25 March 2020

Quarterly Sector Accounts (Base 2016)

Fourth Quarter 2019

Balance of the General Government reached 0.2% of GDP in 2019

The net lending of Portuguese economy stood at 0.8% of Gross Domestic Product (GDP) in 2019, which compares with 1.2% in 2018. Nominal GDP increased 3.9%, below the 4.0% growth of the Gross National Income (GNI) and Gross Disposable Income (GDI), with a decrease in the balance of primary income with the Rest of the World. Considering the data for the year ending in the quarter, the net lending of the economy increased from 0.6% of GDP in the third quarter to 0.8% in the fourth quarter of 2019.

In quarterly terms, the net lending of the Households' institutional sector decreased from 1.7% of GDP in the year ending in the third quarter of 2019 to 1.6% in the year ending in the fourth quarter. Households' disposable income increased less than final consumption expenditure, which led to a reduction of 0.1 percentage points in the savings rate to 6.7%. The balance of Non-Financial Corporations stood at -3.4% of GDP in the fourth quarter, while the net lending of Financial Corporations decreased to 2.4%.

The balance of the General Government (GG) sector registered an increase of 0.3 percentage points in the year ending in the fourth quarter of 2019, compared to the previous quarter, standing at around 403.9 million euros, which corresponded to 0.2% of GDP (-0.4% of GDP in 2018).

The information in this press release does not yet reflect the current situation determined by the pandemic Covid19. It is expected that the analyzed trends will change substantially. Nonetheless, the information available today is useful to establish a reference to assess future developments. Despite the circumstances, Statistics Portugal will try to maintain the statistical production and release calendar, although some adjustments might occur associated with the impact of the pandemic in obtaining primary information.
For this reason, Statistics Portugal asks for the best collaboration by firms, households and public entities in answering to Statistics Portugal's requests to obtain information, using Internet and telephone as alternative channels to face-to-face contacts. In fact, the quality of official statistics, particularly its ability to identify the impacts of the Covid19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

The current results correspond to the preliminary version of the Quarterly Sector Accounts (QSA) for the fourth quarter of 2019.

QSA aggregates are expressed exclusively in nominal terms and are not seasonally and calendar adjusted. The results are presented for the total economy and by institutional sector (see Methodological Notes in the end of this press release).

Unless otherwise stated, the following 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. In the comparison of consecutive quarters, the rates of change between the year ending each quarter and the year ending in the previous quarter are used as a rule.

In addition to the attached tables in this press release, additional information can be accessed in the section of National Accounts available in the Statistics Portugal's website:

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

Net lending of the Portuguese economy reached to 0.8% of GDP

The Portuguese economy recorded a net lending of 0.8% of GDP in 2019, compared to 1.2% in 2018. Nominal GDP increased by 3.9%, 0.1 percentage points less than the growth of Gross National Income (GNI) and Gross Disposable Income (GDI), with a reduction in the balance of primary income with the Rest of the World.

Considering data for the year ending in the quarter, the net lending of the economy increased from 0.6% in third quarter to 0.8% of GDP in the fourth quarter of 2019. The GDP and GNI recorded growth rates of 1.1% and 1.0%, respectively. The lower GNI growth was determined by the slight worsening of the negative balance of property income with the Rest of the World, with the property income paid and received registering rates of change of -0.6% and -3.5%, respectively.

GDI grew by 1.0%, 0.1 percentage points higher than the increase in final consumption expenditure (which includes the final consumption expenditure of Households and GG), determining a rate of change of 1.4% of gross savings (1.5% in the previous quarter). Savings in the economy represented 18.8% of GDP in the fourth quarter of 2019, the same percentage as in the previous quarter.

The 0.2% increase in Gross Capital Formation (GCF) was less than the increase in gross savings, leading to an increase in the economy's net lending to 0.8% of GDP (0.6% in the previous quarter).

Table 1: GDP, GNI and GDI (year ended in the quarter)

Year ending in the quarter	GDP		GNI		GDI	
	million euros	quarter-on-quarter change rate (%)	million euros	quarter-on-quarter change rate (%)	million euros	quarter-on-quarter change rate (%)
2016Q1	181 554	1.0	177 287	1.4	180 632	1.3
2016Q2	183 123	0.9	178 445	0.7	182 196	0.9
2016Q3	184 778	0.9	179 803	0.8	183 535	0.7
2016Q4	186 490	0.9	181 960	1.2	185 549	1.1
2017Q1	188 425	1.0	183 867	1.0	188 013	1.3
2017Q2	190 776	1.2	186 007	1.2	190 066	1.1
2017Q3	193 088	1.2	188 349	1.3	192 707	1.4
2017Q4	195 947	1.5	191 348	1.6	195 931	1.7
2018Q1	197 892	1.0	193 772	1.3	198 220	1.2
2018Q2	199 740	0.9	195 142	0.7	199 708	0.8
2018Q3	201 906	1.1	197 154	1.0	201 791	1.0
2018Q4	204 305	1.2	199 270	1.1	203 882	1.0
2019Q1	206 365	1.0	200 912	0.8	205 453	0.8
2019Q2	208 228	0.9	203 299	1.2	207 987	1.2
2019Q3	210 068	0.9	205 194	0.9	209 906	0.9
2019Q4	212 303	1.1	207 239	1.0	212 045	1.0

Table 2: Gross Saving and Net Lending(+)/ Borrowing(-) unit: % of GDP

Year ending in the quarter	Gross Saving	Balance of Capital Transfers with the Rest of the World	Gross Capital Formation	Net Lending (+)/ Borrowing(-)
2016Q1	16.2	1.1	16.2	1.2
2016Q2	16.4	1.0	16.0	1.4
2016Q3	16.5	1.0	16.0	1.6
2016Q4	16.5	0.9	15.8	1.5
2017Q1	16.8	0.9	15.9	1.9
2017Q2	17.0	0.9	16.4	1.6
2017Q3	17.7	0.8	16.8	1.8
2017Q4	18.2	0.8	17.2	1.8
2018Q1	18.6	0.8	17.6	1.9
2018Q2	18.5	0.8	17.6	1.8
2018Q3	18.7	0.8	17.8	1.7
2018Q4	18.3	0.9	18.1	1.2
2019Q1	18.3	0.9	18.6	0.7
2019Q2	18.6	0.8	18.8	0.8
2019Q3	18.8	0.8	19.0	0.6
2019Q4	18.8	0.8	18.9	0.8

Figure 1 presents the evolution of the net lending(+)/borrowing(-) of the economy by institutional sector.

The GG balance was 0.2% of GDP in the year ending in the fourth quarter of 2019, which compares with a net borrowing of 0.1% of GDP in the previous quarter.This result reflected the increase in revenue higher than the increase in expenditure, with rates of change 0.8% and 0.2%, respectively. Note that GG balance stood at -0.4% of GDP in 2018.

The net borrowing of Non-Financial Corporations (NFC) reached 3.4% of GDP in the fourth quarter of 2019, 0.2 percentage points less than in the previous quarter.

The net lending of Financial Corporations decreased from 2.6% of GDP in the third quarter of 2019 to 2.4% in the fourth quarter.

The external balance of goods and services (see Figure 2) increased in the fourth quarter of 2019, fom 0.2% in the previous quarter to 0.1% of GDP, due to the growth of exports higher than the imports increase (1.4% and 0.8%, respectively).

Figure 1 - Net Lending(+) /Borrowing(-) by institutional sector (in % of GDP , accumulated sum of 4 quarters)

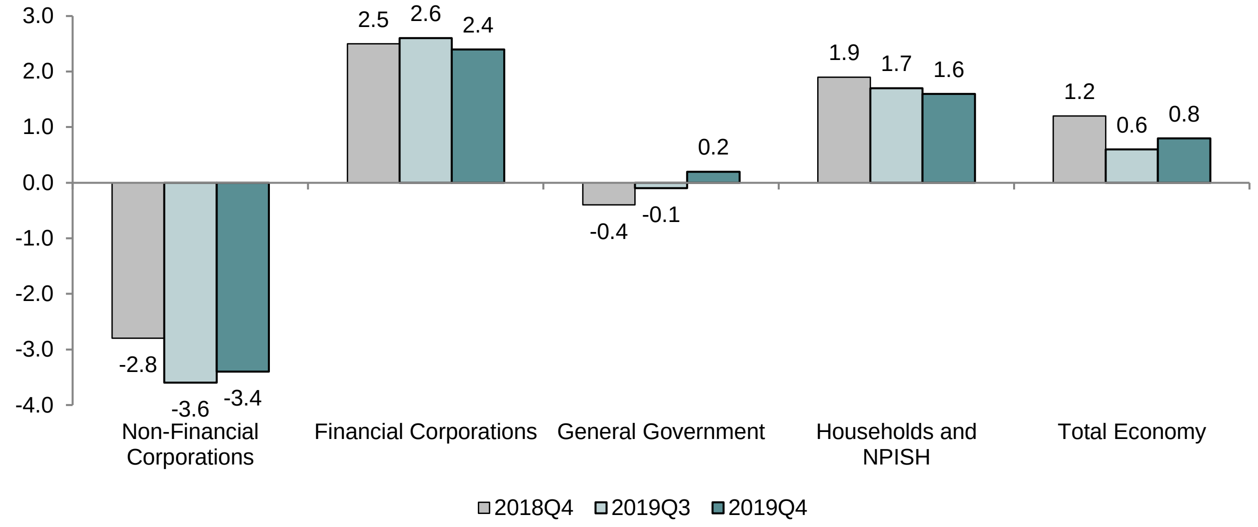
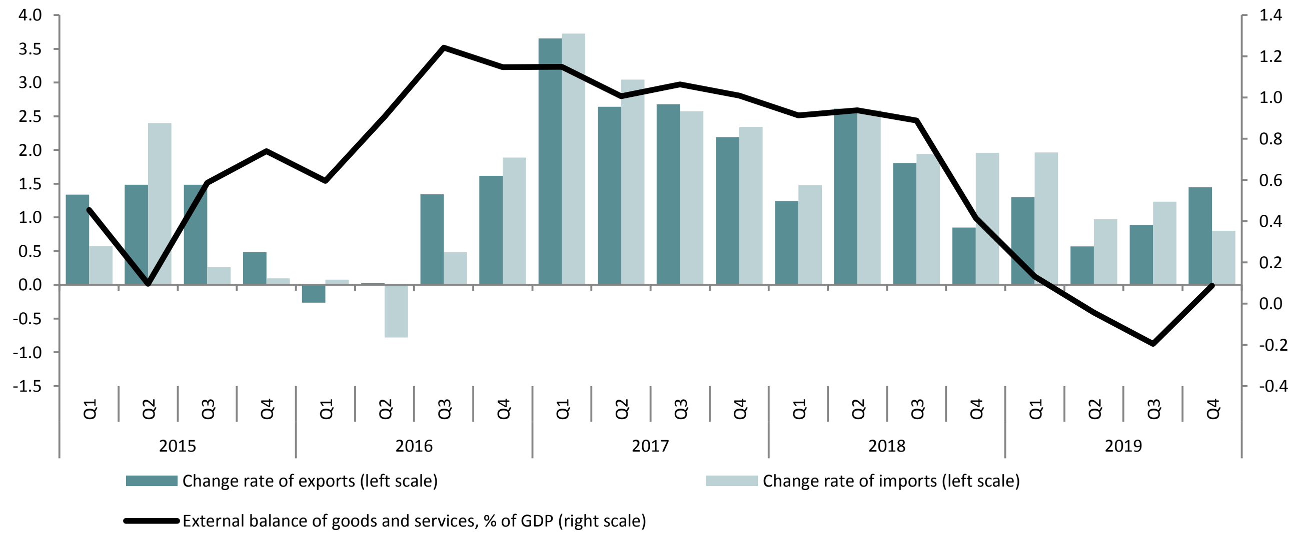


Figure 2 - External balance of goods and services (accumulated sum of 4 quarters)



Households: net lending stood at 1.6% of GDP

The households' net lending stood at 1.6% of GDP in the year ending in the fourth quarter of 2019, 0.1 percentage points less than in the previous quarter, reflecting simultaneously the decrease in savings by 0.6% and the increase of 0.9% of GCF (1.8% in the previous quarter).

As shown in Figure 3, household's saving rate decreased 0.1 percentage points to 6.7% of disposable income, as a result of an increase in disposable income below that of final consumption expenditure (0.7% and 0.8%, respectively).

The increase in Households' disposable income was determined by the 1.1% growth in compensation of employees received in the fourth quarter of 2019 (1.2% in the previous quarter).

Table 3 shows the breakdown of the rate of change of disposable income.

Household Investment (Gross Fixed Capital Formation) registered a growth rate of 1.6% in the fourth quarter of 2019 (1.8% in the previous quarter). The adjusted household GDI (GDIa) per capita was 16.2 thousand euros in the fourth quarter of 2019, which corresponded to a growth of 0.8% compared to the previous quarter (0.3 percentage points lower than the rateof change of nominal GDP per capita).

Figure 3 - Saving rate of Households and NPISH (accumulated sum of 4 quarters)

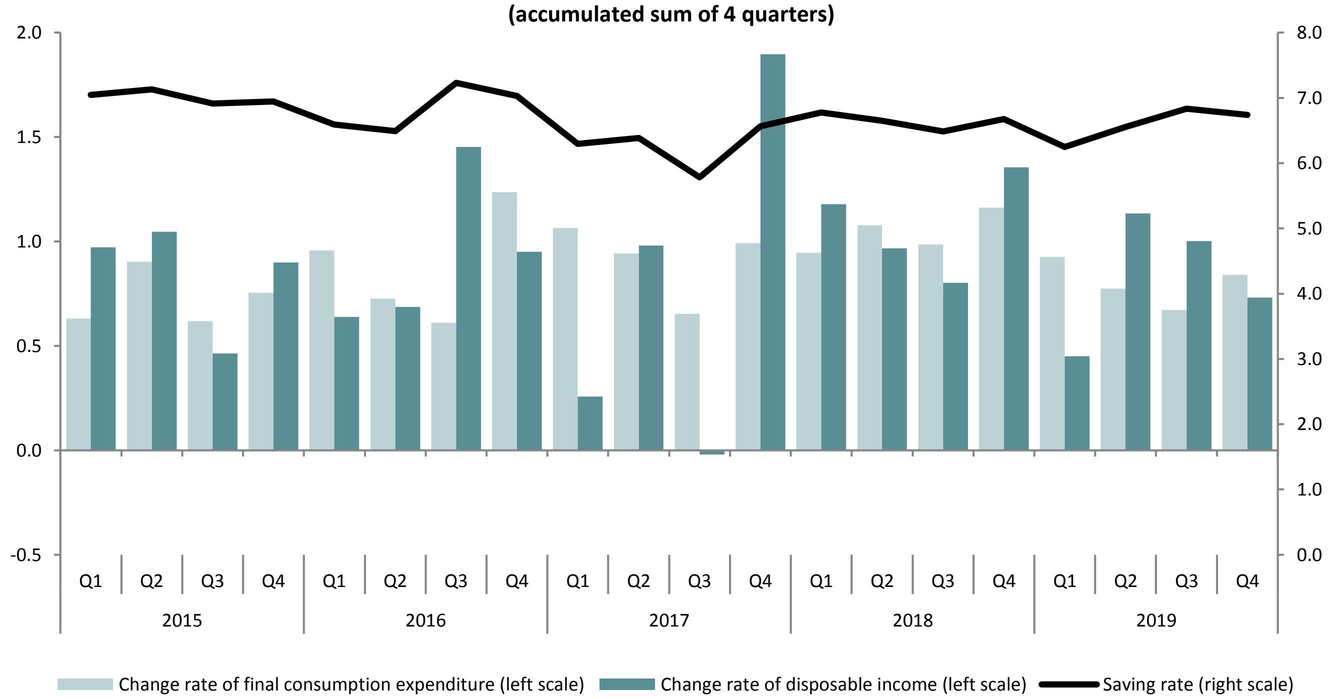
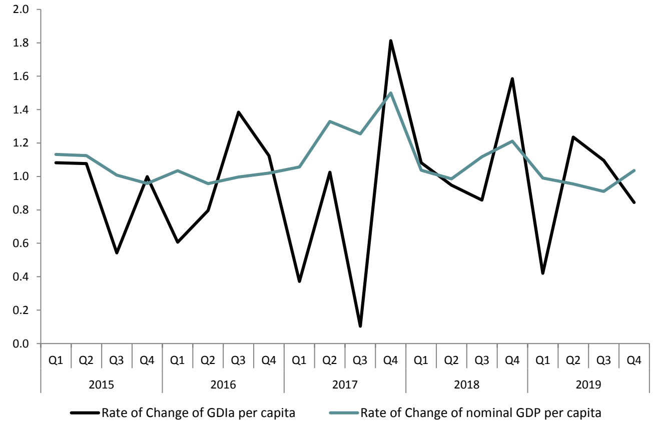


Figure 4 - Households' Adjusted Disposable Income (%)



Note that adjusted GDI 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.

Table 3: Contributions to the change rate of disposable income of Households and NPISH (percentage points, accumulated sum of 4 quarters)

	Compensation of Employees	Operating Surplus + Mixed Income (Gross)	Net Property Income (receivable)	Social benefits less contributions, excluding social transfers in kind	Net Transfers (receivable)	Taxes	Disposable Income
	(1)	(2)	-3	-4	-5	-6	(7) = (1)+...+(5) - (6)
2018Q1	0.7	0.3	0.1	-0.1	0.3	0.1	1.2
2018Q2	0.8	0.3	0.0	-0.1	-0.1	-0.1	1.0
2018Q3	0.7	0.3	0.1	-0.1	0.0	0.3	0.8
2018Q4	1.3	0.2	-0.3	0.3	0.0	0.2	1.4
2019Q1	0.7	0.2	-0.3	0.0	0.0	0.1	0.4
2019Q2	0.7	0.2	0.0	0.0	0.2	0.0	1.1
2019Q3	0.8	0.2	-0.1	0.0	0.0	0.0	1.0
2019Q4	0.7	0.2	-0.1	0.0	0.0	0.1	0.7

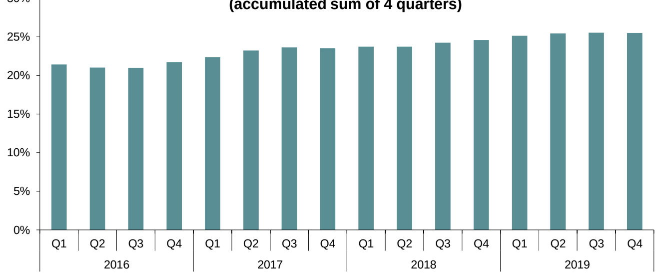
Non-Financial Corporations: net borrowing stood at 3.4% of GDP

The net borrowing of Non-Financial Corporations decreased 0.2 percentage points, reaching 3.4% of GDP in the year ending in the fourth quarter of 2019. This result mainly reflected the increase of 0.7% in the Gross Operating Surplus . Gross Value Added (GVA) increased 1.0%, 0.1 percentage points more than in the previous quarter, while the compensation of employees paid by the sector registered a growth of 1.1%.

The sector's operating margin rate reached 26.7% (0.1 percentage points less than in the previous quarter). This rate is obtained by the ratio between GOS and GVA and corresponds to the percentage of value created that is intended for compensation of the financial resources invested in corporations.

GFCF increased by 0.8% in the year ending in the fourth quarter, setting the investment rate (measured as the ratio between GFCF and GVA) at 25.5%, identical to that recorded in the previous quarter.

Figure 5 - GFCF/GVA of Non-Financial Corporations (accumulated sum of 4 quarters)



Financial Corporations: net lending stood at 2.4% of GDP

The net lending of Financial Corporations stood at 2.4% of GDP in the fourth quarter of 2019, 0.2 percentage points less than in the previous quarter.

The sector's gross savings increased by 1.2% in the fourth quarter of 2019. The positive balance of property income decreased by 8.7%, with income received and paid registering rates of change of -0.4% and 0.8%, respectively.

General Government: net balance of GG increased by 0.3 p.p. of GDP

The net balance of the GG increased by 0.3 percentage points in the year ending in the fourth quarter 2019 compared to the year ending in the previous quarter, attaining 0.2% of GDP. As shown in tables 4 and 5, this decrease resulted of a larger increase in revenue than in expenditure (0.8% and 0.2%, respectively).

The behavior of expenditure reflects the combined effect of the decrease of 3.7% in capital expenditure and the increase of 0.5% in current expenditure. The changes in current expenditure were due to increases in social benefits (1.2%), compensation of employees (1.3%) and subsidies (5.6%) and decreases of 3.0% in both interest paid and other current expenditure. Intermediate consumption remained unchanged.

The change in total revenue was due to the increases of 0.8% in current revenue and 2.3% in capital revenue. The variation in current revenue was a result of increases in current taxes on income and wealth (0.4%) and social contributions (1.7%), associated to development in the labor market, and in taxes on production and imports (1.0%) and sales (0.1%), and of the decrease in other current revenue (2.5%).

Considering quarterly figures rather than the sum of four quarters, the net balance of the GG was negative in the fourth quarter 2019, attaining -1 049.9 million euro (-1.9% of GDP), that compares with -3.0% of GDP for the same period of the previous year, as it can be seen in table 6. The increase of the net balance was a result of increases in both total expenditure and total revenue (of 0.8% and 3.1%, respectively).

In what refers to expenditure, current expenditure increased by 1.9% as a result of increases in subsidies (18.5%), social contributions (4.3%) and compensation of employees (4.8%) and decreases in interest paid (11.3%), intermediate consumption (0.1%) and other current expenditure (11.4%). Although investment increased by 4.9%, capital expenditure decreased by 10.5% due to the decrease of other capital expenditure by 35.0%. This is explained by the base effect due to the recording in the fourth quarter of 2018 of the concession of a guarantee by Direção Geral de Tesouro e Finanças to the Credit Recovery Fund for the unqualified investors holding commercial paper of ESI and Rio Forte (FRC). In the opposite direction, it is important to mention the recording, as a capital transfer, of 219 million euros related to a court decision of a State compensation to the concessionaire AEDL - Autoestradas do Douro Litoral[1]. Nevertheless, in National accounts the future payments to be made by the State in each of the next years of the concession will be cancelled out.

Concerning revenue, current revenue increased by 3.1% and capital revenue by 6.2%, the latter explained

[1] The court sentenced the state to compensate the concessionare AEDL – Autoestradas do Douro Litoral S.A. – Concessão Douro Litoral for the decrease in tolls revenue. This decision became final in November 2019 leading to the record in the fourth quarter of an amount related to the period 2011-2019 and a fixed value to be payed every semester until the end of the concession.

by BPP credit recoveries. The change in current revenue was due to the increases of taxes on production and imports, current taxes on income and wealth, social contributions and sales and the decreases in other current revenue.

Table 7 presents the main adjustments carried out for moving from Public Accounts to National Accounts balances. Comparing 2019 with the previous year, both National Accounting and Public Accounting balances increased. It is worth mentioning that the expenditure in capital injections and debt assumptions was in almost its entirety destined to public corporations classified inside GG, therefore not impacting the net balance of GG. The main differences between National and Public Accounting were due to time adjustment of taxes and social contributions and to GG sector delimitation, particularly corporations classified inside GG. Taxes and social contributions are time-adjusted so that the recording and the moment when the activity took place are closer.

Table 4: Revenue and expenditure of general government in the year endi

Unit: 10^6 EUR

	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4
Total revenue	**87 695.1**	**88 667.0**	**89 698.5**	**90 262.7**	**91 008.1**
Current revenue	86 866.5	87 813.4	88 821.2	89 530.8	90 259.3
Current taxes on income and wealth	20 680.7	20 905.4	20 812.4	20 780.3	20 865.0
Taxes on production and imports	30 955.8	31 256.3	31 659.7	31 827.1	32 148.5
Social contributions	23 835.4	24 100.3	24 504.8	24 910.9	25 342.5
Sales	7 129.4	7 297.6	7 349.7	7 381.7	7 389.0
Other current revenue	4 265.2	4 253.9	4 494.6	4 630.8	4 514.3
Capital revenue	828.6	853.6	877.2	731.9	748.8
Total expenditure	**88 599.1**	**89 006.6**	**89 445.8**	**90 388.6**	**90 604.2**
Current expenditure	82 297.3	82 653.1	83 261.7	84 043.0	84 491.3
Social benefits	37 098.7	37 373.2	37 738.5	38 231.9	38 683.8
Compensation of employees	21 835.2	21 997.4	22 234.6	22 498.1	22 799.3
Interest	6 897.8	6 807.0	6 751.8	6 578.6	6 379.3
Intermediate consumption	11 067.4	10 938.9	10 971.9	10 995.3	10 991.5
Subsidies	750.5	755.9	768.8	839.9	887.3
Other current expenditure	4 647.7	4 780.6	4 796.1	4 899.1	4 750.2
Capital expenditure	6 301.9	6 353.5	6 184.1	6 345.6	6 112.9
Investment (1)	3 957.9	3 986.0	3 702.3	3 688.7	3 754.5
Other capital expenditure	2 344.0	2 367.5	2 481.8	2 657.0	2 358.4
Current Balance	4 569.3	5 160.3	5 559.5	5 487.8	5 768.0
Balance	**- 904.0**	**- 339.6**	**252.7**	**- 125.9**	**403.9**
By memory:	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Primary current expenditure	75 399.4	75 846.1	76 509.9	77 464.4	78 112.0
Gross Domestic Product at current market prices	204 304.8	206 364.6	208 228.3	210 068.5	212 302.8
Balance in % of GDP	-0.4%	-0.2%	0.1%	-0.1%	0.2%

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

Table 5: Change rates of revenue and expenditure of general government

Unit: %

	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4
Total revenue	1.9	1.1	1.2	0.6	0.8
Current revenue	1.9	1.1	1.1	0.8	0.8
Current taxes on income and wealth	1.8	1.1	-0.4	-0.2	0.4
Taxes on production and imports	1.8	1.0	1.3	0.5	1.0
Social contributions	2.2	1.1	1.7	1.7	1.7
Sales	1.0	2.4	0.7	0.4	0.1
Other current revenue	1.8	-0.3	5.7	3.0	-2.5
Capital revenue	2.4	3.0	2.8	-16.6	2.3
Total expenditure	**2.6**	**0.5**	**0.5**	**1.1**	**0.2**
Current expenditure	2.4	0.4	0.7	0.9	0.5
Social benefits	2.8	0.7	1.0	1.3	1.2
Compensation of employees	3.0	0.7	1.1	1.2	1.3
Interest	-1.3	-1.3	-0.8	-2.6	-3.0
Intermediate consumption	1.5	-1.2	0.3	0.2	0.0
Subsidies	-5.4	0.7	1.7	9.3	5.6
Other current expenditure	5.2	2.9	0.3	2.1	-3.0
Capital expenditure	5.3	0.8	-2.7	2.6	-3.7
Investment (1)	1.6	0.7	-7.1	-0.4	1.8
Other capital expenditure	12.2	1.0	4.8	7.1	-11.2

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

Table 6: Revenue and expenditure of general government

	4th quarter 2018		4th quarter 2019		Nominal change rate (%)
	million euro	% GDP	million euro	% GDP	
Total revenue	**23 849.5**	**45.5**	**24 594.9**	**45.0**	**3.1**
Current revenue	23 577.7	45.0	24 306.2	44.5	3.1
Current taxes on income and wealth	5 727.9	10.9	5 812.6	10.6	1.5
Taxes on production and imports	8 116.3	15.5	8 437.7	15.4	4.0
Social contributions	6 680.6	12.7	7 112.2	13.0	6.5
Sales	1 971.1	3.8	1 978.5	3.6	0.4
Other current revenue	1 081.7	2.1	965.3	1.8	- 10.8
Capital revenue	271.8	0.5	288.7	0.5	6.2
Total expenditure	**25 429.2**	**48.5**	**25 644.8**	**46.9**	**0.8**
Current expenditure	23 218.3	44.3	23 666.6	43.3	1.9
Social benefits	10 444.8	19.9	10 896.7	19.9	4.3
Compensation of employees	6 270.3	12.0	6 571.5	12.0	4.8
Interest	1 762.5	3.4	1 563.2	2.9	- 11.3
Intermediate consumption	3 181.4	6.1	3 177.6	5.8	- 0.1
Subsidies	256.5	0.5	304.0	0.6	18.5
Other current expenditure	1 302.7	2.5	1 153.7	2.1	- 11.4
Capital expenditure	2 210.9	4.2	1 978.2	3.6	- 10.5
Investment (1)	1 357.8	2.6	1 423.6	2.6	4.9
Other capital expenditure	853.1	1.6	554.5	1.0	- 35.0
Current Balance	359.4	0.7	639.6	1.2	
Balance	-1 579.7	- 3.0	-1 049.9	- 1.9	

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

Table 7: Public to National Accounting adjustments

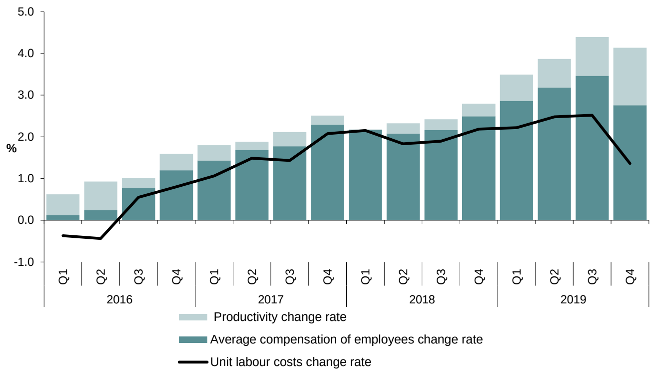
	Unit: 10^6 euro	
	2018	**2019**
Balance in Public Accounting:	**-2 576.5**	**- 722.3**
Accrual adjustment and sector delimitation in National Accounts	2 764.7	2 808.2
Difference betw een paid and due interest	332.4	796.8
Other receivables:	205.9	- 97.1
Time adjustment of taxes and social contributions	*766.6*	*263.8*
Others	*- 560.6*	*- 361.0*
Other payables:	159.0	310.9
Expenditure already incurred but not yet paid	*80.6*	*89.6*
Others	*78.4*	*221.3*
Other adjustments:	-1 789.6	-2 692.6
of which:		
Capital injections and debt assumptions	*-2 051.7*	*-3 484.6*
Balance in National Accounting:	**- 904.0**	**403.9**
GDP (1)	204 304.8	212 302.8
Balance in National Accounting in % of GDP	-0.4%	0.2%

(1) Non seasonally and calendar effects ajusted data

Unit labour costs (ULC) increased 1.4%

In the year ending in the fourth quarter of 2019, ULC registered an increase of 1.4%, which compares with a rate of 2.5% in the previous quarter. This deceleration was determined by the reduction of the growth rate together with a more pronounced growth of productivity.

Figure 6 - Unit labour costs change rates (year ended in the quarter)



Revision of estimates

The Quarterly Accounts by Institutional Sector now presented incorporate new information with consequent revisions of the previous estimates of some aggregates. Thus, compared to the previous publication for the third quarter of 2019, it is important to highlight the incorporation of quarterly accounts revisions for the total economy. It should be noted that the results for the total economy differ from those published on February 28, particularly in nominal terms, reflecting the incorporation of new information related to international trade statistics for goods (preliminary version of January 2020) and data public consumption and taxes.

Additionally, the latest versions of the Balance of Payments and Monetary and Financial Statistics produced by Banco de Portugal were also integrated.

Preliminary Annual Sector Accounts for 2019

The first version of the Annual Sector Accounts for 2019 is obtained by summing up the quarterly data estimated for four quarters now released. Table 8 presents the annual evolution of the main economic aggregates resulting from the National Accounts by Institutional Sector, with the positive balance of the GG standing out in 2019.

As mentioned with the publication of the accounts for the total economy on February 28, the provisional data for 2018 were revised mainly due to the incorporation of new information from the Balance of Payments, with effect also on the accounts of the institutional sectors.

Compared to previous estimates, the new results led to an upward revision of 0.2 percentage points in the growth rate of nominal GDP in 2018 (4.3%). With regard to the balances by institutional sector, and as a percentage of GDP, there were revisions in the balances of Non-Financial Corporations (from -3.1% to 2.8%), of Financial Corporations (from 2.9% to 2.5%) and Households and NPISH (from 1.8% to 1.9%).

Table 8 - Indicators for the portuguese economy

	2013	2014	2015	2016	2017	2018[Po]	2019[Pe]
GDP nominal (rate of change)	1.3	1.5	3.8	3.8	5.1	4.3	3.9
GNI (rate of change)	2.4	0.8	3.2	4.0	5.2	4.1	4.0
GDI (rate of change)	2.5	1.3	3.4	4.0	5.6	4.1	4.0
Gross Saving (rate of change)	13.9	-1.7	8.4	7.9	16.2	4.7	6.9
Saving Rate of Households and NPISH (% do GDI)	9.4	6.8	6.9	7.0	6.6	6.7	6.7
Final Consumption of Households and NPISH (rate of change)	-0.3	2.6	2.9	3.6	3.7	4.2	3.3
Disposable Income of Households and NPISH (rate of change)	-0.9	-0.3	3.4	3.8	3.1	4.4	3.4
Gross Capital Formation (rate of change)	-5.6	6.3	7.5	3.6	14.3	9.5	8.3
Net lending (+)/Net borrowing (-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-financial Corporations (% of GDP)	1.4	2.1	0.2	-0.8	-1.2	-2.8	-3.4
Financial Corporations (% of GDP)	1.9	4.1	3.2	1.9	4.1	2.5	2.4
General Government (% of GDP)	-5.1	-7.4	-4.4	-1.9	-3.0	-0.4	0.2
Households and NPISH (% of GDP)	4.4	2.3	2.4	2.3	1.9	1.9	1.6
Total Economy (% of GDP)	2.6	1.2	1.2	1.5	1.8	1.2	0.8
External Balance of Goods and Services (% of GDP)	1.1	0.1	0.7	1.1	1.0	0.4	0.1
Unit Labour Costs (rate of change)	1.5	-1.2	-0.1	0.8	2.1	2.2	1.4

Po - Provisional value

Pe - Preliminary value

Methodological notes

The results are preliminary as the basis of information used is subject to revisions, and the treatment of some transactions can be changed with the incorporation of information derived from the compilation of Annual National Accounts.

The Quarterly Sector Accounts differ from Quarterly National Accounts since they are based on non-seasonally adjusted data unless otherwise stated, 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. The Quarterly Sector Accounts are expressed exclusively in nominal terms.

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 (-) (B.9) – The net lending (+) or borrowing (-) 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 opposite sign to the net borrowing or lending of the rest of the world.

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

Unit Labour Costs (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 realised by 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 value that each institutional sector has available to affect to final consumption expenditure or saving.

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 – This 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. Each institutional unit belongs to one and only one sector. The institutional sectors are the following:

- Non-financial corporations;
- Financial corporations;
- General Government;
- Households and Non Profit Institutions Serving Households (NPISH);
- Rest of the World.

Investment Rate – Represents the ratio between GFCF and Gross Value Added (GVA).

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).

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.