



23 September 2024  
Annual National Accounts (Benchmark 2021)  
2022 (final) and 2023 (preliminary)

## NATIONAL ACCOUNTS FINAL DATA FOR 2022 AND PRELIMINARY FOR 2023

In 2023, the Gross Domestic Product (GDP) attained 267.4 thousand million Euros, which represents annual change rates of 7.0% and 2.5% for real GDP, in 2022 and 2023, respectively.

Statistics Portugal discloses a new series of information from Annual National Accounts, with reference year 2021, that replaces the previous series with 2016 as reference year. The 2021 benchmark provides consistent and complete information for the period 1995 to 2023, having last year the nature of preliminary data.

The 2021 benchmark includes new relevant information, namely the results of Census 2021, the Household Budget Survey, the new Balance of Payments series and additional fiscal authorities' information (Simplified Business Information database and e-invoice). Methodological improvements have also been implemented, namely in the calculation of Consumption of Fixed Capital, according to recent recommendations from Eurostat, the change of the sector delimitation of the economy, with more impact in the sector of Non-Profit Institutions, and the update of hedonic models for calculating imputed rents.

For 2021, GDP has been revised by +440.5 million Euros (0.2%). For 2022, the GDP revision was 1 616 million Euros (0.7%). The results now released for 2022 reflect not only the new reference base year, but above all they correspond to the final version of the information, replacing the previous provisional version.

The GDP real growth rate is 7.0% for 2022 and 2.5% for 2023, reflecting revisions of 0.7% compared to previous results.

Based on 2021 benchmark, the Portuguese economy showed a marginally better net lending/net borrowing (0.1 p.p. of GDP on average per year) than in the previous benchmark. In 2021, the reference year, net lending improved from 0.6 to 0.8 p.p.. In 2022, there was a net lending equivalent to 1.3% of GDP. In the following year, the economy recovered the financing capacity, reaching a net borrowing of 1.6% of GDP.

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### Portuguese National Accounts Benchmark 2021 - main changes in sources and methods; revisions in 2021

With this press release, Statistics Portugal starts publishing the new series of Portuguese National Accounts, with 2021 as benchmark year. The regular five-yearly update of the National Accounts reference year is recommended by Eurostat and is common practice in European Union countries, allowing for the incorporation of new structural information and the introduction of improvements in the methods used (including new recommendations arising from methodological discussions at European Statistical System level).

2022 (final) and 2023 (preliminary)



Simultaneously with the publication of the 2021 benchmark, Statistics Portugal provides complete and consistent annual and quarterly retrospective series from 1995 to the second quarter of 2024. The information now released includes, for the first time, final detailed results for 2022 and preliminary results for 2023.

To summarise, the main changes introduced were of two kinds:

a) Use of new information:

- Household Budget Survey- HBS 2022/2023;
- Population and housing census - 2021 Census;
- Survey on trade enterprises - IECOM 2021
- Agricultural Census- RA 2019;
- New Balance of Payments series;
- Use of e-invoice (electronic invoice) information as an auxiliary source;

b) Methodological improvements:

- A general review of the calculation of the Consumption of Fixed Capital, incorporating the recommendations of the FIXCAP Task Force<sup>1</sup>, which establishes several changes for harmonisation between member states, namely useful life per asset, asset survival profiles and economic efficiency loss profiles.
- Adjustments to the sectoral classification of institutional units, with particular emphasis on the reclassification of units previously included in S15 (non-profit institutions serving households - NPISHs) and which were moved to S11 (non-financial corporations). It should be noted that this reclassification was based on an analysis of the units' market/non-market ratios and was only possible through the simultaneous use of various sources, some of which have only recently become available in Statistics Portugal, especially the e-invoice.
- Update of the hedonic price models for calculating imputed housing rents, based on 2021 census data.

As mentioned, these changes had little impact on the level of GDP but led to some changes in its composition. With reference to 2021, Household Final Consumption Expenditure was revised upwards by 604 million Euros (0.5%), essentially reflecting: i) the expenditure associated with NPISHs reclassified from S15 to S11, as mentioned; ii) the revaluation of food consumption, reflecting the effect of updating (upwards) various trade margin rates; and iii) the rise in consumption of durable goods. In the latter case, the rise was offset by a fall in

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<sup>1</sup> DMES Task Force on Fixed Assets and Estimation of Consumption of Fixed Capital Under ESA 2010: <https://ec.europa.eu/eurostat/documents/24987/19760111/task-force-fixcap-final-report.pdf/6ae7756a-509e-f4b8-4516-beb3c3328e8b?t=1723539577790>



the consumption of "other goods", because of the change in the structure of the Household Budget Survey 2022/2023.

Table 1: Benchmark year revision of the main expenditure aggregates

	2021 (10 <sup>6</sup> €)		
	Benchmark 2016	Benchmark 2021	Revision
<b>Resident final consumption expenditure</b>	<b>177 585</b>	<b>177 183</b>	<b>- 402</b>
Households final consumption expenditure	132 999	133 603	604
Food consumption	27 336	27 772	437
Non-food current consumption	100 956	100 937	- 18
Consumption of durable goods	11 530	11 779	249
Final consumption expenditure of NPISH <sup>(1)</sup>	4 198	3 456	- 742
GG final consumption expenditure <sup>(2)</sup>	40 389	40 124	- 264
<b>Gross capital formation</b>	<b>44 566</b>	<b>45 322</b>	<b>756</b>
of wich: housing	8 396	8 874	478
<b>Exports of goods and services</b>	<b>89 450</b>	<b>89 950</b>	<b>500</b>
Exports of goods (FOB) <sup>(3)</sup>	64 727	64 824	97
Exports of services	24 723	25 125	403
<b>Imports of goods and services</b>	<b>95 548</b>	<b>95 961</b>	<b>413</b>
Imports of goods (FOB) <sup>(3)</sup>	79 958	79 999	41
Imports of services	15 590	15 962	373
<b>Gross domestic product at market prices</b>	<b>216 053</b>	<b>216 494</b>	<b>441</b>

Notes: (1) NPISH – Non-profitable Institutions Serving Households ; (2) GG – General Government; (3) FOB – "Free on Board"

Lastly, current non-food consumption remained almost unchanged, although, as already mentioned, the services component increased by around 400 million euros (due to the expenditure previously recorded in NPISHs) and other non-durable goods fell (by "swapping" with durable goods).

The downward revision of final consumption expenditure by NPISHs has two main causes: i) the aforementioned reclassification of units whose activity is unequivocally market<sup>2</sup>; and ii) the upward revaluation of the market income of units in this sector. Regarding the latter, it should be noted that, for the first time, Statistics Portugal has information, through e-invoice, which allows it to quantify the payments made by households to NPISHs, and this component is much higher than the values estimated in the previous National Accounts Benchmark.

General Government Consumption Expenditure was revised marginally downwards (0.7 percent), mainly due to the reclassification of some institutional units and the revision of the value of housing rents received by the General Government, as a result of information from the 2021 Census.

Gross Capital Formation (GCF) was revised by 756 million euros (1.7%), 63% of which was due to the revision of investment in housing. Essentially, this change resulted from the component of new housing built between 2011

<sup>2</sup> The definition of a market statistical unit followed the rules established in the System of National Accounts and the Manual on Government Deficit and Debt, in which, essentially, institutional units whose sales cover 50% or more of production costs, including net financing costs, are considered marketable.

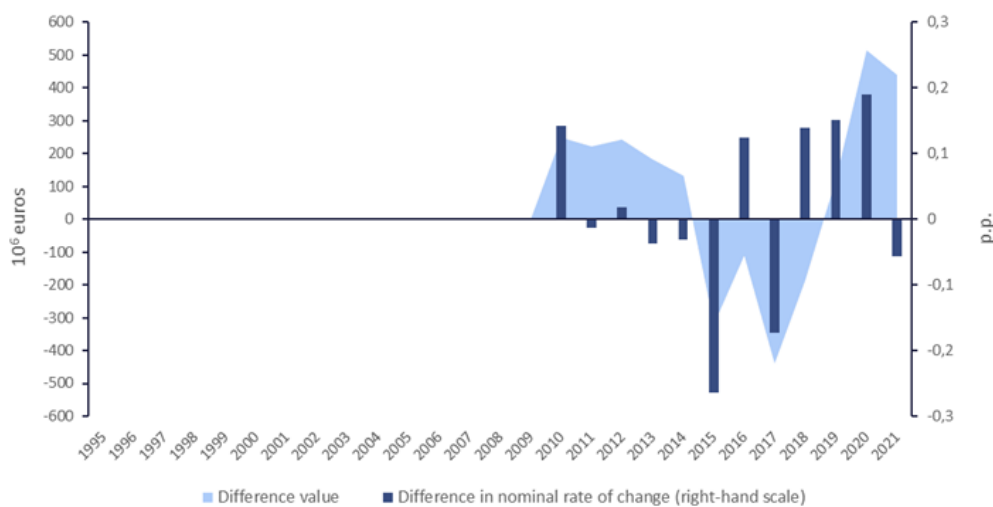


and 2021, which was underestimated in the intercensus period and was updated based on information from the 2021 Census.

The revision in Exports and Imports of goods and services was essentially due to changes in the services component, resulting from more significant changes made by the Bank of Portugal in the Balance of Payments. It should be noted that the change of benchmark of the National Accounts compiled by Statistics Portugal was articulated with the revision of the Balance of Payments, benefiting from the co-operation of the Bank of Portugal's Statistics Department, with the aim of improving the quality of the two sets of information and their consistency. The biggest contributions to these revisions came from imports of digital services, transport and (re)insurance. Exports of IT services and business support services, rents from dwellings owned by non-residents and transport services.

As can be seen in the following graph, there have only been revisions to GDP since 2010, with the average annual revision being 0.02%, with the maximum value (0.19%) in 2020 and the minimum (-0.26%) in 2015.

Figure 1: Revisions to Gross Domestic Product – benchmark 2021 versus benchmark 2016



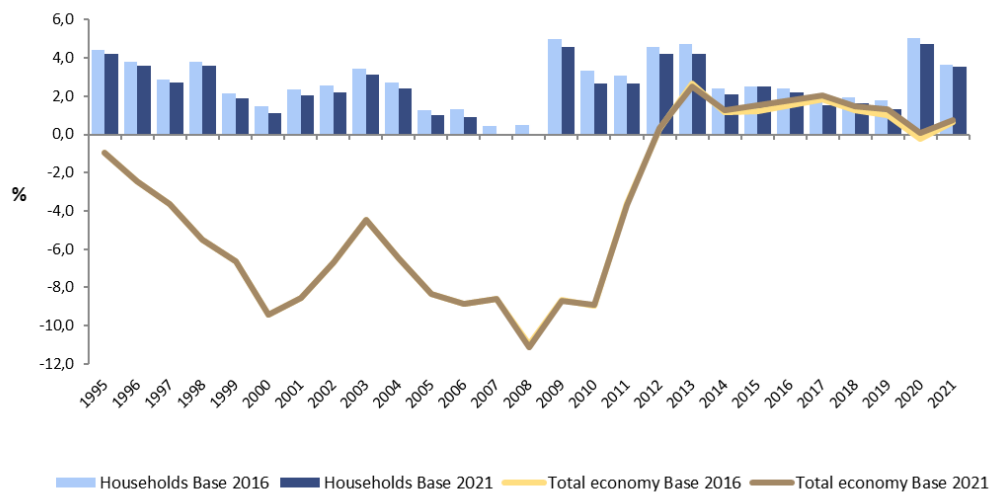
### The Portuguese economy's net lending/borrowing was revised upwards by 0.1% of GDP

For the period 1995 to 2021, the economy's net lending/borrowing has been revised slightly upwards, with an average annual increase of 0.1 p.p. compared to the 2016 benchmark, mainly as a result of the revision of the Balance of Payments series, which will be published in October.



Some types of transactions were revised, namely those associated with non-produced assets and insurance operations, which led to a readjustment of the balances of the economy's domestic sectors<sup>3</sup>. The balance of households over GDP fell by an average of 0.3 p.p., with the main counterpart being the non-financial corporations sector. It should be noted that the household savings rate did not change significantly between the two benchmark series, standing at an average of 10.3% for the period 1995-2021.

Figure 2. Financing Capacity/Need – benchmark 2021 versus benchmark 2016



<sup>3</sup> The information on sector accounts is attached to the press release of the Quarterly National Accounts by Institutional Sector (benchmark 2021), published today.