

## Quarterly National Accounts (Base 2000)

### 3<sup>rd</sup> Quarter 2007

#### GROSS DOMESTIC PRODUCT UP BY 1.8% IN THE 3<sup>RD</sup> QUARTER 2007

In the 3<sup>rd</sup> quarter 2007, Gross Domestic Product grew 1.8% in real terms compared to the same period of the previous year, decelerating from the precedent quarter (1.9%). This deceleration was associated to a lower contribution to GDP growth of net external demand, which stood at -0.1 percentage points (p.p.) in the 3<sup>rd</sup> quarter (0.8 p.p. in the previous quarter). On the contrary, domestic demand presented a higher contribution to GDP growth (1.0 p.p. and 1.9 p.p. in the second and third quarters, respectively), boosted by Investment. Compared to the 2<sup>nd</sup> quarter 2007, the rate of change on Portuguese GDP was 0.0% in volume.

#### GDP up by 1.8% in the 3<sup>rd</sup> quarter 2007

Portuguese GDP grew, in real terms, 1.8% year on year in the third quarter 2007, decelerating from the previous period (1.9%).

Compared to the 2<sup>nd</sup> quarter 2007, the quarterly change rate was 0.0% in volume.

#### GDP, volume (2000=100)

Growth Rate, %

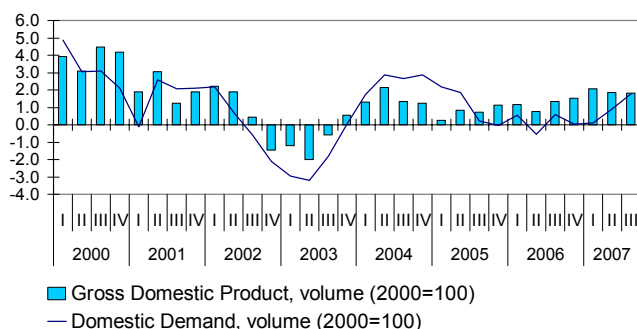
	Year on Year Quarterly Growth Rate				
	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
<b>QNA 3Q 2007</b>	1.3	1.5	2.1	1.9	1.8
<b>Flash 3Q 2007</b>	1.4	1.6	2.1	1.9	1.8

	Quarter on Quarter Growth Rate				
	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
<b>QNA 3Q 2007</b>	0.0	0.5	0.7	0.6	0.0
<b>Flash 3Q 2007</b>	0.1	0.4	0.7	0.6	0.0

Flash - Flash Estimate (45 days); QNA - Quarterly National Accounts (70 days)

#### Gross Domestic Product

Year on Year Growth Rate, %



Comparing with the flash estimate for the 3<sup>rd</sup> quarter 2007 previously released, both the year on year and quarter on quarter growth rates on Portuguese GDP remained unchanged.

#### Higher contribution of domestic demand

Domestic demand was up by 1.8% in the 3<sup>rd</sup> quarter 2007 compared to the same period of the previous year (0.9% in the second quarter).

Investment was the GDP component that presented the larger contribution for the domestic demand

acceleration, attaining a year on year growth rate of 4.2% in volume in the 3<sup>rd</sup> quarter 2007, which compares to 0.4% in the previous quarter. This acceleration of investment was mainly determined by the high growth of investment in transport material.

Final Consumption Expenditures of Resident Households (including Non Profit Institutions Serving Households – NPISH) grew 1.3% in the 3<sup>rd</sup> quarter 2007 (year on year), 0.1 p.p. below the previous quarter.

### Decomposition of GDP Growth (volume)

Growth Rate, %

	Year on Year Quarterly Growth Rate				
	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
<b>Domestic Demand</b>	0.6	0.0	0.1	0.9	1.8
<b>Exports</b>	9.2	10.0	9.3	7.4	5.2
<b>Imports</b>	5.5	4.3	2.8	4.0	4.5
<b>GDP</b>	<b>1.3</b>	<b>1.5</b>	<b>2.1</b>	<b>1.9</b>	<b>1.8</b>

	Contributes to GDP Growth				
	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
<b>Domestic Demand</b>	0.6	0.0	0.1	1.0	1.9
<b>Ext. Dem. Balance<sup>1</sup></b>	0.7	1.4	1.9	0.8	-0.1
<b>GDP</b>	<b>1.3</b>	<b>1.5</b>	<b>2.1</b>	<b>1.9</b>	<b>1.8</b>

<sup>1</sup> - External Demand Balance (Exports less Imports)

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

The contribution of net external demand to GDP year on year growth rate diminished to -0.1 p.p. in the 3<sup>rd</sup> quarter 2007 (0.8 p.p. in the previous quarter). Exports of Goods and Services were up by 5.2%, decelerating from the previous quarter (7.4%). Conversely, Imports of Goods and Services accelerated, revealing a year on year growth rate of 4.5% in the 3<sup>rd</sup> quarter 2007 (4.0% in the second quarter).

**Methodological notes:**

Quarterly National Accounts and Preliminary Annual Accounts published herein incorporate the annual backward calculated data for the complete sequence of accounts published in October, which lead to revisions in some GDP aggregates for the years 1995 to 1998.

In addition, Quarterly National Accounts incorporate new information, leading to revisions in some aggregates, namely:

- The latest version for the short-term indices (retail trade sales, industry turnover, industrial production, prices in industrial production and services turnover);
- The latest version for the Balance of Payments (January-September 2007) and the Monetary and Financial Statistics from Banco de Portugal;
- Information from Quarterly Business Survey, namely on the GVA estimates for some branches of activity and also on changes in inventories;
- The revision of external trade deflators (goods) for the 2<sup>nd</sup> quarter 2007, due to the integration of complete information for the 3 months of the quarter (note that in the first run of Quarterly National Accounts for that quarter, those deflators only included information for the first two months of the quarter).

In this Quarterly National Accounts first (regular) estimate for the 3<sup>rd</sup> quarter 2007, the data used for external trade of goods was the January to September 2007 version. The deflators for external trade of goods were calculated using data for July and August.

The latest data from Excessive Deficit Procedure (EDP) notification (September 2007) until 2006 was used for Final Consumption Expenditures of General Government. For the year 2007 was used the data from the General Government Budget for 2008, under the responsibility of Directorate-General for Budget. This data revealed an upward revision in the level of final consumption expenditures (and consequently, in the level of GDP) for the years 2005 and 2006 (particularly 2005) and also for the quarters of 2007 already published. In terms of annual growth rates, there was an upward revision in 2005 and a downward revision in 2006, both in Final Consumption Expenditures of General Government and GDP.

GDP quarterly aggregates for demand and production approaches are estimated using seasonally adjusted quarterly indicators. The seasonal adjustment procedure used is indirect, i.e. seasonally adjusted GDP is the sum of its seasonally adjusted components. This procedure is based in probabilistic models estimated with the software X-12 Arima. Consequently, the estimated values are subject to changes as new observations become available.

Capital Transfers Received from the Rest of the World is an exception to the usual seasonal adjustment procedure. Given its high volatility, this series is not seasonally adjusted.

These estimates are calculated using information available until 4<sup>th</sup> December 2007.

QUARTERLY NATIONAL ACCOUNTS (Base 2000)  
DEMAND SIDE (GDP mp) - Current Prices

Unit: 10<sup>6</sup> Euros

YEARS	QUARTERS	FINAL CONS. EXPEND.		GROSS CAPITAL FORMATION	DOMESTIC DEMAND	EXPORTS (FOB) <sup>(1)</sup>	IMPORTS (FOB) <sup>(2)</sup>	GDP
		RES. HOUS. AND NPISH	GENERAL GOVERN.					
2001	I	20 175.7	6 190.7	8 399.9	34 766.3	9 420.9	12 683.6	31 503.6
	II	20 449.5	6 308.8	8 715.3	35 473.6	9 438.0	12 785.3	32 126.3
	III	20 540.8	6 409.2	9 028.2	35 978.2	9 116.1	12 595.0	32 499.3
	IV	20 633.8	6 527.0	8 887.9	36 048.7	9 385.4	12 255.0	33 179.1
2002	I	21 040.8	6 645.0	8 653.4	36 339.2	9 216.1	12 243.1	33 312.2
	II	21 269.9	6 750.7	8 706.8	36 727.4	9 586.1	12 351.9	33 961.6
	III	21 589.7	6 840.4	8 517.5	36 947.6	9 555.5	12 404.5	34 098.6
	IV	21 484.6	6 907.5	8 282.8	36 674.9	9 521.7	12 135.3	34 061.3
2003	I	21 639.5	6 956.6	7 911.5	36 507.6	9 763.4	12 138.1	34 132.9
	II	21 769.5	6 997.0	7 806.6	36 573.1	9 519.8	11 556.9	34 536.0
	III	22 092.6	7 051.0	7 968.6	37 112.2	9 728.4	12 095.2	34 745.4
	IV	22 320.1	7 124.3	8 028.5	37 472.9	9 778.2	12 083.7	35 167.4
2004	I	22 576.6	7 215.7	8 082.2	37 874.5	10 061.8	12 537.4	35 398.9
	II	22 933.9	7 346.9	8 261.3	38 542.1	10 415.3	12 951.5	36 005.9
	III	23 303.0	7 499.7	8 448.9	39 251.6	10 186.0	13 257.4	36 180.2
	IV	23 509.6	7 684.4	8 526.4	39 720.4	10 289.6	13 467.0	36 543.0
2005	I	23 749.9	7 856.8	8 225.5	39 832.2	10 203.0	13 509.1	36 526.1
	II	24 203.1	7 989.2	8 202.4	40 394.7	10 517.3	13 678.6	37 233.4
	III	24 208.5	8 056.0	8 379.6	40 644.1	10 770.0	14 015.5	37 398.6
	IV	24 509.5	8 074.1	8 458.8	41 042.4	10 936.7	14 126.9	37 852.2
2006	I	24 806.7	8 048.7	8 715.2	41 570.6	11 499.8	15 170.1	37 900.3
	II	25 198.0	8 031.0	8 399.1	41 628.1	11 927.9	14 891.4	38 664.6
	III	25 420.1	8 028.9	8 561.4	42 010.4	12 329.6	15 352.5	38 987.5
	IV	25 536.6	8 073.7	8 512.7	42 123.0	12 480.4	14 988.5	39 614.9
2007	I	25 815.6	8 145.6	8 579.0	42 540.2	13 029.9	15 548.0	40 022.1
	II	26 263.0	8 260.1	8 481.1	43 004.2	13 186.9	15 622.8	40 568.3
	III	26 378.1	8 373.6	9 047.0	43 798.7	13 251.8	16 326.0	40 724.5

QUARTERLY NATIONAL ACCOUNTS (Base 2000)  
DEMAND SIDE (GDP mp) - Chain Linked Volume Data (Referece Year=2000)

Unit: 10<sup>6</sup> Euros

YEARS	QUARTERS	FINAL CONS. EXPEND.		GROSS CAPITAL FORMATION	DOMESTIC DEMAND	EXPORTS (FOB) <sup>(1)</sup>	IMPORTS (FOB) <sup>(2)</sup>	GDP <sup>(3)</sup>
		RES. HOUS. AND NPISH	GENERAL GOVERN.					
2001	I	19 676.6	6 027.6	8 260.4	33 964.6	9 347.0	12 469.2	30 842.4
	II	19 829.5	6 076.1	8 580.5	34 486.1	9 236.2	12 571.8	31 150.5
	III	19 799.6	6 128.6	8 800.3	34 728.5	9 093.0	12 571.6	31 249.9
	IV	19 830.8	6 181.5	8 640.4	34 652.7	9 372.0	12 532.1	31 492.6
2002	I	20 059.9	6 229.6	8 414.1	34 703.6	9 249.7	12 435.2	31 526.7
	II	20 081.8	6 263.8	8 396.6	34 742.2	9 495.9	12 509.2	31 734.6
	III	20 139.8	6 281.0	8 107.9	34 528.7	9 426.1	12 566.3	31 384.4
	IV	19 901.0	6 282.3	7 735.6	33 918.9	9 421.6	12 284.7	31 036.6
2003	I	19 906.9	6 275.6	7 496.9	33 679.4	9 741.9	12 232.6	31 153.8
	II	19 923.2	6 265.3	7 438.0	33 626.5	9 561.6	12 040.1	31 104.9
	III	20 096.6	6 269.9	7 539.3	33 905.8	9 858.0	12 522.6	31 201.0
	IV	20 189.1	6 292.5	7 460.6	33 942.2	9 889.6	12 594.5	31 210.6
2004	I	20 314.1	6 333.7	7 620.8	34 268.6	10 177.8	12 876.5	31 563.3
	II	20 470.9	6 394.5	7 723.6	34 589.0	10 317.8	13 140.9	31 777.4
	III	20 628.2	6 468.9	7 703.5	34 800.6	10 063.7	13 263.0	31 624.2
	IV	20 741.0	6 548.9	7 633.3	34 923.2	10 056.8	13 410.7	31 594.8
2005	I	20 909.2	6 621.7	7 490.8	35 021.7	10 027.2	13 427.3	31 643.1
	II	21 148.5	6 668.6	7 409.0	35 226.1	10 332.1	13 534.8	32 038.5
	III	20 878.5	6 683.4	7 309.1	34 871.0	10 354.3	13 375.8	31 859.4
	IV	21 014.3	6 664.1	7 226.1	34 904.5	10 405.6	13 368.2	31 949.4
2006	I	21 128.5	6 625.8	7 457.0	35 211.3	10 890.8	14 096.9	32 013.8
	II	21 214.7	6 587.3	7 226.6	35 028.6	11 133.0	13 889.8	32 283.2
	III	21 232.2	6 558.4	7 279.1	35 069.7	11 306.5	14 105.8	32 285.6
	IV	21 269.9	6 549.9	7 099.9	34 919.7	11 444.1	13 949.6	32 433.5
2007	I	21 379.7	6 558.2	7 305.9	35 243.8	11 902.5	14 493.7	32 672.1
	II	21 517.7	6 578.6	7 255.8	35 352.1	11 957.3	14 445.2	32 883.7
	III	21 501.3	6 605.3	7 588.3	35 694.9	11 899.6	14 739.8	32 874.4

**DEMAND SIDE (GDP mp) - Chain Linked Volume Data (Referece Year=2000)  
YEAR ON YEAR GROWTH RATES**

Unit: %

YEARS	QUARTERS	FINAL CONS. EXPEND.		GROSS CAPITAL FORMATION	DOMESTIC DEMAND	EXPORTS (FOB) <sup>(1)</sup>	IMPORTS (FOB) <sup>(2)</sup>	GDP <sup>(3)</sup>
		RES. HOUS. AND NPISH	GENERAL GOVERN.					
2002	I	1.9	3.4	1.9	2.2	-1.0	-0.3	2.2
	II	1.3	3.1	-2.1	0.7	2.8	-0.5	1.9
	III	1.7	2.5	-7.9	-0.6	3.7	0.0	0.4
	IV	0.4	1.6	-10.5	-2.1	0.5	-2.0	-1.4
2003	I	-0.8	0.7	-10.9	-3.0	5.3	-1.6	-1.2
	II	-0.8	0.0	-11.4	-3.2	0.7	-3.8	-2.0
	III	-0.2	-0.2	-7.0	-1.8	4.6	-0.3	-0.6
	IV	1.4	0.2	-3.6	0.1	5.0	2.5	0.6
2004	I	2.0	0.9	1.7	1.7	4.5	5.3	1.3
	II	2.7	2.1	3.8	2.9	7.9	9.1	2.2
	III	2.6	3.2	2.2	2.6	2.1	5.9	1.4
	IV	2.7	4.1	2.3	2.9	1.7	6.5	1.2
2005	I	2.9	4.5	-1.7	2.2	-1.5	4.3	0.3
	II	3.3	4.3	-4.1	1.8	0.1	3.0	0.8
	III	1.2	3.3	-5.1	0.2	2.9	0.9	0.7
	IV	1.3	1.8	-5.3	-0.1	3.5	-0.3	1.1
2006	I	1.0	0.1	-0.5	0.5	8.6	5.0	1.2
	II	0.3	-1.2	-2.5	-0.6	7.8	2.6	0.8
	III	1.7	-1.9	-0.4	0.6	9.2	5.5	1.3
	IV	1.2	-1.7	-1.7	0.0	10.0	4.3	1.5
2007	I	1.2	-1.0	-2.0	0.1	9.3	2.8	2.1
	II	1.4	-0.1	0.4	0.9	7.4	4.0	1.9
	III	1.3	0.7	4.2	1.8	5.2	4.5	1.8

Notes: - Seasonally adjusted data.

- (1) - Includes final consumption expenditures of non-resident households, in the economic territory.
- (2) - Includes final consumption expenditures of resident households, outside the economic territory.
- (3) - Includes discrepancies of non-additivity of chain linking.

QUARTERLY NATIONAL ACCOUNTS (Base 2000)  
PRODUCTION SIDE (VAB) - Current Prices

Unit: 10<sup>6</sup> Euros

YEARS	QUARTERS	AGRIC., FOREST., FISHING	INDUSTRY AND ELECTRICITY	CONSTRUCTION	SERVICES	GVA + TAXES
2001	I	1 016.3	5 398.0	2 076.1	19 072.4	31 570.4
	II	1 017.9	5 434.9	2 146.0	19 382.8	32 139.1
	III	1 014.6	5 546.2	2 250.0	19 603.1	32 581.1
	IV	1 007.4	5 640.4	2 273.8	19 937.0	33 017.7
2002	I	994.1	5 578.7	2 310.9	20 212.7	33 328.5
	II	981.6	5 632.3	2 295.6	20 415.6	33 817.5
	III	969.5	5 714.9	2 217.2	20 806.6	34 226.3
	IV	963.8	5 675.3	2 119.8	20 862.2	34 061.5
2003	I	964.9	5 650.1	2 188.8	21 060.9	34 161.3
	II	969.5	5 539.6	2 123.4	21 199.3	34 255.3
	III	981.1	5 705.6	2 120.0	21 441.5	34 815.1
	IV	994.1	5 711.3	2 067.5	21 747.6	35 350.3
2004	I	1 007.6	5 751.8	2 198.4	21 926.0	35 372.5
	II	1 008.5	5 694.5	2 236.3	22 265.9	35 848.6
	III	993.8	5 773.3	2 252.8	22 457.7	36 197.2
	IV	960.7	5 733.9	2 173.7	22 875.2	36 709.8
2005	I	909.5	5 708.2	2 236.8	22 976.8	36 537.7
	II	880.1	5 779.2	2 240.8	23 255.7	37 199.0
	III	875.2	5 816.7	2 196.3	23 455.4	37 540.1
	IV	893.3	5 822.4	2 175.0	23 664.6	38 057.1
2006	I	936.4	5 908.2	2 278.5	23 810.4	38 132.8
	II	962.9	5 957.7	2 180.8	24 050.5	38 648.2
	III	978.4	6 153.0	2 161.1	24 371.6	39 153.0
	IV	978.5	6 225.8	2 091.2	24 762.7	39 926.3
2007	I	961.4	6 399.8	2 245.2	25 004.9	40 087.0
	II	949.0	6 397.2	2 172.2	25 314.0	40 412.7
	III	940.9	6 518.4	2 219.7	25 670.3	40 968.0

QUARTERLY NATIONAL ACCOUNTS (Base 2000)  
PRODUCTION SIDE (VAB) - Chain Linked Volume Data (Reference Year=2000)Unit: 10<sup>6</sup> Euros

YEARS	QUARTERS	AGRIC., FOREST., FISHING	INDUSTRY AND ELECTRICITY	CONSTRUCTION	SERVICES	GVA + TAXES <sup>(1)</sup>
2001	I	973.6	5 369.5	2 012.3	18 643.8	30 889.0
	II	970.0	5 442.6	2 096.6	18 827.0	31 256.9
	III	971.4	5 388.5	2 108.7	18 831.3	31 251.5
	IV	980.7	5 460.9	2 113.8	18 942.0	31 338.1
2002	I	996.3	5 337.3	2 085.7	19 133.4	31 534.2
	II	1 003.6	5 470.1	2 085.1	19 131.4	31 723.5
	III	999.8	5 355.5	1 957.4	19 158.0	31 434.6
	IV	987.5	5 380.6	1 869.2	19 003.0	30 989.9
2003	I	968.1	5 335.8	1 860.2	19 109.2	31 054.0
	II	963.1	5 343.3	1 849.7	19 123.2	31 079.3
	III	972.3	5 433.9	1 813.9	19 193.3	31 221.1
	IV	993.5	5 467.4	1 777.9	19 298.5	31 315.9
2004	I	1 030.0	5 480.5	1 834.8	19 430.3	31 576.6
	II	1 045.0	5 478.5	1 859.1	19 585.5	31 795.4
	III	1 037.8	5 412.7	1 822.6	19 543.9	31 627.3
	IV	1 008.7	5 342.1	1 763.3	19 674.6	31 560.4
2005	I	960.1	5 289.4	1 788.9	19 756.2	31 628.1
	II	936.8	5 413.8	1 818.7	19 883.7	32 071.8
	III	935.9	5 344.8	1 728.9	19 849.6	31 858.0
	IV	961.3	5 383.6	1 708.8	19 866.0	31 905.2
2006	I	1 013.2	5 381.7	1 755.5	19 974.0	32 106.9
	II	1 046.8	5 435.9	1 702.2	20 062.1	32 365.6
	III	1 061.2	5 506.7	1 625.4	20 141.7	32 347.2
	IV	1 056.8	5 523.5	1 609.2	20 240.9	32 481.5
2007	I	1 035.9	5 590.9	1 694.0	20 337.1	32 735.1
	II	1 019.5	5 624.3	1 666.7	20 482.7	32 851.6
	III	1 008.8	5 625.3	1 640.7	20 559.4	32 834.2



**PRODUCTION SIDE (VAB) - Chain Linked Volume Data (Reference Year=2000)  
YEAR ON YEAR GROWTH RATES**

Unit: %

YEARS	QUARTERS	AGRIC., FOREST., FISHING	INDUSTRY AND ELECTRICITY	CONSTRUCTION	SERVICES	GVA + TAXES <sup>(1)</sup>
2002	I	2.3	-0.6	3.6	2.6	2.1
	II	3.5	0.5	-0.5	1.6	1.5
	III	2.9	-0.6	-7.2	1.7	0.6
	IV	0.7	-1.5	-11.6	0.3	-1.1
2003	I	-2.8	0.0	-10.8	-0.1	-1.5
	II	-4.0	-2.3	-11.3	0.0	-2.0
	III	-2.8	1.5	-7.3	0.2	-0.7
	IV	0.6	1.6	-4.9	1.6	1.1
2004	I	6.4	2.7	-1.4	1.7	1.7
	II	8.5	2.5	0.5	2.4	2.3
	III	6.7	-0.4	0.5	1.8	1.3
	IV	1.5	-2.3	-0.8	1.9	0.8
2005	I	-6.8	-3.5	-2.5	1.7	0.2
	II	-10.4	-1.2	-2.2	1.5	0.9
	III	-9.8	-1.3	-5.1	1.6	0.7
	IV	-4.7	0.8	-3.1	1.0	1.1
2006	I	5.5	1.7	-1.9	1.1	1.5
	II	11.7	0.4	-6.4	0.9	0.9
	III	13.4	3.0	-6.0	1.5	1.5
	IV	9.9	2.6	-5.8	1.9	1.8
2007	I	2.2	3.9	-3.5	1.8	2.0
	II	-2.6	3.5	-2.1	2.1	1.5
	III	-4.9	2.2	0.9	2.1	1.5

Notes: - Seasonally adjusted data.

- GVA at basic prices (not including taxes less subsidies on products)

<sup>(1)</sup> - Includes discrepancies of non-additivity of chain linking.



**Acronyms:**

- General Govern. – General Government.
- Agric., Forest., Fishing – Agriculture, Forestry and Fishing activities.
- Final Cons. Expend. – Final Consumption Expenditures.
- Exports. (FOB) – Exports of Goods and Services, including tourism, at FOB (*Free On Board*) prices.
- Res. Hous. and NPISH – Resident Households and Non Profit Institutions Serving Households (NPISH).
- GCF – Gross Capital Formation (Investment); includes: Gross Fixed Capital Formation (GFCF), Acquisitions less Disposals of Valuables and Changes in Inventories.
- Imports. (FOB) – Imports of Goods and Services, including tourism, at FOB (*Free On Board*) prices.
- Taxes – Taxes less subsidies on products and imports duties.
- GDP – Gross Domestic Product.
- GVA – Gross Value Added.