

13th May 2011

Quarterly National Accounts – Flash Estimate

1st Quarter 2011

Gross Domestic Product down by 0.7% in real terms in the 1st quarter 2011

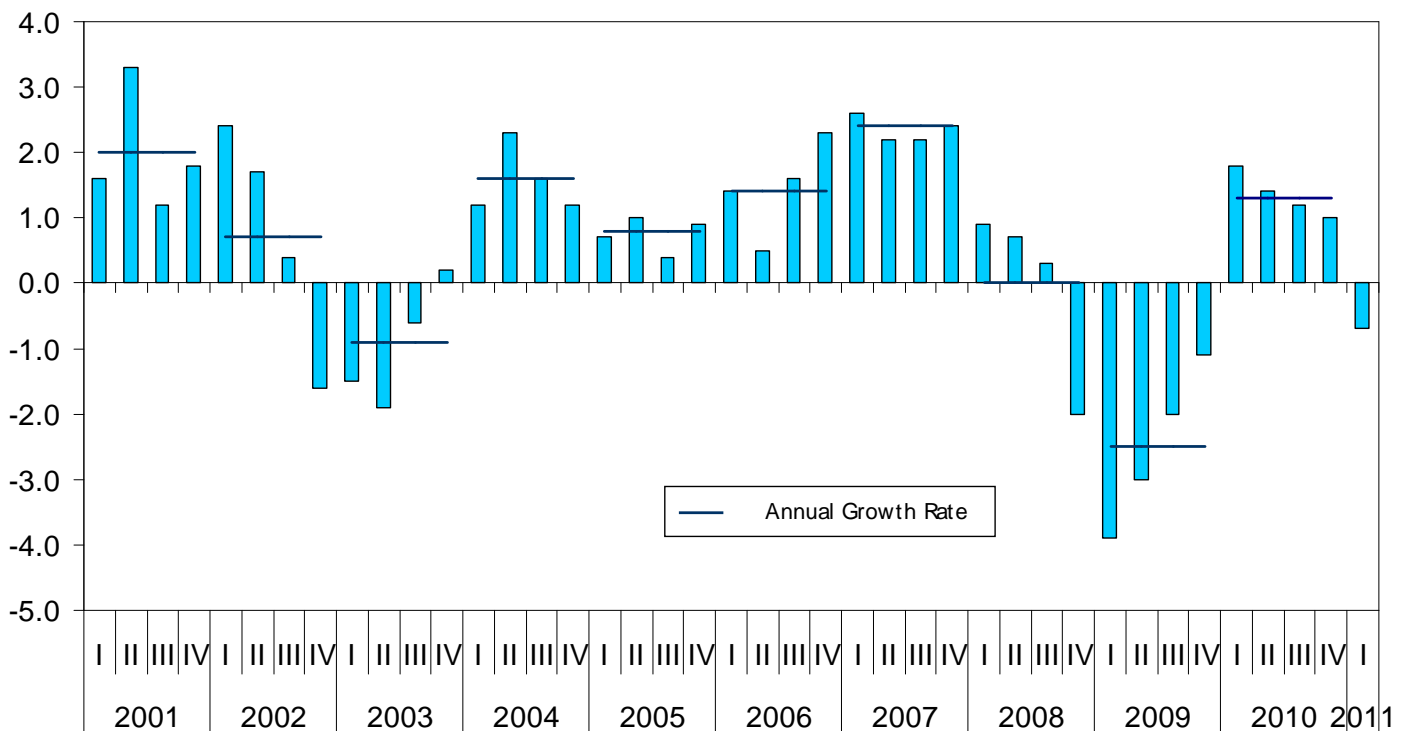
The Flash Estimate of the Portuguese Gross Domestic Product (GDP) points to a year on year growth rate of -0.7% in volume in the 1st quarter 2011 (change rate of 1.0% in the previous quarter). Comparing with the previous quarter, the Portuguese GDP also diminished 0.7%.

The year-on year GDP reduction in the 1st quarter 2011 was driven by the strong negative contribution of Domestic Demand, due to the decline of the Final Consumption Expenditures (of Households and General Government) and, in a lesser extent, of the Investment. The contribution of Exports of Goods and Services for the GDP year on year change rate remained strong in the 1st quarter. It should also be noticed that the implicit prices of both external trade flows of goods registered high growth rates.

Gross Domestic Product

Chain-linked volume data (reference year=2006)

Year on year quarterly change rate, %



This flash estimate includes revisions in the data, particularly the latest version for the short-term statistics, with revisions since the 1st quarter 2010, and the updated information on external trade of goods, with revisions in nominal terms since 2009. It should also be mentioned the revisions in the external trade deflators of goods for the 4th quarter 2010.

Despite this new information, the GDP annual volume change rates for 2009 and 2010 remained unchanged, comparatively with the estimates included in Annual National Accounts for 2008 press release, published on 31st March 2011. These estimates, consistent with the April 2011 notification of the Excessive Deficit Procedure, were made available in the new National Accounts section of Statistics Portugal website on 1st April 2011.

Gross Domestic Product

Chain linked volume data (reference year=2006)

	Year on Year Quarterly Growth Rate (%)							
	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10	4Q 10	1Q 11
Flash 1Q 2011	-3.0	-2.0	-1.1	1.8	1.4	1.2	1.0	-0.7
QNA 4Q 2010 (70 days)	-3.0	-2.0	-1.0	1.7	1.4	1.2	1.0	
QNA 4Q 2010 (90 days)	-3.1	-2.2	-1.0	1.7	1.3	1.4	1.2	

	Quarter on Quarter Growth Rate (%)							
	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10	4Q 10	1Q 11
Flash 1Q 2011	0.7	0.5	-0.4	0.9	0.4	0.3	-0.6	-0.7
QNA 4Q 2010 (70 days)	0.8	0.5	-0.3	0.7	0.5	0.3	-0.5	
QNA 4Q 2010 (90 days)	0.6	0.2	-0.1	1.0	0.2	0.3	-0.3	

Flash - Flash Estimate (45 days); QNA - Quarterly National Accounts; QNA (90 days) - Data released on 1st April 2011 in a new section of National Accounts available at Statistics Portugal website.

Gross Domestic Product

Chain linked volume data (reference year=2006)

	Annual Growth Rate (%)		
	2008	2009	2010
Flash 1Q 2011	0.0	-2.5	1.3
QNA 4Q 2010 (90 days)	0.0	-2.5	1.3
QNA 4Q 2010 (70 days)	0.0	-2.5	1.4

Flash - Flash Estimate (45 days)

QNA - Quarterly National Accounts

2008: definitive data; 2009 and 2010: preliminary data

Next Press Release of Quarterly National Accounts

Current estimates of Quarterly National Accounts (detailed results) for the 1st quarter 2011 will be published in 9th June 2011.

Methodological information about the flash estimate

Flash estimates for GDP constitutes the first synthetic indication on the quarterly behaviour for the Portuguese economy and does not replace the main estimates of Quarterly National Accounts (also designated as current estimates), more accurate and detailed, which is published 70 days after the end of the reference quarter.

These flash estimates are calculated using the same methodology, and preferably the same basic information, compared to the Quarterly National Accounts current estimate. The percentage of basic information available for flash estimates is over 80%. Methods for imputation and forecasting are used in those cases where basic information is not complete, selected after a series of tests performed over a large sample. One must take into consideration that these flash estimates are eventually subject to larger revisions (when compared to current estimates), although the percentage of basic information available is high.

In the real time tests carried out from 2nd quarter 2005 onwards, the mean absolute error for the flash estimate was 0.1 percentage points for both year-on-year quarterly growth rate and quarter-on-quarter growth rate, when compared to the current estimate. However, it must be stressed that in the current economic juncture, characterized by significant price decelerations or even reductions, the difficulty in measuring the behaviour of main macroeconomic aggregates is particularly high, mainly in splitting the nominal change of exports and imports in price and volume changes. It should be reminded that when this estimate is produced the usual information on external trade deflators used in the Quarterly National Accounts compilation is not available.

This press release only includes information on quarter-on-quarter and year-on-year quarterly growth rates in real terms.

Growth rates included in this press release are calculated from chain linked volume data (2006=100). Data is seasonally adjusted.