01 December, 2014

Statistical Yearbook
2013 (Issue year 2014)

The country's official statistics gathered in one single publication

The most recent Statistical Yearbook of Portugal (SYB) is now available, a compendium of official statistical information published on a regular basis, the key reference document for all those who seek to have a comprehensive statistical portrait of the country in various areas of analysis in one single volume.

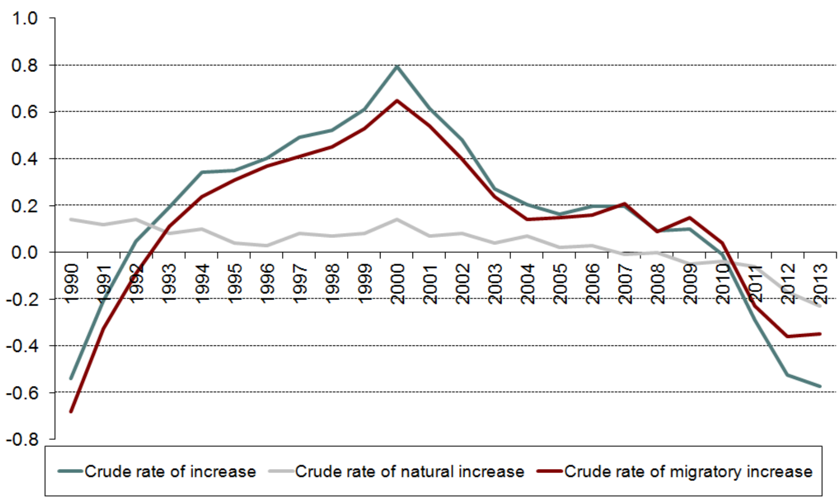
Through almost 700 pages the 2013 SYB organises national data around four major themes: Territory, People, Economic Activity and State. This publication contains data tables, a brief analysis of trends of the main indicators vis-à-vis 2012, and compares Portugal with the European Union.

The SYB is available at Statistical Portugal's libraries and Information Network in Libraries of Higher Education Establishments and in around 1,200 libraries in primary and secondary schools. The online version of the SYB (at www.ine.pt), which may be consulted and downloaded free of charge, releases longer time series (1990-2013) than the printed version.

POPULATION FRAMEWORK

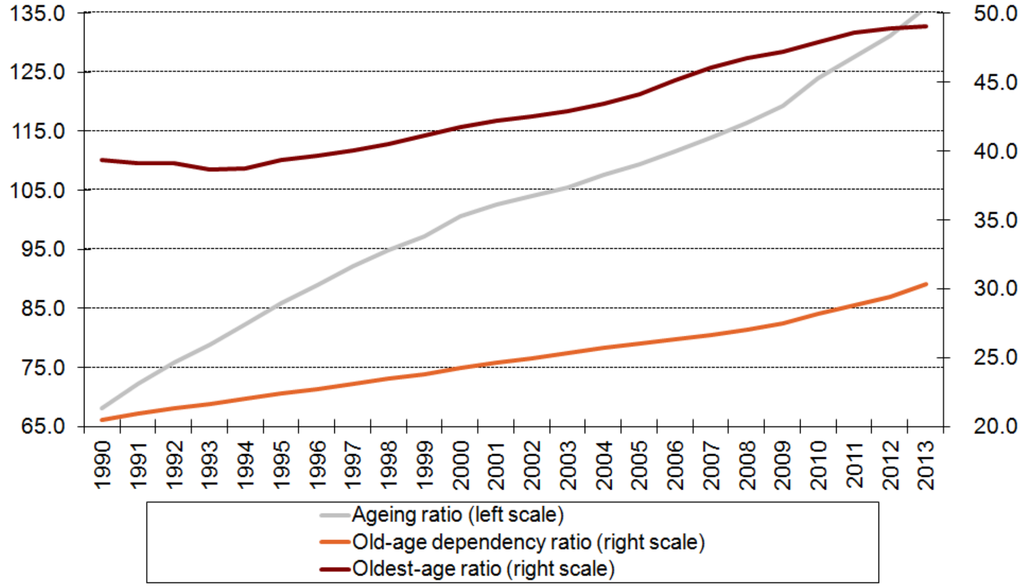
Resident population declined in 2013 in line with a trend started in 2010, but much more sharply. Population was estimated at 10,427,301 persons, i.e. 45,749 less than in 2003, which accounted for a crude rate of increase of approximately -0.4% (the annual rate in 2013 was -0.57%). The decline in population resulted from the following trends: on the one hand, the rate of natural increase has been showing a downward profile, with moderate values since 2001, and went on to show a negative trend and a successively intense rate from 2007 onwards; on the other hand, the migration rate, which made the only and main contribution to the positive change in population from 1995 to 2010, recorded negative values in the past three years, standing at -0.35% in 2013.

Chart 1 – Dynamics of population growth



Elderly population continued to follow an upward trend, as a consequence of a decline in fertility and an increase in longevity. As of 1990 the share of persons aged 65 and over per 100 residents aged less than 15 (ageing index) showed a recurrent growth trend (72.1 in 1990 and 136 in 2013).

Chart 2 – Outcome of population ageing

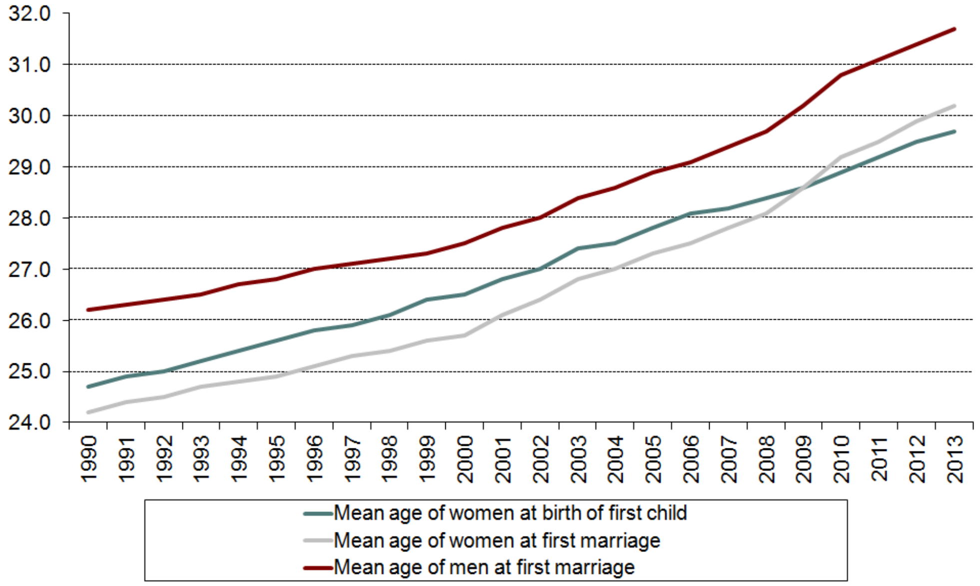


The general fertility rate recorded an average 44.3‰ in the 1990s, declining to 42.0‰ in the following decade, dropping further in the following years, to stand at 33.9‰ in 2013. In turn, in the latter year the old-age ratio was 49.0, i.e. the highest level recorded since 1990, thus following a clear upward trend as of 1995, when this indicator had stood at 39.3.

These population trends have been developing in a context of changes in social behaviour, as shown by a number of indicators. The average ages of women and men at first marriage have been increasing on a recurrent basis since 1990 (around 6 years), and in 2013 were 30.2 years and 31.7 years respectively. The age difference between men and women at first marriage has been declining progressively: it was 2 years in 1990, 1.8 years in 2000, stabilised between 2002 and 2011, and declined to 1.5 years in 2012, remaining at that level in 2013. Similarly, the age of women at the birth of the first child increased by 5 years since 1990, and stood at 29.7 in 2013.

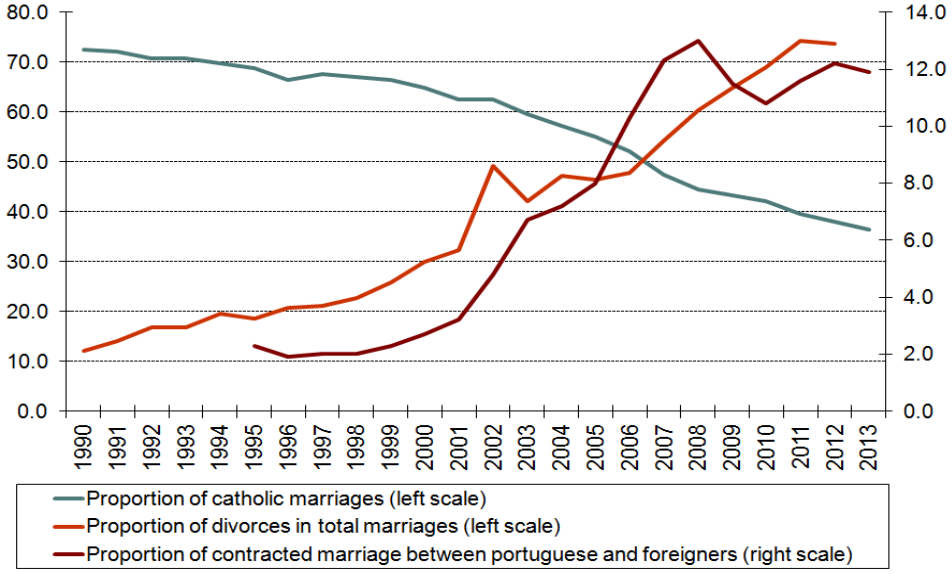
In parallel, the number of marriages tended to decline, especially from 2000 onwards. In the 1990s the decline was not strong (the average of rates of change was -0.4%), but in the following decade the fall was much sharper (-5.1% average). In 2010 the rate of change was -1.0%, although it declined again strongly in 2011 (-9.9%), easing in 2012 (-4.5%), a trend that was not maintained due to a strong fall of 7.1% in 2013. In the latter year marriages accounted for less than 59.6% of those recorded in 2003. This was mainly due to Catholic weddings, which fell by 10.6% in 2013. Up to 2007 the number of Catholic weddings was higher than that of civil weddings. Thereafter, this trend was reversed and reached 36.2% in 2013 (64.8% and 72.5% in 2000 and 1990 respectively).

Chart 3 – Indicators of marriage and births



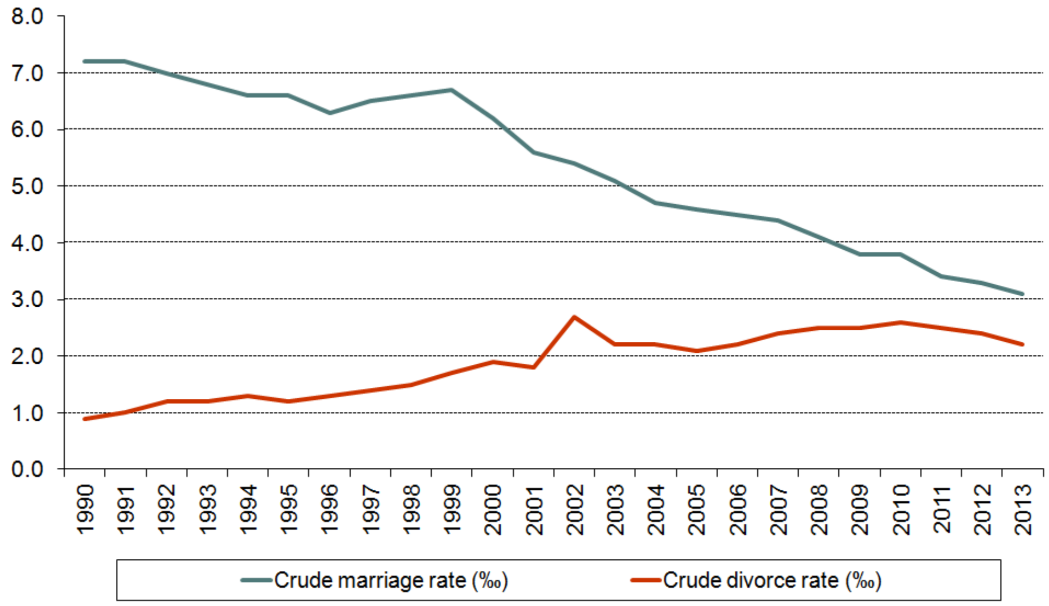
The share of marriages between Portuguese and foreign citizens followed an upward trend up to 2008, when it reached its peak, but declined in the two following years, reversing this trend in 2011 and reaching 11.9% in 2013, which was still below the 2008 share.

Chart 4 – Weddings and divorces



The number of divorces followed an opposite trend of weddings up to 2010. Taking 1990 as a reference, their number doubled in 2000 and tripled in 2010. In the longest period (1990-2012) the number of divorces recorded an annual average growth rate of 5.6%, although from 2000 to 2010 the pace was more moderate, i.e. 4.8%. Since 2010 developments have countered the long trend, with a change of -2.9% in 2011, -5.1% in 2012 and -11.3% in 2013.

Chart 5 – Crude marriage and divorce rates

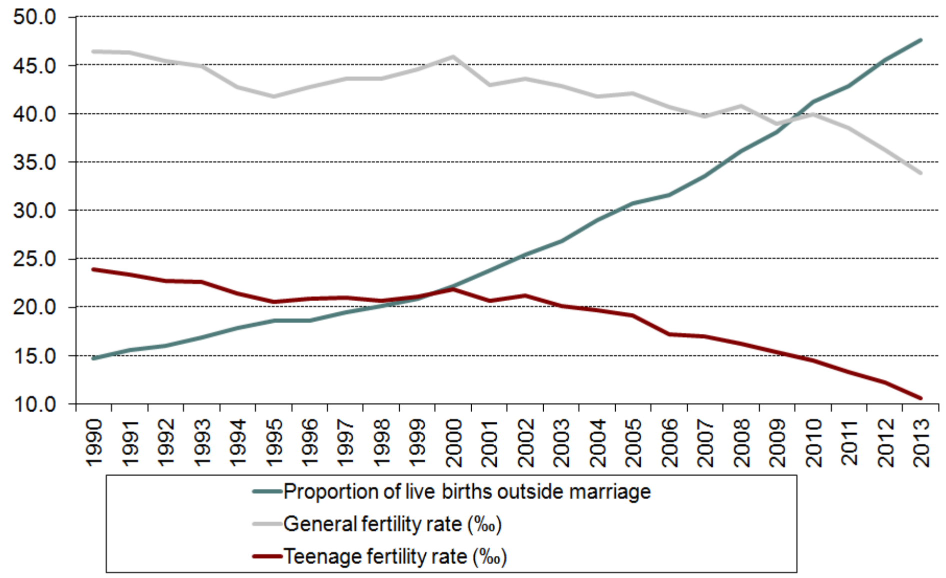


Foreign population with legal resident status, which had been showing systematic increases since 1990, reversed this trend since 2010, and since then experienced a fall of 11.8%. The main issuing countries were Brazil, Cabo Verde and the Ukraine, with weights of 22.9%, 10.5%, and 10.3% respectively. The highest declines were recorded in the Brazilian, Ukrainian and Angolan nationalities. Of the 10 main countries of origin only China grew in 2013 (7.3%).

The share of births outside marriage also rose, from 22.2% in 2000 to 47.6% in 2013.

The share of births with cohabitant parents, which stood at 69.2% in 2013, followed an opposite trend, declining since 2008 (80.6%). The youth fertility rate continued to follow a downward trend observed since 2000. The rate stood at 21.9‰ that year, i.e. quite close to the average levels seen in the previous decade, but since then it has exhibited a noticeable downward pattern, reaching 10.6‰ in 2013. The general fertility rate has been declining since 2000, fluctuating at around 40.0‰ between 2007 and 2010, and declining to 33.9‰ in 2013.

Chart 6 – Indicators of Births

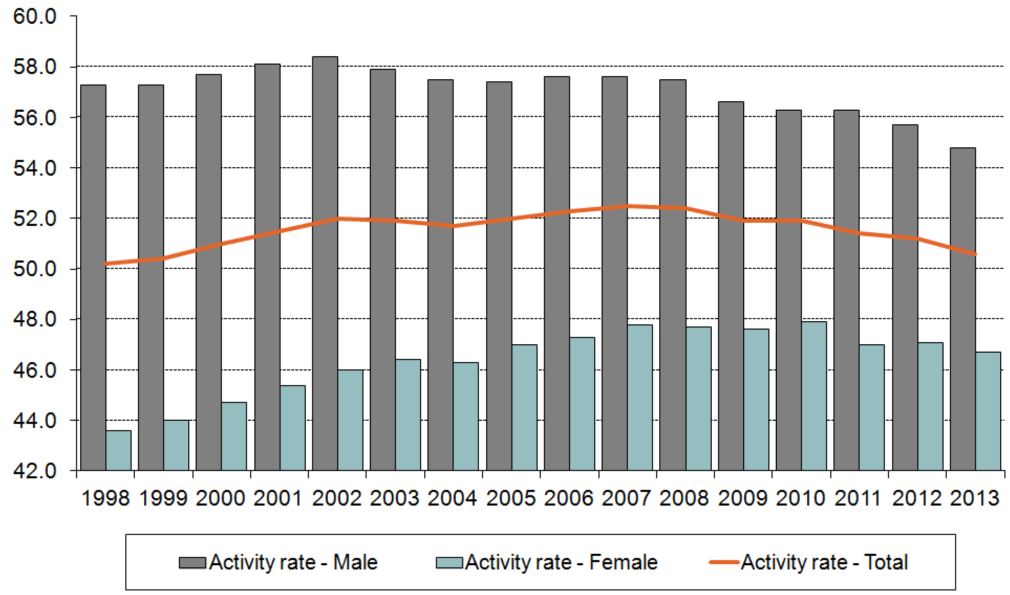


SOCIO-ECONOMIC FRAMEWORK

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT

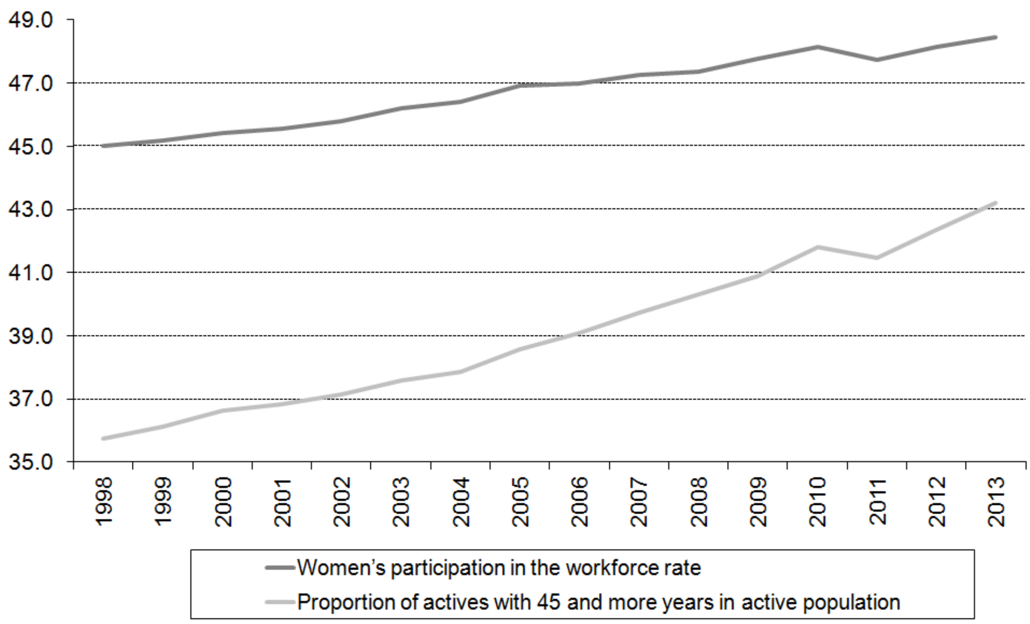
In 2013 the activity rate fell vis-à-vis 2012, to stand at 50.6%. Compared with the previous year, the decline was recorded in absolute terms, with 98.0 thousand persons less in the labour force, and also vis-à-vis the resident population, with a -0.6 p.p. change, more intense than that seen in 2012 (-0.2 p.p.).

Chart 7 – Activity rates



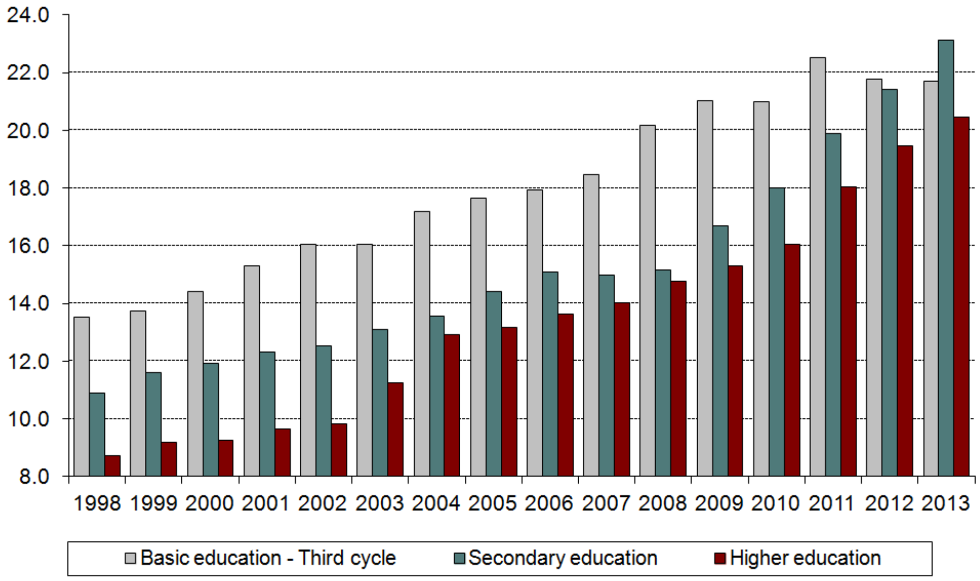
In 2013 the share of the labour force aged 45 and over vis-à-vis the total labour force increased by around 0.9 p.p., similarly to the previous year when compared to 2011. This share followed an upward trend over the past 20 years. In 1998 population aged 45 and over accounted for slightly less than 36.0% of the total labour force, while in 2013 its weight stood at around 43.2%. In terms of employment, this age group not only had a similar behaviour, but also always recorded higher values than those of the labour force ratio.

Chart 8– Indicators of active population composition



Labour force's educational attainment continued to follow an upward trend observed since 1998, with the share of those who have completed lower secondary education declining in 2012 and 2013. Around 33.5 thousand persons completed tertiary education, which corresponded to a 3.2% growth rate and a value slightly above one-fifth of the labour force. Secondary education recorded an annual increase above that of tertiary education both in absolute terms, with 69.3 thousand persons, and in relative terms, corresponding to a growth rate of 6.0%. A comparison of results with EU27 figures shows that on average the labour force in Portugal is less skilled than the European average. The share of workers who have completed tertiary education was 22.3% in Portugal and 32.0% in the EU27. Also, in secondary and post-secondary education there was a similar difference between figures for Portugal vis-à-vis the EU27 (24.1% and 48.8% respectively). However, this difference, which had been around 34.0 p.p. in 2005, has been declining, to stand at 24.7 p.p. in 2013.

Chart 9 – Proportion (%) of active population according to educational levels completed



Conversely, workers whose maximum level of skills is lower than secondary education was 53.6% in Portugal, compared with a ratio of around 18.9% in the EU27. The trend of the labour force and employment, which had been growing since 1998 (with the exception of 2004 and 2009 for the labour force and the 2003-2005 period for employment), saw a turnaround in 2011 (labour force) and 2009 (employment). From 1998 to 2008 labour force and employment grew at an annual average rate of 0.8% and 0.5% respectively, whereas in the 2008-2013 period they declined by 0.9% and 2.8% respectively.

Chart 10 – Annual rates of change (%) of employed population

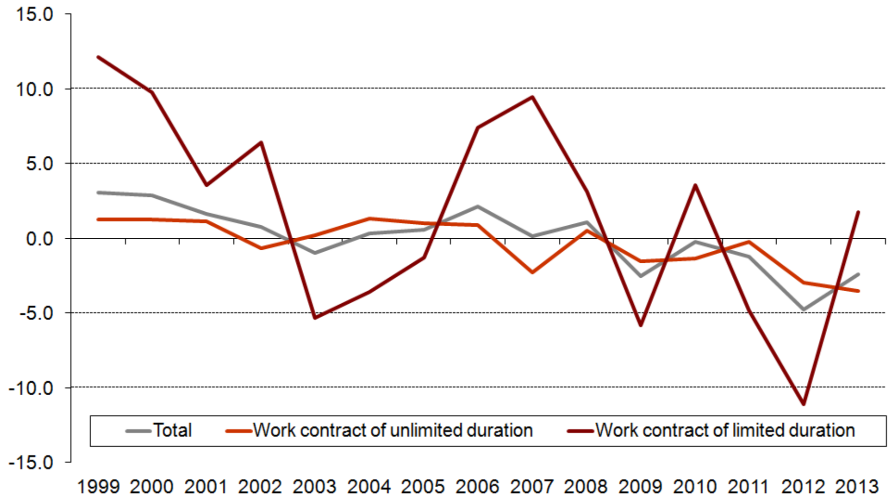
The fall in employment already observed in the past four years (-2.9%, -1.4%, -3.2% and -4.1%) was less marked in 2013, with a decline of -2.6%. These successive falls in employment corresponded to the termination of approximately

687 thousand jobs, leading employment levels to below those recorded prior to 1998.

The different forms of employment other than paid employment accounted for 59.4% of the fall in employment between 2008 and 2011. In the 2012-2013 period this contribution changed, and paid employment accounted for 84.2% of the fall.

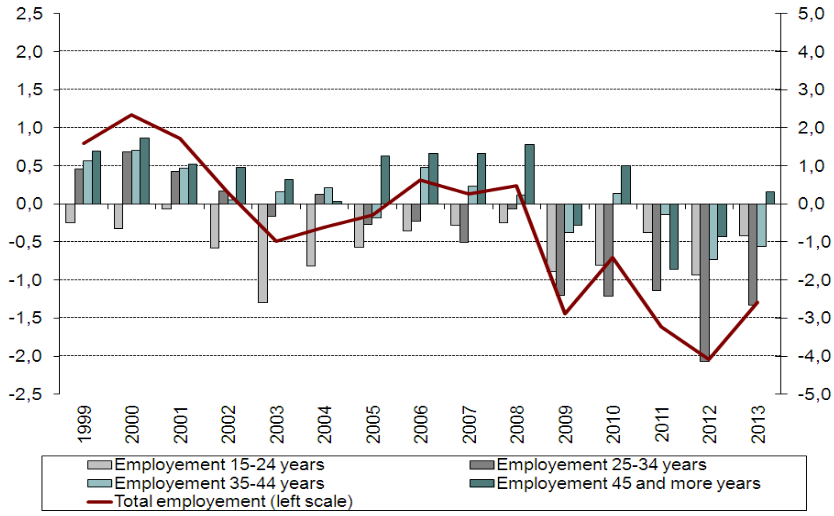
As regards employees, the fall in 2013 was due to permanent contracts (-3.5%). Employees with fixed-term and other contracts experienced a recovery of employment vis-à-vis the 2012 level (+1.8%).

Chart 11 – Annual rate of change of waged employment according to the type of contract



Throughout 2013 the 25-34 age group was the most affected by the fall in employment, this decline accounting for around 48.9% of the total loss of employment between 1998 and 2013. In 2013 there was even a minor recovery in employment among those aged 45 and over. Employed population aged 15 to 24 declined continuously since 1998, accumulating the greatest loss of employment.

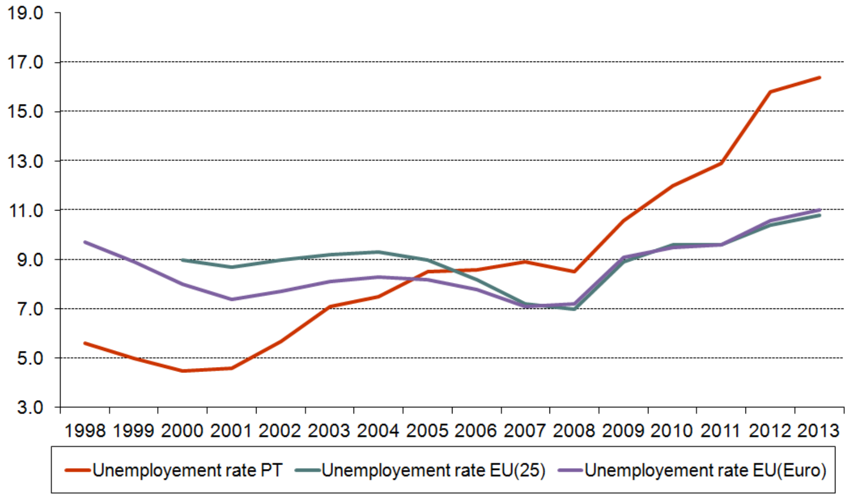
Chart 12 – Contribution of employment age groups (p.p) to total employment annual rate of change (%)



The unemployment rate has been following an upward trend since 2001, which was only countered in 2008.

In 1998 the unemployment rate in Portugal was considerably lower than the EU25 average (-4.1 p.p.).

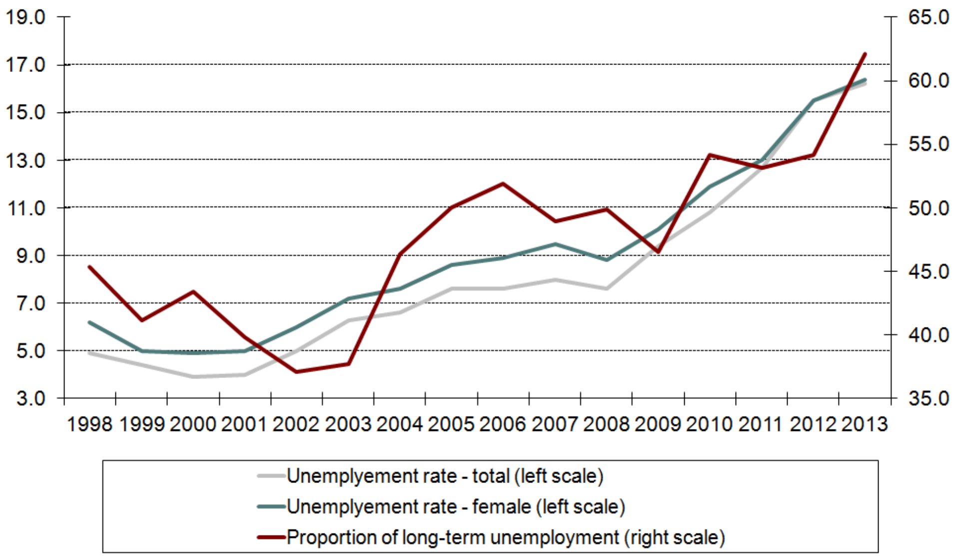
Chart 13 – Unemployment rates in Portugal, EU25 and euro area



Its continuous upward trend, which was not always in sync with developments in the EU25, led the unemployment rate in Portugal to higher levels than in the EU25 from 2006 onwards, albeit with a slight difference (0.4 p.p.). The differential between rates reached 5.5 p.p. for the EU25 and 5.4 p.p. for the EU28 in 2013, when the unemployment rate in Portugal reached a new peak of 16.4%. The female unemployment rate was higher than the total average unemployment rate and followed the total growth trend. In 2013 the female unemployment rate stood 0.2 p.p. above the total unemployment rate.

The share of workers unemployed for more than one year reached a new high, with a sharp increase vis-à-vis 2012, after an easing in 2011, to stand at 62.1%, which corresponds to approximately 531 thousand persons.

Chart 14 – Female and long term unemployment

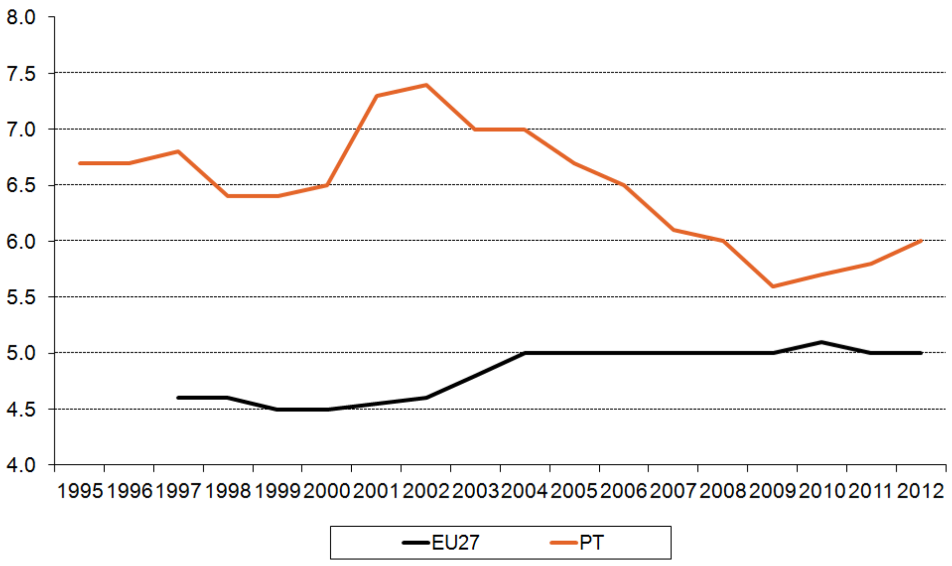


INCOME AND LIVING CONDITIONS OF HOUSEHOLDS

Inequality in income distribution worsened again in 2012, similarly to the two previous years. Developments in these three years countered the trend observed since 2003. The at-risk-of-poverty rate rose by 0.8 p.p., to stand at 18.7%, cancelling out improvements experienced since 2005. In addition, there are still significant differences when considering different population groups.

According to the results of the Income and Living Conditions Survey, in 2012 net equivalent monetary income received by the 20% of the population with the highest income was 6.0 times the income received by the 20% of the population with the lowest income. This accounted for a further increase vis-à-vis the previous year's results, thus extending the upward trend started in 2010. This indicator resumed the level recorded in 2008, although remaining below the 2002 peak (7.4).

Chart 15 – Inequality of income distribution (S80/S20)



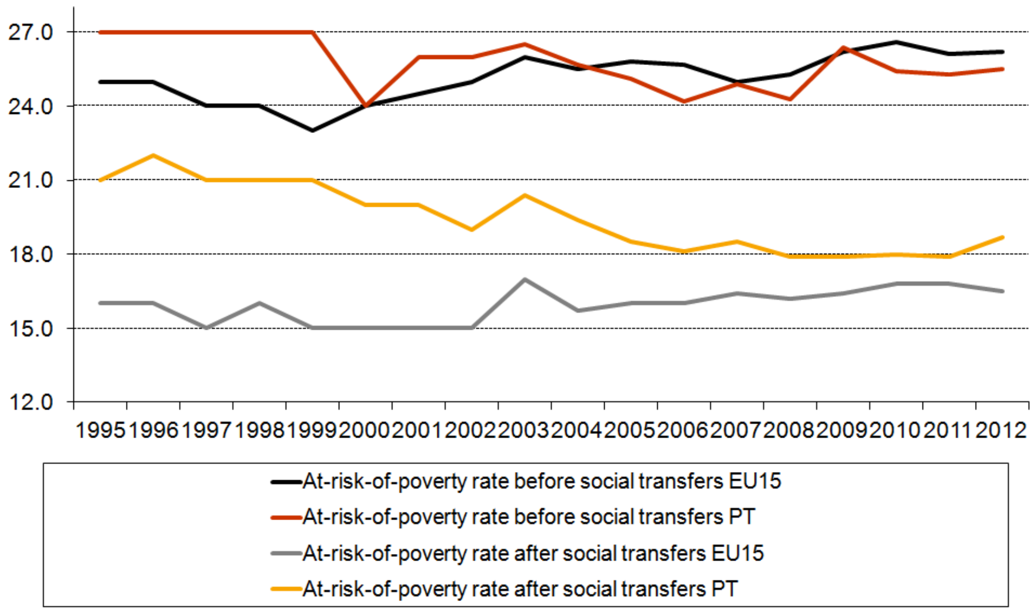
This indicator continued to reflect greater inequality vis-à-vis the European average, albeit to a lesser extent than early in the previous decade: in 2004 the differential had stood at around 2 p.p., while in 2012 it stood at 1.0 p.p.. This narrower differential was due to improvements observed in Portugal and a stabilisation or even some worsening in the past few years at European level. In the EU27 this indicator stabilised at 5.0 between 2004 and 2012, with a one-off rise in 2010. A comparison of the Portuguese situation with the euro area's yields the same type of result, i.e. a greater degree of inequality in income distribution and a trend easing of such disparity since 2006, also due to opposite paces of indicators in Portugal and the euro area.

According to this survey's data, in 2012 the at-risk-of-poverty rate assessed by the share of population with a net equivalised monetary income below 60% of average income stood at 18.7%, corresponding to a 0.8 p.p. increase from 2011.

The indicator under review takes into account income from (old-age and survivors') pensions and social transfers (associated with sickness and disability, family, unemployment and social inclusion). Considering only income from employment, property income and private transfers, the at-risk-of-poverty rate would be around 46.9%, i.e. 1.5 p.p. more than in 2011, when it had already increased by 1.9 p.p. from 2010. When also taking pensions into account, the at-risk-of-poverty rate in 2012 would be 25.5%, i.e. 0.2 p.p. more than in 2011.

In comparison with the EU27 the at-risk-of-poverty rate has been higher in Portugal, which on a first stage was due to the risk gap before social transfers until 2003 approximately, and to a lower impact of social transfers. However, as of 2004 the at-risk-of-poverty gap before transfers vis-à-vis the EU27 was positive for Portugal, and the negative gap of the impact of transfers – which actually declined – went on to have a more relevant role. As a consequence, there was a narrowing of the gap of the at-risk-of-poverty rate after social transfers vis-à-vis the EU27, which in 2012 stood at 1.0 p.p., compared with approximately 4 p.p. in 2002.

Chart 16 – At-risk-of-poverty rates

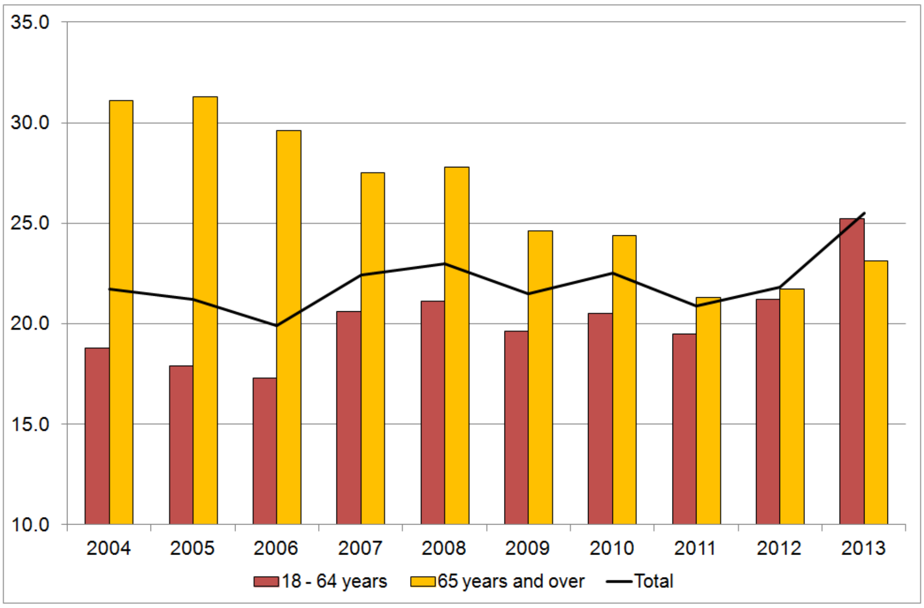


The at-risk-of-poverty rate continued to show differences according to age (more marked for youth), household composition (penalising larger households and households with one adult and dependent children), and activity status (the risk of poverty is much higher than average for the unemployed and much lower for the employed population). In the case of the elderly (those aged 65 and over) there were evident improvements between 2010 and 2012, with the at-risk-of-poverty rate declining from 20.0% to 14.6%. There was also a reversal of the at-risk-of-poverty rate by gender, with a higher risk for men.

Vis-à-vis 2005 the starting position was resumed, although there were improvements in certain groups, depending on the characteristics of persons composing them. In addition to the elderly, as already mentioned, there were improvements in most households with no children, in the employed and retired persons. Conversely, there was a deterioration in households with dependent children (except in a few ones, depending on its composition) and in the unemployed group.

The material deprivation rate (the percentage of people who, in the period under review, lived in households facing an enforced lack of at least three out of nine material deprivation items) was 25.5% in 2013, i.e. increasing by 3.7 p.p. from 2012. This indicator has not shown a noticeable trend, rather, it has fluctuated successively: in the past decade it showed a trough of 19.9% in 2006 and a peak of 23.0% in the following year; in this decade, to date the trough has been reached in 2011 (20.9%) and the peak occurred in 2013, as already mentioned. Considering a breakdown by age group, those aged 65 and over recorded a noticeable downward trend, which was nevertheless countered in the last two years, specially in 2013.

Chart 17 - Material deprivation rate, according to age



In 2013 the dissemination of ICT among households continued, judging from the group of indicators available, which increased further from the previous period, following clear upward trends. In 2013, 66.71% of households had a computer, i.e. 0.5 p.p. more than in the previous year and 24.2 p.p. more than in 2005. 62.3% of households had Internet access (61.0% in 2012, 31.5% in 2005), and 61.6% had broadband Internet access (61.6% in 2012, 19.7 in 2005).

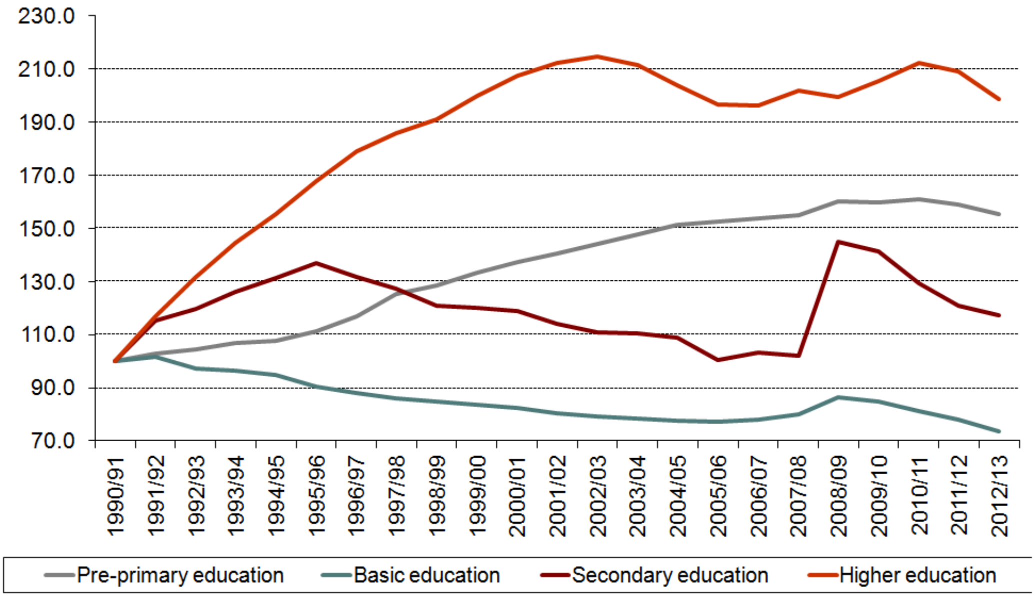
EDUCATION

Legislative and demographic events and sectoral policy options appear to have influenced developments in the school structure over the past two decades.

The trend of the number of children enrolled in pre-school increased between 1990/1991 and 2008/2009. In the following periods the effort devoted to pre-school, notably to consider it universal for children aged 5 and over in 2009, did not translate into a rise in pre-school population. By contrast, the number of children aged 3-5 enrolled in schools declined by 2.8% from 2009/2010 to 2012/2013, which may be due to unfavourable developments in the population's rate of natural increase. However, the expansion of the gross pre-school attendance rate was quite significant. In 1990/1991 pre-school education encompassed around half the children aged 3-5, while in 2012/2013 it covered 90.6% of this population group, following a clear upward trend between these two periods.

Unfavourable demographic developments also had an impact on the number of students enrolled in primary education, which since the 1991/1992 school year declined, with the exception of the three school years between 2005/2006 and 2008/2009, which saw a considerable increase in adults enrolled motivated by the System of Recognition, Validation and Certification of Competences (SRVCC). The number of students aged 6-10 enrolled in primary education vis-à-vis the total of that population group declined by 0.6 p.p. since 1990/1991.

Chart 18 – Index of enrolled students according to the level of education provided (1990/1991=100)

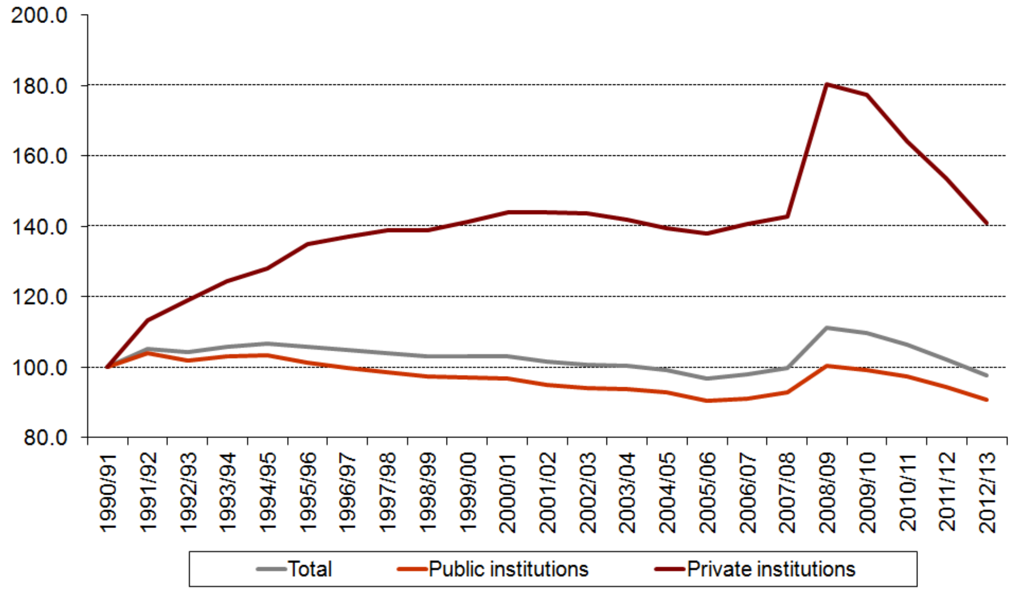


In the subsequent years to 2007/2008 upper secondary education, which had been losing students ever since 1996/1997, was boosted by the SRVCC, with an increase of 150,000 persons from 2007/2008 to 2008/2009, after which it resumed a downward trend, reaching 2000/2001 levels in 2012/2013. In contrast to primary education, upper secondary education coverage progressed quite positively. In 2012/2013 the number of students aged 6-10 enrolled in upper secondary education in the total of this population was

121.0%, compared with 67.7% in 1990/1991. The number of students enrolled followed a downward trend that started in 1996/1997, and in 1990/1991 and 1999/2000 there was still an increase of about 20.0% in population. It was followed by a 14.3% decline in 2007/2008 vis-à-vis 2000/2001 and thus the final effect was more or less of a stabilisation of population compared with the level recorded in 1990/1991.

Private education at all levels of primary and upper secondary education played an increasingly more important role, and its weight in terms of the number of students enrolled increased from 1990/1991 onwards. Up to 2009/2010 its weight increased almost continuously at all levels of primary education, especially lower secondary education (third cycle). From that school year onwards there was a reversal of this trend. Private schools showed a similar profile in secondary education, with an increase in their relative importance up to 2008/2009 (24.0%, compared with 8.5% and 16.8% in 1990/1991 and 2000/2001 respectively) and a decline in the subsequent years. Conversely, in pre-primary education, the expansion trend of the public pre-school education network, which from 2000/2001 onwards surpassed private education in terms of the number de students enrolled, was of a clear decline in the importance of private education up to 2004/2005, followed by a relative stabilisation, and increasing in 2008/2010, with the share of students enrolled dropping to 46.2% in 2012/2013. The weight of private schools in tertiary education increased up to the end of the first half of the 1990s, declining afterwards. A maximum weight of 36.6% was reached in 1995/1996, in 2000/2001 the share already stood at 29.4% and in 2012/2013 it was 18.1%.

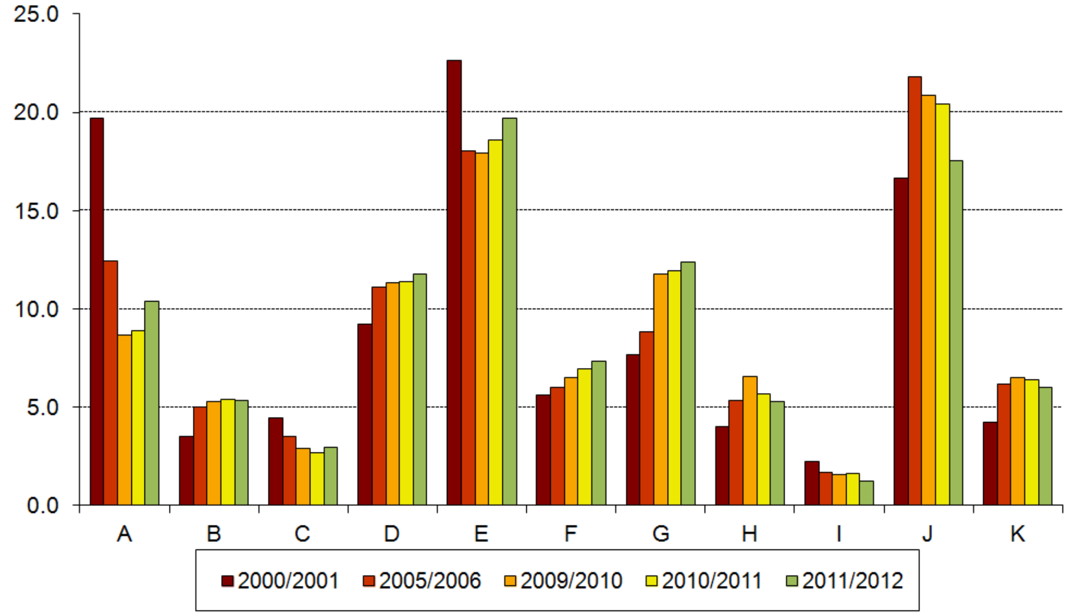
Chart 19 – Index of enrolled students according to the nature of educational institutions



School population enrolled in professional education increased by approximately 116 thousand, which means a multiplication by 18 vis-à-vis 1990/1991, and by 3.8 vis-à-vis 2000/2001. Professional education accounted for around 32.0% of school population in upper secondary education in 2012/2013, compared with 2.2% in 1990/1991.

The school attendance rate in tertiary education remained on an upward trend, although remaining at 32.2% in the past two years, against 15.1% at the start of the series (1994/1995 school year). This ratio had stabilised at around 27.2% between 2002/2003 and 2006/2007, but has resumed an upward trend ever since. The number of graduates increased by 47% in the past decade (64.0 thousand in 2001/2002 against 94.3 thousand in 2011/2012) and their performance improved, as assessed by the share vis-à-vis the number of students enrolled, which in the same period increased from 16.0% to 25.4%..

Chart 20 – Shares of Students graduated at higher education institutions by field of study



A - Teacher training and education sciences
B - Arts
C - Humanities
D - Social and behavioural science, information and journalism
E - Enterprises Sciences, Law
F - Physical sciences, mathematics and statistics, computer science
G - Engineering and engineering trades, manufacturing industries
H - Architecture and building
I - Agriculture, forestry and fishing, veterinary sciences
J - Health, social services
K – Other Services

In addition, there was a 6.4% decline in the number of students enrolled in the past two school years. In turn, preferences changed between 2002/2003 and 2012/2013. There were considerable declines in the shares of graduates in Teacher Training, Humanities, and Architecture and Building. Conversely, the main increases were observed in Health and Social Services, Arts, and Engineering and Engineering Trades.

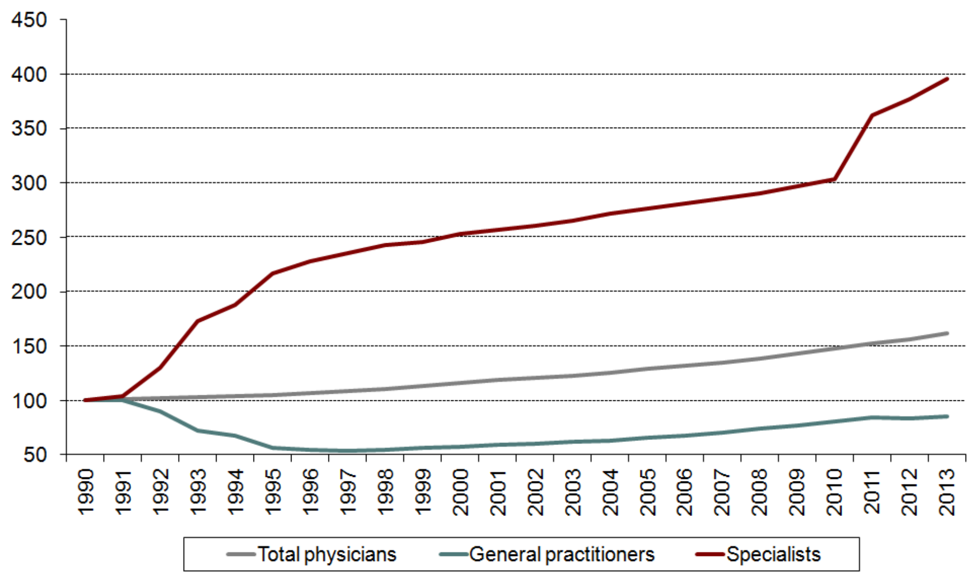
Consequently, the following main changes in the relative positions of the various fields of study occurred in 2012/2013 vis-à-vis 2002/2003: Business and Administration and Law continued to rank first, and Engineering and Engineering Trades ranked second. The third position was occupied by Health and Social Services, which at the start of the decade ranked fourth, quite close to Social and Behavioural Sciences. Journalism and information decreased considerably.

HEALTH

The information available, partly only up to 2012, shows the maintenance of previous upward trends of the sector's human resources, with a greater supply capacity in more specialised segments and a more intensive use of the available resources. An analysis of human resources shows a continuous improvement in the number of doctors per 1,000 inhabitants, i.e. a ratio of 4.3 in 2013, corresponding to an increase of 1 doctor per 1,000 inhabitants in 2013. The same trend, and even stronger, continued to be observed in the number of nurses per 1,000 inhabitants, a ratio that reached 6.3 in the same year, against 4.2 in 2003. The number of specialist doctors continued to rise at a rate of 3.3% between 2013 and 2012. The number of non-specialist doctors, which had been rising since 1997, interrupted this trend in 2012, resuming growth in 2013.

Hospitalisations, which in 2012 were less than in 2000, as well as the bed occupancy rate in health establishments, increased slightly in 2012 vis-à-vis the previous year, and the latter rate reached its highest value since 1990. Conversely, major and medium surgeries per day in health establishments and medical appointments per inhabitant declined by 0.3% and 2.4%, respectively, in that period.

Chart 21 – Doctors index according to main categories (1990=100)



The number of surgeries per day started to follow a downward path since 2009, declining by 79.7 surgeries/day since then. In the same vein, medical appointments per inhabitant dropped to 4.1 in 2012, compared with a peak of 4.5 in 2008.

Total external appointments continued to follow a long-term growth trend, increasing by 4.0% in 2012 vis-à-vis

2011, in particular Otorhinolaryngology and Medical Paediatrics, which increased by 6.0% and 4.9% respectively for the same period.

With regard to in-patient capacity, in 2012 the number of beds in hospitals (actual capacity) was 35806 (35601 in 2011), accounting for a decrease of 3,884 from 1990 (when the peak of the series was recorded) and of 2359 from 2002. Official clinics have also been following a downward trend since 1990. In 2012 and compared with the previous year there was a decline of 21 beds (6.3%). On the other hand, the number of operating rooms in hospitals rose substantially, to 892 (142 more than in 2002).

Chart 22 – Health services capacity and use indicators

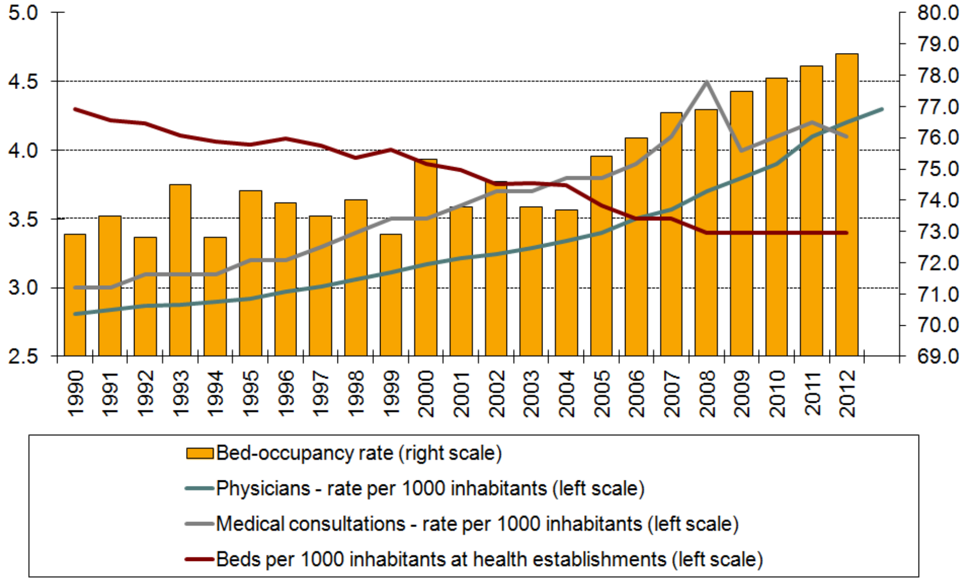
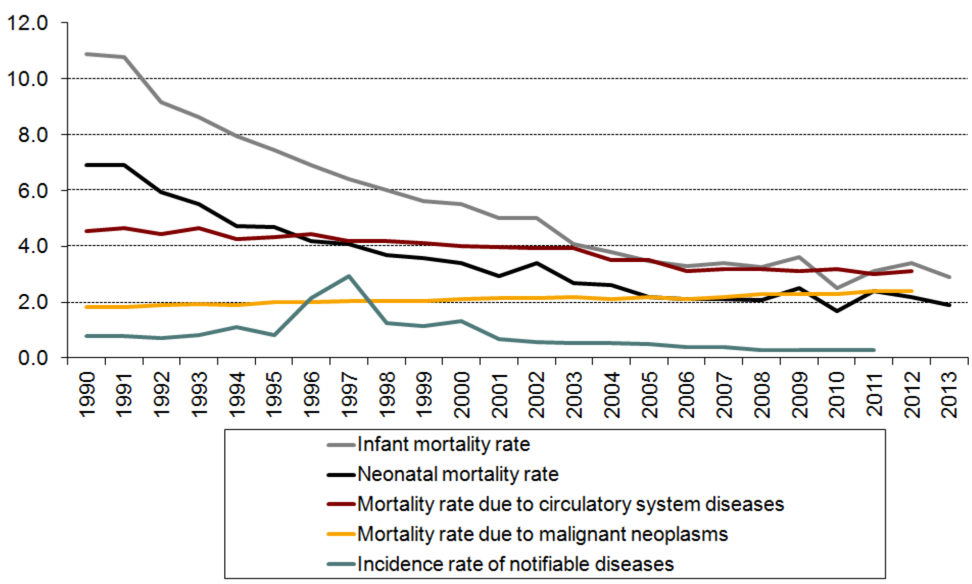


Chart 23 – Mortality-related health indicators



Within the scope of mortality-related health indicators, in 2013 the infant mortality rate was 2,9 per 1,000 live births, against the rises in the two years following the minimum value of 2.5 achieved in 2010. In 1990 it had stood at 10.9, declining almost continuously until 2008, to reach 3.3; in 2009 it rose to 3.6 and subsequently reached its minimum value, 2.5. With regard to the main causes of death in Portugal, 30.4% of total deaths in 2013 (357) were caused by diseases of the circulatory system and 23.9% by malignant neoplasms, i.e. there was no change in their weight compared with the previous year. With regard to the respective mortality rates, the former resumed the upward trend, standing at 3.1‰, while the latter remained stable, at 2.4‰.

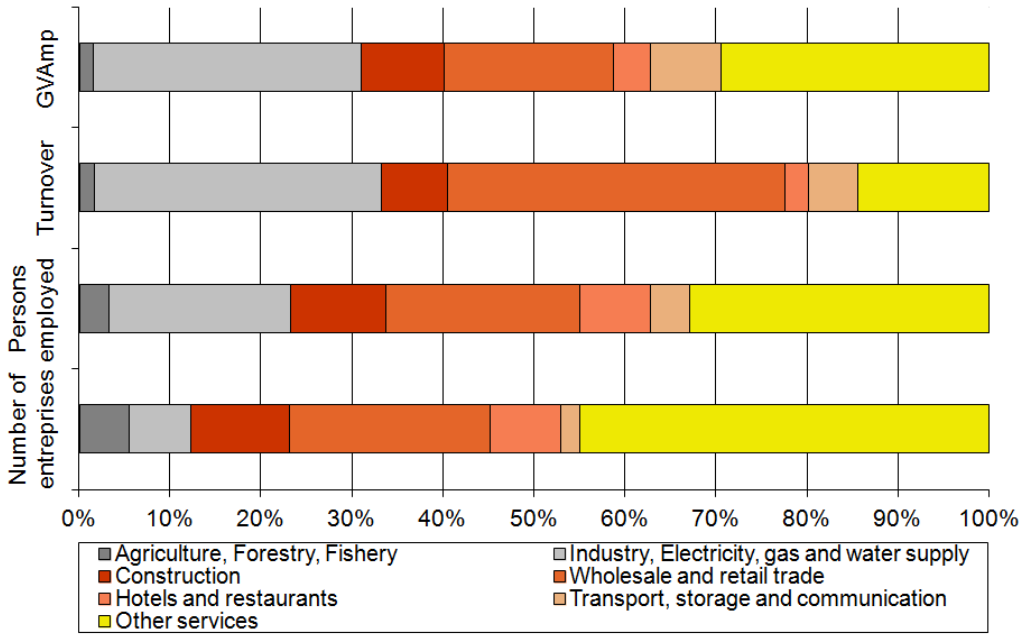
ECONOMIC ACTIVITY

ENTERPRISES

Services as a whole play a predominant role in the business structure (non-financial enterprises), although their weight depends on the variable observed. A comparison of data from the Integrated Business Accounts System (IBAS) for 2013 and 2012 shows that the relative importance of services declined when considering the number of enterprises (6,3 p.p. decline, to 73,1%) and increased in terms of persons employed, turnover and GVA (increases of 1.2 p.p., 2.7 p.p. and 5.0 p.p. respectively, to 66,3%, 60,0% and 59,5%).

The intra-area trade sector played a predominant role, considering turnover as a reference, although its weight declined from 2005. Conversely, and in comparison with the same year, other service activities (business, real estate, health and education, among others) showed higher variations. Industry and energy continued to play a relevant role, with weights of 20.0%, 31.5% and 29.4% in total persons employed, turnover and GVA respectively, although the respective importance also declined from 2005 (considering the number of enterprises and persons employed)

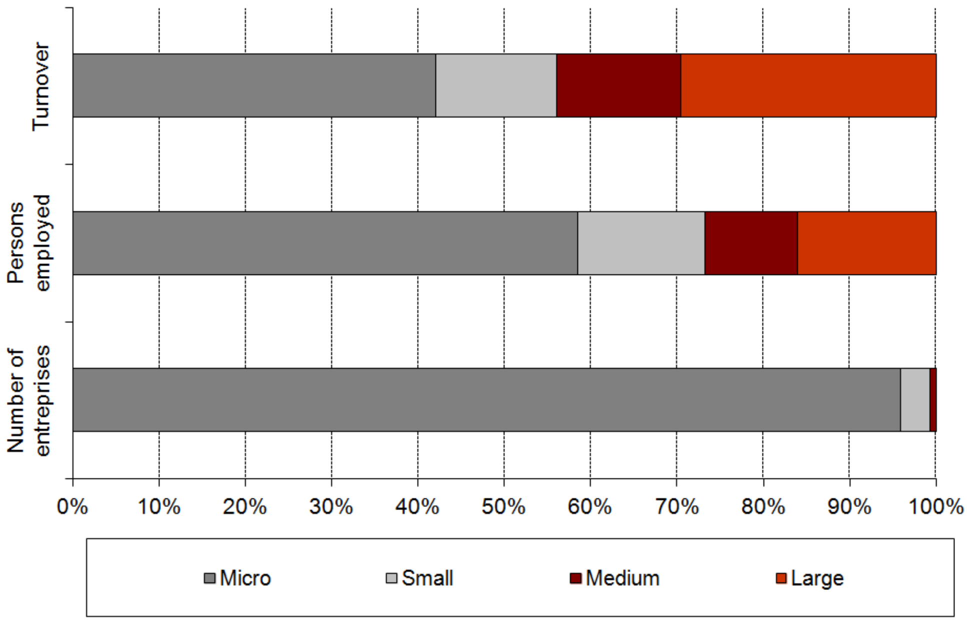
Chart 24 – Business structure



In turn, the production structure continued to be largely determined by the relative importance of small and medium-sized enterprises. Overall, in 2013 the average size of enterprises was quite similar to 2012, i.e. around 3.3 persons employed, which was not far from that recorded in 2005 (3.5 persons employed).

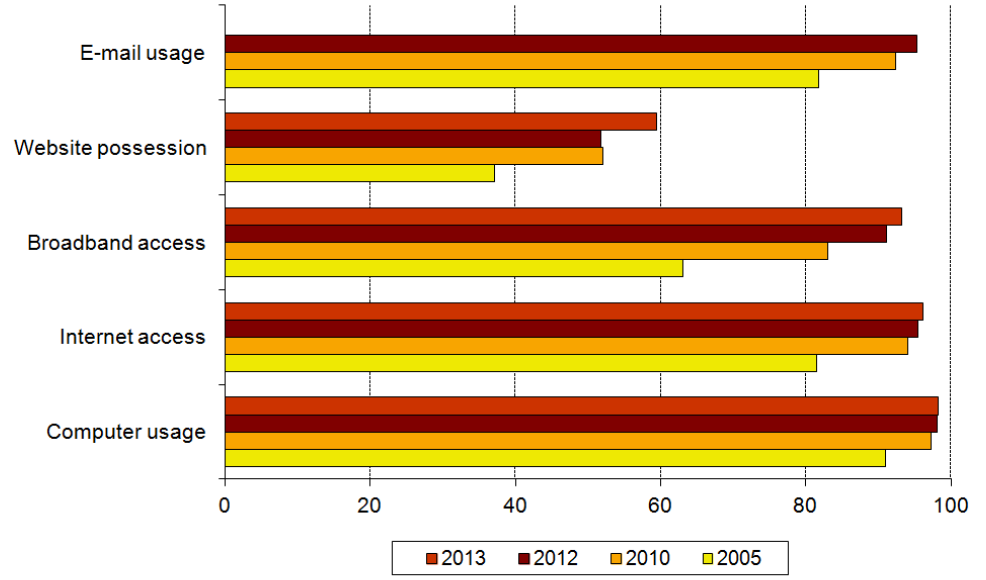
In 2012 the share of enterprises with less than 10 persons employed (microenterprises) in total enterprises was approximately 95.9%, covering 44.8% of persons employed and accounting for 18.6% of turnover. Enterprises with less than 50 persons employed (small enterprises) as a whole accounted for 99.3% of the number of enterprises, corresponding to 63.9% of the number of persons employed and 37.6% of turnover. Small and medium-sized enterprises (up to 249 persons employed) as a whole accounted for 99.9% of the number of enterprises, 78.1% of persons employed and 57.6% of turnover. The available information for 2013 points to similar structures for the set of enterprises, having only to notce a decrease 0f 0.3 pp.p. on the persons employed.

Chart 25 – Average number of employed persons



The use of ICT continued to be broadly disseminated. According to the Survey on ICT usage in enterprises, in 2013, 98.2% of enterprises had computers, i.e. 0.1 p.p. more than in the previous year and little over 7.0 p.p. vis-à-vis 2005. In turn, 96.2% of enterprises had Internet access (slightly more than in 2012), and 93.2% of the total had broadband Internet access (2.1 p.p. more). Vis-à-vis 2005, gains in these two variables were more marked: 14.7 p.p. and 30.2 p.p. for Internet access and broadband Internet access respectively. There was also an increase in the share of enterprises with a website (59.5%), contrary to the previous year, although the share of those receiving orders declined. Nevertheless,results for the latter indicator were clearly higher than in 2005 (13.9% against 8.6%).

Chart 26 – Use of information and communication technologies (% of enterprises)

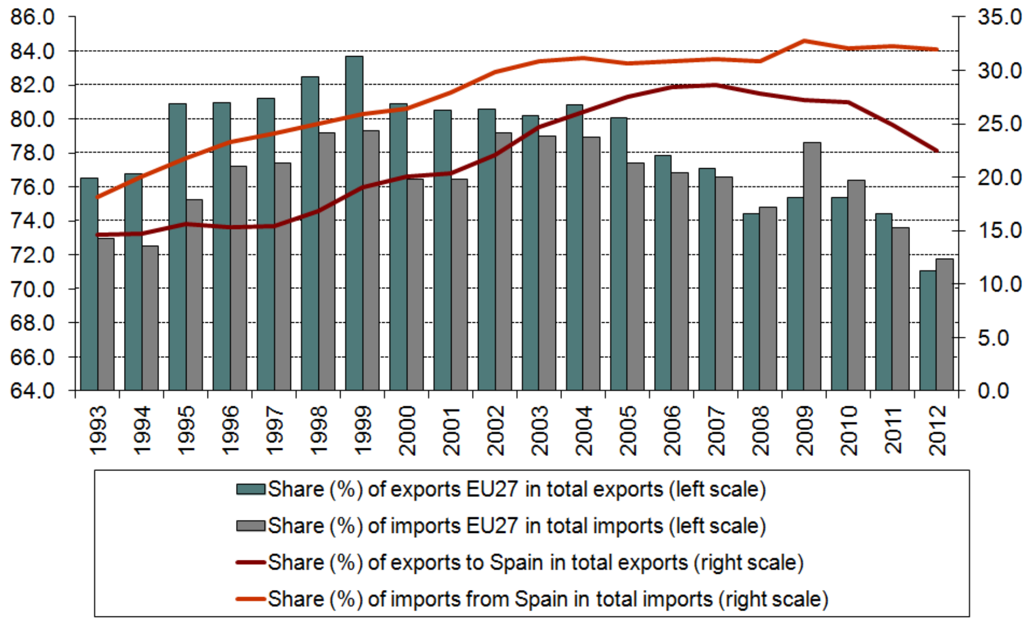


INTERNATIONAL TRADE

The import-export coverage rate grew for the fifth consecutive year, reaching the peak of the series in 2013 (83.1%, increasing by 2.9 p.p. from 2011 and 18.0 p.p. from 1990).

Exports recorded an annual average growth rate of 6.3% since 1990, higher by 1.1 p.p. than that of imports in the same period. Both flows declined strongly in 2009 compared with the previous year (18.4% for exports and 20.0% for imports), and subsequently experienced two years of growth with average rates of change of around 16.2% for exports and 7.8% for imports, at the end of which the value reached by exports had already surpassed the 2008 level.

Chart 27 – Indicators of International trade (%)



In the two following years export growth was more modest, i.e. little over 5.0% on average. With regard to imports, resumption of the pre-2009 level was not felt: in 2010 the 14.1% increase allowed for some recovery, although below the 2007 level, and since then developments have been negative, with average rates of change of approximately -1.0%.

In 2013 the degree of openness of the Portuguese economy, as measured by the ratio of the sum of exports and imports of goods to GDP at current prices, was 61.6%, growing for the fourth consecutive year. The performance of this indicator since 2010 was associated with a decline in imports, given a contraction of domestic demand, the maintenance of export growth, and a drop in GDP at current prices.

The EU27 continued to have the highest weight in the destination (70.3%) and origin (72.0%) of trade, although there was an evident downward trend of its weight since 2000, more marked for imports. Reference should be made to Spain, with a weight of 23.6% in exports and 32.2% in imports. Germany was the second EU27 country with the highest weight in trade flows, having been the destination of 11.6% of exported goods and the origin of 11.4% of imports. As regards Portuguese-speaking African countries (PALOP in Portuguese), trade with Angola had the highest weight, having been the destination of 82.8% of goods exports and the origin of 97.3% of imports. This country is already the fourth client of Portuguese exports (6.6% of the total).

The remaining countries with the highest weight in Portuguese goods exports were the United States (4.2%), Brazil (1.6%), Morocco (1.5%), and China (1.4%). With regard to imports from other countries, it is worth highlighting China (2.4%), Russia (1.8%), and Brazil and the United States (1.5% each).

Trade structure by groups of products has undergone a number of changes, due to the external environment and the domestic context. On the export side, reference should be made to the relative stability of intermediate goods and food and agricultural products (around 34.0% and 10.0% respectively), and an ongoing increase in the weight of mineral fuels (10.1% in 2013, 5.9% in 2010), while there was a turnaround in the upward trend followed by transport equipment and accessories up to 2011 (18.1% in 2011, against 14.7% in 2013). As for imports, mineral fuels recorded the most noticeable increase, whereas vehicles and other transport equipment and machinery and mechanical appliances declined. The weight of intermediate goods, and food and agricultural products saw virtually no change.

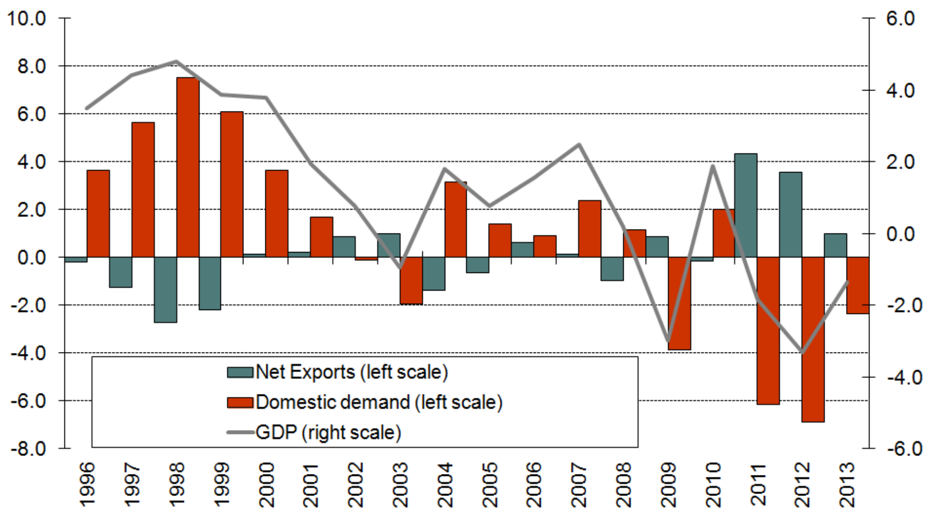
NATIONAL ACCOUNTS

In terms of degree of economic buoyancy the 1995-2013 period can be divided into two phases: a shorter one, between 1995 and 2001, of intense GDP growth at an average rate of 3.7%, although decelerating in the last year of this period, with 1.9% growth; the other, from 2002 onwards, of economic stagnation and covering the recessions of 2003, 2009 and from 2011 onwards. All these (except for the 2003 and 2011 recessions) are in line with euro area economies, although with different magnitudes. Specifically, the most recent recession is associated with a modest recovery of economies after the 2008-2009 crisis, the recessive nature having been determined by the impact of the restrictive policy applied to the Portuguese economy.

In 2013 GDP declined at a rate of -1.4%, which was less sharp than in the previous year. A comparison of declines since 2013 shows that there were similar movements on the aggregate demand side: a stronger contraction of domestic demand in 2012 and an improvement in net external demand, which reached a positive historical value. The behaviour of net external demand joined with a lower contraction of domestic demand contributed to an easing of the fall in GDP of approximately 2.0 p.p. vis-à-vis 2012. In fact, in 2013 the contraction of domestic demand was less marked, at -2.3% (against -6.6% in 2012), thus easing the negative contribution to GDP growth by around -2.4 p.p. (-6.9 p.p. in 2012). Net external demand made a less positive contribution, of 1.0 p.p. (3.7 p.p. in 2012).

At the domestic level, resident household expenditure on goods and services fell in real terms at a rate of -1.4%, signalling a lower contraction than observed in 2012 (-5.2%). Expenditure on food grew (0.7%) in contrast to the previous year (-0.6%). Following a strong deterioration in the two previous years, (-16.9% and -21.4% in 2011 and 2012 respectively), durables recovered (+2.0%). Expenditure on current non-food and services, although declining (-1.4%), experienced a more moderate contraction than in 2012 (-5.2%).

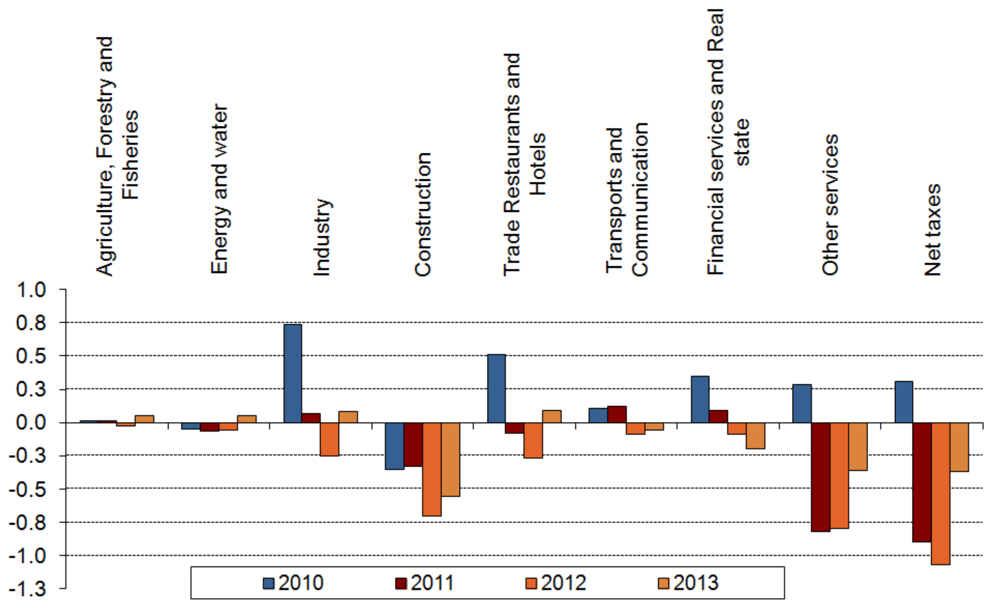
Chart 28 – Contribution of domestic demand and net exports (p.p.) to GDPmp real growth (%)



Household consumer spending made a -1.0 p.p. contribution to the -1.5% change in final consumption expenditure, the remaining originating in general government (-0.5 p.p. contribution). Expenditure of non-profit institutions serving households was neutral vis-à-vis the change in final consumption. In turn, gross capital formation declined at a rate of -6.5%, falling less sharply than in 2012 (-14.2%). The main contribution to the contraction of gross fixed capital formation was made by investment in construction, comprising investment by households and enterprises (-7.7%). There were also contributions, albeit small, from transport equipment and other machinery and equipment (0.8 p.p. and 0.5 p.p. respectively), given that they accounted for a reversal vis-à-vis 2012. Between 2008 and 2013 the average rate of change in gross fixed capital formation was -8.7%.

On the supply side, with the exception of agriculture, industry, energy, trade, and hotels and restaurants, the remaining branches of activity maintained negative paces similarly to the changes observed in the previous year. The most unfavourable developments in 2013 continued to be experienced in construction, with a rate of change in GVA of -13.1% (-14.8% in 2012) resulting in a -0.6 p.p. contribution to GDP.

Chart 29 – Contribution of activity sectors (p.p.) to GDPmp real growth (%)



Although the separation between strong and moderate growth periods up to 2001 and from 2002 to 2013 respectively was visible in most branches of production, on average, services branches grew more than industry and agriculture. The relative price of services increased in tandem with this buoyancy.

The resulting volume and price effects translated into an increase in the relative importance of services, to the detriment of industry and agriculture. In 1995 these two branches accounted for little over 17.0% in GVA at current prices, while in 2013 they accounted for 15.9%. The importance of services stood at 71.3% and 76.6% respectively in the above years.

Activities	Chain linked volume data - reference year = 2011					Current Prices				
	1995	2000	2005	2010	2013	1995	2000	2005	2010	2013
Agriculture, Forestry, Fisheries	5,4%	3,5%	2,6%	2,2%	2,3%	2,9%	2,3%	2,1%	2,0%	2,2%
Energy, water	18,8%	17,7%	15,0%	13,6%	13,1%	14,4%	15,0%	14,2%	13,1%	13,7%
Industry	2,9%	2,5%	2,7%	3,2%	3,8%	2,7%	3,0%	3,1%	3,3%	3,3%
Construction	6,5%	7,6%	6,9%	5,8%	4,2%	8,8%	9,2%	7,6%	5,8%	4,2%
Services	66,4%	65,8%	66,4%	67,0%	67,7%	71,3%	70,6%	72,9%	75,8%	76,6%

Source: INE

The ratio of net borrowing (equivalent to the overall current and capital account balance) to GDP widened in the course of the 1995-2000 period, reaching -9.6%.

From then onwards developments were conditioned by recessions. Hence, up to 2003 net borrowing improved, but subsequently returned to a level of -9.0%, peaking at -11.4% in 2008. From 2011 onwards there was a noticeable improvement in this ratio, which amounted to -4.1% that year, reaching positive net lending in 2013 (1.3%).

Recurrent current and capital account deficits since 1995 worsened the international investment position (stock of net external assets), causing a deterioration of the primary income account (difference between income received from and paid to non-resident units).

In 2008 the negative value of this balance reached 3.9% of GDP, leading to a difference of the same amount between GDP and gross national income (GNI). In 2009 and 2010 this ratio fluctuated at around -3.6%, improving thereafter, with a fall of more than 1 p.p., to stand at -2.2% in 2013.

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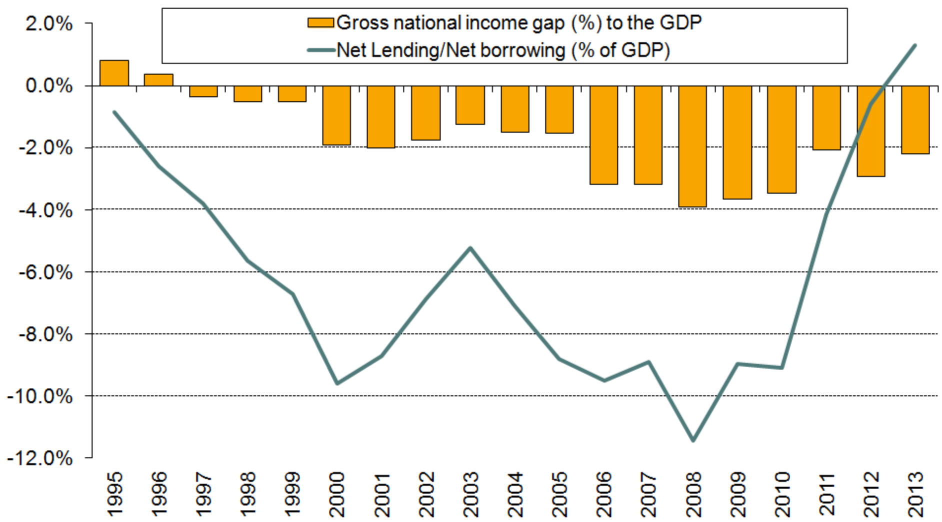
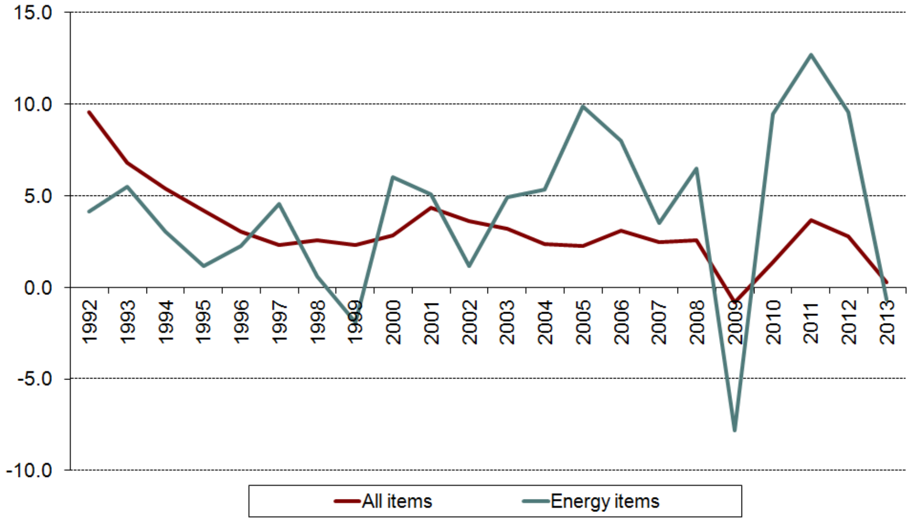
Chart 30 – Gross national income gap and net lending/net borrowing as % of the GDPmp



PRICES

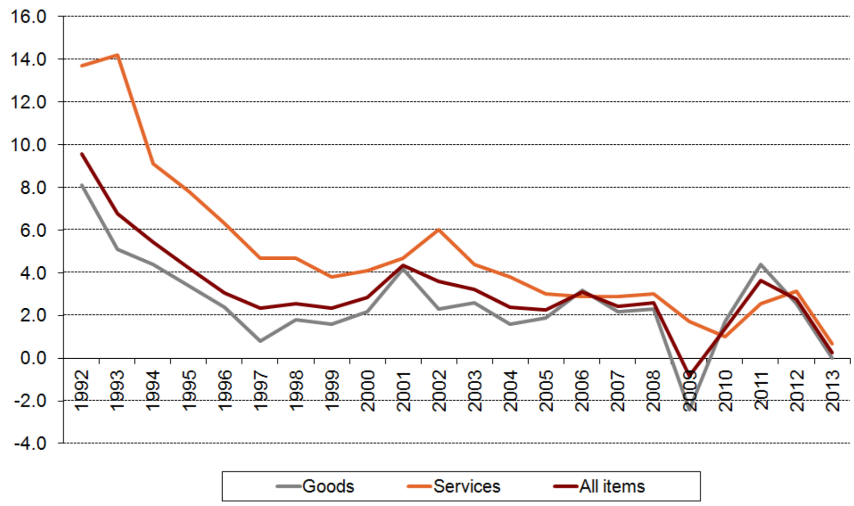
Price growth assessed by the rate of change in the CPI stood at 0.3% in 2013, i.e. continuing to decelerate from the two previous years (-2.5 p.p. from 2012 and -3.4 p.p. from 2011). Health prices grew more than in the previous year (+1.1 p.p.). Prices for clothing and footwear, which have been declining for five consecutive years, experienced a less sharp fall in 2013 than in the previous year (+1.9 p.p.). The remaining CPI classes recorded lower annual rates of change than in 2012. Due to the magnitude of the difference, reference should be made in particular to housing, water, electricity, gas and other fuels, as well as transport (-6.5 p.p. and -5.6 p.p. from 2012 respectively). In particular, the behaviour of prices in thes eclasses as induced by the rate of change in energy CPI (-0.7%), which decelerated by 10.3 p.p. from the rate of change in 2012.

Chart 31 – CPI annual rates of change (%) of prices for all-items and energy items



In 2013 the annual average growth of services prices was higher than that of goods prices. In fact, in 2013 services prices increased by 0.7% (3.1% and 2.6% respectively in 2012 and 2011), while the average rate of change in goods prices was nil (2.5% and 4.4% respectively in 2012 and 2011).

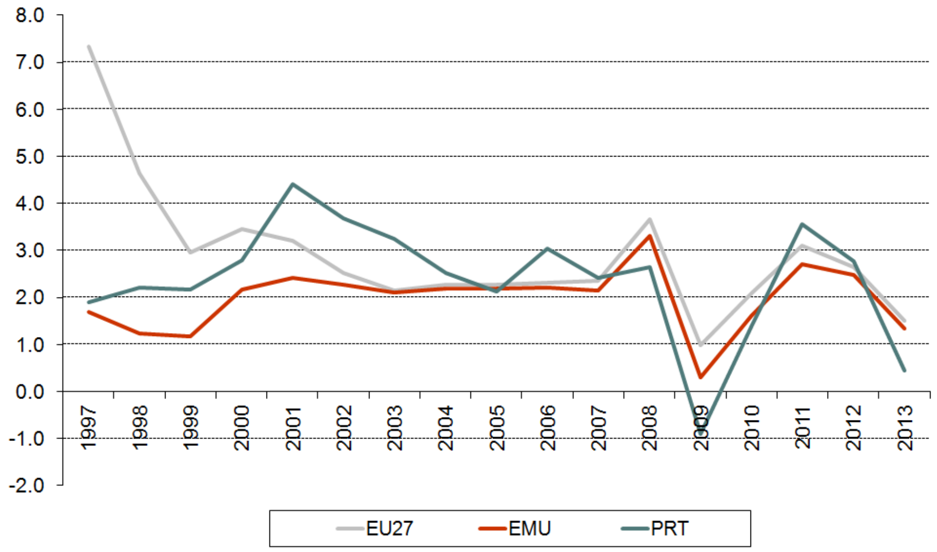
Chart 32 – CPI annual rates of change (%) of prices for all-items, goods and services indices



On the other hand, in 2013 the CPI goods component recorded nil annual average growth. Services increased by 0.7%, maintaining the highest annual average growth pattern of goods prices observed in 2012. In 2013 the growth rates of these two components' prices recorded a similar deceleration (-2.5 p.p. in goods and -2.4 p.p. in services).

The annual average rate of change in the harmonised index of consumer prices (HICP), which is the benchmark for inflation comparisons across European Union countries, stood at 0.4% (2.4 p.p. less than in the previous year). A comparison of the corresponding developments both in the EU27 and the euro area shows that the difference was negative again in 2013 (-1.1 p.p. and -0.9 p.p. respectively), contrary to the two previous years.

Chart 33– Annual inflation rates for EU27, EMU and Portugal



GENERAL GOVERNMENT

Net general government borrowing increased in 2012, accounting for 4.9% of GDP on a national accounts basis, i.e. 0.6 p.p. less than in 2012. This reflected the joint effects of an increase of around 2.3 p.p. in total revenue that more than offset an increase in total expenditure of approximately 1.6 p.p.. Primary expenditure increased by 1.6 p.p., in contrast to the two previous years. This, jointly with the above-mentioned behaviour of total revenue, led to a 0.7 p.p. improvement in the primary balance, which went on to account for plus 0.1% of GDP.

The increase in revenue was chiefly due to the evolution of current revenue, which increased by around 3.0 p.p. from the 2012 ratio, since capital revenue decreased by 0.7 p.p. As regards current revenue, there was a rise in tax revenue, due to a 2.4 p.p. increase in direct taxes (taxes on income and wealth), which went on to account for 11.3% of GDP. As regards indirect taxes (taxes on production and imports) there was a slight decline in the ratio, which stood at 13.7%. Conversely, actual social contributions increased somewhat, reaching 8.7% of GDP. As a result of these developments in taxes and actual social contributions, the tax burden increased by 2.3 p.p., accounting for 33.7% of GDP.

Chart 34 – Revenue, Expenditure and Net Borrowing of General government (% do GDPmp)

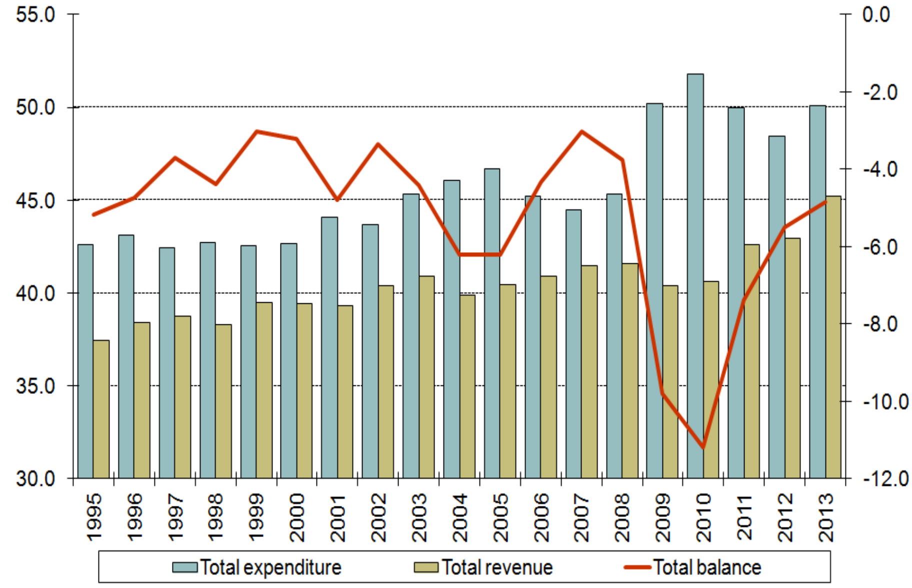
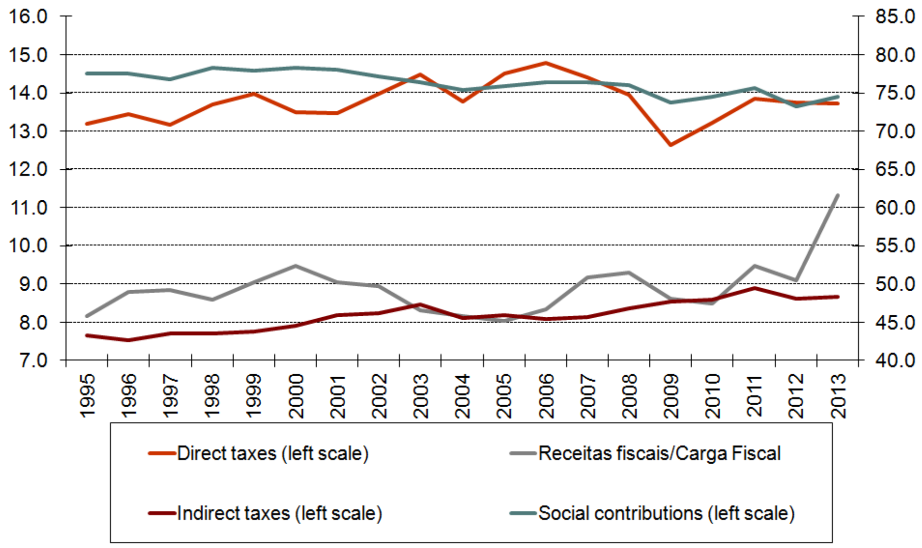


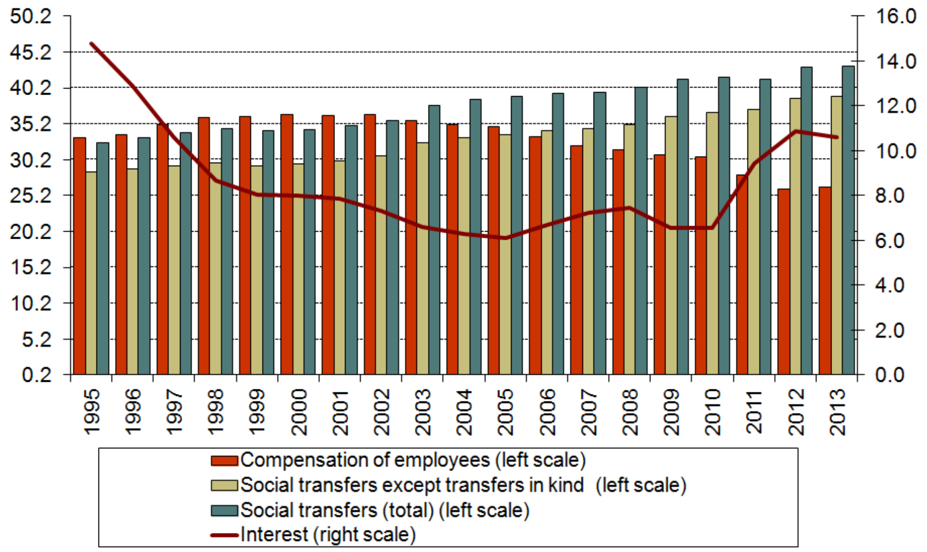
Chart 35 – Tax burden (% do GDPmp) by kind of main tax groups and share of Fiscal revenue in Total revenue



The increment in the ratio of total expenditure was due to a 1.8 p.p. rise in current expenditure, which reached 46.9%. Capital expenditure declined by 0.1 p.p., accounting for 3.1% of GDP. In the case of current expenditure, there were increases in social benefits and personnel expenses (approximately 0.8 p.p. and 0.6 p.p. respectively), the ratios having stood at 20.3% and 12.4% respectively.

To a lesser extent, intermediate consumption and interest paid increased (around 0.1 p.p. each). As regards social benefits, social benefits other than social transfers in kind made a positive contribution to said increase, while the share of social transfers in kind (regarding expenditure on products supplied to households via market producers), declined somewhat.

Chart 36 – Share of main expenditure groups in Total current expenditure



Public debt remained on an upward trend started in 2001, rising to 128.0% of GDP, which accounted for an increase of 3.2 p.p. vis-à-vis 2012, and a cumulative increase of 59.1 p.p. in five years.

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Cut-off date: 30 September 2014