GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
BOP/195/Add.2
24 April 1979
Limited Distribution

Committee on Balance-of-Payments Restrictions

Original: English

CONSULTATION WITH PORTUGAL - IMPORT MEASURES

Basic Document for the Consultation[1]

Addendum

THE PORTUGUESE ECONOMIC SITUATION

I. ECONOMIC SITUATION IN 1978

1. The economic policy in 1978 was conditioned by the necessity of a drastic reduction in the current account deficit, which implied the reduction of the pace of growth of economic activity when compared with the evolution in 1977. In fact, the available information allows to estimate by 3.4 per cent the annual growth of GDP against a positive evolution of 6.5 per cent in 1977, while the current account deficit decreased from 1.5 to 0.9 billion dollars. (Table I and II).

The pattern of economic policy followed in 1978 was also consistent with the agreement that Portugal negotiated with IMF, in order to reduce the current account deficit. In the "Letter of Intent" to IMF, it was foreseen that the above-mentioned deficit would be reduced from 1.5 billion dollars, in the period from April 1977 till March 1978, to around 1.0 billion dollars, in the period from April 1978 till March 1979.

The restraint of domestic demand has been achieved through the limitation of public expenditure and real wages, combined with an increase in the interest rate and credit restrictions intended to discourage speculative stockbuilding. This increase in interest rates implied also a deceleration in gross fixed capital formation.

Exports of goods and services increased by about 14 per cent in volume and given the actual moderation in the growth of domestic production, imports remained practically stagnant when compared with 1977.

As it was expected the rate of inflation recorded a decrease (from 27 per cent to 22 per cent) due to the evolution of wages (real wages declined both in 1977 and 1978) and the slower pace of depreciation of the escudo during 1978.

2. The growth of 3.4 per cent of GDP corresponds to an increase of about 4 per cent in the production of the agricultural sector. However, it should be stressed that this increase follows a bad agricultural year where production registered a decrease of 10 per cent.

In what concerns manufacturing industry, an increase of 3.3 per cent, is

---

[1] Material supplied by the Portuguese authorities.

estimated for 1978, meaning an important slow-down in relation to last year (growth estimate of 9 per cent). The generalised slow-down of industrial production is the result of a global restrictive policy of domestic demand which started in 1977 with the restraint of wages and continued in 1978.

The deceleration of the construction sector has been slower for, in certain fields, it benefits from a more favourable credit and also due to the weight of public works often programmed a long time beforehand. It is estimated, however, that the value added of the construction industry has risen by 5.0 per cent in 1978 against 11 per cent in 1977.

The equilibrium between the origin and utilization of resources is presented in table IV. Private consumption may have risen, according to these estimates, at a higher rate than that verified in 1977, owing to the fact that in 1978 the evolution of real wages was more favourable than in the previous year, as well as emmigrants' remittances.

3. The restrictive economic policy in 1978 implied serious risks of higher unemployment. The unemployment rate had reached 7% in 1977, however, during the first half of the year employment was still increasing in a number of activities, mainly in construction. In spite of scarce information for the second half of 1978, it is felt that the situation must have worsened. Nevertheless the estimated increase of the unemployment rate from 7% to 8% in 1977/1978 comes mainly from new arrivals to the labour market, while the rate of growth of GDP made it possible to keep employment stable. In these conditions the rate of growth of productivity must have approached the rate of growth of GDP in 1978.

Foreign exchange and interest rate policies combined with the limitation of wages and an increase in productivity contributed, indeed, in 1977 and 1978 to reduce unit labour costs.

Unemployment is a structural problem since 1974 as a consequence of the emigration stoppage to European countries and of the refugees inflow from ex-colonies.

Its solution depends not only on the orientation of public investment but also on the pattern of private investment and the attitudes of entrepreneurs in what concerns the evaluation of relative costs of capital and labour.

4. Monetary policy in 1978 (table VI) was designed to contribute substantially to the improvement of the external balance and the containment of inflation. By the close of 1977, the rate of domestic credit expansion had reached 35.4% exceeding by far the rate of growth of the money supply, which it decreased to +24.3% by December, 1978.

In 1978, money supply (M2) increased by a rate of 28.4%, lower than in 1977 (22.9%), while the weight of time deposits increased relatively to the total amount of money supply, which means a decrease in the shares of demand deposits and currency in circulation.

The ratio between these two kinds of deposits rose also and showed a substantial change from demand deposits to time deposits. That change is mainly due to the rise (on average) of 4 points in rates of time deposits, which meant an incentive to savings as well as a desincentive to speculative stock accumulation and to unfavourable capital movements.

On average the money stock grew by 22% in 1977 compared with a 33% growth in nominal GDP. In 1978, however, the average growth of the money stock reached 25% against an increase in the same order of magnitude in nominal GDP with the result of a reduction in the income velocity of money.

To help achieve this, the monetary authorities introduced ceilings on individual banks, which were indicative, but made mandatory after June 1978, resulting in a volume of domestic credit within the limit of Esc.792.9 billion, negotiated with IMF,

5. The budgetary policy for 1978 had as an objective the reduction in the public sector current deficit from 8.5 billion escudos attained in 1977, to 5 billion escudos. Actually this objective was not achieved as the current deficit was higher than in 1977; it reached 28 billion escudos. The total deficit of the public sector attained about 80 billion escudos or 10 per cent of GDP. This development is due to a level of expenditure above the estimated out-turn while the collecting of revenue did not attain the expected levels.

As far as current receipts are concerned (which rose at the rate of 21 per cent), the insufficient out-turn is mainly due to the delay in approving the Budget Law, with its natural consequences in the promulgation and implementation of new fiscal measures, and even preventing to set up some of them.

Total taxation revenue had a global rise of 23 per cent, while indirect taxation shows a small decrease in real terms (an increase of 18.6 per cent compared with a forecast of 30 per cent). So the relative level of taxation remained stagnant (about 26 per cent of GDP).

In what concerns current expenditure, it increased by 31 per cent, a significant real growth having been observed, while the objective was the stagnation of public consumption, in real terms. But as far as capital expenditure is concerned, the available information regarding investment programs appears to be within

the normal performance levels corresponding to the stabilization of this component in real terms.

Thus, allocation of resources to public consumption and investment decreased from 20.3 per cent of domestic expenditure verified in 1977 to 19 per cent, 14 per cent of which were for consumption and 5 per cent for investment.

It may still be observed that current transfers increased from 54 to 73 thousand escudos (35 per cent). Interests of public debt increased by 11 thousand million escudos (+97 per cent), due to the need of financing the deficit by progressive recourse to public borrowing which corresponded to a smaller increase than in the previous year (+126.6 per cent). Their weight increased in domestic expenditure as a whole (from 1.8 to 2.9 per cent) and in the amount of current receipts (from 7 to 11 per cent), continuing to influence deeply the public sector deficit.

II. BALANCE OF PAYMENTS

RECENT DEVELOPMENTS

1. In accordance with the estimates available for 1978, Portugal's external accounts have considerably improved. In fact the current account deficit may have been reduced by about 34% falling from Esc.57.5 to 38.0 thousand million (table VII).

This improvement is explained by a very favourable trend in unilateral transfers, which offset the slight aggravation recorded both in the trade balance, (although the increase in exports (+38.2%) has been larger than that of imports (+21,9%)) and in services, where the wide figures of tourism were not enough to offset the growth in transport and investment expenditure.

The recovery concerning the external situation shows another aspect when we put capital inflows into the picture. As a matter of fact owing to medium and long-term capital inflows, namely in the public sector, there has been a spectacular contraction in the deficit of the basic balance. Considering short-term capital movements, the sign of the balance on non-monetary transactions is reversed, rising from (Esc. -55.4) to (Esc. +9.3) thousand million. Considering the change in commercial banks' positions, the deficit on official settlements recorded in 1977 may have disappeared in 1978.

The counterpart of this result, in what concerns the flows of financing of the balance of payments, is a positive change in official reserves (this fact didn't occur since 1973) and a decrease in our debtor position vis-a-vis IMF, both made possible by an increase in the external credits to the Bank of Portugal

although to levels well below those attained in the two previous years.

This favourable trend is clearly showed in the net figures of gold and foreign exchange reserves of the Bank of Portugal, because the widening of the assets in absolute figures, exceeded liabilities (table VIII) with the result of a decrease in net liabilities from Esc. -12,3 to -3,0 thousand million.

However a more realistic assessment of the Portuguese balance of payments needs to take into account the depreciation of the external value of the escudo; an analysis in terms of current escudos gives a biased picture of the situation.

Thus, from table VII-A, expressed in dollars, we can see that the trend was really more favourable.

The trade deficit in dollars may have shown a decrease of 4.4% and the negative balance of the current account substantially decreased from $1499 to $900 million dollar (-40.0%).

2. The breaking down of the trade balance deficit in its price and volume components (table IX) clearly shows the effects of exchange variation in their formation.

Thus, to a widening of the deficit in nominal terms of about Esc.8,5 thousand million between 1977 and 1978, may have corresponded a fall in real terms by about Esc.11 thousand million, which was not enough to counterbalance the combined effects of price and exchange variation, whose estimates are about Esc.19,5 thousand million.

In real terms, the reduction in the deficit resulted from the high rate of growth in the volume of exports (14.2%) and pratically of a stagnation in imports 0,2% in volume (table X).

On the other hand, having regard that, in terms of foreign currency, the trend in prices was negative in 1978, (falls of 1.2% in imports and 1.3% in exports were recorded), which allows the conclusion that exchange variation was the significant factor in the formation of trade balance deficit in escudos.

The terms of trade recorded, in the same span of time, a very slight deterioration, as a result of the trend in foreign trade in 1978.

3. Portuguese exports which are expected to have reached about Esc.107.5 thousand million last year, showed a continuous dynamism in their growth - 14.2% increase in volume essentially due to a sharp recovery in exports of textiles - reversing thus their behaviour since 1974 - and of chemical and metallic articles (table XI).

Also noticeable is the emergence of a new product in exports (automobiles), with already significant recorded figures - about Esc.2 thousand million in the whole year. The favourable behaviour in exports was essentially due to the recovery of competitiveness of Portuguese exports afforded by restraining unit labour costs and by the exchange policy adopted since 1976 (table XII), whose effects over the volume of trade are perceived with a gap and are also due to the improvement in international situation in 1978, particularly in the main western markets which Portugal supplies.

In this context the sharp increase in imports of the United Kingdom was particularly relevant for the absorption of Portuguese products, namely textile articles, which have widely contributed to the growth recorded in total exports.

Portuguese authorities embarked upon the implementation or to the adjustment of policy measures aiming at allocation of ressources to export activities, namely credits and financing exports policy and some sectorial policies such as the policy set up in the automobile sector. These had converging effects in the expansion of exports.

As a consequence of improved competitiveness, trends in export prices resulted in a decrease in terms of foreign exchange by about 1,3% in 1978. This trend was also sharpened by the sectorial composition of Portuguese exports in which a number of categories of items (with a relatively small degree of manufacturing and price trends followed the slowdown of correspondent primary products) still hold an important place.

Portugal's main export markets continue to be EEC countries which in 1978 still further reinforced their share by absorbing about 56% of Portuguese total exports (table XIII). The increase of exports towards EEC, was also accompanied by a reinforcement of the volume of Portuguese supplies to the principal community markets (table XIV). As a counterpart the remaining markets' share in Portuguese sales abroad decreased.

4. Total imports in 1978 were estimated to have been about Esc. 233 thousand million (C.I.F.). This amount resulted from a virtual stagnation in imported volumes and from an increase of about 22% of prices in escudos.

Excepting mineral fuels and foodstuffs, whose import values were 8% and 14% respectively higher than during the previous year, all the groups of products, essentially composed by intermediate products, showed significant falls in their imported volumes (tables XV and XVII), whilst equipment goods may have registered a slight increase in imported volume.

This evolution is a result of the economic policy adopted in 1978 which led to the implementation of measures aimed at the reduction of the current account deficit, particularly the increase of interest rates and the setting of ceilings to the expansion of internal credit, which implied a slowdown of economic growth, with the consequential effect on the volume of purchases abroad.

On the other hand, the increase in output in 1978 was also brought about by the move of the high level in stocks accomulated last year, which had caused an increase of imported volumes during that period, a situation whose repetition was discouraged by the adoption of the above mentioned measures.

The breaking down of imports by categories of commodities clearly evidences the above described situation (table XVI). It must be noted that in imports of intermediate goods are also included agricultural products, destined to industrial processing, whose increase in import volumes is reflected in the growth of the total category.

The import prices, as it was already mentioned in paragraph 2, showed during last year an increase in terms of escudo of 22%, bellow the estimated effects of exchange variation i.e., a fall by about 1.2% in terms of foreign exchange.

The negative trend in import prices derives essentially from the high importance which assume in the structure of portuguese imports of commodities, particularly, agricultural raw materials, whose quotation was under the levels of last year, for an overall of important products.

The trend of prices of petroleum products, was of an opposite course, as well as that of manufactured products which must have recorded a rise in their prices, in terms of foreign exchange, although, generally, quite moderate.

5. The services account, judging from the available figures, shows a slight aggravation in 1978 (tables XVII and XVII-A). To this result contributed the almost doubled debit of "Investment income", linked to the uprise of our external debt and the increase in the amount of freight payed, together with the stagnation of total receipts in "transports". Against these unfavourable trends, the continued dynamization of tourism was not enough to prevent the overall deterioration in services.

6. Figures related to receipts of tourism (table XVIII) show that the recovery observed in the previous year continued in 1978 namely in what concerns inflows from European countries of OECD area. As regards expenditures, an acceleration occurs, as compared with past pace which may be related to the rise of the limits authorized for touristic allowances abroad.

7. **Emigrants' remittances widened over 6%, keeping last year the high rate of growth recorded in 1977 (table XIX). It is remarkable the good performance in remittances** originating in U.S.A. which contrarily to what occurred in 1977 grew above the overall average.

8. **During 1978 as already mentioned a positive change, in gold and foreign exchange official reserves took place, resulting from the surplus registared in the balance on non-monetary transactions in addition with various external credits negociated by the Bank of Portugal.**

These operations were not entirely offset by changes in commercial banks positions **and by repurchase and payment of the increase in our quota in I.M.F.**

III. GENERAL GUIDELINES OF THE ECONOMIC POLICY IN 1978

According to the following objectives of the 2nd Constitutional Government's Programme:

- Re-establishment of the fundamental macroeconomic equilibria which may create the basis for higher rates of growth

- Improvement of the satisfaction of the population's social needs

- Preparation of the adhesion to EEC.

And although considering the severe constraints in what concerns external financing, a stabilization programme was settled up in 1978.

The general orientation of this policy was taken in the "Letter of Intent" to IMF dated May, 1978. In spite of the Government defeat in Parliament, in July, the main economic guidelines were pursued by the two Governments that followed.

Stabilization programme pointed to the following priority objectives:

- Reduction of the deficit of the Current Account Balance by about 1/3

- Control of the inflation rate to a level near 20%

- Creation of employment in order to prevent the increase of the unemployment rate.

The main measures aiming at the above mentioned objectives, were taken in the field of monetary and financial policies. Thus, the total amount of internal credit was restrained by the raising of the official discount rate by five points from 13-18% to 18-13% as well as by the establishment every 3 months period of upper limits to the credit available and by defining the criteria applied to the credit concession in order to support priority activities such as exports, housing, and restoring of good financial conditions in firms with good economic prospects.

In what concerns prices a modified "basket" of essential food stuffs was settled in early 1978. Guarantee prices were also established for some agricultural goods. In general terms, price policy followed the guidelines settled in 1977 being based in an "apostariori" control.

Considering income policy, the increases in wages were under control. The maximum allowed of 15%, settled in the previous year remained during most of the first half of 1978. Then, the control was raised up to a level of 20% regarding wage agreements having lasted for one year and 30% for the ones which

had lasted longer.

Minimum wages on agriculture, industry and services were also updated.

In what concerns employment policy, measures were taken basically in order to maintain the existing volume of work posts. Subsidies were given to small and medium firms and also to cooperatives. Reference should also be made to the support to investment projects from the refugees of the ex-colonies by financing a large number of them which were supposed to create a larger number of jobs during their economic life.

MEASURES AIMED AT IMPROVING THE BALANCE OF PAYMENTS

The stabilization measures mentioned before aimed at attainning, with a high priority, the objective of reducing the overall deficit of the external accounts. On slowing the rate of expansion of economic activity and on trying to release productive ressources for exports, a contribution is being set up to the improvement of the balance of payments.

In the same course must be understood the foreign exchange policy followed in 1978, continueing the crawling peg scheme which began to be applied in August 1977, as described in BOP/182/Add.1. Remembering: the exchange rates are being fixed according to the differential between the rate of inflation in Portugal and the average rate recorded by our major trading partners, in order to preserve the external competitiveness of the Portuguese economy.

Until May 1978, the evolution of the escudo was performed according to a target of an average depreciation of 1% monthly in terms of effective rate. At the beginning of May we have observed a one-shot depreciation of 6.1% in terms of effective rate, having been then announced that the pace of monthly depreciation would be of 1.25%. In 1978, the annual change of the effective rate of the escudo was + 23.8% regarding the average value in 1977.

1. EXPORTS

Some measures of a specific character must be emphasized:

- Adjustment of the bonus regime in operations of export credits and settlement of guidelines on export credits.

- Improvement in conditions of refinancing by the Bank of Portugal to credit institutions, concerning operations of medium and long-run export credits.

- Discouragement to deferrel in exports, when determined by motives of a non-commercial exclusive nature (G.O.75/78, of February, 6th).

- Widening of beneficiary entities with respect to the drawback regime applied to textiles (Decree 20/78 of February 10th).

- Enlargement of the coverage of export development contracts (Decree-law 259/78 of August, 8th).

- Establishment of "Portuguese Carvel" prize directed to reward entities having distinguished themselves for their merit in export activities (Decree-law 370/78 and G.O. P 688/78 of November 29th)

A reference must also be made, to various trade agreements held with various countries, namely with Angola and Mozambique as well as the continueing efforts to join EEC and the negotiations with Spain in order to achieve a package deal within EFTA-Spain agreement

2. IMPORTS

Beyond the measures adopted in the field of general economic policy and monetary and exchange policies a package of measures were still set in force in 1978 aiming at sustaining imports, although the incidence of the latter has been progressively reduced.

Thus the following measures can be emphasized.

Maintenance of import quotas for some consumer goods, from April, 1, 1978 until March 31, 1979 (Gov. order 331/78 of June 22).

- Setting up an appreciation methodology for request of exemption or reduction of tariffs and exemption of import surcharges.

- Reduction of the import surcharge from 30% to 20% (Decree-law 300/78 of September, 29th)

- Import quotas for 1979 of CKD motor vehicles (Gov.order 712/78 of December 6th)

3. SERVICES

3.1 TOURISM

- Regulation of complementary means of touristic lodgings.
- Renewal of the time table relating to applications for the setting-up of hotels, inns, and kindred establishments, as well as touristic complexes. (Decree-Law 168/78 of July, 6th).
- Enactment of bonus credits of loans to the hotel sector.
- Application of a 25% special tax on gambling collected in each zone, in the carrying-out of building work relating to the development of tourism and urbanization of that gambling zone. (Gov. Order 391/78 of July, 20th).
- Simplification of the procedure of the "declaration of touristic utility" (Normative Decree 323/78 of October, 10th).
- Increase from 7 000$00 to 20 000$00 of the maximum allowance to be spent annually in foreign exchange by adults in touristic travel abroad (Gov. Order 650/78 of November, 9th).
- Modernization of the Statute of Hotel Management and Tourism schools (Gov. Order 715/78 of December 6th).

3.2

- Enactment of guidelines as to the payment of commissions on exported goods.
- Regulation concerning the enactment of contracts of export of technology (Normative Decree 151/78 June, 20th).
- Application of monetary guidelines for exchange liquidation of current invisibles (Gov. Order 351/78 of July 3th).
- Setting-up of international ground terminals for goods (Decree-Law 424/78 of December, 22th).

4. Emigrant Remittances

- Introduction of a new set of interest rates to be applied by credit Institutions, on emigrants' deposits constituted in foreign currencies (Notice, of February, 24th).
- Concession to Banking Institutions of the faculty of retention as working balance of foreign exchange deposited as credit of "Emigrants' Accounts in Escudos" and Accounts of Saving Systems.

- Possibility of granting fiscal exemptions for emigrants in the import of equipment items when holder wishes to return to Portugal to pursue his activity in this country (Law Nº. 41/78 of July, 6th).
- Approval for ratification of Conventions Nºs. 97 and 143 of I.L.O. relating to emigrant workers (Laws 50/78 and 52/78, of July, 25th).
- Raising of the amounts of loans under the system of Credit Saving System (Gov. Order 413/78 of July, 27th).
- Liberalization of Repatriation of funds held in accounts in foreign currency for Emigrants.
- Approval of the Operational Emigration Agreement between Portugal and Venezuela (Decree 97/78 of October, 13Th).
- Extension to Portuguese migrants of the legally established privileges to Portuguese citizens residing in Macao for more than six months.

5. CAPITAL

- Delimitation of the conditions to be met by enterprises with foreign capital when borrowing in the short term domestic credit market.
- Authorization for bank accounts in foreign currencies, opened in the name of a non-resident, of the dividends and other capital revenue, pending transference abroad.
- Agreement between Portugal and the United States re-activating the investment incentive programs (Notice of May, 24th).

TABLE I

GROSS DOMESTIC PRODUCT

Rates of Growth

SECTORS	1975/74	1976/75	1977/76	1978/77
Agriculture and fishing.....	-6.5	-1.5	-10.0	4.0
Industries.....	-9.6	4.6	9.5	3.3
Building.....	-15.7	5.0	11.0	5.0
Power	-0.1	0.3	20.0	9.0
Services.....	2.1	14.7	6.3	2.7
GDP_{fc}.....	-4.7	6.6	6.5	3.4

SOURCE:

1974 - 75: National Statistics Institute: National Accounts (C.N.)

1976 - 77: Estimates of the Central Planing Departament (DCP)/Bank of Portugal (BP based on estimates of INE

1977 - 78: Estimates of the Central Planing Departament (DCP)/Bank of Portugal (BP

TABLE II

GROSS DOMESTIC PRODUCT

(millions of escudos)

SECTORS	1963 PRICES				CURRENT PRICES			
	1975	1976	1977	1978	1975	1976	1977	1978
Agriculture, forestry, hunting and fishing	18 160	17 889	16 100	16 744	53 187	61 494	71 948	90 539
Mining and manufacturing industries	60 493	63 305	69 319	71 607	116 845	145 278	203 872	260 944
Building	8 074	8 478	9 410	9 881	22 619	27 194	36 222	45 640
Power	5 706	5 721	6 865	7 483	6 976	10 508	15 114	21 910
Services	64 534	73 989	78 680	80 804	142 511	178 167	236 678	296 543
GDP_{fc}	158 967	169 382	180 374	186 519	342 138	422 635	563 834	715 576
Income balance from the rest of the world					- 369	-4 021	-6 800	-14 600
GNP_{fc}					341 769	418 614	557 034	700 976

Source: 1975 - National Statistics Institute (INE), National Accounts (C.N.)

1976 - Estimates of Central Planning Department/Bank of Portugal based on estimates of INE

1977 and 1978 - Estimates of Central Planning Department/Bank of Portugal.

TABLE III

GROSS DOMESTIC PRODUCT-
- STRUCTURE -

(Percentage calculated from series at current prices)

SECTORS	1975	1976	1977	1978
Agriculture, forestry and fishing	15.5	14.6	12.7	12.7
Industries	34.2	34.4	36.2	36.5
Power	2.0	2.5	2.7	3.0
Building	6.6	6.4	6.4	6.4
Transport and communications	6.9	6.6		
Trade	12.3	12.6		
Bank and Insurance	4.0	4.1		
			42.0	41.4
Real Estate Operations	2.3	2.3		
Public Administration and defense	11.1	11.6		
Other Services	5.1	4.9		
GDP_{fc}	100	100	100	100

SOURCE:

1976 - Estimates by DCP/BP based on estimates of INE.

1977 and 1978 - Estimates by DCP/BP

TABLE IV

ALLOCATION OF RESOURCES

	1975		1976		1977		1978	
	Current prices	Growth * rate	Current prices	Growth * rate	Current prices	Growth * rate	Current prices	Growth * rate
Private consumption	303.8	-0.9	367.3	3.5	472	0.8	583	1.3
Public consumption	58.0	6.6	66.1	7.0	85	5.4	112	9.8
G.F.C.F.	74.0	-11.3	88.8	1.0	127	12.0	161	4.0
Changes in stocks	-12.5	x	8.4	x	34	x	22	x
Exports of goods and services	74.1	-15.6	78.7	0	111	6.1	155	15.3
Imports of goods and services	121.1	-25.2	141.7	3.4	205	9.6	250	0.2
GDP_{mp}	376.2	-4.3	467.6	6.9	624	5.8	783	3.3
Net indirect taxes	34.1		45.0		60	x	67	x
GDP_{fc}	342.1	-4.7	422.6	6.1	564	5.7	716	3.4

* Growth rate estimated at constant prices

Source - 1975: National Statics Institute (INE) - National Accounts (CN)

1976: Estimates of Central Planning Department/Bank of Portugal based on estimates of INE

1977 and 1978: Estimates of Central Planning Department/Bank of Portugal

TABLE V

ALLOCATION OF RESOURCES

- STRUCTURE -

COMPONENTS	1975	1976	1977	1978
Private Consumption	80.7	78.6	75.6	74.5
Public Consumption	15.4	14.1	13.6	14.3
Gross Fixed capital Formation	19.7	19.0	20.4	20.6
Changes in Stocks	- 3.3	1.8	5.4	2.8
Exports of goods and Services	19.7	16.8	17.8	19.8
Imports of goods and Services	-32.2	30.3	32.8	31.9
GDP_{mp}	100	100	100	100

SOURCE - 1975: National Statics Institute (INE) - National Accounts (CN)
1976: Estimates of Central Planning Departament/Bank of Portugal based on estimatesof IN
1977: and 1978: Estimates of Central Planning Departament/Bank of Portugal

TABLE VI

MONETARY SURVEY

(Esc. thousand million)

ITEMS	1976	1977	1978 (a)
1. Net foreign assets	6	-31	-16
2. Domestic credit	523	708	880
2.1. Net credit to the public sector	76	123	172
2.2. Credit to entreprises and individuals	418	528	618
2.3. Bad and doubtful debts	29	57	90
Total assets = Total liabilities	529	677	864
1. Money (M1)	246	275	316
1.1. Currency in circulation	110	114	122
1.2. Demand deposits	136	161	194
2. Time deposits and other quasi-monetary liabilities	215	292	412
3. M2 (1. + 2.)	461	567	728
4. Sundry net liabilities	68	110	136

(a) PROVISIONAL

TABLE VII

BALANCE OF EXTERNAL PAYMENTS OF PORTUGAL

(Esc. thousands millions

ITEMS	1973	1974	1975	1976	1977	1978
1. TRADE BALANCE	-22.26	-50.53	-42.67	-63.76	-96.30	-104.83
Imports FOB	-67.73	-108.67	-92.13	-118.89	-174.05	-212.29
Exports	45.47	58.14	49.46	55.12	77.75	107.46
2. SERVICES	+3.76	+1.39	-4.68	-3.24	-4.70	-4.9
Tourism	+7.90	+6.55	+2.59	+5.62	+10.33	+19.26
Debit	-5.68	-6.48	-6.62	-4.41	-5.19	-7.09
Credit	13.58	13.04	9.21	10.02	15.51	26.35
Transportation	-1.76	-3.68	-3.26	-5.20	-5.16	-8.78
Debit	-5.68	-8.19	-7.47	-9.90	-14.30	-17.76
Credit	3.92	4.51	4.21	4.70	9.14	8.98
Investment Income	+2.11	3.28	-0.37	-4.02	-6.87	-14.49
Debit	-1.54	-1.88	-2.64	-4.91	-8.54	-16.54
Credit	3.65	5.16	2.27	0.89	1.67	2.05
Other	-4.49	-4.76	-3.63	+0.36	-3.00	-0.91
3. PRIVATE TRANSFERS, NET	+27.06	+2[illegible]	+26.49	+29.40	+43.47	+71.75
of which: Emigrant's remittances	n.a.	n.a.	(20.98)	(27.62)	(44.97)	(74.23)
4. CURRENT ACCOUNT BALANCE (1+2+3)	+8.56	-20.92	-20.87	-37.60	-57.53	-38.00
5. MEDIUM AND LONG TERM CAPITAL	-3.49	+6.92	-2.75	+0.36	+4.19	+33.28
Private Sector	-0.92	+9.01	-0.54	+0.85	+1.15	+9.39
Public Sector	-2.57	-2.09	-2.21	-0.49	+3.04	+23.90
6. BASIC BALANCE (4+5)	+5.07	-14.00	-23.61	-37.24	-53.33	-4.7
7. SHORT-TERM CAPITAL; ERRORS AND OMISSIONS	+3.33	-2.09	-2.28	+1.62	-2.07	+14.03
8. BALANCE ON NON-MONETARY TRANSACCIONS (6+7)	+8.40	-16.09	-25.89	-35.62	-55.40	+9.31
9. CHANGE IN COMMERCIAL BANKS POSITION	-0.02	-1.63	-0.24	+6.59	+22.73	-9.39
10. BALANCE ON OFFICIAL SETTLEMENTS (8+9)	+8.38	-14.46	-26.13	-29.03	-32.67	-0.08
11. EXTERNAL CREDITS TO BANK OF PORTUGAL	-	-	+7.73	+20.10	+15.45	+9.22
12. RESERVE POSITION IN I.M.F.	-	-	+0.84	-	-	-
13. USE OF I.M.F. CREDIT	-	-	-	+5.30	+3.23	-2.40
14. CHANGE IN OFFICIAL RESERVES /Increase(-)/	-8.38	+14.46	+17.56	+3.63	+13.99	-6.74

(a) - Estimates.

TABLE VII - A

BALANCE OF EXTERNAL PAYMENTS OF PORTUGAL

(Million dollars)

ITEMS	1973	1974	1975	1976	1977	1978 (a)
1. TRADE BALANCE	-908	-1 989	-1 670	-2 109	-2 506	-2 376
Imports FOB	-2 763	-4 277	-3 605	-3 932	-4 533	-4 835
Exports	1 855	2 288	1 935	1 823	2 027	2 437
2. SERVICES	+153	+55	-183	-107	-127	-122
Tourism	+322	+258	+101	+186	+268	+431
Debit	-232	-255	-259	-146	-135	-160
Credit	554	513	360	332	403	591
Transportation	-72	-145	-128	-172	-134	-201
Debit	-232	-322	-292	-327	-371	-406
Credit	160	178	164	155	237	205
Investment Income	+86	+129	-14	-133	-179	-327
Debit	-63	-74	-103	-162	-223	-375
Credit	149	203	89	29	44	48
Other	-183	-187	-142	12	-82	-25
3. PRIVATE TRANSFERS, NET	+1 104	+1 111	+1 037	+972	+1 134	+1 618
of which: Emigrant's remittances	n.a.	n.a.	(821)	(914)	(1 174)	(1 673)
4. CURRENT ACCOUNT BALANCE (1+2+3)	+349	-823	-817	-1 244	-1 499	-900
5. MEDIUM AND LONG TERM CAPITAL	-142	+272	-107	+12	+95	+739
Private Sector	-37	+354	-21	+28	+19	+212
Public Sector	-105	-82	-86	-16	+76	+527
6. BASIC BALANCE (4+5)	+207	-551	-924	-1 232	-1 404	-161
7. SHORT TERM CAPITAL, ERRORS AND OMISSIONS	+136	-82	-89	+54	-33	+314
8. BALANCE ON NON-MONETARY TRANSACTIONS (6+7)	+343	-633	-1 013	-1 178	-1 437	+153
9. CHANGE IN COMMERCIAL BANKS POSITIONS	-15	+64	-9	+218	+574	-155
10. BALANCE ON OFFICIAL SETTLEMENTS (8+9)	+328	-569	-1 022	-960	-863	- 32
11. EXTERNAL CREDITS TO BANK OF PORTUGAL	-	-	+302	+665	+421	+197
12. RESERVE POSITION IN I.M.F.	-	-	33	-	-	-
13. USE OF I.M.F. CREDIT	-	-	-	+175	+83	-53
14. CHANGE IN OFFICIAL RESERVES /increase (-)_7	-328	+569	+687	+120	+359	-112

(a) Estimates.

Exchange rates: 1973: 1US$ = Esc. 24.515; 1974: 1US$ = Esc. 25.406; 1975: 1US$ = Esc. 25.553; 1976: 1US$ = Esc. 30.23;
1977: 1st. quarter 1US$ = Esc. 34$56.1; 2nd. quarter 1US$ = Esc. 38$74.4; 3rd. quarter 1US$ = Esc. 39$29.;
4th. quarter 1US$ = Esc. 40$51.7
1978: 1st. quarter 1US$ = Esc. 40$37.3; 2nd. quarter 1US$ = Esc. 44$09.8; 3rd. quarter 1US$ = Esc. 45$43;
4th. quarter 1US$ = Esc. 45$84.9

TABLE VIII

GOLD HOLDINGS AND FOREIGN EXCHANGE ASSETS AND LIABILITIES OF PORTUGUESE MONETARY INSTITUTIONS

(End of period)

(Escudos thousand million)

ITEMS	1973		1974		1975		1976				1977				1978			
	TOTAL	Bank of Portugal	TOTAL	Bank of Portugal	TOTAL	Bank of Portugal	TOTAL	Bank of Portugal	Treasury	Other Institutions	TOTAL	Bank of Portugal	Treasury	Other Institutions	(a) TOTAL	Bank of Portugal	Treasury	Other[a] Institutions
ASSETS	84.0	72.1	67.7	55.7	51.8	39.9	58.4	40.9	2.9	14.6	83.3	54.1	3.7	25.5	124.1	81.6	7.2	35.3
Reserve position in I.M.F.	0.8	0.8	0.8	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gold and foreign currencies	82.4	71.2	66.4	54.9	51.1	39.7	58.1	40.6	2.9	14.6	83.1	53.9	3.7	25.5	124.1	81.6	7.2	35.3
Escudos	0.8	-	0.5	-	0.5	-		-				-	-			-	-	-
S.D.R'S	-	-	-	-	0.2	0.2	0.3	0.3	-	-	0.2	0.2	-	-	-	-	-	-
LIABILITIES	7.2	0.1	8.2	0.1	15.5	8.3	50.4	36.8	-	13.6	111.0	66.4	-	44.6	133.4	84.6	-	48.8
Use of I.M.F. credit	-	-	-	-	-	-	5.9	5.9	-	-	11.0	11.0	-	-	10.4	10.4	-	-
Foreign currencies	2.5	0	3.6	0	11.7	8.2	44.5	30.5	-	-	99.3	54.5	-	44.6	121.9	72.9	-	48.8
Escudos	4.7	0	4.6	0.1	3.8	0.1		0.4	-	-		0.2	-			0.2	-	
S.D.R'S	-	-	-	-	-	-	-	-	-	-	0.6	0.6	-	-	1.1	1.1	-	-
NET ASSETS	76.8	72.0	59.5	55.6	36.3	31.6	8.0	4.1	2.9	1.0	-27.7	-12.3	3.7	-19.1	-9.3	-3.0	7.2	-13.5

(a) Provisional

NOTE: Gold valued according to the accounting procedures of the Central Bank, i.e. SDRs=1 troy ounce, the equivalent in escudos, having been derived from the ratio SDR/US$ and from the representative rate of the escudo vis-à-vis the US$ in the domestic market, both referred to the last working day of each month. Changes in gold holdings resulting from valuation changes (considered in this Table) are not reflected in the monetary sector of the balance of payments since this one is computed on transaction basis. The Table does not include figures for the Former Escudo Area.

TABLE IX

TRADE DEFICIT CHANGES: PRICE-VOLUME BREAKDOWN

- Esc. Thousand millions -

DEFICIT DECREASE = +	1977	1978
Volume	-12.43	+11.1
Terms of trade	-20.11	-19.6
Prices	+ 4.06	+ 1.0
Escudo exchange rate changes	-24.17	-20.6
TOTAL	-32.54	- 8.5

Source Secretariat of State for External Trade.
Studies and Planning Department

TABLE X

FOREIGN TRADE GROWTH RATES IN 1978

- % -

	1978/1977*						
	I HALF YEAR		II HALF YEAR*				
	Vol.	Price (esc.)	Vol.	Price (esc.)	Vol.	Price esc.	Price local currency
Imports cif. (fob)	9.2	19.5	- 7.2	24.1	0.2	22	- 1.2
Exports fob	12.1	18.7	15.9	23.4	14.2	21.2	- 1.3

* Estimate

Source: Secretariat of State for External Trade. Studies and Planning Department

TABLE XI

EXPORTS BY MAJOR CATEGORIES

	Values (million escudos)			Annual growth rates			
	1977	1977 Jan-Nov	1978 [1] (Jan-Nov)	1977		1978 (Jan-Nov)	
				Vol.	Price	Vol.	Price
Agricultural products	12 682	11 358	15 033	1.8	31.8	0.7	31.5
Mineral products, ceramics and glassware	4 561	4 033	5 466	1.6	35.0	11.3	21.8
Chemicals and related products	3 761	3 365	4 928	7.3	31.5	23.8	18.3
Wood, cork, pulp and paper	13 953	12 647	15 402	-3.0	35.6	6.3	14.5
Textiles clothing and footwear	23 093	20 675	31 295	1.3	41.7	23.3	22.8
Metals and metal products	3 761	3 347	4 907	2.6	32.9	33.2	10.1
Machinery and transport equipment	11 537	10 495	13 281	43.2	15.5	4.0 [2]	17.6 [2]
Miscellaneous	2 943	2 630	4 103	-	-	-	-
(Transport equipment)	(2 753)	(2 615)	(3 645)	-	-	-	-
TOTAL	77 689	69 848	96 072	5.9	33.1	13.5	21.0

1) Preliminary data

2) Excluding transport equipment

TABLE XII

Evolution of the External Competitiveness of the Portuguese Manufacturing Industry

		Index of Labour Productivity					Index of Nominal Wages					Index of Unit Labour Costs (ULC)					Index of Exchange Rate against US $					Index of ULC Corrected By the Evolution of the Exchange Rate					Evolution of the Relative Position of Portugal against			
		Portugal (1)	Spain (2)	Greece (3)	Italy (4)	United Kingdom(5)	Portugal (1)	Spain (2)	Greece (3)	Italy (4)	United Kingdom(5)	Portugal (1)	Spain (2)	Greece (3)	Italy (4)	United Kingdom(5)	Portugal (1)	Spain (2)	Greece (3)	Italy (4)	United Kingdom(5)	Portugal (1)	Spain (2)	Greece (3)	Italy (4)	United Kingdom(5)	Spain (2)	Greece (3)	Italy (4)	United Kingdom (5)
1972		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1973		110.4	113.9	108.7	107.7	103.2	119.8	119.2	112.9	123.7	114.0	108.5	104.7	104.2	114.9	105.4	91.3	90.6	89.8	100.0	98.0	118.8	118.7	115.2	114.9	107.3	100.1	112.9	107.4	115.0
1974		112.5	119.5	105.7	109.0	105.6	160.6	151.1	143.6	151.0	130.9	142.8	126.4	135.7	139.9	124.0	96.1	89.8	100.0	111.5	97.5	159.3	140.8	135.9	125.4	115.9	113.1	117.2	127.0	137.4
1975		107.8	108.8	108.9	97.0	103.8	226.8	196.8	174.9	190.4	168.6	210.4	180.9	160.0	196.3	162.4	94.6	89.3	107.6	111.9	89.8	222.4	202.6	149.3	175.6	144.2	108.8	149.0	126.8	154.2
1976		112.3	120.1	113.8	111.0	103.4	263.1	256.2	201.4	230.7	202.0	234.3	213.3	154.0	207.8	195.3	111.9	104.1	121.9	142.7	77.2	209.4	204.8	159.6	145.6	134.5	122.2	131.2	143.8	155.7
1977		125.1	136.4	110.6	118.2	107.9	303.7	313.3	232.0	295.6	213.3	242.8	229.7	235.8	248.3	198.1	141.7	118.2	122.8	151.3	83.9	171.3	194.3	192.9	164.1	139.3	89.2	89.8	104.6	121.9
1975	IV	100.0		100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0	100.0	100.0	100.0
1976	I	102.8		96.6	111.0	100.4	105.2		103.0	106.8	101.2	102.3		106.6	96.2	100.8	109.9		100.6	102.3	103.0	93.1		106.0	94.0	104.6		87.8	99.0	80.0
	II	106.7		92.4	121.6	98.3	109.5		108.9	113.7	102.2	102.6		117.9	112.1	104.0	123.2		100.0	122.7	104.1	83.3		117.9	109.2	108.3		70.7	76.3	76.9
	III	107.2		93.4	99.0	98.5	112.6		110.3	119.7	104.8	105.0		118.1	120.9	106.0	126.9		98.7	102.3	105.1	84.1		119.7	119.2	111.6		70.3	77.2	75.5
	IV	111.9		96.6	99.9	97.7	113.9		115.3	123.6	104.0	101.8		121.9	125.0	106.4	128.8		97.3	101.8	103.9	79.0		125.3	122.8	116.9		63.0	64.3	67.6
1978	I	114.1		98.9	104.5	99.3	115.8		115.1	127.9	105.0	101.5		126.5	122.4	105.7	128.4		97.7	99.9	116.7	78.0		129.5	122.5	124.5		61.0	64.5	67.5
	II	114.7		97.9	107.3	100.6	118.9		115.7	122.1	103.6	103.6		118.6	123.1	122.9	140.2		99.5	100.0	111.1	73.9		139.3	123.1	126.5		53.1	60.0	54.1
	III	111.9		-	-	-	123.0		-	-	-	109.9		-	-	-	144.4		-	-	-	76.1		-	-	-		-	-	-
	IV																													

ANNEX TO TABLE XII

SOURCES

(1) PORTUGAL

- Index of Industrial Production (manufacturing; adjusted for the number of working days) - Monthly Statistics Bulletin - (National Institute of Statistics)
- Index of Employment (employees in manufacturing - average of monthl indices) - Ministry of Labour
- Annual earnings in manufacturing - Industrial Statistics -(National Institute of Statistics)
- Exchange rate (rf) - International Finantial Statistics (I.M.F.)

(2) SPAIN

- Index of Industrial Production - Main Economic Indicators (O.E.C.D.)
- Employment in industry - Labour Force Statistics (OECD) and Études Economiques - Espagne (OECD)
- Hourly earnings in industry (wage earners) - Main Economic Indicators (OECD) and Perspectives Economiques, 23 (OECD)
- Exchange rate (rf) - International Finantial Statistics (IMF)

(3) GREECE

- Index of Industrial Production - Main Economic Indicators (OECD)
- Employment in manufacturing (employees) - Main Economic Indicators (O
- Hourly earnings in manufacturings (wage earners) - Main Economic Indicators (OECD)
- Exchange rate (rf) - International Finantial Statistics (IMF)

(4) ITALY

- Index of Industrial Production - Main Economic Indicators (OECD)
- Employment in industry (employees) - Main Econ. Indicators (OECD)
- Hourly wages in manufacturing - Main Econ. Indicators (OECD)
- Exchange rate (rf) - International Finantial Statistics (IMF)

(5) UNITED KINGDOM

- Index of Industrial Production - Main Economic Indicators (OECD)
- Employment in manufacturing (employees) - Main Econ. Indicators (OECD)
- Weekly earnings in manufacturing - Main Economic Indicators (OECD)
- Exchange rate (rh) - International Finantial Statistics (IMF)

TABLE XIII

DIRECTION OF TRADE

	EXPORTS (JAN.-NOV.)				IMPORTS (JAN.-NOV.)			
	Million escudos		Structure (%)		Million escudos		Structure (%)	
	1977	1978[1]	1977	1978	1977	1978[1]	1977	1978
- EEC	35 676	53 623	51,1	55,8	75 510	95 780	43,7	45,1
United Kingdom	12 700	17 601	18,2	18,3	18 091	21 035	10,5	9,9
- Other european industrialized countries	11 335	13 481	16,3	14,0	15 962	21 049	9,3	9,9
- Spain	1 451	2 015	2,1	2,1	8 291	11 137	4,8	5,2
- Former colonies	4 538	5 246	6,5	5,5	2 109	1 382	1,2	0,7
- United States and Canada	5 571	7 940	8,0	8,2	17 940	26 519	10,4	12,5
- Japan	649	1 054	0,9	1,1	6 266	7 137	3,6	3,4
- European planned economies countries	2 884	2 980	4,1	3,1	5 636	5 963	3,3	2,8
- Rest of World	7 645	9 733	11,0	10,1	40 822	43 233	23,7	20,4
T O T A L	69 749	96 072	100,0	100,0	172 536	212 200	100,0	100,0

1) Preliminary data

Source. INE. Estatísticas do Comércio Externo.

TABLE XIV

PORTUGUESE EXPORT BEHAVIOUR IN SELECT MARKETS

- annual rates of growth in constant prices -

	GERMANY		FRANCE		U. KINGDOM		SWEDEN		E. STATET '		TOTAL (5 MARKETS)	
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1978	1977	1978
						EXPORTS GROWTH						
Agricultural products	11.2	3.3	13.6	6.7	20.2	-21.4	5.7	9.1	-8.6	10.7	7.4	-0.3
Manufectured products	10.0	31.0	-7.6	28.3	-4.3	31.7	-15.2	21.7	4.7	24.8	-3.3	28.8
Machinery and appliances	23.5	23.2	38.6	23.5	24.0	-10.5	-10.	-83.5	52.8	22.1	20.5	-0.7
TOTAL	15.2	24.4	0	23.1	0.1	20.5	-14.	-4.5	5.6	19.9	2.2	18.6
						MARKET SHARES : GAINS (+) / LOSSES (-)						
Agricultural products	10.2	-11.7	2.6	- 7.3	20.2	-17.4	18.7	12.1	-21.1	4.7	1.4	-7.3
Manufectured produts	3.0	26.0	-9.6	20.3	-10.3	19.7	-6.2	30.1	-7.3	9.8	-7.3	21.8
Machinery and appliances	12.5	10.2	37.6	18.5	8.0	-23.5	-6.	-66.5	39.8	5.1	+11.	-8.3
TOTAL	7.2	17.4	-4.0	14.1	-6.9	9.5	-6.	5.5	-6.4	7.9	-2.8	11.6

Source: Secretariet of State for External Trade. Etudies and Planning Department

TABLE XV
IMPORTS BY MAJOR CATEGORIES

	Valeur (Million escudos)			Annual growth rates			
	1977	1977 Jan-Nov)	1978 1) (Jan-Nov)	1977		1978 (Jan-Nov)	
				Vol.	Price	Vol.	Price
Agricultural products	34 956,5	31 005,4	35 647,2	9.4	19.5	8.8	5.7
Mineral products	30 819,6	28 621,1	37 710,0	2.0	32.5	14.4	15.2
Chemicals and related products	25 071,8	23 147,9	29 789,8	14,7	24.3	- 2.9	32.5
Hides,Skins,wood and paper	6 950,3	6 046,2	4 772,3	62.1	33.4	-20.1	9.3
Textiles and clothing	16 087,8	14 538,6	15 327,0	-4.5	46.1	- 3.4	9.1
Metals and metals products	19 105,6	17 133,1	21 135,2	39.6	21.2	-.1.8	25.7
Machinery and appliances	32 758,7	29 670,6	40 058,3	9.7	36.0	3.6	30.3
Transport equipment (not including airplanes and ships)	15 794,9	13 590,0	16.310,0	37.6	37.6	-14.2	39.9
Miscellaneous	7 753,0	7 306,9	8 422,0	21.0	21.1	-	-
TOTAL (excluding airplanes, ships and diamonds)	189 298,5	171 059,8	209 171,8	13,9	29.1	1.2	21.0
Airplanes and ships	670	881,1	1 382,6	-			
Diamonds	716	595,2	1 645,8	-			
TOTAL	190 684,5	172 536,1	212 200,2	12.8	29.3	1.1	21.0

1) Preliminary data

Source. Secretariat of State for External Trade. Planning and studies Department.

TABLE XVI

IMPORTS BY PURPOSE

	Valuer (million escudos)			Annual growth rates					
				1977		1978 Jan-Set)		1978	
	1977	1978[2] (Jan-Set)	1978[3]	Vol.	Price	Vol.	Price	Vol.	Price
Equipment goods (excluding airplanes and ships)	27 932	25 995	36 571	24,2	34,9	- 2,5	31,6	- 1,3	32,6
Machinery	25 745	24 312	34 324	22,1	34,9	- 1,4	31,5	1,0	32,0
Transport equipment	2 187	1 683	2 247	56,9	33,5	- 20,2	40,2	- 26,7	40,2
Airplanes and ships	670	1 234	1 383	- 70,8	38,2	67,6	28,7	57,5	26,0
Intermediate goods (excl.diamond)	115 313	99 979	138 196	20,4	31,1	1,3	18,3	- 0,6	20,6
Primary products	36 439	30 593	42 293	22,8	34,2	-	-	5,1	10,5
Manufactured products	78 874	69 386	95 903	20,3	28,7	-	-	- 3,3	25,7
Petroleum and lubrificants	27 796	28 641	35 430	- 1,5	34,1	19,1	17,8	10,7	15,2
Consumer goods	18 074	12 242	19 581	- 22,0	30,0	- 29,2	26,2	- 15,5	28,1
Foodstuffs	8 244	4 088	6 301	- 21,1	31,6	- 46,8	21,5	- 38,9	25,0
Other non durable goods	3 966	4 011	6 742	- 5,9	41,6	5,6	28,1	32,2	28,6
Semi-durable goods	2 296	1 844	2 247	- 21,5	20,7	- 39,2	27,1	- 23,8	28,3
Durable goods	3 566	2 821	4 291	- 36,5	25,2	- 21,8	31,9	- 8,8	31,9
TOTAL (excluding diamond airplanes and ships)	189 299	166 875	229 778	13,9	29,1	0,8	19,9	- 0,4	21,9
TOTAL[1]	190 685	169 282	233 000	12,8	29,3	1,4	19,9	0,2	22,0

1) Including "other non classified goods"

2) Preliminary date

3) Estimate

Source Secretariat of State for External Trade. Studies and Planning Department.

TABLE XVII

BALANCE OF EXTERNAL PAYMENTS OF PORTUGAL

MAIN COMPONENTS

(Esc. thousand million)

ITEMS	1973	1974	1975	1976	1977	1978[a]
TRADE BALANCE (FOB)	-22.26	-50.53	-42.67	-63.76	-96.30	-104.83
SERVICES	+ 3.76	+ 1.39	- 4.68	- 3.24	- 4.70	- 4.92
PRIVATE TRANSFERS, NET	+27.06	+28.22	+26.49	+29.40	+43.47	+ 71.75
CURRENT ACCOUNT BALANCE	+ 8.56	-20.92	-20.87	-37.60	-57.53	- 38.00
BASIC BALANCE	+ 5.07	-14.00	-23.61	-37.24	-53.33	- 4.72
BALANCE ON NON-MONETARY TRANSACTIONS	+ 8.40	-16.09	-25.89	-35.62	-55.40	+ 9.31
BALANCE ON OFFICIAL SETTLEMENTS	+ 8.05	-14.46	-26.13	-29.03	-32.67	- 0.08

(a) - Estimates.

TABLE XVII-A

BALANCE OF EXTERNAL PAYMENTS OF PORTUGAL

MAIN COMPONENTS

(Million dollars)

ITEMS	1973	1974	1975	1976	1977	1978 (a)
TRADE BALANCE (FOB)	-908	-1 989	-1 670	-2 109	-2 506	-2 396
SERVICES	+153	+ 55	- 183	- 107	- 127	- 122
PRIVATE TRANSFERS, NET	+1 104	+1 111	+1 037	+ 972	+1 134	+1 618
CURRENT ACCOUNT BALANCE	+349	- 823	- 817	-1 244	-1 499	- 900
BASIC BALANCE	+207	- 551	- 924	-1 232	-1 404	- 161
BALANCE ON NON-MONETARY TRANSACTIONS	+343	- 633	-1 013	-1 178	-1 437	+ 153
BALANCE ON OFFICIAL SETTLEMENTS	+328	- 569	-1 022	- 960	- 863	- 32

(a) - Estimates

Exchange rates: as in Table I-A

TABLE XVIII

TRAVEL RECEIPTS AND EXPENDITURES

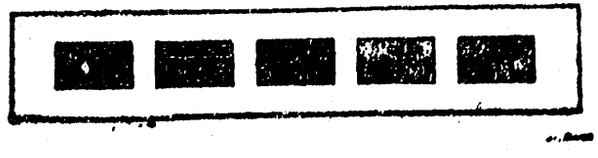
(Esc. million)

ITEMS	1973	1974	1975	1976	1977	1978
RECEIPTS, of which	13 580	13 036	9 205	10 022	15 514	26 353
O.E.C.D. European countries	8 609	7 936	4 752	7 107	10 687	18 509
Rest of the world	4 971	5 100	4 453	2 915	4 827	7 844
EXPENDITURES, of which	5 684	6 483	6 622	4 407	5 186	7 094
O.E.C.D. European countries	4 424	5 105	4 580	3 329	3 929	5 668
Rest of the world	1 260	1 378	2 042	1 078	1 257	1 426
NET RECEIPTS, of which	7 896	6 553	2 583	5 615	10 328	19 259
O.E.C.D. European countries	4 185	2 831	172	3 778	6 758	12 841
Rest of the world	3 711	3 722	2 411	1 837	3 570	6 418

TABLE XIX

EMIGRANTS' REMITTANCES

(Esc. million)

ITEMS	1973(a)	1974(a)	1975	1976	1977	1978
O.E.C.D. European Countries	20 843	21 343	18 598	23 180	38 415	61 099
France	12 248	12 498	13 901	16 614	28 916	44 252
Germany (F.R.)	4 991	5 502	3 262	4 327	6 177	10 647
United States	3 819	3 375	650	1 526	2 362	4 447
Canada	935	926	265	948	1 286	2 001
Others	2 518	3 458	1 462	1 969	2 904	6 679
TOTAL	28 115	29 102	20 975	27 623	44 967	74 226

(a) - Private Transfers