

6 November 2025
 STUDY ON THE LOCAL PURCHASING POWER
 2023

PURCHASING POWER ABOVE THE NATIONAL AVERAGE IN 31 OUT OF THE 308 MUNICIPALITIES

In 2023, the per capita purchasing power indicator was higher than the national average (100) in 31 of the 308 municipalities. A significant portion of these municipalities are located in the sub-regions of Grande Lisboa (6 out of 9 municipalities) and the Área Metropolitana do Porto (6 out of 17). The municipalities of Lisboa, Porto, and Oeiras recorded the highest values. In addition to these, municipalities which are district capitals also stood out, namely Coimbra, Aveiro, Faro, and Évora.

The regional structure of the Proportion of Purchasing Power (PPC) revealed that the NUTS 2 regions of the Norte and Grande Lisboa, together, concentrated more than half of the national purchasing power, with 32.6% and 25.5%, respectively. In addition to Grande Lisboa, the Área Metropolitana do Porto (18.0%) contributed decisively to this result. These two sub-regions together accounted for 43.5% of the national PPC, which compares to the concentration of 36.9% in terms of resident population that they both represent.

INTRODUCTORY NOTE

Statistics Portugal releases the 16th edition of the Study on the Local Purchasing Power referred to 2023 (EPCC 2023), which aims to provide information at municipality level on the purchasing power revealed in these territories.

In this edition, based on 15 per capita variables and a principal component factor analysis model (see Technical Note at the end of this press release), three indicators are obtained and released:

- Per Capita Indicator (IpC)
- Percentage of Purchasing Power (PPC)
- Dynamism Relative Factor (FDR)

1. PER CAPITA PURCHASING POWER INDICATOR

The per Capita Purchasing Power Indicator (IpC) aims to measure the purchasing power manifested, in per capita terms, in different municipalities and regions, using the national value as a reference (Portugal = 100).

The IpC results for 2023 show that mainland Portugal has a higher purchasing power than that observed in the two Portuguese autonomous regions: the value reached 100.6 for the Continente, and 87.6 and 88.1 for the Região Autónoma dos Açores and Região Autónoma da Madeira, respectively. Grande Lisboa (127.6) was the only NUTS 2 region with a value above the national average.

In 2023, the IpC was above the national average (100) in only 31 of the 308 Portuguese municipalities [Figure 1]. The municipality of Lisboa had the highest IpC (181.3), followed by the municipalities of Porto (162.2) and Oeiras (150.1). In addition to these, the municipality of Cascais (117.5) stood out in Grande Lisboa, and the municipalities of Matosinhos (119.6) and São João da Madeira (111.5) stood out in the Área Metropolitana do Porto.

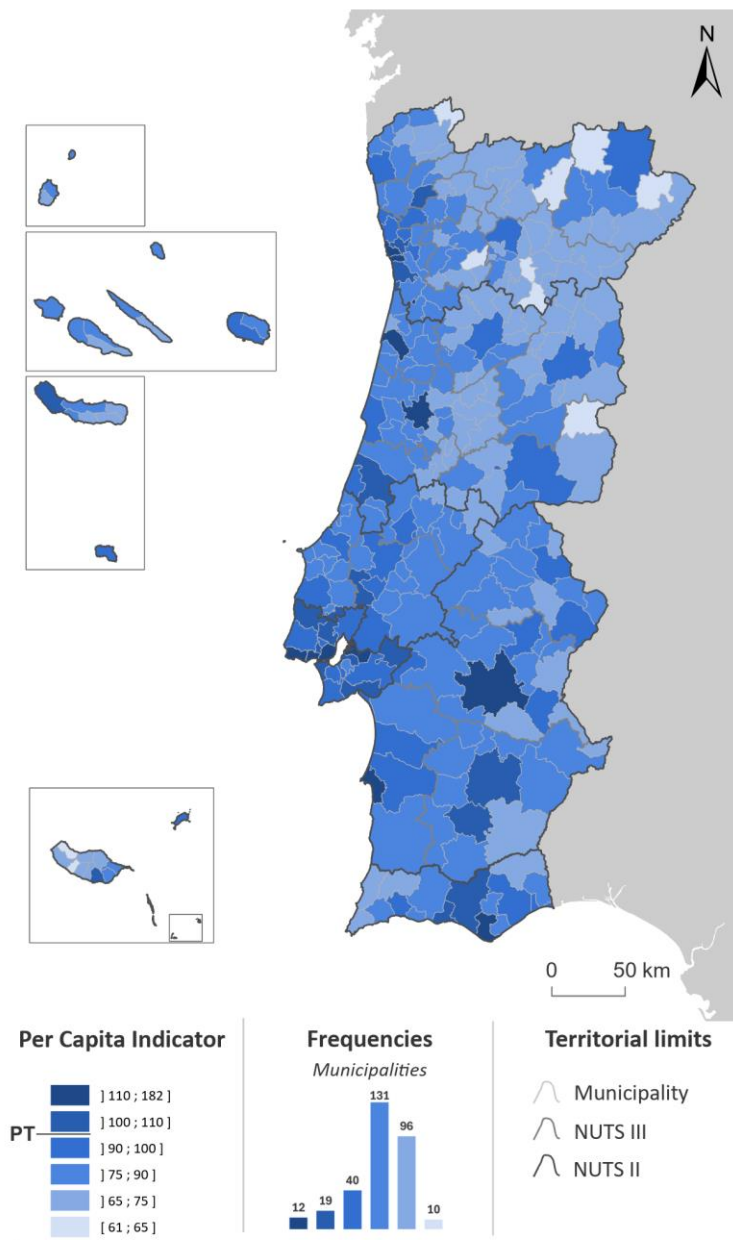
In addition to metropolitan areas, municipalities corresponding to district capitals also showed a higher IpC than the national average, notably Coimbra (118.8), Aveiro (117.8), Faro (113.3), and Évora (111.5). Besides these, the municipalities of Sines (124.2), in the Alentejo Litoral, and Alcochete (117.8), in the Península de Setúbal, also stood out. In the autonomous regions, Funchal (109.1) and Ponta Delgada (102.2) presented values higher than the national average.

Across the country, 106 municipalities (34% of the total number of municipalities) had IpC values below 75. Of the 10 municipalities with the lowest IpC, two belonged to the Região Autónoma da Madeira, seven to the Norte region (distributed across the sub-regions of Douro, Terras de Trás-os-Montes, Tâmega e Sousa, Alto Minho, and Alto Tâmega e Barroso) and one to the Centro region (Beira Baixa sub-region).



Figure 1

PER CAPITA PURCHASING POWER INDICATOR BY MUNICIPALITY, 2023



Analyzing the IpC by municipality, taking into account both national and regional contexts, allows us to assess the degree of intraregional cohesion and identify the municipalities that stand out in these contexts [Figure 2].

From this perspective, the 308 municipalities were distributed as follows in 2023:

- 27 municipalities presented a IpC simultaneously above the national and regional average. In the Norte region, these are six municipalities in the Área Metropolitana do Porto (Porto, Matosinhos, São João da Madeira, Maia, Vila Nova de Gaia, and Espinho) and the municipality of Braga. In the Centro region, three district capitals (Coimbra, Aveiro, and Leiria). In the Oeste e Vale do Tejo region, two municipalities (Azambuja and Arruda dos Vinhos), and in the Península de Setúbal four municipalities (Alcochete, Almada, Setúbal, and Montijo). In Grande Lisboa, two municipalities (Lisboa and Oeiras). In the Alentejo, four municipalities (Sines, Évora, Castro Verde, and Beja), and in the Algarve region three municipalities (Faro, Loulé, and Albufeira). In the autonomous regions, two municipalities (Funchal and Ponta Delgada).
- 27 municipalities had a IpC below the national average, but above the regional average: eight municipalities in the Oeste e Vale do Tejo region; seven municipalities in the Alentejo region; five municipalities in the Centro region; three municipalities in the Norte region; one municipality in the Algarve region; two municipalities in the Região Autónoma dos Açores; and one in the Região Autónoma da Madeira.
- 250 municipalities (approximately 81% of the country's municipalities) showed a IpC that was simultaneously below the national average and the respective regional average. At the NUTS 2 regional level, this proportion varied between 33% in Grande Lisboa and 90% in the Centro region.
- Finally, the specific situation of four municipalities, all integrated into the Grande Lisboa region, was identified. These municipalities presented an IpC above the national average, but below the respective regional value (127.6): Cascais, Mafra, Amadora, and Loures.

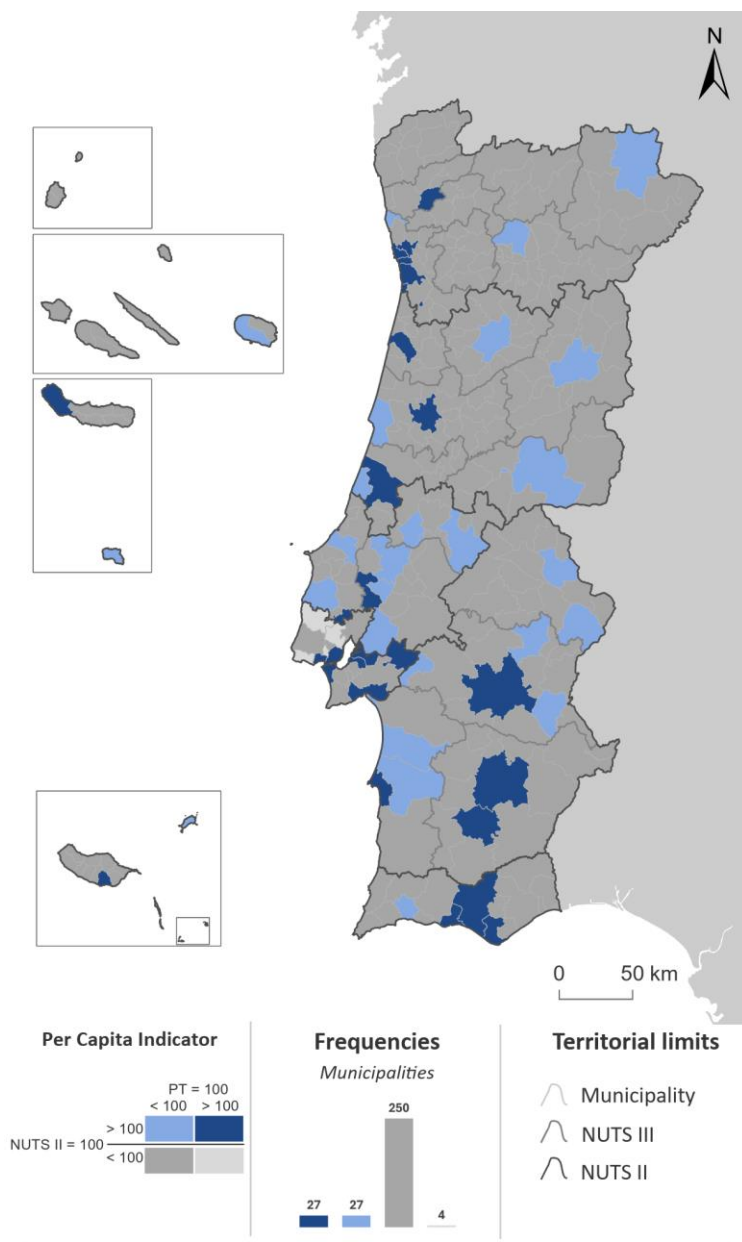


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Figure 2

PER CAPITA INDICATOR BY MUNICIPALITY IN THE CONTEXT OF THE CORRESPONDING NUTS 2 REGIONS, 2023



2. PROPORTION OF PURCHASING POWER

The Proportion of Purchasing Power (PPC) is an indicator derived from the Per Capita Indicator (IpC) used to assess the degree of concentration of purchasing power in different territories, taking into account that areas with greater or lesser purchasing power in the national territory depend not only on the distribution of per capita purchasing power across the country, but also on the spatial distribution of the resident population.

The regional structure of PPC in 2023 revealed that the NUTS 2 regions of Norte (32.6%) and Grande Lisboa (25.5%) concentrated more than half of the national PPC (58.1%). Contributing decisively to this result, in addition to Grande Lisboa (which is NUTS 2 and 3 simultaneously), was the Área Metropolitana do Porto (18.0%). Together, they accounted for 43.5% of the PPC and concentrated 36.9% of the country's population (20% in Grande Lisboa and 16.9% in the Área Metropolitana do Porto).

On the other hand, among the sub-regions with the lowest PPC were Alto Tâmega e Barroso, Beira Baixa, Terras de Trás-os-Montes, Alto Alentejo, Alentejo Litoral, and Baixo Alentejo, which individually contributed less than 1% to the national purchasing power (in ascending order).

At the municipal level, Lisboa stood out, representing 9.7% of total purchasing power, as did Porto, with 3.8% [Figure 3]. In addition to these, in 2023, only 21 other municipalities individually concentrated more than 1% of the national PPC. These are municipalities mostly belonging to the sub-regions of Grande Lisboa (Sintra, Oeiras, Cascais, Loures, Amadora, Odivelas, and Vila Franca de Xira) and the Área Metropolitana do Porto (Vila Nova de Gaia, Matosinhos, Maia, Gondomar, and Santa Maria da Feira), joined by four district capital municipalities (Braga, Leiria, Coimbra, Setúbal), two municipalities in the Península de Setúbal (Almada and Seixal), two municipalities in the Ave sub-region (Guimarães and Vila Nova de Famalicão) and Funchal, in the Região Autónoma da Madeira.

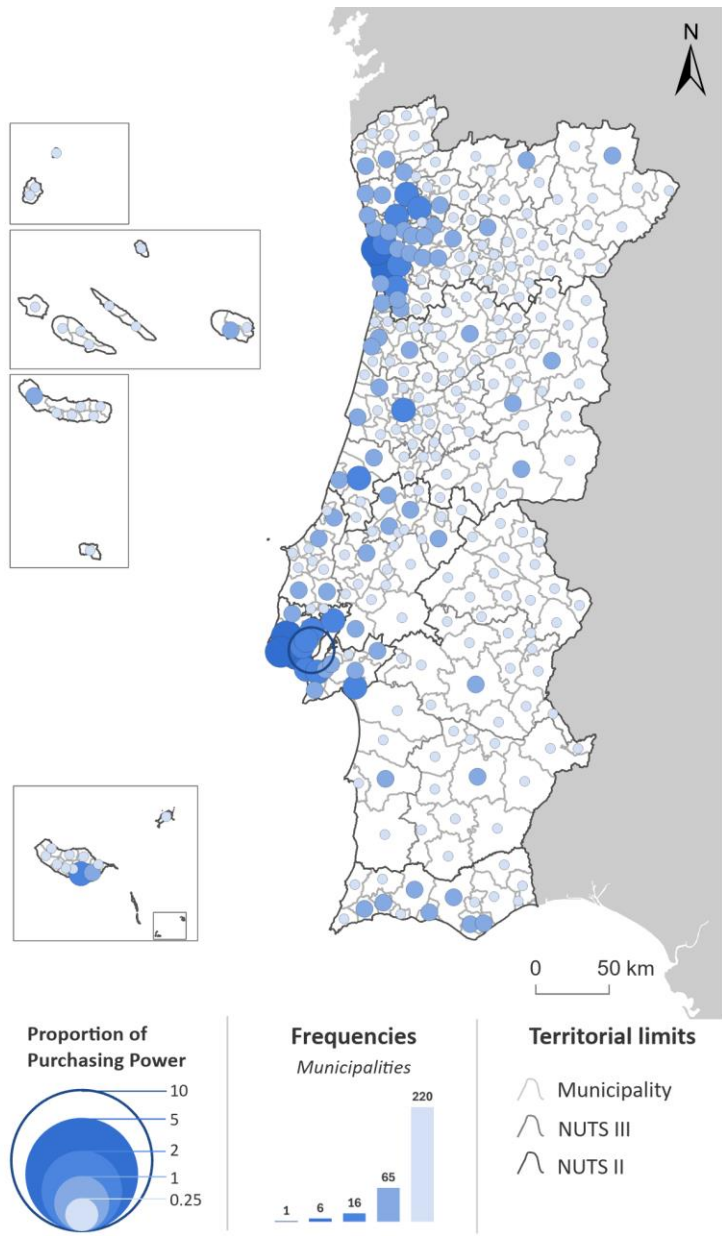


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Figure 3

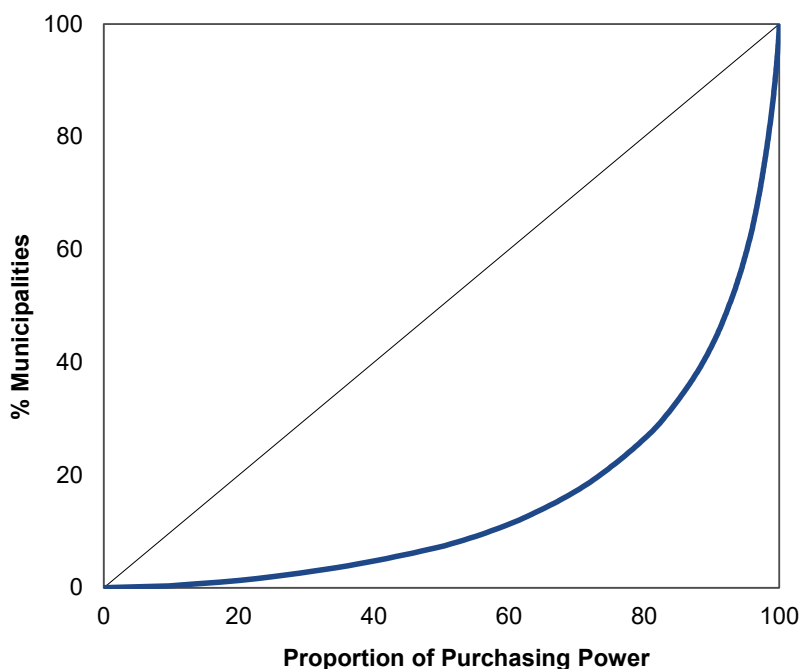
PROPORTION OF PURCHASING POWER BY MUNICIPALITY, 2023



An analysis of the concentration of purchasing power¹ in Portugal's 308 municipalities [Figure 4] shows that, in 2023, around 7% (23) and 21% (65) of municipalities accounted for around 50% and 75% of national purchasing power, respectively. These results support the interpretation that purchasing power is associated with the urban size of municipalities and is therefore highly concentrated territorially.

Figure 4

CONCENTRATION OF THE PROPORTION OF PURCHASING POWER IN MUNICIPALITIES, 2023



¹ Figure 4 shows the Lorenz curve for Proportion of Purchasing Power. The further the concentration curve (Lorenz curve) is from the diagonal (line of equal distribution), the greater the degree of concentration of purchasing power among the resident population.

3. DYNAMISM RELATIVE FACTOR

The Dynamism Relative Factor (FDR) aims to reflect the purchasing power of irregular, generally seasonal manifestations related to population flows induced by tourist activity, translating the dynamics that persist in the original information beyond those captured by the first factor extracted from the factor analysis – the per capita purchasing power manifested in the territories (IpC).

The analysis by municipality highlights the relevance of the irregularly manifested purchasing power in the Algarve Region. In 2023, of the 19 municipalities in the country with an FDR greater than 1 standard deviation from the distribution, 12 were located in that region: Vila do Bispo, Albufeira, Lagos, Loulé, Aljezur, Lagoa, Castro Marim, Tavira, Portimão, Vila Real de Santo António, Silves, and Monchique [Figure 5]. Among these municipalities, Vila do Bispo, Albufeira, and Lagos stood out with an FDR greater than 5 (positive) standard deviations. The municipalities of Grândola (3,653) and Alcácer do Sal (1,276), both in the Alentejo Litoral, Porto Moniz (2,252) and Calheta (1,511), in the Região Autónoma da Madeira, Nazaré (2,192) and Óbidos (2,142), in the Oeste sub-region, and Cascais (1,228), in Grande Lisboa, completed the set of 19 municipalities that had an FDR above 1 in 2023.

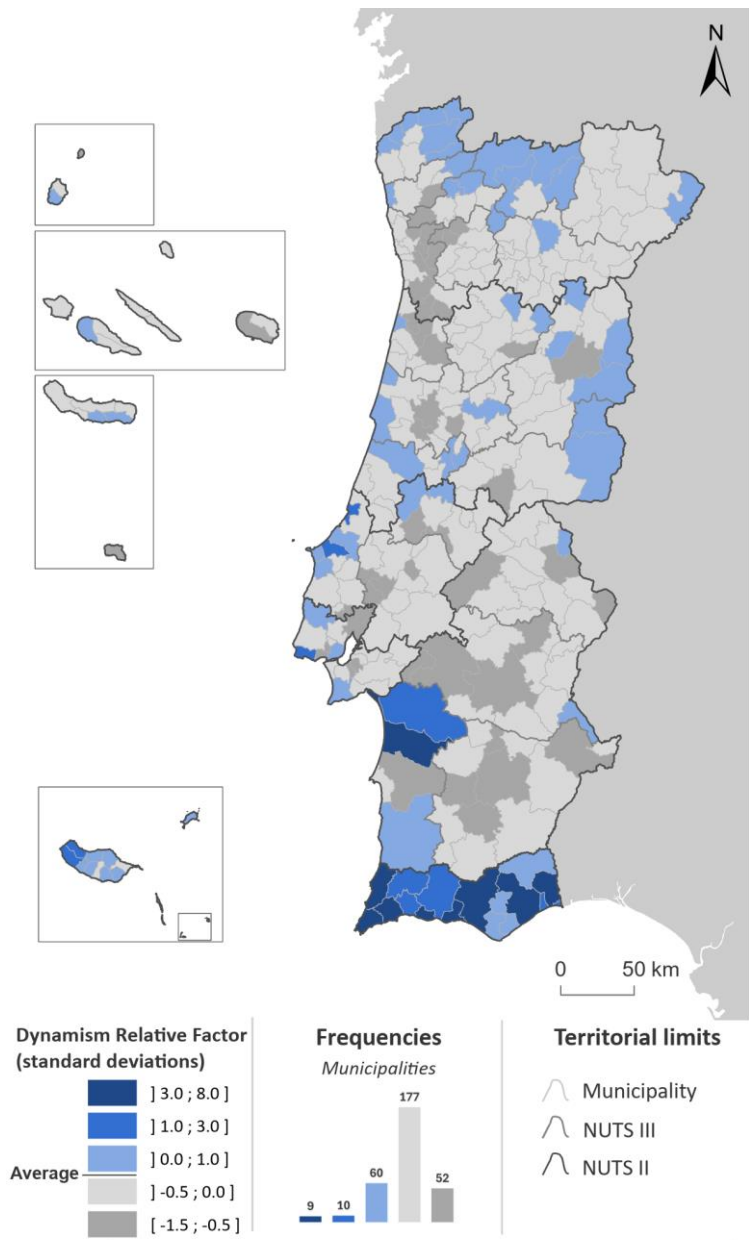
At the opposite side was a group of 52 municipalities with an FDR of less than -0.5 in 2023. This group included 11 municipalities with FDR values below -0.7: municipalities in the sub-regions of Grande Lisboa (Vila Franca de Xira and Oeiras) and Área Metropolitana do Porto (Oliveira de Azeméis, Valongo, and São João da Madeira), some district capitals (Beja, Portalegre), and also other municipalities in the Alentejo region (Castro Verde, Campo Maior), the Região Autónoma dos Açores (Corvo) and the Oeste e Vale do Tejo region (Arruda dos Vinhos).



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Figure 5
DYNAMISM RELATIVE FACTOR BY MUNICIPALITY, 2023



It is important to highlight the existence of municipalities with simultaneously high IpC and FDR values in 2023. In this regard, the municipalities of Lisboa and Cascais, in the Grande Lisboa region, the municipalities of Faro, Loulé, and Albufeira, in the Algarve region, as well as Funchal, in the Região Autónoma da Madeira, are noteworthy. These six municipalities were in the top 10% of both the IpC and FDR distributions.

TECHNICAL NOTE

The Local Purchasing Power analysis (EPCC) is a statistical study of biennial frequency and national coverage. The observed statistical unit is the municipality, data collection is indirect, and the variables used to compute the study result from administrative procedures and from statistical operations carried out within the National Statistical System.

In this edition, were considered 15 variables reported for the year 2023, relativized by the resident population estimated by INE for December 31, 2023 (series of Annual Resident Population Estimates that incorporate the final 2021 Census results):

- CREHABT: [Credit conceded to clients for housing, per capita, 2023](#) (Source: Statistics Portugal, Credit institutions and financial corporations survey)
- GANHTCO: Monthly earnings of full-time employees with full earning, according to the municipality of establishment, *per capita*, 2023 (Source: Ministry of Labour, Solidarity and Social Security, Lists of personnel; based on information from the indicators [Average monthly earnings](#) and [Employees](#))
- IMT: [Local tax for onerous transfer of real estate, according to the municipality of the estate, per capita, 2023](#) (Source: Directorate-General of Local Authorities)
- IMI: [Local tax on real estate, according to the municipality of the estate, per capita, 2023](#) (Source: Directorate-General of Local Authorities)
- IRS: [Personal income paid tax paid, according to the taxpayer's municipality of residence, per capita, 2023](#) (Source: Statistics Portugal, Income Statistics at local level produced by Ministry of Finance - Tax and Customs Authority)
- RDECLIRS: [Gross reported income for tax purposes, according to the taxpayer's municipality of residence, per capita, 2023](#) (Source: Statistics Portugal, Income Statistics at local level produced by Ministry of Finance - Tax and Customs Authority)
- LEVMULINT: [Value of international withdrawals from Automated Teller Machines \(ATMs\), according to the location of the ATM, per capita, 2023](#) (Source: SIBS, Credit institutions and financial corporations survey)
- COMTPNAC: [Value of national purchases using points of sale \(POS\), according to the location of the POS, per capita, 2023](#) (Source: SIBS, Credit institutions and financial corporations survey)²
- COMTPINT: [Value of international purchases using points of sale \(POS\), according to the location of the POS, per capita, 2023](#) (Source: SIBS, Credit institutions and financial corporations survey)
- VVNECOM: [Turnover of active establishments in CAE Rev.3 division 47 \(Retail trade, except of motor vehicles and motorcycles\), with the exception of group 473 \(Fuel retail trade for motor vehicles in](#)

² For the calculation of this variable, due to seasonal effects, the annual movements were considered from the aggregation of monthly data, and for the months of June to September the average value of 12 months (average of the real values registered between January and December) was imputed.

[specialised establishments\), according to the municipality of the establishment, per capita, 2023](#) (Source: Statistics Portugal, Integrated Business Accounts System)

- VVNEREST: [Turnover of active establishments in CAE Rev.3 division 56 \(Food services\), according to the municipality of the establishment, per capita, 2023](#) (Source: Statistics Portugal, Integrated Business Accounts System)
- TXURB5: [Resident population in census localities with 5 000 or more inhabitants as a proportion of the total resident population](#), 2021 (Source: Statistics Portugal, final 2021 Census results)
- VRALOC: House rental value of new lease agreements of dwellings, according to the municipality of housing unit, per capita, 2023 (Source: Statistics Portugal, House rental statistics at local level).
- VTVALOC: Value of dwellings sales, according to the municipality of the estate, *per capita*, 2023 (Source: Statistics Portugal, Statistics on house prices at local level)
- VOPRPAG: Value of payment transactions (services and special services) at Automated Teller Machines (ATMs), according to the location of the ATM, per capita, 2023 (Source: SIBS, Credit institutions and financial corporations survey)

INDICATORS AVAILABLE AT STATISTICS PORTUGAL OFFICIAL WEBSITE

The results presented are available at www.ine.pt in Products, Statistical data, Database.

Based on this set of 15 variables and using a principal component factor analysis model, the EPCC provides three indicators:

The **Per Capita Indicator (IpC) on purchasing power** which is derived from the first factor determined by the factor analysis and explains, after rotation, 41.8% of the total variance of the input variables. The coefficient of variation of the Gross income declared for tax purposes per capita was considered for the final calculation of this indicator, which is presented referenced to the national value (Portugal = 100).

[Per capita purchasing power by Geographic localization \(NUTS - 2024\); Biennial](#)

The **Proportion of Purchasing Power (PPC)**, which is an indicator derived from the first factor determined by the factor analysis – IpC – and reflects the share of purchasing power revealed regularly in each municipality or region in reference to the national value (for which the PPC assumes the value of 100%). Hence, with this indicator, the study aims to assess the concentration of purchasing power in the different territories, having in mind that areas with more or less purchasing power in the national territory depend not only from the per capita purchasing power distribution across the country, but also from the spatial distribution of the resident population. In summary, the PPC indicator is not a direct result from the factor analysis, but it is derived from the IpC and the demographic weight of each territorial unit in the national context.

[Proportion of purchasing power \(% - in the total of Country\) by Geographic localization \(NUTS - 2024\); Biennial](#)

The **Dynamism Relative Factor (FDR)**, which corresponds to the second factor extracted from the factor analysis, explaining, after rotation, 29.3% of the total variance of the input variables. The main objective in obtaining the FDR indicator is to exempt the main indicator, the IpC, from the effect of the irregular purchasing power (mainly induced by tourists) hence, the two factors should capture different dynamics from each other. In this vein, it is important to highlight that a low FDR value in a given territorial unit does not mean that tourism activity is not relevant in that territory, but rather that this activity becomes less evident in comparison with higher values of purchasing power revealed in that territory. The FDR indicator is presented as a standardized variable (with an average equal to 0 and a standard deviation equal to 1), and the unit of measure used for dissemination purposes corresponds to the standard deviation of the distribution by municipalities.

[Dynamism relative factor of purchasing power by Geographic localization \(NUTS - 2024\); Biennial](#)

These indicators are computed at municipality level, and values for NUTS 1, 2 and 3, and for the country, are calculated based on the weighting values at municipality level by the resident population in the different territorial levels. The present edition is based on the Common Classification of Territorial Units for Statistics (NUTS 2024) set by European Union Delegated Regulation No. 2023/674.

The conceptual and computational methodological options of the study are presented in the methodological document *Estudo sobre o Poder de Compra Concelhio*, code 335 / version 1.8, INE (available in Methodological documentation at <https://smi-i.ine.pt/DocumentacaoMetodologica/Detalhes/1866>).

Figure 6

MATRIX OF CORRELATIONS BETWEEN INDICATORS³

	IpC	FDR	VTVALOC	VOPRPAG	CREHABT	GANHTCO	IMT	IMI	IRS	RDECLIRS	LEVMLINT	COMTPNAC	COMTPINT	VVNECOM	VVNEREST	TXURBS	VVALOC
IpC	1																
FDR	0,00	1															
VTVALOC	0,42	0,82	1														
VOPRPAG	0,70	0,35	0,56	1													
CREHABT	0,71	0,05	0,27	0,48	1												
GANHTCO	0,77	0,04	0,30	0,51	0,62	1											
IMT	0,27	0,81	0,85	0,48	0,20	0,24	1										
IMI	0,40	0,77	0,80	0,59	0,22	0,31	0,70	1									
IRS	0,93	0,04	0,46	0,67	0,61	0,68	0,32	0,42	1								
RDECLIRS	0,91	-0,01	0,41	0,62	0,53	0,63	0,27	0,38	0,93	1							
LEVMLINT	-0,05	0,86	0,60	0,24	0,11	0,04	0,53	0,59	-0,03	-0,10	1						
COMTPNAC	0,85	0,17	0,46	0,60	0,57	0,61	0,35	0,45	0,74	0,76	0,11	1					
COMTPINT	0,21	0,90	0,78	0,39	0,25	0,24	0,73	0,67	0,20	0,18	0,77	0,36	1				
VVNECOM	0,57	0,20	0,36	0,38	0,31	0,48	0,23	0,38	0,42	0,42	0,18	0,56	0,30	1			
VVNEREST	0,48	0,79	0,80	0,58	0,42	0,44	0,71	0,75	0,47	0,44	0,64	0,55	0,87	0,41	1		
TXURBS	0,72	-0,01	0,33	0,45	0,41	0,38	0,20	0,30	0,61	0,58	-0,04	0,62	0,15	0,42	0,32	1	
VVALOC	0,85	0,34	0,67	0,67	0,62	0,62	0,47	0,60	0,82	0,74	0,28	0,75	0,44	0,48	0,65	0,63	1

Attached to this Press Release is an Excel file containing the indicators analysed.

³ The results of the Pearson correlation coefficient > 0.7 were marked in gray in the matrix. No Pearson correlation coefficients < -0.7 were registered.