



30 July 2021

QUARTERLY NATIONAL ACCOUNTS (Base 2016) – Flash Estimate at 30 days
Second Quarter 2021

GROSS DOMESTIC PRODUCT IN VOLUME REGISTERED A YEAR-ON-YEAR RATE OF CHANGE OF 15.5% AND A QUARTER-ON-QUARTER RATE OF CHANGE OF 4.9%

Gross Domestic Product (GDP) in real terms registered a year-on-year rate of change of 15.5% in the second quarter of 2021 (-5.3% in the previous quarter). This evolution is influenced by a base effect, as the restrictions imposed on economic activity as a result of the pandemic were felt more intensely in the first two months of the second quarter of 2020, leading to unprecedented contraction of economic activity.

The positive contribution of domestic demand to the year-on-year rate of change of GDP increased and the contribution of net external demand was less negative in the second quarter, reflecting mainly the more significant increase in Exports of Goods. It should be noted that in the second quarter of 2021, in year-on-year terms, there was a loss in terms of trade, with the behaviour of the import deflator being largely influenced by the pronounced increase in the prices of energy products.

Compared to the first quarter of 2021, GDP increased by 4.9% in volume, more than offsetting the negative rate of change (-3.2%) observed in the previous quarter. It should be noted that at the beginning of this year, there was a general confinement due to the worsening of the pandemic, followed by a plan to gradually reopen the economy as of mid-March.

This result is explained, to a large extent, by highly positive contribution of domestic demand to the quarter-on-quarter rate of change of GDP, after the negative contribution in the first quarter. To a less extent, it is also explained by the less negative contribution of net external demand in the second quarter of 2021.

Figure 1. Gross Domestic Product
Chain linked volume data (reference year=2016)

	Year-on-Year Rate of Change (%)									
	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	
Flash 30 days 2Q 2021	2.4	2.3	2.6	-2.2	-16.4	-5.6	-6.1	-5.3	15.5	
QNA 1Q 2021 (85 days)	2.4	2.3	2.6	-2.2	-16.4	-5.6	-6.1	-5.3		
QNA 1Q 2021 (60 days)	2.4	2.3	2.6	-2.2	-16.4	-5.6	-6.1	-5.4		

	Quarter-on-Quarter Rate of Change (%)									
	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	
Flash 30 days 2Q 2021	0.6	0.5	0.7	-4.0	-14.0	13.4	0.2	-3.2	4.9	
QNA 1Q 2021 (85 days)	0.6	0.5	0.7	-4.0	-14.0	13.4	0.2	-3.2		
QNA 1Q 2021 (60 days)	0.6	0.5	0.7	-4.0	-14.0	13.4	0.2	-3.3		

Flash - Flash Estimate; QNA - Quarterly National Accounts



Figure 2. Gross Domestic Product (chain-linked volume data, reference year=2016)

Calendar and seasonally adjusted data
Year-on-year rate of change, %

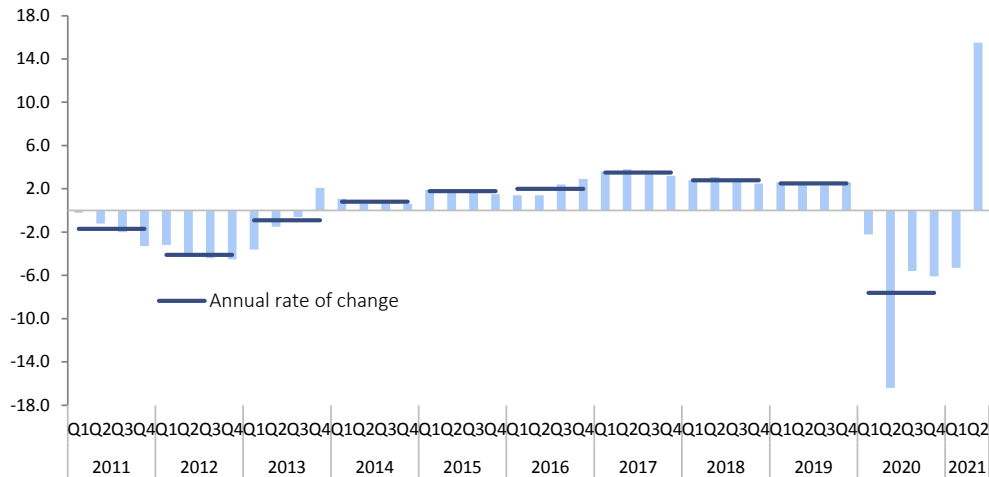
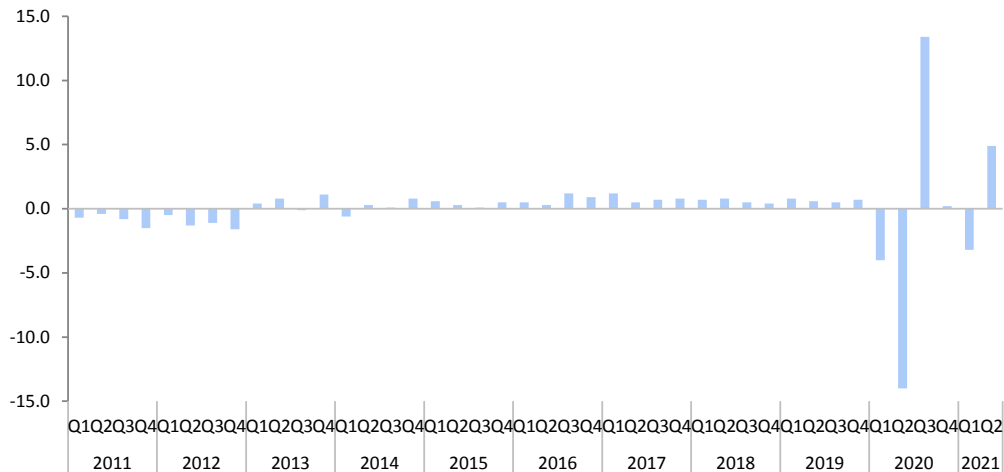


Figure 3. Gross Domestic Product (chain-linked volume data, reference year=2016)

Calendar and seasonally adjusted data
Quarter-on-quarter rate of change, %



This flash estimate incorporates new primary information, namely regarding international trade in goods for the first quarter of 2021. This new set of information did not imply revisions in the year-on-year and quarter-on-quarter rates of change of GDP in comparison with the dissemination of the results of the Quarterly Sector Accounts on June 24, 2021.



METHODOLOGICAL INFORMATION ABOUT THE FLASH ESTIMATES

The publication of quarterly data of the National Accounts is now made at t+30 days (GDP flash estimate), t+60 days (detailed results for GDP and its components) and t+85 days (detailed results by institutional sector). It should be recalled that the flash estimates of the rates of change of quarterly GDP in volume are released 30 days after the reference quarter since the second quarter of 2020.

Since the first quarter 2017, when the testing period for the compilation of the GDP flash estimate at t+30 days started, the mean absolute revision vis-à-vis the GDP year-on-year rate of change in volume released at t+60 days was 0.1 percentage points and the revision never exceeded 0.3 percentage points. The magnitude of these revisions is similar to other Member-States.

The flash estimates are calculated using the same methodology, and preferably the same basic information, compared to the Quarterly National Accounts current estimate. In particular, the following stand out:

- The preliminary version for the short-term statistics for the month of June (retail trade turnover, industry turnover, industrial production, prices in industrial production and services turnover);
- The balance of payments provisional information for the month of June;
- The latest version for international goods trade statistics corresponding to the flash estimate released two days ago. To estimate the deflators for external trade of goods, the unit value monthly indices were used, calculated based on the international goods trade statistics for June and July 2021.

As mentioned in previous editions, in order to reduce the impacts caused by the COVID-19 pandemic on the quality of the primary information used, sources of complementary information have been incorporated, particularly within the scope of the electronic system for issuing invoices and automatic communication to the Tax Authority (e-invoice system) and operations on the automatic teller machines of the Multibanco network. However, in the second quarter of 2021, the access to e-invoice information for the entire quarter was not possible.

Understandably, the early publication of the present data carries a greater risk of higher revisions, reflecting the pandemic related uncertainty and the smaller amount of available primary information. However, this early release of macroeconomic information, allows the alignment of Portugal with other EU countries which are, generally, important economic partners.

These results are calculated from chain-linked volume data (2016=100) and data are calendar and seasonally adjusted.

Next Press Release of Quarterly National Accounts - Detailed estimates of Quarterly National Accounts for the second quarter of 2021 will be released on August 31, 2021.
