

Quarterly Sector Accounts
1st quarter of 2012

Net borrowing of the economy decreases. household saving rate increases

The net borrowing of the Portuguese economy decreased to 3.9% of GDP in the year ending in the 1st quarter of 2012 (5% in the previous quarter). This evolution was mainly driven by the raise of households' net lending and by the reduction in the net borrowing of the non financial corporations. The net borrowing of General Government registered a slight increase.

The net lending of households grew by 0.7 percentage points (p.p.) and represented 5.1% of GDP. This performance reflected the increase of the households' saving rate, which attained 10,8% of disposable income, mainly due to the contraction of private consumption. The net borrowing of non financial corporations decreased 0.5 p.p. to 4.2% of GDP in the year ended in the first quarter of 2012, as a consequence of the drop in the investment.

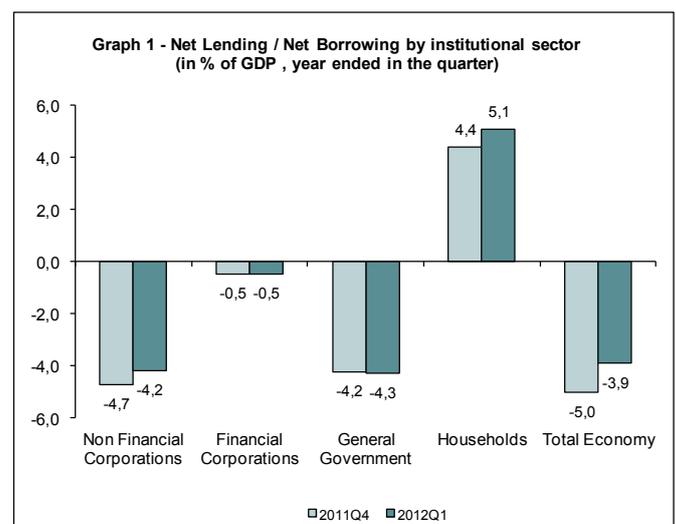
The net borrowing of the General Government increased from 4.2% of GDP in 2010 to 4.3% in the year ending in the 1st quarter of 2012. This performance reflected lower revenues from the taxes on production (growth rate of -1.7% in the year ended in the 1st quarter of 2012) and the increase of social security expenditure (1.2% for the same period).

The current results are the preliminary version of the Quarterly Sector Accounts for the 1th quarter of 2012. The results and graphics in this press release are always presented as the cumulated sum of 4 quarters. 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

The graph 1 presents the data for the 1st quarter of 2012 and the 4th quarter of 2011. The net borrowing of Portuguese economy diminished to 3.9% of GDP. This positive performance was the outcome of the increase

in exports of goods and services (growth rate of 2.4%) and of the decrease in imports (growth rate of 0.5%).



Net lending of households increased to 5.1% of GDP, as an effect of the growth of its gross saving. The

saving rate increased to 10.8% of disposable income (0.8 percentage points more than the year ended in the previous quarter), mostly due to the contraction of households' final consumption (growth rate of -0.7%). The disposable income of households increased slightly as a consequence of the combined effect of the decrease in wages and salaries, the increase in social insurance benefits received net of social contributions and the increase property income.

The Gross Capital Formation of non financial corporations decreased 4.4% in the year ended in the 1st quarter of 2012 leading to a decrease of the non financial corporations' net borrowing to 4.2% of GDP. Their investment rate decreased to 20.0% (less 1.1 p.p. than the previous quarter).

The net borrowing of financial corporations stabilized in 0.5% of GDP in the year ended in the 1st quarter of 2012, still reflecting the financial institutions' pension funds transfer to general government in the last quarter of 2011.

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Unit labour costs decreased 1.1% in the year ending in 1st quarter of 2012 (rate of growth of -0.7% in the previous quarter). This evolution reflected both the reduction of average wages and the growth of labour productivity.

