

December 21, 2015

Material Flow Accounts

1995-2014

Domestic Material Consumption increased 2.0% in 2014

Domestic Material Consumption of materials increased 2.0% in 2014, determined by the economic activity recovery, namely on industries with more intensive use of biomass and non metallic minerals. It should be reminded that this indicator diminished by 12.8% in 2013. The steeper increase in Domestic Material Consumption compared to GDP (+0.9% in real terms), led to a decline in resources productivity associated with the use of materials in 2014 (-1.0%), reversing the increasing trend since 2009. Portugal kept its resource productivity bellow EU28 average in 2014 (72.5%), although it was possible to observe an improvement on the last decade (it was 61.7% in 2002).

Statistics Portugal publishes the provisional results of Material Flows Accounts (MFA) for the year 2014, further reviewing the retrospective series, following information sources update. The last section of this document has references to the main aspects of the changes made.

MFA aims to express, in terms of material flows, the interaction of national economy with the natural environment and the rest of the world economy, in order to evaluate if economic growth is achieved through a more efficient use of materials taken from the environment (dematerialization) or a more intense use of materials. MFA are annually transmitted to Eurostat under Regulation (EU) No 691/2011 of the European Parliament and of the Council of 6 July 2011 on European environmental economic accounts. In Statistics Portugal website, in the National Accounts dissemination area (Satellite Accounts section), additional tables with more detailed information are also available.

1. Analysis of the main indicators

1.1. Main results in 2014

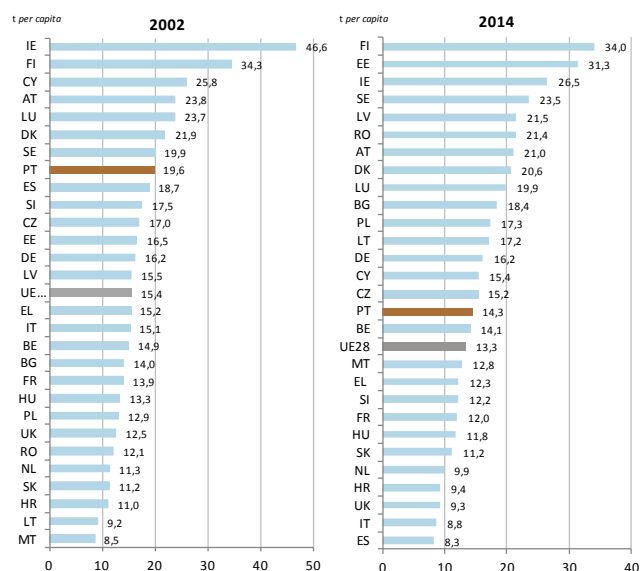
Domestic Material Consumption (DMC) increased by 2.0% in 2014. As already occurred in previous years, this evolution was determined by the economic activity dynamics in Portugal, expressed by an increase in the Gross Domestic Product (GDP) (+0.9% in real terms). However, unlike in previous years, the developments observed in 2014 were not mainly due to the non metallic mineral consumption (driven by the dynamic of sectors with more intensive use of materials, such as construction), but instead due to the increase in the use of biomass and fossil fuel materials.

The most pronounced increase of DMC, compared with GDP in volume, led to a decrease in resources productivity (GDP/DMC) of 1.0% in 2014, interrupting the upwards trend observed since 2009.

2. International comparisons¹

Portugal registered, in 2014, a DMC of 14.3 tons *per capita* (19.6 tons in 2002), thus approaching to the European average. Indeed, in 2014, DMC was 13.3 tons *per capita* in UE28 (15.4 tons in 2002). Compared to 2002, there was an improvement in the relative position of Portugal in terms of DMC *per capita* (switching from 21st country with the lowest DMC *per capita* in 2002 to 13th in 2014).

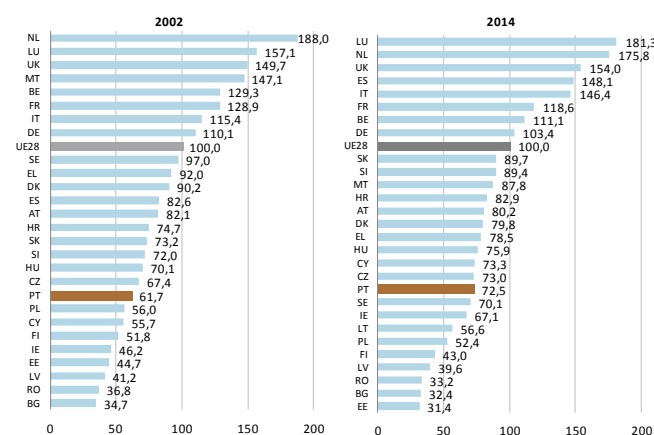
Chart 2.1.1. Domestic Material Consumption (DMC) *per capita*, in EU28, in 2002 and 2014



Confronting the positioning of Portugal in terms of DMC *per capita* and GDP *per capita* (in PPS) it is possible to observe that in 2014 Portugal presented a materials consumption higher than the European average (+7.5%), as opposed to GDP *per capita*, which was lower by 22.1%. This indicates that the Portuguese economy uses materials more intensively than the EU average. Indeed, Portugal, in spite of presenting

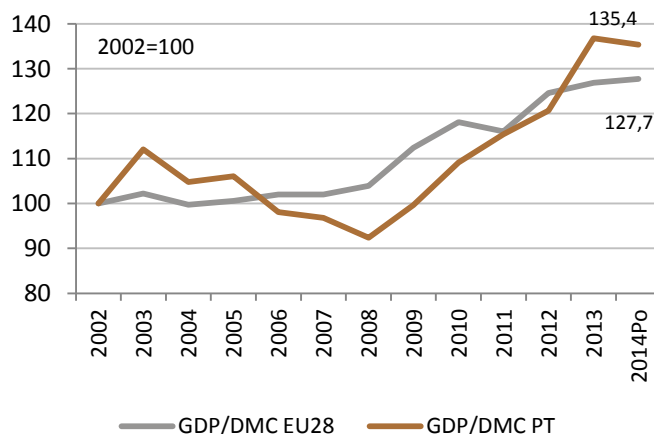
successive improvements, continued to experience a resources productivity (GDP in PPS/DMC) below the European average (72.5 % of the UE28 average in 2014 and 61.7% in 2002).

Chart 2.1.2. Resource productivity (GDP in PPS/DMC), in UE28, in 2002 and 2014



Comparing developments in resource productivity in EU28 and Portugal, it can be observed that, between 2002 and 2014, the increase in productivity was higher than in EU28 (+35.4% and +27.7 %, respectively).

Chart 2.1.3. Evolution of resource productivity (GDP/DMC) in Portugal and EU28, between 2002 and 2014



¹ The information from the Member States (except Portugal) was extracted from Eurostat database on 14 December 2015. Data for Portugal have been updated with the new MFA series now available.