



28 February 2023
QUARTERLY NATIONAL ACCOUNTS (Base 2016)
Fourth Quarter 2022 and year 2022

GROSS DOMESTIC PRODUCT IN VOLUME RECORDED A YEAR-ON-YEAR GROWTH RATE OF 3.2% AND 0.3% COMPARED WITH THE PREVIOUS QUARTER. IN 2022 GDP GREW BY 6.7%

Gross Domestic Product (GDP), in real terms, registered a year-on-year rate of change of 3.2% in the fourth quarter of 2022 (4.8% in the previous quarter). The contribution of domestic demand to the year-on-year rate of change of GDP decreased in the fourth quarter of 2022, moving from 3.2 to 1.9 percentage points, with a less intense growth of private consumption and a reduction of investment. The positive contribution of net external demand to the year-on-year rate of change of GDP also decreased to 1.3 percentage points (1.6 in the previous quarter), as a result of the more pronounced deceleration, in volume, of Exports of Goods and Services compared to Imports of Goods and Services. For the seventh consecutive quarter, there was a loss in the terms of trade, in year-on-year terms, although it was the least intense since the second quarter of 2021, as a result of the pronounced deceleration of the import deflator compared to the export deflator.

Compared to the third quarter of 2022, GDP increased by 0.3%, in volume, similar to the rate observed in the previous quarter. The contribution of domestic demand to the quarter-on-quarter rate of change of GDP (0.2 percentage points) was less positive than in the previous quarter (0.7 percentage points), while the contribution of net external demand became positive (0.1 percentage points) after registering a negative contribution in the third quarter (-0.4 percentage points).

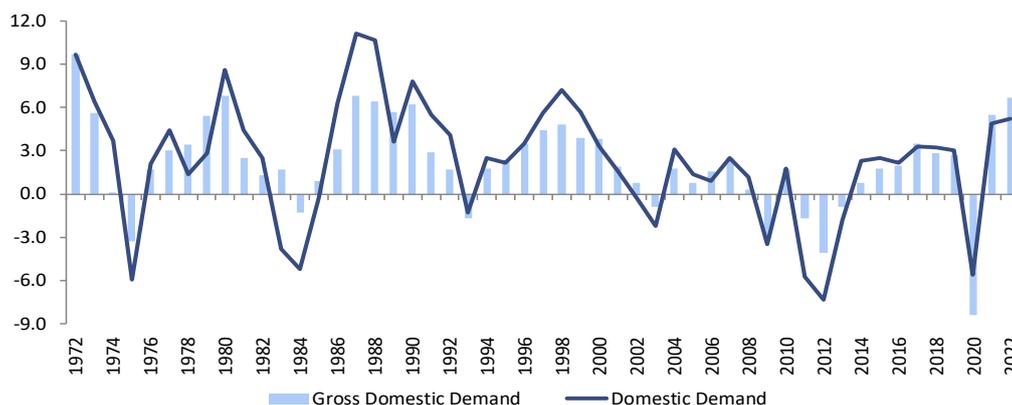
In 2022, GDP grew by 6.7%, in volume, the highest growth since 1987, after the 5.5% increase in 2021 that followed the historical decrease of 8.3% in 2020, following the adverse effects of the pandemic on economic activity. Domestic demand presented a significant positive contribution to the annual rate of change of GDP, although lower than in the previous year, with an acceleration of private consumption and a deceleration of investment. The contribution of net external demand turned positive in 2022, with exports of goods and services accelerating more intensely than imports of goods and services.

In nominal terms, GDP increased by 11.5% in 2022, slightly surpassing 239 billion euros.

Figure 1. Gross Domestic Product and Domestic Demand

Volume (reference year =2016)

Annual rate of change, %





The results presented correspond to the preliminary version of the Annual National Accounts for 2022. The provisional data for 2021 were revised due to the incorporation of new base information, noting upward revisions of the external balance of services. Thus, compared to previous estimates, the new results led to an upward revision of 0.1 percentage points of the GDP growth rate in nominal terms in 2021, to 7.1%, while in real terms the growth rate remained unchanged at 5.5%. In 2022, the new information also did not imply a change in the annual growth rate in volume of GDP (6.7%), published in the Flash Estimate for the fourth quarter. However, in quarterly terms, the incorporation of new information led to revisions in the year-on-year rates of change that ranged from -0.1 percentage points in the first and third quarters of 2022 and +0.1 percentage points in the fourth quarter of 2022.

GDP in real terms increased by 6.7% in 2022

In 2022, GDP registered a growth rate of 6.7% in real terms, the highest since 1987, after the 5.5% increase in 2021 that followed the historic decrease of 8.3% in 2020, due to the adverse effects of the pandemic on economic activity. In nominal terms, GDP increased by 11.5% in 2022 (7.1% in 2021), slightly surpassing 239 billion euros. In a context of high inflation, the implicit GDP deflator accelerated in 2022, to a rate of change of 4.5% (1.5% in the previous year).

Figure 2. Decomposition of GDP rate of change (volume)

	2018	2019	2020	2021	2022
	Annual rate of change (%)				
Domestic Demand	3.2	3.1	-5.4	5.6	4.5
Exports (FOB)	4.1	4.1	-18.6	13.4	16.7
Imports (FOB)	5.0	4.9	-11.8	13.2	11.0
GDP	2.8	2.7	-8.3	5.5	6.7
	Contributions to GDP rate of change (percentage points)				
Domestic Demand	3.1	3.0	-5.3	5.8	4.7
External Demand Balance ¹	-0.3	-0.3	-3.0	-0.3	2.1

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and

- 2018 to 2019: final data; 2021: provisional data; 2022: preliminary data.

Domestic demand decelerated in 2022, with a rate of change of 4.5% in real terms (5.6% in the previous year), shifting from a contribution to GDP annual rate of change of 5.8 percentage points in 2021 to 4.7 percentage points.



Figure 3. Components of domestic demand (volume)

	2018	2019	2020	2021	2022
	Annual rate of change (%)				
Domestic Demand	3.2	3.1	-5.4	5.6	4.5
Private Consumption ¹	2.6	3.3	-7.0	4.7	5.7
Public Consumption ²	0.6	2.1	0.3	4.6	2.4
Investment	7.8	3.3	-4.7	10.1	2.7

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

Private consumption (Final Consumption Expenditures of Resident Households and Non-Profit Institutions Serving Households) registered an increase of 5.7%, in real terms, accelerating from the 4.7% growth recorded in 2021. Expenditures in services and non-durable goods shifted from 4.9% in 2021 to 5.2% and the durable goods component also accelerated, from 3.6% to 11.6% in 2022, with emphasis on the recovery of the motor vehicle component, after negative rates in the previous three years.

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

	2018	2019	2020	2021	2022
	Year-on-year rate of change (%)				
Total	2.7	3.4	-7.1	4.7	5.8
Durable Component	5.7	0.5	-13.6	3.6	11.6
Non-Durable Component	2.3	3.7	-6.4	4.9	5.2
Of which:					
Food and beverage products	1.8	2.0	4.1	1.3	-2.3

In 2022, public consumption (Final Consumption Expenditure of General Government) decelerated in real terms, registering a rate of change of 2.4% (4.6% in the precedent year). In nominal terms, public consumption grew by 7.3% (6.1% in 2021).

Investment increased by 2.7%, in real terms, in 2022, significantly slowing down from 10.1% in the previous year. Gross Fixed Capital Formation (GFCF) registered a less intense increase when compared with 2021 (from 8.7% to 2.7%), while Change in Inventories presented a null contribution to the annual GDP rate of change (contribution of 0.2 percentage points in 2021). By GFCF components, there were slowdowns in GFCF in Other Machinery and Equipment with a growth rate increase of 4.3% in 2022 (13.1% in the previous year), in GFCF in Construction with 0.8% in 2022 (5.5% in 2021) and in GFCF in Intellectual Property Products with 3.3% (12.9% in the previous year). GFCF in Transport Equipment accelerated from a growth rate of 7.5% in 2021 to 9.8% in 2022.



Figure 5. Gross Fixed Capital Formation (volume)

	2018	2019	2020	2021	2022
	Annual rate of change (%)				
Total	6.2	5.4	-2.2	8.7	2.7
Of which:					
Transport Equipment	7.9	2.5	-26.3	7.5	9.8
Other Machinery and Equipment ¹	9.2	1.6	-5.5	13.1	4.3
Construction	4.7	7.6	1.0	5.5	0.8
Intellectual Property Products ²	6.4	6.8	6.1	12.9	3.3

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

Net external demand presented a contribution of 2.1 percentage points, after the negative contribution of 0.3 percentage points in 2021. Exports of Goods and Services increased from 13.4% to 16.7% in 2022, while Imports of Goods and Services decelerated from 13.2% in 2021 to 11.0%. Exports of goods, in volume, increased by 8.7% in 2022 (11.2% in 2021), while exports of services presented a significant acceleration, shifting from a rate of change of 19.6% in 2021 to 37.7%. In the case of services, that result partly reflects the significant increase in the tourism component (80.9% growth rate), after rates of -56.9% and +27.0% in 2020 and 2021, respectively. In turn, imports of goods grew by 9.8% (12.9% in 2021), and imports of services by 17.2% (15.1% in 2021).

Figure 6. Exports and Imports of Goods (FOB) and Services (volume)

	2018	2019	2020	2021	2022
	Annual rate of change (%)				
Exports	4.1	4.1	-18.6	13.4	16.7
Goods (FOB)	3.4	3.6	-11.6	11.2	8.7
Services	5.8	5.0	-33.6	19.6	37.7
Imports	5.0	4.9	-11.8	13.2	11.0
Goods (FOB)	4.9	4.2	-10.0	12.9	9.8
Services	5.6	8.6	-20.5	15.1	17.2

In 2022, within a context of strong price increases, the loss in the terms of trade was more intense, with the deflator of Imports of Goods and Services registering a rate of change of 18.6% (7.4% in 2021) and the deflator of Exports of Goods and Services increasing by 14.8% (6.1% in 2021). This evolution partially reflected the more intense effect of the increases in the prices of energy goods in the deflator of imports.

Figure 7. Exports and Imports of Goods (FOB) and Services (Implicit deflators)

	2018	2019	2020	2021	2022
	Annual rate of change (%)				
Exports	2.3	0.5	-2.1	6.1	14.8
Imports	2.8	-0.3	-3.5	7.4	18.6
Terms of Trade	-0.5	0.8	1.4	-1.2	-3.2

In a context of high inflation, the implicit GDP deflator accelerated in 2022, to a rate of change of 4.5% (1.5% in the previous year). The deflator of domestic demand also accelerated significantly, moving from a rate of change of 2.1% in 2021 to 6.3% in 2022, reflecting the same movements in private consumption and investment.

In nominal terms, the external balance of Goods and Services was less negative in 2022, shifting from -2.9% of GDP in 2021, to -2.5% of GDP.



Gross Value Added (GVA) at basic prices increased by 6.1% in volume in 2022

In 2022, GVA at basic prices registered a rate of change of 6.1%, in real terms, after an increase of 4.9% in 2021.

GVA in Trade and Repair of Vehicles; and Accommodation and Food Services contributed for this evolution, increasing by 16.7% in 2022 (6.1% in 2021), which resulted in a contribution of 2.6 percentage points (0.9 percentage points in 2021).

In real terms, Taxes less Subsidies on Products increased by 10.5% in 2022 (10.0% in the previous year).

Figure 8. Gross Value Added, volume (reference year=2016)

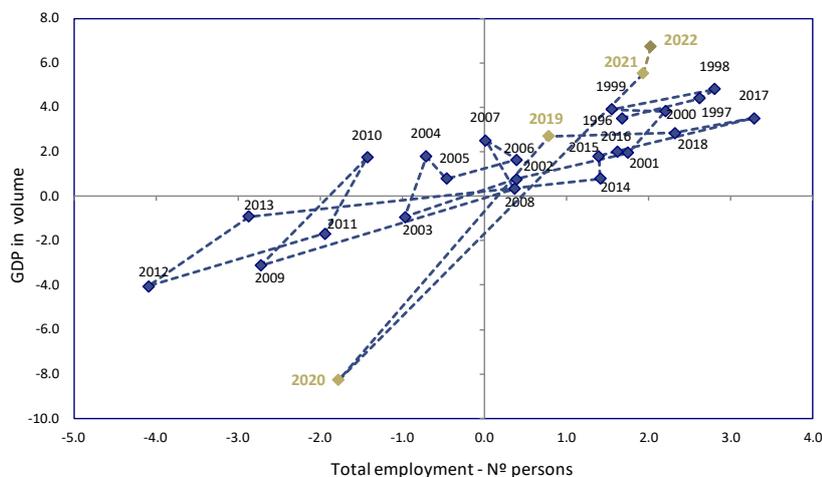
	2018	2019	2020	2021	2022
	Annual rate of change (%)				
GVA at basic prices	2.7	2.6	-7.8	4.9	6.1
Agriculture, Forestry and Fishing	-1.1	3.3	-3.3	5.8	-2.9
Industry	3.5	0.5	-7.1	6.9	3.0
Energy, Water Supply and Sewerage	8.6	0.4	-8.3	2.1	0.0
Construction	3.6	5.0	0.0	4.6	0.7
Trade, Repair of Vehicles; Accommodation and Food Services	2.5	2.7	-17.6	6.1	16.7
Transportation and Storage; Information and Communication	4.0	6.5	-12.4	8.0	10.7
Financial, Insurance and Real Estate Activities	1.1	1.4	-1.3	2.0	1.4
Other Services Activities	2.4	3.2	-5.3	4.3	5.2
Taxes less subsidies on products	3.8	3.0	-11.6	10.0	10.5

Employment increased by 2.0% in 2022

Total employment (measured in number of individuals) increased by 2.0% in 2022, after a growth of 1.9% in the precedent year. The number of employees registered a rate of change of 3.3%, after the 1.8% increase in 2021.

Figure 9. GDP (volume) and total employment (individuals)

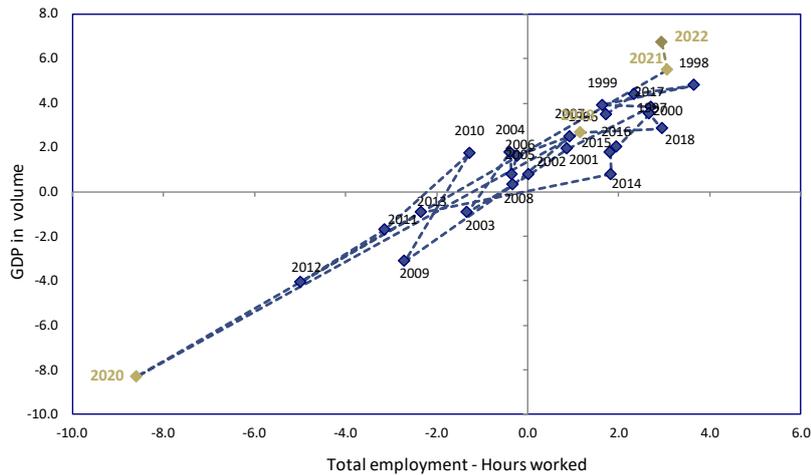
Annual rate of change, %





Considering employment measured in terms of hours worked, there was a growth of 2.9% in 2022 (3.1% in 2022).

Figure 10. GDP (volume) and total employment (individuals)
Annual rate of change, %



In 2022, productivity measured by the ratio between GDP in volume and the number of people employed increased by 4.0% (2.9% in 2021), while productivity measured by the ratio between GDP in volume and the number of hours worked moved from a growth of 1.7% in 2021 to 3.1% in 2022.

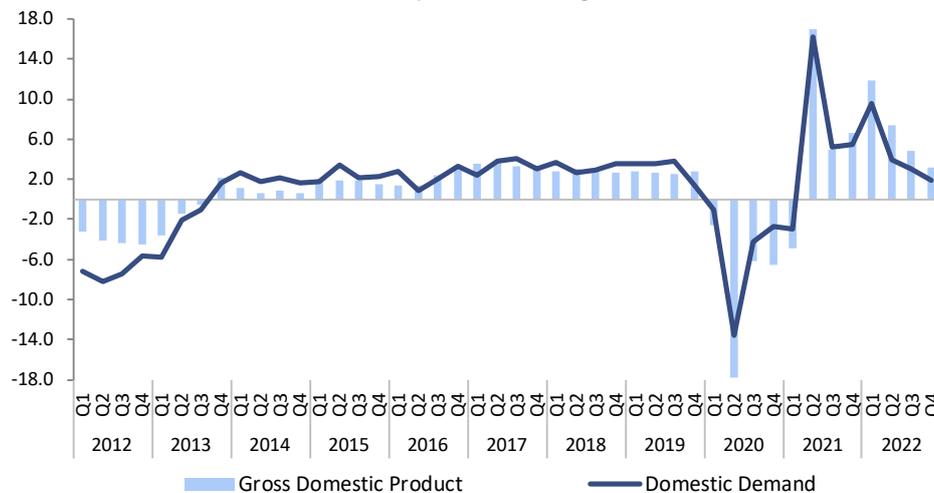


In the fourth quarter of 2022, GDP in volume increased by 3.2% in year-on-year terms and 0.3% compared with the previous quarter

The GDP preliminary estimates for the fourth quarter of 2022 indicate a year-on-year rate of change of 3.2% in real terms, which compares with 4.8% in the previous quarter.

Figure 11. Gross Domestic Product and Domestic Demand in volume (reference year =2016)

Seasonally and calendar adjusted data
Year-on-year rate of change, %



In nominal terms, GDP increased by 10.8% comparing with the fourth quarter of 2021 (10.0% in the previous quarter). The implicit GDP deflator accelerated in the fourth quarter to a year-on-year rate of change of 7.4% (4.9% in the previous quarter).

Figure 12. Decomposition of GDP rate of change (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-Year rate of change (%)					
Domestic Demand	5.2	5.5	9.5	3.9	3.1	1.9
Exports (FOB)	12.2	16.3	18.8	25.2	16.3	8.1
Imports (FOB)	12.2	12.9	12.8	15.2	11.7	4.9
GDP	5.0	6.6	11.9	7.4	4.8	3.2
	Contributions to GDP year-on-year rate of change (percentage points)					
Domestic Demand	5.3	5.6	9.8	4.1	3.2	1.9
External Demand Balance ¹	-0.3	1.0	2.1	3.3	1.6	1.3

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and rounding procedures.

In the fourth quarter of 2022, contribution of domestic demand to the GDP year-on-year rate of change in volume decreased, shifting from 3.2 percentage points, in the third quarter, to 1.9 percentage points.

Looking into the components of domestic demand, in volume, private consumption (includes Non-Profit Institutions Serving Households) decelerated to a year-on-year rate of change of 2.7% in the fourth quarter (4.3% in the previous quarter). Public consumption increased by 2.0% in year-on-year terms, 1.5 percentage



points more than in the precedent quarter, and investment decreased by 1.2% (rate of growth of 1.6 % in the third quarter).

Figure 13. Components of domestic demand

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-Year rate of change (%)					
Domestic Demand	5.2	5.5	9.5	3.9	3.1	1.9
Private Consumption ¹	4.0	5.5	11.6	4.6	4.3	2.7
Public Consumption ²	4.3	2.7	5.4	1.7	0.5	2.0
Investment	10.2	8.1	6.9	3.9	1.6	-1.2

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In the fourth quarter of 2022, the positive contribution of net external demand to the GDP year-on-year growth rate decreased to 1.3 percentage points (1.6 percentage points in the previous quarter). Exports of Goods and Services and Imports of Goods and Services decelerated, moving from a year-on-year rate of change of 16.3% and 11.7%, in the third quarter, to 8.1% and 4.9% respectively.

Compared to the previous quarter, GDP increased by 0.3% in real terms in the fourth quarter of 2022 (similar to the growth rate in the third quarter). The contribution of domestic demand to the quarter-on-quarter rate of change of GDP was lower than that registered in the previous quarter (from 0.7 percentage points to 0.2), while the contribution of net external demand turned positive (0.1 percentage points) after being negative in the third quarter (-0.4 percentage points).

Figure 14. Decomposition of GDP rate of change (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Quarter-on-quarter rate of change (%)					
Domestic Demand	1.5	1.5	1.5	-0.5	0.7	0.2
Exports (FOB)	8.5	7.9	3.7	3.1	0.8	0.2
Imports (FOB)	4.8	6.4	1.8	1.5	1.6	0.0
GDP	2.8	1.9	2.3	0.2	0.3	0.3
Contributions to GDP quarter-on-quarter rate of change (percentage points)						
Domestic Demand	1.5	1.5	1.5	-0.5	0.7	0.2
External Demand Balance ¹	1.3	0.4	0.8	0.7	-0.4	0.1

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

Resident Households' final consumption expenditure registered a year-on-year rate of change of 2.8% in volume in the fourth quarter, after a growth of 4.4% in the previous quarter.

Households' consumption in services and non-durable goods decelerated, in year-on-year terms, moving from 3.5%, in the third quarter to 2.3%, (year-on-year rate of change of 5.6% in the same period of 2021).

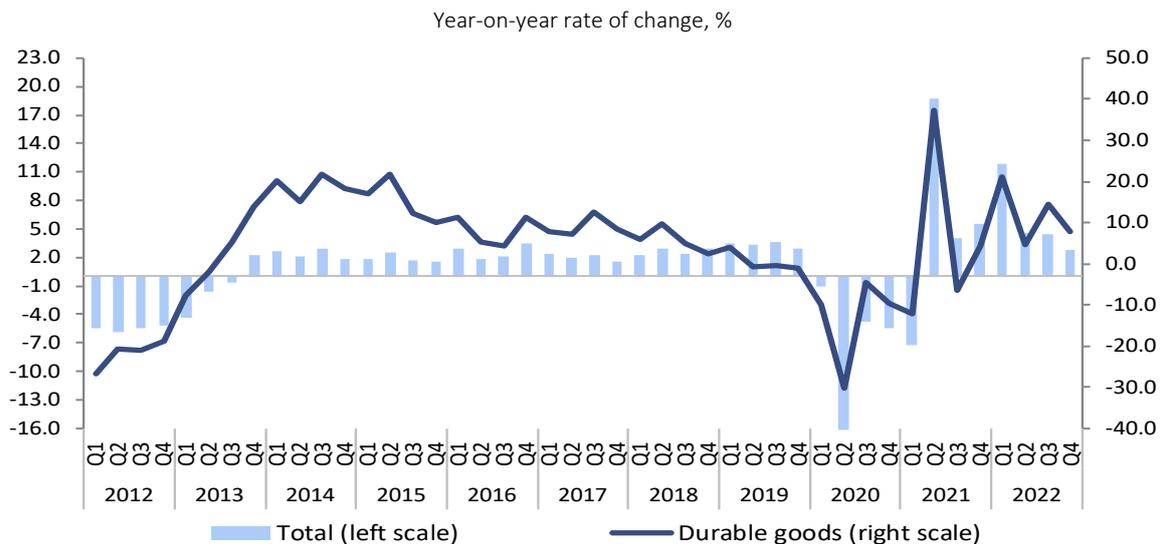


Figure 15. Final consumption expenditure of resident households (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-year rate of change (%)					
Total	4.0	5.5	11.8	4.6	4.4	2.8
Durable Component	-6.4	4.4	21.1	4.5	14.5	7.9
Non-Durable Component	5.1	5.6	11.0	4.7	3.5	2.3
Of which:						
Food and beverage products	0.9	0.2	-2.3	-2.5	-1.3	-3.0

The component of durable goods also decelerated, shifting from 14.5%, in the third quarter, to 7.9%, with the same movement occurring in the acquisition of motor vehicles component and in expenditures on other durable goods.

Figure 16. Final consumption expenditure of resident households, volume (reference year=2016)



Compared with the third quarter, households' consumption expenditures decreased by 0.5% (quarter-on-quarter rate of change of 1.1% in the previous quarter), with quarter-on-quarter rates of change of -0.4% in expenditures in non-durable goods and services and -1.0% in the durable component.

Figure 17. Final consumption expenditure of resident households (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Quarter-on-Quarter rate of change (%)					
Total	1.3	1.1	1.4	0.7	1.1	-0.5
Durable Component	-6.8	5.0	4.8	1.9	2.1	-1.0
Non-Durable Component	2.1	0.8	1.1	0.6	1.0	-0.4
Of which:						
Food and beverage products	-0.5	-0.6	-1.7	0.2	0.8	-2.3



Investment

Investment in volume declined by 1.2% in the fourth quarter, after a 1.6% growth in the previous quarter. Total GFCF registered a year-on-year growth rate of 0.6% (2.7% in the third quarter), while Changes in Inventories contribution to the GDP year-on-year growth was more negative (-0.2 percentage points in the third quarter and -0.4 percentage points in the fourth quarter).

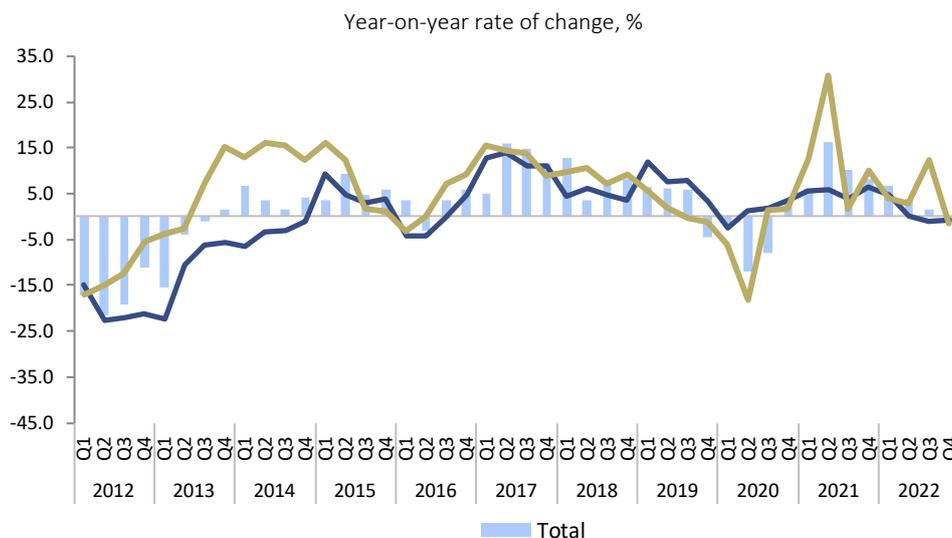
Figure 18. Gross Fixed Capital Formation (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-year rate of change (%)					
Total	4.7	8.0	5.5	2.0	2.7	0.6
Of which:						
Transport Equipment	-0.5	11.3	18.0	10.7	0.8	10.1
Other Machinery and Equipment ¹	1.7	10.0	4.0	3.0	12.4	-1.5
Construction	4.0	6.4	4.6	0.1	-0.9	-0.8
Intellectual Property Products ²	12.9	9.2	5.7	2.8	1.1	3.9

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

GFCF in Other Machinery and Equipment decreased 1.5% in volume, after an increase of 12.4% in the previous quarter. In the last two quarters, there was a decrease in GFCF in Construction, with year-on-year rates of change of -0.9 and -0.8% in the third and fourth quarters. In the opposite direction, GFCF in Transport Equipment accelerated to a year-on-year growth of 10.1% in the fourth quarter (0.8% in the third quarter). GFCF in Products of Intellectual Property also paced up in the fourth quarter, recording a year-on-year growth of 3.9% (1.1% in the third quarter).

Figure 19. Investment, volume (reference year=2016)





Compared with the third quarter of 2022, total investment increased by 1.9% (quarter-on-quarter rate of change of -0.1% in the previous quarter), with GFCF increasing by 2.2% (-0.5% in the previous quarter).

Figure 20. Gross Fixed Capital Formation (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Quarter-on-Quarter rate of change (%)					
Total	-1.2	4.3	1.5	-2.4	-0.5	2.2
Of which:						
Transport Equipment	9.7	0.7	12.5	-10.9	-0.1	10.0
Other Machinery and Equipment ¹	-7.1	11.4	0.3	-0.7	1.4	-2.4
Construction	-0.7	3.1	0.5	-2.7	-1.8	3.3
Intellectual Property Products ²	1.5	0.2	1.6	-0.5	-0.1	2.9

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

Exports and Imports

Exports of Goods and Services in volume decelerated significantly in the fourth quarter, reaching a year-on-year rate of change of 8.1% (16.3% in the previous quarter). Exports of goods rose by 4.8% (growth rate of 11.5% in the third quarter), while exports of services decelerated to 15.1% (27.8% in third quarter).

In the fourth quarter, Imports of Goods and Services in volume increased by 4.9% in year-on-year terms, 6.8 percentage points lower than in the previous quarter, with both components slowing down. Imports of goods registered a growth rate of 4.6% (11.5% in the third quarter) and imports of services increased by 6.3% (12.9% in the previous quarter).

Figure 21. Exports and Imports (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-year rate of change (%)					
Exports	12.2	16.3	18.8	25.2	16.3	8.1
Goods (FOB)	3.3	4.3	4.5	14.4	11.5	4.8
Services	42.0	54.7	65.9	56.8	27.8	15.1
Imports	12.2	12.9	12.8	15.2	11.7	4.9
Goods (FOB)	9.1	11.1	10.8	12.9	11.5	4.6
Services	30.9	22.7	25.4	27.8	12.9	6.3

Compared with the previous quarter, total exports increased by 0.2% in real terms (0.8% in the previous quarter), with the exports of goods declining by 2.3%, and imports of services growing by 5.5% (rates of +0.5% and +1.6% in the third quarter, respectively). Total imports registered a null quarter-on-quarter rate of change in the fourth quarter (1.6% in the third quarter), with the goods component decreasing by 0.2%, and the services component growing by 0.7% (rates of +1.7% and +1.1% in the third quarter, respectively).



Figure 22. Exports and Imports (volume)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Quarter-on-Quarter rate of change (%)					
Exports	8.5	7.9	3.7	3.1	0.8	0.2
Goods (FOB)	3.0	4.0	2.7	4.0	0.5	-2.3
Services	24.6	17.2	5.9	1.3	1.6	5.5
Imports	4.8	6.4	1.8	1.5	1.6	0.0
Goods (FOB)	3.0	6.3	3.0	0.1	1.7	-0.2
Services	14.4	7.0	-4.0	8.7	1.1	0.7

The implicit prices in international trade flows continued with high growth rates, although registering a more intense deceleration in the fourth quarter, mainly in the import deflator, leading to a loss of terms of trade significantly less intense than in the previous quarter. The deflator for Imports of Goods and Services increased by 13.0% in the fourth quarter, after a growth of 21.7% in the previous quarter, and the deflator for Exports of Goods and Services moved from a year-on-year rate of change of 17.1% in the third quarter to 12.2%.

Figure 23. Implicit deflators of exports and imports of goods (FOB) and services

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-year rate of change (%)					
Exports	9.3	10.8	12.6	17.7	17.1	12.2
Imports	11.0	14.9	18.0	22.6	21.7	13.0
Terms of Trade	-1.5	-3.6	-4.5	-4.0	-3.7	-0.7

The effect of the terms of trade contributed negatively to the external balance of goods and services in nominal terms, standing at -2.0% of GDP, although less negative than in the previous quarter (-2.9% of GDP in the third quarter of 2022 and in the fourth quarter of 2021).



Gross Value Added (GVA) at basic prices

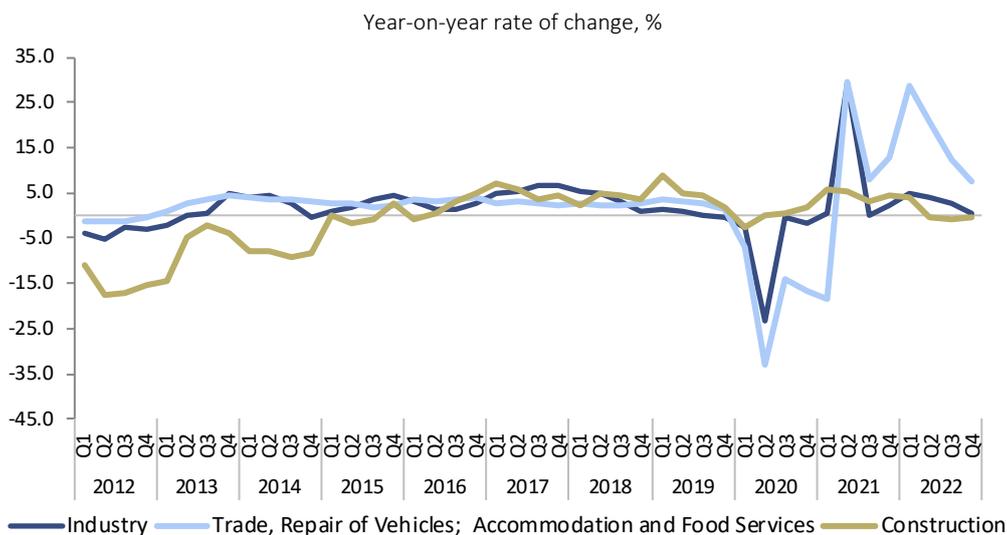
In the fourth quarter of 2022, GVA at base prices recorded a year-on-year growth of 3.1% in volume (4.6% in the previous quarter).

Figure 24. Gross Value Added, volume (reference year=2016)

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-Year rate of change (%)					
GVA at basic prices	4.3	5.3	10.0	7.1	4.6	3.1
Agriculture, Forestry and Fishing	7.2	3.7	-0.5	-3.4	-4.3	-3.3
Industry	0.1	2.4	5.1	4.0	2.5	0.4
Energy, Water Supply and Sewerage	1.6	1.3	0.0	1.2	-0.4	-0.7
Construction	3.1	4.4	3.9	-0.2	-0.6	-0.2
Trade, Repair of Vehicles; Accommodation and Food Services	7.9	12.8	28.6	20.9	12.5	7.4
Transportation and Storage; Information and Communication	10.0	13.6	14.1	10.9	11.5	6.7
Financial, Insurance and Real Estate Activities	3.1	2.2	2.4	1.6	0.2	1.5
Other Services Activities	3.7	2.9	8.9	5.4	3.5	3.2
Taxes less subsidies on products	13.3	16.5	22.8	10.8	7.6	3.2

GVA in Trade and Repair of Vehicles, and Accommodation and Food Services recorded the highest contribution (1.2 percentage points) to the year-on-year rate of change of total GVA (including Taxes less Subsidies on Products), reflecting the year-on-year growth of 7.4% (rate of 12.5% in the third quarter). GVA in Other Services Activities also stood out, with a year-on-year growth of 3.2% and a contribution of 0.8 percentage points.

Figure 25. Gross Value Added, volume (reference year=2016)



Taxes less Subsidies on Products grew by 3.2%, in real terms, in the fourth quarter of 2022 (7.6% in the previous quarter and 16.5% in the fourth quarter of 2021).



Employment

In the fourth quarter, employment (measured in number of individuals and seasonally adjusted) grew by 0.4% in year-on-year terms, for all sectors of economic activity, after an increase of 1.4% in the previous quarter. The number of employees (also seasonally adjusted) recorded a year-on-year rate of change of 2.3% in the fourth quarter (3.3% in the third quarter of 2022).

Considering employment measured by hours worked, there was an increase of 2.3% in the fourth quarter, after 0.9% growth in the third quarter.

Figure 26. Employment – Quarterly National Accounts

	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Year-on-Year rate of change (%)					
Employment						
Persons	3.4	1.8	4.3	2.0	1.4	0.4
Hours worked	1.3	-2.7	9.9	-0.8	0.9	2.3
Employees						
Persons	3.0	2.6	4.5	3.3	3.3	2.3
Hours worked	1.2	-1.3	8.1	-0.2	2.3	4.9

Compared to the third quarter, total employment (measured in number of individuals) decreased by 0.8% in the fourth quarter (rate of change of -0.2% in the previous quarter, while hours worked registered a nil quarter-on-quarter rate of change (0.8% in the previous quarter).

Figure 27. Employment – Quarterly National Accounts

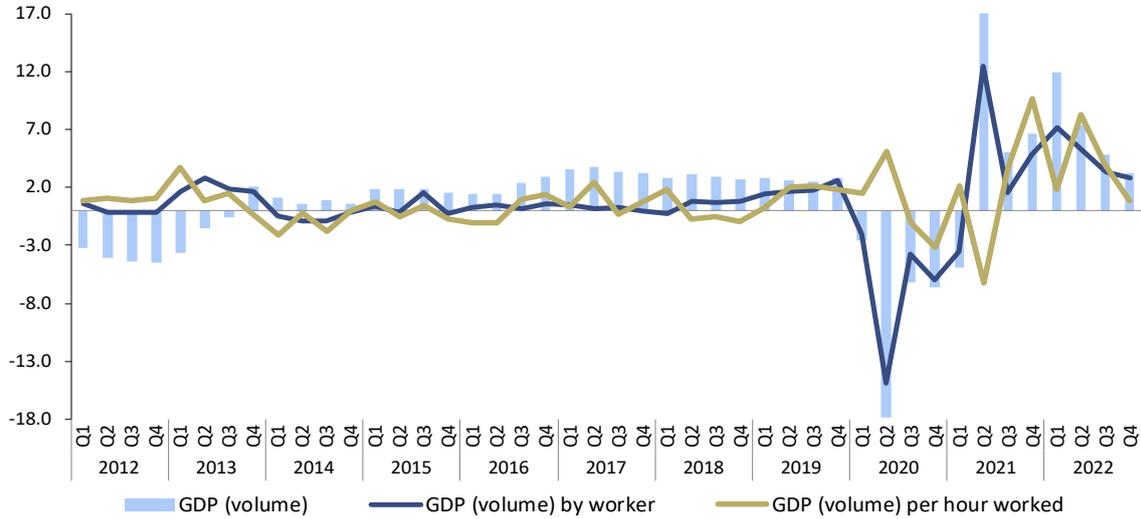
	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
	Quarter-on-Quarter rate of change (%)					
Employment						
Persons	0.5	0.1	1.4	0.1	-0.2	-0.8
Hours worked	-1.0	-1.4	3.4	-1.8	0.8	0.0
Employees						
Persons	0.4	0.8	0.8	1.1	0.4	-0.1
Hours worked	-1.3	-0.9	3.4	-1.4	1.2	1.7

In the fourth quarter, productivity measured by the ratio between GDP in volume and the number of people employed increased by 2.8% in year-on-year terms, 0.6 percentage points less than in the previous quarter. In turn, productivity measured based on the number of hours worked recorded a year-on-year rate of change of 0.9%, after an increase of 3.9% in the third quarter.



Figure 28. GDP (volume) and productivity

Year-on-year rate of change, %





METHODOLOGICAL NOTE

Revisions:

The 2021 provisional results have been revised as a result of the incorporation of previously unavailable primary information. This new information resulted into an upward revision of 0.1 percentage points in the GDP growth rate in nominal terms in 2021, to 7.1%, while in real terms the growth rate remained unchanged at 5.5%. This revision was due to the use of the updated Balance of Payments data, published on February 17th, which determined an upward revaluation of the balance of services.

Regarding 2022, the new set of information did not imply a revision of the annual growth change in volume of GDP disseminated in the Flash Estimate for the fourth quarter published by INE on January, 31. However, there were revisions in the quarterly results, with the year-on-year rates of change in volume changing from -0.1 percentage points in the first and third quarter of 2022 and +0.1 percentage points in the fourth quarter of 2022.

Additionally, the new incorporated information particularly come 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 Banco de Portugal;
- The December 2022 preliminary version of the international goods trade statistics. In what concerns, the deflators for external trade of goods for the fourth quarter of 2022, the Unit Value Quarterly Indices were used, calculated based on the statistics of the International Trade of goods related to December 2022. It should be noticed that this information was not available when the flash estimates were compiled.

Figure 29. Revisions

	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Year-on-year rate of change (%)								
QNA 4Q 2022 (60 days)	-4.9	17.0	5.0	6.6	11.9	7.4	4.8	3.2
QNA 4Q 2022 (30 days)	-4.9	17	5.0	6.6	12	7.4	4.9	3.1
Revision (p.p.)	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.1
	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Quarter-on-quarter rate of change (%)								
QNA 4Q 2022 (85 days)	-2.6	4.4	2.8	1.9	2.3	0.2	0.3	0.3
QNA 4Q 2022 (60 days)	-2.6	4.4	2.8	1.9	2.4	0.1	0.4	0.2
Revision (p.p.)	0.0	0.0	0.0	0.0	-0.1	0.1	-0.1	0.1

Methodological issues:

The information in volume presented in this press release is chain linked data, with 2016 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.

The estimates currently published may be revised in some aggregates as a result of new information, notably due to the compilation of the National Accounts by Institutional Sector. The revised estimates will be published with the release of the National Accounts by Institutional Sector for the fourth quarter 2022.

Reference date of the primary data used:

These estimates were calculated using information available until February 24, 2023.

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 fourth quarter of 2022 are scheduled for March 23, 2023.
