

# PORTUGAL

## LATEST KEY DEVELOPMENTS

Nov 2025

### ECONOMIC ACTIVITY

**Real GDP grew 2.4% y-o-y in the third quarter** (1.8% in the previous one). The positive contribution of domestic demand to the growth rate of GDP declined slightly to 3.6 p.p. (4 p.p. in the former quarter), while the negative contribution of net external demand was less pronounced, reflecting an acceleration in exports of goods and services and a slowdown in imports of goods and services. Compared to the second quarter, GDP increased by 0.8% in volume (0.7% in the previous quarter). INE's flash estimate is available [here](#).

**Consumer confidence** decreased in November, after increasing in September and October. Such decrease was driven by negative contributions of expectations on the future evolution of the country's economic situation, of households' financial situation and of major purchases by households. In contrast, opinions on the past evolution of households' financial situation contributed positively. The **economic climate indicator** increased, most notably in Trade, Manufacturing Industry and in Construction and Public Works, and decreased in Services. **Confidence indicators** increased in Trade, Manufacturing Industry, and in Construction and Public works, while decreasing in Services. INE's press release available [here](#).

### LABOUR MARKET

According to INE's provisional estimates, the **unemployment rate** in October stood at 5.9%, down from September 2025 (0.1 p.p.) and from December 2024 (0.7 p.p.), and equal to July 2025. Furthermore, in October, the employed population was 5,279.4 thousand people, down from the previous month.

### TOURISM INDUSTRY

In October 2025, the **tourism accommodation sector** registered 3.1 million guests and 7.7 million overnight stays, resulting in y-o-y increases of 3.8% and 2.4%, respectively. Overnight stays by residents grew by 6.4% to 2.0 million, as well as with non-residents by 1.1%, totalizing 5.8 million. INE's flash estimate available [here](#).

### EXTERNAL ADJUSTMENT

#### i. International Trade

In September, **exports and imports** of goods increased y-o-y by 14.3% and 9.4%, respectively (-1.6% and +3.0%, in the same order, in August 2025). The increase in exports and imports was most notorious involving Industrial supplies (+38.8%), and Fuels and lubricants (+40.4%), respectively. The trade deficit in goods reached €2,588 million in September 2025 (down €59 million compared to September 2024). INE's press release [here](#).

#### ii. Balance of Payments

In September, cumulatively, the **current account** (CA) balance stood at €4,113.8M (€6,255.4M in 2024), negatively impacted by the balance of **goods** (-€21,599.1M) and positively by the

balance of **services** (€26,399.8M). The **capital account** recorded a surplus of €2,617.6M. BdP's data [here](#).

### PRICE DEVELOPMENTS

The **CPI annual rate** is estimated at 2.2% in November (2.3% in October) and the core inflation index at 1.9% (2.1% in October). The index for energy products and for unprocessed foods estimates pointing to -0.9% and +6.0%, respectively (-1.2% and +6.1% in October). **HICP annual rate** was 2.1% (2.0% in October). INE's flash estimate available [here](#).

According to INE, in October, the **industrial production prices** decreased 2.8% y-o-y (-3.7% in September). Excluding Energy grouping, industrial production prices fell by 2.7% (-3.1% in September).

### BUDGETARY OUTTURN

Until the end of October 2025, the general government budget on a cash basis recorded a €4,154.1M surplus, €829.9M higher than in the same period of 2024. The primary surplus reached €10,303.1M, up €633.2M vis-à-vis 2024. The observed behaviour reflects a 6.2% increase in revenue, above the 5.6% rise in expenditure.

**Revenue** growth was mainly driven by social contributions (+8.4%) and tax revenue (+5.5%), supported by VAT (+8.5%), PIT (+4.1%), Property Transfer Tax (+28%), and Excise Duty on Petroleum Products (+11.4%), partly offset by CIT (-3.8%). Non-tax and non-contributory revenue rose +5.2%, mainly due to higher transfers and fees/fines.

**Expenditure** growth was driven by transfers (+4.5%), employee compensation (+8%), and public investment (+18.5%). Transfers reflect pension updates, social benefits, support to non-profits, the solidarity supplement for the elderly, parental/unemployment benefits, and higher EU budget contributions.

### TREASURY FINANCING

According to the Debt Management Agency (IGCP), in October 2025, the Portuguese **State direct debt** amounted to €307,082M, a decrease of €11,514M compared with the previous month. This reduction was mainly driven by OT / Fixed-rate Treasury Bonds, which declined by €11,433M.

### GENERAL GOVERNMENT DEBT

According to the Bank of Portugal (BdP), at the end of October 2025, **general government debt** amounted to €283,145M, a decrease of €11,174M compared with September. **Maastricht debt, net of general government deposits**, stood at €257,950M, reflecting a monthly increase of €2,789M.