

28 March, 2013

Quarterly Sector Accounts

4th quarter of 2012 and year of 2012

The Portuguese economy presented a net lending of 0.4% of GDP in 2012

In 2012, Portuguese economy showed a slight surplus in relation to the Rest of the World. The net lending was 0.4% of GDP which compares with a net borrowing of 5.6% of GDP in 2011. This result was mainly due to the improvements in the balance of goods and services and in the balance of primary income.

In 2012, Households saving rate reached 11.6% (9.1% in 2011) which is due to the decrease of 3.7% in the final consumption expenditure, higher than the decrease of the disposable income (change rate of -0.9% in 2012). The Households net lending increased to 6.4% of GDP (plus 2.3 percentage points than in the previous year). The improvement in the net lending was the combined effect of the decrease in consumption plus the increase in the balance of property income.

The investment rate of Non financial Corporations kept the downward trend, attaining 19.3% in 2012. Comparing with 2011, the Non financial Corporations net borrowing diminished 2.2 percentage points, to 3.0% of GDP in 2012.

The net borrowing of General Government increased from -4.4% in 2011 to -6.4% of the GDP which mainly reflected the strong reduction of capital transfers balance due to the transfer of the banking institutions to the General Government sector in 2011. Current savings recorded a less negative value in 2012 comparing with the previous year, due to the reduction of compensation of employees.

The current results are the preliminary version of the Quarterly Sector Accounts for the 4th quarter of 2012. 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

In annual terms, the net borrowing of General Government increased from 4.4% in 2011 to 6.4% of the GDP. It should be reminded that the result for 2011 is affected by the transfer of the banking institutions pension funds, which represented 3.5% of GDP.

For all the other domestic sectors, the net lending represented 6.8% of GDP in 2012, compared with a net

Quarterly sector accounts – 4th quarter of 2012

1/2



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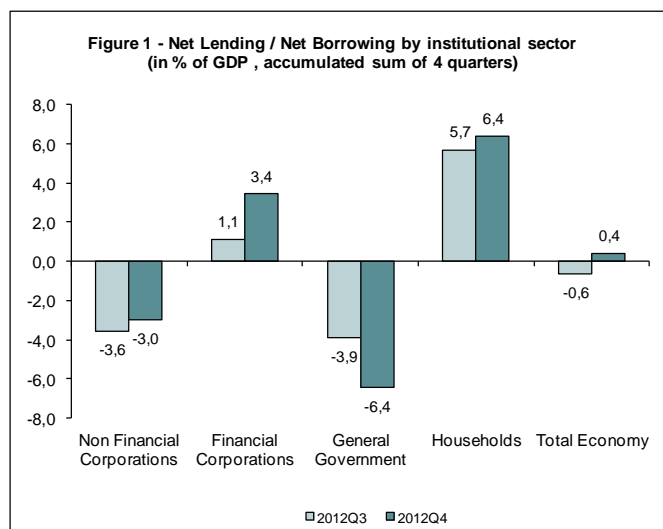
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borrowing of 1.2% of GDP in the previous year (net lending of 2.3% of GDP excluding the already mentioned transfer of pension funds).

It should be highlighted the improvement in the net lending of Households of around 2.3 percentage points of GDP between 2011 and 2012 (attaining 6.4% of GDP in 2012) and the decrease of 2.2 percentage points in the net borrowing of Non Financial Corporations (3.0% of GDP in 2012).

The graph below presents the results for the 3rd and 4th quarters of 2012. The General Government net borrowing moved from 3.8% of GDP in the year ended in the 3rd quarter of 2012 to 6.4% in the following quarter. The results for the 3rd are still affected by the transfer of pension funds, which took place in the 4th quarter of 2011.



Unit labour costs decline

In 2012, average salary declined by 2.7% (change rate of -1.5% in the year ended in the 3rd quarter and

-0.6% in 2011). This reduction reflected largely the reduction of wages paid by general government (-16.1% in 2012).

The decrease in average salary, combined with an increase in productivity, led to a more negative change rate of the unit labour costs in 2012, which stood at 3.8% (-2.9% in the year ended in the 3rd quarter and -0.6 % in 2011).

