

# PORTUGAL

## LATEST KEY DEVELOPMENTS

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GPEARI

Gabinete de Planeamento, Estratégia,  
Avaliação e Relações Internacionais  
MINISTÉRIO DAS FINANÇAS

Office for Economic Policy  
and International Affairs  
MINISTRY OF FINANCE

### ECONOMIC ACTIVITY

In 2024, **GDP in real terms** grew by 1.9%, in volume, after 2.5% in 2023. In fourth quarter, GDP registered a y-o-y growth rate of 2.7% (2.0% in the previous quarter). The positive contribution of domestic demand to the y-o-y growth rate of GDP increased in the fourth quarter, due to the acceleration of private consumption. The contribution of net external demand to the y-o-y rate of change of GDP remained negative. Compared to the third quarter of 2024, GDP increased by 1.5% in volume (0.3% in the previous quarter). INE's flash estimate available [here](#).

The **consumer confidence indicator** increased moderately in January, after decreasing in the previous month. The **economic climate indicator** decreased slightly in January, contrary to the increase recorded in the previous month. The **confidence indicators** decreased slightly in Trade and in Services and moderately in Manufacturing Industry, having increased in Construction and Public Works. INE's press release available [here](#).

### LABOUR MARKET

According to INE estimates, the **unemployment rate** in December 2024 stood at 6.4%, down from November (0.2 p.p.) and September (0.1 p.p.). Furthermore, in December, the employed population was 5.1 thousand people in a labour force of about 5.5 million people (16 to 74 years).

### TOURISM INDUSTRY

The **tourist accommodation sector** registered 1.9 million guests and 4.2 million overnight stays in December 2024, corresponding to y-o-y increases of 3.6% and 2.9%, respectively. Preliminary data from 2024 indicate that tourist accommodation establishments welcomed 31.6 million guests and recorded 80.3 million overnight stays, which represents y-o-y increases of 5.2% and 4.0%, respectively. INE's flash estimate available [here](#).

### EXTERNAL ADJUSTMENT

#### i. International Trade

The flash estimate of International Trade in Goods for the 4<sup>th</sup> quarter of 2024 points to increases in **exports and imports** of, respectively, 4.1% and 5.1%, in nominal terms and compared to the same period of 2023. **Transactions of goods** increased for the third consecutive quarter, with y-o-y variations of 9.7% in exports and 7.0% in imports in the previous quarter. INE's press release available [here](#).

#### ii. Balance of Payments

From January to November, in cumulative terms, the **current account** recorded a surplus of €7,025.18M in 2024, (€2,654.95M in the first eleven months of 2023). This result was mainly due to the positive contribution of the balance of services (€29,055.31M), which more than offset the deficit of the balance of goods (-€22,101.36M). At the same time, the **capital account** registered a surplus of €9,767.37M. BdP's data available [here](#).

### PRICE DEVELOPMENTS

The **CPI annual rate** is estimated to have decreased to 2.5% in January 2025 (3% in December 2024). This deceleration is partially due to the base effect related to the end of the VAT exemption for several essential food items and the increase in electricity prices, recorded in January 2024. The index for energy products was estimated at 2.4%, while the rate for unprocessed food products was at 1.8% (2.8% and 4.9% in December 2024, respectively). In January 2024, the estimated **HICP** annual rate of change was 2.7% (3.1% in the previous month). INE's flash estimate available [here](#).

According to INE's data, in December, a y-o-y increase of 1.6% was observed in the **Industrial Production Prices Index (IPPI)** (1.2% in the previous month). Excluding *Energy*, the change was 0.5% (same rate as in November 2024).

### BUDGETARY OUTTURN

At the end of 2024, the **general government budget on a cash basis** recorded a €354M surplus, less €4,220M compared to the end of 2023 (excluding the transfer from CGD Pensions Fund to the civil servants' Pension Scheme (CGA)). The primary surplus reached €7,341M, less €3,970M vis-à-vis 2023. The observed behaviour is a result of an increase of 9.2% in expenditure, along with an increase of 5.2% in revenue.

The increase in **revenue** is mainly driven by the social contributions (9.7%) and tax revenue (3.0%). The increase of tax revenue is essentially due to the performance of the CIT, VAT and tax on oil and energy products (ISP).

On the **expenditure** side, the increase is mainly driven by the increase in transfers (12.6%), in the compensation of employees (7.9%) and in the acquisition of goods and services (7.5%).

The measures aimed at mitigating the geopolitical shock amounted to €2,370M, more €181M compared to previous month.

### TREASURY FINANCING

According to the Debt Management Agency (IGCP), at the end of 2024, the Portuguese **State direct debt** [reached](#) €305,787M before cambial hedging, more €17,544M than in November. To this result, it contributed the increase of €15,819M in the CEDIC.

On January 15th, IGCP [issued](#) €1,000M of 5-month and 12-month T-Bills at the weighted average of 2.416%.

### GENERAL GOVERNMENT DEBT

According to BdP, at the end of 2024, **general government debt** [amounted](#) to €270,650M, more €1,550M compared to November. **Maastricht debt net of deposits** of the general government stood at €257,327M, which represents a monthly increase of €987M.