

14<sup>th</sup> November 2007

## Quarterly National Accounts – Flash Estimate

### 3<sup>rd</sup> Quarter 2007

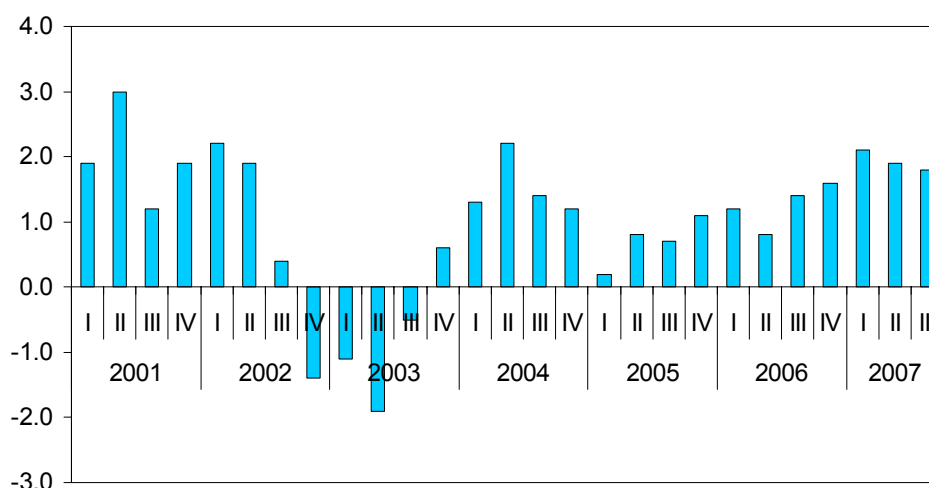
#### GROSS DOMESTIC PRODUCT UP BY 1.8% IN REAL TERMS IN THE 3<sup>RD</sup> QUARTER 2007

Portuguese Gross Domestic Product (GDP) grew 1.8% in volume in the 3<sup>rd</sup> quarter 2007, comparing to the same quarter of the previous year, slightly decelerating from the previous quarter (1.9%). The first estimate for the quarter-on-quarter change rate points to a stabilisation of the Portuguese GDP, also in real terms.

#### Gross Domestic Product

Chain-linked volume data (2000=100)

Year on year quarterly growth rate, %



#### Gross Domestic Product

Chain linked volume data (2000=100)

##### Year on Year Quarterly Growth Rate

	3Q 05	4Q 05	1Q 06	2Q 06	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
<b>Flash 3Q 2007</b>	0.7	1.1	1.2	0.8	1.4	1.6	2.1	1.9	1.8
<b>QNA 2Q 2007</b>	0.5	1.0	1.2	0.9	1.5	1.6	2.0	1.6	
<b>Flash 2Q 2007</b>	0.5	1.0	1.2	0.9	1.5	1.6	2.0	1.6	

##### Quarter on Quarter Growth Rate

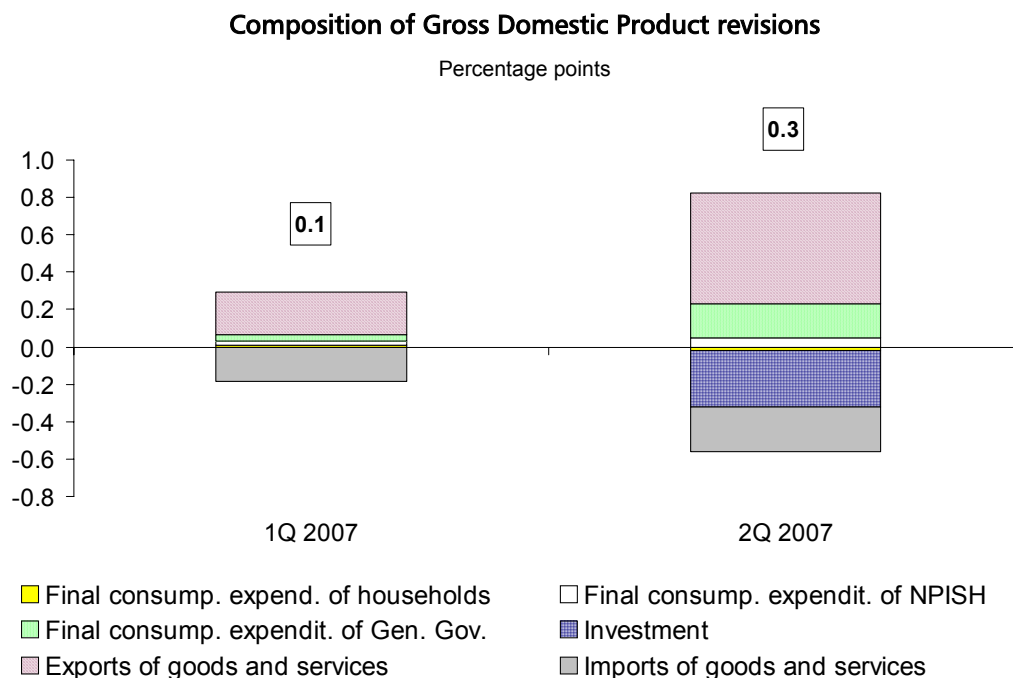
	3Q 05	4Q 05	1Q 06	2Q 06	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
<b>Flash 3Q 2007</b>	-0.5	0.2	0.2	0.9	0.1	0.4	0.7	0.6	0.0
<b>QNA 2Q 2007</b>	-0.5	0.2	0.3	0.8	0.1	0.3	0.6	0.5	
<b>Flash 2Q 2007</b>	-0.5	0.2	0.3	0.8	0.2	0.3	0.7	0.4	

Flash - Flash Estimate (45 days); QNA - Quarterly National Accounts (70 days)

### Note on the results for the flash estimate of the 3<sup>rd</sup> quarter 2007

The flash estimate of Portuguese GDP growth rate for the 3<sup>rd</sup> quarter 2007 led to revisions in the previous quarters, reflecting the newest base information available.

This new information determined changes particularly significant in the external trade of goods (both for nominal values and deflators), investment (mainly due to the revision of GFCF in construction) and final consumption expenditures of General Government (due to the integration of the results from the November notification for the excessive deficit procedure). These changes led to upward revisions in the growth rate (compared to the same quarter of the previous year) in Portuguese GDP of 0.1 and 0.3 percentage points in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2007, respectively. The chart below illustrates the contributions of the main aggregates from the expenditure side to the revision of the year on year quarterly growth rate of GDP for the mentioned quarters.



### Next Press Release of Quarterly National Accounts

Current estimates of Quarterly National Accounts (detailed results) for the 2<sup>nd</sup> quarter 2007 will be published 7<sup>th</sup> December 2007.

### Methodological information about flash estimates

Flash estimates for GDP constitutes the first synthetic indication on the quarterly behaviour for the Portuguese economy and does not replace the main estimates of Quarterly National Accounts (also designated as current estimates), more accurate and detailed, which will be published 70 days after the reference quarter.

These flash estimates are calculated using the same methodology, and preferably the same basic information, that Quarterly National Accounts current estimate. The percentage of basic information available for flash estimates is over 80%. Methods for imputation and forecasting are used in those cases where basic information is not complete, selected after a series of tests performed over a large sample. One must take into consideration that these flash estimates are eventually subject to larger revisions (when compared to current estimates), although the percentage of basic information available is high.

This press release only includes information on quarter-on-quarter and year-on-year quarterly growth rates in real terms.

In the real time tests carried out from 2<sup>nd</sup> quarter 2005 onwards, the mean absolute error for the flash estimate was 0,2 percentage points when compared to the current estimate.

Growth rates included in this press release are calculated from chain linked volume data (2000=100). Data are seasonally adjusted.

The revisions implicit in these flash estimates are mainly the result of the integration of the data from Annual Definitive National Accounts for the year 2004.