

14<sup>th</sup> August 2014

Quarterly National Accounts – Flash Estimate

Second Quarter 2014

**Year-on-year change rate of Gross Domestic Product was 0.8% in volume**

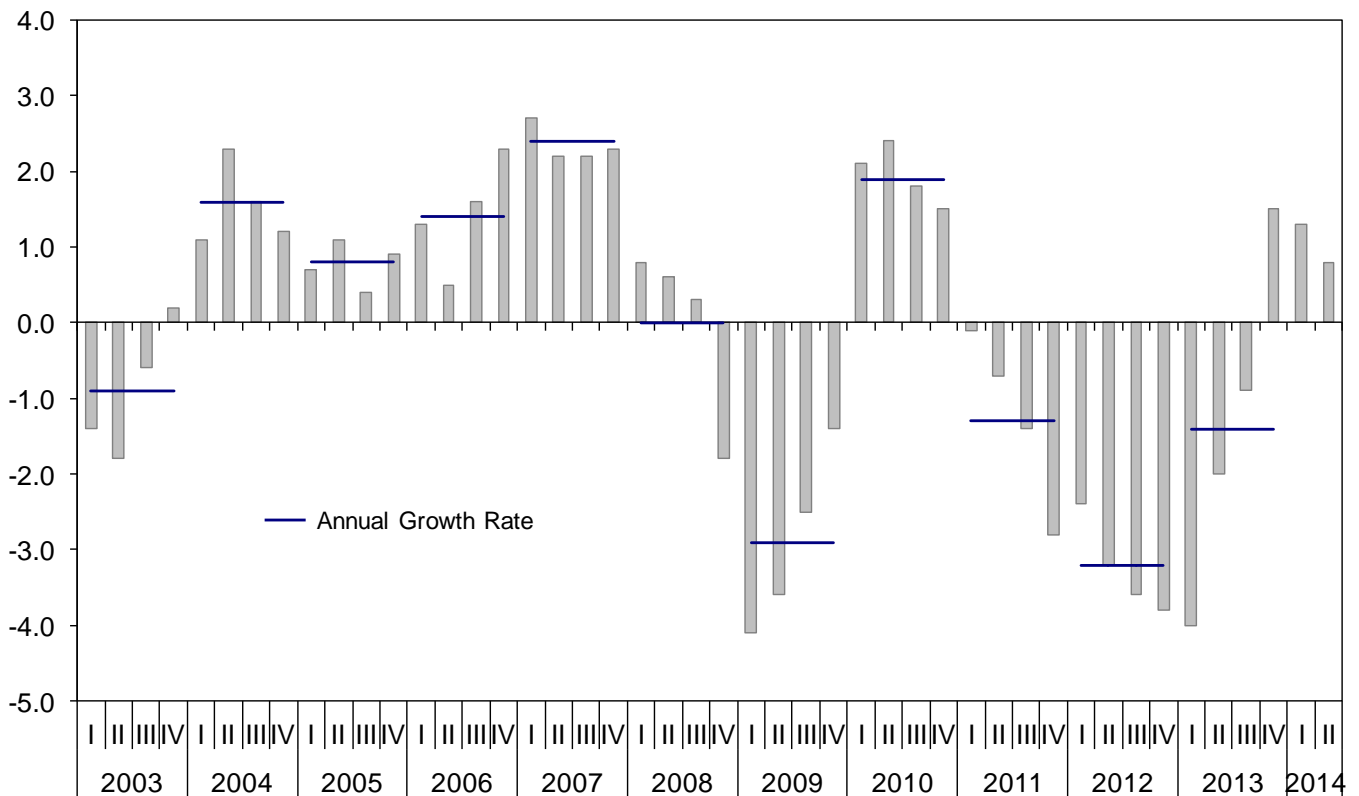
The Portuguese Gross Domestic Product (GDP) increased by 0.8% in volume in the first quarter 2014, compared with the same period of 2013 (1.3% in the first quarter 2014), according to the flash estimate of the Quarterly National Accounts. Domestic demand presented a less intense positive contribution to the GDP year-on-year change rate in the second quarter, mainly reflecting the Investment evolution. Net external demand recorded a less negative contribution in the second quarter, due to the deceleration of Imports of Goods and Services, while Exports of Goods and Services decelerated.

Comparing with the previous quarter, GDP increased by 0.6% in real terms (change rate of -0.6% in the first quarter), mainly reflecting the increase in Exports of Goods and Services.

**Gross Domestic Product**

Chain-linked volume data (reference year=2006)

Year-on-year quarterly change rate, %



This flash estimate includes data revisions, particularly the updated information on external trade of goods, with revisions in nominal terms and in deflators for the first quarter 2014. Additionally, an upward revision of the public consumption estimate for 2014 was considered, based on the most recent data from the budget execution. Despite this new set of information, the GDP year-on-year and quarter-on-quarter change rates remained unchanged.

### Gross Domestic Product

Chain linked volume data (reference year=2006)

	Year-on-Year Quarterly Growth Rate (%)								
	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14
<b>Flash 2Q 2014</b>	-3.2	-3.6	-3.8	-4.0	-2.0	-0.9	1.5	1.3	0.8
<b>QNA 1Q 2014</b>	-3.2	-3.6	-3.8	-4.0	-2.0	-0.9	1.5	1.3	
<b>Flash 1Q 2014</b>	-3.2	-3.6	-3.8	-4.0	-2.0	-0.9	1.5	1.2	

	Quarter-on-Quarter Growth Rate (%)								
	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14
<b>Flash 2Q 2014</b>	-1.0	-0.8	-1.9	-0.3	1.1	0.3	0.5	-0.6	0.6
<b>QNA 1Q 2014</b>	-1.0	-0.8	-1.9	-0.3	1.1	0.3	0.5	-0.6	
<b>Flash 1Q 2014</b>	-1.0	-0.8	-1.9	-0.3	1.1	0.3	0.5	-0.7	

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

### Gross Domestic Product

Chain linked volume data (reference year=2006)

	Annual Growth Rate (%)		
	2011	2012	2013
<b>Flash 2Q 2014</b>	-1.3	-3.2	-1.4
<b>QNA 1Q 2014</b>	-1.3	-3.2	-1.4
<b>Flash 1Q 2014</b>	-1.3	-3.2	-1.4

Flash - Flash Estimate (45 days)

QNA - Quarterly National Accounts

2011: provisional data; 2012 and 2013: preliminary data

### Next Press Release of Quarterly National Accounts

The present press release of National Accounts is the last disseminated in accordance with the European System of National and Regional Accounts 1995 (ESA 1995). The next release of the Quarterly National Accounts regular estimates for the second quarter 2014, scheduled for 8 September 2014, will be compiled in accordance with the European System of National and Regional Accounts 2010 (ESA 2010).

### **Methodological information about the flash estimates**

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

These flash estimates are calculated using the same methodology, and preferably the same basic information, compared to the 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 might be subject to larger revisions (when compared to current estimates), although the percentage of basic information available is high.

In the real time tests carried out from the second quarter 2005 onwards, the mean absolute error for the flash estimate was 0.1 percentage points for both year-on-year quarterly change rate and quarter-on-quarter change rate, when compared to the current estimate. However, it must be stressed that in the current economic juncture, characterized by significant price decelerations or even reductions, the difficulty in measuring the behaviour of main macroeconomic aggregates is particularly high, mainly in splitting the nominal change of exports and imports in price and volume changes. It should be reminded that when this estimate is produced the usual information on external trade deflators used in the Quarterly National Accounts compilation is not available.

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

Change rates included in this press release are calculated from chain-linked volume data (2006=100). Data is seasonally adjusted.