

National Accounts – Base 2011
2014

Annual National Accounts For 2014 – Final Results

In 2014, according to the final Annual National Accounts, the Gross Domestic Product (GDP) was 173.1 thousand million Euros. This value corresponds to a nominal increase of 1.7% and to a real increase of 0.9% when compared to 2013. The contribution of the domestic demand to the real change of GDP was positive (2.2 percentage points, p.p.), while the net external demand contribution was negative (-1.3 p.p.), as a result of a lower increase in exports (4.3%) when compared to imports (7.8%). The external balance of goods and services was positive for the second consecutive year in this series, although it decreased from 1.0% of GDP in 2013 to 0.2% of GDP in 2014.

Total employment, measured in full-time equivalent (FTE), showed a positive variation in 2014 (1.6% compared with a reduction of 2.5% in the previous year), which has not occurred since 2008. The combination of this result with the growth of 0.4% of Gross Value Added (GVA) resulted in a decrease of 1.2% in labour productivity. However, the evolution of labour productivity was different between the branches of activity and the contribution to this negative variation came mainly from some activities of non-tradable services.

I. Main Results

The value of the Gross Domestic Product (GDP) was 173 079 million Euros in 2014

The value of the Gross Domestic Product (GDP) was 173 079 million Euros in 2014, corresponding to an increase of 1.7% in nominal terms (1.1% in 2013). This change reflected an increase of 0.9% in volume (decrease of 1.1% in the previous year) and an increase in GDP deflator of 0.8% (2.3% in 2013).

After three consecutive years with a negative contribution to GDP growth, in 2014 domestic demand showed a positive contribution of 2.2 p.p. (2.0 p.p. in 2013). Net external demand showed a negative contribution of 1.3 p.p. (0.8 p.p. in 2013) resulting from a less intense growth in exports (4.3%) compared to imports (7.8%).

The growth in exports has been reduced from 6.9% in 2013 to 4.3% in 2014, with a similar behavior of goods and services components, moving from change rates of 6.9% and 7.2%, respectively, in 2013 to 4.3% and 4.4% in 2014. Regarding goods, the highlights were other components and accessories for motor vehicles and passenger cars with respective increases of 11.3% and 10.0%. In the opposite direction, it is to highlight exports of diesel and precious metals, with decreases of 20.9% and 37.8%, respectively.

Table 1 - Gross Domestic Product and components, expenditure side

GDP and components - expenditure side	Value (10 ⁶ €)		Value change rate (%)		Volume change rate (%)	
	2013	2014	2013	2014	2013	2014
Final Consumption Expenditure	143 644	146 266	0,6	1,8	-1,4	1,7
Resident households and NPISH (1)	111 144	114 060	-0,4	2,6	-1,2	2,4
Despesa de consumo final das PA (2)	32 501	32 206	4,2	-0,9	-1,9	-0,5
Gross Fixed Capital	24 914	26 486	-5,9	6,3	-5,1	5,1
of which: Gross fixed capital formation	25 122	25 993	-5,8	3,5	-5,1	2,3
Exports of goods and services	67 284	69 360	6,0	3,1	6,9	4,3
Exports of goods (FOB) (3)	49 270	50 415	5,2	2,3	6,9	4,3
Exports of services	18 014	18 945	8,1	5,2	7,2	4,4
Imports of goods and services	65 573	69 033	1,9	5,3	4,7	7,8
Imports of goods (FOB) (3)	56 130	58 593	1,7	4,4	5,1	7,6
Importações de serviços	9 443	10 441	2,8	10,6	2,5	9,2
Contributes to GDP change rate						
Domestic demand	168 558	172 752			-2,0	2,2
of which: Changes in inventories	- 289	418			0,0	0,4
External demand balance (4)	1 711	327			0,8	-1,3
Produto Interno Bruto a preços de mercado	170 269	173 079	1,1	1,7	-1,1	0,9

(1) NPISH – Non Profitable Institutions Serving Households; (2) PA – Public Administration; (3) FOB – “Free on Board”; (4) - External Demand Balance (Exports less Imports)

It is also important to mention that the contribution of the expenditure of the tourists, with an increase of 11.8% in 2014 (6.8% in the previous year), represented almost a third of the variation in exports.

The imports of goods and services grew 7.8% in volume in 2014, accelerating from the rate observed in the previous year (4.7%). This evolution occurred in the two components: goods changed from a variation of 5.1% in 2013 to 7.6% in 2014, and services from 2.5% to 9.2%, in the same order.

The increase in domestic demand was determined by increases of investment (5.1% in 2014, compared with -5.1% in 2013) and final consumption expenditure of households (including non-profit institutions serving households) which presented a variation of 1.2% in 2013 to 2.4% in 2014. The final consumption expenditure of general government decreased by 0.5% in 2014 (-1.9% in 2013).

The Gross Fixed Capital Formation (GFCF) registered in 2014 a real growth of 2.3%, compared with -5.1% in the previous year. It must be noted that gross fixed capital formation in construction was the only component to show a negative variation (3.5%), a behavior that is repeated in the last six years.

The real growth of the Gross Value Added (GVA) was 0.4% in 2014

After three years of negative variations in volume (-1.1%, -3.2% and -0.8% respectively in 2011, 2012 and 2013), in 2014 the GVA increased by 0.4%. The branch of activity of other business services, with a growth of 8.5% in 2014 (1.6% in 2013), had the highest contribution (0.6 p.p.) to the change in total GVA. In this group the highlights are employment activities (temporary employment placement companies) with a growth of 16.3%, management consultancy companies (19.3%) and activities of administrative services and business support (11.8%).

With an opposite performance, the highlights are the financial and insurance and construction activities, whose GVA showed a negative growth in 2014 (decrease of 9.2% and 8.5%, respectively), more pronounced than in the previous year (reductions of 6.1% and 6.9% in 2013, the same order).

The number of jobs increased by 1.6% after decreasing in the previous five years

Total employment, measured in full-time equivalent (FTE), showed a positive variation in 2014 (1.6% compared with a reduction of 2.5% in the previous year), which has not occurred since 2008. For this increase contributed essentially branches of business services; trade, repair of motor vehicles and motorcycles, postal and transport; and industry and energy, with variations of 7.9%, 4.5% and 2.1%, respectively (contributions of 0.8 p.p., 0,7p.p. and 0.3 p.p. in the same order). On the opposite direction, the highlights are agriculture (-5.3%), construction (-5.0%) and financial and insurance (-3.3%), with contributions of -0.4 p.p., -0.3 p.p. and -0.1 p.p., respectively.

The compensation of employees showed a small increase, from a variation of 1.3% in 2013 to 0.3% in 2014, reflecting the decrease in the average compensation of employees (-1.8% for FTE), as employees increased by 2.1%. It should be noted that the reduction of the average compensation of employees was more pronounced in the financial companies (-5.3%) and general government (-2.5%) than in non-financial companies (-0.5%).

In the economy, the average annual salary per person decreased from 15 928 Euros in 2013 to 15 734 Euros in 2014 (dividing by 14 months: € 1 124 in 2014).

The operating surplus/mixed income increased 1.8% in 2014, higher than the growth of GVA (1.1%), increasing their relative weight in the GVA to 49.4% (49.0% in 2013), the highest value in the current series, available since 1995.

The labour productivity decreased 1.2% as a result of a higher increase of FTE when compared to the GVA

After strong increases in the previous four years, the labour productivity, measured by the ratio of GVA in real terms and employment measured in FTE, decreased by 1.2% in 2014. This decrease occurred in a context of a growth in employment (1.6%) higher than the increase of GVA (0.4%).

However, the negative growth of labour productivity was lower than the decrease in average compensation, which resulted in a reduction of 0.7% in unit labour costs per unit produced.

II. Revision of the level of GDP from the previous estimate of Quarterly National Accounts.

The final results of the 2014 Annual National Accounts determined a -0.2 p.p. point revision of the annual rate of change, to both nominal and deflator of GDP from the previous estimate. The variation of GDP volume did not change from the previous estimate. This revision has its origins essentially in the decrease in final consumption expenditure of households and the increase in imports.

For 2015, the revisions introduced do not substantially change the profile of the quarterly GDP growth, reflecting, in addition to the direct impacts of integrating the final results of 2014, the incorporation of updated information on the general government sector and international trade in goods and services, leading to a nominal upward revision of the GDP level by 0.1% and a 0.1 p.p. upward revision in the volume change rate to 1.6%. Thus, nominal GDP in 2015 was revised to 179 540 million Euros, compared with 179 369 million estimated for the last edition of the Quarterly National Accounts.