

Quarterly National Accounts – Flash Estimate

Fourth Quarter 2016 and Year 2016

**Year-on-year change rate of GDP was 1.9% in volume in the fourth quarter 2016 and 1.4% in the year 2016**

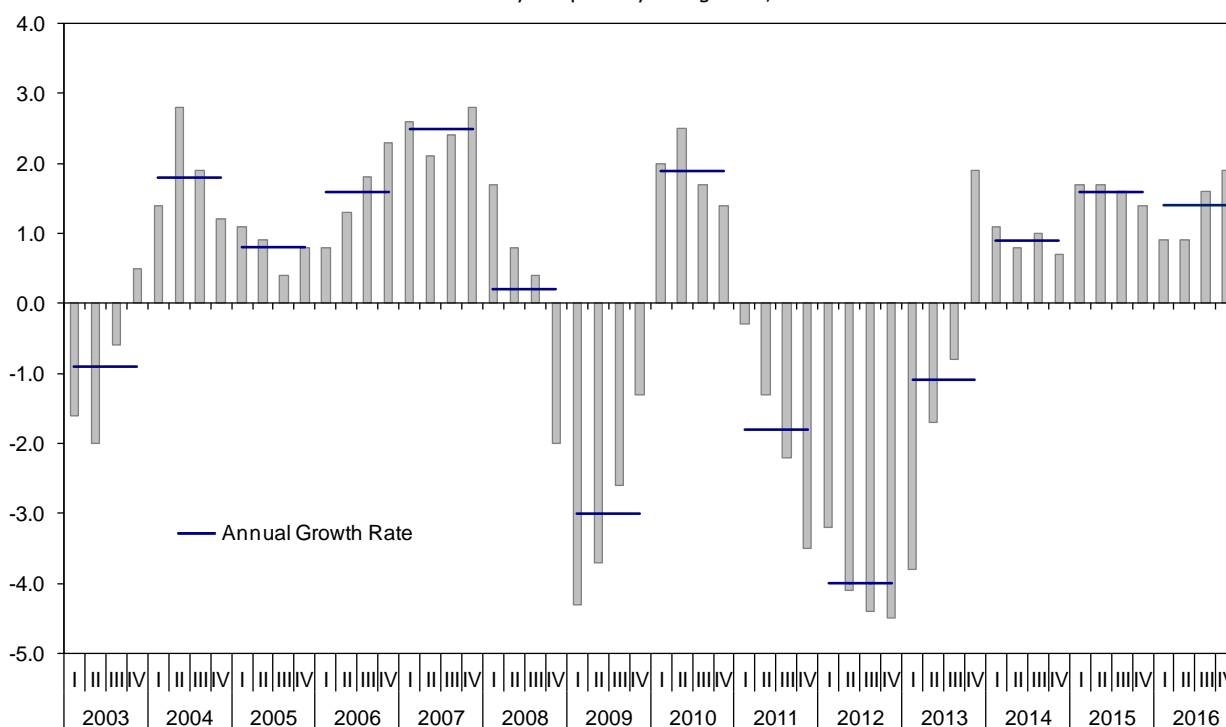
In the fourth quarter 2016, the Portuguese Gross Domestic Product (GDP) registered a year-on-year change rate of 1.9% in volume (1.6% in the previous quarter). GDP acceleration was due to the increase of the domestic demand contribution, featuring an Investment upturn and a more intense increase of private consumption. Net external demand contribution was negative, after being positive in the previous quarter, reflecting a more pronounced acceleration of Imports of Goods and Services when comparing with Exports of Goods and Services.

In comparison with the third quarter, GDP increased 0.6% in real terms (quarter-on-quarter change rate of 0.8% in the previous quarter). Contrary to the previous quarter, the contribution of domestic demand was positive, mainly driven by Investment behaviour. On the other hand, net external demand shifted from a positive to a negative contribution, due to a significant increase in Imports of Goods and Services.

In 2016, GDP recorded a real growth rate of 1.4%, after an increase of 1.6% in 2015. The contribution of domestic demand to GDP growth decreased, reflecting the reduction in Investment, and, to a lesser extent, the deceleration of private consumption. Net external demand recorded a significantly less negative contribution than in 2015.

**Gross Domestic Product**

Chain-linked volume data (reference year=2011)  
Year-on-year quarterly change rate, %



This flash estimate includes revisions in the basic data, particularly due to updated information on external trade of goods, with revisions in nominal terms for the third quarter 2016. 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=2011)

	Year-on-Year Quarterly Growth Rate (%)								
	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16
<b>Flash 4Q 2016</b>	0.7	1.7	1.7	1.6	1.4	0.9	0.9	1.6	1.9
<b>QNA 3Q 2016 (85 days)</b>	0.7	1.7	1.7	1.6	1.4	0.9	0.9	1.6	
<b>QNA 3Q 2016 (60 days)</b>	0.7	1.7	1.7	1.6	1.4	0.9	0.9	1.6	

	Quarter-on-Quarter Growth Rate (%)								
	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16
<b>Flash 4Q 2016</b>	0.6	0.6	0.3	0.1	0.3	0.2	0.3	0.8	0.6
<b>QNA 3Q 2016 (85 days)</b>	0.6	0.6	0.3	0.1	0.3	0.2	0.3	0.8	
<b>QNA 3Q 2016 (60 days)</b>	0.6	0.6	0.3	0.1	0.3	0.2	0.3	0.8	

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

### Gross Domestic Product

Chain linked volume data (reference year=2011)

	Annual Growth Rate (%)		
	2014	2015	2016
<b>Flash 4Q 2016</b>	0.9	1.6	1.4
<b>QNA 3Q 2016 (85 days)</b>	0.9	1.6	
<b>QNA 3Q 2016 (60 days)</b>	0.9	1.6	

Flash - Flash Estimate (45 days)

QNA - Quarterly National Accounts

2013 and 2014: final data; 2015: preliminary data

### Next Press Release of Quarterly National Accounts

Current estimates of Quarterly National Accounts (detailed results) for the fourth quarter 2016 will be published in 1<sup>st</sup> March 2017.

### **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 at t+2 months (approximately 60 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 the cases where basic information is not complete, selected after a series of tests performed over a large sample. One must take into consideration that the 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 the usual information on external trade deflators used in the compilation of the current estimates of the Quarterly National Accounts is not available when this flash estimate is produced.

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 (2011=100). Data are calendar and seasonally adjusted.