

# SYNTHESIS INE @ COVID-19

September. 29 . 2021

Statistics Portugal makes available the weekly report for monitoring the social and economic impact of the COVID-19 pandemic.

This report covers the press releases concerning:

- Interest rates implied in housing loans – August 2021, published on September 20;
- House Price Index – 2<sup>nd</sup> Quarter of 2021, published on September 22;
- Quarterly National Sector Accounts – 2<sup>nd</sup> Quarter of 2021, published on September 23;
- Main aggregates of General Government – 2020, published on September 23;
- Portuguese Life Tables – 2018-2020, published on September 24.

For further details, see the *links* available throughout this press release.

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**Interest rate decreased to 0.792% while owed capital and monthly loans repayments stood at 57,115 euros and 236 euros, respectively**

In August 2021:

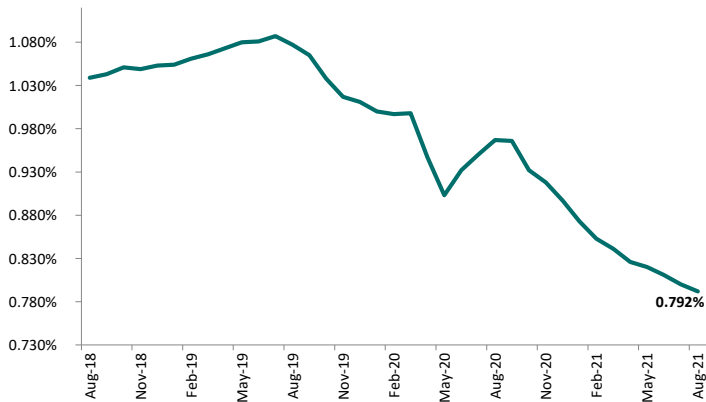
- The implicit interest rate in all housing loan agreements was 0.792% (0.800% in the previous month);
- In contracts that were closed in the previous three months, the interest rate rose to 0.689% (0.647% in July);



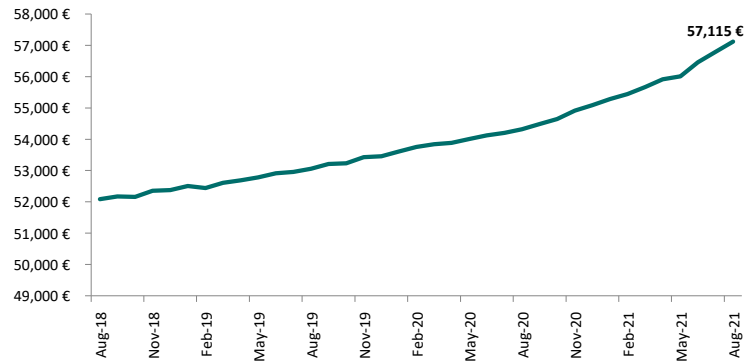
# SYNTHESIS INE @ COVID-19

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Implicit interest rates in housing loans



Average owed capital



- The average owed capital for all contracts increased €325 in comparison to the previous month, standing at €57,115;
- The average value of loan repayments rose 1 euro to 236 Euros;
- The implicit interest rate on housing loans for house purchase contracts decreased to 0.807% (0.816% in the previous month). For contracts signed in the last 3 months, this rate was 0.679% (0.670% in the previous period).

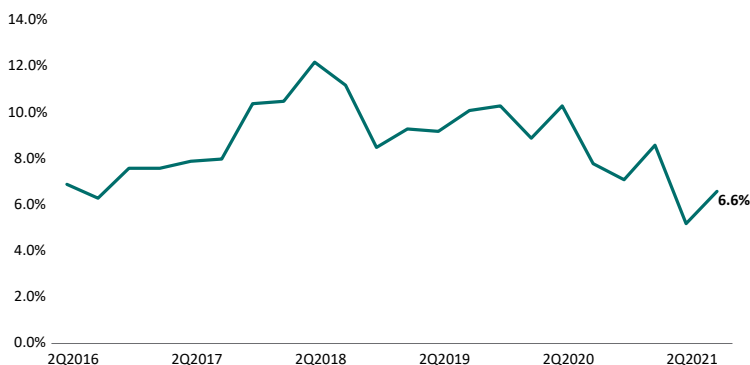
More information available at:  
[Interest rates implicit in housing loans – August 2021](#)  
(20 September 2021)

## House prices increased 6.6% in the 2<sup>nd</sup> quarter of 2021

In the 2<sup>nd</sup> quarter of 2021, in year-on-year terms:

- The House Price Index (HPI) increased by 6.6% (+5.2% in the previous quarter);
- The prices of new dwellings increased at a faster rate than those of existing dwellings, 6.9% and 6.5%, respectively.

House Price Index  
(year-on-year rate of change)



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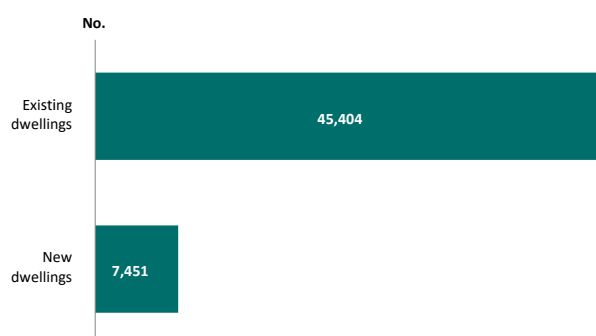
In the 2<sup>nd</sup> quarter of 2021, compared with the previous quarter:

- The HPI increased by 2.2% (+1.6% in the 1<sup>st</sup> quarter of 2021);
- For new dwellings, the rate of change was 3.5% (1.6% in the 1<sup>st</sup> quarter of 2021).

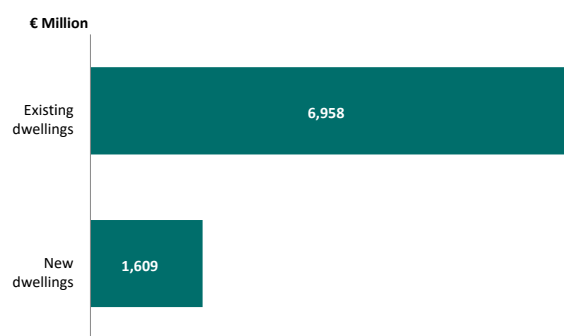
In this quarter, 52,855 dwellings were traded, worth EUR 8.6 billion (+58.3% and +66.5%, respectively compared with the 2<sup>nd</sup> quarter of 2020).

The significant year-on-year increase observed in the 2<sup>nd</sup> quarter of 2021 reflects the fact that the comparison refers to the months of April to June 2020, a period marked by the restrictions imposed under the first containment decreed in the context of the COVID-19 pandemic.

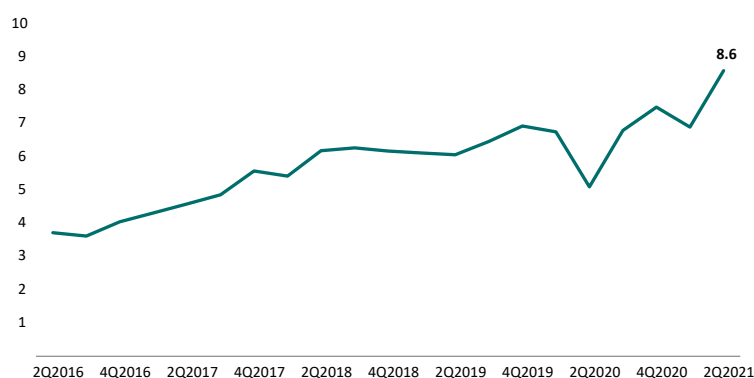
Housing sales (No.)  
(2<sup>nd</sup> quarter of 2021)



Housing sales (value)  
(2<sup>nd</sup> quarter of 2021)



Value of housing transactions  
Total  
(thousand million euros)



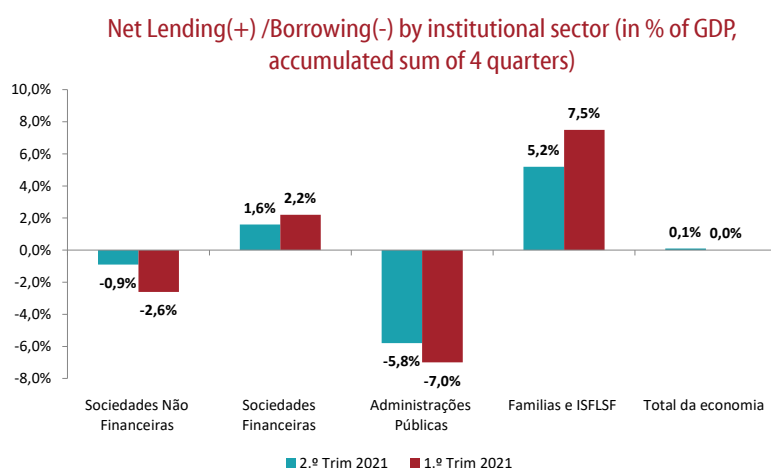
More information available at:  
[House price index – 2<sup>nd</sup> quarter of 2021](#)  
(22 September 2021)

## Gross disposable income returns to a positive rate of change

These results correspond to the preliminary estimates for the second quarter 2021, a period in which there was a progressive reduction in the restrictive measures on mobility in consequence of the COVID-19 pandemic, after the general confinement in the previous quarter. It is important to mention that these results are entirely consistent with the final annual results for 2019 and the provisional results for 2020.

In the year ending in the 2<sup>nd</sup> quarter of 2021<sup>1</sup>, compared to the 2<sup>nd</sup> quarter of 2020:

- The economy's net lending was 0.1% of Gross Domestic Product (GDP), the same as in the previous quarter (+0.1 percentage points compared to the previous quarter);

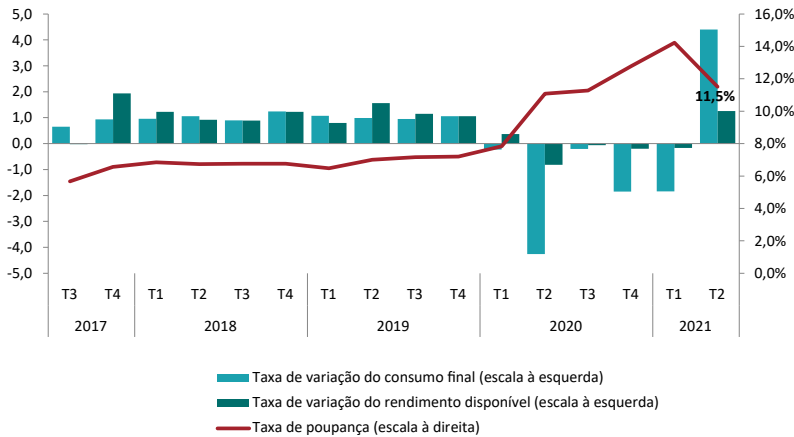


- Nominal GDP increased by 3.6% (-1.1% in the year ended in the 1<sup>th</sup> quarter of 2021);
- Gross National Income (GNI) increased by 3.7% (-1.1% in the previous quarter);
- Gross Disposable Income (GDI) increased by 4.0% (-1.0% in the previous quarter);
- Households<sup>2</sup> net lending decreased by 2.3 percentage points (p.p.), to 5.2% of GDP, and the savings rate was 11.5% (14.2% in the previous quarter), mainly reflecting the 4.4% growth in private consumption (-1.8% in the previous quarter);
- The balance of Non-Financial Corporations stood at -0.9% of GDP, 1.7 p.p. more than in the previous quarter, reflecting the 5.6% increase in Gross Value Added (GVA);
- The net lending of Financial Corporations decreased by 0.6 p.p., to 1.6% of GDP;
- The General Government borrowing requirement decreased to -5.8% of GDP (-7.0% in the previous quarter). The reduction in the deficit was due to a higher increase in revenue (3.2%) than in expenditure (0.7%);

<sup>1</sup> Unless otherwise stated, the descriptive analysis and graphs presented relate to the year ended in the reporting quarter.

<sup>2</sup> Includes Non-Profit Institutions Serving Households (NPISHs)

## Saving rate of Households and NPISH (%; accumulated sum of 4 quarters)



- The adjusted Gross Disposable Income of households per capita stood at €16.6 thousand (+1.4% compared to the previous quarter), 2.2 p.p. lower than the rate of change of nominal GDP per capita.

Taking quarterly figures as a reference rather than the year ended in the quarter, the GG balance in the 2<sup>nd</sup> quarter of 2021 reached €-2 802.8 million, -5.3% of GDP, which compares with -10.6% in the same period of the previous year.

More information available at:  
[Quarterly national sector accounts – 2<sup>nd</sup> quarter of 2021](#)  
(23 September 2021)

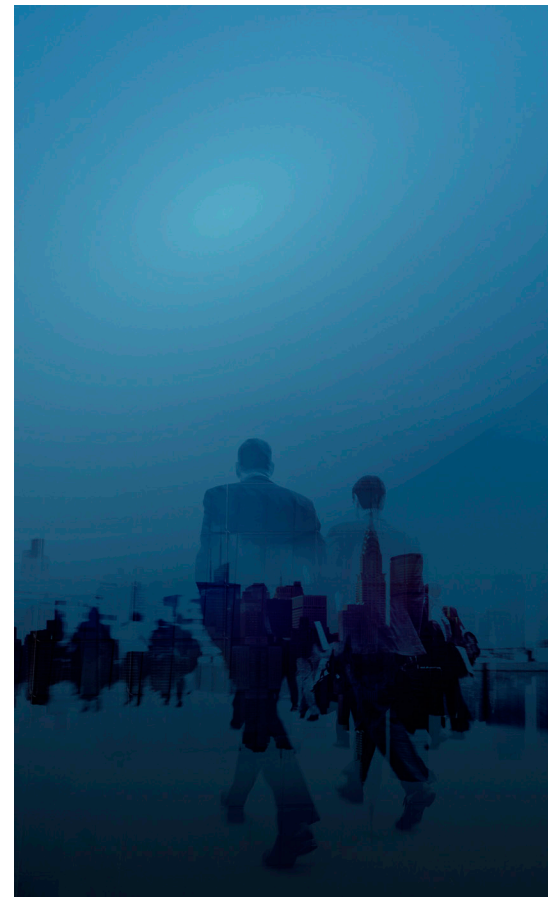
## Main aggregates of general government

Provisional estimate for 2020, with reference to the 2016 basis of the Portuguese National Accounts:

- The overall general government balance (PA) increased by EUR 11.9 billion between 2019 and 2020, resulting in a financing need of EUR 11 684 billion in 2020 (-5.8 % of GDP). This negative development resulted, at the same time, from an increase in expenditure (+ 8.5 %) and a reduction in revenue (-4.6 %);
- The balance of the Central Government was close to -14 billion euro (+ EUR 10 billion compared to 2019);
- The Regional and Local Government presented a negative balance of -228 million euro (in 2019 it had recorded a surplus of more than EUR 600 million);
- The balance of the Social Security Funds, although positive, deteriorated by almost EUR 800 million.

The total revenue of PAs decreased by 4.6 % (around -4.2 billion euro) as a result of:

- 4.5 % decrease in current revenue, mainly due to lower taxes on production and imports (-9.1 %);
- Decrease in current taxes on income and wealth (-3.7 %), reflecting the sharp decline in economic activity in 2020;
- % increase in income from social contributions;
- A decrease of about 16 % in capital revenue.





Due to the split payment measures of taxes and social contributions taken in the context of the COVID-19 pandemic, an additional adjustment to the results in public accounting was necessary to include future payments in the revenue for the period in which the payment obligation was generated.

This additional adjustment resulted in a higher VAT and Social Contribution tax revenue record of EUR 229 million and EUR 111 million, respectively, higher than in public accounts, referring to the payment prolongation measures due between the end of 2020 and the beginning of 2021 and which constitute revenue in 2020 from the perspective of the national accounts.

Total PA expenditure increased by 8.5 % as a result of simultaneous increases:

- + 6,0 % of current expenditure;
- + 43.5 % of capital expenditure.

The following changes mainly contributed to the increase in current expenditure:

- + 4.2 % of social benefits;
- + 3.4 % of the remnants;
- -8,4 in interest expenditure.

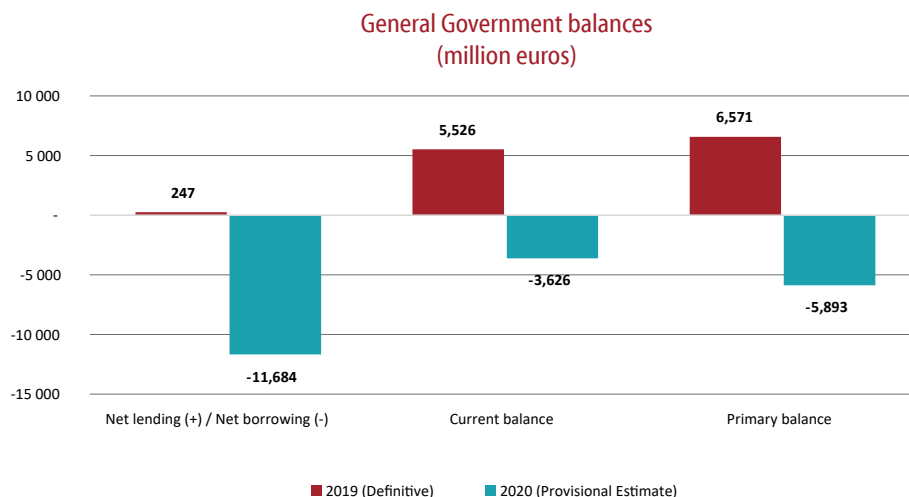
The increase in capital expenditure is largely explained by the recording, as capital transfers, of the operation granting the loan from the Directorate-General for the Treasury and Finance to TAP Air Portugal amounting to EUR 1,2 billion and the guarantee of the Regional Government of the Azores for the financing obtained by SATA Air Azores amounting to EUR 132 million.

More than half of the increase in public expenditure between 2019 and 2020 reflected the direct impact of exceptional support measures in the context of the COVID-19 pandemic, corresponding to 4 % of total public expenditure in 2020.

Among the public burdens of the pandemic are the following expenditures:

- Subsidies to enterprises (2.7 % of total expenditure in 2020);
- Intermediate consumption (0.5 %);
- Social support for families (0.2 %);
- Simplified layoff (0.9 %).

The direct impact on the national accounting balance of exceptional support measures in the context of the COVID-19 pandemic was around -4.9 billion euro in 2020 (-2.3 % of GDP).



More information available at:  
[Main aggregates of General Government – 2020](#)  
 (23 September 2021)

## Life tables for Portugal, 2018-2020

### Life expectancy at birth:

In the three-year period 2018-2020, life expectancy at birth in Portugal was estimated at 81.06 years for the total population, being:

- 78.07 years for men (+ 1.90 years compared to estimated 2008-2010);
- 83.67 years for women (+ 1.48 years in 2008-2010).

Life expectancy at birth remains higher for women, but the gap for men has been decreasing and is now 5.60 years (6.02 in 2008-2010).

By NUTS II region:

- It was in the Norte that the highest values were observed for life expectancy at birth, for the population as a whole (81.46 years) and for men (78.55 years), and in the Centro for Women (84.00);
- The greatest differences in longevity between men and women were observed in the Regiões Autónomas da Madeira (6.89) and the Açores (6.82) and the smallest in the Área Metropolitana de Lisboa (5.41) and in the Norte (5.44).

By NUTS III region, the highest life expectancy at birth was observed in:

- Cávado (82,10 years);
- Região de Coimbra (81.58 years);
- Região de Leiria (81.57 years).

### Life expectancy at 65 years:

Life expectancy at 65 years in Portugal, reached 19.69 years, for the total population, being:

- 17.76 years for men (+ 1.02 years than 2008-2010);
- 21,11 years for women (+ 1.08 years than 2008-2010).

The difference between longevity at age 65 for men and women in 2018-2020 was 3.35 years more.

By NUTS II region, the highest values of life expectancy at 65 were in the Área Metropolitana de Lisboa (19.97 years), both for men (18.05 years) and for women (21.54 years);

The three NUTS III regions with the greatest longevity at the age of 65 were:

- Região de Coimbra (20.39 years old);
- Terras de Trás-os-Montes (20.28 years);
- Alto Tâmega (20.25 years old).



More information available at:  
[Portuguese Life Tables, 2018-2020](#)  
(24 September 2021)

The series “INE@COVID-19 Synthesis” began in April 2020, with the purpose of making available an aggregation of some of the most relevant official statistical findings released each week, taking into account the pandemic situation that was then declared in Portugal.

Statistics Portugal intends to continue to contribute this way to the monitoring of the social and economic impact of the COVID-19 pandemic by decision makers in public and private bodies and also by the general public.

The same intention also led to the creation of the “Special INE COVID-19” area in Statistics Portugal’s portal, which also includes other aggregated contents under the same theme.

Press releases between 27-09-2021 and 01-10-2021:

Press releases	Reference period	Release date
Survey on bank evaluation on housing	August 2021	27 September 2021
House rental statistics at local level	2 <sup>nd</sup> Quarter of 2021	28 September 2021
Business and consumer surveys	September 2021	29 September 2021
Monthly Employment and Unemployment Estimates	August 2021	29 September 2021
Business turnover, employment, wage and hours worked index in retail trade	August 2021	29 September 2021
CPI/HICP Flash Estimate	September 2021	30 September 2021
Tourism activity - Flash Estimate: August 2021		30 September 2021
Industrial production index	August 2021	30 September 2021