



31 January 2023

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

GROSS DOMESTIC PRODUCT IN VOLUME INCREASED BY 3.1% IN YEAR-ON-YEAR TERMS AND BY 0.2% COMPARED WITH THE PREVIOUS QUARTER. IN 2022 GDP GREW BY 6.7%

Gross Domestic Product (GDP), in real terms, registered a year-on-year rate of change of 3.1% in the fourth quarter of 2022 (4.9% in the previous quarter). The contribution of domestic demand to the year-on-year growth rate of GDP decreased in the fourth quarter, with a deceleration in private consumption and a decline in investment. The positive contribution of net external demand also decreased, with Exports of Goods and Services in volume decelerating more intensely than Imports. In the fourth quarter of 2022, there was a loss in terms of trade in year-on-year terms, but less intense than the losses observed since the second quarter of 2021, due to the more pronounced deceleration of the deflator of imports than that of exports.

Compared to the third quarter of 2022, GDP increased by 0.2% in volume (0.4% growth in the previous quarter), with a decrease of the positive contribution of domestic demand to the quarter-on-quarter rate of change of GDP, while the contribution of net external demand remained slightly negative.

In 2022, GDP grew by 6.7%, in volume, the highest growth since 1987, after the 5.5% growth in 2021 which followed the historic decrease of 8.3% in 2020 in the context of the adverse effects of the pandemic on economic activity. Domestic demand presented a significant positive contribution to the annual growth of GDP, but less than that observed in the previous year, with an acceleration in private consumption and a slowdown in investment. The contribution of net external demand was positive in 2022, after being negative in 2021, with an acceleration in volume of exports of goods and services and a deceleration of imports.

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

| | 2020 | 2021 | 2022 |
|---------------------------|------|------|------|
| Annual Rate of Change (%) | -8.3 | 5.5 | 6.7 |

2020: final data; 2021: provisional data; 2022: preliminary data

| | 4Q 20 | 1Q 21 | 2Q 21 | 3Q 21 | 4Q 21 | 1Q 22 | 2Q 22 | 3Q 22 | 4Q 22 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Year-on-Year Quarter Growth Rate (%) | -6.6 | -4.9 | 17.0 | 5.0 | 6.6 | 12.0 | 7.4 | 4.9 | 3.1 |
| Quarter-on-Quarter Growth Rate (%) | 0.4 | -2.6 | 4.4 | 2.8 | 1.9 | 2.4 | 0.1 | 0.4 | 0.2 |

This flash estimate incorporates new primary information, namely regarding international trade in goods for the third quarter of 2022. 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 December 23, 2022.



Figure 2. Gross Domestic Product (chain-linked volume data, reference year=2016)
Calendar and seasonally adjusted data
Year-on-year rate of change, %

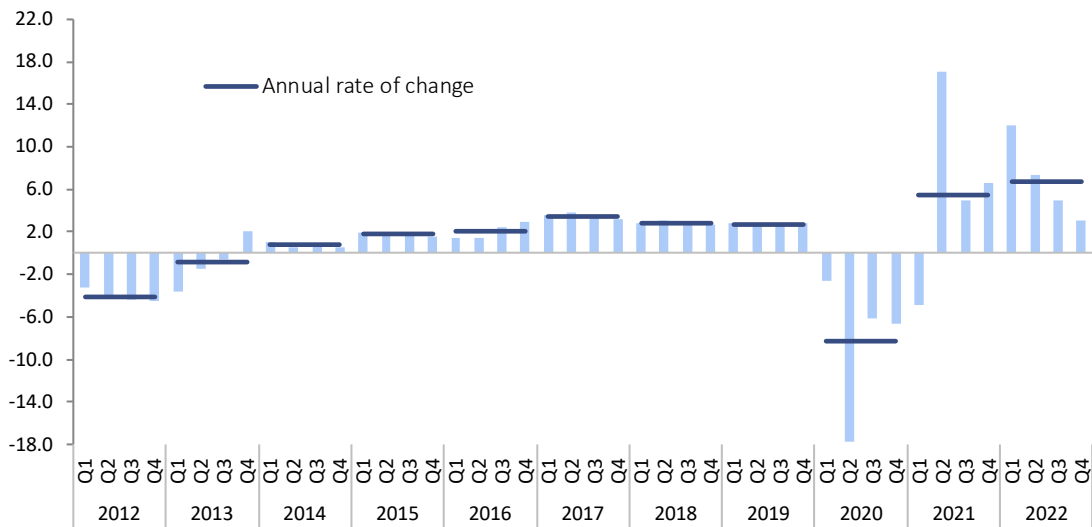
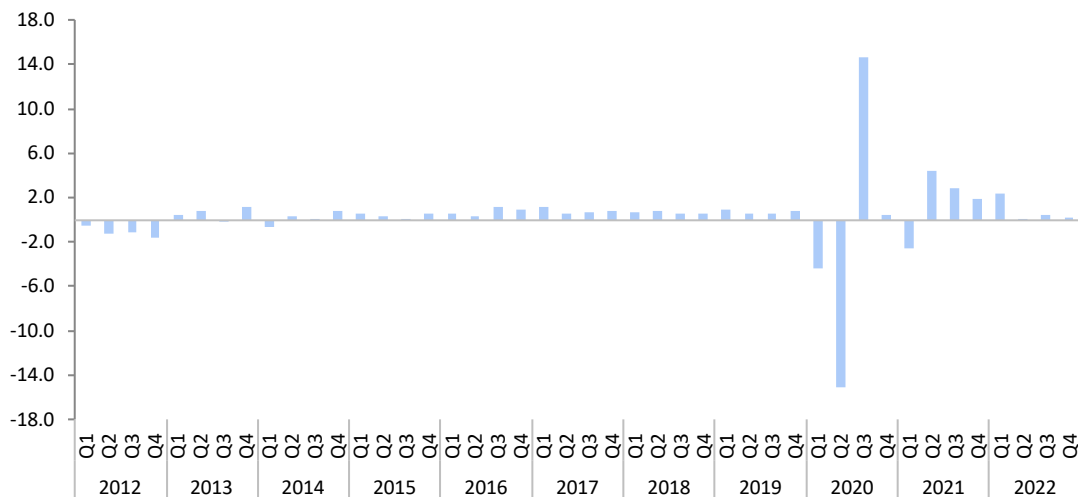


Figure 3. Gross Domestic Product (chain-linked volume data, reference year=2016)
Calendar and seasonally adjusted data
Quarter-on-quarter rate of change, %





METHODOLOGICAL INFORMATION ABOUT THE FLASH ESTIMATES

The publication of quarterly data of the National Accounts is 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. It stands out in particular:

- 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 30, 2023. 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 2022.

As mentioned in previous editions, new 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, mainly reflecting 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 2022 will be released on February 28, 2023.
