

PORTUGAL

LATEST KEY DEVELOPMENTS

FEB 2026

ECONOMIC ACTIVITY

In 2025, GDP grew by 1.9% in volume, after the 2.2% increase in 2024. Real GDP registered y-o-y change of 1.9% in the fourth quarter, a rate 0.3 pp lower than that recorded in the previous quarter. Domestic demand presented a positive contribution to the annual growth rate of GDP, higher than that observed in the previous year, with an acceleration of final consumption expenditures. The contribution of net external demand was more negative in 2025, with exports of goods and services in volume slowing down more intensely than imports of goods and services. INE's flash estimate available [here](#).

The consumer confidence decreased in February after increasing in the previous two months. The decrease observed in the reference month was driven by negative contributions from all components: expectations on the future evolution of major purchases by households, of the country's economic and, to a lesser extent, of opinions on the past evolution and perspectives on the future evolution of households' financial situation. The economic climate indicator increased slightly in February, after having decreased the previous month. The confidence indicators increased in Services and in Manufacturing Industry, having decreased in Trade and in Construction and Public. INE's press release available [here](#).

LABOUR MARKET

According to INE's provisional estimates, the unemployment rate in January stood at 5.6%, as in December 2025, and down from October 2025 (0.2 p.p.), and from January 2025 (0.7 p.p.). Furthermore, in January, the employed population was 5,301.3 thousand people.

TOURISM INDUSTRY

In January 2026, the tourism accommodation sector accounted for 1.7 million guests (+3.8%) and 3.7 million overnight stays (+2.0%). The increase in overnight stays was driven by positive contributions from both residents (+4.7%, vs +6.0% in December) to 1.3 million and non-residents (+0.7%, vs +1.2% in December) to 2.4 million, respectively. INE's flash estimate available [here](#).

EXTERNAL ADJUSTMENT

i. International Trade

In December 2025, exports and imports of goods recorded nominal y-o-y changes of -0.7% and -2.7% respectively (-1.5% and -7.2%, in the same order, in November 2024). When transactions without transfer of ownership (TTE) are excluded, the contraction was identical for exports (-6.1% in November), but more pronounced for imports (-4.0%, -2.2% in November).. INE's press release [here](#).

ii. Balance of Payments

In 2025, in cumulative terms, the current account (CA) balance recorded a surplus of €3,799.75M (€6,497,81M in 2024). This

result was mainly due to the positive contribution of the balance of services (€33,140,43M), which more than offset the deficit of the balance of goods (-€29.391,24M). At the same time, the capital account registered a surplus of €4,537,29M. Bdp's data [here](#).

PRICE DEVELOPMENTS

The CPI annual rate is estimated to have increased to 2.1% in February 2026 (1.9% in January), with the index for energy products and for unprocessed foods estimates pointing to -2.2% and +6.6%, respectively (-2.2% and +5.8% in January). Core inflation presented a rate of change of +1.9% (1.8% in January). HICP annual rate was 2.1% (1.9% in January). INE's flash estimate available [here](#).

According to INE, in January, the industrial production index recorded a y-o-y change of -2.1% (-3.3% in December 2025). Excluding Energy, this variation was -0.8% (-2.2% in December).

BUDGETARY OUTTURN

At January of 2026, the general government budget on a cash basis recorded a €1,824.3M surplus, representing an improvement of €188.4M compared to the previous year. The primary surplus reached €2,078,7M, €731.5M higher than in 2024. This outcome reflects revenue growth of 6.1%, exceeding the increase in expenditure (5.3%).

The increase in revenue was driven by social contributions (8.3%), non-tax and non-contributory revenue (11.8%) and tax revenue (2.7%). The tax revenue growth was essentially due to the performance of VAT (12.3%), mitigated by the decline in corporate income tax (-47.1%).

On the expenditure side, primary expenditure increased by 5.3%, mainly reflecting higher transfers (7.4%), compensation of employees (5.5%) and investment (25.3%).

TREASURY FINANCING

According to the Debt Management Agency (IGCP), in January 2026, the Portuguese State direct debt reached €304,242M, an increase of €10,995M compared to December 2025. This rise was mainly driven by the redemptions of short-term certificates (CEDIC), which decreased by €17,578M.

On February 18th, IGCP issued €875M of 12-month T-Bills at the weighted average interest rate of 2.0150%, and €875M of 12-month T-Bills at the weighted average interest rate of 2.013%

On February 11th, 2026, IGCP, E.P.E. auctioned €673M of PGB 3.25% 13June 2036 and €708M of PGB 1.95% 15June 2029.

GENERAL GOVERNMENT DEBT

According to Bank of Portugal (bdp), in January 2026, general government debt amounted to €280,857M, an increase of €6,081M compared to December 2025. Maastricht debt net of general government deposits stood at €259,104M, reflecting a monthly decrease of €1,822M.