

## Economic Accounts for Agriculture 2020

1<sup>st</sup> estimate

### **Agricultural income is expected to decrease 3.3% in 2020**

**Between January and October 2020, exports of agricultural products increased by 6.2% comparing to the same period of 2019, while total exports of goods decreased by 11.5%**

According to the first estimate on Economic Accounts for Agriculture (EAA) for 2020, the Income from agricultural activity, in real terms, per annual working unit (AWU), is expected to decrease (-3.3%), a situation that has not occurred since 2011. For this evolution, the decrease in Gross added value (GVA) (-7.7%) was crucial, partially attenuated by the growth in Other production subsidies (+ 3.6%). Agricultural activity was naturally affected by the effects of the COVID-19 pandemic, with a negative impact on plant production, especially in products that are more perishable or sensitive to transport and storage, while animal production was affected by changes in consumption patterns resulting from the confinement.

Exports of agricultural products, in the period from January to October 2020, registered an increase of 6.2% comparing to the same period of 2019, while total exports of goods decreased 11.5%. In the same period, imports of agricultural products decreased by 2.6%, a less significant decrease than total imports of goods (-16.5%).

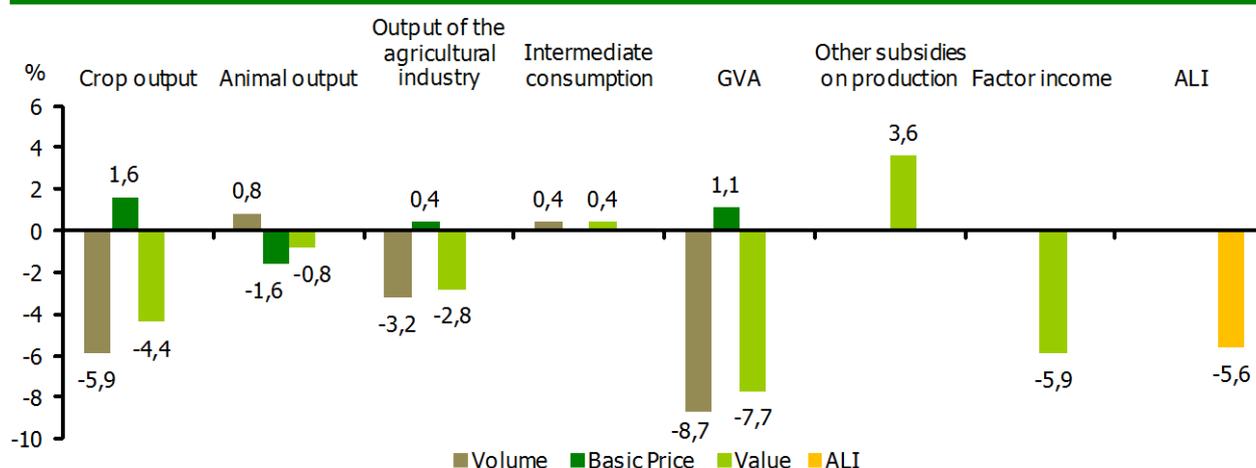
Statistics Portugal releases the first estimate of the Economic Accounts for Agriculture (EAA) for the year 2020.

#### **1. Main results for 2020**

In 2020, the income per work unit (AWU), in real terms (Indicator A), generated by the agricultural activity is expected to decrease by 3.3%, after 8 consecutive years of growth. The nominal decrease in Gross value added (GVA) (-7.7%) was crucial in this evolution, since Other subsidies on production are expected to increase (+3.6%) and the volume of agricultural labour input (ALI) is expected to decrease (-5.6%).

The nominal decrease in GVA contributed to the negative change in agricultural Output (-2.8%) and a slight positive change in Intermediate consumption (+0.4%). In real terms, an even more pronounced decrease in GVA (8.7%) is expected, reflecting a more pronounced reduction of Output in volume (-3.2%) than in value.

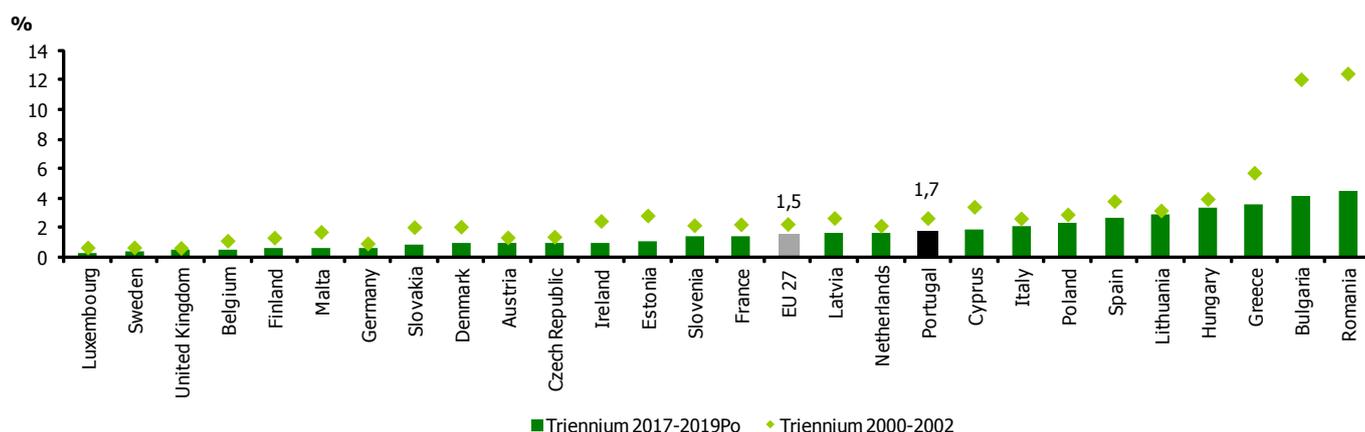
**Chart 1. Evolution of Output, Intermediate consumption, GVA and Income, in 2020**



## 2. International comparisons

In general terms, when comparing the relative weight of agricultural GVA in national GVA between the periods 2000-2002 and 2017-2019 in the different Member States (MS), it is observed that the relative weight of agriculture in the national economy is higher than that observed in the EU, in both trienniums. As the majority of MS, the relative importance decreased between the three year periods, with Portugal remaining slightly above the European average (1.7% vs. 1.6%).

**Chart 2. Agricultural GVA / National GVA (average of three-year periods 2000-2002 and 2017-2019Po)**



Between the trienniums of 2001-2003 and 2017-2019 the Income of agricultural activity in Portugal evolved more favorably than the average of the MS (+81.8% vs. +53.6%), surpassing Mediterranean countries like France, Spain, Italy and Greece.

**Chart 3. Evolution of Indicator A ( 2017-2019Po / 2001-2003)**

(Three-year average 2001-2003 = 100)

