



29 November 2024
QUARTERLY NATIONAL ACCOUNTS (Base 2021)
Third quarter 2024

GDP IN VOLUME GREW 1.9% IN YEAR-ON-YEAR TERMS AND 0.2% COMPARING WITH THE PREVIOUS QUARTER

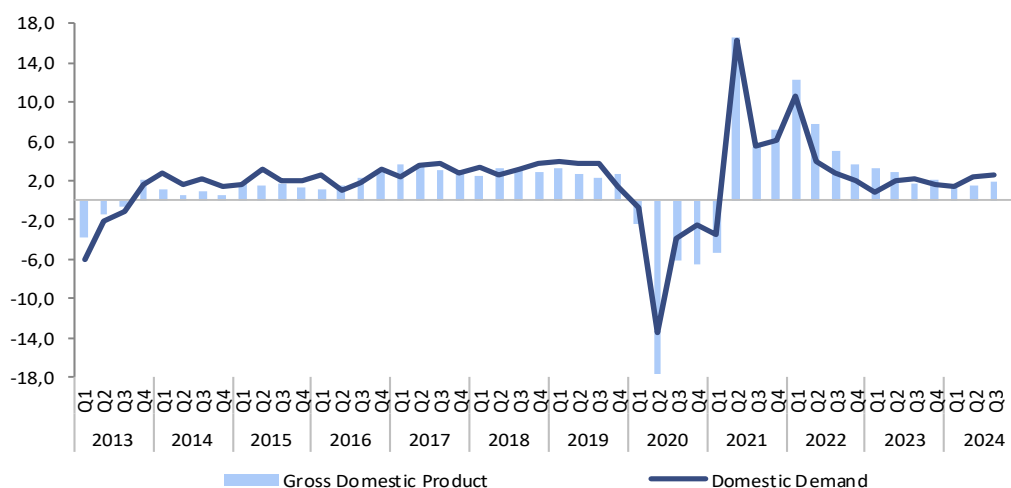
Gross Domestic Product (GDP), in volume, registered a year-on-year rate of change of 1.9% in the third quarter of 2024, a rate 0.3 percentage points higher than that recorded in the previous quarter. The positive contribution of domestic demand to the year-on-year growth rate of GDP increased slightly, from 2.5 to 2.6 percentage points in the third quarter, with an acceleration of private consumption and a reduction of investment. The contribution of net external demand to the year-on-year growth rate of GDP remained negative, moving from -0.9 to -0.8 percentage points, with an acceleration of imports and exports of goods and services.

Compared to the second quarter of 2024, GDP increased by 0.2% in volume, same rate as in the previous quarter. The contribution of net external demand to the GDP quarter-on-quarter rate of change was more negative (shifting from -0.7 to -1.1 percentage points), while the positive contribution of domestic demand increased to 1.2 percentage points, with an acceleration of private consumption and investment.

Figure 1. Gross Domestic Product and Domestic Demand in volume (reference year = 2021)

Seasonally and calendar adjusted data

Year-on-year rate of change, %





In the third quarter of 2024, GDP in volume increased by 1.9% in year-on-year terms and 0.2% compared with the previous quarter

In the third quarter of 2024, the year-on-year GDP growth was 1.9% in volume, a rate higher by 0.3 percentage points compared to the previous quarter.

In nominal terms, GDP recorded a year-on-year increase of 6.1% in the third quarter (6.0% in the previous quarter), with the implicit GDP deflator registering a year-on-year rate of change of 2.7% (4.2% in the second quarter of 2024).

In the third quarter of 2024, the positive contribution of domestic demand to the year-on-year growth rate of GDP in volume increased slightly, from 2.5 in the second quarter to 2.6 percentage points.

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

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-Year rate of change (%)					
Domestic Demand	2.0	2.3	1.7	1.4	2.5	2.6
Exports (FOB)	3.4	-1.2	2.4	1.7	3.4	5.3
Imports (FOB)	1.3	0.0	1.5	1.8	5.5	7.0
GDP	2.9	1.8	2.1	1.4	1.6	1.9
	Contributions to GDP year-on-year rate of change (percentage points)					
Domestic Demand	2.0	2.3	1.8	1.4	2.5	2.6
External Demand Balance ¹	1.0	-0.5	0.4	0.0	-0.9	-0.8

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 4.2% in the third quarter (2.6% in the previous quarter), and a decreased of Investment (from a rate of change of 3.3% in the second quarter to -0.7%). Public consumption (General Government Final Consumption Expenditure) decelerated slightly, registering a year-on-year growth rate of 1.0% (1.2% in the preceding quarter).

Table 2. Components of domestic demand

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-Year rate of change (%)					
Domestic Demand	2.0	2.3	1.7	1.4	2.5	2.6
Private Consumption ¹	2.7	1.0	1.9	1.5	2.6	4.2
Public Consumption ²	0.6	1.1	0.6	1.1	1.2	1.0
Investment	0.8	7.6	2.2	1.2	3.3	-0.7

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In the third quarter of 2024, the contribution of net external demand to the GDP year-on-year growth rate, in volume, remained negative (moving from -0.9 to -0.8 percentage points), with Exports of Goods and Services



growing by 5.3% (3.4% in the second quarter) and Imports of Goods and Services growing by 7.0% (5.5% in the previous quarter).

Compared to the previous quarter, GDP increased by 0.2%, same rate as observed in the previous quarter. The contribution of net external demand to the GDP quarter-on-quarter rate of change was more negative (shifting from -0.7 to -1.1 percentage points) and the positive contribution of domestic demand increased to 1.2 percentage points, with an acceleration of private consumption and investment.

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

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Quarter-on-quarter rate of change (%)					
Domestic Demand	-0.1	1.1	0.3	0.1	1.0	1.2
Exports (FOB)	-0.4	-2.1	2.1	2.2	1.3	-0.4
Imports (FOB)	-0.7	0.5	1.0	1.0	2.9	1.9
GDP	0.0	-0.1	0.8	0.6	0.2	0.2
	Contributions to GDP quarter-on-quarter rate of change (percentage points)					
Domestic Demand	-0.1	1.1	0.3	0.1	1.0	1.2
External Demand Balance ¹	0.1	-1.2	0.5	0.6	-0.7	-1.1

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

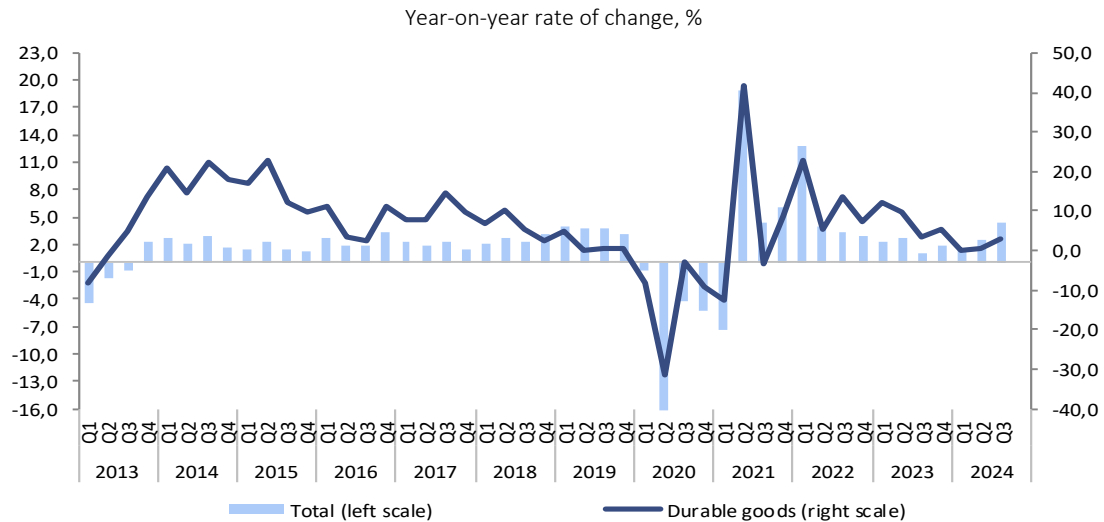
Final consumption expenditure by Resident Households, in volume, grew by 4.3% in year-on-year terms in the third quarter, after increasing 2.6% in the previous quarter, with an acceleration of both components. The non-durable goods and services component went from a growth rate of 2.8% to 4.4% in the third quarter and the durable goods component went from a rate of 0.7% in the second quarter to 2.8%.

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

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-year rate of change (%)					
Total	2.7	1.0	1.9	1.5	2.6	4.3
Durable Component	9.8	3.3	5.3	0.1	0.7	2.8
Non-Durable Component	2.0	0.7	1.6	1.7	2.8	4.4
Of which:						
Food and beverage products	1.3	1.6	1.1	1.8	1.9	2.5



Figure 2. Final consumption expenditure of resident households, volume (reference year=2021)



Compared to the second quarter, final consumption expenditure by Resident Households increased by 1.2% (quarter-on-quarter rate of change of 1.0% in the previous quarter), with the non-durable goods and services component presenting a growth rate of 0.6% (0.1% in the second quarter) and the durable goods component increasing by 1.3% of (1.1% in the previous quarter).

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

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Quarter-on-Quarter rate of change (%)					
Total	-0.1	-0.4	1.6	0.4	1.0	1.2
Durable Component	-0.5	-1.4	1.8	0.2	0.1	0.6
Non-Durable Component	0.0	-0.3	1.6	0.4	1.1	1.3
Of which:						
Food and beverage products	0.5	0.7	-0.2	0.8	0.6	1.3

Investment

In the third quarter, Investment in volume decreased by 0.7% in year-on-year terms, after an increase of 3.3% in the previous quarter. Gross Fixed Capital Formation (GFCF) decelerated from 2.6% to a growth rate of 2.2%, while the contribution of the Change in Inventories to the year-on-year rate of change of GDP was -0.6 percentage points in the third quarter, mainly reflecting a base effect (contributions of +0.2 percentage points in the previous quarter and +0.7 percentage points in the third quarter of 2023).



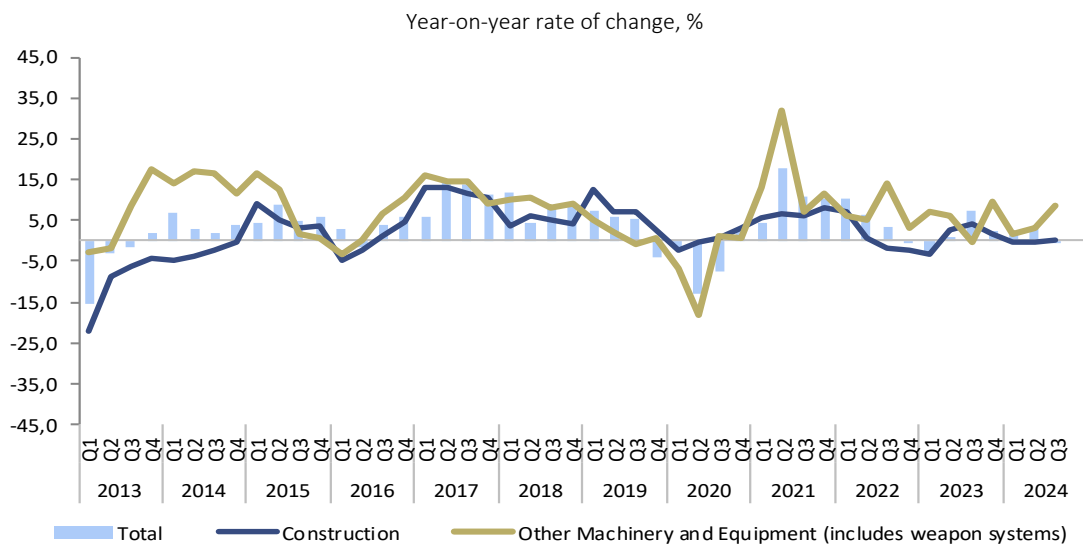
Table 6. Gross Fixed Capital Formation (volume)

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-year rate of change (%)					
Total	3.8	4.1	5.0	0.5	2.6	2.2
Of which:						
Transport Equipment	9.5	28.3	27.0	-1.5	25.0	-1.0
Other Machinery and Equipment ¹	6.3	-0.3	9.4	1.7	3.1	8.8
Construction	2.8	4.0	1.7	-0.2	-0.4	0.0
Intellectual Property Products ²	2.3	1.9	1.4	1.8	2.4	2.5

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

GFCF in Transport Equipment decreased 1.0%, in year-on-year terms, in the third quarter, after recording a pronounced growth in the previous quarter (25.0%) and in the third quarter of 2023 (28.3%). GFCF in Other Machinery and Equipment grew by 8.8% in the third quarter (3.1% in the previous quarter), while GFCF in Construction recorded a nil rate of change, after a reduction of 0.4% in the second quarter. GFCF in Intellectual Property Products increased by 2.5% in the third quarter (2.4% in the preceding quarter).

Figure 3. Investment, volume (reference year=2021)



Comparing with the second quarter of 2024, total investment, in volume, increased by 2.1% (1.7% in the previous quarter), with a 0.9% growth of total GFCF (1.7% in the preceding quarter) and a contribution of 0.2 percentage points of Changes in Inventories to the GDP quarter-on-quarter rate of change (nil contribution in the previous quarter).



Table 7. Gross Fixed Capital Formation (volume)

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Quarter-on-Quarter rate of change (%)					
Total	-0.4	1.2	1.7	-2.0	1.7	0.9
Of which:						
Transport Equipment	-12.5	17.8	3.3	-7.5	11.1	-6.7
Other Machinery and Equipment ¹	-0.4	-1.6	8.3	-4.2	1.0	3.9
Construction	1.3	0.5	-0.8	-1.1	1.0	0.9
Intellectual Property Products ²	0.2	0.6	0.2	0.8	0.8	0.7

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 5.3% in the third quarter (3.4% in the previous quarter). Exports of goods accelerated to 6.0% in year-on-year terms, after an increase of 3.5% in the previous quarter, while exports of services increased by 4.1% in the third quarter (3.4% in the second quarter).

In the third quarter, Imports of Goods and Services in volume increased by 7.9% in year-on-year terms (5.5% in the previous quarter), with the goods component accelerating to 7.9% (5.2% in the preceding quarter) and the services component slowing down to 3.1% (6.8% in the second quarter).

Table 8. Exports and Imports (volume)

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-year rate of change (%)					
Exports	3.4	-1.2	2.4	1.7	3.4	5.3
Goods (FOB)	-0.7	-4.2	0.4	1.3	3.5	6.0
Services	11.7	4.8	6.1	2.5	3.4	4.1
Imports	1.3	0.0	1.5	1.8	5.5	7.0
Goods (FOB)	1.2	0.3	1.1	2.4	5.2	7.9
Services	1.8	-1.3	3.3	-1.0	6.8	3.1

Compared to the previous quarter, total exports, in volume, decrease 0.4%, after increasing by 1.3% in the previous quarter, with the goods component registering a growth rate of 0.1% and the services component decreasing by 1.1% (rates of 1.6% and 0.8% in the second quarter, respectively). Total imports registered a quarter-on-quarter growth of 1.9% in the third quarter (2.9% in the previous quarter), with the goods component growing by 3.1% and the services component decreasing by 3.0% (rates of 2.3% and 6.0% in the preceding quarter, respectively).



Table 9. Exports and Imports (volume)

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Quarter-on-Quarter rate of change (%)					
Exports	-0.4	-2.1	2.1	2.2	1.3	-0.4
Goods (FOB)	-0.6	-2.3	1.4	2.8	1.6	0.1
Services	0.0	-1.8	3.2	1.3	0.8	-1.1
Imports	-0.7	0.5	1.0	1.0	2.9	1.9
Goods (FOB)	-0.4	0.5	0.9	1.5	2.3	3.1
Services	-1.7	0.4	1.4	-1.0	6.0	-3.0

In the third quarter of 2024, gains in terms of trade were recorded for the seventh consecutive quarter, slightly higher than that observed in the previous quarter. The deflator of Exports of Goods and Services increased by 1.1% in year-on-year terms in the third quarter (1.0% in the previous quarter) and the deflator of Imports of Goods and Services decreased 2.0% (-1.9% in the second quarter).

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

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-year rate of change (%)					
Exports	0.9	-1.5	-0.8	-0.2	1.0	1.1
Imports	-4.8	-7.7	-5.0	-3.8	-1.9	-2.0
Terms of Trade	6.0	6.7	4.5	3.7	3.0	3.2

In nominal terms, the External Balance of Goods and Services remained positive, as observed in the previous six quarters, although decreasing to 1.2% of GDP (1.9% of GDP in the previous quarter, and 0.4% in the third quarter of 2023).



Gross Value Added (GVA) at basic prices

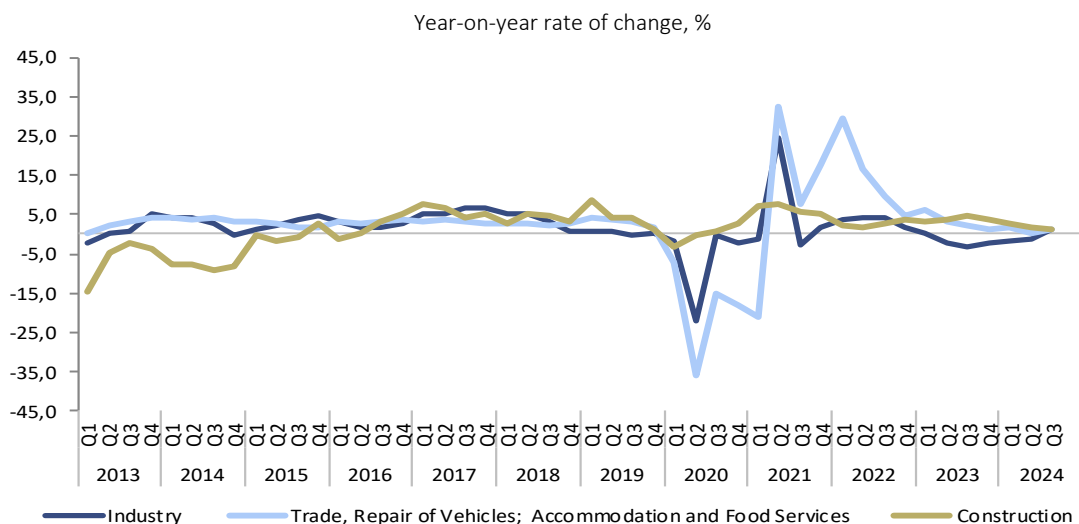
In the third quarter of 2024, GVA at base prices recorded a year-on-year growth of 1.7% in volume (1.0% in the previous quarter).

Table 11. Gross Value Added, volume (reference year=2021)

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-Year rate of change (%)					
GVA at basic prices	2.7	2.2	1.7	1.4	1.0	1.7
Agriculture, Forestry and Fishing	4.5	6.7	6.4	3.5	1.5	0.3
Industry	-2.4	-3.0	-2.1	-1.8	-1.0	1.0
Energy, Water Supply and Sewerage	10.2	15.4	18.5	10.3	6.6	3.3
Construction	3.9	4.5	3.7	2.6	1.5	1.4
Trade, Repair of Vehicles; Accommodation and Food Services	3.4	2.0	1.3	1.7	0.0	1.3
Transportation and Storage; Information and Communication	2.2	1.4	0.4	-1.0	2.6	5.8
Financial, Insurance and Real Estate Activities	2.0	1.8	1.3	1.2	1.1	1.0
Other Services Activities	4.4	3.6	2.3	2.3	1.4	1.5
Taxes less subsidies on products	1.7	1.9	4.5	2.4	4.3	2.6

GVA in Transportation and Storage and Information and Communication increased by 5.8% in year-on-year terms (2.6% in the second quarter), registering a contribution of 0.5 percentage points to the year-on-year growth rate of total GVA (including taxes net of subsidies). In the same direction, GVA of Industry increased by 1.0%, after a reduction of 1.0% in the previous quarter.

Figure 4. Gross Value Added, volume (reference year=2021)



Taxes less Subsidies on Products in volume grew by 2.6% in year-on-year terms, after an increase of 4.3% in the previous quarter.



Employment

In the third quarter, total employment (measured in number of persons and seasonally adjusted) for all sectors of economic activity increased by 1.8% year-on-year (1.3% in the previous quarter). The number of employees (also seasonally adjusted) registered a year-on-year growth of 0.6%, after the 1.0% increase observed in the previous quarter.

Considering employment measured in terms of hours worked, there was a year-on-year decrease of 0.1% in the third quarter (rate of +0.5% in the previous quarter).

Table 12. Employment – Quarterly National Accounts

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Year-on-Year rate of change (%)					
Employment						
Persons	1.4	0.7	1.4	1.6	1.3	1.8
Hours worked	3.3	1.4	0.7	-0.5	0.5	-0.1
Employees						
Persons	3.6	2.6	2.8	1.7	1.0	0.6
Hours worked	4.6	3.1	1.5	0.1	1.2	-0.7

Compared to the previous quarter, total employment (measured in number of persons) increased by 0.5% in the third quarter (0.1% in the second quarter) and hours worked decreased by 0.3% (0.3% growth in the second quarter).

Table 13. Employment – Quarterly National Accounts

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
	Quarter-on-Quarter rate of change (%)					
Employment						
Persons	0.4	0.0	0.7	0.5	0.1	0.5
Hours worked	-0.7	0.3	0.0	0.0	0.3	-0.3
Employees						
Persons	0.9	0.3	0.5	0.0	0.2	-0.1
Hours worked	-0.7	1.0	-0.3	0.0	0.5	-0.9

In the third 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 (0.3% in the previous quarter). In turn, productivity measured based on the number of hours worked registered a year-on-year growth of 1.9%, a rate 0.8 percentage points higher than in the second 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 September 2024 preliminary version of the international goods trade statistics. In what concerns, the deflators for external trade of goods for the third quarter of 2024, the Unit Value Quarterly Indices were used, calculated based on the statistics of the International Trade of goods related September 2024. It should be noticed that this information was not available when the flash estimates were compiled.

Comparing with the flash estimate for the third quarter previously released by Statistics Portugal on October 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 2021 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.



Reference date of the primary data used:

These estimates were calculated using information available until November 27, 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 - National Accounts by Institutional Sector for the third quarter of 2024 are scheduled for December 23, 2024.
