



31 July 2023

QUARTERLY NATIONAL ACCOUNTS (Base 2016) – Flash Estimate at 30 days
Second Quarter 2023

GROSS DOMESTIC PRODUCT IN VOLUME INCREASED BY 2.3% ON A YEAR BEFORE AND REGISTERED A NIL RATE OF CHANGE COMPARED WITH THE PREVIOUS QUARTER

Gross Domestic Product (GDP), in real terms, recorded a year-on-year growth rate of 2.3% in the second quarter of 2023 (2.5% in the previous quarter). The positive contribution of net external demand to the year-on-year rate of change of GDP was lower than in the previous quarter, with a more pronounced deceleration of Exports of Goods and Services in volume than that of Imports of Goods and Services. In the second quarter, the import deflator was negative in year-on-year terms, diminishing significantly compared to the previous quarter, determining higher gains in terms of trade compared to the previous quarter despite the deceleration in the export deflator. The positive contribution of domestic demand to the year-on-year change in GDP increased, compared to that observed in the previous quarter, with a less pronounced reduction in investment, while private consumption slowed down.

Compared to the first quarter of 2023, GDP recorded a nil quarter-on-quarter rate of change in volume, after a growth of 1.6% in the previous quarter. The contribution of net external demand to the quarter-on-quarter rate of change of GDP was negative, after having been positive in the first quarter, due to the behaviour of exports, offsetting the increase in the contribution of internal demand as private consumption accelerated.

Table 1. Gross Domestic Product (chain-linked volume data, reference year=2016)

	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Year-on-Year Quarter Rate of Change (%)	17.0	5.0	6.6	11.9	7.4	4.8	3.2	2.5	2.3
Quarter-on-Quarter Growth Rate of Change (%)	4.4	2.8	1.9	2.3	0.2	0.3	0.3	1.6	0.0

Figure 1. Gross Domestic Product (chain-linked volume data, reference year=2016)

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

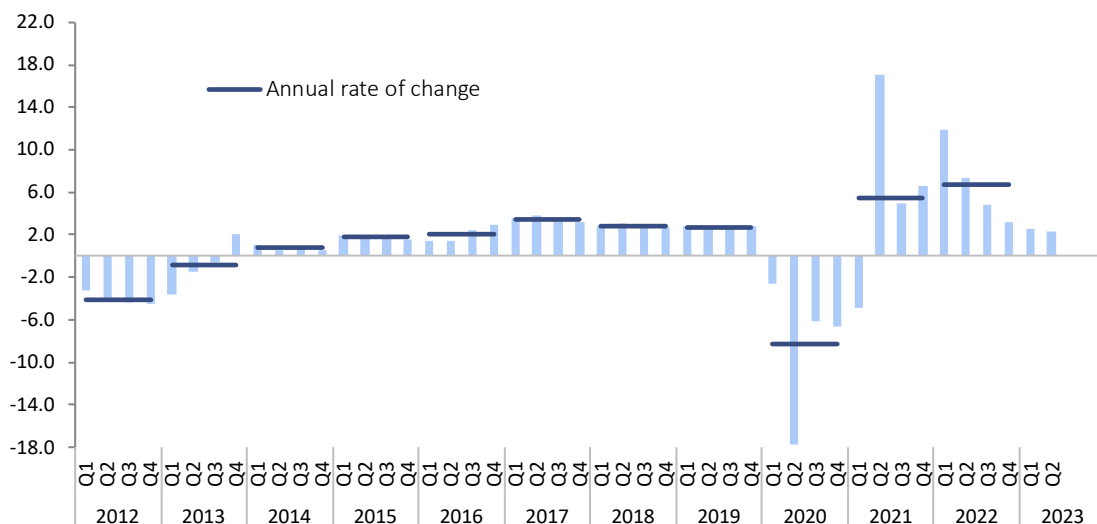
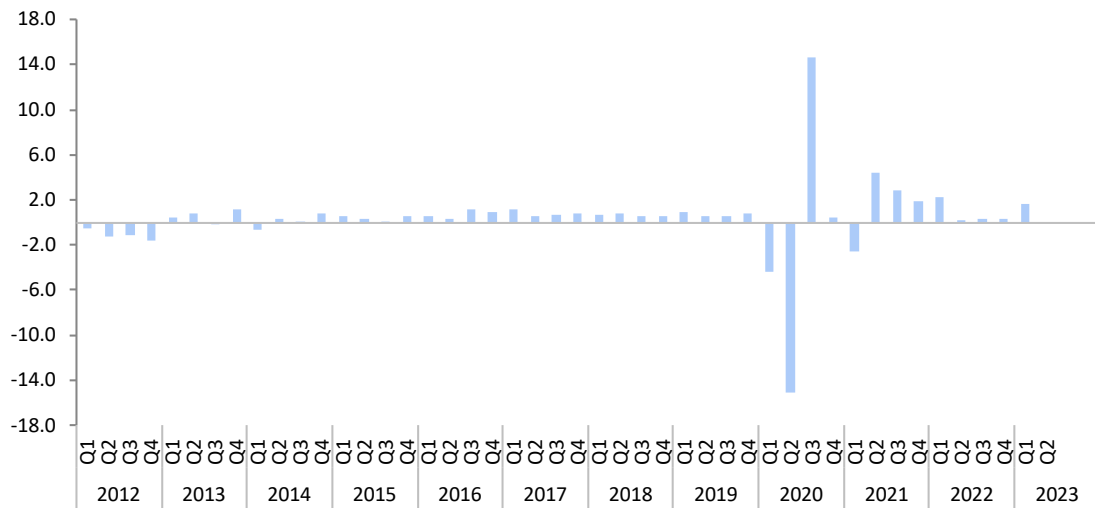




Figure 2. Gross Domestic Product (chain-linked volume data, reference year=2016)

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 2023. 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 23, 2023.



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 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 flash estimate released on July 28, 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 January and February 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 second quarter of 2023 will be released on August 31, 2023.
