% in annual terms, slightly above the 2005 figure. Consultations in primary health centres followed a similar trend, accelerating in 2007, after moderate growth from 2002 to 2006. The total number of consultations in hospitals and primary health centres per inhabitant stood at 3.9 in 2006, similarly to the previous year, although clearly above the 2000 figure (3.5).

Within the scope of mortality-related health indicators (Figure 25), the infant mortality rate decreased throughout the 1990-2006 period, reaching a trough in 2006, i.e. 3.3 deaths per 1,000 live births. With regard to the main causes of death in Portugal in 2006, of total deaths 32.2% were caused by circulatory system diseases and 21.7% by malignant tumours. The corresponding mortality rates decreased vis-à-vis the previous year: that relating to circulatory system diseases reached a trough in 2006, i.e. 3.1 deaths per 1,000 inhabitants, following the downward trend seen since early in the 1990s; the rate relating to malignant tumours decreased to 2.1 deaths per 1,000 inhabitants. In the past three years the latter rate has been showing some fluctuations, interrupting the downward trend recorded to that date.

Figure 25 – Mortality-related health indicators

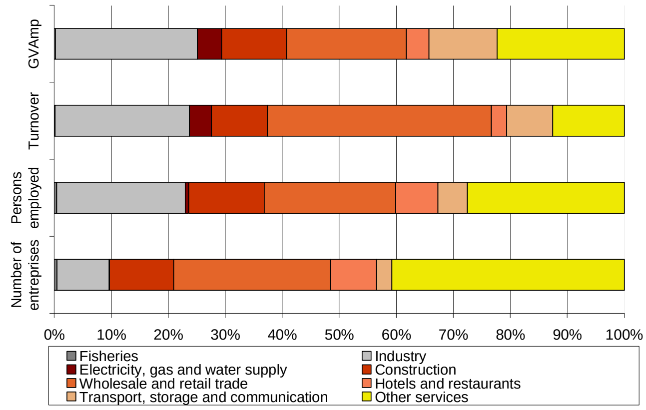


Economic activity

Enterprises

Services are predominant in the business structure, in terms of the number of enterprises, the number of persons employed or turnover. In 2006, 79.1% of enterprises were concentrated on this sector, covering 63.2% of the number of persons employed and generating 62.6% of total turnover. According to the first two measures, this sector saw a reinforcement, although it's relative importance stabilised, turnover wise. The intra-area trade sector is predominant regardless of the measure taken into account (its relative importance exceeds 20.0% of total activities considered and at least 35.0% of total services). It is followed by the real estate, renting and business activities sector, also with an important contribution from the other services sector (education and health), judging only by the number of enterprises and persons employed. Manufacturing continues to play a relevant role, given a weight of over 23.0% and 22.0% in total turnover and employment respectively (Figure 26).

Figure 26 – Business structure



The production structure continues to be determined by the relative importance of small and medium-sized enterprises (Figure 27). Overall, the average size of enterprises in 2006 was 3.4 persons employed, accounting for even a slight decrease from the two previous years. In these three years the share of microenterprises (enterprises with less than 10 persons employed) in total enterprises was over 95.0%, inclusively following a slight upward trend. According to the lists of personnel, around 68.0% of dependent employment generated in the 1996-2006 period is attributed to enterprises with less than 50 persons employed, 60.0% of which in microenterprises.

Figure 27 – Average number of employed persons

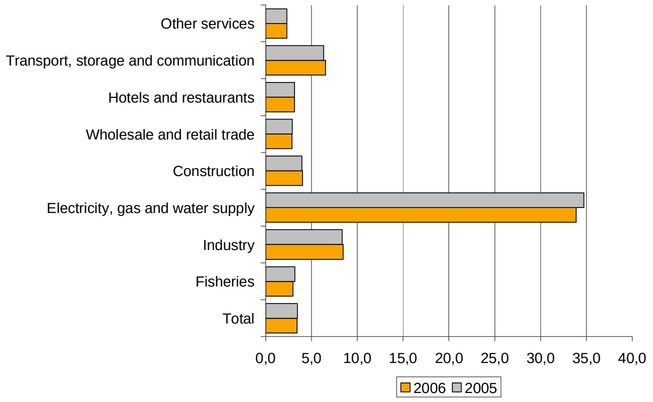


Figure 28 – GVAmp by employed person (thousand euros)

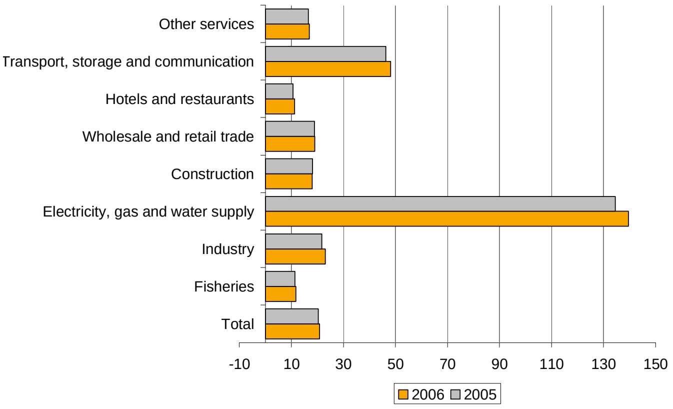


Figure 29 – Enterprise innovation indicators according to size-classes in number of employees

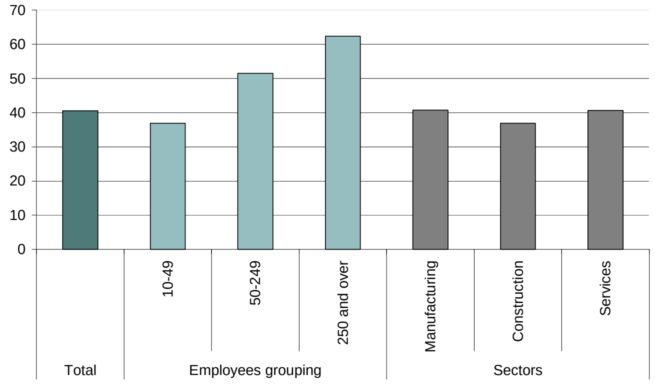


Figure 30 – Enterprise innovation indicators according the economic activities

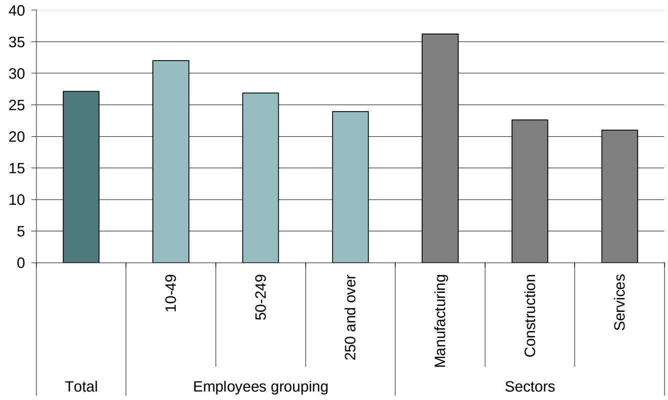
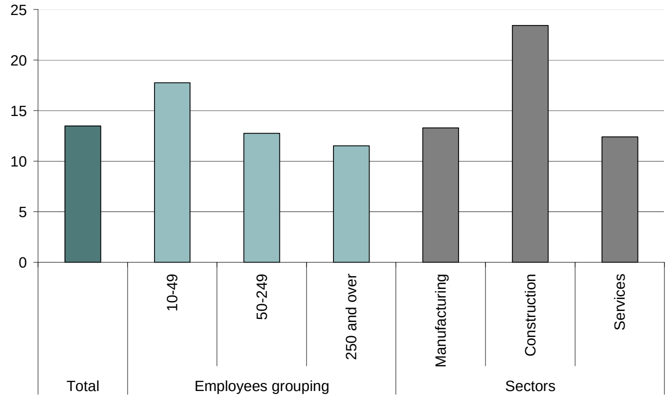


Figure 31 – Turnover obtained per euro spent on R&D



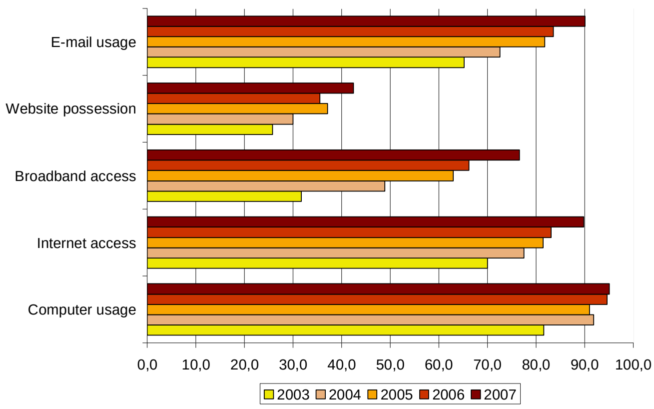
With regard to expenditure on and benefits from Research and Development (R&D), and taking into account a distribution of enterprises into three size brackets (excluding microenterprises), expenditure on R&D is relatively higher in enterprises from the intermediate size bracket (50-249 persons employed) and in the larger size bracket (250 persons employed and over) than in the smaller size bracket (10-49 persons employed), although the difference is not very sharp (R&D expenditure of 2.1% against 1.8% of the respective turnovers). However, the resulting benefits are higher in the first bracket than in the remaining enterprises (assessed by turnover obtained per euro spent on R&D) (Figure 29,

Figure 30 and

Figure 31.

Information and Communication Technologies continue to be fully used by enterprises, judging by the available information (Survey on ICT usage – Enterprises). In 2007 over 95.0% of enterprises had computers, while in 2003 the share was slightly lower than 82.0%. The dissemination of Internet access also reached a wide coverage, of approximately 90.0% in 2007 (around 77.0% with broadband access), compared to 70.0% (around 32.0% in broadband) in 2003. 42.0% of enterprises reported having their own website and the large majority (90.0%) uses email (Figure 32).

Figure 32 – Use of information and communication technologies (% of enterprises)

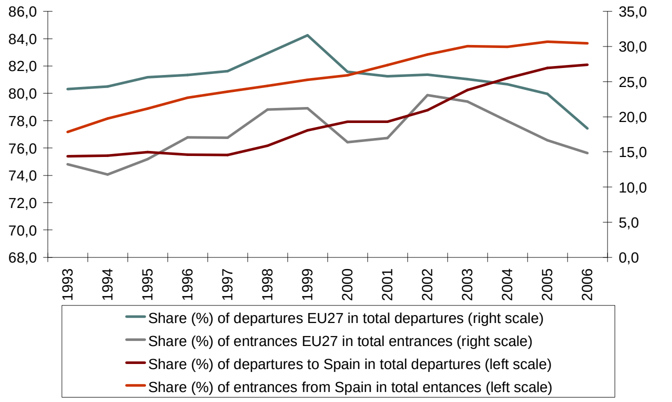


International trade

The degree of openness of the Portuguese economy, as measured by the ratio of the sum of exports and imports of goods to GDP at current prices has continued to rise, to reach 58.2% in 2007 (the ratio would be around 73.8% if the value of goods and services were considered). The import-export coverage also increased in the past two years, standing at 65.9% in 2007 (81.5%, when also including services transactions).

Most trade with abroad took place with European Union partners (EU25), although there is a trend towards greater diversity. As regard exports, the importance of the EU25 was around 76.7% in 2007, although the trend has been clearly on the downside since 2000, when the value amounted to 81.6%. Imports follow a similar trend, although it started somewhat later, moving from 79.4% in 2003 to 75.4% in 2007. Conversely, there was a greater concentration in trade with the main trading partner, Spain. Exports followed a clearly upward trend, with a weight of around 28.3% in 2007, compared with 19.3% in 2000. Imports stabilised in the past four years, but after a continuing increase: in 2007 its share stood at 31.0%, i.e. 5 p.p. above the value in 2000 (Figure 33).

Figure 33 – Indicators of International trade



Trade structure by economic classification remained relatively stable. Intermediate goods accounted for over 34.0% of exports (slightly more than in 2006), followed by consumer goods, with 27.3%. The relative importance of transport equipment and machinery and other capital goods decreased somewhat, standing at 17.8% and 15.7% respectively. Imports of intermediate goods and consumer goods accounted for 28.5% and 25.6% respectively, and the structure of other types of goods was relatively more consistent (less the residual weight of other non-specified goods).

National accounts

In 2007 real GDP rose by 1.9%, i.e. 0.5 p.p. more than in the previous year. This acceleration originated in a greater contribution from domestic demand (Figure 34), chiefly due to a rebound in investment in 2007 (accelerating growth in machinery and equipment and a lower fall in construction).

On the supply side (Figure 35), industry and construction contributed to the acceleration in activity in 2007. By contrast, agriculture, forestry, hunting and fishing, electricity, gas and water supply, and financial, real estate, renting and business activities made a negative contribution, although in the latter case the GVA growth rate continued very high. From a more structural viewpoint, throughout the last decade the services sector has been growing, on average, above industry and agriculture, which appears to be associated with relatively higher income elasticity. In turn, the relative price of services increased, certainly induced by the demand effect, jointly with lower exposure to external competition. The resulting volume and price effects translated into an increase in the relative importance of services, to the detriment of industry and agriculture.

Figure 34 – Contribution of domestic demand and net exports (p.p.) to GDPmp real growth (%)

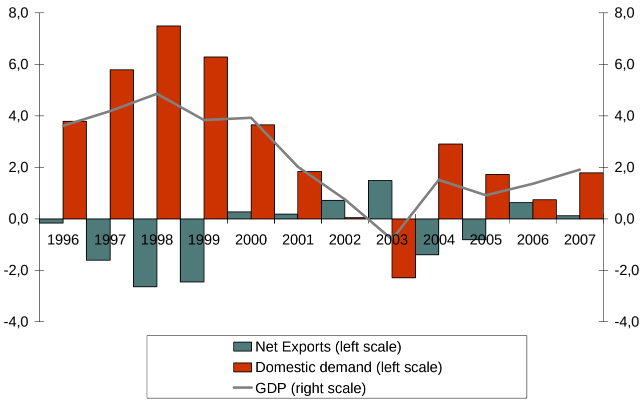
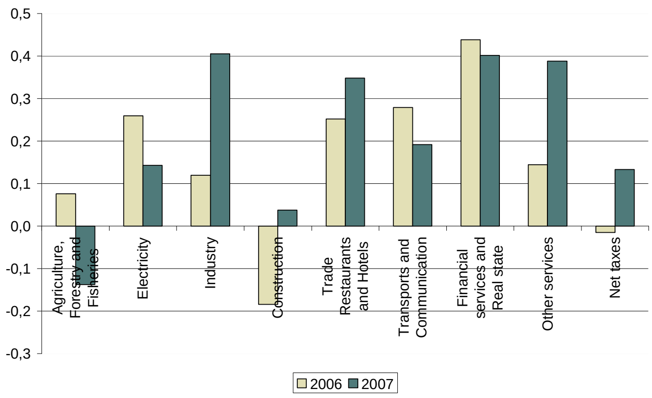


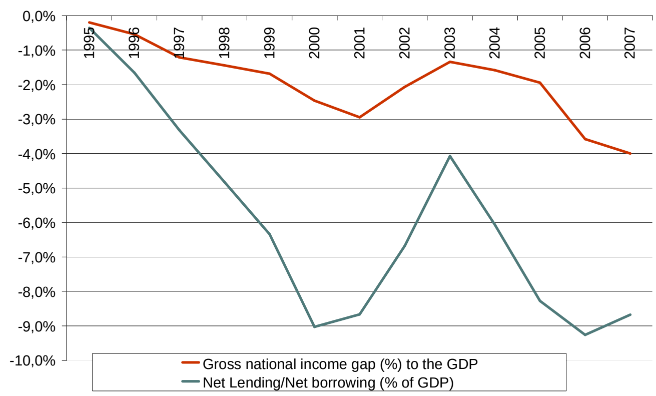
Figure 35 – Contribution of activity sectors (p.p.) to GDPmp real growth (%)



Net borrowing requirements (equivalent to the overall current and capital account balance) moved in line with the GDP trend: it worsened successively in the period of higher GDP growth in the second half of the 1990s, reaching 9.0% of GDP in 2000, subsequently dampening as a result of its slowdown, and worsening further with GDP's latest recovery. In 2006, as GDP grew by 1.4%, borrowing requirements attained 9.3% of GDP. In 2007 it eased due to the narrowing of the goods and services account deficit (from -8.2% to -7.4% of GDP), fostered by improved terms of trade.

Systematic deficits in the current and capital accounts worsened the international investment position (value of the stock of net external assets), bringing about a deterioration of the primary income balance (difference between income received from abroad and paid to abroad). In 2007 the negative value of this balance accounted for 4.0% of GDP, determining a difference of the same amount compared to gross national income (Figure 36).

Figure 36 – Gross national income gap and net lending/net borrowing as % of the GDPmp



Prices

The rate of change in the consumer price index (CPI) was 2.5% in 2007, which reflects a 0.6 p.p. slowdown from the previous year. This chiefly mirrored a deceleration in imported goods prices, which grew by 1.2% in annual average terms in 2007, compared with a 4.6% change in 2006. The relatively high rate of change in the CPI in 2006 partly resulted from the effect of the standard VAT rate increase early in the second half of 2005 (Figure 37).

In turn, the slowdown in imported goods prices was largely influenced by the base effect of a significant acceleration in the prices of energy and other commodities in 2006 and, to a lesser extent, by the effective appreciation of the euro (

Figure 38). The deceleration in import prices occurred only partly in parallel with export prices, which in contrast to the three previous years allowed for improved terms of trade in the Portuguese economy in 2007.

Figure 37 – CPI annual rates of change (%) of prices for all-items, goods and services indices

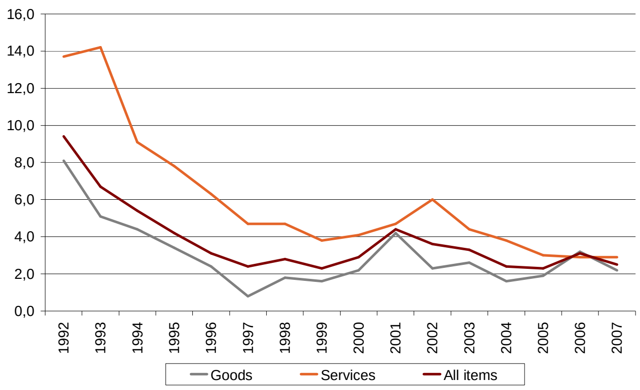
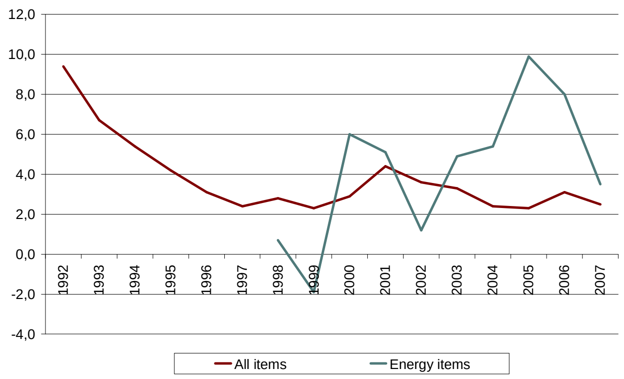
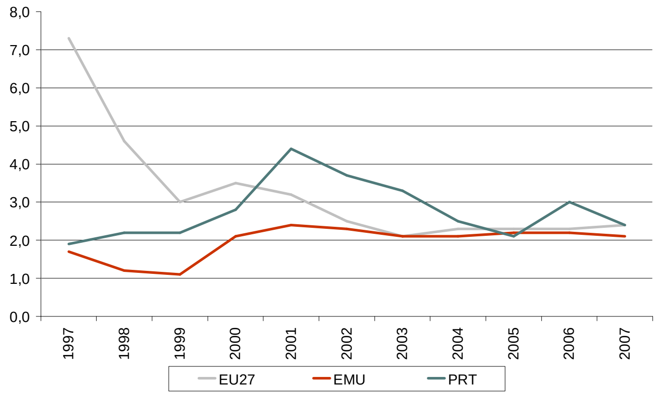


Figure 38 – CPI annual rates of change (%) of prices for all-items and energy items



The slowdown in consumer prices in 2007 was also evident in the Harmonised Index of Consumer Prices, whose annual average growth rate stood at 2.4%, i.e. 0.6 p.p. less than in 2006. HICP in the euro area recorded a 2.1% change, accounting for a slowdown of 0.1 p.p., and hence a narrowing of the inflation differential (Figure 39).

Figure 39 – Annual inflation rates for EU27, EMU and Portugal

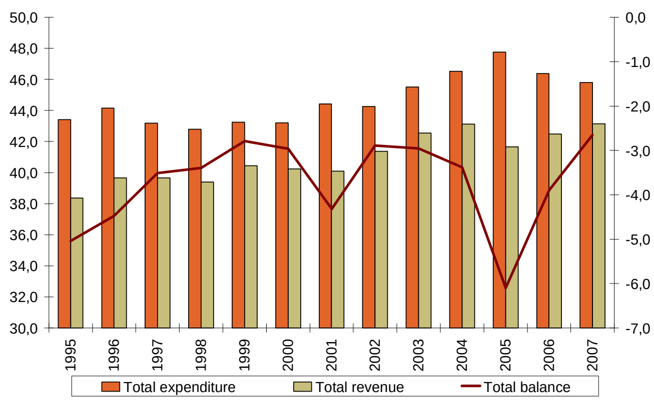


General government

In 2007 general government borrowing requirements decreased further, to 2.7% of GDP, i.e. 1.2 p.p. less than in the previous year. This has reflected both a 0.7 p.p. increase in total revenue and a 0.6 p.p. cut in total expenditure (

Figure 40).

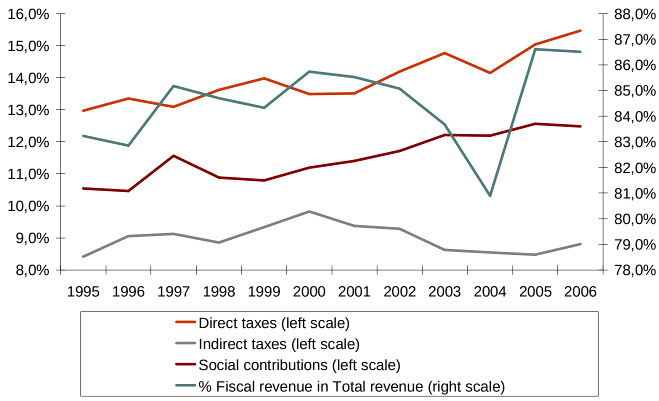
Figure 40 – Revenue, Expenditure and Net Borrowing of General government (% do GDPmp)



The increase in revenue was chiefly associated with growth in current revenue (0.9 p.p. of GDP), and within the latter, stress is laid on the rise in the tax burden

(0.7 p.p. as a whole) (Figure 41). This latter rise is part of a trend observed since 1996, only interrupted in 2001 and 2004. Both current and primary expenditure declined, by around 0.5 p.p. and 0.6 p.p. respectively (0.3 p.p. and 0.5 p.p. declines in 2006). The lower decrease in current expenditure results from an interest rise in the past two years. This type of expenditure accounted for 2.9% of GDP, countering the slight albeit continued downward trend seen from 2001 to 2005.

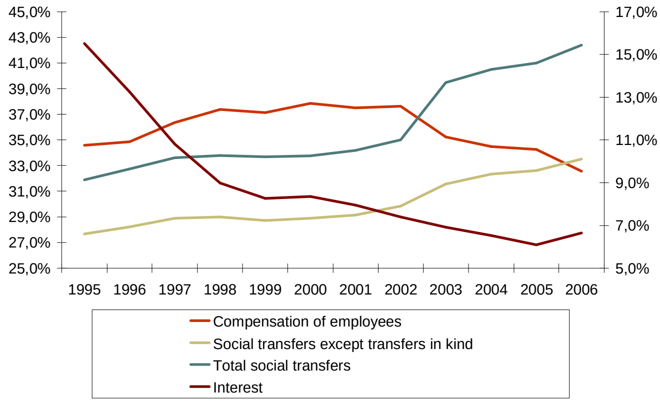
Figure 41 – Tax burden (% do GDPmp) by kind of main tax groups and share of Fiscal revenue in Total revenue



As regards current expenditure, stress is laid on compensation of employees and social benefits other than social transfers in kind (Figure 42). The containment in the former component as of 2002 is the result of a set of measures taken, including restrictions to staff recruitment and changes in the composition of the general government sector. With regard to the latter component, the upward trend has cyclical economic reasons – associated with a rise in cyclical unemployment – and structural reasons, linked to population ageing and longevity. These factors combined resulted in a change in the relative position of these types of expenditure, with the second component moving to a dominant position as of 2006.

The above-mentioned change in the composition of general government, which implied the payment of services that are now market services, will bring about an increase in social transfers in kind, which can be seen in growth in this type of expenditure, resulting from the first major wave of this process in 2003, ongoing through to 2007.

Figure 42 – Share of main expenditure groups in Total current expenditure



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