

## Annual national accounts – Benchmark year 2016

1995 – 2018

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### **GDP increased 3.5% in real terms in 2017 and 2.4% in 2018, reaching 203 896 million euros in 2018**

In accordance with the release calendar, the final annual National Accounts for 2017 and provisional for 2018 are made available today, based on the new 2016 benchmark year, thus replacing the previous 2011 base.

Gross Domestic Product (GDP) grew 3.5% in real terms in 2017, where the high growth of Investment stands out (11.9%). In 2018, GDP presented a growth rate of 2.4% in real terms, where Investment remained as the most dynamic component (growth rate of 6.2%).

Comparing with the previously released results for 2017 and 2018, the now published National Accounts reveal a higher economic growth, even though the indication of acceleration in 2017 followed by a slowdown in 2018 is maintained.

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The new series of National Accounts with 2016 as the reference year are released with this publication, which replaces base 2011 and similarly to the previous series, start in 1995. This benchmark revision is a part of the regular revisions that occur every five years, aiming to introduce methodological developments and to incorporate new information from sources not available annually, in order to obtain a more exact portrayal of economic activity.

This base change entails less relevant methodological revisions, when compared to the previous one that reflected the adoption of the new European System of National and Regional Accounts (ESA2010) in replacement of ESA95. In this context, and despite the incorporation of new information, GDP for 2016 in the final account of the new base differs only by 9.4 million euros (0.005%) from the value obtained in the previous base, although there are some changes in its composition. Consequently, the real growth rate of GDP was revised from 1.9% to 2.0% in 2016.

The revisions of GDP, provisional for 2017 and preliminary for 2018 estimated in the base 2011, reflect mostly the incorporation of previously non-available information, namely regarding some sectors of activity and of the Balance of Payments and, to a lesser extent, the composition change of GDP in consequence of the new base. From the 0.7% revision in the level of 2017 GDP, approximately 0.5 percentage points (p.p.) correspond to an upward revision of Gross Capital Formation, essentially in Gross Fixed Capital Formation in Construction and changes in inventories, while 0.2 p.p. correspond to the revision of international trade of goods and services – particularly exports of services.

The revisions of GDP for 2017 and 2018 implied changes in the real and nominal annual growth rates. In 2017, the nominal growth rate was revised from 4.4% to 5.1% and the real growth rate from 2.8% to 3.5%. In 2018, nominal growth was revised from 3.6% to 4.1% and real growth from 2.1% to 2.4%.