



29 October 2021  
QUARTERLY NATIONAL ACCOUNTS (Base 2016) – Flash Estimate at 30 days  
Third Quarter 2021

**GROSS DOMESTIC PRODUCT IN VOLUME REGISTERED A YEAR-ON-YEAR RATE OF CHANGE OF 4.2% AND A QUARTER-ON-QUARTER RATE OF CHANGE OF 2.9%**

Gross Domestic Product (GDP) in real terms registered a year-on-year rate of change of 4.2% in the third quarter of 2021. In the previous quarter, the year-on-year rate of change of GDP was 16.1%, influenced, to a great extent, by the strong impact of the pandemic in the second quarter 2020.

The partial dissipation of this base effect led to a positive contribution of domestic demand to the year-on-year rate of change of GDP lower than the observed in the previous quarter. The contribution of net external demand was slightly more negative in the third quarter, reflecting an increase of Imports of Goods and Services more intense than that of Exports of Goods and Services. It should be noted that in the third quarter of 2021, the deflators for exports and, to a greater extent, for imports increased significantly, mainly related to prices of energy products and raw materials, extending the loss in terms of trade observed in the previous quarter.

Compared to the second quarter of 2021, GDP increased by 2.9% in volume, with a positive contribution of net external demand to the quarter-on-quarter rate of change of GDP, after the negative contribution in the second quarter, and by the less positive contribution of domestic demand in the third quarter of 2021. The GDP growth in the third quarter reflects the gradual decrease of the restrictions to mobility imposed by the pandemic, in line with the increase in vaccination against COVID-19, after two quarters with opposite results: a strong reduction of GDP in the first quarter (-3.3%), due to the general lockdown, and an increase by 4.4% in the second quarter, following the gradual lifting of the restrictions on mobility.

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

	Year-on-Year Rate of Change (%)								
	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21
Flash 3Q 2021 (30 days)	2.5	2.8	-2.6	-17.9	-6.3	-6.8	-5.7	16.1	4.2
QNA 2Q 2021 (85 days)	2.5	2.8	-2.6	-17.9	-6.3	-6.8	-5.7	16.2	
QNA 2Q 2021 (60 days)	2.3	2.6	-2.2	-16.4	-5.6	-6.1	-5.3	15.5	

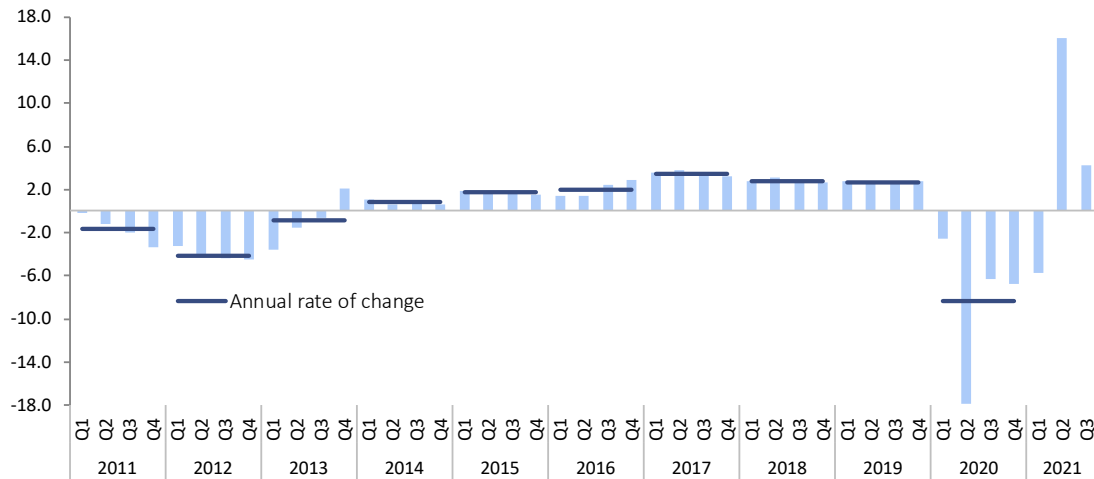
	Quarter-on-Quarter Rate of Change (%)								
	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21
Flash 3Q 2021 (30 days)	0.5	0.8	-4.4	-15.2	14.7	0.3	-3.3	4.4	2.9
QNA 2Q 2021 (85 days)	0.5	0.8	-4.4	-15.2	14.7	0.3	-3.3	4.5	
QNA 2Q 2021 (60 days)	0.5	0.7	-4.0	-14.0	13.4	0.2	-3.2	4.9	

Flash - Flash Estimate; QNA - Quarterly National Accounts



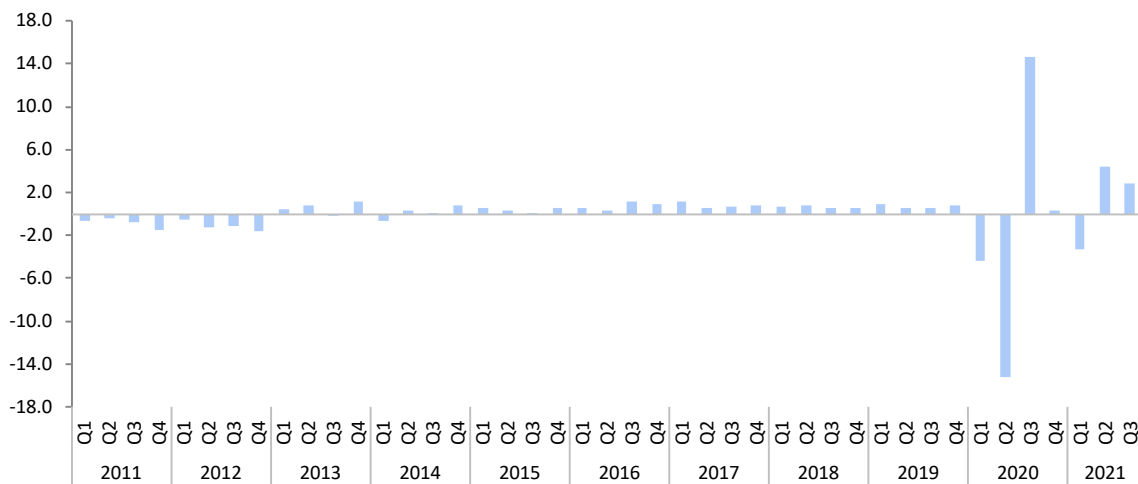
**Figure 2. Gross Domestic Product (chain-linked volume data, reference year=2016)**

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 second quarter of 2021. This new set of information implied a downward revision of 0.1 percentage points 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 September 23, 2021.



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## 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 September (retail trade turnover, industry turnover, industrial production, prices in industrial production and services turnover);
- The balance of payments provisional information for the month of September;
- 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 July and August 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.

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. In particular, these estimates are compiled using incomplete price data for exports and imports for the quarter, in a context of a positive trend in prices and greater volatility, notably for energy products and raw materials.

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

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**Next Press Release of Quarterly National Accounts** - Detailed estimates of Quarterly National Accounts for the third quarter of 2021 will be released on November 30, 2021.

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