

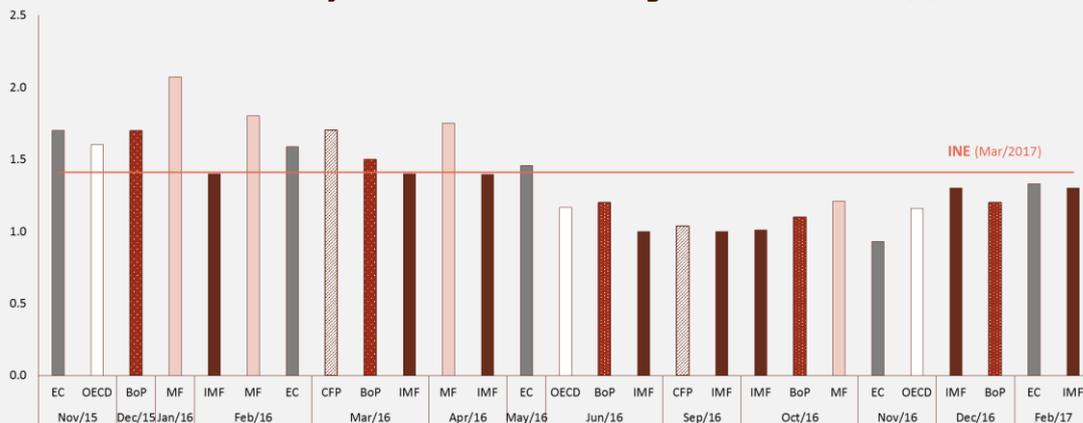


Box – Projections for real GDP growth in 2016 in retrospective

The projections from different official institutions for real GDP growth in 2016 present evidence of significant differences among the successive projection exercises. In general, the projections computed until May 2016 pointed to annual GDP growth rates substantially above 1.4%, overestimating the figure recently released by the Statistics Portugal (1.4%). The forecast computed by the CFP in March 2016 (1.7%) is therefore inserted in a context where the information available on the Portuguese economy led to globally optimistic projections. On the other hand, the projections computed between June and November 2016 pointed to annual growth rates around 1.1%, essentially reflecting the inclusion of the data released by the Statistics Portugal on the Portuguese economy performance in the 1st and 2nd quarters of the year. This data revealed year-on-year growth rates below 1%. The projection computed by the CFP in September 2016 (1%) was so in a context of downward revision of the official institutions' projections in general.

The disclosure of the information about the 3rd and 4th quarters of the year revealed a significant acceleration of economic activity (year-on-year growth rates of 1.7% and 2%, respectively), a factor which led to an upward revision of the projections computed from December 2016 onwards (see Chart 8), with the projection approaching the average (1.3%) of the figure published by the Statistics Portugal in March 1 of 2017.

Chart 1 – Projections for the real GDP growth rate in 2016 (%)



Source: Statistics Portugal and historical projections from the following institutions; BoP, EC, CFP, IMF, MF and OECD.

Box 2 – “Projections for real GDP growth in 2016 in retrospective”, initially published in the [Report 2/2017, “Public Finance: Position and Constraints 2017-2021”](#), from March 2017.