

23rd December 2025
 QUARTERLY SECTOR ACCOUNTS (BASE 2021)
 Third Quarter 2025

THE BALANCE OF THE PORTUGUESE ECONOMY INCREASED BY 0.2 PERCENTAGE POINTS TO 2.2% OF GDP

The Portuguese economy¹ recorded a net lending of 2.2% Gross Domestic Product (GDP) in the third quarter of 2025, representing an increase of 0.2 percentage points compared with the previous quarter. Gross National Income (GNI) and Gross Disposable Income (GDI) both increased by 1.7%, compared to 1.6% and 1.4% in the previous quarter. The increase in the external balance of the economy reflected the improvement in the balance of Non-Financial Corporations.

The disposable income of Households² sector increased by 1.6% compared to the previous quarter, with growth of 1.7% in both compensation of employees received and Gross Value Added (GVA). The increase in disposable income, together with the growth by 1.6% of final consumption expenditure (1.4% in the previous quarter), resulted in a household savings rate of 12.5%, unchanged from the previous quarter. Households' net lending decreased by 0.2 p.p. to 4.2% of GDP, reflecting the increase in Gross Capital Formation by 4.4%. In real terms, the adjusted GDI per capita of Households grew by 0.6% in the third quarter of 2025 (same as in the previous quarter).

The balance of Non-Financial Corporations was less negative by 0.6 percentage points, reaching -4.0% of GDP in the third quarter. GVA and compensation of employees paid both increased by 1.8%, while Gross Capital Formation decreased by 0.5%. In turn, the balance of Financial Corporations remained at 1.6% of GDP.

The positive balance of the General Government (GG) sector remained positive, standing at 0.4% of GDP in the year ending in the third quarter of 2025, less 0.2 percentage points than in the previous quarter. Considering quarterly values and not the year ending in the quarter, the GG balance in the third quarter of 2025 reached 2 952 million euros, corresponding to 3.8% of GDP (4.9% in the same period of the previous year). Compared to the same period of the previous year, revenue increased by 7.7% and expenditure by 10.8%. Considering figures for the three quarters of 2025, the GG balance was positive, representing 2.1% of GDP (2.3% of GDP in the same period of 2024).

¹ Unless otherwise stated, the descriptive analysis and graphs presented below refer to the year ending in the reference quarter (which helps eliminate seasonal fluctuations and reduce the impact of irregular changes). When comparing consecutive quarters, quarter-on-quarter rates of change between the year ending in the reference quarter and the year ending in the preceding quarter are used, in general (see methodological notes at the end of press release). The rates of change are based in nominal terms.

² Households and Non-Profit Institutions Serving Households (NPISH) (S.1M).

THE BALANCE OF THE ECONOMY INCREASED BY 0.2 PERCENTAGE POINTS TO 2.2% OF GDP

The Portuguese economy external balance increased from 2.0% in the second quarter to 2.2% of GDP in the third quarter of 2025. In nominal terms, GDP grew by 1.6% in the third quarter of 2025 compared with the previous quarter and 6.2% compared to the same quarter of the previous year, reflecting increases in GDP volume and the respective implicit deflator. Gross National Income (GNI) and Gross Disposable Income (GDI) both increased by 1.7% when compared with the previous quarter (6.9% and 6.5% year-on-year growths).

In the third quarter of 2025, the GDI of the economy grew slightly less, by 0.1 percentage points, than final consumption expenditure (which includes the final consumption expenditure by Households and GG), leading to a 1.4% increase in gross savings, reaching 21.7% of GDP (the same as in the previous quarter and 0.3 percentage points lower than in the same quarter of the previous year).

The 1.2% growth in Gross Fixed Capital Formation (GFCF) (2.8% in the previous quarter), was lower than the increase in savings and led to a 0.2 percentage point rise in the economy's net lending, to 2.2% of GDP in the third quarter of 2025.

Table 1

GDP, GNI AND GDI (YEAR ENDING IN THE REFERENCE QUARTER)

Year ending in the reference quarter	GDP		GNI		GDI	
	million euros	quarter-on-quarter rate of change (%)	million euros	quarter-on-quarter rate of change (%)	million euros	quarter-on-quarter rate of change (%)
3Q 2022	236 890	2.9	233 595	2.6	238 301	2.5
4Q 2022	243 957	3.0	239 550	2.5	244 278	2.5
1Q 2023	251 095	2.9	246 221	2.8	251 204	2.8
2Q 2023	257 674	2.6	252 166	2.4	257 301	2.4
3Q 2023	264 462	2.6	258 331	2.4	263 537	2.4
4Q 2023	270 353	2.2	263 370	2.0	268 166	1.8
1Q 2024	274 826	1.7	268 104	1.8	272 993	1.8
2Q 2024	279 376	1.7	272 638	1.7	277 935	1.8
3Q 2024	284 043	1.7	277 690	1.9	283 091	1.9
4Q 2024	289 428	1.9	283 973	2.3	289 108	2.1
1Q 2025	293 003	1.2	287 197	1.1	292 293	1.1
2Q 2025	297 040	1.4	291 683	1.6	296 471	1.4
3Q 2025	301 648	1.6	296 729	1.7	301 441	1.7

The increase in the external balance of the economy reflected the improvement in the balance of Non-Financial Corporations, which more than offset the reductions in the balances of General Government and Households. The net borrowing of Non-Financial Corporations stood at 4.0% of GDP, while the surplus of Financial Corporations remained at 1.6% of GDP. The balance of General Government fell by 0.2 percentage points in the year ending in the third quarter of 2025 compared with the previous quarter, recording a net lending of 0.4% of GDP, as expenditure grew (2.6%) more than revenue (2.1%).

The Households balance stood at 4.2% of GDP, 0.2 percentage points less than in the previous quarter. This result mainly reflected the increase in Gross Capital Formation, which offset the 1.6% rise in savings. Final consumption and Gross Disposable Income both increased by 1.6%, determining the aforementioned growth in savings.

Table 2

NET LENDING (+) / BORROWING (-) BY INSTITUTIONAL SECTOR

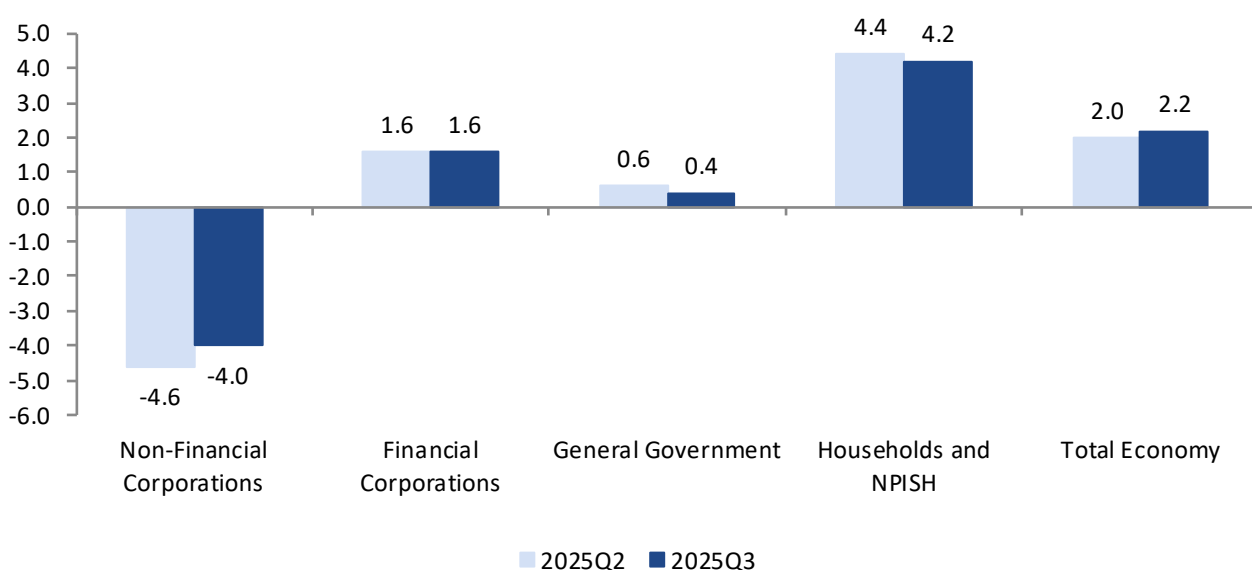
(% OF GDP, YEAR ENDING IN THE REFERENCE QUARTER)

Year ending in the reference quarter	Non-Financial Corporations	Financial Corporations	General Government	Households and NPISH	Total Economy
3Q 2022	-5.4	2.0	1.0	1.4	-1.0
4Q 2022	-4.4	2.1	-0.3	1.3	-1.3
1Q 2023	-3.9	2.5	0.2	0.8	-0.3
2Q 2023	-3.5	2.6	0.1	1.5	0.8
3Q 2023	-3.7	2.6	0.5	2.1	1.6
4Q 2023	-4.0	2.3	1.3	2.3	1.9
1Q 2024	-3.9	2.2	0.8	3.3	2.4
2Q 2024	-4.4	2.3	1.1	3.6	2.6
3Q 2024	-4.3	2.3	0.6	4.2	2.7
4Q 2024	-4.5	2.1	0.5	4.7	2.8
1Q 2025	-4.7	1.9	0.7	4.4	2.2
2Q 2025	-4.6	1.6	0.6	4.4	2.0
3Q 2025	-4.0	1.6	0.4	4.2	2.2

Figure 1

NET LENDING (+) / BORROWING (-) BY INSTITUTIONAL SECTOR

(% OF GDP, YEAR ENDING IN THE REFERENCE QUARTER)



HOUSEHOLDS: NET LENDING STOOD AT 4.2% OF GDP

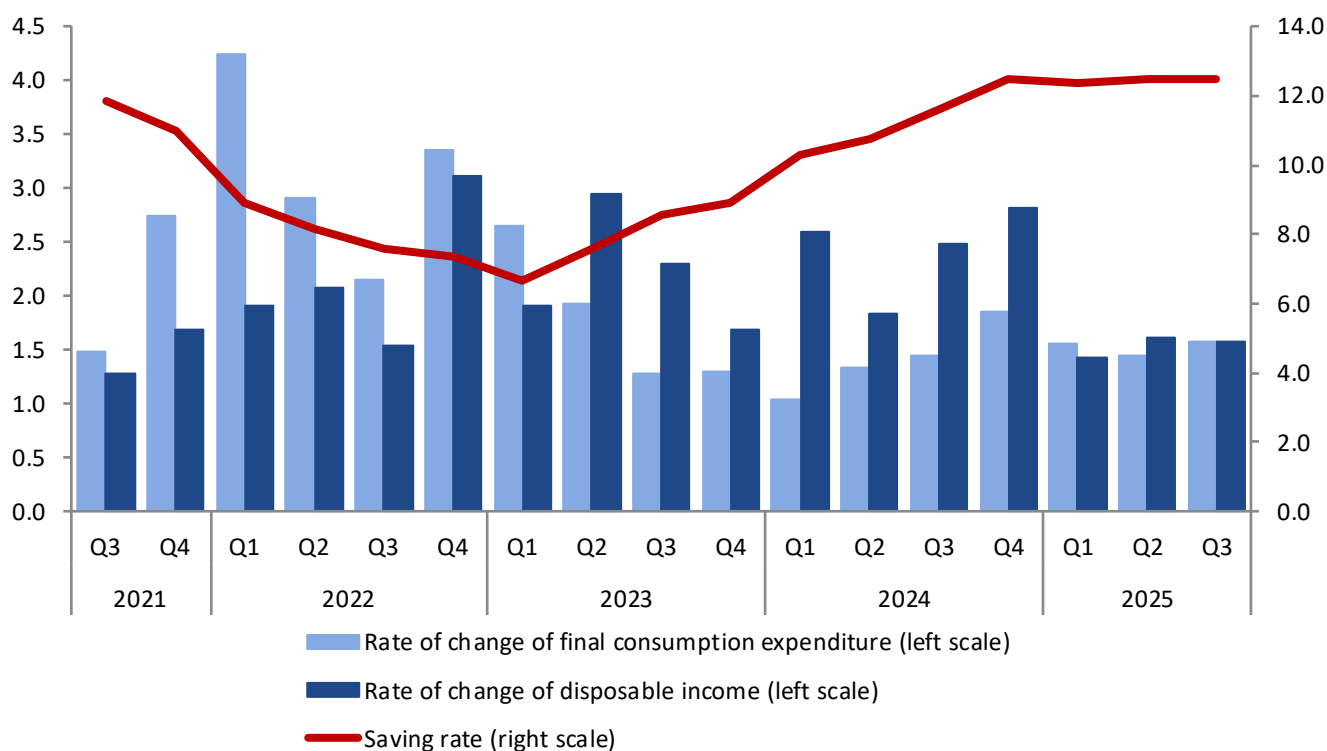
Net lending of Households stood at 4.2% of GDP in the year ending in the third quarter of 2025, which represented a decrease of 0.2 percentage points compared with the previous quarter and in the same quarter of the previous year. This behaviour resulted from Gross Capital Formation growing higher than savings (4.4% and 1.6% compared to the previous quarter, respectively).

The Households' savings rate in the third quarter of 2025 (Figure 2) remained at 12.5% of disposable income. Final consumption expenditure increased by 1.6%, the same growth as Gross Disposable Income (1.4% and 1.6% in the previous quarter, respectively). Note that, unless otherwise indicated, the variables presented here are in nominal terms, which, in the case of private consumption, means that the evolution is also marked by price growth. In real terms, private consumption increased by 1.0% in the year ending in the third quarter of 2025.

Figure 3 shows the breakdown of the growth of disposable income of households. In the year ending in the third quarter of 2025, compensation of employees and gross operating surplus contributed by 1.2 and 0.4 percentage points, respectively, to that growth rate. Income taxes had a contribution of -0.1 percentage points.

Figure 2

SAVING RATE OF HOUSEHOLDS AND NPISH (% , YEAR ENDING IN THE REFERENCE QUARTER)



The nominal GDI per capita of Households reached 19.6 thousand euros in the third quarter of 2025, which represented an increase of 1.3% compared with the previous quarter.

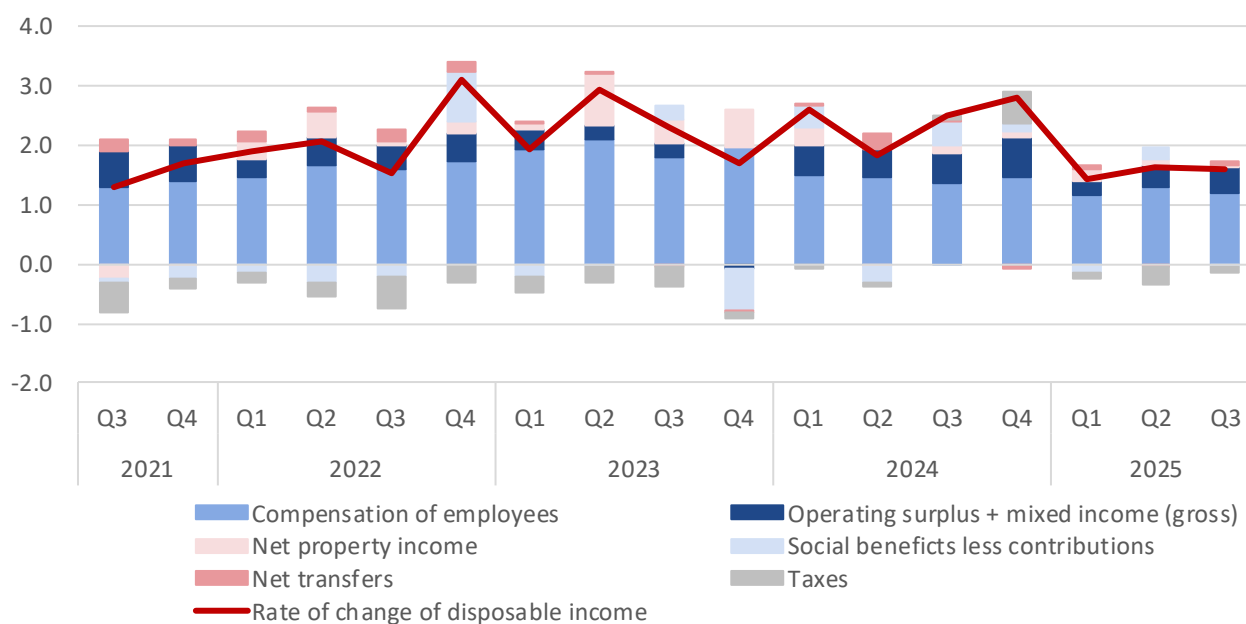
It should be noted that GDIA differs from GDI by including the value of goods and services that are purchased or produced by GG or NPISH and intended for household consumption, such as, for example, co-payments in the purchase of medicines by households. Households' adjusted GDI per capita in real terms, which is a more appropriate indicator in a context of high inflation, and which considers the implicit price index of final consumption expenditure as a deflator, increased by 0.6% compared with the previous quarter, the same as in the previous quarter.

Households' Gross Fixed Capital Formation (GFCF), which essentially corresponds to GFCF in dwellings, increased by 4.4% in the third quarter of 2025 (4.3% in the previous quarter). The investment rate of Households (measured by the ratio between GFCF and disposable income) stood at 6.1%, more 0.1 percentage points than in the previous quarter.

Figure 3

CONTRIBUTIONS TO THE RATE OF CHANGE OF DISPOSABLE INCOME OF HOUSEHOLDS AND NPISH

(PERCENTAGE POINTS, YEAR ENDING IN THE REFERENCE QUARTER)

**NON-FINANCIAL CORPORATIONS: THE BALANCE WAS LESS NEGATIVE BY 0.6 PERCENTAGE POINTS TO -4.0% OF GDP**

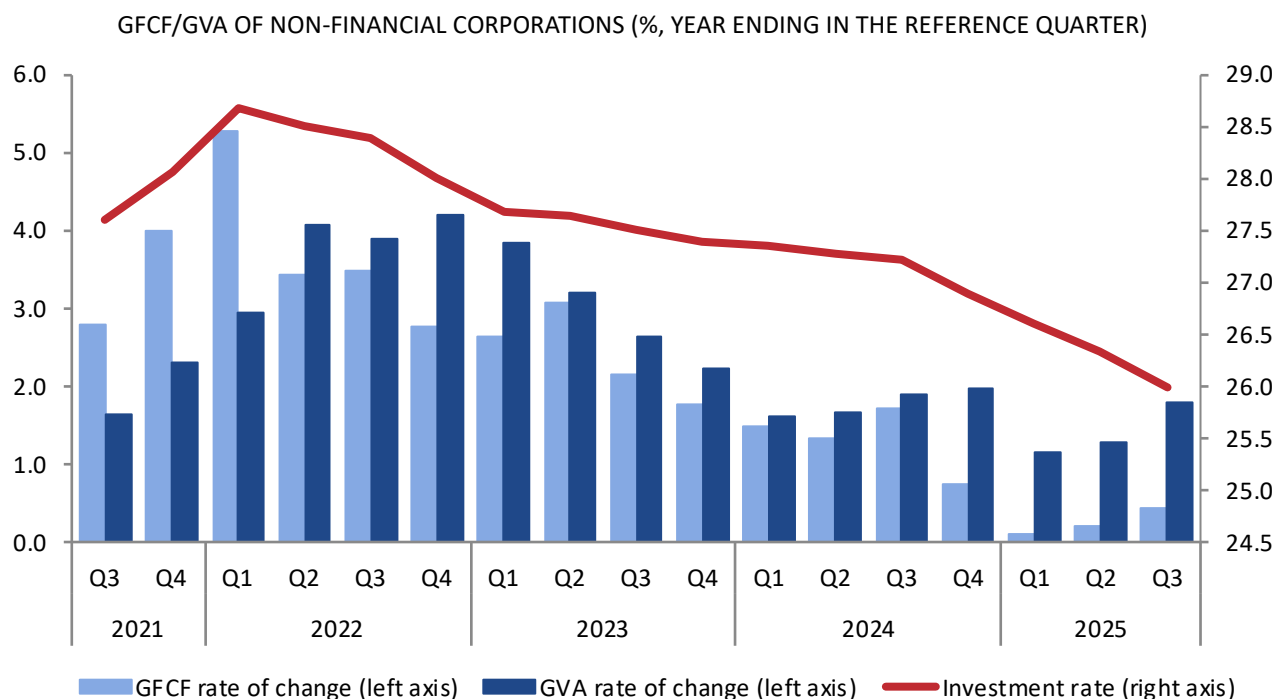
Non-financial corporations' net borrowing stood at 4.0% of GDP in the third quarter of 2025, representing a decrease in the deficit by 0.6 percentage points compared to the previous quarter.

GVA recorded an increase of 1.8%, 0.5 percentage points more than in the previous quarter. The growth in GVA more than offset the 1.8% increase in compensation of employees, resulting in rate of change of 2.1% in Gross Operating Surplus (0.2% in the previous quarter).

The sector's net operating margin rate stood at 18.5% (0.2 percentage points less than in the second quarter). This rate is obtained from the ratio between Net Operating Surplus and Net Added Value and corresponds to the percentage of value created in companies that is used to remunerate financial resources.

The reduction in net borrowing by 0.6 percentage points of GDP resulted not only from the increase in Gross Operating Surplus but also from decreases in Gross Capital Formation (-0.5%) and in property income paid. Property income received and paid fell by 1.0% and 1.9%, respectively, compared with the previous quarter.

Figure 4



Unlike Gross Capital Formation that diminished due to a reduction in stocks, GFCF increased by 0.4% in the third quarter of 2025 (0.2% in the previous quarter). The investment rate (measured by the ratio between GFCF and GVA) stood at 26.0%, which represents a decrease of 0.3 percentage points compared with the previous quarter, determined by the higher growth of GVA compared with GFCF (1.8% and 0.4%, respectively).

FINANCIAL CORPORATIONS: NET LENDING STOOD AT 1.6% OF GDP

The net lending of Financial Corporations remained at 1.6% of GDP. The sector's GVA (which includes the financial intermediation margin obtained by banking institutions when granting loans and obtaining deposits (Financial Intermediation Service Indirectly Measured – FISIM)³, by production factors), decreased by 0.7% (reduction of 1.3% in the previous quarter).

Property income received and paid recorded growth rates of -9.1% and -7.9%, respectively, in the third quarter of 2025, resulting in a slight 1.1% reduction in the sector's savings (following an 11.4% decrease in the previous

³ It should be highlighted that, in National Accounts, the financial intermediation margin obtained by banking institutions when granting loans and obtaining deposits (named Financial Intermediation Services Indirectly Measured – FISIM) is recorded as production, influencing GVA, and not as interest paid and received. Analogously, the cost incurred by other institutional sector in those operations is recorded as intermediate or final consumption. Thus, reflecting the significant rise in interest rates, FISIM is increasing significantly in nominal terms, determining the increase in GVA of the financial sector and negatively influencing the GVA of the other sectors, notably the households' sector in their capacity as owners of dwellings acquired using banking loans. The increase in FISIM bore by the households' sector influences positively the final consumption expenditure. Since the third quarter of 2024, this behaviour has been reversed with the reduction in interest rates, with decreases in FISIM being observed in nominal terms.

quarter). The combined effect of reduction in savings and the increase in Gross Capital Formation, led the balance to remain unchanged between the second and third quarters (1.6% of GDP).

GENERAL GOVERNMENT: NET BALANCE DECREASED 0.2 PERCENTAGE POINTS TO 0.4% OF GDP

The net balance of the GG sector, in percentage of GDP, decreased by 0.2 percentage points compared to the previous quarter, to 0.4% of GDP. This behaviour was due to a slightly larger increase in expenditure (2.6%) than in revenue (2.1%).

Tables 3 and 4 show the revenue and expenditure of GG sector in the year ending the reference quarter, in value and rate of change, respectively.

Table 3

REVENUE AND EXPENDITURE OF GENERAL GOVERNMENT (YEAR ENDING IN THE REFERENCE QUARTER)

Unit: 10⁶ EUR

	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3
Total revenue	122 673	124 626	126 617	128 320	130 991
Current revenue	119 884	122 027	123 885	125 370	127 657
Current taxes on income and wealth	30 158	29 486	29 669	29 637	30 088
Taxes on production and imports	40 440	41 567	42 233	43 104	43 730
Social contributions	34 789	35 883	36 780	36 980	38 330
Sales	8 740	9 150	9 273	9 264	9 337
Other current revenue	5 757	5 943	5 930	6 385	6 172
Capital revenue	2 789	2 598	2 732	2 950	3 334
Total expenditure	120 937	123 174	124 673	126 452	129 784
Current expenditure	109 714	112 776	114 148	115 520	118 396
Social benefits	50 448	52 143	52 931	53 524	54 984
Compensation of employees	29 581	30 322	30 872	31 507	32 089
Interest	5 819	5 935	6 015	6 021	6 049
Intermediate consumption	14 613	15 076	15 236	15 273	15 870
Subsidies	2 101	1 886	1 486	1 465	1 519
Other current expenditure	7 152	7 414	7 608	7 731	7 886
Capital expenditure	11 223	10 399	10 524	10 932	11 388
Investment ⁽¹⁾	7 522	8 018	8 319	8 587	8 823
Other capital expenditure	3 702	2 380	2 205	2 345	2 564
Current Balance	10 170	9 252	9 737	9 850	9 261
Balance	1 736	1 451	1 945	1 867	1 207
<i>Memorandum items:</i>					
Primary current expenditure	103 895	106 841	108 133	109 499	112 347
Gross Domestic Product at current market prices	284 043	289 428	293 003	297 040	301 648
Balance in % of GDP	0.6	0.5	0.7	0.6	0.4

⁽¹⁾ Includes Gross capital formation and Acquisitions less disposals of non-produced non-financial assets

In the year ending in the third quarter of 2025, the expenditure behaviour reflected the increase of 2.5% in current expenditure and 4.2% in capital expenditure. All items of current expenditure increased, with the most relevant variations being those of intermediate consumption (3.9%), subsidies (3.7%) and social benefits (2.7%). The primary current expenditure, that excludes interest paid, increased 2.6% in the year ending in the third quarter of 2025.

Capital expenditure increased by 4.2%, as a result of an increase in investment (2.7%) and in other capital expenditure (9.4%).

Table 4

CHANGE RATES OF REVENUE AND EXPENDITURE OF GENERAL GOVERNMENT

(%; YEAR ENDING IN THE REFERENCE QUARTER)

Unit: %

	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3
Total revenue	1.0	1.6	1.6	1.3	2.1
Current revenue	1.1	1.8	1.5	1.2	1.8
Current taxes on income and wealth	1.4	-2.2	0.6	-0.1	1.5
Taxes on production and imports	1.2	2.8	1.6	2.1	1.5
Social contributions	0.4	3.1	2.5	0.5	3.6
Sales	2.3	4.7	1.3	-0.1	0.8
Other current revenue	0.7	3.2	-0.2	7.7	-3.3
Capital revenue	-2.4	-6.8	5.2	8.0	13.0
Total expenditure	2.3	1.8	1.2	1.4	2.6
Current expenditure	2.0	2.8	1.2	1.2	2.5
Social benefits	2.3	3.4	1.5	1.1	2.7
Compensation of employees	2.1	2.5	1.8	2.1	1.8
Interest	1.5	2.0	1.3	0.1	0.5
Intermediate consumption	1.2	3.2	1.1	0.2	3.9
Subsidies	-1.4	-10.2	-21.2	-1.4	3.7
Other current expenditure	3.2	3.7	2.6	1.6	2.0
Capital expenditure	4.5	-7.3	1.2	3.9	4.2
Investment ⁽¹⁾	5.8	6.6	3.8	3.2	2.7
Other capital expenditure	1.8	-35.7	-7.4	6.3	9.4
Memorandum items:					
Primary current expenditure	2.1	2.8	1.2	1.3	2.6

⁽¹⁾ Includes Gross capital formation and Acquisitions less disposals of non-produced non-financial assets

Total revenue increased by 2.1% due to the increase of both current revenue (1.8%) and capital revenue (13.0%). The growth in current revenue is mainly due to the increase of revenue from social contributions (3.6%), current taxes on income and wealth (1.5%) and taxes on production and imports (1.5%).

To allow a comparison between quarters, table 5 presents the detail of revenue and expenditure of GG, and its GDP percentage, for the third quarters of 2024 and 2025.

Table 5

REVENUE AND EXPENDITURE OF GENERAL GOVERNMENT

(QUARTERLY FIGURES)

	3 rd quarter 2024		3 rd quarter 2025		Nominal rate of change (%)
	10 ⁶ EUR	% GDP	10 ⁶ EUR	% GDP	
Total revenue	34 497	46.6	37 169	47.2	7.7
Current revenue	33 949	45.8	36 236	46.1	6.7
Current taxes on income and wealth	10 882	14.7	11 332	14.4	4.1
Taxes on production and imports	11 155	15.1	11 780	15.0	5.6
Social contributions	8 156	11.0	9 505	12.1	16.5
Sales	2 258	3.0	2 332	3.0	3.2
Other current revenue	1 498	2.0	1 286	1.6	-14.2
Capital revenue	548	0.7	933	1.2	70.1
Total expenditure	30 885	41.7	34 216	43.5	10.8
Current expenditure	28 418	38.4	31 294	39.8	10.1
Social benefits	14 079	19.0	15 538	19.8	10.4
Compensation of employees	7 058	9.5	7 640	9.7	8.2
Interest	1 576	2.1	1 604	2.0	1.8
Intermediate consumption	3 608	4.9	4 205	5.3	16.6
Subsidies	333	0.4	387	0.5	16.1
Other current expenditure	1 765	2.4	1 921	2.4	8.8
Capital expenditure	2 467	3.3	2 922	3.7	18.5
Investment ⁽¹⁾	2 070	2.8	2 306	2.9	11.4
Other capital expenditure	397	0.5	616	0.8	55.3
Current Balance	5 531	7.5	4 942	6.3	
Balance	3 612	4.9	2 952	3.8	
Memorandum items:					
Primary current expenditure	26 842	36.2	29 690	37.7	10.6

⁽¹⁾ Includes Gross capital formation and Acquisitions less disposals of non-produced non-financial assets

Considering quarterly figures rather than the sum of four quarters, the net balance of the GG was of 2 952 million EUR in the third quarter of 2025 (3.8% of GDP), which compares with 4.9% of GDP for the same period of the previous year. This variation reflects the increases in both total expenditure and total revenue, by 10.8% and 7.7%, respectively.

Within total expenditure, current expenditure increased by 10.1%, due to increases in intermediate consumption (16.6%), subsidies (16.1%), social benefits (10.4%), compensation of employees (8.2%), interests paid (1.8%) and other current expenditure (8.8%).

Capital expenditure increased 18.5%, given the 11.4% increase in investment and of 55.3% in other capital expenditure.

The primary current expenditure, that excludes interest paid, increased 10.6% in the third quarter of 2025.

The increase by 6.7% of current revenue was mainly due to increases in social contributions (16.5%), taxes on production and imports (5.6%) and current taxes on income and wealth (4.1%). Capital revenue grew by 70.1%, largely driven by the increase in revenue from the Recovery and Resilience Facility.

Table 6

REVENUE AND EXPENDITURE OF GENERAL GOVERNMENT

(SUM OF 3 QUARTERS)

	1 st - 3 rd quarter 2024		1 st - 3 rd quarter 2025		Nominal rate of change (%)
	10 ⁶ EUR	% GDP	10 ⁶ EUR	% GDP	
Total revenue	91 047	42.7	97 412	43.2	7.0
Current revenue	89 416	41.9	95 045	42.1	6.3
Current taxes on income and wealth	22 700	10.6	23 301	10.3	2.7
Taxes on production and imports	30 391	14.2	32 555	14.4	7.1
Social contributions	25 506	12.0	27 953	12.4	9.6
Sales	6 487	3.0	6 674	3.0	2.9
Other current revenue	4 332	2.0	4 562	2.0	5.3
Capital revenue	1 631	0.8	2 366	1.0	45.1
Total expenditure	86 040	40.3	92 650	41.1	7.7
Current expenditure	79 926	37.5	85 546	37.9	7.0
Social benefits	37 036	17.4	39 876	17.7	7.7
Compensation of employees	21 585	10.1	23 352	10.4	8.2
Interest	4 440	2.1	4 554	2.0	2.6
Intermediate consumption	10 448	4.9	11 242	5.0	7.6
Subsidies	1 332	0.6	965	0.4	-27.6
Other current expenditure	5 085	2.4	5 558	2.5	9.3
Capital expenditure	6 115	2.9	7 104	3.1	16.2
Investment ⁽¹⁾	4 657	2.2	5 462	2.4	17.3
Other capital expenditure	1 457	0.7	1 641	0.7	12.6
Current Balance	9 490	4.4	9 499	4.2	
Balance	5 006	2.3	4 762	2.1	

⁽¹⁾ Includes Gross capital formation and Acquisitions less disposals of non-produced non-financial assets

Considering figures for the sum of three quarters, the net balance of GG sector attained 2.1% of GDP, meaning a decrease compared to the same period of 2024.

Comparing with the same period of 2024, the total revenue rose 7.0%, whereas total expenditure increased 7.7%. In the revenue components, account for the increases in tax revenue (5.2%), social contributions (9.6%) and other current revenue (5.3%). On the expenditure side it should be mentioned the decrease in subsidies (-27.6%), whereas the compensation of employees increased by 8.2%, other current expenditure 9.3% and capital expenditure 16.2%.

Table 7 presents the main adjustments carried out for moving from Public Accounts to National Accounts balances in the third quarters of 2024 and 2025.

Table 7

PUBLIC TO NATIONAL ACCOUNTING ADJUSTMENTS

	2024Q3	2025Q3
Balance in Public Accounting:	7 753	4 180
Accrual adjustment and sector delimitation in National Accounts	324	530
Difference between paid and due interest	-324	-431
Other receivables:	-3 107	-189
Time adjustment of taxes and social contributions	-110	0
Others	-2 997	-189
Other payables:	47	-237
Expenditure already incurred but not yet paid	111	-95
Others	-64	-141
Other adjustments:	-1 081	-902
of which:		
Capital injections and debt assumptions	-611	-525
Balance in National Accounting:	3 612	2 952
GDP ⁽¹⁾	74 061	78 669
Balance in National Accounting in % of GDP	4.9	3.8

⁽¹⁾ Non seasonally and calendar effects adjusted data

Comparing the third quarter of 2025 with the same period of 2024, both national accounts and public accounts balances decreased, with a higher reduction in public accounts.

In national accounts, the GG net balance changed to 3.8% of GDP in the third quarter of 2025 from 4.9% in the same period of 2024. The expenditure in capital injections and debt assumptions was entirely granted to public corporations classified inside GG, with a neutral impact in the final GG balance.

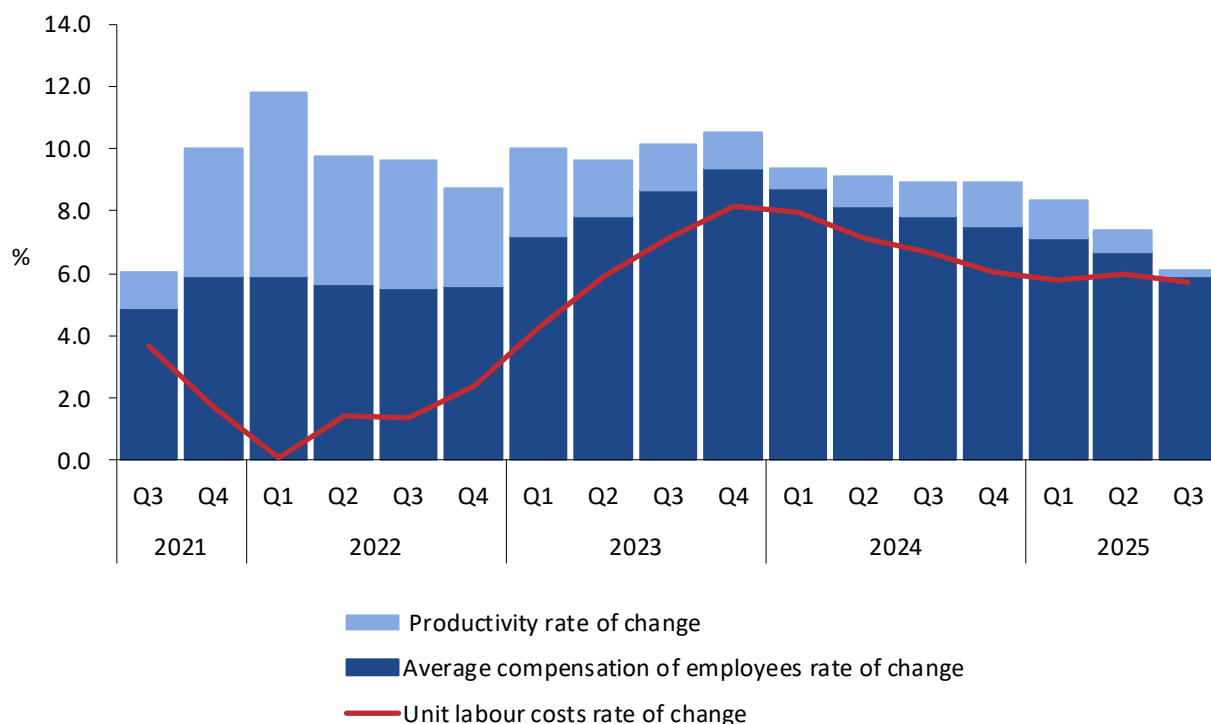
As mentioned in previous press releases, due to the policy measures for fractional future payment of taxes on production and imports, a supplementary adjustment was made to include the future payments as revenue of the period when the activity took place.

UNIT LABOUR COSTS (ULC) INCREASED BY 5.7%

In the year ending in the third quarter of 2025, UCL increased by 5.7% in year-on-year terms, 0.3 percentage points less than in the previous quarter. This result was driven by the growth in average compensation outpacing productivity (5.9% and 0.2%, respectively).

Figure 5

UNIT LABOUR COSTS RATES OF CHANGE (% , YEAR ENDING IN THE REFERENCE QUARTER)



METHODOLOGICAL NOTE

The results presented correspond to the preliminary version of the Quarterly Sector Accounts (QSA) for the third quarter of 2025.

For a better understanding of the results, it should be noted that, unless otherwise indicated, the descriptive analysis and graphs presented in this press release refer to data in the year ending in the reference quarter (which eliminates seasonal fluctuations and reduces the effect of irregular oscillations. When comparing consecutive quarters are used, in general, quarter-on-quarter change rates between the year ending in the reference quarter and the year ending in the preceding quarter. Due to rounding, the sum of the parts of the economic indicators presented may not coincide with the result for the total economy.

The Quarterly Sector Accounts are expressed exclusively in nominal terms and from Quarterly National Accounts (QNA) since they are based on non-seasonally adjusted data. The results are presented for the total economy and in detail by institutional sector.

In addition to the tables attached to this press release, further information is available on the Statistics Portugal's website:

https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_cnacionais&xlang=en

1. REVISION OF ESTIMATES

The Quarterly Sector Accounts now presented includes new information with consequent revisions of the previous estimates of some aggregates.

It is worth mentioning the use of the most recent data from the Balance of Payments and the Monetary and Financial Statistics from Banco de Portugal, as well as the recent information on international trade in goods statistics and the updated data on the GG sector. As a result of the incorporation of additional information after the publication on November 27, the quarterly accounts for the economy as a whole were also revised, thus ensuring the total consistency of the national accounts aggregates available on Statistics Portugal website. Compared to previous estimates, the new results did not determined revisions in the rates of change of GDP.

2. CONCERNING THE BALANCE OF GENERAL GOVERNMENT IN NATIONAL ACCOUNTING AND IN PUBLIC ACCOUNTING, IT SHOULD BE CLARIFIED THAT:

Concerning the balance of General Government in National Accounting and in Public Accounting, it should be clarified that:

In the compilation of the budget deficit in National Accounts it is necessary to perform several adjustments to the Public Accounting data. Indeed, Public Accounting data is on a cash basis, meaning that expenditures and revenues are recorded in the accounting period in which they are paid and received. On the contrary, in National Accounts, expenditure and revenue are recorded on an accrual basis, that is, in the accounting period to which they refer to,

regardless of whether their payment is made or their revenue is received in a different period. Another important adjustment is related to sector delimitation of General Government. In National Accounts, the general government sector includes entities which are not considered in Public Accounting. Similarly, entities which are not part of General Government sector from a National Accounts perspective but are included in Public Accounting should be excluded.

Finally, there are transactions that, according to the framework of National Accounts, have a specific classification. Notably, there are cases of entities belonging to the General Government sector that acquire shares from other entities, which should be recorded as capital transfers rather than financial transactions, thus leading to the introduction of the corresponding adjustments.

MAIN CONCEPTS AND DEFINITIONS

The estimated aggregates are compiled based on the European System of National and Regional Accounts (ESA 2010), with emphasis on the following concepts:

Net lending (+) / borrowing (-): The net lending (+) or borrowing (-) (B.9) represents the net resources that one institutional sector makes available to the other sectors (if it is positive) or receives from the other sectors (if it is negative). The net lending or borrowing of the total economy is equal but of percentage points with opposite sign to the net borrowing or lending of the rest of the world.

Final consumption: Final consumption expenditure refers to expenditure on goods and services used by institutional units to satisfy individual and collective needs.

Unit Labour Costs (ULC): ULC measure the average cost of labour per unit of output and are calculated as the ratio of average worker compensation to real GDP by employee.

Gross Fixed Capital Formation (GFCF): Gross Fixed Capital Formation (P.51g) consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets resulting from the productive activity of producer or institutional units. Fixed assets are produced assets used in production for more than one year.

Gross Capital Formation (Investment): The Gross Capital Formation (or Investment) (P.5) includes (GFCF) changes in inventories (P.52) and acquisitions less disposals of valuables (P.53).

Disposable income: Disposable income refers to the amount that each institutional sector has available to allocate to final consumption expenditure or saving.

Adjusted Gross Disposable Income of Households: Corresponds to the sum of gross disposable income of Households and social transfers in kind, that is, it includes value of goods and services that are purchased or produced by GG or NPISH and intended for household consumption, such as, for example, co-payments in the purchase of medicines by households.

Gross National Income (GNI): Gross National Income (at market prices) represents total primary income receivable by resident institutional units: compensation of employees, taxes on production and imports less subsidies, property income (receivable less payable), operating surplus and mixed income.

Property income: Property income accrues when the owners of financial assets and natural resources put them at the disposal of other institutional units. It corresponds to the income receivable by the owner of a financial asset or an asset not produced tangible to remunerate the fact of making funds or assets not produced tangible at the disposal of another institutional unit.

Saving: These aggregate measures the portion of disposable income that is not used for final consumption expenditure. If saving is positive, the remaining income is used in the acquisition of assets or in the reduction of liabilities. If saving is negative, some assets are reduced or some liabilities are increased.

Gross Domestic Product (GDP): Gross Domestic Product (at market prices) is the final result of the production activity of resident producer units. It can be defined in three ways: 1) production approach: GDP is the sum of gross value added of the various institutional sectors or the various industries plus taxes and less subsidies on products (which are not allocated to sectors and industries); 2) expenditure approach: GDP is the sum of final uses of goods and services by resident institutional units (final consumption and gross capital formation), plus exports and minus imports of goods and services; 3) income approach: GDP is the sum of uses in the total economy generation of income account (compensation of employees, taxes on production and imports less subsidies, gross operating surplus and mixed income of the total economy).

Institutional sector: The institutional sector aggregates institutional units with similar economic behaviour. The institutional units are grouped into sectors on the basis of the type of producer they are and depending on their principal activity and function, which are considered to be indicative of their economic behaviour. The institutional sectors are as follows: Non-Financial Corporations (S.11); Financial Corporations (S.12); General Government (S.13); Households and Non-Profit Institutions Serving Households (NPISH)(S.1M); Rest of the World (S.2).

Households Investment rate: Represents the ratio between GFCF and disposable income (includes the adjustment for the change in pension entitlements).

Non-Financial Corporations Investment rate: Represents the ratio between GFCF and Gross Value Added (GVA).

Non-Financial Corporations operating margin rate: This rate is obtained by the ratio between Net Operating Surplus and Net Value Added and corresponds to the percentage of value created that is intended for compensation of the financial resources invested in corporations.

Households saving rate: The households saving rate measures the part of de disposable income which is not spent as final consumption expenditure, and it is calculated as the ratio between gross saving and disposable income (includes the adjustment for the change in pension entitlements).

Next release of Quarterly Sector Accounts – 26th March 2026
