

Quarterly Sector Accounts

4th quarter of 2011 and year of 2011

Net borrowing of the economy was 5.1% of GDP

In 2011, the net borrowing of the Portuguese economy decreased to 5.1% of GDP (8.3% in the previous year). The decrease was the result of the combined effects of the increase in gross saving and the decrease of the Gross Capital Formation.

The net borrowing of the General Government diminished from 9.8% of GDP in 2010 to 4.2% in 2011, partially reflecting the transfer of financial institutions' pension funds. The counterpart of this transfer was a net borrowing of 0.2% of GDP for Financial Corporations in 2011 (net lending of 2.3% in the previous year).

The net lending of Households attained 4.2% of GDP in 2011, 0.4 percentage points less than the observed in the previous year. Gross saving decreased 6.4% in 2011, related with the decrease of 1% of Disposable Income. Compensation of employees diminished 1.2% while current taxes on income increased 10% in 2011.

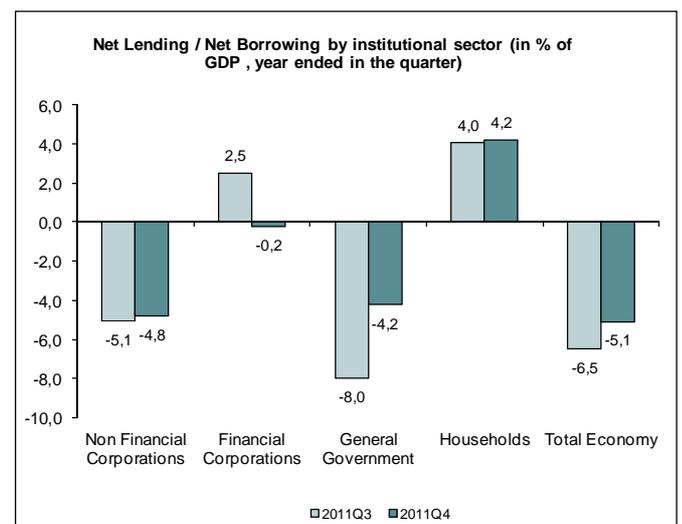
The current results are the preliminary version of the Quarterly Sector Accounts for the 4th quarter of 2011. Unless stated otherwise, the results and graphics in this press release are always presented as 4 quarters moving averages or as the year ended in the reference quarter. The change rates compare different years or the year ended in the reference quarter with the year ended in the previous quarter. All the variables are valued at current prices.

Main results

The graph below presents the results for the 4th and 3th quarters of 2011. The transfer of pension funds took place in the 4th quarter and had a significant impact on the improvement of the net borrowing of General Government and on the deterioration of the net lending of the Financial Institutions. It should also be

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highlighted the improvement in the net lending of Households and the decrease in the net borrowing of Non Financial Corporations.



Unit labour costs decline

Unit labour costs decreased 0.7% and 1.6% in 2010 and 2011, respectively. This evolution reflected mainly the decrease in 2011 of 0.8% of wages (increase of 1.2% in the previous year). This performance was determined by the reduction of wages paid by general government.

