

PORTUGUESE RECENT MACROECONOMIC CONTEXT AND TRENDS: CONSEQUENCES FOR AGRIFOOD SECTOR POLICIES

MARQUES A.F. Carlos¹

University of Évora

Abstract:

This article presents, at aggregate level, major background characteristics and recent trends of Portuguese, European and World macroeconomic context and their strategic and operational implications for Portuguese agrifood sector economic activities and stakeholders. This context is particularly complex. Consequences of the financial crisis and markets for world macroeconomic context, evolution and outlook and implications for world economy growth are examined. Portuguese economic recent evolution and prospects facing these international and European developments are analyzed. Then, focus turns to agrifood sector, examining its past economic contribution and behavior. Economic environment consequences for agrifood sector performance and strategic orientation for public policies and their potential impacts are discussed.

1. Introduction

The general objective of this article is to analyze the main aspects and characteristics of the world and Portuguese macroeconomic environment and their consequences for the strategic orientation and economic activity of the agri-food sector and its stakeholders.

¹ *Professor of University of Évora and researcher at the Center for Advanced Studies and Training in Management and Economics (CEFFAGE)*

The macroeconomic environment we live in is particularly complex and of trends with variable magnitude and sign difficult to anticipate and quantify. Notice, in recent times, the consequences of the financial events of the last quarter of 2008 and repercussions for the real economy that have evolved since then, with a new macroeconomic context for structural changes and adjustments, such as the emergence of a sovereign crisis in European countries and its economic, social and political implications for those countries, and especially for Greece, and for the evolution of the EU as a collective project of nations. Also in part resulting from those consequences, Portugal had its own problems. Until recently Portugal was under the assistance of an international intervention program that was needed to rescue the country from a probable bankruptcy and default on its sovereign debt obligations due to no more access to international markets to support its current needs and debt service.

The Portuguese economy and its main macroeconomic trends are, obviously, in a small open economy like the Portuguese one, determined by its high degree of economic and financial openness. Its behavior is particularly influenced by the context of the global world and European financial and economic activity. Let us look for the recent evolution of that context and key developments that have occurred. This will be the first point under review. Additionally, this context is particularly relevant when options and internal instruments of economic and financial policies are framed by a common monetary policy, including the exchange rate, which derive from its integration in a common currency zone, the Euro zone, such as the case of the Portuguese economy. In a second point, we will analyze the recent evolution of the Portuguese economy in that context, that is, taking into account the main developments in the world economy and Portugal integration into the European monetary economics, we will evaluate how the Portuguese economy reacted and behaved. We proceed, continuing these two points in a prospective way, presenting the major international and national macroeconomic trends in the following section.

Then, as the agri-food sector is at the heart of our objectives, we guide our assessment of the contribution of this sector to that evolution and behavior. We finished with the section dedicated to examine strategic and operational consequences for the agro-food sector of macroeconomic trends and for guidelines of public policy.

2. The international economic context

The global macroeconomic environment was characterized during the first decade of the century, until the recession of 2008, for a high growth of economic activity. Table 1 presents real change in world, developed, emerging and developing countries and selected countries GDP, between 2005 and 2014. Over the three years prior to 2008, GDP growth was between 4.4 and 5.2%. These years have been the final years of a long period of expansion since the nineties of relative stability and lower volatility in the growth rate of GDP, known as a period of "great moderation" (Stock and Watson, p. 3).

This growth worldwide was powered by growth rates of economic activity in emerging and developing countries. In 2007, world economic activity grew 5.2% and growth rates were 8.3 for emerging economies compared with 2.8% for developed economies.

Global financial and economic context reversed after the second half of 2007 and moved to be characterized by financial turmoil and economic slowdown globally, a result of the problems of subprime mortgage market in the United States, including uncertainty of assets value, known as "toxic", of trust between financial institutions and their financial capacity, and consequently, of lack of liquidity in the market and changes in credit markets.

In the last quarter of 2008, triggered by the bankruptcy of Lehman Brothers, emerged a financial crisis with serious risk of disintegration of the world financial system, prevented by subsequent government intervention of governments in different parts of the world, supporting a number of exposed banks to prevent system failure, and resulting in an economic recession, as the financial effects were undermining confidence and contaminating real economy.

World economic growth levels decreased substantially in 2008 globally to 3 percent, with most of the developed and emerging economies registering reductions in the rate of economic growth, particularly low for the first, with rates of about 0.4% for the US and 0.5% for the Euro area.

In the last quarter of 2008 and first of 2009 there was a worsening of the international economic situation, with strong and widespread slowdown in economic activity in OECD countries, the euro zone, the US and China (Bank of Portugal, 1, 2009, p. 2 and 35). Forecasts of the various international economic organizations were successively reduced between October 2008 and January 2009. Global economic activity in 2009 turned out to register a negative growth of -0.6% as a result of the weighted weight of importance a recession in developed countries of -3.6% and a strong contraction in developing countries to 2.8% of economic growth

The rapid response of countries of advanced economies implementing expansionary policies led to a rapid and considerable response and, in 2010, economic activity grew at 5.3%, with developed economies growth at 3.2 % and emerging and developing economies at 7.5%.

Growth of world economic activity slowed down to 4.2 % in 2011. Major causes for this slow growth have been the emergence of crisis of sovereign debt of countries of the Euro Zone, with the Greece first bailout, and lower growth rates of emergent and developing economies, namely Russia and Brasil. During the second half of the year Ireland and Portugal also required international programs and concern over the banking financial losses associated with countries under international economic and financial intervention spread to relatively important countries of Spain and Italy. Financial markets liquidity decreased and interest rates increased sharply for these countries. The intervention of the European Central Bank through asset purchase programmes, namely quantitative easing policies or public sector purchase programme, particularly after the second program to Greece, was particularly relevant in reducing risks of lack of liquidity and preventing a systemic banking crisis in 2012, but fears remained (ECB, 2016). Decline in domestic demand as national programs were implemented, the increase in

borrowing costs, the increase in prices of raw materials and Japan's earthquake consequences, which experienced a recession of -0.4% of GDP contraction, determined the weak growth in advanced economies of 1.7% in 2011. Anyway, Germany still experienced growth of 3.7, France 2.1, and the Euro area 1.6 %, in aggregate terms. US economic growth also slowed to 1.7 compared to 3.2% in the year before. In that year emerging and developing economies with a growth rate of GDP of 6.2% still accounted for high global economic growth.

This trend of problems in the euro area and slowing of emerging and developing economies growth continued from 2012 to 2014, with world economy slowing down to 3.4% growth, although with more heterogeneity among regions. The euro zone economy entered in recession in 2012 and maintained in 2013, with negative growth rates of -0.8 and -0.4%, and emergent and developing economies decreased to 5.2 and 5% growth, respectively. In 2014, Euro zone got back to register economic growth of 0.9 %, with relevant contribution from Germany (1.6%) and Spain (1.4%), that came back from a three year recession, as economic recovery proceeded at slow rates and maintaining heterogenous performance among countries. This region and other advanced economies growth, namely United States (2.4%) and United Kingdom (2.6%), offset growth decrease of emergent and developing economies to 4.6% in 2014.

Over the years, in the Euro zone the European Central Bank gradually lowered the refinancing interest rate to lowest historical levels, almost zero, applied non-traditional measures of liquidity injection into the economy to promote credit and investment. Inflation kept below 2% but economic activity remained weak given the need for adjustment of public and private balances.

3. Recent developments of the Portuguese economy

Out of the four decades that passed after recovering democracy and of the three after the European accession, the last one has been considered as a lost decade for Portugal (Reis, Amaral, 2010). During this decade the economy strived with practically no increase in wealth produced, required

another rescue by international financial institutions and Portuguese had to support the costs of bankruptcy of four banks of its financial system (BPN, BPP, BES and BANIF).

After a long period of gradual convergence, the Portuguese economy started diverging from Europe after 2000. Curiously or not, this year matches with the Euro introduction as common currency. After a recession in 2003 (-0.8%), the Portuguese economy returned to growth in 2004 (1.5%), slowed in 2005 (0.9%), recovered and accelerated in 2006 (1.3%) and 2007 (2.4%), based on an increase of exports and investment in these years, right before the emergence of the last international crisis (see table 2). This recovery was particularly influenced by global macroeconomic context of high growth, to which we referred to in the previous point.

With the emergence of the new global context, the recovery trend of the Portuguese economy activity was reversed, given the effects of these developments on foreign demand, with deceleration of the pace of export growth, investment and also on the consumption of economic agents and their solvency, through more unfavorable conditions and cost of financing. In 2008, there was a significant slowdown in economic activity. The initial forecasts pointing to a growth of 2.2% in July 2007 were successively revised downward during 2008, ending up with no change in GDP.

Unlike in previous years, in 2008, exports did not contribute to economic growth. In this year exports increased 0.6% compared to 9.2% and 7.6% in the previous two years. The investment also started to show an unfavorable behavior, with an estimate of a negative change rate of -0.8% in 2008, which contrasts with the positive rate of 3.7% recorded in 2007. This behavior of the evolution of economic activity in Portugal was one of the most unfavorable in European terms, maintaining the trend of the Portuguese economy of real divergence from the European economy.

In 2009, Portugal suffered a recession (-2.9%) but less severe than the overall Euro zone (-4.1%). The impact of lower external demand due to economic recession of most European economies, especially Spain, Germany and France, main Portuguese customers, and of private consumption, caused a

rapid deceleration of economic activity with considerable impacts on growth of unemployment. However, public consumption increased with the increase in salaries of civil servants and adoption of exceptional programs, such as the modernization of schools, raising budget deficit to historical levels.

Economic activity recovered growth (1.3%) in 2010, but at lower rates than other European economies (1.8%). This growth was based on export growth and increase of private and public consumption. It became increasingly difficult to rely on markets to fund public debt with medium and long terms interest rates rising, consecutively, to unsustainable values, that were above 7%, the limit rate that the finance minister had publically announced as critical. Tax increases, benefits and social benefits cuts and successive budgetary restraint measures had little success on controlling government expenditure, notably due to rising health care costs and to extraordinary expenses. Unemployment rose to the highest levels ever.

During the first quarter of 2011, the deterioration of the conditions of access to finance in international markets in face of risks of unsustainability of Portuguese debt, in a context of difficulty of the sovereign debt of several countries in the euro area, made unavoidable and urgent the request for international financial assistance. A program for financial and economic assistance for three years, with the ECB, the International Monetary Fund (IMF) and the European Commission (EC), went on to ensure the financing of the Portuguese economy. During this period the macroeconomic imbalances in public finances and external accounts should be gradually corrected through structural reforms to ensure sustainable economic growth of the Portuguese economy in the future. The need for deleveraging of the economy due to the lack of financial resources and need to consolidate public finances and private balance sheets led to a sharp economic contraction in 2011 (-1.6%), with falling wages, low domestic demand and additional difficulties resulting from slowdown in external demand and increase of unemployment.

Recession of the Portuguese economy got worse in 2012 (-4%). Economic activity continued to suffer adverse financial conditions with limited access to financing and high interest rates. This adjustment was

particularly burdensome for employment, with record unemployment (16.9%). The external financing needs declined substantially due to the reduction of imports and good export performance. This dynamic economic adjustment remained throughout the year, but with macro-economic changes in external demand, given the slowdown in economic growth in the Euro area and of major trading partners, namely Spain and Germany, and consequent decrease in export growth. Despite the implementation of unconventional measures by the ECB, including the provision of liquidity at a fixed interest rate for longer periods and widening of eligible collateral to finance banks in the Eurosystem, these constraints hampered the financing of the Portuguese economy as banks had to adjust the level of funding and initiate a deleveraging process tightening and increasing cost of credit.

Spending on public permanent salaries decreased 18.1% in 2012. Additional savings were possible due to cuts in non-permanent personnel and services expenses. The government expenditure decreased by 1.2%. The public deficit not considering influence of extraordinary operations (payment of debts from previous years of the National Health Service) also decreased, in spite of a decrease in revenue from taxes of 6.8%, mainly due to the VAT (Value Added Tax) but also to other indirect taxes resulting from the decrease in consumption (vehicles, petroleum, tobacco) and direct taxes, especially IRS (taxes on earnings) given the decrease in the base due to the cut of holiday and Christmas month salary of public workers.

The combined balance of current and capital account was a surplus of 1.3 billion Euros in 2012, for the first time after decades of negative balances. In 2011, the deficit had been 9.9 billion euros, which indicates the magnitude of the adjustment that took place. Adjustment in the external balance of goods and services proved to be very fast. The contraction of domestic consumption and investment led to a trade surplus of 111 million after permanent deficits since 1943. In 2011, the trade deficit still stood at 6.5 billion euros. With respect to goods, the increase in exports and the contraction of imports allowed an adjustment of 5.6 billion euros. The surplus of 8.7 billion recorded in services trade offset the goods deficit. Portugal also presented net capacity

of external financing with the entries exceeding cash outflows with a surplus of EUR 1.3 billion, 0.8% of GDP.

The increased spending on unemployment subsidy and other employment support schemes was estimated at 23.3%. The expenditure on public pensions fell about 8.8% due to the cuts in pensions to part of pensioners. In spite of cuts also applied to the higher private pensions, social security expenditure increased 3.4%, mainly due to the banking subsystem pensions and contributions fell 4.9%, due to the increase in unemployment.

An important milestone of the economic and financial adjustment took place in the beginning of the 2nd trimester of 2013. Government implemented in the national budget for 2013 new cuts of 4 billion euros that had negotiated with the Troika in the 6th and 7th program evaluations, including salaries, pensions and unemployment subsidies. However, the Constitutional Court declared such actions unconstitutional and even ordered their refund. In addition, a public administration reform that had been proposed as necessary did not go forward.

These developments had adverse effects. To increase revenues taxes had to increase and additional efforts were necessary to control and reduce public expenditure. But also had positive effects on household consumption and creating expectations that wages and pensions would not have additional cuts. Consequently, given the weight of salaries and pensions in public spending, the financial adjustment had to turn out to be based mainly on the revenue side and less on the expenditure side, contrary to what was originally planned in the memorandum.

Later, in the year, there was also a political set back with profound disagreement between the two parties of the government, that constituted the majority in Parliament, over the resignation of the finance minister and the designation of the new one. The prime minister stood firm and maintained his leadership negotiating with his partner party and renovating his government.

In spite of these developments, in 2013 the economy continued the process of correction of macroeconomic imbalances and showed, during the 3rd quarter, the first signs of economic growth. External accounts improved

recorded a surplus (2.6% of GDP). Budget consolidation continued with public deficit reducing (4.9% of GDP). In spite of an annual negative rate of change of GDP (-1.6%) a reversal of the downward trajectory of GDP and growth in the end of the year ended the scenario of entry in recessionary spiral.

Even with an external environment of weak growth of our main customers' economies, exports recorded a remarkable dynamism with growth to other non-traditional markets. In 2013, exports of goods grew by 5.8% and imports fell -5.4%. These values for the services were -0.3 and -9.2%, respectively. The external demand for the Portuguese economy ended up accelerating. Simultaneously, international prices of energy raw materials decreased and inflation in the euro area went down to historically low levels. There was also a decrease in unemployment although still remaining at very high rates. However, public debt continued to increase with loans and deficit financing, reaching 129 per cent of GDP.

After three years of recession, 2014 brought the Portuguese economy back to moderate growth of 0.9%. Relative to 2008, the starting point of the financial crisis, Portuguese GDP changed -7.5%. Benefiting from a favorable economic environment of low prices of energy raw materials and low interest rates, the economy grew successively with a positive contribution from private consumption (2.1%), investment (5.2%) and exports (3.8%). In the first semester of 2015, the combined set of these variables continued to evolve favourably (2.8, 4.6 and 7.2%, respectively), with growth increasing to 1.5%. Unemployment decreased slightly and gradually maintained a positive trend during that year and throughout 2015, as economic growth, progressively, increased.

In 2014, the three years' international program of financial assistance ended. Progressively, Portugal regained access to international financial markets, and the way out of assistance went smoothly, with progressively lower interest rates at longer maturities. Portugal actually came to benefit from historically low interest rates and even anticipated the payment of part of the IMF loan to decrease interest expenses.

Financial markets remained relatively stable and long-term interest rates fell to historically low levels. It began a moderate recovery in the euro area credit markets. Spreads remained high for non-financial managers despite low policy reference interest rates of the ECB by the sovereign debt problem in the euro area. The instability of the financial system was a factor that does not favor productive investment in the tradable goods sectors again shaken by Banco Espírito Santo BES bankruptcy originated from Group Espírito Santo companies negative results and related problems that arise in Portugal Telecommunications company.

The external accounts remained positive with a decline in surplus from 2% in 2013 to 0.3% of GDP in 2014. The balance of goods and services maintained a surplus of 1.3% with the goods component keeping a negative contribution of -5.3 more than offset by the positive contribution of 6.6% of GDP of services component, with travel and tourism services surplus representing by itself 4.1% of GDP. In the first half of 2015 this trend has been maintained.

In 2014 continued the process of financial consolidation. The public deficit was 4.5% of GDP while in 2013 was 4.8, still above the 4% target set in the General National Budget for the year. However, with no temporary measures and special factors, in particular the inclusion of the transport companies within the perimeter of public accounts, deficit would have been 3.8% of GDP or less 1.5% than in previous year. The primary balance of the budget, receipts minus expenditures without interests, that in the previous year had already been positive (0.1% of GDP) has increased and reached 0.5% of GDP. Expenditure on interests of public debt, which reached its historical highest value of 130% of GDP, kept approximately in 5% of GDP. The goal for the public deficit is to decrease to less than 3% in 2015, also without temporary measures and special effects, because as it has been known there are at least to accommodate the equity increase of the Novo Banco, a bank that resulted from the resolution of the Espírito Santo bank and, eventually, of the Portuguese airline public company.

In conclusion, Portuguese macroeconomic context and prospects changed dramatically over the last decade. After a period of rapid increase of Portuguese public and private debt fueled by low interest rates and inflation, resulting from the introduction of the euro, a new global context arose with the world financial system crisis. Financial needs to keep financing public deficit and external accounts of the Portuguese economy were secured by international financial rescue institutions that dictated “austerity” policies to adjust major macroeconomic structural imbalances. Decreases of public spending, resulting from cuts of wages and pensions, and increases in taxes, mainly imposed on families, brought public deficit close to maximum level of excessive deficit allowed in EU (3% of the GDP). Increases in exports and large decreases in imports brought external accounts to balance. International loan and special factors, mainly bank resolutions, rose public debt to record levels. Hence, action was mainly taken to adjust public expenditure and to secure and decrease international financial annual needs.

Lack or reduced efforts and actions were set in place and directed to promote economic productivity and structural reform to improve competitiveness and change in context costs. Public sector overall reform was postponed and is being dealt at sectoral level namely in health, justice, social security, education, public administration and political system, according with political agenda and economic conditions.

The underlying economic model adopted through the adjustment period relied on increasing exports and promoting growth through traded goods and services to sustain employment and household income. Supporting firms internationalization and sustaining operation in external markets means that they have to be competitive and that is well. But is that enough to promote economic growth? No. What about companies that do not export? Domestic consumption and markets competition? SMEs that do not export? Internal and local markets? What edges do they have over external competitors to compete in internal markets? Consumer knowledge. What edges do they have over others to build competitive advantages? Public policies for Industrial sectors?

To open markets and support firms to internationalization it is good but not sufficient.

Macroeconomic trends for the Portuguese economy are determined by this global macroeconomic environment and by the end of the adjustment measures adverse for economic growth implemented in the crisis period to correct disequilibrium of Portuguese economy. The macroeconomic forecast scenario (Bank of Portugal, 2015) maintains a moderate growth of the euro area growth and an increase in foreign demand with increased exports (6.1%) and moderate recovery of private consumption (2.6%), due to the gradual extinction of wage cuts. It is expected an increase in investment (6.2%), benefiting from low interest rates and of low prices of consumer goods and energy raw materials. These forecasts are also based on the positive effects of the depreciation of the Euro against the Dollar. Therefore, there are expectations of net job creation and a gradual but slow decreasing trend for unemployment rate. Through the imported component of the increase in private consumption it is expected an increase in imports (7.9%).

As a result, the latest macroeconomic forecasts for the Portuguese economy, of the October Economic Buletin of the Bank of Portugal, are of an anual rate of growth in 2015 of 1.7% and of positive balances for the current and capital and the goods and services balance accounts of 2.3 and 1.7% of GDP, respectively. In 2016 economy is expected to continue following this trend.

4. Growth and debt as major Portuguese economic challenges

The fundamental challenge of the Portuguese economy since Portugal's accession to the European project is to converge to well being of standard living levels of European countries.

During a period of a dozen and a half years after the accession till the beginning of this century Portuguese economy showed growth rates above the average of European countries. However, since 2002, growth rates have been during the large majority of years lower than the average growth in these countries. In addition, Portuguese economy had three recessions already in this new century, the last deep and for three consecutive years during the

period of international financial economic and financial program. This has jeopardized real convergence process. What this means is that we produce less increase in wealth, so create less value to repay the resources used, which, over time, define the growth pattern of wages, household consumption, in short, wellness level and development (see tables 1 and 2).

Simultaneously, during these years, through its integration in the monetary union economic, Portuguese economic agents benefited from lower interest rates and less volatile and overseas financing terms without currency risk, which on the one hand, stimulated the reduction of savings and the increase in private consumption, and on the other led to loosely public budgetary policy that stimulated consumption and domestic public spending financed using debt. Portuguese public deficit and debt accumulated over those years. In 2010 deficit went over 10%.

The situation of the Portuguese economy became of particular exposure of the level of foreign indebtedness, with the external financial position worsening from about -35% to a value negative above the GDP, between 2000 and 2009 (see chart 2). This exposure grew at a much slower growth after 2010, reaching a net debt of 120% of GDP in the 1st semester of 2015 (Bank of Portugal, Boletim Económico Maio, 2015, p. 69).

This debt on the one hand increases the current obligations and the financial outflows abroad, which means, working to pay interest overseas, particularly if, with the change of circumstances, as happened during the first years of the current financial crisis, the increased risk boosts interest rates and spreads and leads to paying higher interests. On the other hand means mortgage and, over time, loss of management control and sales of assets. More recently the moderate growth of this unfavorable international investment position, and even some reduction in 2014, resulted from low interest rates particularly due to the ECB policies and consequently lower interest payments.

Both of these aspects reveal the inability to generate enough wealth to satisfy the increasing levels of consumption and investment. Before the common currency, the Euro, the currency devaluation allowed to adjust quickly, consumption and production patterns by increasing the prices of

imported goods, with a consequent reduction of imports, and promoting competitiveness by decreasing the prices of exported goods, so increasing exports. After the Euro, this possibility does not exist and the adjustment will be slower and under compliance with the service and the payment of the foreign debt that, over time, will also require reducing labor costs and consumption levels or increasing productivity.

5. The agri-food sector in the Portuguese economy

After analyzing the recent context of Portuguese economy the focus turns to the contribution of the food and agricultural business to this evolution. As the overall economy food and agricultural sector has also been converging to average values for Portuguese economy and European levels over the last decades. However this process has been occurring in agriculture and agroindustry through different processes and displaying different performances. In agriculture productivity has increased mainly through a large adjustment of labor force. Agroindustry has performed much better than agriculture and productivity achieved through total value of production increase. However, as we did for the whole economy, let us see food and agricultural business performance in the last decade, starting by the agricultural production, the part of the primary sector of the agrifood complex.

5.1. Agriculture

Table 3 shows total gross value added (GVA) of the Portuguese economy and GVA of eight branches of activity, including agriculture, forestry and fishing, which I will refer to as just of Agriculture, to simplify, at base current prices, between 1995 and 2014. GVA at base prices differs from GDP at market prices because includes taxes and subsidies on products and taxes on imports. The table also includes, at the bottom, percentage changes of agricultural GVA between three year moving averages, to control effects of variability of growing seasons, of the three periods considered that are to be compared. These periods are the initial years average (1995/97), the period just before crisis (2005/07) and final period (2012/14). Percentage of

agriculture in total GVA in these periods is also indicated in the bottom of the table.

Agricultural branch of GVA accounted for 5% percent of the total GVA of the Portuguese economy in 95/97. This contribution dropped to 2.5% in the years 2005/07. Between these latter years and 2012/14 this contribution decreased, slightly, to 2.3%.

This decrease is normal for an economy of a developing country with the GVA of industry and particularly of services growing faster than agriculture. See columns 6 to 8 of the table to check the high growth rates of services branches of the Portuguese economy. However, as the table shows, in the Portuguese case there is a nominal decrease of 18% of agricultural GVA between 1995/97 and 2012/14. This contrasts with the increase of 79% of total GVA for the Portuguese economy, for the same years.

We also evaluated the evolution between 2005/07 and 2012/14 to compare agricultural behavior with the total and other sector's evolution during the crisis period we have been examining. During this period, the agricultural GVA fell 5% while total GVA increased by 4%, in nominal terms. Notice in the table the GVA decreases of construction by 30% and of industry by 5%, in the same period.

To further analyze agricultural performance we extended our analysis to a longer period of time and other variables at constant 2011 prices. Table 4 presents, selected indicators, from 1980 to 2014, from economic accounts for agriculture.

Firstly, as expected, the analysis in real terms confirms the unfavorable evolution of agricultural GVA. In 2012/14 GVA decreased 26% relatively to the level achieved in 1980/82, at constant 2011 prices. However, in addition to the decrease of GVA, there are other further unfavorable aspects with respect to the other indicators. The first is that despite the decrease in GAV the value of production increased by 20%, during this period, indicating that farmers gross margins of return decreased because of increased spending on intermediate consumption. This, as the table indicates, between 1980/82 and 2012/14, increased by 86%. Another important aspect is the sharp

reduction in the net value added (NAV) of 50%, i.e., to half of the value, pointing to fixed capital spending increases as well, that more than doubled, increased 121% as table indicates, leading to overall net returns for land, labor and capital, much smaller.

It should also be noted that in the post crisis period 2005/07 to 2012/14, it appears that GVA and the NVA registered small growth (3 and 8%, respectively) and the consumption of fixed capital decreased.

Finally, it is worthwhile to compare this evolution in agriculture of Portugal with other member states of the European Union, namely mediterranean countries like Spain, Italy, France and Greece, with natural and agricultural characteristics more comparable to Portugal.

Table 5 shows the evolution of agricultural GVA, at constant prices of 2005, for this set of countries and also for Germany, UK and Netherlands, as well as the average of the EU countries (EU12), to benchmark the analysis. GVA of Portuguese agriculture fell 31% from 1980/82 to 2012/14. None of the mediterranean countries agricultures displayed such behavior. None has today less agricultural GVA than in 1980/82. In France is 29% and in Italy 24% higher. In Spain increased 79% relatively to 90/92 and in and in Greece 1% relatively to 93/95. With respect to other countries GVA for UK increased 14% relatively to 1980/82 and Netherlands has the highest growth with an increase of 85% relatively to 1986/88. For the EU 12 this value is 19% relatively to 93/95. Germany is worth mentioning for negative reasons because agricultural GVA was down 40% relatively to 91/93.

5.2. Agrifood Industry

The agri-food component of the economies is not limited to the component of goods produced in agriculture. It is particularly important the contribution to the economy of the value of agricultural products resulting from the processing of agricultural raw materials and goods. Table 6 shows the GVA of the agri-food industry including beverages and tobacco, of total industry and of total economy, at basic current prices, from 1995 to 2013. At

the bottom of the table percentage changes for different periods and of total GVA are presented as in previous agricultural GVA.

The GVA of the agri-food industry of Portugal in 2011/13 represented more 88 % of average values of 1995/97. This value for agri-iindustry is much more favorable than that of total industry of 37%, and also of total GVA of 80%. This performance has nothing to do with the GVA of agriculture whose value is lower than in 1995/97 by 20%. Thus, the food industry has evolved very differently from agriculture.

For this reason, unlike total industry, whose contribution to total GVA decreased from 22.1 in 1995/97 to 16.8% in 2011/13, the food industry has maintained or even strengthened its position of 2.2% to 2.3%. Hence, the same happened within the industrial sector, with agri-industry weight increasing from 9.8 to 13.5% in the same period. According to INE, agro-industry was the branch of industry activity with higher sales volume in 2013 (INE, EA, 2014, p.72).

The same happened in recent crisis time. Comparing 2005/07 with 2011/13, GVA of agri-industry increased 7% comparing with 4% for total GVA, -1% for total industry GVA and -8% for agricultural GVA.

To compare performance of the food-industry of Portugal with European counterparts, GVA for different European countries is presented in Table 7, at base and current prices, for the period 1995-2014.

The GVA of the agri-food industry of Portugal, without beverages and tobacco, increased 30% from 1995/97 to 2012/14, assessed at current base prices. Larger and comparable growth was registered for mediterranean countries, namely Spain (64%), France (60%) and Greece (34%) and Italy (26%), respectively. Netherlands also did very well 57% and the United Kingdom (23%) not doing so well (4%), with Germany, again, having the worst performance. Hence, agri-industry registered a positive evolution in Portugal that is at average European standards.

In the recent period of economic and financial crisis that we have been examining the evolution of the GVA of European agri-industry was also slightly favorable, as referred before, with exception for Greece. GVA values

for 2012/14 relative to 2005/07 have registered increases of 3 % in Portugal, comparing with Mediterranean countries of 17 % for France, 7% for Italy and 1% for Spain. This time Germany followed by Netherlands registered high increases and United Kingdom but the United Kingdom practically maintained the same levels (1%).

5.3. International agrifood trade

Data presented in table 8 includes current and commercial selected components including goods, agrifood, export, imports and total balances, for the period between 1995 and 2014. The same average periods, presented in the last columns of the table, are examined this time focusing on agriculture and food contribution to trade.

Agrifood has given a negative contribution to the economy, in terms of international trade. In 1995/97, agricultural and food component recorded a deficit of -2.5% of GDP, about 2.6 billion euros, representing about 23.6% of total goods deficit.

In 2005/07, the agrifood deficit grew to an average 3.8 billion euros, but at smaller rate than total goods deficit, hence representing for -2.3% of GDP and 18.2 % of the total deficit of goods. A record deficit in value of 4.4 billion was registered in 2008.

After the period of economic adjustment in 2012/14 the agrifood still registered a deficit of 3.5 billion euros, or -2.1% of GDP. Agricultural and food components contributed very little to reduce the trade deficit. Total goods deficit fell rapidly from -11.5 to -5.2% of GDP, or from 21 to 10.5 billion euros, but the agricultural and food component only decreased from -2.3 to -2.1% of GDP, or from 3.8 to 3.5 billion euros with agrifood deficit relative share of total goods deficit increasing from 18.2% to 33.7%, between 2005/07 and 2012/14. Therefore, the agriculture and food goods adjustment was clearly much smaller than for the overall economy.

Hence, the agri-food sector not only has been unable to contribute to domestic financing of the economy, on the contrary through time has

increased the need for external financing, but also in the adjustment period contributed much less than the average of the economy to reduce those needs. As it could be expected food is the last good that persons stop buying, or the same is to say that income elasticity of food products is lower than for other goods.

However, it is necessary to breakdown analysis of the two sub-components, agricultural goods and food, because they reveal a very different behavior, in particular in the last period to which we have referred.

In the agricultural sub-component, the more important in relative terms (87%), the negative contribution to the deficit remains and increases over the years considered, first with an increase in deficit from 2.2 to 3.4 billion, on annual average, from 1995/97 to 2005/7, and then a further slight increase to 3.5 billion euros in 2012/14, displaying the opposite direction of the adjustment of the economy. However, in the food component, which accounts for 13%, deficit after increasing from 335 in 1995/97 to 417 million in 2005/07, has been recovered, standing at 35 million in in 2012/14, the average of that period, but already with a 71 million surplus, in 2014.

Finally, we look at global and agricultural and food exports and imports. One way to do this is to analyze the coverage of imports by exports or self-sufficiency rates. The agri-food component has percentage rates of coverage of imports by exports lower than the whole economy. Despite the decrease of total self-sufficiency from 66 to 62% between 1996/98 and 2005/07, these amounts are much higher than 38 and 43% registered for the agri-food component on average for the same year periods. Moreover, in the last period considered, 2012/14, despite the increased in agrifood component self-sufficiency, 16 percentual points, from 43 to 59%, the increase was lower than for the economy as a whole, which was 20 points, from 62 to 82%. It should be emphasized, again, that this poor performance in relative terms is due to the negative agricultural sub-component that, even in 2012/14, still exhibited a coverage rate of 43%, unlike the sub- component food, that reached in the last year 103% and on average for this period 99%.

Let's look now to growth of exports and imports of goods and of agrifood. Portuguese exports of goods on average for periods of 1996/98, 2005/07 and 2012/14 were 21, 35 and 47 billion euros. Exports of agricultural and food sub-components contributed on average per year in these periods with 686 and 900 million euros, 1.3 and 1.5, and 2.6 and 2.5 billion Euros, respectively. Exports of agricultural and food products represented in those periods 3.2 and 4.2%, 3.8 and 4.3%, and 5.6 and 5.3% of total exports of goods, respectively. Hence, representing gradually a larger share of total good exports of 7.4, 8.1 and 10.9%, respectively.

In 1996/98, goods exports average growth rate was 8.7%. This rate decreased to 8 and to 4% during 2005/07 and 2012/14 periods, respectively, on average. Exports of agrifood in 1996/98 had similar percentage growth of total goods, with agricultural goods growing at 8.6% and food goods 7.3%, on average per year. In 2005/07 agri-food export performance was better than of total goods with both agricultural and food subcomponents growing at 11.6%. The same held for 2012/14, with agricultural goods exports growing at 7.7% and food goods exports at 5.2%, per year.

Portuguese imports of goods on average for periods of 1996/98, 2005/07 and 2012/14 were 32, 55 and 57 billion euros. Agricultural and food imports sub-components contributed on average per year with 2.9 and 1.2, 4.7 and 1.9, and 6.1 and 2.5 billion Euros, respectively, in those periods. Imports of agricultural and food goods represented in those periods 9.1 and 3.8%, 8.5 and 3.4%, and 10.7 and 4.4%, respectively. Hence, imports of agrifood after a slight decrease of 12.9% to 11.9% from the first to the second period have slightly increased to 15.1% their share on total good imports in the third period.

In 1996/98 and 2005/07 imports growth was 12 and 7% average rate per year. Growth rates for imports were 8.1 and 9.1 % for agricultural goods and 12.6 and 5.5% for food goods, for the same years period, respectively. On average for years 2012/14 goods and agrifood imports exhibited no or negative growth. Goods imports decline at -0.2 rate, agricultural goods showed no growth and food goods a decline of -0.7% rate per year.

5.4. Agri-food prices

The next point in analysis respects to food prices evolution and their effects. In a small open economy like Portugal, international price signals of both raw materials or products are transmitted to domestic prices and the activity of economic actors involved in sectors of these goods are confronted with these prices.

Taking 2014 as a reference, food products account for about 24,9% of the budget of families, with the unprocessed and processed sub-components representing 10.7 and 14.2% of that total (see table 9). The processed sub-component has been increasing its part in food budget share.

The rate of average change in prices, global and of food, between 1998 and 2014, is also presented in Table 9. The rate of change in food prices ranges between 6.1 and 2.5%. The limits and the amplitude of this variation range is superior to all goods which is between 4.4 and -2.4%. This wide range of growth rates results from the variation of its two components, non-processed and processed agricultural goods. Both components have had wide price variations. The unprocessed food component has a range of variation between 8.9% and -4.6% and the processed food component varies between 8.1 and -0.9%. This wide variation is recorded in periods of large variation of energy raw materials that have occurred, such as in 2006/07 and 2010/11.

In Portugal on average for the first periods considered aggregated prices increases are slightly larger for 2005/07 than for 1998/200. Food prices increases are lower due to the non-processed component. Notice that price increases for energy and food raw materials rose considerably in 2006 and 2007. Euro area average price increases for these years are lower than for Portugal for all component considered. The opposite happened in the third period considered. Portuguese average price increases are lower than in the other two previous periods for all components and are also lower than Euro area price increases, also for all components.

Although in the short term for unexpected reasons, such as by supply interruption in some producing countries due to local or regional problems,

there might exist more volatility and increases in prices, the slowdown of the world economy growth since 2008 makes a medium-term trend of moderate price increases, both in terms of goods at consumer and of energy and of food raw materials. It is expected that the reduction in world economic growth has effect in demand for raw materials that will tend to maintain pressure for stable low prices, despite production and capacity and supply management measures of cartels, for example of the OPEC (Oil Producing Exporter Countries) and of large international oligopolist companies. These effects will gradually be transferred to the real economy, maintaining low inflation rates, even in some countries with risk of deflation, given the cumulative effects of the price of money, the interest rates, at historical reference lowest values.

6. Implications for agricultural and food business policies

As one could conclude from the analysis of the agriculture and food business chain of last section, agriculture and food complex is a good representation of the overall performance of the Portuguese economy. Major adjustments have come from labor structural decreases and social value added is still low reflecting low wages relatively to active population in other occupations and low return to capital, including land, given the sector low productivity and value creation. Food industry is doing better but agricultural raw materials and food goods aggregate degree of self-sufficient is still low reinforcing the view that agricultural and food tradable goods could give an important contribution to sustainable growth through economic and financial value creation and commercial surplus, social contribution to employment and human capital and environmental conservation of natural resources and renewable energy.

To promote the internationalization of companies of tradable goods has been prescribed by various international and national institutions (OECD p.41, CIP p.11) and Portuguese personalities (including Coelho and Silva, ex-prime minister and president), as a priority to address these Portuguese structural disequilibria. To grow under current domestic context Portugal must rely on export competitiveness of goods and services to create value, direct

domestic and attract foreign investment to those products and services and sustain and create new employment opportunities through competitive and differentiating advantages in these products and services. The same holds for producing tradable goods that substitute imports. Micro and small companies that rely on domestic markets must face external competition and innovate in business models for their products and services based on their knowledge and capability relatively to external competitors.

Agriculture and food industry produces tradable raw materials and goods that can play a role in this strategy. Simultaneously, this orientation can be an important driver of change and innovation in agriculture and food business.

Internationalization is relevant because tradable agricultural and food goods and services are usually differentiated that have competitive advantages and incorporate technological and commercial innovation, high positioning, that add value and create additional wealth, consequently, generate greater return to resources.

This is also particularly important for agricultural and food business of a small country, like Portugal, with a relative proportion of natural factors, land in particular, that does not favor an orientation of producing undifferentiated agricultural raw materials and food products. To allocate these resources to production of raw materials and undifferentiated products or with little potential for differentiation would mean to point to solutions that have low returns and reduce the possibility of generating income for the assets of agro-food sector comparable to the rest of the economy and be unable to sustain a more balanced agricultural trade balance.

This option also means adopting guidance and deciding to create and apply the necessary knowledge, technological and economic know-how, to compete in an open economy in markets for these agricultural and food products. This is an option for products that require public and private investment in scientific, technical and professional training. Hence, over time, that option means to constitute and prepare better human capital in agrifood value chain and a more cohesive society.

There are still other characteristics of differentiated tradable agricultural and food goods that constitute factors of social progress. I am referring to aspects of environmental pollution, food quality, food safety and public health. These goods are produced with agricultural production and processing technologies that ensure production and processing quality, assurance and food safety, reducing risks of food contamination and environmental pollution.

In addition these food goods have high demand in developed economies because they respond to their societal needs of few time availability at home and more time necessary for development of professional careers, taste sophistication, balanced and healthy diet and prevention of disease.

Demand for these agricultural and food products is also likely to increase as people of developing economies seek patterns and living standards with higher incomes with common features of the more developed countries. Among these are, of course, Portuguese-speaking country markets, such as Brazil, Angola and Moçambique, in which there are potential for economic growth, therefore external demand to promote exports.

An alternative to value these agri-food products in the domestic market, but also with positive impact in external accounts, is to promote their consumption associated with tourism services. This can be done through the hotel, restaurant and cafeteria (HORECA) marketing channel or direct sales in own shops of production sites to visit, taste and appreciate local production and processing technologies and products.

Hence, internationalization is important to strengthen guidance and pursue of public policies that promote the allocation of resources to differentiate agricultural and food products incorporating competitive advantages. Public policies have, on the one hand, to pursue techno-economic empowerment of the agri-food sector and, on the other hand, to promote a socio-economic environment that promotes economic competitiveness, including context and transaction costs, in order to reduce structural constraints and improve performance of agrifood firms and businesses.

One of the fundamental characteristics intrinsic to our collective capacity as a country in relation to European countries is our level of training and qualifications and, consequently, the scientific profile, technological, cultural and artistic of our society. The stock of human capital in terms of average number of years of the country's education is still low relatively to other countries which constitutes a restriction for adopting technologies and management practices with high competitiveness key factors and innovation with new ideas, processes, products and organization. This is particularly the case for the human capital of the agricultural and food sector. To promote the incorporation of key factors of competitiveness, including research and development, innovation, training and entrepreneurship, is critical for success of firms of agribusiness.

A social and economic context that promotes competitiveness, innovation and product differentiation is also needed. The existence of an enabling environment to competitiveness and dynamism of agribusiness and firms and institutions in general involved in and affected by these policies is of most importance. Public governance, including speed up licensing and justice decisions, are some examples of common areas where there is need to continue to act to cut transaction costs. Socio-cultural and behavioral change is also needed, including promoting values of accountability, cooperation, clustering and integration.

Although there were and still will continue to have investment of cohesion funds with the aim of promoting these factors, the implemented structural reforms appear to have not been sufficient to address constraints that continue to condition agricultural and food competitiveness and to determine a performance below that of our European partners. Among those structural constraints is often pointed out the inadequacy of the institutional framework, need to facilitate project elaboration and access to funds, excessive and useless bureaucracy, lack of accountability and monitoring and continued evaluation of public policies and measures.

Finally, financial aspects are of great importance and are in the agenda of investing in agriculture and food businesses as well as in the economy in

general. The financial crisis has shaken confidence in financial markets and banks began to fix spreads taking into account the credit risk under new market conditions. Agricultural and food business companies with debt levels relatively high exhibit increased risk of credit therefore will have more difficulties in financing their projects and higher financing costs.

Higher costs of money will require higher rates of return of investment of agricultural and food projects. Hence, there is need to select criteriously investments in projects and business areas and products where there is comparative advantage and competitive ability not only to have social retribution but also, that in the short term, to maintain employment and support demand or prevent more public social expenditure. In addition, the impact of these investments, particularly of megaprojects, in increased level of debt and its consequences for the competitiveness of the economy also has to be considered and evaluated

These are strategic consequences of macroeconomic trends for structural long-term guidelines that should be followed. In the short term, actions and measures to adopt and implement should focus on public and private steps to promote these guidelines, taking into account, in particular, the essential and specific constraints, that circumstantially, the current financial and economic crisis raises. In the current context, it is essential to support the preparation of the companies and firms that produce agricultural and food tradable goods to respond to external demand. To take advantage of these times to accelerate in these companies the adoption of new and innovative lines, products, processes and technologies, will give competitive advantages to these companies in these markets, increasing their market shares.

In conclusion, it should be noted that these measures can't help being integrated into a structural view to promote productivity and improve international trade of the Portuguese agricultural and food economy and business, which constitute the fundamental determinants for its future competitiveness and development.

7. Conclusion

The financial crisis that arose in 2008 brought to light banking system fragilities all over the world and sovereign debt problems of several European countries, including Portugal. Lack of confidence of markets on the capability of paying high levels of accumulated debt led to rocketing interest rates and the impossibility of financing economy activity and public commitments, such as salaries and pensions and made unavoidable an international intervention to assist Portugal through a three years program from 2011 to 2014.

As financial deleveraging passed to the real economy growth halted and, posteriorly, a severe recession installed for three years with a 7% drop in GDP and unemployment record rates reaching almost 17% rates. Public deficits, without extraordinary measures, have been brought to 3%, decreasing primary public spending, including salaries and pensions cuts, as debt kept increasing due to financial borrowing of the program and public deficits. Current account and trade balances equilibrated rapidly during the adjustment period, although goods still registering a deficit more than offset by services contribution.

In the end of the adjustment period of the program economy was growing at a moderate rate benefiting from lower interest rates, largely due to BCE intervention, and low international prices of energy and food raw materials. Economic outlook is of gradual recovery as the country deals with its structural problems of productivity and particularly of high levels of debt and service that constitute a relevant current cost and a restriction for investment in the future.

To alleviate this restriction, maintain jobs and ameliorate the international financial position, guidelines for agricultural and food public policies ought to be encouraging firms to produce tradable goods and support their efforts to get international and increase exports. The agrifood complex is expected to give his share of contribution to the economic growth adding value to resources allocated to agricultural and food production and decreasing agricultural and food trade deficit.

In general, it is fair to say that the performance of the agrifood complex in Portugal and its overall contribution to economic activity and results are below the needs of its economic and social agents and of the country. However, there is a clear distinction of the evolution and performance of different components of the complex, namely of agriculture and of agro-industry sub-components. They exhibited different performances either in terms of value creation as in terms of international trade.

Added value of agriculture has decreased significantly in real terms and even in nominal terms, in spite of increases in agricultural production,

intermediate and fixed factors of production. Agriculture contribution for the economic adjustment was weak and agricultural external trade deficit is still at high levels.

The opposite has been happening with agro-industry. Added value of this component has been increasing over time with the agroindustry reinforcing its contribution to the economy and the international trade of food products. This is particularly true with respect to its contribution to the economic adjustment that has to be done recently, namely contributing to rapidly restore a balanced commercial trade of food products. This subcomponent reveals an economic dynamic evolution very favorable.

Public policies ought to be oriented to increase production of tradable agricultural and food differentiated products that incorporate innovative factor, technologies, products and organizational methods promoting value creation to increase returns to land, labor and capital. This orientation also opens the economy to increased competition ensuring competitiveness through the incorporation of innovation and pushing economy and society for structural reforms and increased productivity.

References

- Amaral, Luciano, “Economia Portuguesa – As últimas décadas”, Fundação Francisco Manuel dos Santos, 2010.
- Banco de Portugal (BdP), Relatório Anuais da Economia Portuguesa, vários anos.
- Banco de Portugal (BdP), Boletins Económicos, números de Maio e Outubro, de vários anos.
- Confederação Empresarial de Portugal (CIP), O Imperativo do Crescimento, by McKinsey & Company, Inc., 2011.
- European Central Bank (ECB), EUROSYSTEM, “Asset purchase Programmes”, 2016
- <https://www.ecb.europa.eu/mopo/implement/omt/html/index.en.html>
- Eurostat, Sector accounts, database.
- Eurostat, Economic Accounts of Agriculture, database.
- Instituto Nacional de Estatística (INE), Contas Económicas da Agricultura, CEA, Vários anos.
- Instituto Nacional de Estatística (INE), Contas Nacionais, vários anos.
- Instituto Nacional de Estatística (INE), Estatísticas do Comércio Internacional, ECI, Destaques, Novembro de 2008, Fevereiro, 2009.

- Marques, Carlos A.F. (2009), "As Tendências Macroeconómicas e o Sector Agro-Alimentar", Comunicação apresentada no congresso "Estratégias para as Novas Agriculturas", AgroTec 2009, Salão Internacional de Agricultura, Pecuária e Espaços Verdes, Feira Internacional de Lisboa, 5 Março, 2009
- Organização Cooperação e Desenvolvimento Económico (OCDE), Relatórios Económicos da OCDE– Portugal, 2014
- Reis, Ricardo, "Uma Solução para Portugal: Fazer mais com os Portugueses", cap. 3.8 em Portugal e o Futuro, Homenagem a Ernâni Lopes.
- Stock, James H. and Watson, Mark W., "Has the Business Cycle Changed and Why?", Macroannual, revision, August 2, 2002, http://ksghome.harvard.edu/~JStock/pdf/stock&watson_macroannual.pdf

Table 1: World, Developed and Emerging and Developing Countries, and selected Countries, 2005-14

Real rate of change in %

| Areas | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|
| World | 4.4 | 5.0 | 5.2 | 3.0 | -0.6 | 5.3 | 4.2 | 3.4 | 3.4 | 3.4 |
| | 2.6 | 3.0 | 2.8 | 0.5 | -3.6 | 3.2 | 1.7 | 1.2 | 1.4 | 1.8 |
| USA | 3.1 | 2.9 | 2.1 | 0.4 | -3.5 | 3.0 | 1.6 | 2.3 | 2.2 | 2.3 |
| Japan | 1.9 | 2.4 | 2.3 | -1.2 | -5.5 | 4.5 | -0.4 | 1.7 | 1.6 | 0.0 |
| Euro Area | 1.7 | 2.9 | 2.7 | 0.5 | -4.3 | 1.9 | 1.7 | -0.8 | -0.4 | 0.9 |
| Germany | 1.0 | 3.1 | 2.6 | 1.0 | -5.1 | 3.7 | 3.7 | 0.6 | 0.2 | 1.6 |
| France | 1.9 | 2.4 | 2.3 | 0.3 | -2.6 | 1.4 | 2.1 | 0.4 | 0.4 | 0.4 |
| Italy | 0.7 | 1.9 | 1.4 | -1.3 | -5.5 | 1.8 | 0.7 | -2.8 | -1.7 | -0.4 |
| Spain | 3.6 | 3.9 | 3.6 | 0.9 | -3.7 | -0.1 | -0.6 | -2.1 | -1.3 | 1.4 |
| | 1.8 | 2.9 | 2.6 | 0.5 | -4.4 | 2.1 | 1.6 | 0.7 | 1.7 | 2.6 |
| | | | | | | | | | | |
| | 7.1 | 7.8 | 8.3 | 6.1 | 2.8 | 7.5 | 6.2 | 5.2 | 5.0 | 4.6 |
| China | 10.4 | 11.1 | 13.0 | 9.6 | 9.2 | 10.4 | 9.6 | 7.7 | 7.8 | 7.5 |
| | 4.6 | 5.5 | 5.8 | 4.3 | -1.6 | 6.2 | 4.9 | 3.1 | 2.9 | 1.3 |
| Russia | 6.4 | 7.4 | 8.1 | 5.6 | -7.8 | 4.3 | 4.3 | 3.4 | 1.3 | 0.6 |
| India | 9.1 | 9.7 | 9.4 | 7.3 | 6.6 | 10.6 | 4.9 | 4.6 | 6.4 | 7.2 |
| Developing European Countries | | | | | | | | | | |
| | 6.1 | 6.6 | 5.5 | 3.0 | -3.6 | 4.5 | 5.4 | 1.3 | 2.9 | 2.8 |
| Source: Bank of Portugal, Annual Reports, Several years | | | | | | | | | | |

Table 2: GDP and major expenditure components

| Real rate of change in % | | | | | | | | | | | | | | |
|--------------------------|------|------|------|------|------|------|------|-------|------|------|-------|------|------|---------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015(p) |
| GDP | 0.8 | -0.8 | 1.5 | 0.9 | 1.3 | 2.4 | 0 | -2.9 | 1,4 | -1,6 | -4,0 | -1,6 | 0,9 | 1,7 |
| Private consumption | 1,3 | -0,2 | 2,5 | 1,9 | 1,2 | 2,5 | 1,3 | -2,3 | 2,1 | -3,9 | -5,5 | -1,5 | 2,1 | 2,6 |
| Public consumption | 2,6 | 0,2 | 2,6 | 3,2 | -1,2 | 0,5 | 0,3 | 4,7 | 0,9 | -3,9 | -3,3 | -2,4 | -0,3 | 0,1 |
| Investment | -4,7 | -8,3 | 2,5 | -1,5 | -1,4 | 2,1 | -0,1 | -13,3 | -3,6 | -1,4 | -18,1 | -6,7 | 5,2 | 6,2 |
| Exports | 1,4 | 3,9 | 4,0 | 2,1 | 9,2 | 7,5 | -0,1 | -10,9 | 8,8 | 7,4 | 3,4 | 6,4 | 3,4 | 6,1 |
| Imports | -0,7 | -0,9 | 6,7 | 3,5 | 4,3 | 5,5 | 2,3 | -10,0 | 5,4 | -5,5 | -6,3 | 3,9 | 6,4 | 7,9 |

p=projections october, Bdp

Source: Bank of Portugal, Annual Reports, Several years

Table 3: Total and per Branch of activity GVA, at current base prices, 1995-2014

Uh.: 10⁶ Euros

| Year | Agriculture, forestry and fishing | Total Industry | Energy, water supply and sewerage | Construction | Wholesale and retail trade, repair of motor vehicles and motorcycles; accommodation and food service activities | Transportation and storage; information and communication | Financial, insurance and real estate activities | Other services activities | GVA at basic prices |
|--|-----------------------------------|----------------|-----------------------------------|--------------|---|---|---|---------------------------|---------------------|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9=1+...+8 |
| 1995 | 4 264,7 | 14 741,1 | 2 241,1 | 5 108,6 | 14 739,2 | 5 668,4 | 10 835,2 | 20 858,2 | 78 456,5 |
| 1996 | 4 305,6 | 16 126,5 | 2 416,8 | 5 457,8 | 15 241,8 | 6 056,4 | 10 948,5 | 22 318,2 | 82 871,6 |
| 1997 | 3 913,1 | 17 485,9 | 2 471,8 | 6 355,6 | 16 944,6 | 6 669,3 | 12 031,4 | 24 195,2 | 90 066,9 |
| 1998 | 3 936,4 | 18 408,6 | 2 744,8 | 7 057,5 | 18 348,2 | 7 228,4 | 13 122,6 | 26 534,1 | 97 380,6 |
| 1999 | 3 928,9 | 19 294,2 | 2 832,2 | 7 614,3 | 19 199,7 | 7 978,7 | 14 323,9 | 29 083,4 | 104 255,2 |
| 2000 | 3 992,5 | 19 954,3 | 2 855,1 | 8 600,5 | 20 855,0 | 8 693,8 | 15 140,6 | 32 476,2 | 112 568,0 |
| 2001 | 4 014,7 | 20 578,6 | 2 976,2 | 9 223,8 | 22 052,1 | 9 304,9 | 16 425,2 | 34 569,4 | 119 144,9 |
| 2002 | 3 881,2 | 20 814,6 | 3 201,9 | 9 476,4 | 23 218,8 | 9 843,5 | 17 468,6 | 36 888,1 | 124 793,2 |
| 2003 | 3 871,5 | 20 220,5 | 3 676,4 | 9 154,5 | 23 440,7 | 10 141,6 | 18 695,4 | 38 618,3 | 127 819,0 |
| 2004 | 3 956,1 | 20 481,3 | 3 909,1 | 9 461,3 | 24 488,4 | 10 611,5 | 19 767,6 | 40 594,6 | 133 269,8 |
| 2005 | 3 641,8 | 20 582,9 | 3 782,6 | 9 534,3 | 25 114,0 | 10 931,6 | 20 958,5 | 43 053,6 | 137 599,4 |
| 2006 | 3 736,9 | 21 325,1 | 4 153,0 | 9 677,5 | 25 967,2 | 11 628,9 | 23 186,9 | 43 903,8 | 143 579,4 |
| 2007 | 3 502,0 | 22 289,6 | 4 539,8 | 10 285,9 | 27 240,2 | 12 632,9 | 25 669,8 | 46 023,0 | 152 183,2 |
| 2008 | 3 507,4 | 21 973,2 | 4 059,4 | 10 523,5 | 27 670,9 | 12 804,7 | 27 311,8 | 48 165,5 | 156 016,4 |
| 2009 | 3 408,9 | 20 175,5 | 4 889,3 | 9 762,8 | 28 471,9 | 13 006,5 | 26 235,5 | 49 555,5 | 155 505,9 |
| 2010 | 3 463,4 | 21 536,1 | 5 058,1 | 9 225,8 | 28 658,4 | 13 176,1 | 27 219,7 | 49 988,4 | 158 325,9 |
| 2011 | 3 208,7 | 20 609,3 | 4 978,3 | 8 464,5 | 29 080,4 | 12 887,9 | 27 404,3 | 47 609,3 | 154 242,8 |
| 2012 | 3 211,7 | 19 801,9 | 5 189,4 | 7 171,3 | 29 071,2 | 12 360,9 | 26 691,8 | 43 863,2 | 147 361,6 |
| 2013 | 3 542,0 | 20 249,4 | 5 150,1 | 6 751,1 | 29 492,0 | 12 438,4 | 26 828,4 | 45 317,1 | 149 768,4 |
| 2014Pe | 3 528,5 | 20 699,4 | 5 180,4 | 6 808,1 | 30 025,9 | 12 634,7 | 27 301,8 | 45 535,2 | 151 714,0 |
| % Change between threeYear moving average: | | | | | | | | | |
| 95/97 05/07 | -13% | 33% | 75% | 74% | 67% | 91% | 106% | 97% | 72% |
| 95/97 12/14 | -18% | 26% | 118% | 23% | 89% | 104% | 139% | 100% | 79% |
| 05/07 12/14 | -5% | -5% | 24% | -30% | 13% | 6% | 16% | 1% | 4% |
| % of Agricultural in Total GVA for three moving year average: | | | | | | | | | |
| 1995/97 | 5,0% | | | | | | | | |
| 2005/07 | 2,5% | | | | | | | | |
| 2012/14 | 2,3% | | | | | | | | |

Table 6: Total, agriculture and agri-food industry Gross Added Value at current prices, 1995-2013

Un.: 10⁶ Euros

| Years | Agriculture | Total Industry | Agrifood Beverages and Tabaco industry | Total Economy |
|--|-------------|----------------|--|---------------|
| 1995 | 4 264,7 | 16 982,2 | 1 629,6 | 78 456,5 |
| 1996 | 4 305,6 | 18 543,3 | 1 877,0 | 82 871,6 |
| 1997 | 3 913,1 | 19 957,7 | 1 949,1 | 90 066,9 |
| 1998 | 3 936,4 | 21 153,4 | 2 205,0 | 97 380,6 |
| 1999 | 3 928,9 | 22 126,4 | 2 527,8 | 104 255,2 |
| 2000 | 3 992,5 | 22 809,4 | 2 466,4 | 112 568,0 |
| 2001 | 4 014,7 | 23 554,8 | 2 708,9 | 119 144,9 |
| 2002 | 3 881,2 | 24 016,5 | 2 916,0 | 124 793,2 |
| 2003 | 3 871,5 | 23 896,9 | 3 010,4 | 127 819,0 |
| 2004 | 3 956,1 | 24 390,4 | 3 093,4 | 133 269,8 |
| 2005 | 3 641,8 | 24 365,5 | 3 182,4 | 137 599,4 |
| 2006 | 3 736,9 | 25 478,1 | 3 239,1 | 143 579,4 |
| 2007 | 3 502,0 | 26 829,4 | 3 221,4 | 152 183,2 |
| 2008 | 3 507,4 | 26 032,6 | 3 358,9 | 156 016,4 |
| 2009 | 3 408,9 | 25 064,8 | 3 543,3 | 155 505,9 |
| 2010 | 3 463,4 | 26 594,2 | 3 567,8 | 158 325,9 |
| 2011 | 3 208,7 | 25 587,6 | 3 417,7 | 154 242,8 |
| 2012 | 3 211,7 | 24 991,3 | 3 354,1 | 147 361,6 |
| 2013 | 3 542,0 | 25 399,5 | 3 509,0 | 149 768,4 |
| % Change between threeYear moving average: | | | | |
| 1995/97 2005/07 | -13% | 38% | 77% | 72% |
| 1995/97 2011/13 | -20% | 37% | 88% | 80% |
| 2005/07 2011/13 | -8% | -1% | 7% | 4% |
| % of Agricultural in Total GVA for three moving year average: | | | | |
| 1995/97 | 5,0% | 22,1% | 2,2% | |
| 2005/07 | 2,5% | 17,7% | 2,2% | |
| 2011/13 | 2,2% | 16,8% | 2,3% | |

Source: INE, Contas Nacionais, database

Table 7: Gross Value Added of Agricultural Industry at current base prices, 1995-2014

| Million Euros | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | % 95/7 05/07 | % 95/97 12/14 | % 05/07 12/14 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------------|---------------|---------------|
| Germany | 7206 | 6850 | 6541 | 6544 | 6758 | 6796 | 6240 | 6089 | 6028 | 6005 | 5677 | 5621 | 5821 | 5925 | 6048 | 6095 | 6613 | 6824 | 7161 | 7468 | -17% | 4% | 25% |
| Greece | 604 | 644 | 599 | 571 | 673 | 701 | 780 | 925 | 1154 | 1137 | 1164 | 1216 | 1228 | 1124 | 970 | 987 | 924 | 862 | 820 | 784 | 95% | 34% | -32% |
| Spain | 2471 | 2629 | 2914 | 3147 | 3240 | 3444 | 3661 | 3713 | 3764 | 3950 | 4118 | 4297 | 4551 | 4524 | 4509 | 4887 | 4930 | 4351 | 4401 | 4358 | 62% | 64% | 1% |
| France | 5885 | 5978 | 6141 | 6169 | 6130 | 6228 | 6600 | 6989 | 7454 | 7768 | 8049 | 8307 | 8295 | 8298 | 8136 | 8439 | 8600 | 9061 | #### | 9764 | 37% | 60% | 17% |
| Italy | 6262 | 6689 | 6707 | 6439 | 6412 | 6475 | 6817 | 6838 | 6429 | 6756 | 7471 | 7831 | 7860 | 7661 | 7703 | 8041 | 8260 | 8283 | 8132 | 8345 | 18% | 26% | 7% |
| Netherlands | 1760 | 1786 | 1780 | 1846 | 1991 | 2102 | 2209 | 2350 | 2374 | 2326 | 2313 | 2351 | 2480 | 2543 | 2563 | 2603 | 2677 | 2739 | 2790 | 2850 | 34% | 57% | 17% |
| Portugal | 704 | 692 | 694 | 718 | 727 | 752 | 782 | 759 | 792 | 817 | 860 | 869 | 908 | 928 | 923 | 936 | 903 | 899 | 924 | : | 26% | 30% | 3% |
| United Kingdom | : | : | 4053 | 4369 | 4509 | 494 | 4871 | 4475 | 4197 | 4462 | 4885 | 5043 | 5788 | 5026 | #### | 4936 | 4952 | 5478 | 5447 | : | 22% | 23% | 1% |

Note: Relatively to 1997/1979 and to 2011/13 when other years are not available.

:=Not available

Fonte: Sectors accounts, Eurostat, Database

Table 8: Current, Goods, Services and agrifood Balances, Exports, Imports and coverage rates, 1995-2014

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | % 95/97 | % 05/07 | % 12/14 | % 05/07 | 12/14 | 95/97 | 2005/07 | 2012/14 | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|--------|-------|---------|---------|--------|--|
| PIB (million euros) | 86037 | 94351 | 102357 | 111385 | 119639 | 128466 | 135828 | 142631 | 146158 | 152372 | 158653 | 166249 | 174668 | 178873 | 175448 | 179930 | 176167 | 168398 | 160395 | 173044 | 82% | 66% | | | | 2% | 162698 | 166790 | 176279 | |
| Balance (% of PIB): | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Account | -0.7 | -4.5 | -6.2 | -7.0 | -8.5 | -10.2 | -9.9 | -8.1 | -6.1 | -7.6 | -10.3 | -10.7 | -10.1 | -12.6 | -10.9 | -10.6 | -7 | -2.1 | 1.4 | 0.6 | 76% | -99% | -100% | -5.9 | -10.4 | 0.0 | | | | |
| Commercial | -7.0 | -7.7 | -8.6 | -9.2 | -10.3 | -11.1 | -9.8 | -7.9 | -6.5 | -7.5 | -9.3 | -8.3 | -7.5 | -9.5 | -7 | -7.2 | -3.8 | -0.1 | 1.8 | 1.1 | -2% | -11% | -11% | -8.5 | -8.4 | 0.0 | | | | |
| Goods | -8.7 | -9.3 | -10.5 | -11.9 | -12.0 | -12.0 | -10.4 | -8.1 | -10.3 | -11.8 | -11.1 | -11.3 | -9.3 | -10.6 | -11.1 | -8.3 | -5.6 | -4.7 | -5.2 | -1.8 | 49% | -13% | -49% | -16.3 | -11.5 | -6.2 | | | | |
| Services | -2.9 | -2.5 | -2.4 | -2.7 | -2.7 | -2.5 | -2.7 | -2.4 | -2.3 | -2.2 | -2.3 | -2.4 | -2.4 | -2.3 | -2.3 | -2.4 | -2.2 | -2.2 | -1.8 | -0.9 | -18% | -9% | -9% | -2.8 | -2.9 | -2.1 | | | | |
| AgriFood | -2.3 | -2.2 | -2.1 | -2.2 | -2.1 | -2.0 | -2.2 | -2.0 | -1.9 | -1.9 | -2.0 | -2.1 | -2.2 | -2.0 | -2.0 | -2.0 | -2.1 | -2.2 | -1.8 | -0.9 | -8% | -5% | -6% | -2.2 | -2.0 | -2.1 | | | | |
| Food | -1.86 | -2.84 | -3.05 | -4.17 | -5.92 | -5.74 | -5.73 | -5.10 | -4.60 | -5.66 | -4.79 | -4.15 | -3.57 | -4.33 | -4.88 | -4.74 | -3.68 | -1.07 | -0.7 | 7.1 | 24% | 85% | -2.5 | -3.5 | -4.17 | 35 | | | | |
| Services | 1.7 | 1.7 | 1.8 | 1.6 | 1.6 | 1.8 | 2.2 | 2.5 | 2.6 | 2.8 | 2.5 | 3.1 | 3.9 | 3.8 | 3.6 | 3.9 | 4.5 | 5.5 | 6.5 | 6.3 | 86% | 259% | 93% | -8.9 | -3.2 | 0.2 | | | | |
| Balance (million euros) | -4240 | -6315 | -8406 | -10596 | -13876 | -14174 | -12102 | -10476 | -12892 | -15679 | -17744 | -17089 | -21691 | -18285 | -18260 | -10615 | -3505 | 2404 | 1044 | 166% | -100% | -100% | -6320 | -16837 | -19 | | | | | |
| Current Account | -8039 | -8810 | -12470 | -13434 | -15939 | -18491 | -18701 | -16419 | -13840 | -20242 | -21241 | -21616 | -25244 | -19682 | -21379 | -16401 | -11161 | 9710 | -10677 | 30% | -4% | -6% | -10983 | -21034 | -10516 | | | | | |
| Goods | -12209 | -13388 | -17426 | -20618 | -23249 | -23249 | -20618 | -17426 | -13388 | -17426 | -17426 | -17426 | -17426 | -17426 | -17426 | -17426 | -17426 | -17426 | -17426 | -17426 | 47% | 37% | 7% | -2591 | -3819 | -3541 | | | | |
| AgriFood | -2023 | -2104 | -2120 | -2242 | -2638 | -2632 | -3046 | -2917 | -2901 | -2991 | -3018 | -3384 | -3803 | -3941 | -3442 | -3605 | -3851 | -3602 | -3646 | -3269 | 51% | 55% | 3% | -2255 | -3402 | -3506 | | | | |
| Food | -1589 | -1684 | -1705 | -1817 | -2147 | -2147 | -2514 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | -2417 | 49% | 49% | 2% | -1335 | -1417 | -1417 | | | | |
| Services | 1559 | 1874 | 2456 | 2542 | 3187 | 3760 | 4000 | 4134 | 4671 | 4547 | 4561 | 7094 | 7182 | 6288 | 6463 | 8009 | 9265 | 10306 | 10946 | 194% | 429% | 80% | 1963 | 5767 | 10382 | | | | | |
| Exports (current prices in million Euros) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods | 17769 | 19323 | 21356 | 22830 | 23711 | 27215 | 27859 | 29841 | 29260 | 33020 | 31137 | 30504 | 30339 | 38550 | 31607 | 37388 | 42826 | 45213 | 47203 | 48177 | 64% | 121% | 30% | 2180 | 3483 | 4888 | | | | |
| AgriFood | 1343 | 1464 | 1680 | 1675 | 1701 | 1914 | 2004 | 2193 | 2266 | 2419 | 2491 | 2760 | 3301 | 3848 | 3607 | 3896 | 4519 | 4791 | 5128 | 5449 | 80% | 223% | 80% | 1586 | 2851 | 5122 | | | | |
| AgriFood | 555 | 626 | 728 | 703 | 696 | 860 | 918 | 983 | 993 | 1131 | 1195 | 1294 | 1539 | 1924 | 1723 | 2040 | 2313 | 2442 | 2590 | 2884 | 86% | 285% | 97% | 686 | 1343 | 2639 | | | | |
| Food | 798 | 838 | 892 | 972 | 1005 | 1064 | 1098 | 1210 | 1273 | 1398 | 1296 | 1466 | 1762 | 1924 | 1884 | 1956 | 2206 | 2349 | 2336 | 2665 | 67% | 176% | 69% | 901 | 1508 | 2483 | | | | |
| Imports (current prices in million Euros) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods | 29338 | 28133 | 32009 | 36284 | 39650 | 45708 | 46550 | 49280 | 44441 | 49090 | 51379 | 56295 | 69927 | 64194 | 51379 | 58647 | 59229 | 63374 | 67013 | 58854 | 74% | 78% | 3% | 3165 | 5567 | 57414 | | | | |
| AgriFood | 3552 | 3852 | 4046 | 4634 | 4923 | 5120 | 5623 | 5620 | 5627 | 5958 | 5959 | 7491 | 8224 | 7558 | 8077 | 8719 | 8500 | 8846 | 8647 | 8647 | 60% | 103% | 30% | 4177 | 6569 | 8663 | | | | |
| AgriFood | 2578 | 2730 | 2848 | 3245 | 3332 | 3482 | 3964 | 3900 | 3884 | 4122 | 4213 | 4878 | 5342 | 5865 | 5185 | 5648 | 6165 | 6044 | 6236 | 6153 | 61% | 109% | 30% | 2941 | 4744 | 6144 | | | | |
| Food | 974 | 1122 | 1197 | 1389 | 1597 | 1638 | 1659 | 1720 | 1733 | 1834 | 1775 | 1881 | 2119 | 2357 | 2271 | 2431 | 2554 | 2456 | 2608 | 2494 | 56% | 104% | 31% | 1236 | 1925 | 2519 | | | | |
| Exports (nominal rates of % change) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods | 8.6 | 10.7 | 6.7 | 3.5 | 14.6 | 2.0 | 1.8 | 2.5 | 5.3 | 2.8 | 12.4 | 8.8 | 1.7 | -18.6 | 17.6 | 14.9 | 5.6 | 4.6 | 1.8 | 8.0 | 6% | -54% | -60% | 6.7 | 6.0 | 4.0 | | | | |
| AgriFood | 12.8 | 16.3 | 3.4 | -2.6 | 23.0 | 8.2 | 7.8 | -1.4 | 15.3 | 10.5 | 8.6 | 15.8 | 25.0 | -10.4 | 18.4 | 13.4 | 5.6 | 6.1 | 11.4 | 36% | -10% | -34% | 8.6 | 11.6 | 7.7 | | | | | |
| Food | 6.3 | 6.4 | 9.0 | 2.9 | 5.7 | 1.2 | 11.0 | 4.8 | 1.6 | 4.6 | 11.5 | 16.9 | 9.2 | -2.1 | 3.8 | 12.8 | 6.5 | 8.0 | 1.1 | 6.0% | -29% | -50% | 7.3 | 11.6 | 5.2 | | | | | |
| Imports (nominal rates of % change) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods | 8.9 | 14.1 | 13.0 | 8.7 | 15.3 | 1.9 | -3.7 | -1.7 | 9.8 | 5.5 | 8.1 | 7.4 | 7.1 | -20.0 | 14.1 | 1.0 | -4.8 | 1.1 | 3.2 | 42% | -101% | -102% | 12.0 | 7.0 | -6.2 | | | | | |
| AgriFood | 5.9 | 4.3 | 13.9 | 1.8 | 4.9 | 14.5 | -2.6 | -0.4 | 5.8 | 3.0 | 9.2 | 15.0 | 9.8 | -11.6 | 8.0 | 9.2 | -2.0 | 3.2 | -1.3 | 13% | -100% | -100% | 8.1 | 9.1 | 0.0 | | | | | |
| Food | 15.2 | 6.7 | 16.0 | 14.8 | 2.8 | 1.5 | 3.0 | 4.0 | 4.9 | -2.3 | 5.5 | 13.3 | 11.2 | 6.0 | 2.5 | 5.1 | -3.8 | 6.1 | -3.1 | -6% | -50% | -112% | 12.6 | 5.5 | -0.7 | | | | | |
| Self-sufficiency rates (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods | 69 | 69 | 67 | 63 | 60 | 60 | 63 | 66 | 63 | 61 | 62 | 64 | 61 | 62 | 64 | 72 | 80 | 83 | 82 | 82 | -6% | 24% | 31% | 62 | 62 | 62 | | | | |
| AgriFood | 38 | 38 | 40 | 36 | 35 | 37 | 36 | 39 | 40 | 41 | 42 | 42 | 44 | 47 | 48 | 49 | 52 | 56 | 58 | 63 | 12% | 92% | 39% | 38 | 43 | 59 | | | | |
| AgriFood | 22 | 23 | 26 | 22 | 21 | 24 | 23 | 25 | 26 | 27 | 28 | 28 | 29 | 33 | 33 | 36 | 38 | 40 | 42 | 47 | 21% | 84% | 52% | 23 | 28 | 43 | | | | |
| Food | 61 | 75 | 75 | 70 | 63 | 65 | 65 | 70 | 73 | 70 | 73 | 78 | 83 | 82 | 79 | 80 | 86 | 86 | 97 | 103 | 7% | 35% | 25% | 73 | 78 | 95 | | | | |

Source: Banco de Portugal, series longas and relativos anuais (1998 a 2007) e Estatísticas do Comércio Internacional, Instituto Nacional de Estatística, Estatísticas do Comércio Internacional, 2008 a 2014

Table 9: Total and food Consumer Price Movement Indexes, 1998-2014

| | | Average year rates of % change | | | | | | | | | | | | | | | | | | | |
|---------------------|-------|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----------|---------|---------|
| | | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 1998/2000 | 2005/07 | 2012/14 |
| PORTUGAL | | | | | | | | | | | | | | | | | | | | | |
| Total | 100.0 | 2.2 | 2.2 | 2.8 | 4.4 | 3.7 | 3.3 | 2.5 | 2.1 | 3.0 | 2.4 | 2.7 | 0.9 | 1.4 | 3.6 | 2.8 | 0.4 | -0.2 | 1.4 | 2.5 | 1.0 |
| Goods | 58.1 | 1.7 | 1.7 | 2.2 | 4.2 | 2.4 | 2.4 | 1.6 | 1.0 | 3.2 | 2.2 | 2.4 | -2.4 | 1.7 | 4.4 | 2.5 | 0.0 | -1.1 | 2.8 | 2.4 | 0.5 |
| Food | 24.9 | 3.8 | 2.8 | 2.0 | 6.1 | 1.0 | 2.6 | 1.4 | 0.1 | 3.6 | 2.8 | 4.2 | -2.5 | 0.4 | 3.0 | 3.4 | 2.3 | -0.7 | 3.0 | 2.2 | 1.7 |
| Unprocessed | 10.7 | 6.6 | 2.8 | 2.5 | 8.0 | 0.2 | 2.1 | 0.0 | -0.5 | 3.2 | 3.0 | 0.6 | -4.3 | 0.7 | 2.9 | 2.8 | 2.6 | -2.1 | 3.6 | 1.9 | 1.1 |
| Processed | 14.2 | 1.0 | 2.8 | 1.4 | 3.1 | 3.8 | 3.1 | 2.8 | 0.8 | 4.1 | 2.6 | 8.1 | -0.9 | 0.2 | 3.1 | 4.0 | 2.0 | 0.4 | 1.7 | 2.5 | 2.1 |
| ÁREA DO EURO | | | | | | | | | | | | | | | | | | | | | |
| Total | 100.0 | 1.1 | 1.1 | 2.1 | 2.3 | 2.2 | 2.1 | 2.1 | 2.2 | | | | | | | | | | | | |