



28 February 2022
QUARTERLY NATIONAL ACCOUNTS (Base 2016)
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 (4.4% in the previous quarter). The contribution of net external demand to the year-on-year rate of change of GDP was positive, contrarily to what happened in the third quarter, reflecting an acceleration of Exports of Goods and Services in volume. The contribution of domestic demand was also positive and slightly 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.

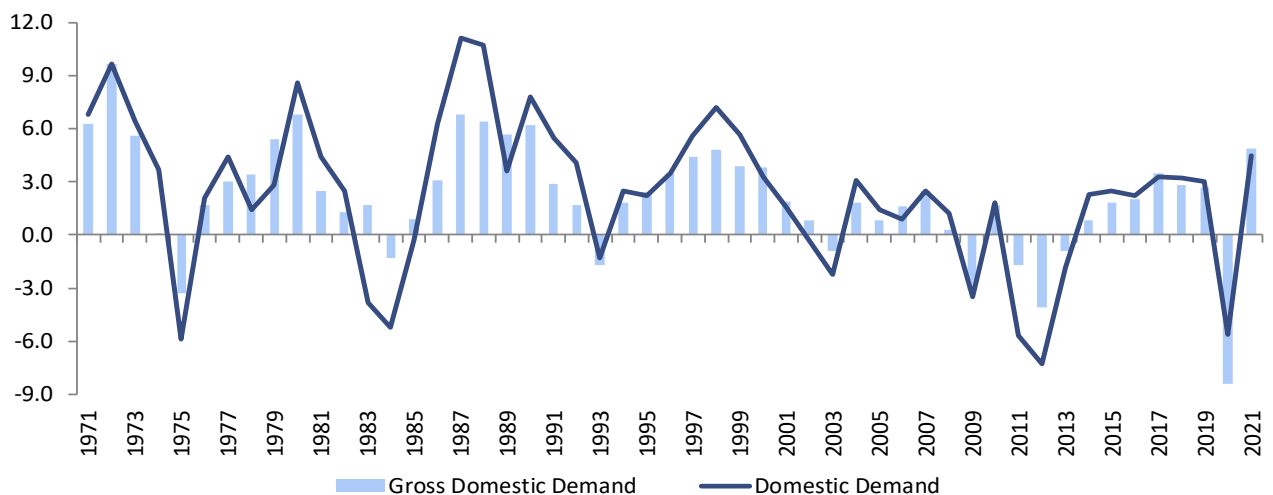
Compared to the third quarter of 2021, GDP increased by 1.6% in volume (2.8% in the previous quarter), with a decline of the positive contribution of net external demand to the quarter-on-quarter rate of change of GDP.

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. In the same direction, the contribution of net external demand was significantly less negative in 2021, with exports and imports of goods and services growing significantly.

In nominal terms, GDP increased by 5.7% in 2021, slightly surpassing 211 billion euros.

Figure 1. Gross Domestic Product and Domestic Demand

Volume (reference year =2016)
Annual rate of change, %





The results presented¹ in this press release correspond to the preliminary version of the Annual National Accounts for 2021. Compared with the Flash Estimate for the fourth quarter released on the 31st of January by Statistics Portugal, there was no revision of the annual rate of change of GDP in volume. However, in quarterly terms, the use of new information resulted in revisions in the year-on-year and quarter-on-quarter rates of change of GDP of some quarters.

GDP in real terms increased by 4.9% in 2021

In 2021, GDP registered a rate of change of 4.9% in real terms, the highest since 1990, following the historical decline of 8.4% in 2020, which reflected the extraordinary negative effect of the COVID-19 pandemic on economic activity. In nominal terms, GDP increased by 5.7% in 2021 (-6.7% in 2020), slightly surpassing 211 billion euros.

Domestic demand recovered significantly in 2021, with a rate of change of 5.0% in real terms (-5.6% in the previous year), shifting from a contribution to GDP annual rate of change of -5.5 percentage points in 2020 to 5.2 percentage points in 2021.

Figure 2. Decomposition of GDP rate of change (volume)

	2017	2018	2019	2020	2021
	Annual rate of change (%)				
Domestic Demand	3.3	3.2	3.1	-5.6	5.0
Exports (FOB)	8.4	4.1	4.1	-18.6	13.0
Imports (FOB)	8.1	5.0	4.9	-12.1	12.8
GDP	3.5	2.8	2.7	-8.4	4.9
	Contributions to GDP rate of change (percentage points)				
Domestic Demand	3.3	3.1	3.0	-5.5	5.2
External Demand Balance ¹	0.2	-0.3	-0.3	-2.9	-0.2

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and rounding

- 2017 to 2019: final data; 2020: provisional data; 2021: preliminary data.

Private consumption (Final Consumption Expenditures of Resident Households and Non-Profit Institutions Serving Households) registered an increase of 4.4%, in real terms, partially recovering from the 7.1% reduction recorded in 2020. This evolution mainly reflected the behaviour of households' consumption expenditures in services and non-durable goods excluding food and beverages, which shifted from a contraction of 10.4% in 2020 to an increase of 5.4%. With a different behaviour, the food and beverages component slowed down, shifting from a growth rate of 4.8% in 2020 to 1.5% in 2021. The durable goods component increased by 4.6%

¹ In addition to the tables attached to this press release, a broader set of information is available on the National Accounts section of Statistics Portugal website at http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_cnacionais&xlang=en.



in 2021 (rate of change of -7.7% in 2020), with a slight growth in the motor vehicle component, after the historic decrease of the previous year, and an acceleration of consumption expenditures in other durable goods.

Figure 3. Components of domestic demand

	2017	2018	2019	2020	2021
	Annual rate of change (%)				
Domestic Demand	3.3	3.2	3.1	-5.6	5.0
Private Consumption ¹	2.1	2.6	3.3	-7.1	4.4
Public Consumption ²	0.2	0.6	2.1	0.4	5.0
Investment	11.9	7.8	3.3	-5.7	7.2

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In 2021, public consumption (Final Consumption Expenditure of General Government) accelerated significantly in real terms, registering a rate of change of 5.0% (0.4% in the precedent year). It should be noted, that in 2020 there was a negative impact on non-market production in volume, caused by the measures adopted to reduce the spread of COVID 19, which implied the closure of several public services, particularly in the second quarter. In nominal terms, public consumption grew by 5.8% (5.1% in 2020).

Investment increased by 7.2%, in real terms, in 2021, recovering from the 5.7% contraction recorded in the previous year. Gross Fixed Capital Formation (GFCF) increased by 6.1% (-2.7% in 2020), while Change in Inventories presented a contribution of +0.2 percentage points to the annual GDP rate of change (contribution of -0.5 percentage points in 2020). GFCF in Other Machinery and Equipment registered a significant increase of 11.5% in 2021 (-6.3% in the previous year) and GFCF in Transport Equipment shifted from a marked contraction of 27.5% in 2020 to a 2.4% growth in 2021. In the same direction, GFCF in Construction accelerated in 2021 to a growth rate of 3.5% (1.6% in 2020), and GFCF in Intellectual Property Products increased by 8.2% (3.0% in the previous year).

Figure 4. Gross Fixed Capital Formation (volume)

	2017	2018	2019	2020	2021
	Annual rate of change (%)				
Total	11.5	6.2	5.4	-2.7	6.1
Of which:					
Transport Equipment	10.7	7.9	2.5	-27.5	2.4
Other Machinery and Equipment ¹	13.0	9.2	1.6	-6.3	11.5
Construction	12.2	4.7	7.6	1.6	3.5
Intellectual Property Products ²	8.8	6.4	6.8	3.0	8.2

¹ - Includes weapon systems; ² - includes Research and Development (R&D)

Net external demand presented a contribution of -0.2 percentage points, after the contribution of -2.9 percentage points in 2020. Exports and Imports of Goods and Services increased by 13.0% and 12.8% in 2021, respectively, following the significant contractions registered in 2020 (-18.6% in the case of exports and -12.1%



in the case of imports). Exports of goods increased by 11.1% in 2021 (-11.4% in 2020), while exports of services featured a rate of change of 18.6% (-34.0% in 2020). In the case of services, this result reflects the significant increase in the tourism component (25.5% rate of change), after the strong contraction observed in 2020, still remaining around 50% below the level registered in 2019. With a similar evolution, imports of goods grew by 11.9% (-10.3% in 2020), and imports of services by 18.1% (-21.1% in 2020).

Figure 5. Exports and Imports of Goods (FOB) and Services (volume)

	2017	2018	2019	2020	2021
	Annual rate of change (%)				
Exports	8.4	4.1	4.1	-18.6	13.0
Goods (FOB)	6.1	3.4	3.6	-11.4	11.1
Services	13.7	5.8	5.0	-34.0	18.6
Imports	8.1	5.0	4.9	-12.1	12.8
Goods (FOB)	8.3	4.9	4.2	-10.3	11.9
Services	7.2	5.6	8.6	-21.1	18.1

In 2021, within a context of strong price increases, particularly in the second semester, there was a significant loss in the terms of trade, with the deflator of Imports of Goods and Services registering a rate of change of 7.6% (-3.4% in 2020) and the deflator of Exports of Goods and Services increasing by 6.0% (-2.4% in 2020). This difference between deflators partially reflected the more intense effect of the increases in the prices of energy goods in the evolution of the deflator of imports.

Figure 6. Exports and Imports of Goods (FOB) and Services (Implicit deflators)

	2017	2018	2019	2020	2021
	Annual rate of change (%)				
Exports	3.0	2.3	0.5	-2.4	6.0
Imports	3.8	2.8	-0.3	-3.4	7.6
Terms of Trade	-0.8	-0.5	0.8	1.1	-1.5

In nominal terms, the External Balance of Goods and Services was more negative in 2021, shifting from -2.1% of GDP in 2020, to -3.0% of GDP.



Gross Value Added (GVA) at basic prices increased by 4.4% in volume in 2021

In 2021, GVA at basic prices registered a rate of change of 4.4%, in real terms, partially recovering from the 7.2% decline in 2020.

GVA in Trade and Repair of Vehicles; and Accommodation and Food Services contributed markedly for this evolution, increasing by 5.2% in 2021 (-16.9% in 2020), which resulted in a contribution of +0.8 percentage points (-2.9 percentage points in 2020).

In real terms, Taxes less Subsidies on Products increased by 8.5% in 2021, following the 16.1% decline of the previous year.

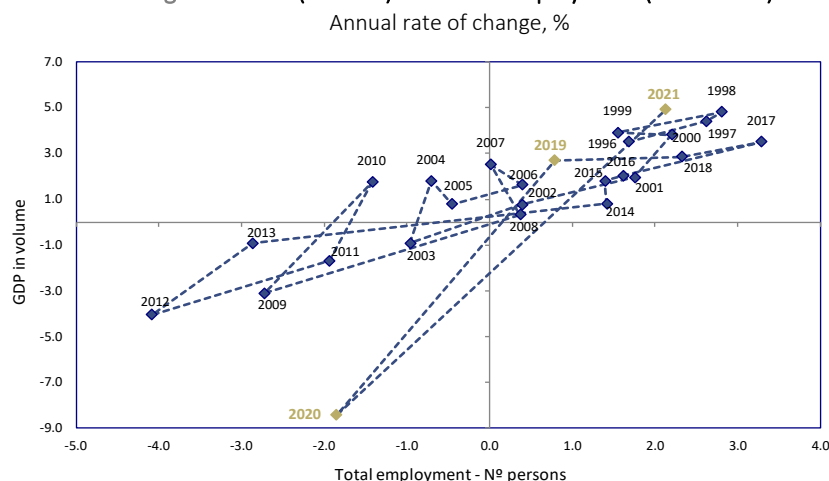
Figure 7. Gross Value Added, volume (reference year=2016)

	2017	2018	2019	2020	2021
	Annual rate of change (%)				
GVA at basic prices	3.3	2.7	2.6	-7.2	4.4
Agriculture, Forestry and Fishing	2.0	-1.1	3.3	-5.9	6.9
Industry	5.9	3.5	0.5	-7.8	4.7
Energy, Water Supply and Sewerage	-3.6	8.6	0.4	-5.7	1.5
Construction	5.3	3.6	5.0	3.0	3.4
Trade, Repair of Vehicles; Accommodation and Food	2.7	2.5	2.7	-16.9	5.2
Transportation and Storage; Information and	5.6	4.0	6.5	-9.3	8.3
Financial, Insurance and Real Estate Activities	1.7	1.1	1.4	-1.3	1.5
Other Services Activities	3.4	2.4	3.2	-5.0	4.8
Taxes less subsidies on products	5.0	3.8	3.0	-16.1	8.5

Employment increased by 2.1% in 2021

Total employment (measured in number of individuals) increased by 2.1% in 2021, after a contraction of 1.9% in the precedent year. Similarly, the number of employees registered a rate of change of 1.7%, after the 1.4% decline in 2020.

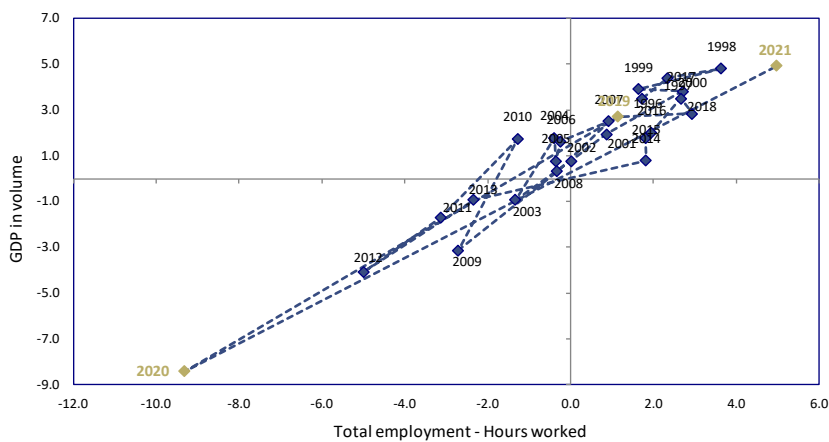
Figure 8. GDP (volume) and total employment (individuals)





It should be noted that the evolution of employment in 2020 reflects the COVID-19 pandemic context and the measures taken for its containment, which included the simplified layoff regime that had the goal of securing jobs amid a significant decline in economic activity. Considering employment measured in terms of hours worked, which better captures the underlying economic activity, there was a growth of 5.0% in 2021, after a decrease of 9.3% in 2020.

Figure 9. GDP (volume) and total employment (individuals)
Annual rate of change, %



Labour productivity once again presented different evolutions depending on the employment measure used. In 2021, productivity measured by the ratio between GDP in volume and the number of people employed increased by 2.7%, after a contraction of 6.7% in 2020. In the opposite direction, productivity measured by the ratio between GDP in volume and the number of hours worked went from a growth of 1.0% in 2020 to a decrease of 0.1% in 2021.

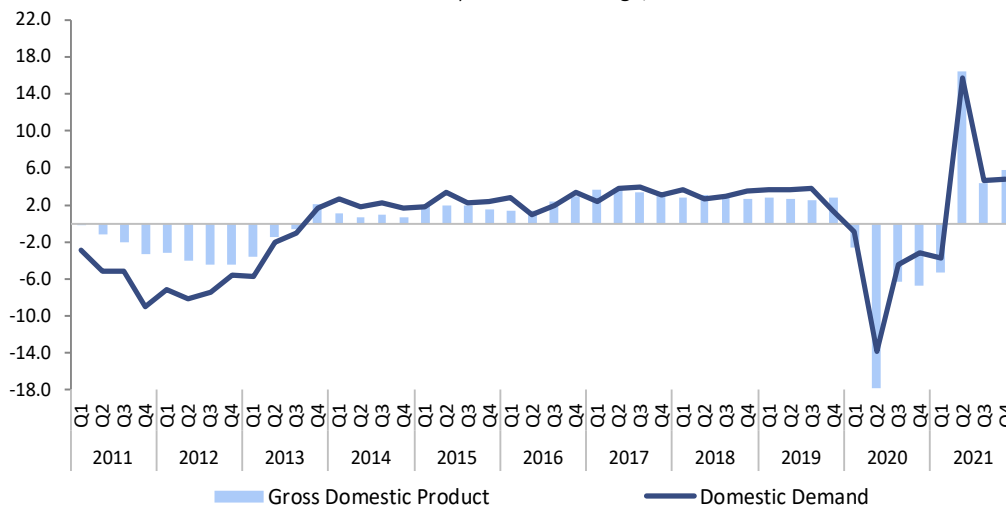


In the fourth quarter of 2021, GDP in volume increased by 5.8% in year-on-year terms, and by 1.6% compared with the previous quarter

The GDP preliminary estimates for the fourth quarter of 2021 indicate a year-on-year rate of change of 5.8% in real terms (4.4% in the third quarter of 2021 and -6.8% in the fourth quarter of 2020), and an increase of 6.4% in nominal terms (5.4% in the previous quarter and -5.6% in the fourth quarter of 2020).

Figure 10. Gross Domestic Product and Domestic Demand in volume (reference year =2016)

Seasonally and calendar adjusted data
Year-on-year rate of change, %



The positive contribution of domestic demand to the GDP year-on-year rate of change in volume was 4.9 percentage points in the fourth quarter of 2021, 0.1 percentage points higher than in the previous quarter.

Figure 11. Decomposition of GDP rate of change (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-Year rate of change (%)					
Domestic Demand	-4.4	-3.2	-3.7	15.7	4.7	4.8
Exports (FOB)	-15.6	-14.4	-7.5	42.9	11.9	15.8
Imports (FOB)	-11.1	-6.2	-3.6	37.3	12.1	12.8
GDP	-6.3	-6.8	-5.3	16.5	4.4	5.8
	Contributions to GDP year-on-year rate of change (percentage points)					
Domestic Demand	-4.4	-3.2	-3.7	16.4	4.8	4.9
External Demand Balance ¹	-1.9	-3.7	-1.6	0.2	-0.3	0.9

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and rounding procedures.

Looking into the components of domestic demand, in real terms, private consumption accelerated to a year-on-year growth rate of 5.2% (3.9% in the third quarter of 2021), public consumption increased by 3.1% in the fourth quarter (4.4% in the previous quarter) and Investment slowed down to 5.1% (growth rate of 7.8% in the previous quarter).



Figure 12. Components of domestic demand

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-Year rate of change (%)					
Domestic Demand	-4.4	-3.2	-3.7	15.7	4.7	4.8
Private Consumption ¹	-4.7	-5.6	-7.5	18.3	3.9	5.2
Public Consumption ²	2.4	2.2	2.6	10.3	4.4	3.1
Investment	-9.6	0.4	4.1	12.3	7.8	5.1

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In the fourth quarter of 2021, net external demand presented a contribution to the GDP year-on-year growth rate of 0.9 percentage points (-0.3 percentage points in the previous quarter). Exports of Goods and Services accelerated from a year-on-year rate of change of 11.9% in real terms, in the third quarter, to 15.8%, while Imports of Goods and Services shifted from a growth rate of 12.1% to 12.8% in the fourth quarter.

Compared to the previous quarter, GDP quarter-on-quarter rate of change increased by 1.6% in real terms (2.8% in the previous quarter), with the contribution of net external demand decreasing to 0.6 percentage points (1.4 percentage points in the third quarter) while the contribution of domestic demand decreased to 1.0 percentage points (1.3 percentage points in the previous quarter).

Figure 13. Decomposition of GDP rate of change (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Quarter-on-quarter rate of change (%)					
Domestic Demand	11.9	0.8	-2.2	4.8	1.3	0.9
Exports (FOB)	39.0	5.2	-0.2	-2.0	8.8	8.9
Imports (FOB)	28.2	6.4	1.1	-0.4	4.6	7.0
GDP	14.7	0.3	-2.9	4.3	2.8	1.6
Contributions to GDP quarter-on-quarter rate of change (percentage points)						
Domestic Demand	12.5	0.8	-2.3	5.0	1.3	1.0
External Demand Balance ¹	2.2	-0.6	-0.6	-0.6	1.4	0.6

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and rounding procedures.

Final consumption expenditure of Resident Households

In the fourth quarter, Resident Households' consumption expenditure registered a year-on-year rate of change of 5.3% in volume, following the growth rate of 4.0% in the previous quarter (-5.8% in the fourth quarter of 2020).

Households' consumption in non-durable goods and services accelerated to 5.5%, in year-on-year terms, in the fourth quarter (5.1% in the previous quarter and -6.1% in the fourth quarter of 2020), with a deceleration of the food and beverages component, from 1.1% to 0.4% (5.0% in the fourth quarter of 2020).

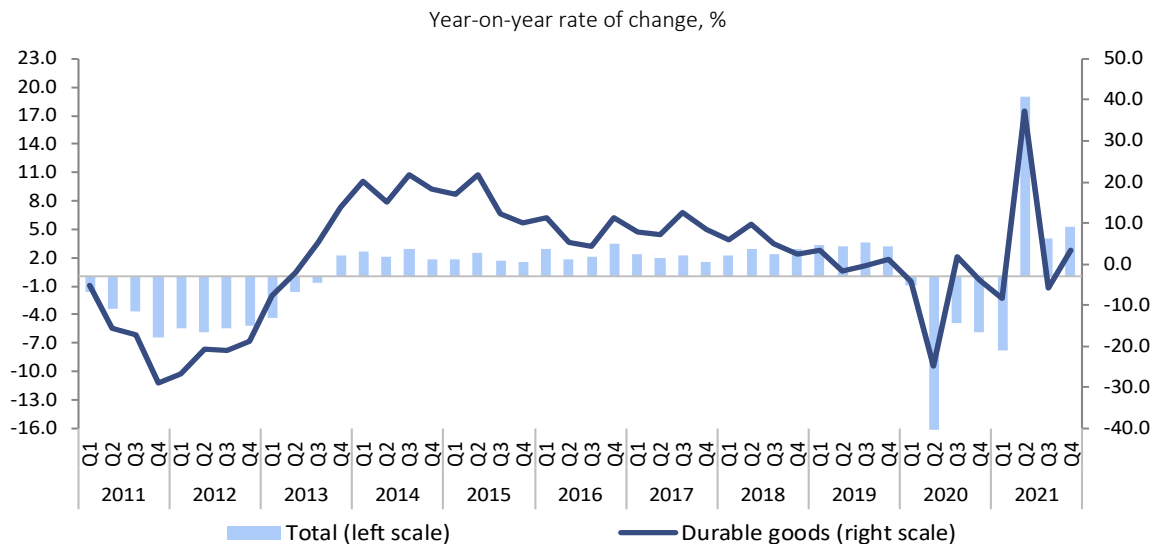


Figure 14. Final consumption expenditure of resident households (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-year rate of change (%)					
Total	-4.9	-5.8	-7.8	19.0	4.0	5.3
Durable Component	1.9	-4.0	-8.5	37.4	-5.8	3.5
Non-Durable Component	-5.6	-6.1	-7.7	17.2	5.1	5.5
Of which:						
Food and beverage products	4.6	5.0	2.9	1.8	1.1	0.4

The durable goods component increased by 3.5% in year-on-year terms, after the 5.8% decline in the previous quarter (-4.0% in the fourth quarter of 2020).

Figure 15. Final consumption expenditure of resident households, volume (reference year=2016)



Comparing with the third quarter, households' consumption increased by 1.0% (quarter-on-quarter rate of change of 1.7% in the previous quarter), with a deceleration to 0.6% of expenditures on non-durable goods and services (2.5% in the third quarter) and an increase of 5.4% in the durable goods component (6.1% decline in the previous quarter).

Figure 16. Final consumption expenditure of resident households (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Quarter-on-Quarter rate of change (%)					
Total	16.4	-0.3	-4.6	7.5	1.7	1.0
Durable Component	37.0	-4.2	-8.6	14.5	-6.1	5.4
Non-Durable Component	14.4	0.2	-4.2	6.7	2.5	0.6
Of which:						
Food and beverage products	0.4	0.4	0.6	0.4	-0.3	-0.4



Investment

In the fourth quarter, Investment in volume registered a year-on-year growth of 5.1% (7.8% in the previous quarter and 0.4% in the fourth quarter of 2020). Total GFCF accelerated to a year-on-year rate of change of 4.5% (2.4% in the previous quarter and 0.4% in the fourth quarter of 2020), while Changes in Inventories shifted from a contribution to the GDP year-on-year rate of change of +0.9 percentage points in the third quarter (partly reflecting a base effect associated with the pronounced rundown of stocks in the third quarter of 2020) to a nil contribution in the fourth quarter.

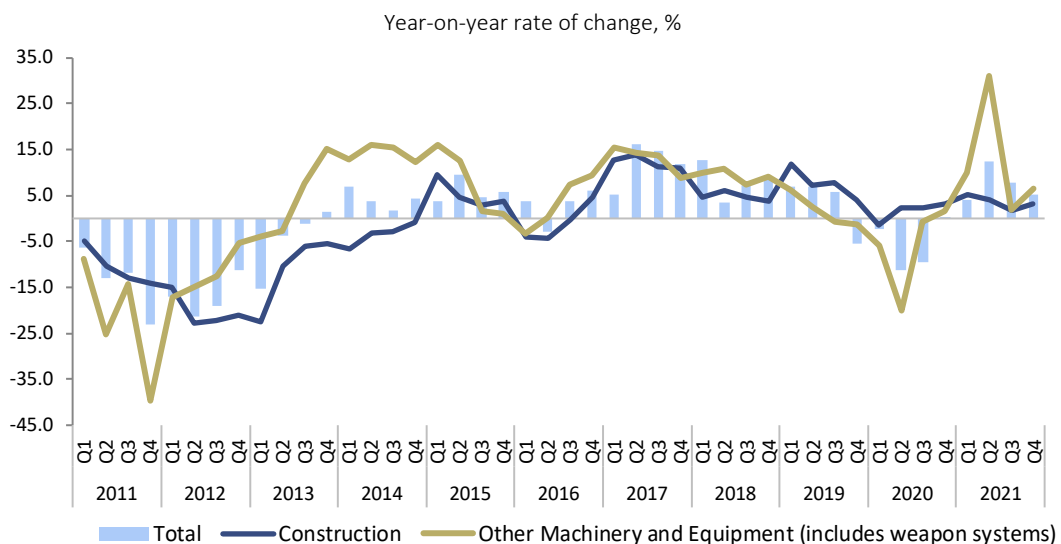
Figure 17. Gross Fixed Capital Formation (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-year rate of change (%)					
Total	-0.5	0.4	3.5	14.7	2.4	4.5
Of which:						
Transport Equipment	-21.1	-26.8	-27.2	116.1	-4.0	1.6
Other Machinery and Equipment ¹	-0.7	1.6	9.9	30.9	1.9	6.5
Construction	2.3	3.3	5.1	4.0	1.7	3.2
Intellectual Property Products ²	3.0	4.9	7.4	10.5	8.2	6.8

¹ - Includes weapon systems; ² - includes Research and Development (R&D)

GFCF in Construction accelerated to a year-on-year growth rate of 3.2%, after slowing down in the previous two quarters. GFCF in Transport Equipment recorded a year-on-year rate of change of 1.6%, after the 4.0% contraction of the previous quarter. GFCF in Other Machinery and Equipment increased by 6.5% in the fourth quarter, an acceleration from the 1.9% growth rate registered in the third quarter. In the opposite direction, GFCF in Products of Intellectual Property slowed down to a 6.8% year-on-year growth rate (8.2% in the third quarter of 2021).

Figure 18. Investment, volume (reference year=2016)





Comparing with the third quarter of 2021, total Investment increased by 2.3% (quarter-on-quarter rate of change of -0.2% in the previous quarter), with GFCF growing 3.5% (1.8% decline in the third quarter).

Figure 19. Gross Fixed Capital Formation (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Quarter-on-Quarter rate of change (%)					
Total	9.9	1.3	3.1	-0.1	-1.8	3.5
Of which:						
Transport Equipment	145.2	-9.9	7.3	-8.8	8.9	-4.6
Other Machinery and Equipment ¹	19.2	5.0	3.9	0.6	-7.2	9.8
Construction	0.5	0.8	2.6	0.1	-1.7	2.4
Intellectual Property Products ²	3.9	2.7	2.0	1.5	1.8	1.3

¹ - Includes weapon systems; ² - includes Research and Development (R&D)

Exports and Imports

Exports of Goods and Services in volume registered a year-on-year rate of change of 15.8% in the fourth quarter (11.9% in the previous quarter and -14.4% in the fourth quarter of 2020), with exports of goods shifting from a year-on-year rate of change of 3.4% in the third quarter to 4.4%, and exports of services from 40.1% to 51.4% in the fourth quarter, rates that still reflect the base effect of the significant declines of 2020, namely associated with tourism.

In the fourth quarter, Imports of Goods and Services in volume increased by 12.8% in year-on-year terms (12.1% in the previous quarter), with imports of goods accelerating to a year-on-year rate of change of 9.7% (8.8% in the third quarter), while imports of services shifted from a growth rate of 32.0% to 29.7% in the fourth quarter.

Figure 20. Exports and Imports (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-year rate of change (%)					
Exports	-15.6	-14.4	-7.5	42.9	11.9	15.8
Goods (FOB)	-3.1	-4.7	3.3	43.0	3.4	4.4
Services	-41.0	-35.1	-31.6	42.9	40.1	51.4
Imports	-11.1	-6.2	-3.6	37.3	12.1	12.8
Goods (FOB)	-7.8	-3.5	-1.5	37.9	8.8	9.7
Services	-27.1	-18.8	-14.9	34.3	32.0	29.7

Comparing with the previous quarter, total exports increased by 8.9% in real terms (8.8% in the previous quarter), with a 4.6% quarter-on-quarter rate of change in the goods component and 19.6% in services (growth rates of 3.1% and 25.8% in the third quarter respectively). Total imports registered a quarter-on-quarter rate of change of 5.5% in the fourth quarter (3.1% in the third quarter), with the goods component increasing by 5.5% and the services component by 14.7% (growth rates of 3.1% and 13.2% in the third quarter respectively).



Figure 21. Exports and Imports (volume)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Quarter-on-Quarter rate of change (%)					
Exports	39.0	5.2	-0.2	-2.0	8.8	8.9
Goods (FOB)	42.5	3.6	1.4	-4.5	3.1	4.6
Services	28.3	10.7	-5.3	6.3	25.8	19.6
Imports	28.2	6.4	1.1	-0.4	4.6	7.0
Goods (FOB)	30.6	4.7	2.8	-1.9	3.1	5.5
Services	15.1	16.8	-7.9	8.5	13.2	14.7

In the fourth quarter there was a significant year-on-year loss in the terms of trade, more intense than in the previous two quarters, as a result of the more pronounced growth of the imports deflator, namely in energy products and raw materials. The deflator of Imports of Goods and Services increased by 14.8% (year-on-year rate of change of 11.1% in the previous quarter), while the deflator of Exports of Goods and Services recorded a year-on-year growth of 10.4% (8.9% in the third quarter).

Figure 22. Implicit deflators of exports and imports of goods (FOB) and services

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-year rate of change (%)					
Exports	-4.2	-2.9	0.1	4.0	8.9	10.4
Imports	-4.7	-3.8	-1.4	6.1	11.1	14.8
Terms of Trade	0.5	1.0	1.6	-2.0	-2.0	-3.9

In nominal terms, the External Balance of Goods and Services stood at -3.2% of GDP in the fourth quarter, 0.5 percentage points lower than in the previous quarter (-2.1% of GDP in the fourth quarter of 2020).



Gross Value Added (GVA) at basic prices

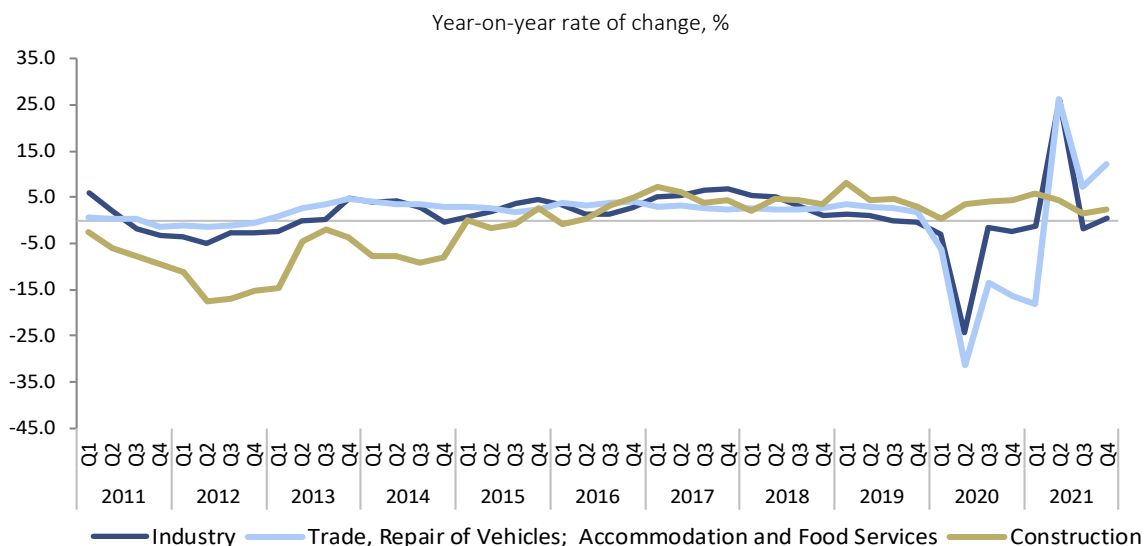
In the fourth quarter of 2021, in real terms, GVA at base prices recorded a year-on-year rate of change of 4.8% (3.6% in the previous quarter and -4.9% in the fourth quarter of 2020).

Figure 23. Gross Value Added, volume (reference year=2016)

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-Year rate of change (%)					
GVA at basic prices	-5.3	-4.9	-4.1	14.9	3.6	4.8
Agriculture, Forestry and Fishing	-7.2	-3.6	3.0	7.4	9.1	8.0
Industry	-1.5	-2.3	-1.2	26.0	-1.8	0.4
Energy, Water Supply and Sewerage	-4.4	-3.6	-0.5	4.9	0.6	1.1
Construction	4.0	4.3	5.9	4.3	1.4	2.2
Trade, Repair of Vehicles; Accommodation and Food	-13.5	-16.4	-18.1	26.3	7.3	12.1
Transportation and Storage; Information and	-8.0	-5.9	-5.1	22.4	8.0	10.8
Financial, Insurance and Real Estate Activities	-2.0	-1.0	0.3	1.5	2.5	1.7
Other Services Activities	-4.1	-1.9	-1.3	14.5	3.8	3.5
Taxes less subsidies on products	-14.1	-17.1	-13.4	26.0	11.1	14.5

GVA in Trade and Repair of Vehicles, and Accommodation and Food Services recorded the highest contribution to the year-on-year rate of change of total GVA (including Taxes less Subsidies on Products) (1.8 percentage points), reflecting the year-on-year growth of 12.1%, after increasing by 7.3% in the previous quarter and diminishing by 16.4% in the fourth quarter of 2020.

Figure 24. Gross Value Added, volume (reference year=2016)



Taxes less Subsidies on Products, in real terms, presented a year-on-year growth of 14.5% in the fourth quarter of 2021 (11.1% in the previous quarter and -17.1% in the fourth quarter of 2020).



Employment

In the fourth quarter, employment (measured in number of individuals and seasonally adjusted) for all sectors of economic activity increased by 1.9% in year-on-year terms (3.8% in the previous quarter).

The number of employees (also seasonally adjusted) recorded a year-on-year rate of change of 2.7% in the fourth quarter (2.9% in the third quarter).

Considering employment measured by hours worked, there was a reduction of 1.5% (+3.0% in the third quarter of 2021 and -3.8% in the fourth quarter of 2020).

Figure 25. Employment – Quarterly National Accounts

	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-Year rate of change (%)					
Employment						
Persons	-2.7	-0.7	-1.3	4.3	3.8	1.9
Hours worked	-6.1	-3.8	-5.9	29.4	3.0	-1.5
Employees						
Persons	-2.3	-1.0	-2.1	3.5	2.9	2.7
Hours worked	-5.1	-4.8	-5.6	27.3	2.2	-0.6

Compared to the third quarter, total employment (measured in number of individuals) registered a nil rate of change in the fourth quarter, after a quarter-on-quarter rate of change of 0.7% in the third quarter, while hours worked decreased by 0.9 % (-2.6% in the previous quarter).

Figure 26. Employment – Quarterly National Accounts

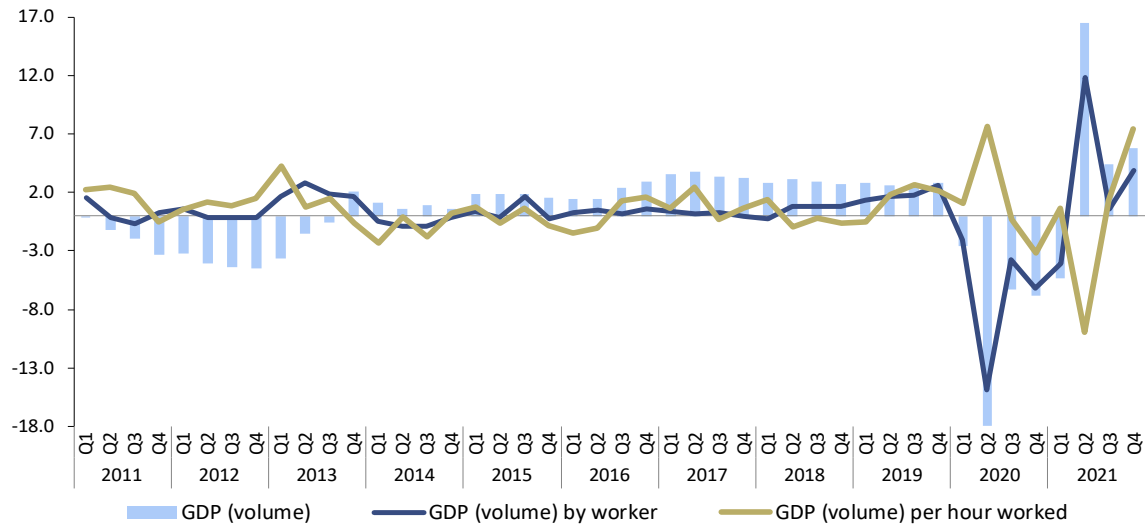
	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Quarter-on-Quarter rate of change (%)					
Employment						
Persons	1.2	1.9	-0.8	1.9	0.7	0.0
Hours worked	22.4	3.7	-5.3	7.8	-2.6	-0.9
Employees						
Persons	0.9	1.1	-1.3	2.7	0.3	0.9
Hours worked	23.7	0.6	-3.9	6.4	-0.7	-2.1

In the fourth quarter, productivity measured by the ratio between GDP in volume and the number of people employed increased by 3.9% in year-on-year terms (0.6% in the third quarter of 2021 and -6.2% in the fourth quarter of 2020). In turn, productivity measured based on the number of hours worked increased by 7.4% in year-on-year terms in the fourth quarter (1.4% in the third quarter and -3.2% in the fourth quarter of 2020).



Figure 27. GDP (volume) and productivity

Year-on-year rate of change, %





METHODOLOGICAL NOTE

Revisions:

Regarding Flash estimates and QNA for the previous quarter, current QNA incorporate new information, causing revisions in some aggregates for the most recent quarters. In particular, the information coming from:

- The latest version for the short-term statistics (retail trade turnover, industry turnover, industrial production, prices in industrial production and services turnover);
- The latest information of the Monetary and Financial Statistics and Balance of Payments compiled by the Bank of Portugal, with changes in imports and exports of services
- The December 2021 preliminary version of the international goods trade statistics. In what concerns, the deflators for external trade of goods for the fourth quarter of 2021, the Unit Value Quarterly Indices were used, calculated based on the statistics of the International Trade of goods related to December 2021. It should be noticed that this information was not available when the flash estimates were compiled.
- General Government Consumption for 2021 includes updated information on the 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).

Comparing with the flash estimate previously for the fourth quarter released by Statistics Portugal on January 31, the incorporation of the new data implied revisions in the GDP year on year and quarter-on-quarter rates of change.

Figure 28. Revisions – GDP (volume)

	3Q 20	1Q 21	2Q 21	3Q 21	4Q 21
	Year-on-year rate of change (%)				
QNA 4Q 2021 (60 days)	-6.8	-5.3	16.5	4.4	5.8
Flash 4Q 2021 (30 days)	-6.8	-5.4	16.4	4.5	5.8
QNA 3Q 2021 (85 days)	-6.8	-5.7	16.1	4.2	
	Quarter-on-quarter rate of change (%)				
QNA 4Q 2021 (60 days)	0.3	-2.9	4.3	2.8	1.6
Flash 4Q 2021 (30 days)	0.3	-3.0	4.3	2.9	1.6
QNA 3Q 2021 (85 days)	0.3	-3.3	4.4	2.9	

Flash - Flash Estimate; QNA - Quarterly National Accounts



Methodological issues:

The information in volume presented in this press release is chain linked data, with 2016 as reference year. GDP quarterly aggregates for demand and production approaches are estimated using seasonally and calendar effects adjusted quarterly indicators. The seasonal adjustment procedure used is indirect, i.e. seasonally adjusted GDP is the sum of its seasonally and calendar effects adjusted components. This procedure is based in probabilistic models estimated with the software X-13 Arima. Consequently, the estimated figures are subject to minor revisions as new observations become available.

It should be noted that in the concept of employment underlying the National Accounts, only individuals who work in resident production units (domestic employment) are counted, that is, total employment includes individuals who carry out a productive activity included within the scope of production limits of national accounts. This concept is not exactly coincident with that of the Labour Force Survey. In effect, National Accounts follow the concept of domestic employment, considering resident and non-resident individuals employed in resident production units, while in the Labour Force Survey, the concept of employment covers resident individuals employed by resident production units and non-residents. In addition, the employment data of Quarterly National Accounts are adjusted for seasonal fluctuations, so the published employment levels differ from those in the Labour Force Survey.

The estimates currently published may be revised in some aggregates as a result of new information, notably due to the compilation of the National Accounts by Institutional Sector. The revised estimates will be published with the release of the National Accounts by Institutional Sector for the third quarter 2021.

Reference date of the primary data used:

These estimates were calculated using information available until February 24, 2022.

ABBREVIATIONS

NPISH – Non-Profit Institutions Serving Households.

Gross Capital Formation (Investment); includes: Gross Fixed Capital Formation (GFCF), Acquisitions less Disposals of Valuables and Changes in Inventories.

Exports (FOB) – Exports of Goods at FOB (Free On Board) prices and Services.

Imports (FOB) – Imports of Goods at FOB (Free On Board) prices and Services.

GDP – Gross Domestic Product at market prices.

GVA – Gross Value Added at basic prices.

ESA – European System of National and Regional Accounts

Next releases of National Accounts - National Accounts by Institutional Sector for the fourth quarter of 2021 are scheduled for March 25, 2022.
