

Data are denominated in Portuguese escudos prior to January 1999 and in euros from January 1999 onward. An irrevocably fixed factor for converting escudos to euros was established at 200.482 escudos per euro. In 2002, the escudo was retired from circulation and replaced by euro banknotes and coins. Descriptions of the changes in the methodology and presentation of Portugal's accounts following the introduction of the euro are shown in the introduction to *IFS* and in the notes on the euro area page.

**Date of Fund Membership:**

March 29, 1961

**Standard Sources:**

European Central Bank

Bank of Portugal

National Institute of Statistics

Eurostat

**Exchange Rates:**

*Market Rate (End of Period and Period Average):*

Central bank midpoint rate. Central Bank indicative midpoint rate. Prior to January 1999, the official indicative rates for the U.S. dollar and other currencies were determined by the Bank of Portugal on the basis of market exchange rates data received by 12:00 p.m. from the main foreign exchange market-makers. These rates were a reference for bank bid-offer rates, which were freely determined. In January 1999, the escudo became a participating currency within the Eurosystem, and the euro market rate became applicable to all transactions. In 2002, the escudo was retired from circulation and replaced by euro banknotes and coins. For additional information, refer to the section on Exchange Rates in the introduction to *IFS* and the notes for the euro area page. *Real Effective Exchange Rates:* Prior to January 1998, calculations are based on a consumer price index that excludes rents.

**International Liquidity:**

Beginning in January 1999, *Total Reserves minus Gold (line 11.d)* is defined in accordance with the Eurosystem's statistical definition of international reserves. The international reserves of Portugal per the Eurosystem statistical definition at the start of the monetary union (January 1, 1999) in billions of U.S. dollars were as follows: *Total Reserves minus Gold*, \$9,087; *Foreign Exchange*, \$8,273; *SDRs*, \$135; *Reserve Position in the Fund*, \$621; *Other Reserve Assets*, \$60; *Gold*, \$5,774 *Gold (million fine troy ounces)*, 20.089 ounces. *Foreign Exchange (line 1d.d)*: Foreign exchange holdings of the Treasury Department of the government of Portugal are included in reserves (*line 1dbd*). Beginning in January 1988, *line 1d.d* excludes deposits made with the European Monetary Cooperation Fund (EMCF); the holdings of European currency units (ECUs) issued by the EMCF against those deposits (and similar deposits of gold) are included in *line 1d.d. Gold (Eurosystem Valuation) (line 1and)*: Prior to January 1980, *Gold (Million Fine Troy Ounces) (line 1ad)* was valued at SDR 35 per ounce and converted into U.S. dollars at the U.S. dollar/SDR exchange rate *sa* on the *IFS* page for the United States. From January 1980 to December 1987, *line 1and* was revalued at 70 percent of the average price of gold in the London market during the second half of 1979. From January 1988 to November 1998, *line 1and* excluded deposits of gold. From January 1999 onward, *line 1and* is revalued at market prices at the end of each month. Gold swaps within *line 1and* are treated as repurchase transactions that do not affect the volume of gold held. Memorandum data are provided on *Non-Euro Claims on Euro Area Residents* and *Euro Claims on Non-Euro Area Residents*, which represent positions as of the last Friday in each month. For additional information, see the section on International Liquidity in the introduction to *IFS* and on the euro area page.

**Central Bank:**

Consists of the Bank of Portugal, which is part of the Eurosystem beginning in January 1999, only. The classifications of economic sectors and financial instruments used in the accounts are based on the ECB Regulation (ECB/2013/33) concerning the balance sheet of the monetary financial institutions (MFIs) sector. For a description of the accounts, including the difference between national and euro area-wide residency criteria, see the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*. Data are based on a standardized report form (SRF) for central banks, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*, 2000. Departures from the *MFSM* methodology are explained below. Claims in the form of deposits are included in loans. Liabilities in the form of loans are included in deposits.

*Currency in Circulation* includes banknotes issued by the Eurosystem and allocated to the national central bank and coin issue by the central government. Banknotes issued by the Eurosystem are allocated to individual national central banks using a fixed coefficient, as explained in the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*. Therefore, currency in circulation and its contribution to monetary base and broad money at national level have to be interpreted as notional amounts and not as currency effectively in circulation in the country. Coin issue of central governments is conventionally included in currency in circulation, with contra-entry recorded in *Other Items (Net)*.

Trade credit/advances and settlement accounts are included in *Other Items (Net)* rather than as claims on and liabilities to the corresponding economic sectors.

Further details on methodology are available on the European Central Bank website and in the ECB publication "Manual on MFI balance sheet statistics".

For selected data that are only available on a quarterly basis, monthly data are IMF estimates using linear extrapolation.

**Other Depository Corporations:**

Comprises the aggregated accounts of all resident units part of the other monetary financial institutions (oMFIs) sector, defined in article 1(a) of ECB Regulation (ECB/2013/33) on the balance sheet of the MFIs sector, which also defines the classifications of economic sectors and financial instruments used in the accounts. The oMFIs sector includes deposit-taking corporations and money market funds. Deposit-taking corporations include credit institutions as defined by EU law, electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and other financial institutions which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, not only from MFIs (the degree of substitutability between the instruments issued by other MFIs and the deposits placed with credit institutions shall determine their classification as MFIs); and for their own account, at least in economic terms, to grant loans and/or make investments in securities. For additional information and description of the accounts, including the difference between national and euro area-wide residency criteria, see the section on *Monetary Statistics for Euro Area* in the

introduction to *IFS*.

Data are based on a standardized report form (SRF) for other depository corporations, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*. For other depository corporations in Portugal, departures from the *MFSM* methodology are explained below.

Claims on non-MFIs in the form deposits are included in loans. Liabilities to both MFIs and non-MFIs in the form of loans received are included in deposits.

Claims on and liabilities to public nonfinancial corporations are included in claims on and liabilities to other nonfinancial corporations.

Debt securities issued and held by a resident non-MFI counterpart are assumed to be held by other financial corporations.

Money market fund shares issued by oMFIs and held by money holding sectors have been classified as held by the other resident sectors due to the lack of economic sectorization.

Accrued interest on loans and deposits is included in *Other Items (Net)* rather than under the underlying financial instrument.

The ECB Regulation requires recording of loans gross of provisions, however it allows countries with preexisting accounting rules to record loans net of provisions.

Holdings of securities are not always recorded at market price or fair value. The ECB Regulation requires market valuation, however it allows countries with preexisting accounting rules to record holdings of securities using different valuation principles. In general, valuation at amortized cost is prevalent for securities held to maturity.

For December 2001 through May 2010, *Other Deposits Included in Broad Money* includes repurchase agreements between MFIs and central clearing counterparties (CCPs). Beginning in June 2010 onwards, these repurchase agreements are included in *Other Deposits Excluded from Broad Money*.

Trade credit/advances and settlement accounts are included in *Other Items (Net)* rather than as claims on and liabilities to the corresponding economic sectors.

Further details on methodology are available on the European Central Bank website and in the ECB publication "Manual on MFI balance sheet statistics".

For selected data that are only available on a quarterly basis, monthly data are IMF estimates using linear extrapolation.

### **Depository Corporations:**

See notes on central bank and other depository corporations.

### **Interest Rates:**

#### *Discount Rate (End of Period):*

† Prior to 1987, the end-of-year rate on first tranche rate at which the Bank of Portugal rediscounted the financial claims held by the banking system. From 1987 until May 1991, first tranche rate at which the Bank of Portugal rediscounted the financial claims held by the banking system. From May 1991 to January 1999, the rate on regular provision of liquidity announced by the Bank of Portugal. For months when no announcements were made, the rate corresponded to the weighted average of various auction rates for repurchase agreements used for provision of liquidity by the Bank of Portugal. Data were those from the last reserve maintenance period for the month on which an announcement or auction took place. Beginning in January 1999, the central bank rates are discontinued. Refer to Eurosystem policy rate series on the euro area page.

#### *Money Market Rate:*

† Prior to 1986, weighted average rate for interbank deposits up to three days. From 1986 to 1991, weighted average rate for interbank deposits up to five days. † Beginning in 1992, weighted monthly average rate for interbank overnight transactions.

#### *Treasury Bill Rate:*

Weighted monthly average rate on three-month treasury bills in the primary market, excluding underwriting by the Bank of Portugal (when it was allowed). † Prior to 1986, average rate of all treasury bills issued.

#### *Deposit Rate:*

† Prior to 1990, administrative minimum rate offered by commercial banks on time deposits with maturities of 180 days to one year. Beginning in January 1990, weighted monthly average rate offered by commercial banks on time deposits with maturities of 181 days to one year.

#### *Deposit Rate (lines 60lhs, 60lhn, 60lcs, and 60lcn):*

See notes in the introduction to *IFS* and *Euro-area Interest Rates*.

#### *Lending Rate:*

† Prior to January 1990, administrative maximum rate on 91- to 180-day loans. Beginning in January 1990, weighted monthly average rate charged by commercial banks on 91- to 180-day loans and advances to nonfinancial private enterprises.

#### *Lending Rate (lines 60phs, 60pns, 60phm, 60phn, 60pcs, and 60pcn):*

See notes in the introduction to *IFS* and *Euro-area Interest Rates*.

#### *Government Bond Yield:*

Weighted monthly average of daily yields on floating rate ten-year government bonds. Beginning in July 1993, simple monthly average of daily yields on ten-year floating rate treasury bonds in the secondary market. For additional information, refer to the section on interest rates in the introduction to *IFS* and on the euro area page. This rate is used to measure long-term interest rates for assessing convergence among the European Union member states.

### **Prices and Production:**

#### *Share Prices (End of Month):*

Data refer to the Lisbon Stock Exchange Share Prices Index including all shares listed on the official market, base 1988. † Beginning in December 1992, data refer to the Portugal PSI-20 Index, base December 31, 1992. The PSI-20 is a capitalization weighted index of the top 20 stocks listed on the Lisbon Stock Exchange. The equities use free float shares in the index calculation.

#### *Producer Prices:*

Source: National Institute of Statistics. Weights Reference Period: weights are revised approximately every five years; Sectoral Coverage: mining and quarrying, manufacturing, and electricity, gas, and water; Number of Items in Basket: 2498 units; Basis for Calculation: weights used for the index are from the surveys conducted by the National Statistics Institute (INE).

*Consumer Prices:*

Source: National Institute of Statistics. Weights Reference Period: weights are revised every five years; Geographical Coverage: entire country; Number of Items in Basket: 1206 products; Basis for Calculation: weights are derived from a Household Budget Survey (HBS).

*Industrial Production:*

Source: National Institute of Statistics. Weights Reference Period: 2010; Sectoral Coverage: mining and quarrying, manufacturing, electricity, gas and water industrial sectors; Number of Items in Basket: 2000 industrial enterprises; Basis for Calculation: weights are based on Industry surveys conducted by the National Statistics Institute (INE).

**International Transactions:**

All trade data are from the National Institute of Statistics.

*Balance of Payments:*

As only a net figure is available for transactions in *Other Goods, Services, and Income* for the fourth quarter of 1978, this is entered in the line for gross debits. In line with this treatment, the gross debit for the full year 1978 is calculated as the sum of the gross debits for the first three quarters and the net debit for the final quarter, while the gross credit shows the sum of the gross credits for the first three quarters. *Merchandise: Exports f.o.b. (line 77aad)* include exports of nonmonetary gold in the amount of (in millions of U.S. dollars) 531 for 1977, 370 for 1978, 197 for 1983 second quarter, 440 for 1983 third quarter, and 37 for 1983 fourth quarter.

**Government Finance:**

Data on general government are derived from Eurostat. The fiscal year ends December 31.

**National Accounts:**

Source: Eurostat. As indicated by the country, data are compiled in accordance with the methodology of the *2010 ESA*. Beginning in 1999, euro data are sourced from the Eurostat database. Eurostat introduced chain-linked GDP volume measures to annual data with the release of the third quarter 2005 on November 30, 2005. Chain linked GDP volume measures are expressed in the prices of the previous year and re-referenced to 2010.