

07 February, 2014

Statistical Yearbook  
2012

**The country's official statistics gathered in a single volume**

The most recent Statistical Yearbook of Portugal (SYB) is now available, a compendium of official statistics published on a regular basis, the key reference document for all those who seek to have a comprehensive statistical portrait of the country in various areas of analysis in one single volume.

Through almost 700 pages the 2012 SYB organises national data around four major themes: Territory, People, Economic Activity and State. This publication contains data tables, a brief analysis of trends of the main indicators vis-à-vis 2011, and compares Portugal with the European Union.

The SYB is available at Statistical Portugal's libraries and Information Network in Libraries of Higher Education Establishments and in around 1,200 libraries in primary and secondary schools. The online version of the SYB (at [www.ine.pt](http://www.ine.pt)), which may be consulted and downloaded free of charge, includes longer time series (1990-2012) than the printed version.

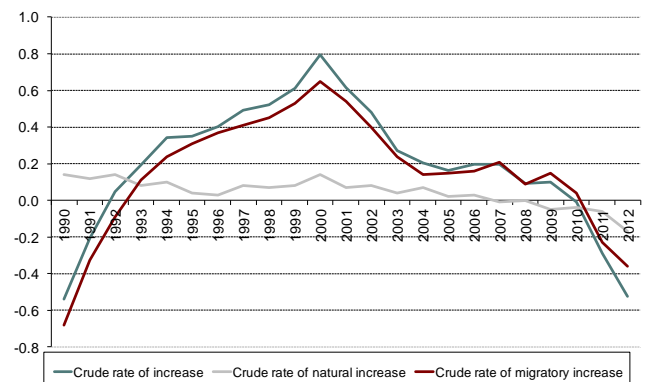
**Demographic framework**

**Population framework**

Resident population declined in 2012, in line with the trend started in 2010, but much more sharply. Population was estimated at 10,487,289 persons, i.e. 55,109 less than in 2011, which accounted for a crude rate of increase of approximately -0.52% (compared with -0.29% in 2011). The decline in population resulted from the following trends: on the one hand, the rate of natural increase has shown a downward profile, with moderate values since 2001, and went on to show a negative trend as of 2009; on the other hand, the migration rate, which made the only and main contribution to the positive change in population in the most recent years, decelerated strongly in 2010, from 0.15% in 2009 to 0.03% in 2010, recording negative values in the following years, standing at -0.35% in 2012.

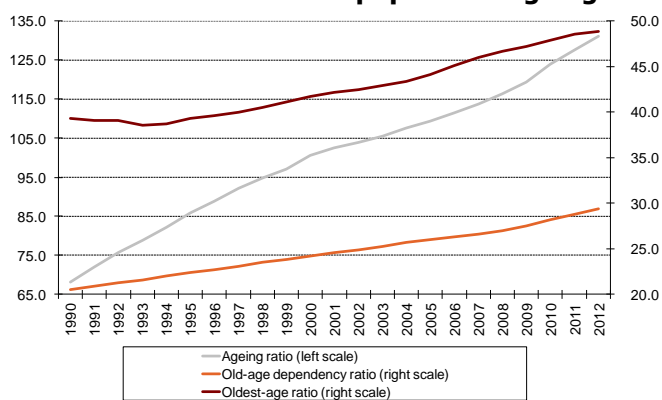
Net migration has been the determinant factor to the resident population's developments. Population growth rates between 1990 and 2010 stood at 0.25% on average, as a result of 0.20% and 0.06% contributions from the migration rate and the rate of natural increase respectively. Considering the 1990s and the decade started in 2000 separately, these contributions were 0.13% and 0.09% in the first decade and 0.27% and 0.04% in the second (Chart 1).

**Chart 1 – Dynamics of population growth**



The weight of the elderly population continued to follow an upward trend, as a consequence of a decline in fertility and an increase in longevity. As of 1990 the share of persons aged less than 24 showed a recurrent downward trend. In the 1990s it accounted for 33.7% of the total on average, while in the following decade it stood slightly below 28.3%. In 2012 it accounted for 25.5% (Chart 2).

**Chart 2 – Outcome of population ageing**

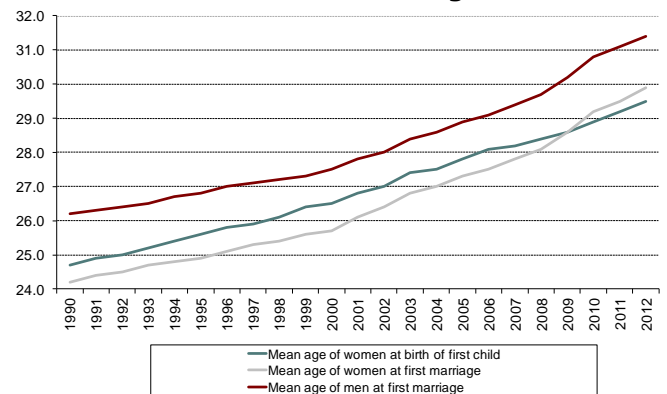


The general fertility rate recorded an average value of 44.3‰ in the 1990s, declining in the following decade to 42.0‰, dropping further in the following years, to stand at 36.3‰ in 2012. In turn, in the latter year the old-age ratio was 48.9, i.e. the highest level recorded since 1990, thus following a clear upward trend as of 1995, when this indicator had stood at 39.3. The ratio of population aged 65 and over to population aged less than 14 (ageing index) also reached a peak, 131.1, compared with 100.6 in 2000 and 68.1 in 1990.

These population trends have been developing in a context of changes in social behaviour, as shown by a number of indicators. The average age of women at first marriage and at the birth of the first child has been increasing on a recurrent basis since 1990. Hence, in 2012 the age at first marriage was 29.9 (25.7 and 24.2

in 2000 and 1990 respectively), while the age at the birth of the first child stood at 29.5 (26.5 and 24.7 for the same periods and in the same order). The average age of men at first marriage also increased, to 31.4 in 2012 (27.5 and 26.2 in 2000 and 1990 respectively). The age difference between men and women at first marriage has been declining progressively: it was 2 years in 1990, 1.8 years in 2000, stabilising between 2002 and 2010, and declining to 1.5 years in 2012 (Chart 3).

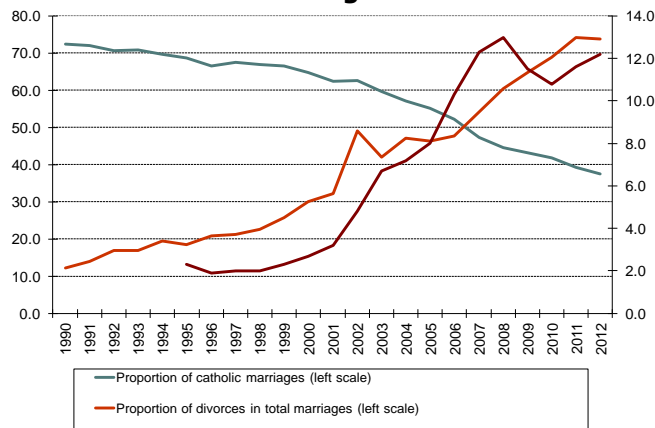
**Chart 3 – Indicators of marriage and births**



In parallel, the number of marriages tended to decline, especially from 2000 onwards. In the 1990s the decline was not strong (the average of rates of change was -0.4%), but in the following decade the fall was much sharper (-5.1% average). In 2010 the rate of change was -1.0%, although it declined again strongly in 2011 (-9.9%), easing in 2012 (-4.5%). In the latter year marriages accounted for less than 54.0% of those recorded in 2000. The number of Catholic weddings accompanied this downward trend even more strongly, in 2012 alone accounting for around 31.3% of the 2000 figure. Since 2007 the share of Catholic weddings fell to less than half of total weddings, reaching 37.6% in

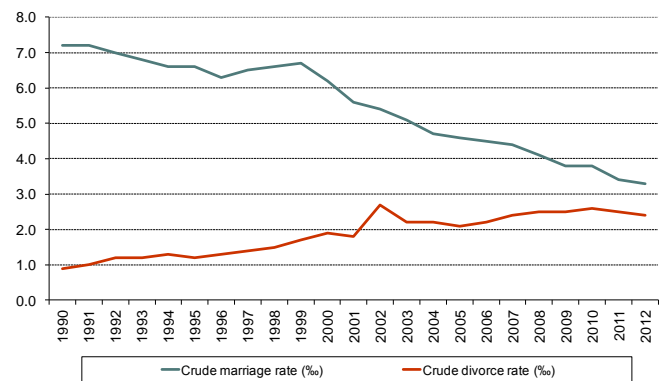
2012 (64.8% and 72.5% in 2000 and 1990 respectively). The share of marriages between Portuguese and foreign citizens followed an opposite trend up to 2008, when it reached its peak, but since then it declined, to 10.8% in 2010, reversing this trend in 2011 and reaching 12.2% in 2012 (Chart 4).

**Chart 4 – Weddings and divorces**



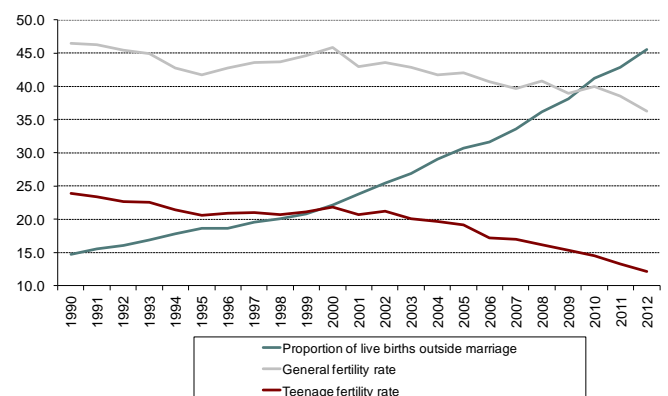
The number of divorces followed an opposite trend. Taking 1990 as a reference, their number doubled in 2000 and tripled in 2010. In the longest period (1990-2012) the number of divorces recorded an annual average growth rate of 5.6%, although from 2000 to 2010 the pace was more moderate, i.e. 4.8%. Since 2010 developments have countered the long trend, with a change of -2.9% in 2011 and -5.1% in 2012 (Chart 5).

**Chart 5 – Crude marriage and divorce rates**



The share of births outside marriage also rose, from 22.2% in 2000 to 45.6% in 2012 (of which 71.9% were with cohabitant parents). The downward trend of the youth fertility rate has remained unchanged since 2000. That year the rate stood at 21.9‰, i.e. rather close to the average of the levels seen in the previous decade, but since then it has exhibited a noticeable downward pattern, reaching 12.2‰ in 2011. The general fertility rate has been declining since 2000, fluctuating at around 40.0‰ between 2007 and 2010, and declining to 36.3‰ in 2012 (Chart 6).

**Chart 6 – Indicators of Births**

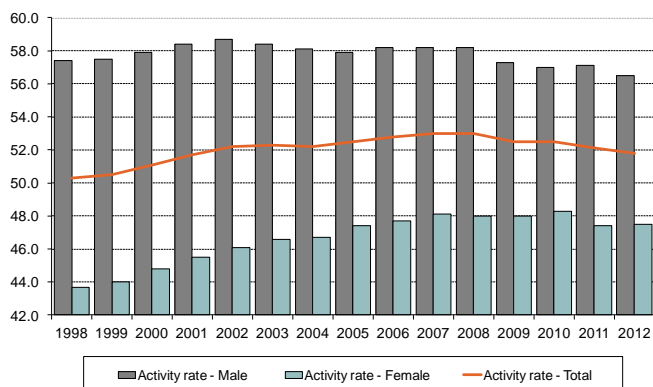


**Socio-economic framework**

**Labour force, employment and unemployment**

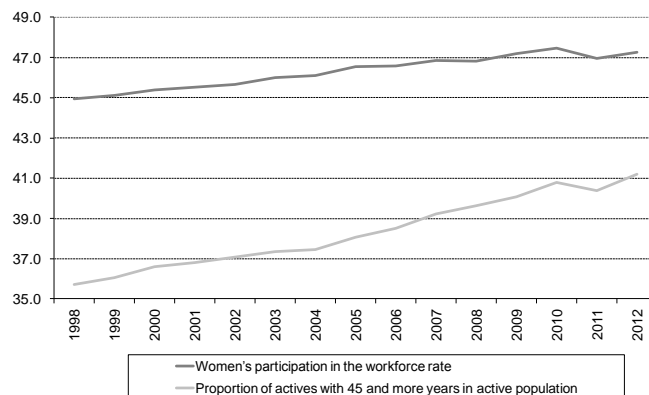
In 2012 the activity rate was close to that observed in 2001, i.e. 51.8%. Compared with the previous year, the decline was recorded in absolute terms, with 48.4 thousand persons less in the labour force, and also vis-à-vis the resident population, with a -0.3 p.p. change, slightly less strong than seen in 2011 (-0.4 p.p.). An analysis of the activity rate by gender shows a downward trend of the difference between the male and the female activity rate. This difference, which was 13.7 p.p. in 1998, declined to 9 p.p. in 2012 (Chart 7).

**Chart 7 – Activity rates**



In contrast to 2011, where the share of the labour force aged 45 and over vis-à-vis the total declined by 0.4 p.p., in 2012 it rose by approximately 0.8 p.p. This share followed an upward trend over the past 20 years. In 1998 population aged 45 and over accounted for slightly less than 36.0% of the total labour force, while in 2012 its weight stood at 41.2%. Regarding employment, the same age group had a similar behaviour, although with higher levels than those referring to the active population (Chart 8).

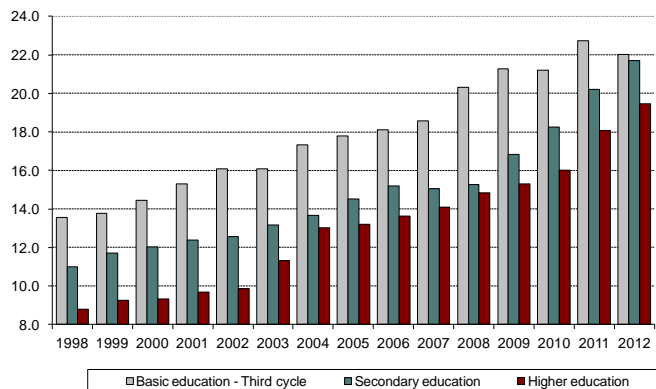
**Chart 8 – Indicators of active population composition**



The labour force's educational attainment continued to follow the upward trend observed since 1998. Around 68.8 thousand people completed tertiary education, which corresponded to a 6.9% growth rate and almost one-fifth of the labour force. Secondary education recorded an annual increase slightly above tertiary education in absolute terms, with 69.6 thousand persons, although the figure was lower in relative terms, corresponding to a 6.2% growth rate. In 2008 there was a turnaround in the growth trend of the labour force and employment observed since 1998. From 1998 to 2008 labour force and employment grew at annual average rates of 1.0% and 0.7% respectively. In the 2008-2012 period labour force and employment declined by 0.6% and 2.8% respectively. A comparison of results with figures for the EU27 shows that on average the labour force in Portugal is less skilled than the European average. The share of workers who have completed tertiary education was 18.7% in Portugal and 26.4% in the EU27. Also, in secondary and post-secondary education there was a similar difference between figures for Portugal vis-à-vis the EU27. However, this difference (around 34.0 p.p. in 2005) has been declining, standing at 26.5 p.p. in

2012. Conversely, workers whose maximum level of qualification is lower than secondary education was 56.2% in Portugal, compared with a ratio of around 20% in the EU27 (Chart 9).

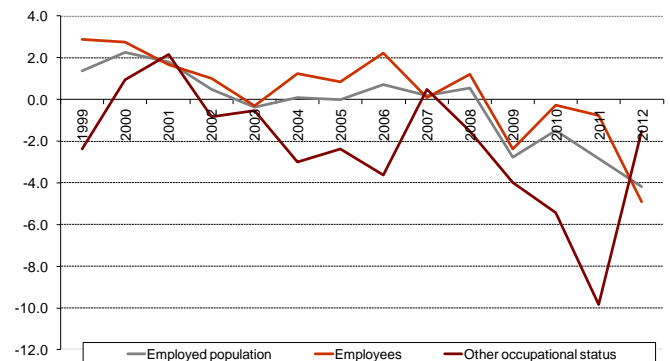
**Chart 9 – Proportion (%) of active population according to educational levels completed**



The fall in employment already observed in the past three years (-2.8%, -1.5% and -2.8%) worsened in 2012, when it recorded the highest decline, i.e. -4.2%. These successive falls in employment corresponded to the termination of approximately 563 thousand jobs, leading employment levels to below those recorded in 1998.

The different forms of employment other than paid employment accounted for 62.7% of the fall in employment in the period 2008-2011. In 2012 this contribution changed, and paid employment accounted for 92.3% of the fall.

**Chart 10 – Annual rates of change (%) of employed population**



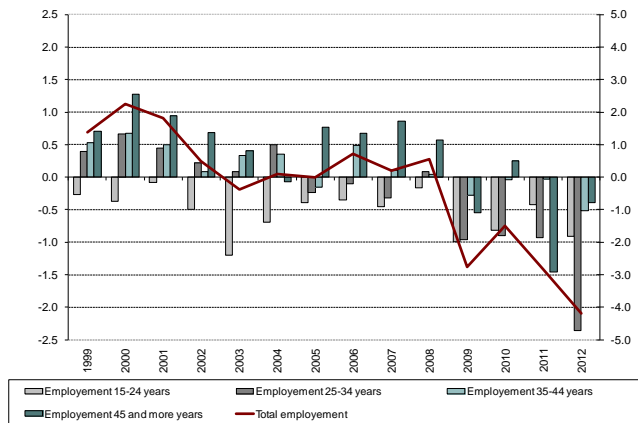
Employees experienced the sharpest fall in fixed-term and other contracts (-11.5%). Workers with permanent contracts experienced a less significant loss in employment, with a smaller decline of 3.0%.

**Chart 11 – Proportion (%) of active population according to educational levels completed**



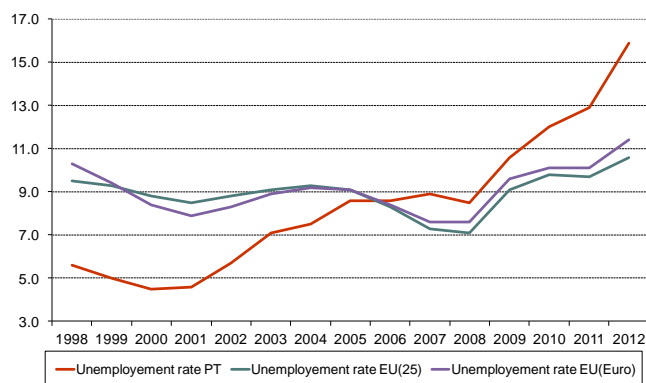
Throughout 2012 the 25-34 age group was the most affected by the fall in employment, which accounted for around 68.0% of the total loss in this age group from 1998 to 2012. In the previous year the 45 and more years age group declined the most. Employed population aged 15 to 24 declined continuously since 1998, accumulating the greatest loss of employment (Chart 12).

**Chart 12 – Contribution (%) of employment age groups to total employment annual rate of change**



The unemployment rate has been following an upward trend since 2001, which was only countered in 2008. In 1998 the unemployment rate in Portugal was considerably below the EU25 average (-3.9 p.p.). Its continuous upward trend, which was not always in sync with developments in the EU25, led the unemployment rate in Portugal to higher levels than in the EU25 from 2006 onwards. The differential between rates reached 5.3 p.p. in 2012, when the unemployment rate in Portugal reached a new peak of 15.9% (Chart 13).

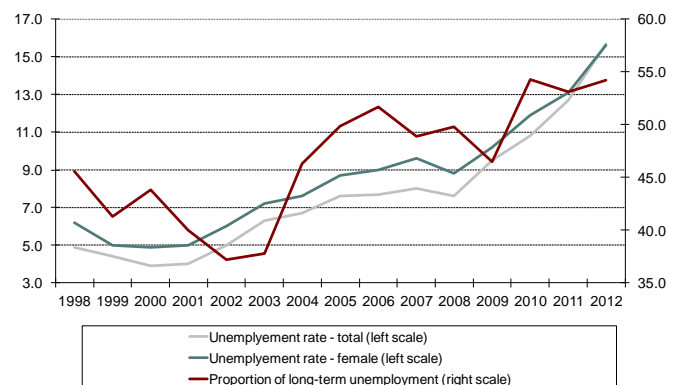
**Chart 13 – Unemployment rates in Portugal, EU25 and euro area**



The female unemployment rate has been higher than the average total unemployment rate and followed the total growth trend. In 2012 the female unemployment rate was more or less similar to the total rate.

The share of workers unemployed for more than one year reached a new high, after an easing in 2011, to 54.2%, i.e. approximately 466 thousand persons (Chart 14).

**Chart 14 – Female and long term unemployment**



### Income and living conditions of households

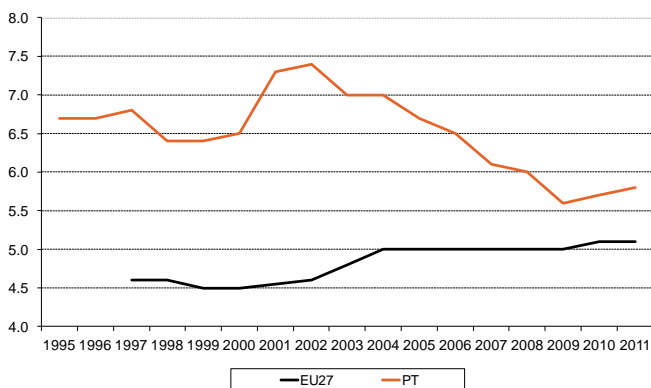
Inequality in income distribution worsened slightly in 2011, similarly to the previous year. Developments in these two years countered the trend observed since 2003. The at-risk-of-poverty rate continued to be relatively stable at a low level vis-à-vis 2003 (17.9% in 2011, against 20.4% in 2003). However, there are still significant differences when considering different population sectors.

According to the results of the Income and Living Conditions Survey, in 2011 net equivalised monetary income received by the 20% of the population with the highest income was 5.8 times the income received by

the 20% of the population with the lowest income. This accounted for a slight increase vis-à-vis 2010, thus continuing to follow the same path observed that year. In any case, this indicator remained at a lower level than the maximum reached in 2002 (7.3) and in 2008 (6.0).

The indicator continued to reflect greater inequality vis-à-vis the European average, albeit to a lesser extent in the most recent years and despite the increases recorded in 2010 and 2011. This narrower differential was due to improvements already pointed out for Portugal and a stabilisation or even some worsening observed in the past few years at European level. In the EU27 this indicator had stabilised at 5.0 between 2004 and 2009, and rose slightly in the two following years. A comparison of the Portuguese situation with the euro area's yields the same type of result, i.e. a greater degree of inequality in income distribution and a trend easing of such disparity since 2006, also due to opposite paces of indicators in Portugal and the euro area (Chart 15).

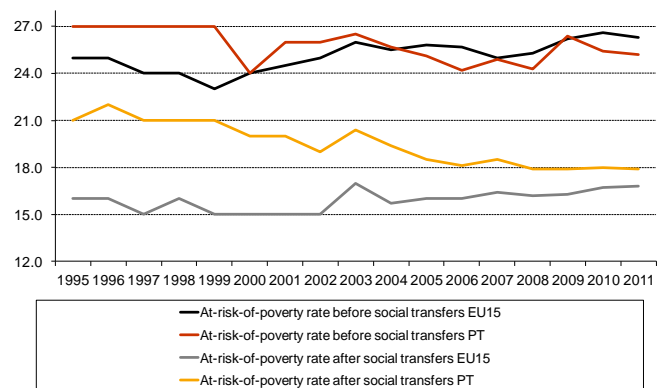
**Chart 15 – Inequality of income distribution (S80/S20)**



According to this survey's data, in 2011 the at-risk-of-poverty rate assessed by the share of population with a

net equivalised monetary income below 60% of average income stood at 17.9%, corresponding to a 0.1 p.p. decline from 2010. This indicator takes into account income from (old-age and survivors') pensions and social transfers (associated with sickness and disability, family, unemployment and social inclusion). Considering only income from employment, property income and private transfers, around 45.4% of the population was at risk of poverty, i.e. 2.9 p.p. more than in 2010; considering also pensions, the at-risk-of-poverty rate declined to 25.2%, i.e. 0.2 p.p. less than in 2010 (Chart 16).

**Chart 16 – At-risk-of-poverty rates**



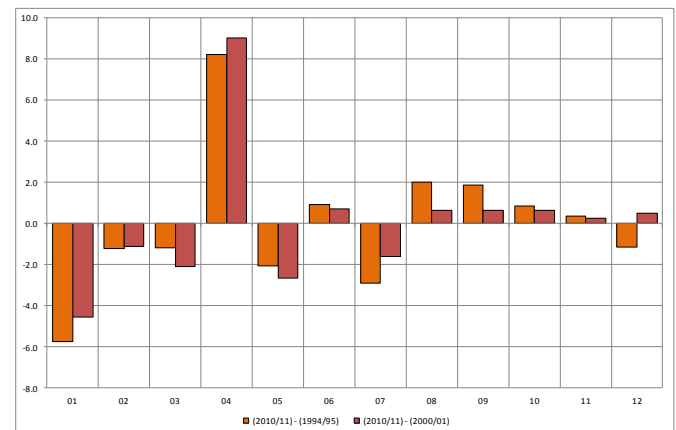
In comparison with the EU27 the at-risk-of-poverty rate has been higher in Portugal, which on a first stage was due to the risk gap before social transfers until 2003 approximately, and to a lower impact of social transfers. However, as of 2004 the at-risk-of-poverty gap before transfers vis-à-vis the EU27 narrowed, and the gap of the impact of transfers – which actually declined – went on to have a more relevant role. As a consequence, there was a narrowing of the gap of the at-risk-of-poverty rate after social transfers vis-à-vis the EU27.

The at-risk-of-poverty rate continued to show differences according to gender (not very significant), age (more marked for youth and the elderly up to 2010, declining by 0.7 p.p. and 2.6 p.p. in the following year, respectively), household composition (penalising larger households and households with one adult and dependent children) and activity status (the risk of poverty is much higher than average for the unemployed and much lower for the employed population). In comparison with 2003, in general there has been a slow downward trend, although somewhat different depending on the sectors where the criterion to group households results from a combination of the number of adults and the number of children. Specifically, in households with dependent children, the at-risk-of-poverty rate recorded virtually no significant changes, and even increased in some groups. The main exception to the improvement was experienced by the unemployed, whose at-risk-of-poverty rate rose by 9.9 p.p. between 2004 and 2011, to stand at 38.3% in the latter year. Also, the 18-64 age group did not improve significantly from 2004 to 2011, given that gains up to 2009 were virtually annulled by a deterioration in the two following years.

The structure of final consumption expenditure of households according to the 12 classes of the Classification of Individual Consumption by Purpose has undergone significant changes over the past decade, continuing the trend already observed between 1995 and 2000. The most relevant were an increase in expenditure on housing, water, electricity, gas and other fuels by about 9.0 p.p., and a decline in food and non-alcoholic beverages by about 4.5 p.p.. Expenditure on furnishings and household equipment as well as

clothing and footwear and, to a lesser extent, alcoholic beverages, tobacco and transport, also declined considerably. By contrast, there were less substantial increases in expenditure on communication, recreation and culture, and education

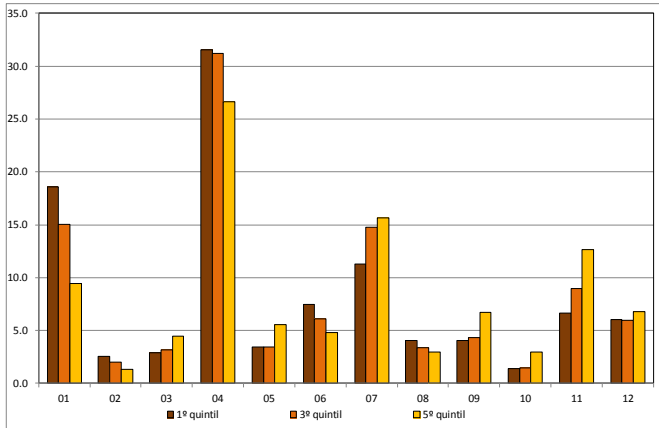
**Chart 17 – Differences in the structure of final consumption expenditure of households**



Considering differences in the consumption expenditure structure by income quintile in 2010/2011, there was an evident change in consumption patterns depending on whether there was a direct match to income quintiles. In the early quintiles emphasis was placed on expenditure on food and non-alcoholic beverages, housing, water and energy, and transport. By contrast, in the 5<sup>th</sup> quintile expenditure on restaurants and hotels, transport, recreation and culture had a greater relative importance.



**Chart 18 – Differences in the structure of final consumption expenditure of households by income quintile**



**Legend**

Classes of the Classification of Individual Consumption by Purpose	
C01	Food and non-alcoholic beverages
C02	Alcoholic beverages, tobacco and narcotics
C03	Clothing and footwear
C04	Housing, water, electricity, gas and other fuels
C05	Furnishings, household equipment and routine household maintenance
C06	Health
C07	Transport
C08	Communication
C09	Recreation and culture
C10	Education
C11	Restaurants and hotels
C12	Miscellaneous goods and services

The material deprivation rate (the percentage of people who, in the period under review, lived in households facing an enforced lack of at least three out of nine material deprivation items) was 21.8% in 2012, i.e. increasing by 0.9 p.p. from 2011. However, this indicator did not show a noticeable trend, rather it has fluctuated successively, reaching a peak of 23.0% in 2008 and a trough of 20.9% in 2011. Considering a breakdown by age group, those aged 65 and over

recorded a noticeable downward trend (the indicator stood at 21.7% in 2012, compared with 31.1% in 2004).

In 2012 the dissemination of ICT among households continued, judging from the group of indicators available, which increased further considerably from 2011, following clear upward trends. In 2012, 66.1% of households had a computer, i.e. 2.4 p.p. more than in the previous year, and 23.6 p.p. more than in 2005. 61.0% of households had Internet access (58.0% in 2011), and over 59.7% had broadband Internet access (56.6% in 2011). In 2005 the corresponding shares were 31.5% and 19.7%.

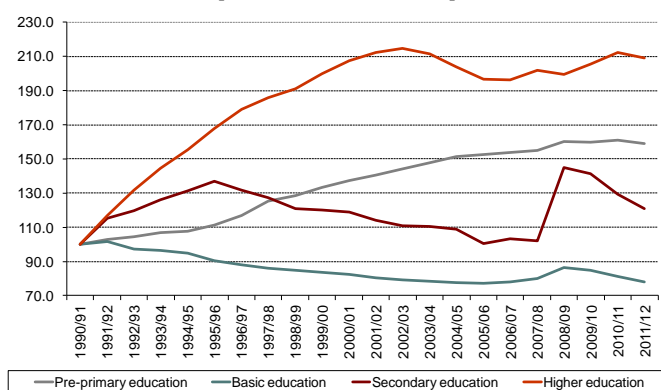
**Education**

Developments in the school structure over the past two decades were determined by factors with different impacts in terms of intensity and durability: the Basic Law of the Education System in 1986, the downward trend of the population’s rate of natural increase, an effort to extend pre-school education and reinforce tertiary education, and the expansion of private education. More recently, there was a procedure for the certification of competences and an effort to expand professional education.

After the waning of the effect of implementation of the 1986 Basic Law of the Education System, which established nine-year compulsory education (later in 2009 it was raised to 12 years), the dynamics of school population went on to be determined by a decline in the population’s rate of natural increase. Hence, as of 1991/1992 school population in primary education followed a downward trend, which started in the first cycle and extended into the remaining cycles (with

lower secondary education starting to decline in 1995/1996). As a result, between 1990/1991 and 2000/2001 population in primary education declined by around 19.0%, and further by around 6.5% between the latter period and 2005/2006. However, in the three following years there were increases vis-à-vis the number of students enrolled. These increases were chiefly due to the enrolment of adults in the second cycle of primary education and especially in lower secondary education – third cycle (in these two years the cumulative increase surpassed 120,000 students enrolled in primary education as a whole), mainly at the level of the System of Recognition, Validation and Certification of Competences (SRVCC). In the 2009/2012 period this effect started to weaken, continuously reducing the number of students enrolled that thus resumed the level seen in 2006/2007 (Chart 19).

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



The downward trend of upper secondary education started in 1996/1997, and between 1990/1991 and 1999/2000 there still was an increase of around 20.0% in population. It was followed by a 14.3% decline in

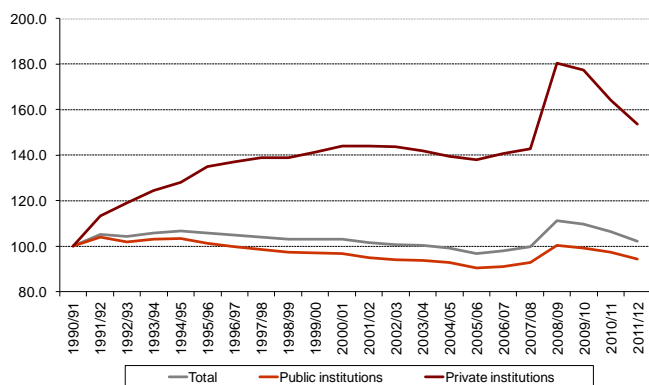
2007/2008 compared with 2000/2001, causing the final effect to be a virtual stabilisation of population vis-à-vis the level recorded in 1990/1991. The following years saw a similar phenomenon to that of primary education. Firstly, there was a rather sharp increase in 2008/2010, then a decline, although the level continued to be higher than that for 2000/2001.

The expansion of non-compulsory pre-primary education was quite significant over the past two decades. In 1990/1991 pre-primary education covered around half the children aged 3-5, whereas in 2009/2010 it covered 85.0%, thus following a clear upward trend between the two periods. This overall change was mainly due to the expansion of the public pre-primary education network, which surpassed private education in terms of the number of students enrolled as of 2000/2001. In 1990/1991 the share of students enrolled in public schools was approximately 44.0% and in 2011/2012 about 53.2%, i.e. moving closer to the 53.3% peak reached in 2007/2008.

Private education at all levels of primary and upper secondary education played an increasingly more important role, and its weight in terms of the number of students enrolled increased from 1990/1991 onwards. Up to 2009/2010 its weight increased almost continuously at all levels of primary education, especially lower secondary education (third cycle). From that school year onwards there was a reversal of this trend. Private schools showed a similar profile in secondary education, with an increase in their relative importance up to 2008/2009 (24.0%, compared with 8.5% and 16.8% in 1990/1991 and 2000/2001 respectively) and a decline in the subsequent years. Conversely, in pre-primary education private schools

followed a clear downward trend until 2004/2005, subsequently stabilising slightly, and increasing in 2008/2010, with the share of students enrolled dropping to 46.8% in 2011/2012. The weight of private schools in tertiary education increased up to the end of the first half of the 1990s, declining afterwards. A maximum weight of 36.6% was reached in 1995/1996, in 2000/2001 the share stood at 29.4% and in 2011/2012 it was 18.2% (Chart 20).

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

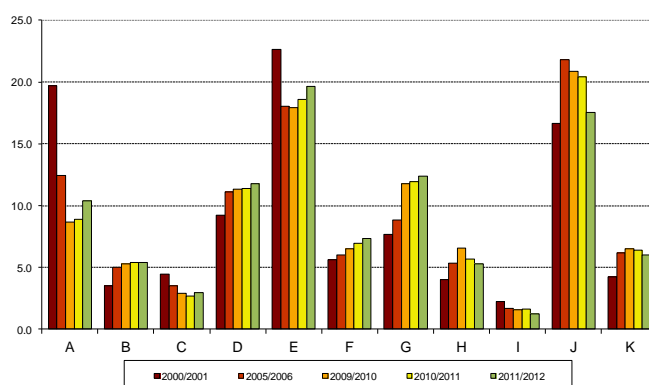


School population enrolled in professional education increased by approximately 114 thousand, which means a multiplication by 17.7 vis-à-vis 1990/1991, and by 3.7 vis-à-vis 2000/2001. Professional education accounted for around 32.6% of school population in upper secondary education in 2011/2012, compared with 9.0% in 2000/2001.

The school attendance rate in tertiary education remained on an upward trend, i.e. 32.2% in 2011/2012, against 15.1% at the start of the series (1994/1995 school year). This ratio had stabilised at around 27.0% between 2002/2003 and 2006/2007, but has resumed an upward trend ever since.

An analysis of the performance of tertiary education students between 2000/2001 and 2011/2012 shows that the number of graduates increased both in absolute terms (61.1 thousand against 94.3 thousand) and in terms of the number of students enrolled (15.8% against 25.4%), although in the latter case there continued to be a setback vis-à-vis 2006/2007 and 2007/2008. However, the difference in percentage points vis-à-vis these two school years was marginal and associated with a higher number of graduates. In turn, preferences changed between 2000/2001 and 2010/2011. There were considerable declines in the shares of graduates in Teacher Training, Business and Administration, and Humanities. Conversely, the main increases were observed in Engineering and Engineering Trades, Social and Behavioural Sciences, Arts, Health and Social Services, Life Sciences, Physical Sciences, Mathematics and Statistics, IT and Personal Services, Transport, Environment and Security (Chart 21).

**Chart 21 – Shares of Students graduated 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
K - Other Services

Consequently, the relative positions of the various fields of study recorded the following main changes in 2011/2012 vis-à-vis the previous year: Health and Social Services moved from the first to the second position, and Business and Administration and Law ranked first. The remaining fields, except for Arts, and Architecture and Building, which alternated between the eighth and the ninth position, maintained the same relative importance.

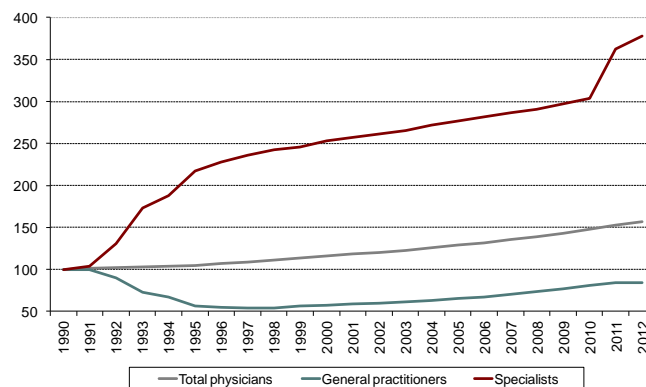
**Health**

The information available, partly only up to 2011, shows the maintenance of previous upward trends of the sector's human resources, with a greater supply capacity in more specialised segments and a more intensive use of the available resources.

An analysis of human resources shows a continuous improvement in the number of doctors per 1,000 inhabitants, which was 4.2 in 2012, compared with 3.2 in 2000. The same trend, and even stronger, continued to be observed in the number of nurses per 1,000 inhabitants, which reached 6.2 in the same year, against 3.7 in 2000. The number of specialist doctors

continued to rise, at a rate of 4.2%, while the number of non-specialist doctors declined by 0.4%. In 2011 there were around 193 specialist doctors per every 100 non-specialist doctors, reflecting an improvement, after a slight albeit continuous decline as of 2001, when this ratio was 190 to 100 (Chart 22).

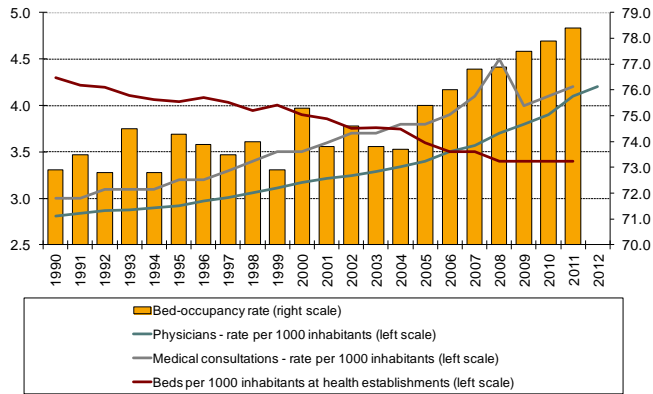
**Chart 22 – Doctors index according to main categories (1990=100)**



With regard to in-patient capacity, in 2011 the number of beds in hospitals (actual capacity) was 35,601 (35,646 in 2010), accounting for a decrease of 1,771 and 2,564 vis-à-vis 2005 and 2000 respectively, with official clinics also declining (665 and 1,087 less beds for these years). In turn, the number of operating rooms in hospitals rose substantially, to 860 (103 and 134 more than in 2005 and 2000 respectively).

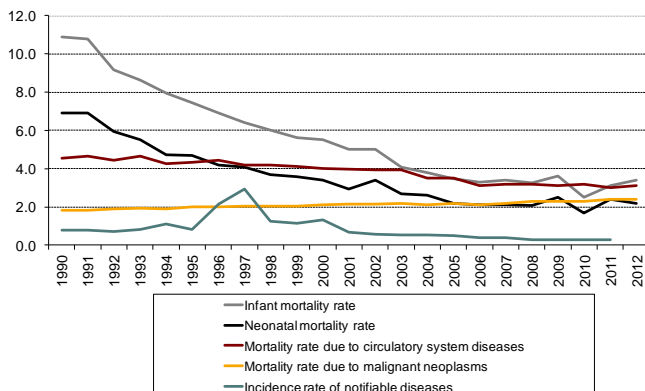
Services provided have followed a general upward trend, judging from the available indicators. In 2011 the number of major and medium surgeries declined, resuming the 2008 levels, but still quite above the figure recorded in 2005, when the upward trend had been countered on an ad-hoc basis. The number of external appointments in 2011 rose by 2.0% in hospitals and 6.2% in official clinics in 2012, after having stagnated in 2011 (Chart 23).

**Chart 23 – Health services capacity and use indicators**



Within the scope of mortality-related health indicators, in 2012 the infant mortality rate rose to 3.4 deaths per 1,000 live births, countering a continuous downward trend. In 1990 it had stood at 10.9, declining almost continuously until 2008, to reach 3.3; in 2009 it rose to 3.6 and subsequently reached its minimum value, 2.5. With regard to the main causes of death in Portugal, 30.4% of total deaths in 2012 were caused by diseases of the circulatory system and 23.9% by malignant neoplasms. With regard to the respective mortality rates, the former resumed the upward trend, standing at 3.1‰, while the latter remained stable, at 2.4‰ (Chart 24).

**Chart 24 – Mortality-related health indicators**



**Economic activity**

**Enterprises**

In the business structure (non-financial enterprises), services as a whole played a predominant role, although their weight varied depending on the variable observed. A comparison of data from the Integrated Business Accounts System (IBAS) for 2011 and 2010 shows that services maintained their relative importance when considering the number of enterprises and persons employed, standing at 79.2% and 66.6% respectively, and declined by 1.1 p.p. in terms of turnover, accounting for 60.4% of the total.

The intra-area trade sector played a predominant role, considering turnover as a reference, although its weight declined from 2005. Conversely, and in comparison with the same year, electricity, gas and water, and other service activities (business, real estate, health and education, among others) increased the most in terms of relative importance, taking turnover as a reference. The most significant increase in this variable originated in the electricity, gas and water sector. Manufacturing continued to be instrumental, in view of weights of 18.5% and 23.7% in total persons employed and total turnover respectively, although playing a less important role vis-à-vis 2005 (decline of 0.7 p.p. in turnover and of almost 4.0 p.p. in employment) (Chart 25).

Chart 25 – Business structure

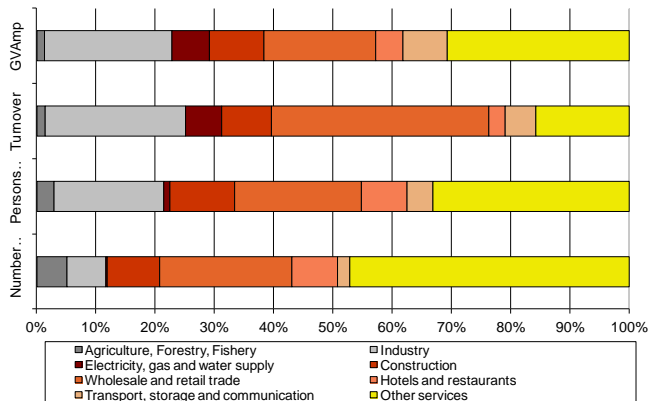
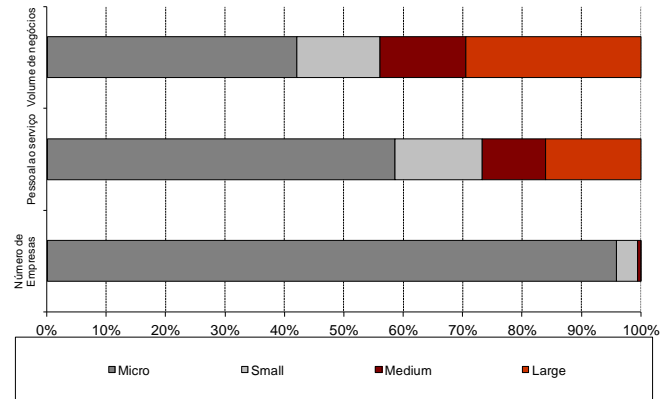


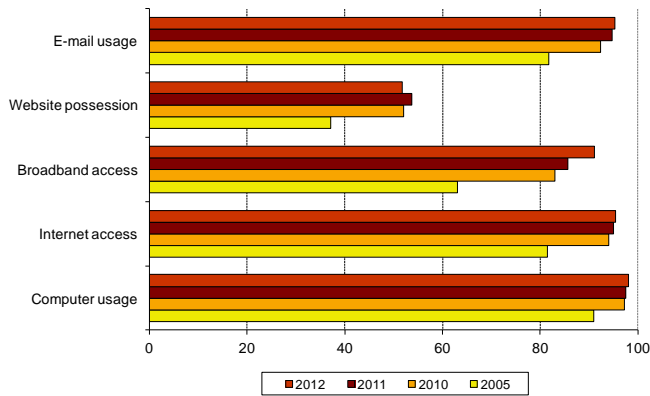
Chart 26 – Average number of employed persons



In turn, the production structure continued to be largely determined by the relative importance of small and medium-sized enterprises. Overall, in 2011 the average size of enterprises was quite similar to 2010, i.e. around 3.4 persons employed, which was quite similar to 2005. The share of enterprises with less than 10 persons employed (microenterprises) in total enterprises was approximately 95.7%, covering 44.4% of persons employed and 19.1% of turnover. Enterprises with less than 50 persons employed (small enterprises) as a whole accounted for over 99.4% of the number of enterprises, corresponding to close to 64.2% of the number of persons employed and 38.6% of turnover (Chart 26). Small and medium-sized enterprises (up to 249 persons employed) as a whole accounted for 99.9% of the number of enterprises, 78.5% of persons employed and 58.8% of turnover (Chart 26).

The use of ICT continued to be broadly disseminated. According to the Survey on ICT usage in enterprises, in 2012, 98.1% of enterprises had computers, i.e. 0.6 p.p. more than in the previous year and little over 7.0 p.p. vis-à-vis 2005. In turn, 95.4% of enterprises had Internet access (slightly more than in 2011), and 91.1% of the total had broadband Internet access, reflecting a 5.4 p.p. gain. Vis-à-vis 2005, gains in these two variables were more marked: 13.9 p.p. and 28.1 p.p. for Internet access and broadband Internet access respectively. As regards the share of enterprises with a website and receiving electronic orders, there were 1.9 p.p. and 1.5 p.p. declines respectively from 2011 figures. However, the results obtained were clearly higher than in 2005. Enterprises with a website recorded a share of 51.8%, against 37.1% in 2005, and electronic orders received recorded 14.2%, against 8.6% (Chart 27).

**Chart 27 – Use of information and communication technologies (% of enterprises)**



### International trade

The import-export coverage rate grew for the fourth consecutive year, reaching the peak of the series in 2012 (80.6%, accounting for an increase of 8.3 p.p. from 2011 and 15.5 p.p. from 1990).

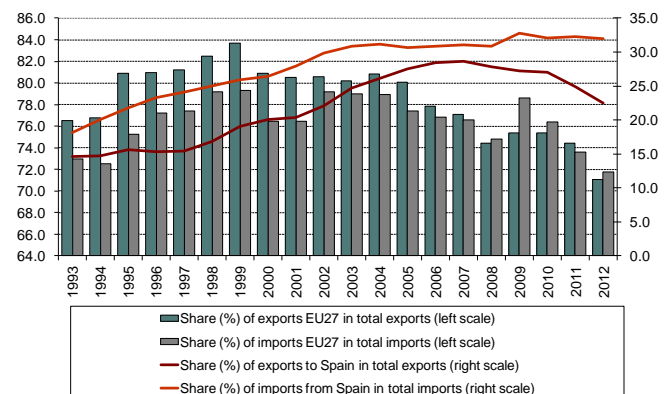
Exports recorded an annual average growth rate of 6.7% since 1990, lower by 1 p.p. than that of imports in the same period. Both indicators fell strongly in 2009 (18.4% for exports and 20.0% for imports), and subsequently experienced three years of growth at an average rate of 12.7% for exports and 3.3% for imports. The rebound was not felt in imports: in 2010 a 14.1% rise allowed for some recovery although at a level below that of 2007. In the following year import growth almost stagnated and finally in 2012 it was more or less symmetrical to that of exports, resulting in the above-mentioned improvement in the coverage rate.

In 2012 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, was 62.4%, growing for the third consecutive year. The performance of this indicator in 2012 was associated

with a strong slowdown in imports, given a fall in domestic demand, the maintenance of high export growth, and a drop in GDP at current prices.

The European Union (EU27) continued to have the highest weight in the destination (71.0%) and origin (71.8%) of trade, especially Spain, with a weight of 22.5% in exports and 32.0% in imports. Germany was the second EU27 country with the highest weight in trade flows, having been the destination of 12.4% of exported goods and the origin of 11.4% of imports. The downward trend of these weights reflected a change towards the diversification of trading partners. As regards Portuguese-speaking African countries (PALOP in Portuguese), trade with Angola had the highest weight, having been the destination of 82.8% of goods exports and the origin of 98.6% of imports. The remaining countries with the highest weight in Portuguese goods exports were the United States (4.1%), China (1.7%) and Brazil (1.5%). With regard to imports from other countries, it is worth highlighting Brazil (2.4%), China (2.4%) and the United States (1.7%) (Chart 28).

**Chart 28 – Indicators of International trade (%)**



Trade structure by groups of products has undergone a number of changes, due to the external environment and the national juncture. On the export side, reference should be made to the stability of food and agricultural products and an ongoing increase in the weight of mineral fuels, while there was a turnaround in the upward trend followed by transport equipment and accessories since 2009, which in 2012 turned into a downward trend. As for imports, mineral fuels recorded the most noticeable increase, whereas vehicles and other transport equipment and machinery and mechanical appliances declined. The weight of food and agricultural products saw virtually no changes.

### National accounts

In terms of degree of economic buoyancy the 1995-2012 period can be divided into two phases: a shorter one, between 1995 and 2001, of intense GDP growth at an average rate of 3.9%, although decelerating in the last year of this period; the other, from 2002 onwards, of economic stagnation and covering the recessions of 2003, 2009 and from 2011 onwards. All these are increasingly in line with European economies, although with different amplitudes. Specifically, the most recent recession is associated with a modest recovery of economies after the 2008-2009 crisis, with the recessive nature having been determined by the impact of the restrictive policy applied to the Portuguese economy.

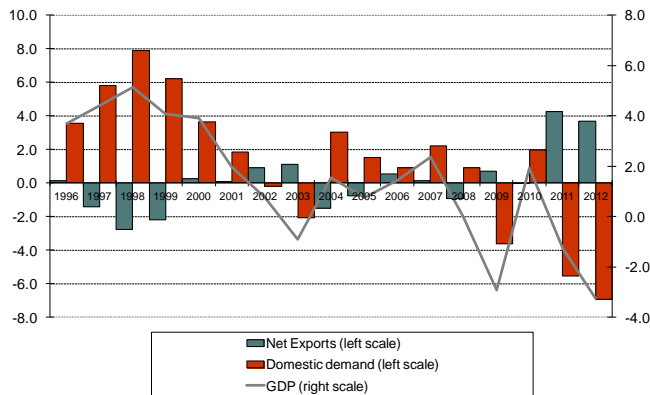
In 2012 GDP declined at a rate of -3.2%, exacerbating the fall recorded in the previous year. A comparison of declines in these two years shows that there were similar movements on the aggregate demand side: contraction of domestic demand and improvement in

net external demand. However, the intensities were sufficiently distinct for there to be a worsening of around 1.9 p.p.. In fact, in 2012 the contraction of domestic demand was more marked, at -6.6% (against -5.1% in 2011), causing a strong negative contribution to the change in GDP, i.e. about 6.9 p.p. (-5.5 p.p. in 2011). Net external demand made a less positive contribution, of 3.7 p.p. (4.4 p.p. in 2011).

At the domestic level, resident household expenditure on goods and services fell at a rate of -5.4% (-3.4% in 2011), and only expenditure on food remained at approximately the same level as in the previous year (-0.6% change). Declines in current consumer goods and consumer durables were rather sharp, by -4.5% and -22.4% respectively (-2.2% and -17.3% respectively in 2011). Household consumer spending made a -4.0 p.p. contribution to the -5.2% change in final consumption expenditure, the remaining originating in expenditure of non-profit institutions serving households (-0.1 p.p. contribution) and general government (-1.1 p.p. contribution). In turn, gross capital formation declined at a rate of -13.4% (-11.1% in 2011). The main contribution to this contraction was made by investment in construction (comprising investment by households and enterprises), but there were also similar contributions from the shares regarding machinery and equipment, and transport equipment (-1.8 p.p. and -1.5 p.p. respectively). From 2008 to 2012 the average rate of change in gross fixed capital formation was -7.4% (Chart 29).

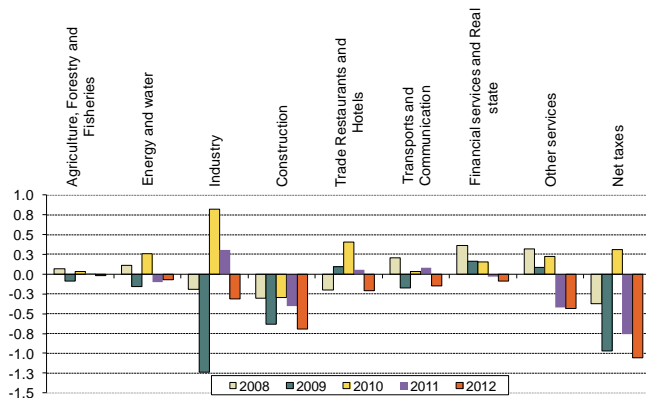


**Chart 29 – Contribution of domestic demand and net exports (p.p.) to GDPmp real growth (%)**



On the supply side, all branches of activity considered followed negative paths and most worsened against the changes observed in the previous year. The most unfavourable developments in 2012 were experienced in construction and industry, whose rates of change in GVA were -14.8% and -2.5% respectively (-8.0% and 2.4% growth in 2011). Services as a whole also recorded negative developments, at a rate of -1.4% (against a decrease of -0.5% in 2011) (Chart 30).

**Chart 30 – Contribution of activity sectors (p.p.) to GDPmp real growth (%)**



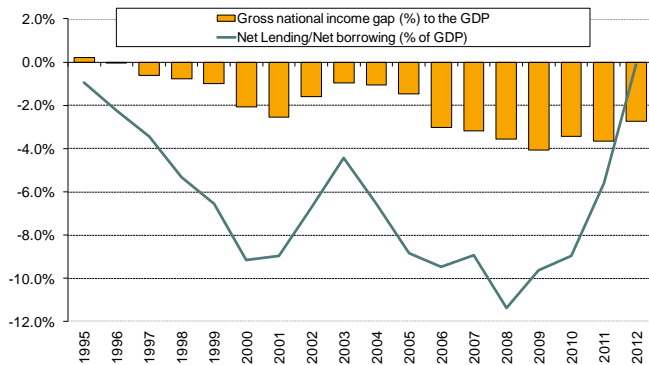
Although the separation between strong and moderate growth periods up to 2001, and from 2002 to 2012

respectively, was visible in most branches of production, the services sector grew, on average, more than industry and agriculture. The relative price of services increased in tandem with this buoyancy. The resulting volume and price effects translated into a higher relative importance of services, to the detriment of industry and agriculture. In 1995 these two branches accounted for just over 21.0% in GDP at current prices, compared with 14.5% in 2012. The importance of services demand stood at 57.8% and 64.8% respectively in these years.

The ratio of net borrowing (equivalent to the overall current and capital account balance) to GDP widened in the course of the 1995-2001 period, to reach approximately -9.0%. From then onwards developments were conditioned by recessions. Hence, in 2003 net borrowing improved, but subsequently returned to a level of -9.0%, peaking at -11.4% in 2008. As of 2011 there was a noticeable improvement in this ratio, which reached -5.6% and was virtually annulled in 2012 (-0.1%).

Recurrent deficits in the current and capital accounts ever since 1995 worsened the international investment position (value of the net external asset stock), causing a deterioration of the primary income balance (difference between income received from and paid to non-resident units). In 2009 the negative value of this balance reached 4.1% of GDP, leading to a difference of the same amount between GDP and gross national income (GNI). In 2010 and 2011 this ratio fluctuated at around -3.5%, improving in 2012, to stand at -2.8% (Chart 31).

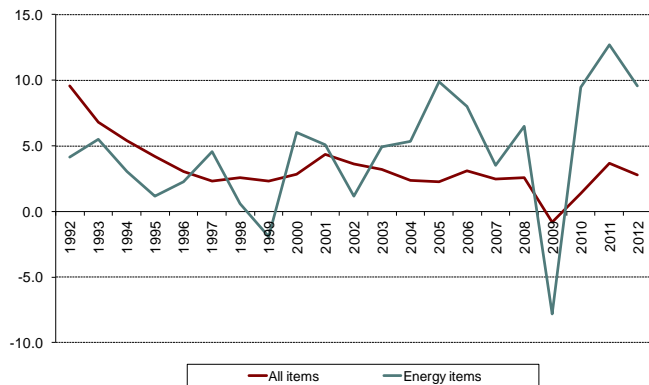
**Chart 31 – Gross national income gap and net lending/net borrowing as % of the GDPmp**



**Prices**

Price growth assessed by the rate of change in the CPI stood at 2.8% in 2012, decelerating from 2011, when it stood at 3.7%. Prices for housing, water, electricity, gas and other fuels, as well as food and non-alcoholic beverages, and restaurants and hotels, grew more than in the previous year (2.1 p.p., 1.1 p.p. and 3.1 p.p. respectively). Prices for clothing and footwear have been declining for four consecutive years, having recorded the sharpest annual decline in 2012 (5.2%). Growth decelerated in the alcoholic beverages and tobacco class, standing at 4.8% in 2012 against 7.9% in 2011. Health and communication increased slightly, by less than 0.5% (Chart 32).

**Chart 32 – CPI annual rates of change (%) of prices for all-items and energy items**

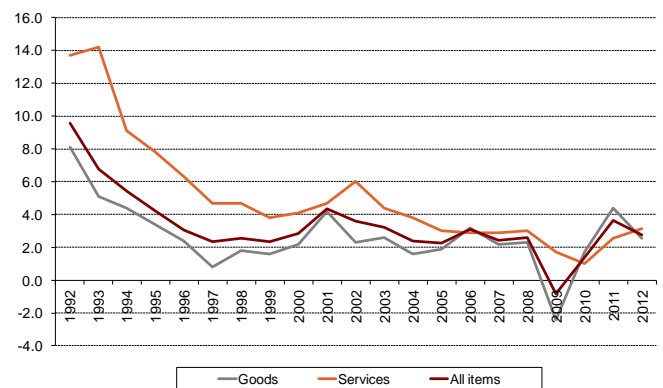


Terms of trade stagnated as a result of a similar deflator for goods and services imports than for exports (1.4 %).

The negative trend of unit labour costs throughout 2012 impacted on a fall in goods and services production costs, which was reflected in the behaviour of consumer prices. As in the previous year, this path was quite restrained by the non-payment of benefits and a reduction of general government wages.

On the other hand, in 2012 the CPI goods component grew less sharply in annual average terms than the services component (2.5% and 3.1% respectively), in contrast to the two previous years. Vis-à-vis 2011 there was a deceleration in the goods component growth rate (1.8 p.p. drop), contrary to the services component, which accelerated by 0.6 p.p. (Chart 33).

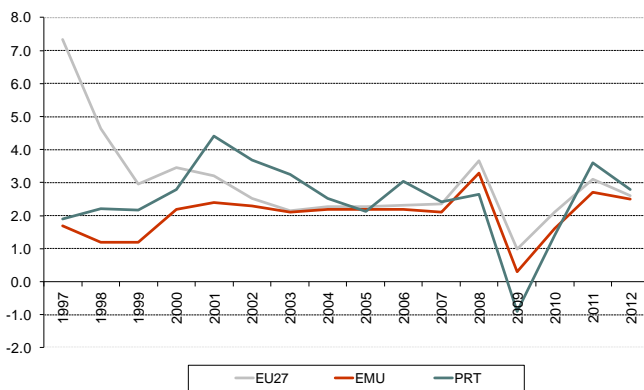
**Chart 33 – CPI annual rates of change (%) of prices for all-items, goods and services indices**



The annual average rate of change in the harmonised index of consumer price (HICP), which is the benchmark for inflation comparisons across European Union countries, stood at 2.8% (0.8 p.p. less than in the previous year). Considering the corresponding developments both in the EU27 and the euro area, the difference between the average inflation rate in

Portugal and in the two groups stood positive in 2012 (0.2 p.p. and 0.3 p.p., respectively), although less intense than is previous year (0.5 p.p. and 0.9 p.p.) (Chart 34).

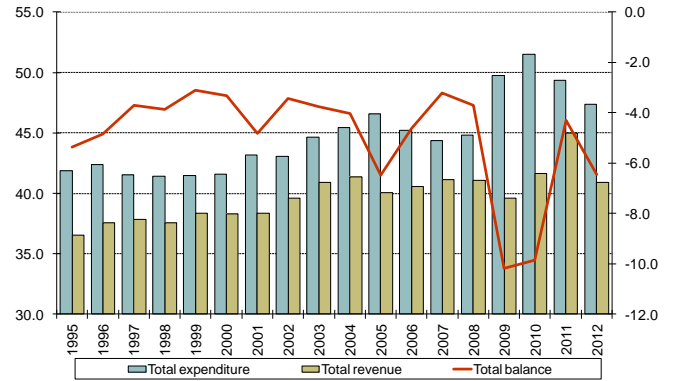
**Chart 34 – Annual inflation rates for EU27, EMU and Portugal**



**General government**

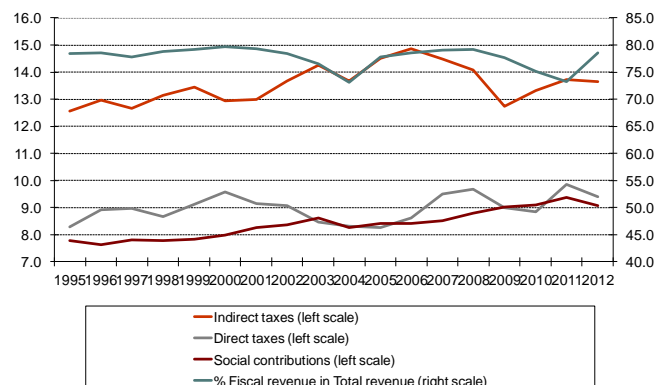
Net general government borrowing increased in 2012, accounting for 6.5% of GDP on a national accounts basis, i.e. 2.1 p.p. more than in 2011. This reflected the joint effects of a decline by 4.1 p.p. in total revenue and by 1.9 p.p. in total expenditure (Chart 35). Primary expenditure decreased by 2.3 p.p., which jointly with the above-mentioned behaviour of total revenue led to a 1.8 p.p. rise in the primary deficit, to 2.1% of GDP (Chart 35).

**Chart 35 – Revenue, Expenditure and Net Borrowing of General government (% do GDPmp)**



The decline in revenue was chiefly due to the evolution of capital revenue, which decreased by 3.1 p.p. from the 2011 ratio, although current revenue also declined by around 1.0 p.p., mainly due, to the same extent, to similar contributions from declines in taxes on income and wealth and social contributions (0.5 p.p. and 0.7 p.p. reductions respectively). This more than offset the increase in sales and other current revenue. As a result of these reductions in taxes and social contributions, the tax burden declined by 0.9 p.p., accounting for 32.1% of GDP (Chart 36).

**Chart 36 – Tax burden (% do GDPmp) by kind of main tax groups and share of Fiscal revenue in Total revenue**



The decline in the ratio of total expenditure, contrary to 2001, was due to a similar behaviour of current expenditure and capital expenditure, whose ratios declined by 0.9 p.p. and 1.1 p.p. of GDP. In the case of current expenditure, there was a decline in staff costs (-1.4 p.p.), which jointly with lower decreases in intermediate consumption and benefits, more than offset increases in social benefits (+0.4 p.p.) and interest (+0.3 p.p., interest under the excessive deficit procedure), which accounted for 22.5% and 4.3% of GDP respectively. Social benefits other than social transfers in kind made a positive contribution to the above increase, while social transfers in kind (regarding expenditure on products supplied to households via market producers) declined by 0.1 p.p.. The decline in capital expenditure resulted from the behaviour of gross fixed capital formation (Chart 37).

Public debt remained on the upward trend started in 2001, rising to 124.1% of GDP, which accounted for an increase of 15.9 p.p. vis-à-vis 2011, and a cumulative increase of 52.4 p.p. in four years.

***Statistical Yearbook of Portugal 2012.***

***Cut-off date: 30 September 2013***

***Including the December 2013 revision of national accounts***

**Chart 37 – Share of main expenditure groups in Total current expenditure**

