

Quarterly National Accounts (Base 2000)

2nd Quarter 2007

GROSS DOMESTIC PRODUCT UP BY 1.6% IN THE 2ND QUARTER 2007

In the 2nd quarter 2007, Gross Domestic Product grew 1.6% in real terms compared to the same period of the previous year, decelerating from the precedent quarter (2.0%). This deceleration was associated to a lower contribution to GDP growth of net external demand (0.5 percentage points (p.p.) in the 2nd quarter against 1.9 p.p. in the previous quarter). Diversely, mainly due to investment growth, domestic demand increased its contribution from 0.1 p.p. in the 1st quarter to 1.1 p.p. in the 2nd quarter. In terms of quarter on quarter rate of growth, GDP was up by 0.5% in 2nd quarter 2007.

GDP up by 1.6% in the 2nd quarter 2007

Portuguese GDP grew, in real terms, 1.6% year on year in the second quarter 2007, decelerating from the previous period (2.0%).

Compared to the 1st quarter 2007, the quarterly growth rate was 0.5% in volume.

GDP, volume (2000=100)

Growth Rate, %

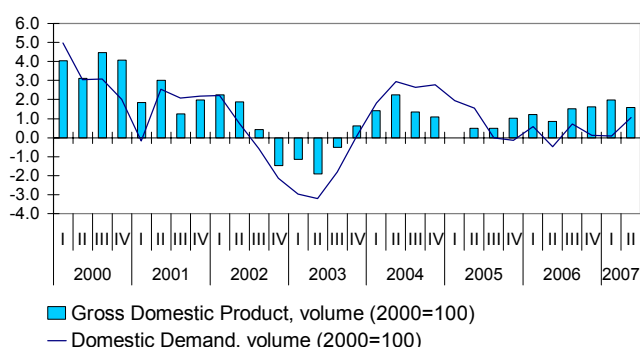
	Year on Year Quarterly Growth Rate				
	2Q 06	3Q 06	4Q 06	1Q 07	2Q 07
QNA 2Q 2007	0.9	1.5	1.6	2.0	1.6
Flash 2Q 2007	0.9	1.5	1.6	2.0	1.6

	Quarter on Quarter Growth Rate				
	2Q 06	3Q 06	4Q 06	1Q 07	2Q 07
QNA 2Q 2007	0.8	0.1	0.3	0.6	0.5
Flash 2Q 2007	0.8	0.2	0.3	0.7	0.4

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 2nd quarter 2007 previously released, the year on year growth rate on Portuguese GDP remained unchanged, while the quarter on quarter growth rate was revised upward by 0.1 percentage points (p.p.).

Composition of GDP growth changed

The contribution of net external demand to GDP year on year growth rate diminished to 0.5 p.p. in the 2nd quarter 2007 (1.9 p.p. in the previous quarter). Exports of Goods and Services were up by 5.6%,



decelerating from the previous quarter (8.5%). Conversely, Imports of Goods and Services accelerated, revealing a year on year growth rate of 3.4% (2.4% in the 1st quarter 2007).

Decomposition of GDP Growth (volume)

Growth Rate, %

Year on Year Quarterly Growth Rate

	2Q 06	3Q 06	4Q 06	1Q 07	2Q 07
Domestic Demand	-0.5	0.7	0.1	0.1	1.0
Exports	7.7	9.2	10.0	8.5	5.6
Imports	2.6	5.5	4.3	2.4	3.4
GDP	0.9	1.5	1.6	2.0	1.6

Contributes to GDP Growth

	2Q 06	3Q 06	4Q 06	1Q 07	2Q 07
Domestic Demand	-0.5	0.8	0.1	0.1	1.1
Ext. Dem. Balance¹	1.4	0.7	1.4	1.9	0.5
GDP	0.9	1.5	1.6	2.0	1.6

¹ - External Demand Balance (Exports less Imports)

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

Domestic demand was up by 1.0% in the 2nd quarter 2007 compared to the same period of the previous year (0.1% in the first quarter).

Investment was the GDP component that gave the larger contribution for the domestic demand acceleration, attaining a year on year growth rate of 1.6% in volume in the 2nd quarter 2007, after the decrease of 2.1% in the previous quarter.

Final Consumption Expenditures of Resident Households (including Non Profit Institutions Serving Households – NPISH) grew 1.4% in the 2nd quarter 2007 (year on year), 0.3 p.p. above the previous quarter. This was due to the high growth of the durable goods component, particularly auto vehicles.

Methodological notes:

Quarterly National Accounts and Preliminary Annual Accounts published herein incorporate Annual National Accounts (Base 200) for the year 2004 published last July. Therefore, the estimates for the years 2005 and 2006, as well as the quarterly values for GDP and its components are now refreshed.

The aggregates from Net Lending/Borrowing of total economy were revised since 1995 due to the integration of annual backward calculated data for the complete sequence of accounts, which will be published in due time.

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-June 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 Extra-European Union trade of goods, for 2006;
- The revision of external trade deflators (goods) for the 1st 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 2nd quarter 2007, the data used for external trade of goods was the January to June 2007 version. The deflators for external trade of goods were calculated using data for April and May.

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.

These seasonal adjustment procedures may lead to revisions in the data.

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 4th September 2007.

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

Unit: 10⁶ Euros

YEARS	QUARTERS	FINAL CONS. EXPEND.		GROSS CAPITAL FORMATION	DOMESTIC DEMAND	EXPORTS (FOB) ⁽¹⁾	IMPORTS (FOB) ⁽²⁾	GDP
		RES. HOUS. AND NPISH	GENERAL GOVERN.					
2001	I	20 176.7	6 184.0	8 405.2	34 765.9	9 419.5	12 683.7	31 501.7
	II	20 436.9	6 306.7	8 715.3	35 458.9	9 438.1	12 785.1	32 111.9
	III	20 552.9	6 412.0	9 028.2	35 993.1	9 116.9	12 595.0	32 515.0
	IV	20 633.3	6 533.0	8 882.6	36 048.9	9 385.9	12 255.1	33 179.7
2002	I	21 042.0	6 651.6	8 659.7	36 353.3	9 214.5	12 243.2	33 324.6
	II	21 256.6	6 754.4	8 706.9	36 717.9	9 586.2	12 351.6	33 952.5
	III	21 602.8	6 838.5	8 517.4	36 958.7	9 556.2	12 404.6	34 110.3
	IV	21 483.5	6 899.3	8 276.5	36 659.3	9 522.5	12 135.3	34 046.5
2003	I	21 640.8	6 944.8	7 927.0	36 512.6	9 761.8	12 138.1	34 136.3
	II	21 755.9	6 988.7	7 815.8	36 560.4	9 519.5	11 556.5	34 523.4
	III	22 106.3	7 053.7	7 968.7	37 128.7	9 729.3	12 095.5	34 762.5
	IV	22 318.8	7 141.8	8 003.8	37 464.4	9 779.2	12 083.7	35 159.9
2004	I	22 577.6	7 243.8	8 087.6	37 909.0	10 060.4	12 537.5	35 431.9
	II	22 920.6	7 369.1	8 273.1	38 562.8	10 413.5	12 950.7	36 025.6
	III	23 316.7	7 495.7	8 451.8	39 264.2	10 187.9	13 258.3	36 193.8
	IV	23 508.1	7 638.2	8 506.3	39 652.6	10 290.8	13 466.7	36 476.7
2005	I	23 752.6	7 765.1	8 280.7	39 798.4	10 201.7	13 509.6	36 490.5
	II	24 193.3	7 870.1	8 233.1	40 296.5	10 514.3	13 677.6	37 133.2
	III	24 228.0	7 936.5	8 465.7	40 630.2	10 773.1	14 016.6	37 386.7
	IV	24 516.0	7 979.8	8 534.0	41 029.8	10 937.9	14 126.4	37 841.3
2006	I	24 811.2	7 990.9	8 786.7	41 588.8	11 498.7	15 170.9	37 916.6
	II	25 197.5	7 996.3	8 400.6	41 594.4	11 923.3	14 890.1	38 627.6
	III	25 443.2	7 987.4	8 608.3	42 038.9	12 334.2	15 353.7	39 019.4
	IV	25 548.3	7 990.0	8 535.4	42 073.7	12 481.5	14 987.7	39 567.5
2007	I	25 805.3	7 987.7	8 663.7	42 456.7	12 958.4	15 474.5	39 940.6
	II	26 241.4	8 008.5	8 614.5	42 864.4	13 037.0	15 492.7	40 408.7

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

Unit: 10⁶ Euros

YEARS	QUARTERS	FINAL CONS. EXPEND.		GROSS CAPITAL FORMATION	DOMESTIC DEMAND	EXPORTS (FOB) ⁽¹⁾	IMPORTS (FOB) ⁽²⁾	GDP ⁽³⁾
		RES. HOUS. AND NPISH	GENERAL GOVERN.					
2001	I	19 675.1	6 020.7	8 262.1	33 957.9	9 345.6	12 469.3	30 834.2
	II	19 817.2	6 074.3	8 580.5	34 472.0	9 236.0	12 571.7	31 136.3
	III	19 811.7	6 131.6	8 800.3	34 743.6	9 094.0	12 571.7	31 265.9
	IV	19 832.4	6 187.2	8 638.6	34 658.2	9 372.7	12 532.3	31 498.6
2002	I	20 059.3	6 235.1	8 416.1	34 710.5	9 248.0	12 435.2	31 529.0
	II	20 069.6	6 266.4	8 396.6	34 732.6	9 495.8	12 508.9	31 723.3
	III	20 152.2	6 279.2	8 107.9	34 539.3	9 427.0	12 566.5	31 397.3
	IV	19 901.5	6 276.0	7 733.6	33 911.1	9 422.6	12 284.7	31 036.9
2003	I	19 906.0	6 266.9	7 507.6	33 680.5	9 740.3	12 232.6	31 167.0
	II	19 910.7	6 259.4	7 446.7	33 616.8	9 560.9	12 039.7	31 114.4
	III	20 109.2	6 271.8	7 539.3	33 920.3	9 859.1	12 522.9	31 239.7
	IV	20 190.1	6 305.0	7 441.1	33 936.2	9 890.8	12 594.5	31 231.0
2004	I	20 315.0	6 353.5	7 621.6	34 290.1	10 176.4	12 876.6	31 608.3
	II	20 460.7	6 410.1	7 734.4	34 605.2	10 315.8	13 140.3	31 816.6
	III	20 639.9	6 466.1	7 706.4	34 812.4	10 066.0	13 263.8	31 661.1
	IV	20 738.7	6 516.2	7 618.8	34 873.7	10 057.9	13 410.4	31 570.1
2005	I	20 904.3	6 555.7	7 496.0	34 956.0	10 025.9	13 427.6	31 599.3
	II	21 132.5	6 580.0	7 426.6	35 139.1	10 329.0	13 533.9	31 973.3
	III	20 884.6	6 590.0	7 327.5	34 802.1	10 358.0	13 376.8	31 817.5
	IV	21 012.0	6 583.6	7 224.8	34 820.4	10 406.4	13 367.6	31 891.3
2006	I	21 128.1	6 569.7	7 457.6	35 155.4	10 889.5	14 097.5	31 980.6
	II	21 206.3	6 553.3	7 214.6	34 974.2	11 128.7	13 888.6	32 250.2
	III	21 242.6	6 535.8	7 275.1	35 053.5	11 311.9	14 107.0	32 298.1
	IV	21 268.7	6 523.9	7 073.6	34 866.2	11 444.4	13 948.9	32 405.3
2007	I	21 371.0	6 515.0	7 302.9	35 188.9	11 819.7	14 433.8	32 608.6
	II	21 495.6	6 509.6	7 331.3	35 336.5	11 748.6	14 358.6	32 763.1

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

Unit: %

YEARS	QUARTERS	FINAL CONS. EXPEND.		GROSS CAPITAL FORMATION	DOMESTIC DEMAND	EXPORTS (FOB) ⁽¹⁾	IMPORTS (FOB) ⁽²⁾	GDP ⁽³⁾
		RES. HOUS. AND NPISH	GENERAL GOVERN.					
2002	I	2.0	3.6	1.9	2.2	-1.0	-0.3	2.3
	II	1.3	3.2	-2.1	0.8	2.8	-0.5	1.9
	III	1.7	2.4	-7.9	-0.6	3.7	0.0	0.4
	IV	0.3	1.4	-10.5	-2.2	0.5	-2.0	-1.5
2003	I	-0.8	0.5	-10.8	-3.0	5.3	-1.6	-1.1
	II	-0.8	-0.1	-11.3	-3.2	0.7	-3.8	-1.9
	III	-0.2	-0.1	-7.0	-1.8	4.6	-0.3	-0.5
	IV	1.5	0.5	-3.8	0.1	5.0	2.5	0.6
2004	I	2.1	1.4	1.5	1.8	4.5	5.3	1.4
	II	2.8	2.4	3.9	2.9	7.9	9.1	2.3
	III	2.6	3.1	2.2	2.6	2.1	5.9	1.3
	IV	2.7	3.3	2.4	2.8	1.7	6.5	1.1
2005	I	2.9	3.2	-1.6	1.9	-1.5	4.3	0.0
	II	3.3	2.7	-4.0	1.5	0.1	3.0	0.5
	III	1.2	1.9	-4.9	0.0	2.9	0.9	0.5
	IV	1.3	1.0	-5.2	-0.2	3.5	-0.3	1.0
2006	I	1.1	0.2	-0.5	0.6	8.6	5.0	1.2
	II	0.3	-0.4	-2.9	-0.5	7.7	2.6	0.9
	III	1.7	-0.8	-0.7	0.7	9.2	5.5	1.5
	IV	1.2	-0.9	-2.1	0.1	10.0	4.3	1.6
2007	I	1.1	-0.8	-2.1	0.1	8.5	2.4	2.0
	II	1.4	-0.7	1.6	1.0	5.6	3.4	1.6

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 PricesUnit: 10⁶ Euros

YEARS	QUARTERS	AGRIC., FOREST., FISHING	INDUSTRY AND ELECTRICITY	CONSTRUCTION	SERVICES	GVA + TAXES
2001	I	1 016.3	5 406.4	2 075.9	19 064.0	31 570.2
	II	1 017.9	5 435.5	2 145.9	19 381.1	32 137.9
	III	1 014.6	5 541.3	2 250.1	19 604.3	32 577.5
	IV	1 007.5	5 636.2	2 274.0	19 946.1	33 022.9
2002	I	993.8	5 587.3	2 311.0	20 216.5	33 340.7
	II	981.4	5 632.6	2 295.7	20 419.1	33 821.2
	III	969.6	5 709.6	2 217.2	20 803.5	34 218.0
	IV	964.2	5 671.6	2 119.6	20 857.9	34 053.7
2003	I	965.5	5 657.9	2 188.9	21 048.1	34 157.0
	II	969.9	5 540.5	2 123.3	21 191.4	34 248.6
	III	981.0	5 700.4	2 120.1	21 442.6	34 811.0
	IV	993.2	5 707.8	2 067.4	21 767.3	35 365.5
2004	I	1 005.6	5 759.9	2 198.6	21 949.5	35 402.3
	II	1 006.8	5 695.4	2 236.5	22 285.9	35 868.0
	III	993.9	5 768.4	2 252.8	22 452.2	36 186.9
	IV	964.3	5 730.0	2 173.2	22 837.2	36 671.0
2005	I	917.9	5 714.2	2 236.1	22 893.2	36 467.8
	II	889.5	5 776.2	2 240.0	23 154.5	37 103.4
	III	881.4	5 808.1	2 195.3	23 359.5	37 440.8
	IV	892.3	5 815.4	2 173.9	23 606.2	37 989.6
2006	I	923.9	5 911.9	2 273.3	23 784.2	38 092.6
	II	945.1	5 943.4	2 175.7	24 051.5	38 612.0
	III	961.3	6 136.9	2 156.0	24 377.3	39 120.4
	IV	968.0	6 230.4	2 086.0	24 722.6	39 875.1
2007	I	963.6	6 370.4	2 240.5	24 835.3	39 941.8
	II	960.6	6 387.4	2 204.7	25 047.3	40 184.2

QUARTERLY NATIONAL ACCOUNTS (Base 2000)
PRODUCTION SIDE (VAB) - Chain Linked Volume Data (Reference Year=2000)

Unit: 10⁶ Euros

YEARS	QUARTERS	AGRIC., FOREST., FISHING	INDUSTRY AND ELECTRICITY	CONSTRUCTION	SERVICES	GVA + TAXES ⁽¹⁾
2001	I	973.7	5 378.0	2 011.7	18 635.6	30 888.7
	II	970.0	5 442.0	2 096.7	18 825.9	31 255.3
	III	971.3	5 384.4	2 108.8	18 831.9	31 247.9
	IV	980.7	5 457.2	2 114.2	18 950.6	31 343.5
2002	I	996.2	5 345.8	2 086.0	19 135.6	31 542.3
	II	1 003.6	5 468.6	2 085.8	19 134.2	31 723.8
	III	999.7	5 351.4	1 957.0	19 154.6	31 428.2
	IV	987.8	5 377.8	1 868.7	19 001.3	30 992.1
2003	I	968.2	5 344.1	1 860.0	19 100.3	31 067.0
	II	963.1	5 343.5	1 849.8	19 118.6	31 094.5
	III	972.2	5 428.9	1 814.0	19 193.4	31 239.8
	IV	993.4	5 463.9	1 778.0	19 311.9	31 350.8
2004	I	1 029.5	5 487.4	1 835.4	19 443.6	31 622.0
	II	1 044.5	5 477.5	1 859.7	19 597.9	31 831.2
	III	1 037.7	5 408.5	1 822.5	19 540.0	31 642.5
	IV	1 009.7	5 340.4	1 762.3	19 652.9	31 560.3
2005	I	962.5	5 298.5	1 787.6	19 703.9	31 609.5
	II	938.3	5 413.5	1 817.4	19 816.4	32 028.8
	III	933.7	5 341.6	1 726.5	19 773.8	31 798.9
	IV	953.4	5 381.7	1 706.2	19 801.6	31 853.1
2006	I	996.7	5 392.3	1 749.6	19 913.2	32 059.2
	II	1 026.3	5 429.3	1 695.6	20 011.4	32 305.9
	III	1 041.4	5 499.6	1 618.2	20 097.2	32 293.3
	IV	1 042.6	5 536.1	1 602.1	20 183.3	32 439.6
2007	I	1 031.4	5 603.1	1 688.0	20 238.9	32 699.0
	II	1 021.8	5 610.2	1 681.4	20 335.3	32 720.5

**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 ⁽¹⁾
2002	I	2.3	-0.6	3.7	2.7	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	-0.2	-1.5
	II	-4.0	-2.3	-11.3	-0.1	-2.0
	III	-2.8	1.4	-7.3	0.2	-0.6
	IV	0.6	1.6	-4.9	1.6	1.2
2004	I	6.3	2.7	-1.3	1.8	1.8
	II	8.5	2.5	0.5	2.5	2.4
	III	6.7	-0.4	0.5	1.8	1.3
	IV	1.6	-2.3	-0.9	1.8	0.7
2005	I	-6.5	-3.4	-2.6	1.3	0.0
	II	-10.2	-1.2	-2.3	1.1	0.6
	III	-10.0	-1.2	-5.3	1.2	0.5
	IV	-5.6	0.8	-3.2	0.8	0.9
2006	I	3.6	1.8	-2.1	1.1	1.4
	II	9.4	0.3	-6.7	1.0	0.9
	III	11.5	3.0	-6.3	1.6	1.6
	IV	9.4	2.9	-6.1	1.9	1.8
2007	I	3.5	3.9	-3.5	1.6	2.0
	II	-0.4	3.3	-0.8	1.6	1.3

Notes: - Seasonally adjusted data.

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

⁽¹⁾ - 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.