

Economic Accounts for Agriculture 2016

1st estimate

Agricultural income is expected to increase 5.8% in 2016

According to the first estimate on Economic Accounts for Agriculture (EAA) for 2016, the income from Agricultural activity in Portugal, per annual working unit, is expected to increase 5.8% in real terms. In the previous year, agricultural income increased 2.9%. The evolution of this indicator is mainly associated with the nominal increase foreseen for Other subsidies on production (38.1%) that more than compensates the nominal decrease of Gross Value Added (GVA) (-7.7%). Comparing to 2015, the agricultural output should present a nominal decrease (-3.3%) as a consequence of a decrease in volume (-4.5%), mitigated by the increase in basic prices (+1.2%).

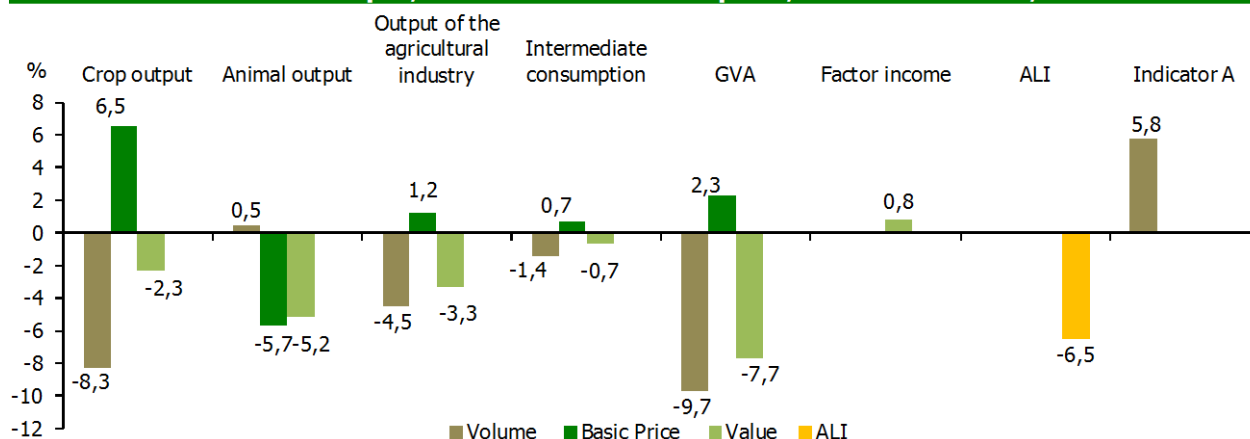
Statistics Portugal releases the first estimate of the Economic Accounts for Agriculture (EAA) for the year 2016. In accordance with the EAA Regulation, until January 31st, 2017, a second estimate for the year 2016 will be released and made available in Statistics Portugal website, in National Accounts dissemination area (section of satellite accounts).

1. Main results for 2016

In 2016, the Income generated by agricultural activity in Portugal, by work unit, is expected to increase 5.8%, in real terms, after an increase of 2.9% recorded in 2015. The estimated evolution reflects the growth of other subsidies on production (38.1%) and the decrease of agricultural labor input (-6.5%), which more than compensate the nominal decrease (-7.7%) of Gross Value Added (GVA).

The negative nominal evolution of GVA is the result of the expected decrease of agricultural output (-3.3%) and a slight decrease of intermediate consumption (-0.7%). In real terms, it is estimated a larger decrease of GVA (-9.7%), reflecting different evolutions in volume of output and intermediate consumption (-4.5% and -1.4%, respectively).

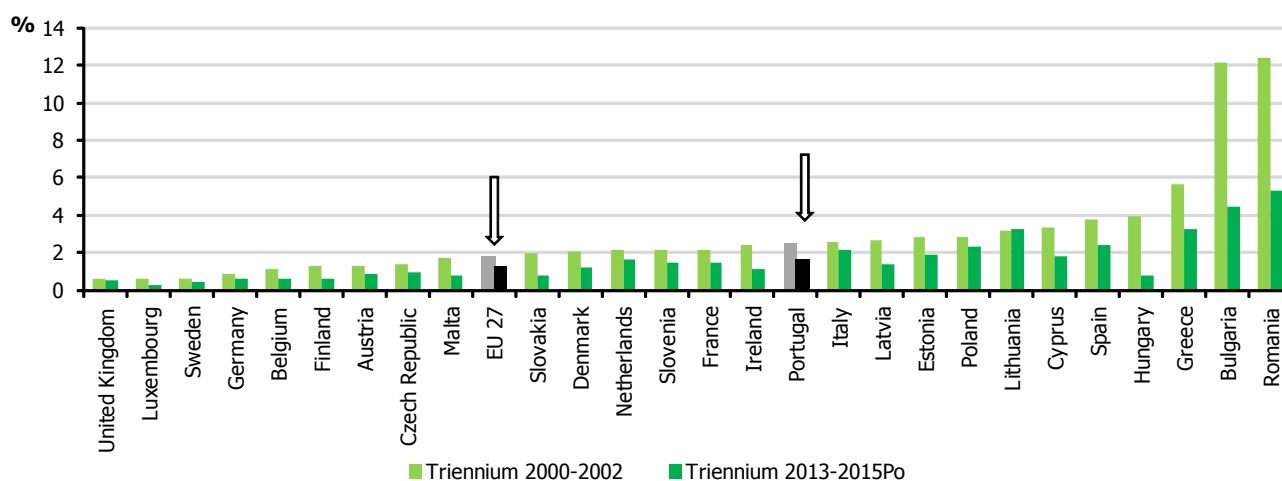
Evolution of Output, Intermediate consumption, GVA and Income, in 2016



2. International comparison

Comparing the weight of agricultural GVA in national GVA, between the periods 2000-2002 and 2013-2015Po, for the different Member States^[1], a relatively homogeneous behaviour is observed, with an almost overall reduction of this indicator in the EU27^[2].

Agricultural GVA/National GVA (average of three-year periods 2000-2002 and 2013-2015Po)



^[1] Information from EAA and national GVA of the Member States was extracted from Eurostat database on 6th December 2016, last update on 19th November and 2nd December 2016, respectively.

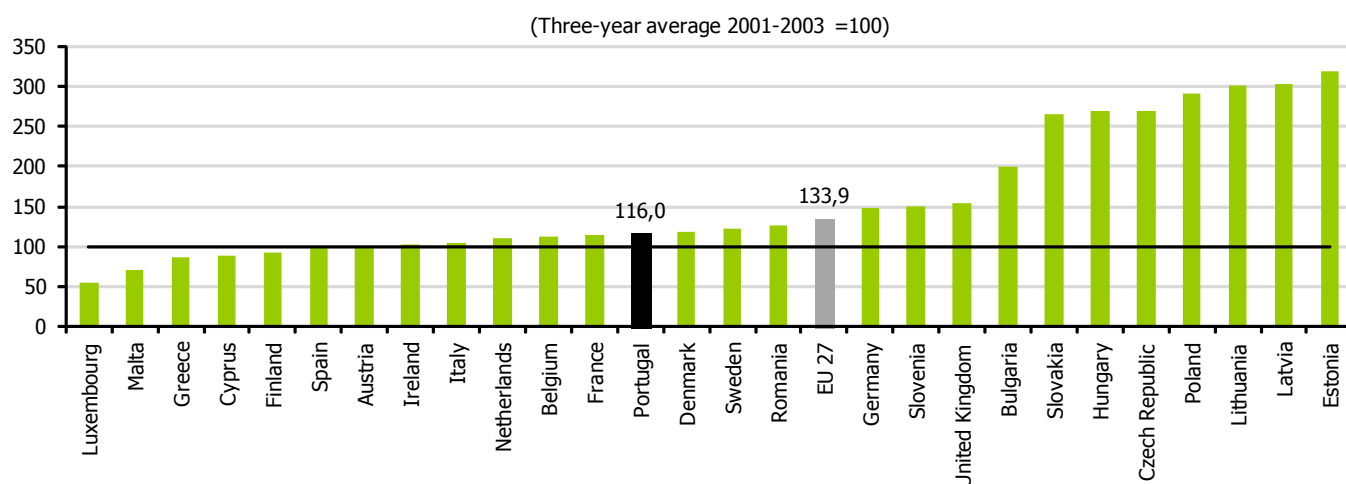
<http://ec.europa.eu/eurostat/data/database>

Information for Portugal is in accordance with quarterly national accounts, published on 30th November 2016.

^[2] Croatia was not considered, due to the inexistence of data on EAA before 2005.

Confronting the evolution of the income of agricultural activity per Annual Working Unit - AWU (indicator A), between the periods 2001-2003 and 2013-2015Po, for EU27, it appears that the income of agricultural activity in Portugal evolved less favourably than the average of the Member States (+16.0% vs. +33.9%). However, the situation was more favourable than in other Mediterranean countries, such as Spain, Greece and Italy.

Evolution of Indicator A (2013-2015Po / 2001-2003)



Taking into account the ratio between the subsidies and factor income, in the three-year average 2013-2015 Po, one can verify that Portugal is below the European average (35.2% vs 36.8%), with the 8th lower relative weight. Finland and Luxembourg are the countries with the highest relative importance of subsidies; on the contrary, the Netherlands is the EU country with the lowest value of this indicator.

Subsidies (on production and products) / Factor income (average of three-year period 2013-2015Po)

