



30 August 2024
QUARTERLY NATIONAL ACCOUNTS (Base 2016)
Second Quarter 2024

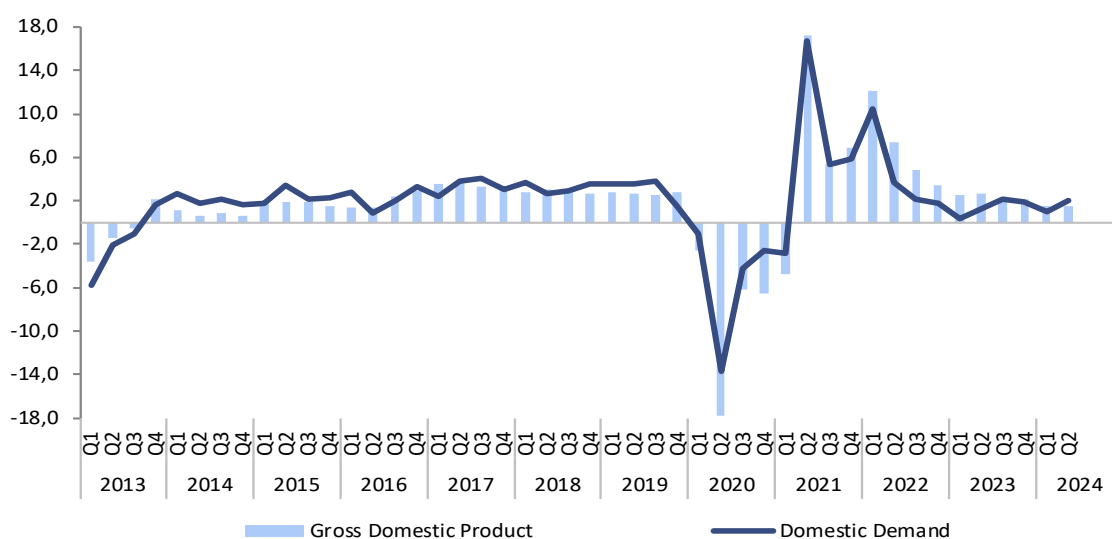
GDP IN VOLUME IN THE SECOND QUARTER GREW 1.5% IN YEAR-ON-YEAR TERMS AND 0.1% WHEN COMPARED WITH THE PREVIOUS QUARTER

Gross Domestic Product (GDP), in volume, registered a year-on-year rate of change of 1.5% in the second quarter of 2024, a similar growth rate as in the previous quarter. The positive contribution of domestic demand to the year-on-year growth rate of GDP increased in the second quarter, with investment and private consumption accelerating. The contribution of net external demand to the year-on-year growth rate of GDP was negative, after being positive in the previous two quarters, with imports of goods and services in volume accelerating more intensely than exports of goods and services.

Comparing to the first quarter of 2024, GDP increased by 0.1% in volume (0.8% in the previous quarter). The contribution of domestic demand turned positive in the second quarter, with investment increasing and private consumption slowing down. The contribution of net external demand moved from positive, in the previous quarter, to negative, with imports of goods and services increasing quarter-on-quarter after the decline of the previous quarter, and exports of goods and services decelerating.

Figure 1. Gross Domestic Product and Domestic Demand in volume (reference year =2016)

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





In the second quarter of 2024, GDP in volume increased by 1.5% in year-on-year terms and 0.1% compared with the previous quarter

Preliminary GDP estimates for the second quarter of 2024 point to a year-on-year GDP growth of 1.5% in volume, a similar growth rate as in the previous quarter.

In nominal terms, GDP recorded a year-on-year increase of 6.0% in the second quarter (6.5% in the previous quarter), with the implicit GDP deflator registering a year-on-year rate of change of 4.4% (5.0% in the first quarter of 2024).

In the second quarter of 2024, the contribution of domestic demand to the year-on-year growth rate of GDP in volume increased to 1.9 percentage points (1.0 percentage points in the first quarter).

Table 1. Decomposition of GDP rate of change (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-Year rate of change (%)					
Domestic Demand	0.4	1.2	2.1	1.9	1.0	2.0
Exports (FOB)	10.3	4.0	-0.5	3.1	2.4	3.6
Imports (FOB)	5.0	0.9	0.0	2.8	1.4	4.8
GDP	2.5	2.6	1.9	2.1	1.5	1.5
	Contributions to GDP year-on-year rate of change (percentage points)					
Domestic Demand	0.4	1.2	2.1	1.9	1.0	1.9
External Demand Balance ¹	2.2	1.4	-0.2	0.2	0.5	-0.5

¹ - External Demand Balance (Exports less Imports)

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

By components of domestic demand, in volume, there was an acceleration of private consumption (includes Non-Profit Institutions Serving Households), to a year-on-year growth rate of 1.5% in the second quarter (0.6% in the previous quarter), and of Investment (from a rate of change of 1.7% in the first quarter to 4.4%). On the other hand, public consumption (General Government Final Consumption Expenditure) growth rate decreased slightly to 1.3% (1.4% in the preceding quarter).

Table 2. Components of domestic demand

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-Year rate of change (%)					
Domestic Demand	0.4	1.2	2.1	1.9	1.0	2.0
Private Consumption ¹	1.9	1.9	1.1	1.6	0.6	1.5
Public Consumption ²	0.1	1.1	1.7	1.2	1.4	1.3
Investment	-4.4	-0.8	5.8	3.6	1.7	4.4

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In the second quarter of 2024, the contribution of net external demand to the GDP year-on-year growth rate, in volume, moved from positive, in the previous quarter (0.5 percentage points), to negative (-0.5 percentage points), with Exports of Goods and Services growing by 3.6% (2.4% in the second quarter) and Imports of Goods and Services growing by 4.8% (1.4% in the previous quarter).



Compared to the previous quarter, GDP increased by 0.1%, after a quarter-on-quarter growth rate of 0.8% in the first quarter. The contribution of net external demand to the GDP quarter-on-quarter rate of change was -0.4 percentage points, after being positive in the previous quarter (1.0 percentage points). On the other hand, the contribution of domestic demand was positive (0.5 percentage points) in the second quarter, after a -0.1 percentage points contribution in the second quarter, with an increase of investment and a slowdown of private consumption.

Table 3. Decomposition of GDP rate of change (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Quarter-on-quarter rate of change (%)					
Domestic Demand	0.9	-0.5	0.7	0.9	-0.1	0.5
Exports (FOB)	2.3	-1.0	-1.6	3.5	1.5	0.2
Imports (FOB)	0.9	-2.3	0.5	3.8	-0.5	1.0
GDP	1.5	0.1	-0.2	0.7	0.8	0.1
	Contributions to GDP quarter-on-quarter rate of change (percentage points)					
Domestic Demand	0.9	-0.5	0.7	0.9	-0.1	0.5
External Demand Balance ¹	0.6	0.6	-0.9	-0.2	1.0	-0.4

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

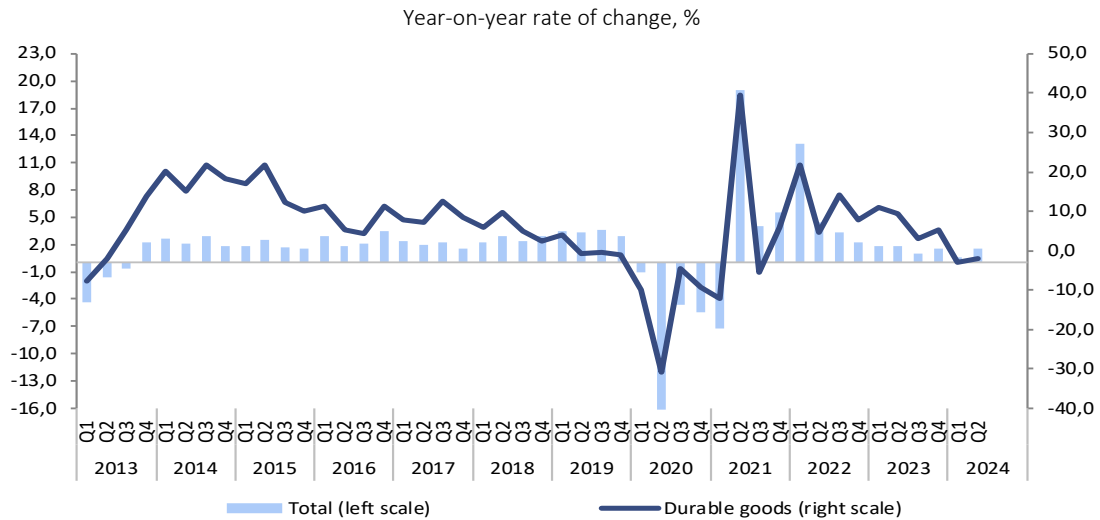
Final consumption expenditure by Resident Households, in volume, grew by 1.5% in year-on-year terms in the second quarter, after increasing 0.6% in the previous quarter, with the non-durable goods and services component accelerating to 1.8% (1.0% in the first quarter) and the durable goods component decreasing by 2.0% (-2.9% in the previous quarter).

Table 4. Final consumption expenditure of resident households (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-year rate of change (%)					
Total	1.9	1.8	1.0	1.6	0.6	1.5
Durable Component	11.0	9.3	3.1	5.2	-2.9	-2.0
Non-Durable Component	1.0	1.1	0.8	1.2	1.0	1.8
Of which:						
Food and beverage products	0.5	1.6	1.7	1.0	1.9	2.0



Figure 2. Final consumption expenditure of resident households, volume (reference year=2016)



Compared to the first quarter, final consumption expenditure by Resident Households increased by 0.2% (quarter-on-quarter rate of change of 1.0% in the previous quarter), with the non-durable goods and services component slowing down to 0.1% (1.2% in the previous quarter) and the durable goods component increasing by 1.7% (-1.3% in the previous quarter).

Table 5. Final consumption expenditure of resident households (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Quarter-on-Quarter rate of change (%)					
Total	2.0	-0.6	-0.5	0.7	1.0	0.2
Durable Component	6.9	0.8	-3.8	1.4	-1.3	1.7
Non-Durable Component	1.4	-0.8	-0.1	0.6	1.2	0.1
Of which:						
Food and beverage products	1.9	1.0	0.6	-2.4	2.7	1.1

Investment

In the second quarter, Investment in volume increased by 4.4% in year-on-year terms, after an increase of 1.7% in the previous quarter. Gross Fixed Capital Formation (GFCF) accelerated from 0.5% to a growth rate of 2.8%, while the contribution of the Change in Inventories to the year-on-year rate of change of GDP was 0.3 percentage points in the second quarter (0.2 percentage points in the previous quarter).



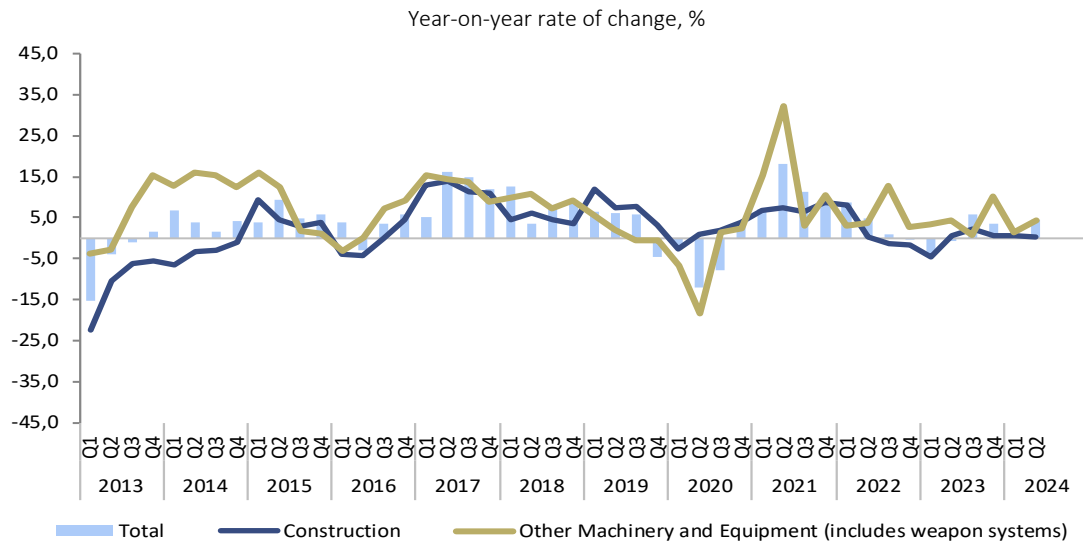
Table 6. Gross Fixed Capital Formation (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-year rate of change (%)					
Total	0.2	2.5	3.8	4.1	0.5	2.8
Of which:						
Transport Equipment	18.5	10.7	25.9	19.3	-0.7	21.2
Other Machinery and Equipment ¹	3.3	4.3	0.9	10.1	1.4	4.2
Construction	-4.6	0.6	2.2	0.5	0.7	0.3
Intellectual Property Products ²	2.3	1.8	3.5	-1.0	-1.2	-0.4

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

GFCF in Transport Equipment increased significantly going from a rate of change of -0.7%, in the first quarter, to a year-on-year growth rate of 21.2%. GFCF in Other Machinery and Equipment grew by 4.2% in the second quarter (1.4% in the previous quarter), while GFCF in Construction recorded a year-on-year increase of 0.3% (+0.7% in the first quarter) and GFCF in Intellectual Property Products decreased 0.4% in the second quarter (-1.2% in the preceding quarter).

Figure 3. Investment, volume (reference year=2016)



Comparing with the first quarter of 2024, total investment, in volume, increased by 1.6% (-3.6% in the previous quarter), with a 1.2% growth of total GFCF (-3.0% in the preceding quarter) and a contribution of 0.1 percentage points of Changes in Inventories to the GDP quarter-on-quarter rate of change (contribution of -0.1 percentage points in the previous quarter).



Table 7. Gross Fixed Capital Formation (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Quarter-on-Quarter rate of change (%)					
Total	0.5	-1.1	1.0	3.6	-3.0	1.2
Of which:						
Transport Equipment	18.9	-14.8	17.4	0.4	-1.1	4.0
Other Machinery and Equipment ¹	-0.5	1.4	-2.0	11.3	-8.3	4.2
Construction	-0.8	-0.1	0.1	1.2	-0.5	-0.5
Intellectual Property Products ²	-2.2	-0.5	1.3	0.5	-2.4	0.2

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 3.6% in the second quarter (2.4% in the previous quarter). Exports of goods accelerated to 3.7% in year-on-year terms, after an increase of 1.8% in the previous quarter, while exports of services increased 3.4% in the second quarter (3.5% in the first quarter).

In the first quarter, Imports of Goods and Services in volume increased by 4.8% in year-on-year terms (1.4% in the previous quarter), with the goods component accelerating to 4.5% (1.5% in the preceding quarter) and the services component to 6.2% (0.5% in the first quarter).

Table 8. Exports and Imports (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-year rate of change (%)					
Exports	10.3	4.0	-0.5	3.1	2.4	3.6
Goods (FOB)	5.5	0.2	-3.0	1.5	1.8	3.7
Services	20.9	11.9	4.8	6.3	3.5	3.4
Imports	5.0	0.9	0.0	2.8	1.4	4.8
Goods (FOB)	3.8	0.7	-0.3	1.9	1.5	4.5
Services	11.7	2.2	1.5	6.9	0.5	6.2

Compared to the previous quarter, total exports, in volume, slowed down to a growth rate of 0.2%, after increasing by 1.5% in the previous quarter, with the goods component registering a null rate of change, and the services component increasing by 0.5% (rates of 2.5% and -0.3% in the first quarter, respectively). Total imports registered a quarter-on-quarter growth of 1.0% in the second quarter (-0.5% in the previous quarter), with the goods component decreasing by 0.2% and the services component growing 7.2% (rates of +1.3% and -8.7% in the preceding quarter, respectively).



Table 9. Exports and Imports (volume)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Quarter-on-Quarter rate of change (%)					
Exports	2.3	-1.0	-1.6	3.5	1.5	0.2
Goods (FOB)	2.2	-1.8	-1.4	2.5	2.5	0.0
Services	2.3	0.6	-1.9	5.2	-0.3	0.5
Imports	0.9	-2.3	0.5	3.8	-0.5	1.0
Goods (FOB)	1.6	-3.0	0.4	3.0	1.3	-0.2
Services	-2.8	1.4	0.9	7.6	-8.7	7.2

In the second quarter of 2024, gains in terms of trade were recorded for the sixth consecutive quarter, although lower than that observed in the previous quarter. The deflator of Exports of Goods and Services increased by 0.7% in year-on-year terms in the second quarter (-0.6% in the previous quarter) and the deflator of Imports of Goods and Services went from a year-on-year rate of change of -4.1% in the first quarter to -2.1%.

Table 10. Implicit deflators of exports and imports of goods (FOB) and services

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-year rate of change (%)					
Exports	7.1	0.4	-2.7	-1.5	-0.6	0.7
Imports	3.7	-5.2	-8.1	-5.5	-4.1	-2.1
Terms of Trade	3.2	5.9	5.9	4.2	3.7	2.9

In nominal terms, the External Balance of Goods and Services remained positive, as observed in the previous five quarters, increasing slightly to 2.8% of GDP (2.7% of GDP in the previous quarter and 2.0% in the second quarter of 2023).



Gross Value Added (GVA) at basic prices

In the second quarter of 2024, GVA at base prices recorded a year-on-year growth of 1.7% in volume (1.5% in the previous quarter).

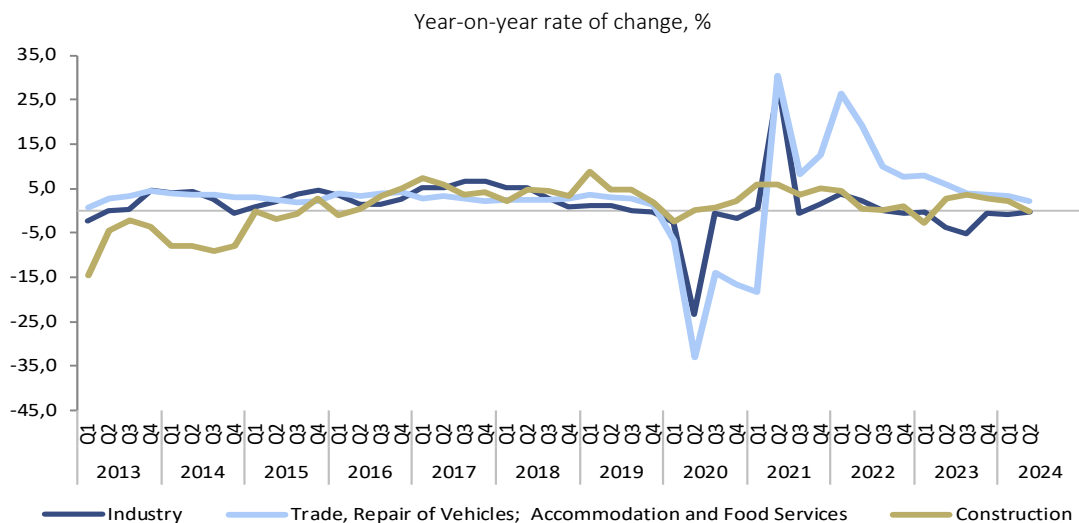
Table 11. Gross Value Added, volume (reference year=2016)

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-Year rate of change (%)					
GVA at basic prices	3.2	2.7	1.7	2.2	1.5	1.7
Agriculture, Forestry and Fishing	-2.7	-0.3	1.4	2.5	-1.2	-2.4
Industry	-0.4	-3.7	-5.1	-0.5	-0.8	-0.4
Energy, Water Supply and Sewerage	0.8	-1.3	-0.7	3.4	0.5	0.8
Construction	-2.8	2.6	3.5	2.8	2.0	-0.1
Trade, Repair of Vehicles; Accommodation and Food Services	7.8	5.8	3.9	3.6	3.3	2.1
Transportation and Storage; Information and Communication	9.0	8.0	2.8	-0.1	-3.1	1.9
Financial, Insurance and Real Estate Activities	0.5	1.1	1.5	1.6	1.7	2.3
Other Services Activities	3.5	3.7	3.2	3.3	3.1	2.5
Taxes less subsidies on products	-0.6	-0.6	3.9	2.3	2.3	0.1

GVA in Transportation and Storage and Information and Communication increased by 1.9% in year-on-year terms (-3.1% in the first quarter), registering a contribution of 0.2 percentage points to the year-on-year growth rate of total GVA (including taxes net of subsidies). GVA of Industry decreased, but less intensely than in the previous quarter (shifting from -0.8% and -0.4%).

The GVA of the Other Service Activities sector registered a growth rate of 2.5% (3.1% in the previous quarter), registering a contribution of 0.7 p.p. (0.8 p.p. in the previous quarter).

Figure 4. Gross Value Added, volume (reference year=2016)



Taxes less Subsidies on Products in volume slowed down to a growth rate of 0.1% when compared to the same period last year, after an increase of 2.3% in the previous quarter.



Employment

In the second quarter, total employment (measured in number of persons and seasonally adjusted) for all sectors of economic activity increased by 1.3% year-on-year (1.8% in the previous quarter). The number of employees (also seasonally adjusted) registered a year-on-year growth of 1.4%, after the 2.2% increase observed in the previous two quarters.

Considering employment measured in terms of hours worked, there was a year-on-year increase of 0.2% in the first quarter (rate of -1.7% in the previous quarter).

Table 12. Employment – Quarterly National Accounts

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Year-on-Year rate of change (%)					
Employment						
Persons	0.1	1.2	1.0	1.2	1.8	1.3
Hours worked	1.5	2.7	1.5	-0.9	-1.7	0.2
Employees						
Persons	1.6	2.8	2.3	2.2	2.2	1.4
Hours worked	2.8	3.8	2.4	0.2	-1.1	1.2

Compared to the previous quarter, total employment (measured in number of persons) increased by 0.2% in the second quarter (1.1% in the first quarter) and hours worked increased by 1.2% (0.2% in the first quarter).

Table 13. Employment – Quarterly National Accounts

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
	Quarter-on-Quarter rate of change (%)					
Employment						
Persons	0.6	0.6	0.1	-0.1	1.1	0.2
Hours worked	1.0	-0.7	0.3	-1.5	0.2	1.2
Employees						
Persons	0.7	1.1	0.2	0.2	0.6	0.3
Hours worked	1.1	-0.4	0.6	-1.1	-0.2	2.0

In the second quarter, productivity measured by the ratio between GDP in volume and the number of people employed increased by 0.1% in year-on-year terms, after decreasing 0.3% in the previous quarter. In turn, productivity measured based on the number of hours worked registered a year-on-year growth of 1.2%, a rate 2.0 percentage points lower than in the first quarter.



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 June 2024 preliminary version of the international goods trade statistics. In what concerns, the deflators for external trade of goods for the second quarter of 2024, the Unit Value Quarterly Indices were used, calculated based on the statistics of the International Trade of goods related June 2024. It should be noticed that this information was not available when the flash estimates were compiled.

Comparing with the flash estimate for the second quarter previously released by Statistics Portugal on July 30, the incorporation of the new data mentioned above implied no revisions in the GDP rates of change.

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 present press release of National Accounts is the last disseminated in accordance with the benchmark year 2016. With the next release of the National Accounts, scheduled for 23 September 2024, a new benchmark year (base 2021) of the Portuguese National Accounts will be introduced, which will imply revisions in the estimates now published. The revised estimates will be published with the release of the National Accounts by Institutional Sector for the second quarter 2024.



Reference date of the primary data used:

These estimates were calculated using information available until August 28, 2024.

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

As mentioned previously, in September 2024 the release of the new 2021 base of the National Accounts will begin.

Thus, the publication of quarterly accounts by institutional sector for the 2nd quarter of 2024, scheduled for 23rd September 2024, will correspond to results according to the new 2021 base of the Portuguese National Accounts. At the same time, annual results will be released, with detailed information for the years 2021 and 2022, as well as consistent aggregate information for the period between 1995 and 2020. The results of the General Government accounts in the context of the Excessive Deficit Procedure will also be released.

It should be noted that European legislation and ‘good practices’ in the field of National Accounts recommend that the reference year for compiling National Accounts be updated every five years, and that this should take place in conjunction with the various Member States, under the coordination of Eurostat. Regular changes in the benchmark year are an opportunity to integrate new statistical sources, improve methodologies or methods of compiling information, guaranteeing the comparability and consistency of results between all the countries of the European Union.
