



24th June 2025
QUARTERLY SECTOR ACCOUNTS (BASE 2021)
First Quarter 2025

THE BALANCE OF THE PORTUGUESE ECONOMY DECREASED BY 0.6 PERCENTAGE POINTS TO 2.2% OF GDP

The Portuguese economy¹ recorded a net lending of 2.2% Gross Domestic Product (GDP) in the first quarter of 2025, representing a decrease of 0.6 percentage points compared with the previous quarter. Gross National Income (GNI) and Gross Disposable Income (GDI) increased by 1.1% and 1.0%, respectively (compared to 2.1% and 2.0% in the previous quarter). The reduction in the external balance of the economy reflected the decrease in the balances of Financial and Non-Financial Corporations and Households².

The disposable income of Households sector increased by 1.3% compared to the previous quarter, with compensation of employees received and Gross Value Added (GVA) growing by 1.7% and 1.4%, respectively. The increase in disposable income, together with the growth by 1.5% of final consumption expenditure (1.9% in the previous quarter), determined the decrease in the household savings rate to 12.4% (12.5% in the previous quarter). Households' net lending stood at 4.4% of GDP, diminishing by 0.2 percentage points compared to the previous quarter. In real terms, the adjusted GDI per capita of Households grew by 0.5% in the first quarter of 2025 (2.0% in the previous quarter).

The balance of Non-Financial Corporations was more negative by 0.3 percentage points, reaching -5.5% of GDP in the first quarter of 2025. GVA and compensation of employees paid increased by 1.1% and 1.8%, respectively, while Gross Capital Formation grew by 1.7%. In turn, the balance of Financial Corporations stood at 2.4% of GDP (0.2 percentage points less than in the previous quarter).

The positive balance of the General Government (GG) sector stood at 0.8% of GDP in the year ending in the first quarter of 2025, more 0.1 percentage points than in the previous quarter. Considering quarterly values and not the year ending in the quarter, the GG balance in the first quarter of 2025 reached 125 million euros, corresponding to 0.2% of GDP (-0.4% in the same period of the previous year). Compared to the same period of the previous year, revenue increased by 7.8% and expenditure by 6.4%.

¹ Unless otherwise indicated, the descriptive analysis and graphs below refer to the year ending in the reference quarter (for additional information. When comparing consecutive quarters are used, in general, quarter-on-quarter rates of change between the year ending in the reference quarter and the year ending in the preceding quarter (see Methodological Note at the end of press release). The rates of change are based in nominal terms. It should also be noted that Excel files with additional information are available as an annex to this press release.

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



The balance of the economy diminished by 0.6 percentage points to 2.2% of GDP

The Portuguese economy external balance decreased from 2.8% in the fourth quarter to 2.2% of GDP in the first quarter of 2025. In nominal terms, GDP grew by 1.2% in the first quarter of 2025 compared with the previous quarter and 6.1% compared to the same quarter of the previous year, reflecting the combined effect of increases in GDP volume and the respective implicit deflator. Gross National Income (GNI) and Gross Disposable Income (GDI) increased by 1.1% and 1.0%, respectively, when compared with the previous quarter (6.7% and 6.6% year-on-year growths).

In the first quarter of 2025, the economy's GDI recorded a growth 0.5 percentage points lower than that of final consumption expenditure (includes the final consumption expenditure by Households and GG), which led to a decrease of 0.7% of the economy's gross savings. In the first quarter of 2025, gross savings represented 21.4% of GDP (0.4 percentage points more than in the previous quarter and 0.2 percentage points more than in the same quarter of the previous year).

The reductions in savings combined with a 2.1% increase of Gross Capital Formation, led to a decrease in the economy's net lending by 0.6 percentage points, to 2.2% of GDP in the first 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 (%)
1Q 2022	223 214	3,1	221 044	3,1	226 595	2,8
2Q 2022	230 652	3,3	228 111	3,2	233 039	2,8
3Q 2022	237 444	2,9	234 148	2,6	238 855	2,5
4Q 2022	243 957	2,7	239 550	2,3	244 278	2,3
1Q 2023	250 298	2,6	245 337	2,4	250 319	2,5
2Q 2023	256 568	2,5	250 916	2,3	256 022	2,3
3Q 2023	262 534	2,3	256 191	2,1	261 316	2,1
4Q 2023	267 923	2,1	260 821	1,8	265 569	1,6
1Q 2024	271 956	1,5	265 243	1,7	270 058	1,7
2Q 2024	275 915	1,5	269 376	1,6	274 528	1,7
3Q 2024	280 259	1,6	274 215	1,8	279 476	1,8
4Q 2024	285 181	1,8	279 943	2,1	284 969	2,0
1Q 2025	288 572	1,2	282 894	1,1	287 940	1,0

The reduction in the external balance of the economy reflected the decrease in the balances of Financial and Non-Financial Corporations and Households. The net borrowing of Non-Financial Corporations stood at -5.5%



of GDP, while the surplus of Financial Corporations decreased by 0.2 percentage points. The surplus of General reached 0.8% of GDP, more 0.1 percentage points than in the previous quarter, as a result of revenue growth (1.6%) outpacing expenditure growth (1.4%).

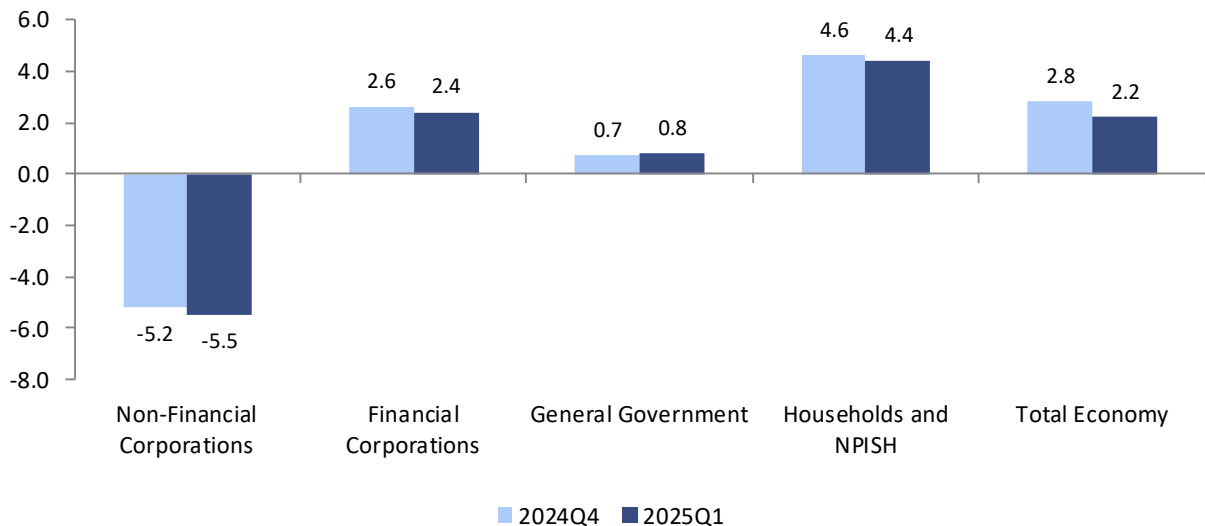
The Households balance slightly decreased by 0.2 percentage points, standing at 4.4% of GDP in the first quarter of 2025. This result reflected a 3.2% increase in Household Gross Capital Formation (GCF), which exceeded the 0.1% increase in savings. Final consumption and Gross Disposable Income grew by 1.5% and 1.3%, respectively, leading to the aforementioned increase in savings.

Table 2. Net lending (+) / borrowing (-) by institutional sector (in % 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
1Q 2022	-3,2	2,3	-1,7	2,3	-0,3
2Q 2022	-4,5	2,1	0,1	1,7	-0,6
3Q 2022	-5,3	2,0	1,0	1,3	-1,0
4Q 2022	-4,4	2,1	-0,3	1,3	-1,3
1Q 2023	-3,9	2,5	0,2	0,9	-0,4
2Q 2023	-3,4	2,6	0,0	1,4	0,6
3Q 2023	-3,6	2,5	0,4	2,0	1,4
4Q 2023	-3,8	2,1	1,2	2,2	1,7
1Q 2024	-3,7	2,2	0,8	3,1	2,3
2Q 2024	-4,5	2,4	1,0	3,6	2,6
3Q 2024	-4,5	2,6	0,7	4,0	2,7
4Q 2024	-5,2	2,6	0,7	4,6	2,8
1Q 2025	-5,5	2,4	0,8	4,4	2,2



Figure 1. Net lending (+) / borrowing (-) by institutional sector (in % of GDP, year ending in the reference quarter)



Households: net lending stood at 4.4% of GDP

Net lending of Households stood at 4.4% of GDP in the year ending in the first quarter of 2025, which represented a decrease of 0.2 percentage points compared with the previous quarter (1.3 percentage points more compared to the same quarter of the previous year). This behaviour resulted from Gross Capital Formation growing higher than savings (3.2% and 0.1% compared to the previous quarter, respectively).

The Households' savings rate in the first quarter of 2025 (Figure 2) stood at 12.4% of disposable income, less 1.1 percentage points compared with the previous quarter. This evolution was due to a 1.5% increase in final consumption, which outpaced the 1.3% growth in Gross Disposable Income (1.9% and 3.2% 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 0.9% in the year ending in the first quarter of 2025.

Figure 3 shows the breakdown of the growth of disposable income of households. In the year ending in the first quarter of 2025, compensation of employees and gross operating surplus contributed by 1.2 and 0.2 percentage points, respectively, to that growth rate. Taxes had a negative contribution of 0.1 percentage points.



Figure 2. Saving rate of Households and NPISH (% , year ending in the reference quarter)

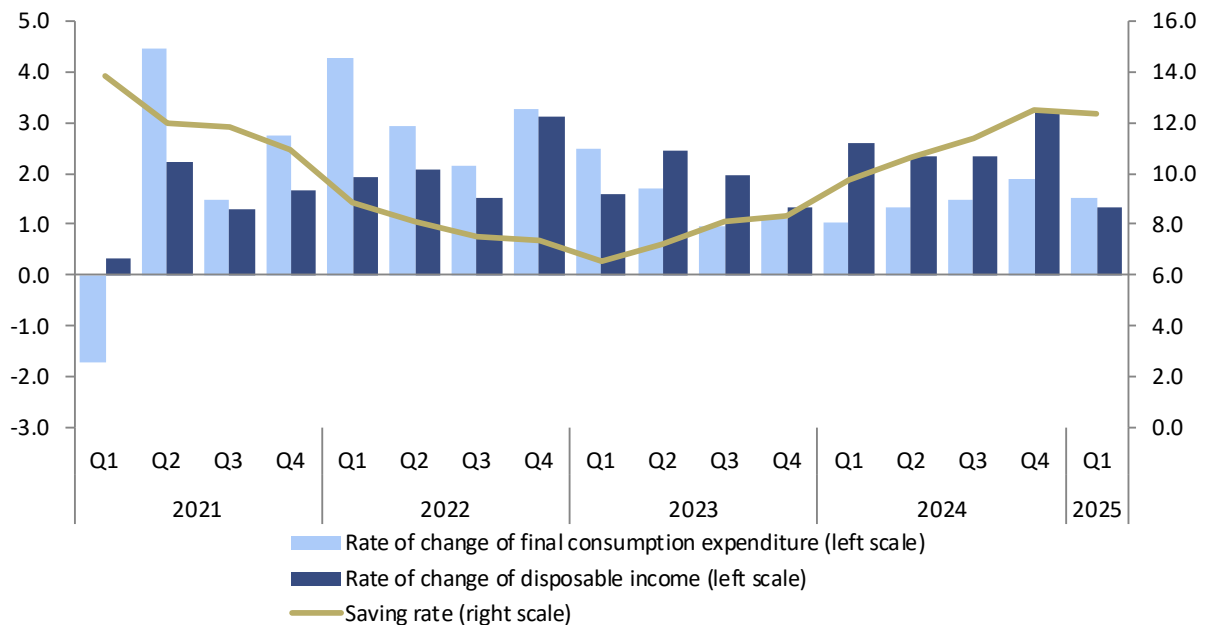
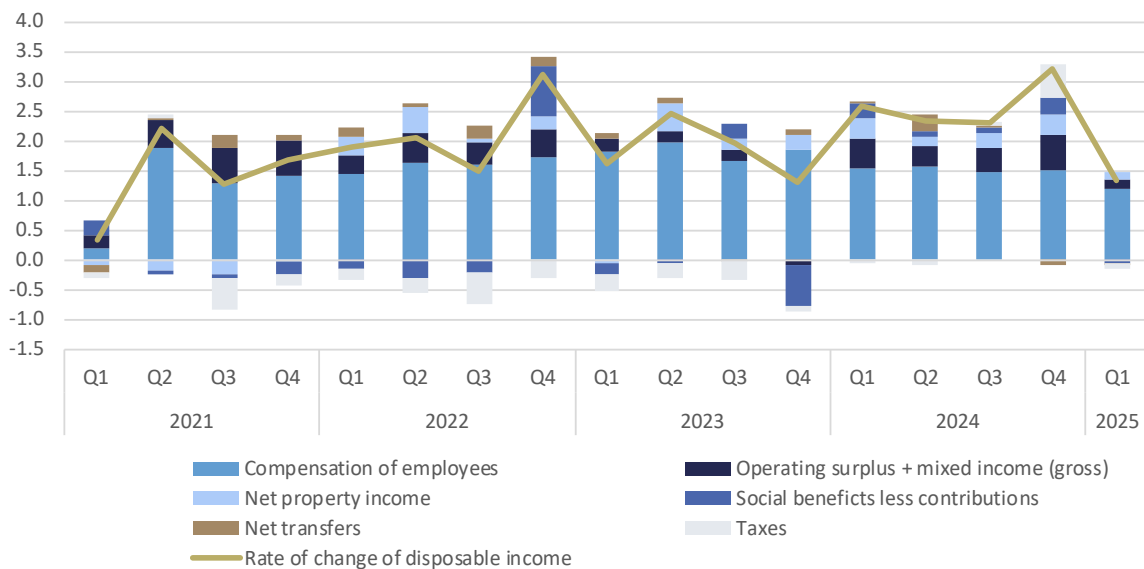


Figure 3. Contributions to the rate of change of disposable income of Households and NPISH (percentage points, year ending in the reference quarter)



The nominal GDI per capita of Households reached 18.9 thousand euros in the first quarter of 2025, which represented an increase of 1.1% compared with the previous quarter. Per capita compensation of employees reached 13.2 thousand euros, 1.5% more than 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 0.5% compared with the previous quarter, after growth of 2.0% in the previous quarter. Real final consumption per capita increased by 0.6% in the first quarter of 2025 (1.0% in the previous quarter).

Households' Gross Fixed Capital Formation (GFCF), which essentially corresponds to GFCF in dwellings, increased by 2.8% in the first quarter of 2025 (3.7% in the previous quarter). The investment rate of Households (measured by the ratio between GFCF and disposable income) stood at 5.9%, more 0.1 percentage points than in the previous quarter.

Non-Financial Corporations: the balance was more negative by 0.3 percentage points to -5.5% of GDP

Non-financial corporations' net borrowing stood at 5.5% of GDP in the first quarter of 2025, representing an increase in the deficit by 0.3 percentage points compared to the previous quarter.

GVA recorded an increase of 1.1%, 0.9 percentage points less than in the previous quarter. The growth in GVA was not sufficient to offset the 1.8% increase in compensation of employees and the 25.6% decrease in subsidies on production, resulting in rate of change of -1.2% in Gross Operating Surplus (compared to +1.2% in the previous quarter).

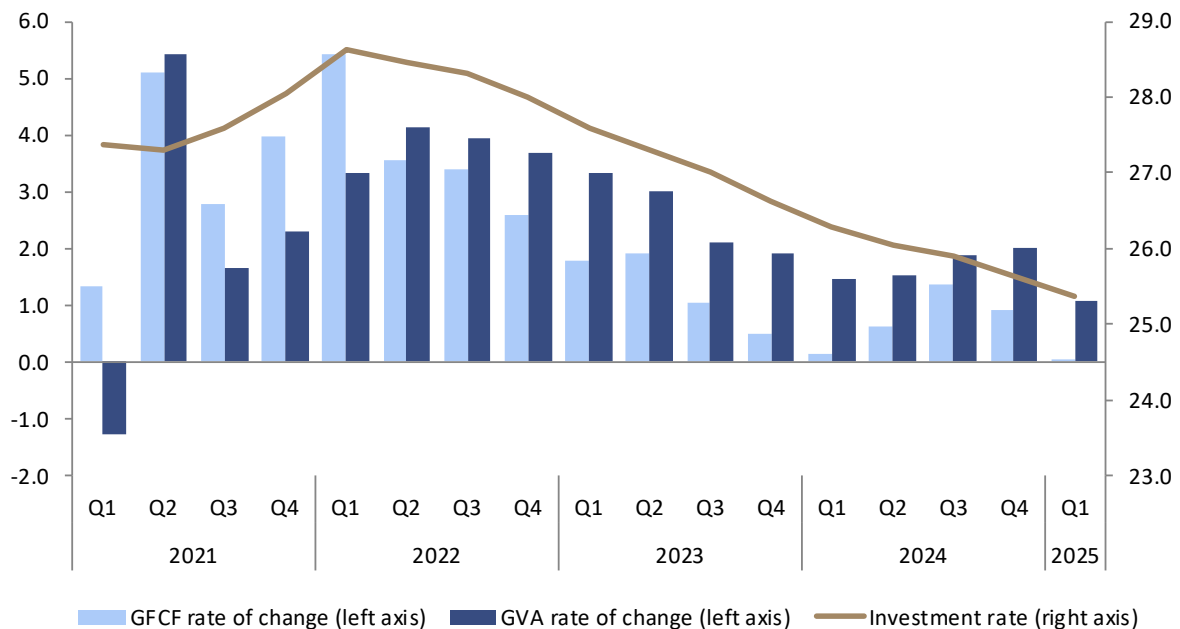
The sector's net operating margin rate stood at 17.5% (0.1 percentage points less than in the fourth quarter). This rate is obtained from the ratio between Net Operating Surplus and Net Added Value and corresponds to the percentage of value created in companies that is used to remunerate financial resources.

The increase in net borrowing by 0.3 percentage points of GDP resulted from the combined effect of the decline in Gross Operating Surplus and also by a 1.7% increase in Gross Capital Formation mainly driven by the accumulation of stocks.

Property income received and paid decreased by 2.0% and 0.7%, respectively, compared to the previous quarter. Income taxes recorded a rate of change of -0.2% in the first quarter of 2025 (+5.3% in the previous quarter).



Figure 4. GFCF/GVA of Non-Financial Corporations (% , year ending in the reference quarter)



GFCF presented a nil change of rate in the first quarter of 2025 (0.9% in the previous quarter). The investment rate (measured by the ratio between GFCF and GVA) was set at 25.4 stood at 25.4%, which represents a decrease of 0.2 percentage points compared with the previous quarter, determined by the higher growth of GVA compared with GFCF.

Financial Corporations: net lending stood at 2.4% of GDP

The net lending of Financial Corporations decreased by 0.2 percentage points, reaching 2.4% 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 1.5% (reduction of 2.4% in the previous quarter).

Property income received and paid recorded growth rates of -1.3% and -0.6%, respectively, in the first quarter of 2025, resulting in a 5.6% decrease in the sector's savings (compared to a 9.7% increase in the previous quarter). The reduction in savings, combined with a 49.8% increase in Gross Capital Formation, contributed to the decline in the sector's net lending.

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 second quarter of 2024, this behaviour has been reversed with the reduction in interest rates, with decreases in FISIM being observed in nominal terms.



General Government: net balance increased 0.1 percentage points to 0.8% of GDP

The net balance of the GG sector, in percentage of GDP, increased by 0.1 percentage points compared to the previous quarter, to 0.8% of GDP. This behaviour was due to a slightly larger increase in revenue (1.6%) than in expenditure (1.4%).

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

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1
Total revenue	118 283	121 153	122 903	123 961	126 001
Current revenue	115 158	118 147	119 970	121 508	123 353
Current taxes on income and wealth	28 769	29 690	30 116	29 456	29 644
Taxes on production and imports	39 269	39 957	40 484	41 507	42 140
Social contributions	33 516	34 352	35 084	35 886	36 515
Sales	8 382	8 537	8 623	8 894	9 042
Other current revenue	5 223	5 611	5 663	5 766	6 011
Capital revenue	3 124	3 006	2 933	2 453	2 648
Total expenditure	116 087	118 358	120 890	121 967	123 639
Current expenditure	105 468	107 800	109 921	112 218	113 511
Social benefits	48 178	49 562	50 669	51 787	52 421
Compensation of employees	28 512	29 063	29 662	30 288	30 863
Interest	5 650	5 694	5 775	5 875	5 961
Intermediate consumption	14 128	14 334	14 474	14 923	15 084
Subsidies	2 522	2 320	2 308	2 148	1 727
Other current expenditure	6 477	6 827	7 032	7 198	7 455
Capital expenditure	10 620	10 558	10 968	9 749	10 128
Investment ⁽¹⁾	7 082	7 167	7 537	7 759	7 993
Other capital expenditure	3 538	3 392	3 431	1 990	2 135
Current Balance	9 691	10 347	10 049	9 290	9 842
Balance	2 195	2 795	2 013	1 994	2 362
<i>Memorandum items:</i>					
Primary current expenditure	99 817	102 106	104 146	106 343	107 550
Gross Domestic Product at current market prices	271 956	275 915	280 259	285 181	288 572
Balance in % of GDP	0.8	1.0	0.7	0.7	0.8

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

In the year ending in the first quarter of 2025, total revenue increased by 1.6% due to the increase of both current revenue (1.5%) and capital revenue (7.9%). All items of current revenue increased, namely other current revenue by 4.3%, revenue from social contributions by 1.8%, sales 1.7%, taxes on production and imports 1.5% and current taxes on income and wealth by 0.6%.



Table 4. Revenue and Expenditure of General Government
(%; year ending in the reference quarter)

	Unit: %				
	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1
Total revenue	1.4	2.4	1.4	0.9	1.6
Current revenue	1.5	2.6	1.5	1.3	1.5
Current taxes on income and wealth	1.1	3.2	1.4	-2.2	0.6
Taxes on production and imports	1.4	1.8	1.3	2.5	1.5
Social contributions	2.1	2.5	2.1	2.3	1.8
Sales	0.1	1.9	1.0	3.1	1.7
Other current revenue	1.4	7.4	0.9	1.8	4.3
Capital revenue	0.8	-3.8	-2.4	-16.4	7.9
Total expenditure	2.4	2.0	2.1	0.9	1.4
Current expenditure	2.5	2.2	2.0	2.1	1.2
Social benefits	2.7	2.9	2.2	2.2	1.2
Compensation of employees	2.1	1.9	2.1	2.1	1.9
Interest	2.2	0.8	1.4	1.7	1.5
Intermediate consumption	1.6	1.5	1.0	3.1	1.1
Subsidies	17.0	-8.0	-0.5	-6.9	-19.6
Other current expenditure	0.3	5.4	3.0	2.4	3.6
Capital expenditure	1.2	-0.6	3.9	-11.1	3.9
Investment ⁽¹⁾	0.7	1.2	5.2	2.9	3.0
Other capital expenditure	2.3	-4.1	1.2	-42.0	7.3
<i>Memorandum items:</i>					
Primary current expenditure	2.5	2.3	2.0	2.1	1.1

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

The expenditure behaviour reflected the increase of 1.2% in current expenditure of 3.9% in capital expenditure. All items of current expenditure, except subsidies (-19.6%), increased, with the most relevant variations being those of other current expenditure (3.6%), compensation of employees (1.9%) and interest paid (1.5%). The primary current expenditure, that excludes interest paid, increased 1.1% in the year ending in the first quarter of 2025.

Capital expenditure increased by 3.9%, as a result of an increase in investment (3.0%) and in other capital expenditure (7.3%).

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

Table 5. Revenue and Expenditure of General Government
(quarterly figures)

	1 st quarter 2024		1 st quarter 2025		Nominal rate of change (%)
	10 ⁶ EUR	% GDP	10 ⁶ EUR	% GDP	
Total revenue	26 069	39.2	28 108	40.3	7.8
Current revenue	25 627	38.6	27 472	39.3	7.2
Current taxes on income and wealth	5 205	7.8	5 392	7.7	3.6
Taxes on production and imports	9 437	14.2	10 070	14.4	6.7
Social contributions	7 950	12.0	8 579	12.3	7.9
Sales	1 941	2.9	2 089	3.0	7.7
Other current revenue	1 095	1.6	1 341	1.9	22.4
Capital revenue	442	0.7	636	0.9	44.0
Total expenditure	26 312	39.6	27 984	40.1	6.4
Current expenditure	24 872	37.4	26 165	37.5	5.2
Social benefits	11 449	17.2	12 083	17.3	5.5
Compensation of employees	6 717	10.1	7 292	10.4	8.6
Interest	1 434	2.2	1 520	2.2	6.0
Intermediate consumption	3 137	4.7	3 298	4.7	5.1
Subsidies	717	1.1	297	0.4	-58.7
Other current expenditure	1 418	2.1	1 675	2.4	18.1
Capital expenditure	1 440	2.2	1 819	2.6	26.3
Investment ⁽¹⁾	1 075	1.6	1 309	1.9	21.8
Other capital expenditure	365	0.5	510	0.7	39.7
Current Balance	755	1.1	1 307	1.9	
Balance	-243	-0.4	125	0.2	
<i>Memorandum items:</i>					
Primary current expenditure	23 438	35.3	24 644	35.3	5.1

⁽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 125 million EUR in the first quarter of 2025 (0.2% of GDP), which compares with -0.4% of GDP for the same period of the previous year. This variation reflects the increases in both total expenditure and total revenue, by 6.4% and 7.8%, respectively.

Within total expenditure, current expenditure increased by 5.2%, due to increases in social benefits (5.5%), compensation of employees (8.6%), interests paid (6.0%), intermediate consumption (5.1%) and other current expenditure (18.1%), and a decrease in subsidies by 58.7%. The decrease in subsidies is related to the base effect due to the recording, in the first quarter of 2024, of the additional allocation of funds to the National Electric System for electricity tariff reduction.

The primary current expenditure, that excludes interest paid, increased 5.1% in the first quarter of 2025.

Capital expenditure increased 26.3%, given the 21.8% increase in investment and of 39.7% in other capital expenditure.



The increase by 7.2% of current revenue was due to increases in all its components, namely other current revenue, that increased 44.0%, social contributions (7.9%) and sales (7.7%). Capital revenue grew by 44.0%, largely driven by the increase in revenue from the Recovery and Resilience Plan.

Table 6 presents the main adjustments carried out for moving from Public Accounts to National Accounts balances in the first quarters of 2024 and 2025.

Table 6. Public to National Accounting Adjustments

	Unit: 10 ⁶ EUR	
	2024Q1	2025Q1
Balance in Public Accounting:	-317	1 502
Accrual adjustment and sector delimitation in National Accounts	-365	-237
Difference between paid and due interest	-142	-305
Other receivables:	711	-317
Time adjustment of taxes and social contributions	258	-583
Others	453	266
Other payables:	411	-35
Expenditure already incurred but not yet paid	-115	-197
Others	526	163
Other adjustments:	-540	-484
of which:		
Capital injections and debt assumptions	-563	-620
Balance in National Accounting:	-243	125
GDP ⁽¹⁾	66 462	69 825
Balance in National Accounting in % of GDP	-0.4	0.2

⁽¹⁾ Non seasonally and calendar effects adjusted data

Comparing the first quarter of 2025 with the same period of 2024, both national accounts and public accounts balances increase, with a higher growth in public accounts.

In national accounts, the GG net balance attained to 0.2% of GDP in the first quarter of 2025 from -0.4% 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.

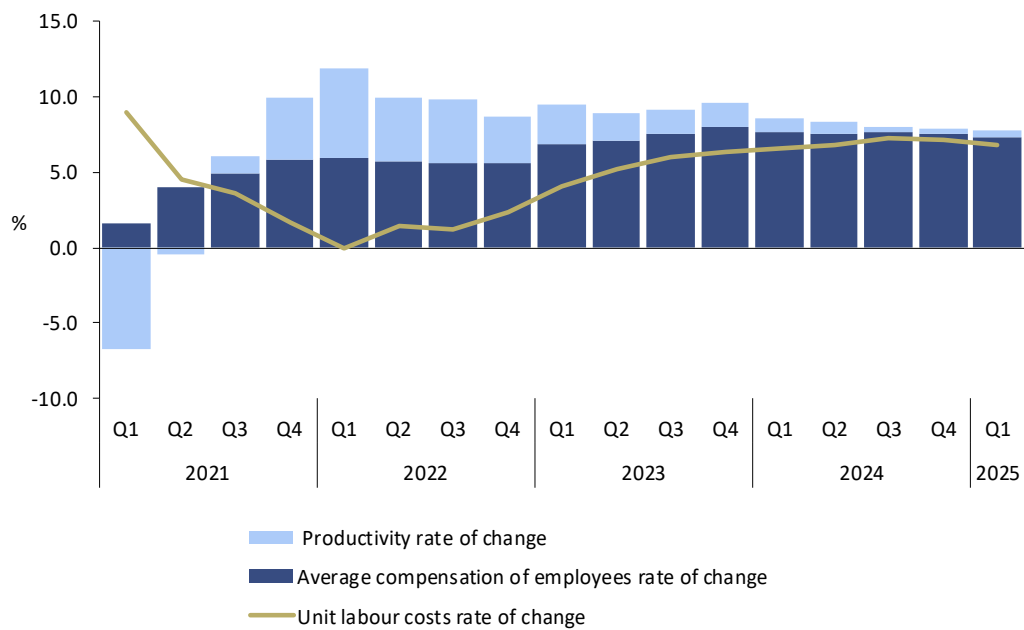
As mentioned in previous press releases, due to the policy measures for fractional future payment of taxes, a supplementary adjustment was made to include the future payments as revenue of the period when the activity took place.



Unit labour costs (ULC) increased by 6.8%

In the year ending in the first quarter of 2025, UCL increased by 6.8% in year-on-year terms, 0.4 percentage points more than in the previous quarter. This result was due to the slowdown in the growth of average compensation (by 0.3 percentage points from the previous quarter) and a 0.5% increase in productivity.

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 first 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

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 May 30, 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.

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 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.

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 – 23rd September 2025
