



29 February 2024
QUARTERLY NATIONAL ACCOUNTS (Base 2016)
Fourth Quarter 2023 and Year 2023

GDP IN VOLUME IN THE FOURTH QUARTER GREW 2.2% IN YEAR-ON-YEAR TERMS AND 0.8% WHEN COMPARED WITH THE PREVIOUS QUARTER. IN 2023 GDP GREW BY 2.3%

Gross Domestic Product (GDP), in volume, registered a year-on-year rate of change of 2.2% in the fourth quarter of 2023, after increasing 1.9% in the previous quarter. The contribution of domestic demand to the year-on-year growth rate of GDP increased slightly, from 2.0 percentage points in the third quarter of 2023, to 2.1, with an acceleration in private consumption and a slowdown in investment. The contribution of net external demand to the year-on-year growth rate of GDP turned positive (0.1 percentage points), after being negative in the previous quarter (-0.2 percentage points), with exports of goods and services in volume growing more intensely than imports. For the fourth consecutive quarter, there was a gain in terms of trade in year-on-year terms, although less significant than in the previous two quarters, as a result of the more intense decrease in the import deflator compared to the export deflator.

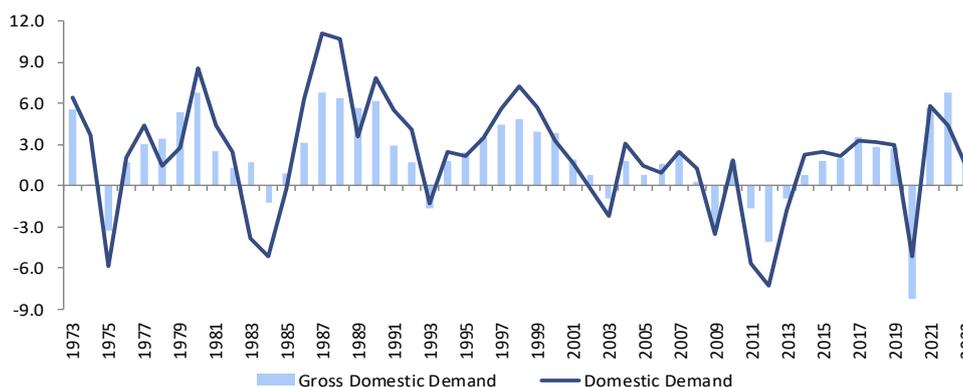
Comparing with the third quarter of 2023, GDP increased by 0.8% in volume, after decreasing by 0.2% quarter-on-quarter in the previous quarter). The contribution of domestic demand to the quarter-on-quarter variation in GDP in the fourth quarter (1.1 percentage points) was higher than that recorded in the previous quarter (0.7 percentage points), while the contribution of external demand remained negative (-0.3 percentage points), but less intense than in the third quarter (-0.9 percentage points).

In 2023, GDP grew by 2.3% in volume, after the 6.8% increase in 2022, the highest since 1987. Domestic demand presented a positive contribution to the annual growth rate of GDP, although lower than that observed in the previous year, with a slowdown in private consumption and investment. The contribution of net external demand was also positive in 2023, but less intense than in the previous year, with exports and imports of goods and services in volume slowing down significantly.

In nominal terms, GDP increased by 9.7% in 2023, reaching around 266 billion euros.

Figure 1. Gross Domestic Product and Domestic Demand

Volume (reference year =2016)
Annual rate of change, %





GDP in real terms increased by 2.3% in 2023

In 2023, GDP grew by 2.3% in real terms, after the 6.8% increase in 2022, the highest since 1987. In nominal terms, GDP increased by 9.7% in 2023 (12.2% in 2022), reaching around 266 billion euros. In a context of high inflation, the implicit GDP deflator accelerated in 2023, to a rate of change of 7.2% (5.0% in the previous year).

Table 1. Decomposition of GDP rate of change (volume)

	2019	2020	2021	2022	2023
	Annual rate of change (%)				
Domestic Demand	3.1	-5.4	5.9	4.4	1.4
Exports (FOB)	4.1	-18.6	12.3	17.4	4.2
Imports (FOB)	4.9	-11.8	12.2	11.1	2.2
GDP	2.7	-8.3	5.7	6.8	2.3
Contributions to GDP rate of change (percentage points)					
Domestic Demand	3.0	-5.3	6.1	4.5	1.4
External Demand Balance ¹	-0.3	-3.0	-0.3	2.3	0.9

¹ - External Demand Balance (Exports less Imports)

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

- 2019 to 2021:final data; 2022: provisional data; 2023: preliminary data.

Domestic demand decelerated in 2023, with a rate of change of 1.4% in real terms (4.4% in the previous year), shifting from a contribution to GDP annual rate of change of 4.5 percentage points, in 2022, to 1.4 percentage points.

Table 2. Components of domestic demand (volume)

	2019	2020	2021	2022	2023
	Annual rate of change (%)				
Domestic Demand	3.1	-5.4	5.9	4.4	1.4
Private Consumption ¹	3.3	-7.0	4.7	5.6	1.6
Public Consumption ²	2.1	0.3	4.5	1.4	1.2
Investment	3.3	-4.7	11.4	3.5	0.8

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) increased by 1.6%, in real terms, decelerating from the 5.6% growth recorded in 2022. Expenditures in services and non-durable goods shifted from a growth of 5.0% in 2022 to 1.1% and the durable goods component also decelerated, from 11.7% to 7.1% in 2023.



Table 3. Final consumption expenditure of resident households (volume)

	2019	2020	2021	2022	2023
	Year-on-year rate of change (%)				
Total	3.4	-7.1	4.8	5.6	1.6
Durable Component	0.5	-13.6	4.7	11.7	7.1
Non-Durable Component	3.7	-6.4	4.8	5.0	1.1
Of which:					
Food and beverage products	2.0	4.1	2.4	-1.4	1.2

In 2023, public consumption (Final Consumption Expenditure of General Government) decelerated in real terms, registering a rate of change of 1.2% (1.4% in the precedent year). In nominal terms, public consumption grew by 6.7% (5.4% in 2022).

Investment increased by 0.8%, in real terms, in 2023, lower than the rate of 3.5% in the previous year. Gross Fixed Capital Formation (GFCF) registered a less intense increase when compared with 2022 (from 3.0% to 2.4%), while Change in Inventories presented a contribution of -0.3 percentage points to the annual GDP rate of change (contribution of +0.1 percentage points in 2022). By GFCF components, there were decelerations in GFCF in Other Machinery and Equipment, with a growth rate of 4.2% in 2023 (5.3% in the previous year), and in GFCF in Intellectual Property Products with 1.3% (2.1% in the previous year). GFCF in Transport Equipment accelerated from a growth rate of 10.7% in 2022 to 18.7% in 2023. GFCF in Construction went from a growth of 1.2% in 2022 to a decrease of 0.4%.

Table 4. Gross Fixed Capital Formation (volume)

	2019	2020	2021	2022	2023
	Annual rate of change (%)				
Total	5.4	-2.2	8.1	3.0	2.4
Of which:					
Transport Equipment	2.5	-26.3	6.7	10.7	18.7
Other Machinery and Equipment ¹	1.6	-5.5	14.5	5.3	4.2
Construction	7.6	1.0	7.4	1.2	-0.4
Intellectual Property Products ²	6.8	6.1	3.5	2.1	1.3

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

Net external demand presented a contribution of 0.9 percentage points to GDP annual rate of change, after the contribution of 2.3 percentage points in 2022. Exports of Goods and Services growth decelerated from 17.4% to 4.2% in 2023, while Imports of Goods and Services decelerated from 11.1% in 2022 to 2.2%. Exports of goods, in volume, increased by 1.1% in 2023 (8.6% in 2022), while exports of services presented a significant deceleration, shifting from a rate of change of 40.8% in 2022 to 10.6%. The deceleration of imports of services reflects mainly the behaviour of the tourism component, which had presented in 2022 a significant growth with the recovery of the tourism activity following the COVID-19 pandemic. Imports of goods grew by 1.6% (9.8% in 2022), and imports of services by 5.4% (17.9% in 2022).



Table 5. Exports and Imports of Goods (FOB) and Services (volume)

	2019	2020	2021	2022	2023
	Annual rate of change (%)				
Exports	4.1	-18.6	12.3	17.4	4.2
Goods (FOB)	3.6	-11.6	10.6	8.6	1.1
Services	5.0	-33.6	17.2	40.8	10.6
Imports	4.9	-11.8	12.2	11.1	2.2
Goods (FOB)	4.2	-10.0	11.7	9.8	1.6
Services	8.6	-20.5	15.3	17.9	5.4

In 2023, contrary to what occurred in the two previous years, there was an intense gain in the terms of trade, with the deflator of Imports of Goods and Services registering a rate of change of -4.0% (18.8% in 2022) and the deflator of Exports of Goods and Services increasing by 0.7% (14.5% in 2022). This evolution partially reflected the less intense effect of the increases in the prices of energy goods in the deflator of imports.

Table 6. Exports and Imports of Goods (FOB) and Services (Implicit deflators)

	2019	2020	2021	2022	2023
	Annual rate of change (%)				
Exports	0.5	-2.1	7.2	14.5	0.7
Imports	-0.3	-3.5	8.3	18.8	-4.0
Terms of Trade	0.8	1.4	-1.0	-3.6	4.8

As a result of the gain in terms of trade, the implicit GDP deflator accelerated in 2023, to a rate of change of 7.2% (5.0% in the previous year). On the opposite side, in the context of inflation slowdown, the implicit deflator of domestic demand decelerated, moving from a rate of change of 7.0% in 2022 to 4.7% in 2023, reflecting slowdowns in the deflator of private consumption and investment.

In nominal terms, the external balance of Goods and Services was positive in 2023 (0.9% of GDP), after being negative in 2022 (-2.4% of GDP).

Gross Value Added (GVA) at basic prices increased by 2.5% in volume in 2023

In 2023, GVA at basic prices registered a rate of change of 2.5%, in real terms, after an increase of 6.5% in 2022.

For this evolution, the behaviour of the GVA in Trade and Repair of Vehicles; and Accommodation and Food Services stands out, increasing by 5.4% in 2023 (15.1% in 2022), which resulted in a contribution of 0.9 percentage points (2.3 percentage points in 2022) for the growth rate of total GVA (including taxes less subsidies).

In real terms, Taxes less Subsidies on Products increased by 0.8% in 2023 (9.2% in the previous year).



Table 7. Gross Value Added, volume (reference year=2016)

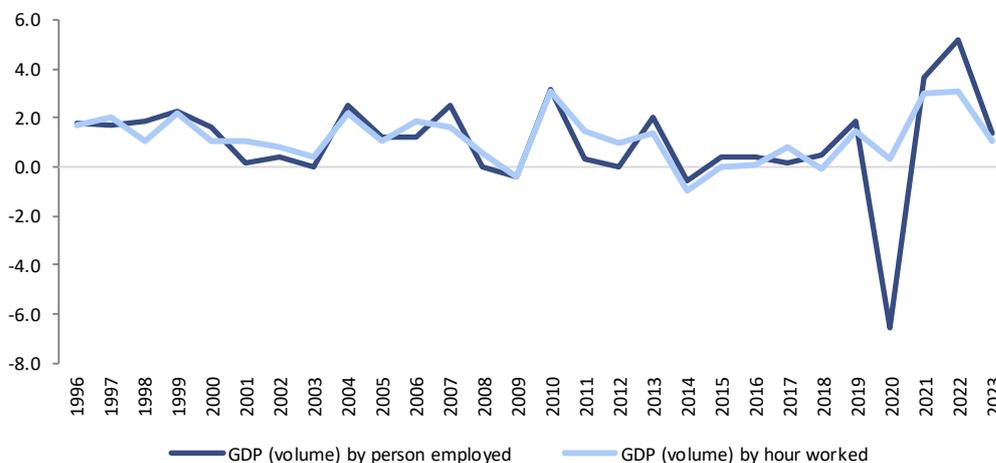
	2019	2020	2021	2022	2023
	Annual rate of change (%)				
GVA at basic prices	2.6	-7.8	5.5	6.5	2.5
Agriculture, Forestry and Fishing	3.3	-3.3	3.9	-5.3	0.2
Industry	0.5	-7.1	6.2	1.3	-2.5
Energy, Water Supply and Sewerage	0.4	-8.3	7.4	4.2	0.6
Construction	5.0	0.0	5.1	1.5	1.5
Trade, Repair of Vehicles; Accommodation and Food Services	2.7	-17.6	6.2	15.1	5.4
Transportation and Storage; Information and Communication	6.5	-12.4	10.3	15.1	4.8
Financial, Insurance and Real Estate Activities	1.4	-1.3	2.2	1.6	1.2
Other Services Activities	3.2	-5.3	5.2	6.1	3.5
Taxes less subsidies on products	3.0	-11.6	7.5	9.2	0.8

Employment increased by 0.9% in 2023

Total employment (measured in number of individuals) increased by 0.9% in 2023, after a growth of 1.5% in the precedent year. The number of employees registered a rate of change of 2.2% (2.5% increase in 2022). Considering employment measured in terms of hours worked, there was a growth of 1.2% in 2023 (3.7% in 2022).

In 2023, productivity measured by the ratio between GDP in volume and the number of people employed increased by 1.4% (5.2% in 2022), while productivity measured by the ratio between GDP in volume and the number of hours worked moved from a growth of 3.1% in 2022 to 1.1% in 2023.

Figure 2. GDP (volume) and total employment
Annual rate of change, %





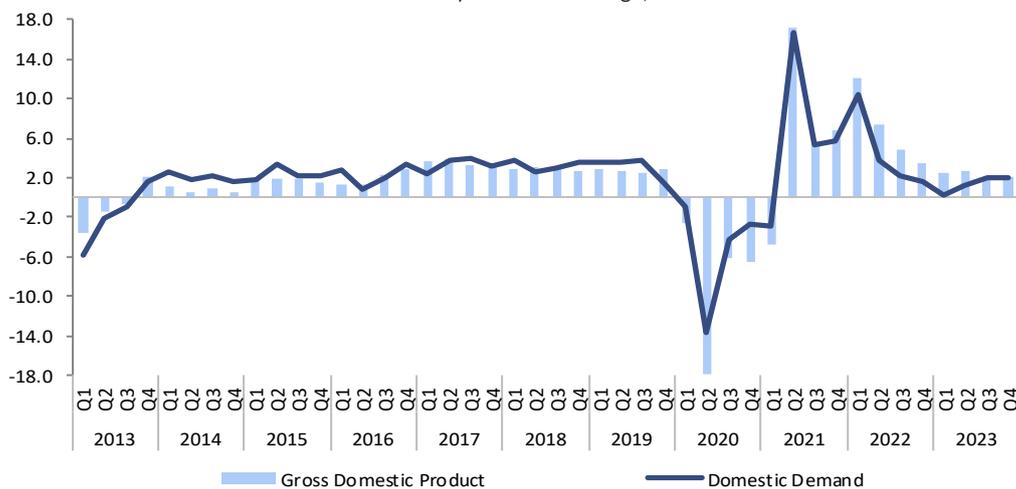
In the fourth quarter of 2023, GDP in volume increased by 2.2% in year-on-year terms and 0.8% compared with the previous quarter

Preliminary GDP estimates for the fourth quarter of 2023 point to a year-on-year GDP growth of 2.2% in volume, after increasing 1.9% in the previous quarter.

In nominal terms, GDP recorded a year-on-year increase of 7.3% in the fourth quarter (9.5% in the previous quarter), with the implicit GDP deflator decelerating to a year-on-year rate of change of 5.1% (7.5% in the third quarter of 2023).

Figure 3. Gross Domestic Product and Domestic Demand in volume (reference year =2016)

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



In the fourth quarter of 2023, the contribution of domestic demand to the year-on-year growth rate of GDP in volume increased slightly, to 2.1 percentage points (2.0 percentage points in the third quarter of 2023).

Table 8. Decomposition of GDP rate of change (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-Year rate of change (%)					
Domestic Demand	2.2	1.7	0.3	1.2	2.0	2.1
Exports (FOB)	18.5	9.7	10.3	4.0	-0.4	3.3
Imports (FOB)	11.6	5.6	5.0	0.9	-0.1	3.1
GDP	4.8	3.4	2.5	2.6	1.9	2.2
Contributions to GDP year-on-year rate of change (percentage points)						
Domestic Demand	2.3	1.7	0.4	1.2	2.0	2.1
External Demand Balance ¹	2.5	1.7	2.2	1.4	-0.2	0.1

¹ - External Demand Balance (Exports less Imports)

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



By components of domestic demand, in volume, there was an acceleration in private consumption (includes Non-Profit Institutions Serving Households), to a year-on-year growth rate of 1.8% in the fourth quarter (1.1% in the previous quarter), a deceleration of public consumption (Public Administration Final Consumption Expenditure) growth rate to 1.8% (2.0% in the preceding quarter) and an increase of Investment of 3.3% (rate of change of 5.5% in the third quarter).

Table 9. Components of domestic demand

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-Year rate of change (%)					
Domestic Demand	2.2	1.7	0.3	1.2	2.0	2.1
Private Consumption ¹	3.4	2.3	1.9	1.8	1.1	1.8
Public Consumption ²	-0.6	1.3	0.1	1.1	2.0	1.8
Investment	0.8	-0.1	-4.4	-0.9	5.5	3.3

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In the fourth quarter of 2023, the contribution of net external demand to the GDP year-on-year growth rate, in volume, turned positive (0.1 percentage points, after -0.2 percentage points in the previous quarter), with Exports of Goods and Services growing by 3.3% (-0.4% in the third quarter) and Imports of Goods and Services by 3.1% (-0.1% in the previous quarter).

Compared to the previous quarter, GDP increased by 0.8%, after a quarter-on-quarter decrease of 0.2% in the third quarter. The contribution of domestic demand went from 0.7 percentage points to 1.1 percentage points in the fourth quarter, with a growth in private consumption, contrary to what observed in the second and third quarters, and a slowdown in investment. The contribution of net external demand to the GDP quarter-on-quarter rate of change was -0.3 percentage points, after being more negative in the third quarter (-0.9 percentage points).

Table 10. Decomposition of GDP rate of change (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Quarter-on-quarter rate of change (%)					
Domestic Demand	-0.2	1.0	0.8	-0.5	0.7	1.1
Exports (FOB)	2.8	-0.2	2.3	-1.0	-1.5	3.6
Imports (FOB)	1.4	1.0	0.9	-2.3	0.4	4.2
GDP	0.5	0.5	1.5	0.1	-0.2	0.8
Contributions to GDP quarter-on-quarter rate of change (percentage points)						
Domestic Demand	-0.2	1.0	0.8	-0.5	0.7	1.1
External Demand Balance ¹	0.7	-0.5	0.6	0.6	-0.9	-0.3

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

Final consumption expenditure by Resident Households, in volume, grew by 1.7% in year-on-year terms in the fourth quarter, after increasing 1.0% in the previous quarter, with accelerations in both the durable goods

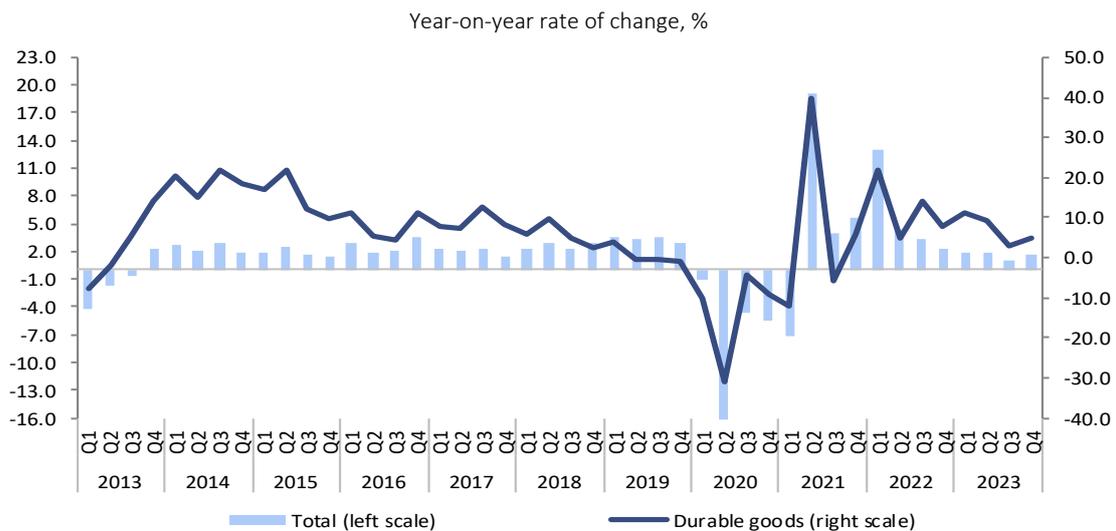


component (from 3.1%, in the third quarter, to 5.1%) and the non-durable goods and services component (from 0.8% to 1.4% in the fourth quarter).

Table 11. Final consumption expenditure of resident households (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-year rate of change (%)					
Total	3.4	2.3	1.9	1.8	1.0	1.7
Durable Component	14.3	7.7	11.0	9.2	3.1	5.1
Non-Durable Component	2.4	1.8	1.0	1.1	0.8	1.4
Of which:						
Food and beverage products	-0.9	-2.3	0.5	1.6	1.7	1.0

Figure 4. Final consumption expenditure of resident households, volume (reference year=2016)



Compared to the third quarter, final consumption expenditure by Resident Households increased by 0.9% (quarter-on-quarter rate of change of -0.5% in the previous quarter), with the non-durable goods and services component growing by 0.8% (-0.1% in the previous quarter) and the durable goods component by 1.3% (-3.8% in the third quarter).



Table 12. Final consumption expenditure of resident households (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Quarter-on-Quarter rate of change (%)					
Total	0.3	0.2	2.0	-0.6	-0.5	0.9
Durable Component	2.0	-0.6	6.9	0.9	-3.8	1.3
Non-Durable Component	0.1	0.3	1.4	-0.8	-0.1	0.8
Of which:						
Food and beverage products	0.5	-1.8	1.9	1.0	0.6	-2.4

Investment

In the fourth quarter, Investment in volume increased by 3.3% in year-on-year terms, after an increase of 5.5% in the previous quarter. Gross Fixed Capital Formation (GFCF) decelerated to a growth rate of 3.4% (3.8% in the third quarter), while the contribution of the Change in Inventories to the year-on-year rate of change of GDP was null in the fourth quarter (0.3 percentage points in the previous quarter).

Table 13. Gross Fixed Capital Formation (volume)

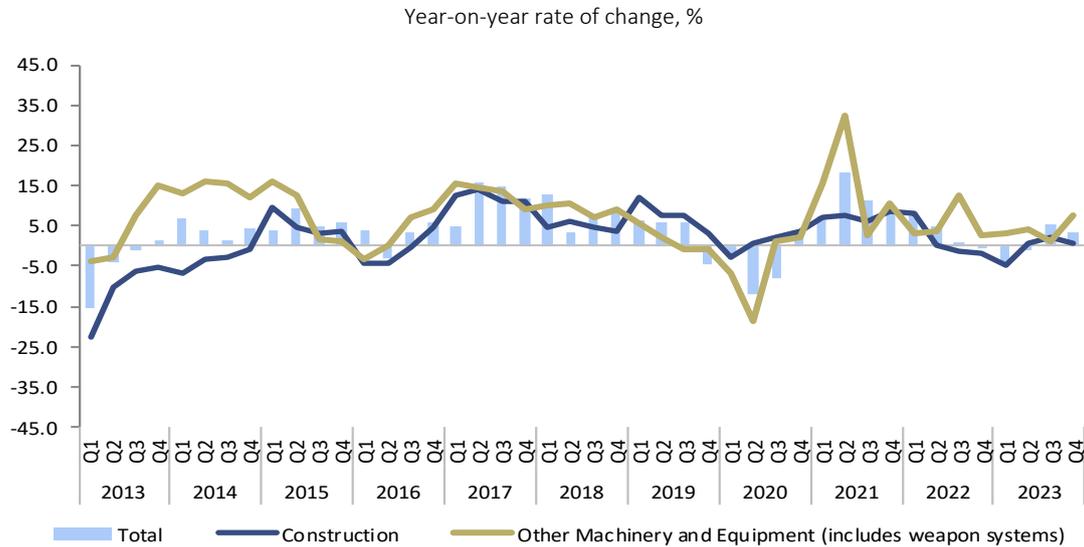
	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-year rate of change (%)					
Total	2.7	1.5	0.2	2.4	3.8	3.4
Of which:						
Transport Equipment	5.3	10.0	18.4	10.7	25.9	19.3
Other Machinery and Equipment ¹	12.8	2.6	3.3	4.3	1.1	7.8
Construction	-1.5	-1.8	-4.6	0.6	2.3	0.5
Intellectual Property Products ²	0.5	6.5	2.1	1.6	3.1	-1.3

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

GFCF in Transport Equipment slowed down from 25.9%, in the third quarter, to a year-on-year growth rate of 19.3%, while GFCF in Construction grew by 0.5% in the fourth quarter when compared to the same period of last year (2.3% in the previous quarter). In turn, GFCF in Other Machinery and Equipment recorded a year-on-year increase of 7.8% (1.1% in the third quarter). On the other hand, GFCF in Intellectual Property Products recorded a year-on-year decrease of 1.3% in the fourth quarter (+3.1% in the preceding quarter).



Figure 5. Investment, volume (reference year=2016)



Comparing with the third quarter of 2023, total investment, in volume, increased by 2.1% (4.2% in the previous quarter), with a growth of 2.9% in total GFCF (1.1% in the third quarter) and a contribution of -0.2 percentage points of Changes in Inventories to the GDP quarter-on-quarter rate of change (contribution of 0.6 percentage points in the preceding quarter).

Table 14. Gross Fixed Capital Formation (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Quarter-on-Quarter rate of change (%)					
Total	-0.2	3.3	0.5	-1.1	1.1	2.9
Of which:						
Transport Equipment	3.1	6.0	18.9	-14.8	17.4	0.4
Other Machinery and Equipment ¹	1.3	2.0	-0.5	1.4	-1.8	8.8
Construction	-1.4	3.0	-0.8	-0.1	0.2	1.2
Intellectual Property Products ²	-0.3	5.0	-2.3	-0.7	1.1	0.5

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

Exports and Imports

Exports of Goods and Services, in volume, registered a year-on-year rate of change of 3.3% in the fourth quarter (-0.4% in the previous quarter). Exports of goods increased by 1.8% in year-on-year terms, after a decrease of 3.0% in the previous quarter, while exports of services accelerated to a rate of change of 6.2% in the fourth quarter (4.8% in the third quarter).



In the fourth quarter, Imports of Goods and Services in volume increased by 3.1% in year-on-year terms (-0.1% in the previous quarter), with the goods component increasing by 2.3% (-0.4% in the preceding quarter) and the services component accelerating to 6.9% (1.5% in the third quarter).

Table 15. Exports and Imports (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-year rate of change (%)					
Exports	18.5	9.7	10.3	4.0	-0.4	3.3
Goods (FOB)	12.0	4.8	5.5	0.2	-3.0	1.8
Services	34.4	20.5	20.9	11.9	4.8	6.2
Imports	11.6	5.6	5.0	0.9	-0.1	3.1
Goods (FOB)	11.3	5.0	3.8	0.7	-0.4	2.3
Services	13.2	8.2	11.7	2.2	1.5	6.9

Compared to the previous quarter, total exports, in volume, registered a 3,6% growth rate, after decreasing 1,5% in the previous quarter, with the goods component increasing by 2.7% and the services by 5.1% (-1.3% and -1.9% in the third quarter, respectively). Total imports registered a quarter-on-quarter growth of 4.2% in the fourth quarter (0.4% in the previous quarter), with the goods component increasing by 3.5%, and the services component by 7.6% (0.3% and 0.9% in the preceding quarter, respectively).

Table 16. Exports and Imports (volume)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Quarter-on-Quarter rate of change (%)					
Exports	2.8	-0.2	2.3	-1.0	-1.5	3.6
Goods (FOB)	1.9	-2.1	2.2	-1.8	-1.3	2.7
Services	4.8	3.8	2.4	0.6	-1.9	5.1
Imports	1.4	1.0	0.9	-2.3	0.4	4.2
Goods (FOB)	1.3	0.8	1.6	-3.0	0.3	3.5
Services	1.5	2.1	-2.8	1.4	0.9	7.6

In the third and fourth quarters, the exports deflator registered a negative year-on-year rate of change (-2.7% and -1.5%, respectively), after positive rates of change since the first quarter of 2021. However, a gain in terms of trade continued to be observed in the fourth quarter 2023, although lower than that observed in the previous quarters, reflecting the more intense reductions of the imports deflator, which moved from a rate of change of -8.1% in the third quarter to a rate of -5.5%.



Table 17. Implicit deflators of exports and imports of goods (FOB) and services

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-year rate of change (%)					
Exports	15.8	11.7	7.1	0.4	-2.7	-1.5
Imports	21.5	13.0	3.7	-5.2	-8.1	-5.5
Terms of Trade	-4.8	-1.1	3.2	5.9	5.9	4.2

In nominal terms, the External Balance of Goods and Services remained positive, as observed in the previous three quarters, standing at 0.4% of GDP, the same rate recorded in the third quarter.

Gross Value Added (GVA) at basic prices

In the fourth quarter of 2023, GVA at base prices recorded a year-on-year growth of 2.3% in volume (1.7% in the previous quarter).

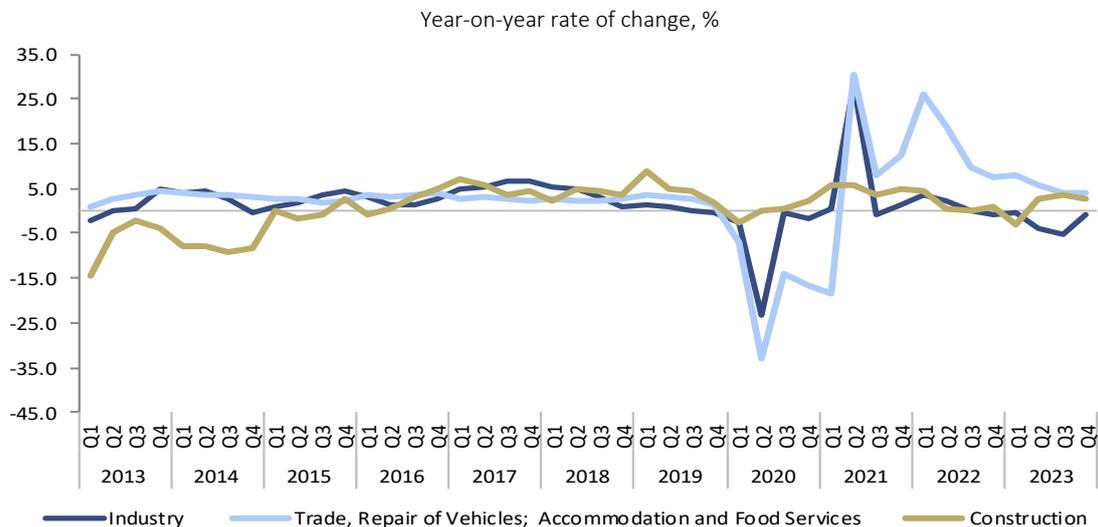
Table 18. Gross Value Added, volume (reference year=2016)

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-Year rate of change (%)					
GVA at basic prices	4.6	3.8	3.2	2.7	1.7	2.3
Agriculture, Forestry and Fishing	-6.8	-7.2	-3.2	-0.7	1.5	3.3
Industry	0.0	-0.7	-0.4	-3.7	-5.1	-0.7
Energy, Water Supply and Sewerage	4.0	0.2	0.8	-1.3	-0.7	3.4
Construction	0.0	1.0	-2.8	2.6	3.5	2.8
Trade, Repair of Vehicles; Accommodation and Food Services	9.8	7.6	7.8	5.8	3.9	4.1
Transportation and Storage; Information and Communication	16.3	11.3	9.0	7.9	2.8	0.1
Financial, Insurance and Real Estate Activities	0.6	1.4	0.7	1.1	1.5	1.5
Other Services Activities	4.3	4.5	3.5	3.7	3.3	3.5
Taxes less subsidies on products	7.0	-2.3	-0.6	-0.5	4.0	0.5

GVA in Trade and Repair of Vehicles, and Accommodation and Food Services recorded a year-on-year growth of 4.1% in volume (3.9% in the previous quarter), maintaining a contribution of 0.7 percentage points to the year-on-year growth rate of total GVA (including taxes net of subsidies). In the same direction, the GVA of the Other Service Activities accelerated to a year-on-year growth of 3.5% (3.3% in the third quarter), which corresponded to a contribution of 0.9 percentage points, same as in the previous quarter. In turn, GVA of Industry recorded a year-on-year decrease of 0.7%, less intense than that observed in the third quarter (-5.1%), with the contribution shifting from -0.6 percentage points to -0.1 in the fourth quarter.



Figure 6. Gross Value Added, volume (reference year=2016)



Taxes less Subsidies on Products grew by 0.5% in volume when compared to the same period last year, after an increase of 4.0% in the previous quarter.

Employment

In the fourth quarter, total employment (measured in number of persons and seasonally adjusted) for all sectors of economic activity increased by 1.2% year-on-year (1.0% in the previous quarter). The number of employees (also seasonally adjusted) registered a year-on-year growth of 2.2%, after the 2.3% increase observed in the third quarter.

Considering employment measured in terms of hours worked, there was a year-on-year reduction of 0.9% in the fourth quarter (rate of 1.5% in the previous quarter).

Table 19. Employment – Quarterly National Accounts

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Year-on-Year rate of change (%)					
Employment						
Persons	0.8	0.2	0.1	1.2	1.0	1.2
Hours worked	1.4	3.9	1.5	2.7	1.5	-0.9
Employees						
Persons	2.3	1.7	1.6	2.8	2.3	2.2
Hours worked	3.2	6.0	2.8	3.8	2.4	0.2

Compared to the third quarter, total employment (measured in number of persons) decreased by 0.1% in the fourth quarter (+0.1% in the previous quarter) and hours worked decreased by 1.5% (growth of 0.3% in the third quarter).



Table 20. Employment – Quarterly National Accounts

	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
	Quarter-on-Quarter rate of change (%)					
Employment						
Persons	0.3	-0.3	0.6	0.6	0.1	-0.1
Hours worked	1.5	0.9	1.0	-0.7	0.3	-1.5
Employees						
Persons	0.8	0.3	0.7	1.1	0.2	0.2
Hours worked	1.9	1.1	1.1	-0.4	0.6	-1.1

In the fourth quarter, productivity measured by the ratio between GDP in volume and the number of people employed increased by 0.9% year-on-year, same rate as in the previous quarter. In turn, productivity measured based on the number of hours worked registered a year-on-year growth of 3.1%, after an increase of 0.4% in the third quarter.



METHODOLOGICAL NOTE

Revisions:

Regarding Flash estimates and QNA for the previous quarter, current QNA incorporate new information, causing revisions in some aggregates for the most recent quarters. In particular, the information coming 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 the Bank of Portugal, with changes in imports and exports of services;
- The December 2023 preliminary version of the international goods trade statistics. In what concerns, the deflators for external trade of goods for the fourth quarter of 2023, the Unit Value Quarterly Indices were used, calculated based on the statistics of the International Trade of goods related to December 2023. It should be noticed that this information was not available when the flash estimates were compiled.

Comparing with the flash estimate previously for the fourth quarter released by Statistics Portugal on January 30, the incorporation of the new data mentioned above did not imply any revision in the GDP rates of change.

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 2023.

Reference date of the primary data used:

These estimates were calculated using information available until February 27, 2024.

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 2023 are scheduled for March 25, 2024.
