



31 January 2022
QUARTERLY NATIONAL ACCOUNTS (Base 2016) – Flash Estimate at 30 days
Fourth Quarter 2021 and Year 2021

**GDP INCREASED BY 5.8% ON A YEAR BEFORE AND BY 1.6% ON THE PREVIOUS QUARTER.
IN 2021 GDP GREW BY 4.9%**

Gross Domestic Product (GDP), in real terms, registered a year-on-year rate of change of 5.8% in the fourth quarter of 2021 (4.5% in the previous quarter). Contrarily to what happened in the third quarter, the contribution of net external demand to the year-on-year rate of change of GDP was positive, reflecting an acceleration, in volume, of Exports of Goods and Services. The contribution of domestic demand was also positive and higher than in the third quarter. It should be noted that in the fourth quarter of 2021, there was a significant loss in terms of trade, more intense than in the previous two quarters, with a pronounced growth in import deflator, notably due to energy products and raw materials.

Compared to the third quarter of 2021, GDP increased by 1.6% in volume (2.9% in the previous quarter) reflecting a decline of the positive contribution of net external demand to the quarter-on-quarter rate of change of GDP.

In 2021, GDP grew by 4.9%, in volume, the highest growth since 1990, following the historical decline of 8.4% in 2020, which resulted from the adverse effects of the COVID-19 pandemic on economic activity. Domestic demand presented a significant positive contribution to the annual rate of change of GDP, after being markedly negative in 2020, with a recovery of private consumption and investment. The contribution of net external demand was significantly less negative in 2021, with exports and imports of goods and services growing significantly.

Figure 1. Gross Domestic Product

Chain linked volume data (reference year=2016)

	2019	2020	2021
Annual Rate of Change (%)	2.7	-8.4	4.9

2019: final data; 2020: provisional data; 2021: preliminary data

	Year-on-Year Rate of Change (%)								
	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
Flash 4Q 2021 (30 days)	2.8	-2.6	-17.9	-6.3	-6.8	-5.4	16.4	4.5	5.8
QNA 3Q 2021 (85 days)	2.8	-2.6	-17.9	-6.3	-6.8	-5.7	16.1	4.2	
QNA 3Q 2021 (60 days)	2.8	-2.6	-17.9	-6.3	-6.8	-5.7	16.1	4.2	

	Quarter-on-Quarter Rate of Change (%)								
	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
Flash 4Q 2021 (30 days)	0.8	-4.4	-15.2	14.7	0.3	-3.0	4.3	2.9	1.6
QNA 3Q 2021 (85 days)	0.8	-4.4	-15.2	14.7	0.3	-3.3	4.4	2.9	
QNA 3Q 2021 (60 days)	0.8	-4.4	-15.2	14.7	0.3	-3.3	4.4	2.9	

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, %

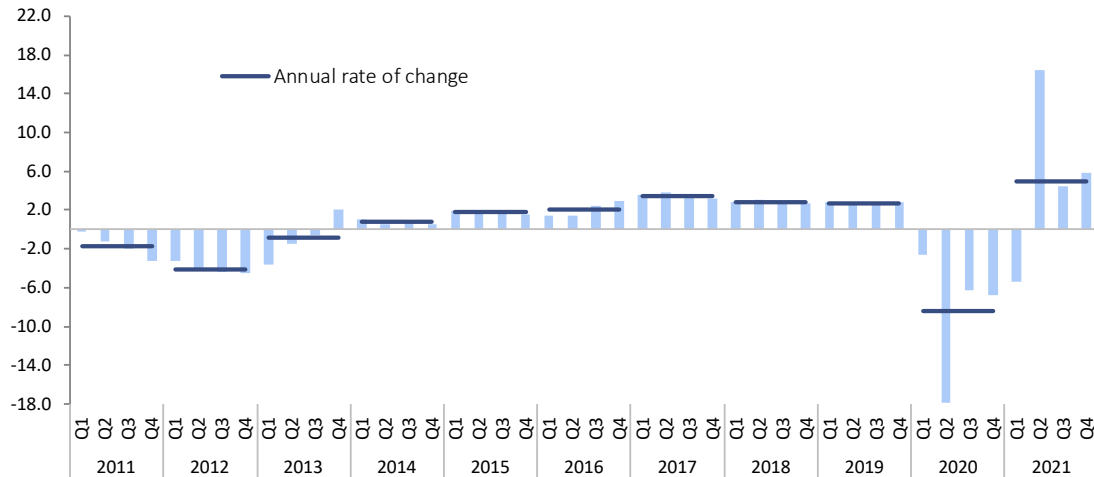
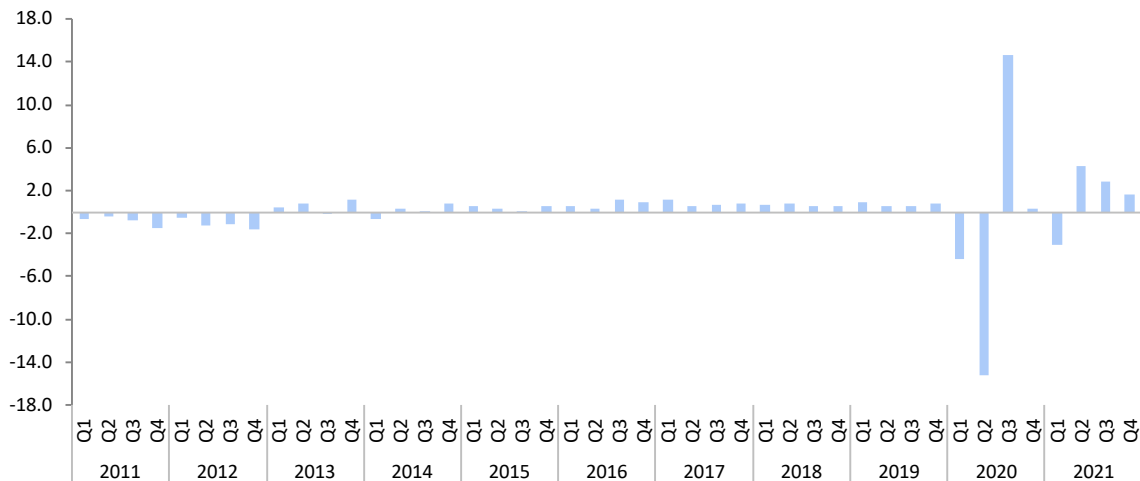


Figure 3. Gross Domestic Product (chain-linked volume data, reference year=2016)

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



Comparing with the results published previously, this flash estimate incorporates new primary information for the previous quarters, which implied revisions in some aggregates for the quarters of 2021. General Government Final Consumption Expenditures for 2021 integrated updated information on quarterly sector accounts and the budget execution. For Gross Fixed Capital Formation, the revisions in Construction assets are due to the use of information on the costs of ownership transfer (taxes and costs/commissions with services on transactions in real estate). Lastly, it was also used the most recent information on international trade in goods and, in particular, with a higher impact, in services for the year 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 December (retail trade turnover, industry turnover, industrial production, prices in industrial production and services turnover);
- The balance of payments provisional information for the month of December;
- The latest version for international goods trade statistics corresponding to the flash estimate flash estimate released on January 28, 2022. 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 October and November 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. 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 fourth quarter of 2021 will be released on February 28, 2022.
