

PORTUGAL

LATEST KEY DEVELOPMENTS

Sep 2026

ECONOMIC ACTIVITY

According to INE, the **net lending of the Portuguese economy** was 2.3% of the GDP in the second quarter of 2026, which represents a decrease of 0.1 p.p. compared with the previous quarter. The reduction in the economy's external balance is reflected by the overall decrease in the balances of Households and Financial Corporations. The **balance of General Government (GG) sector** stood at 0.5% of GDP in the year ending in the second quarter of 2026 (unchanged vis-à-vis the previous quarter). INE's estimate available [here](#).

Consumer confidence decreased in August and September, following an increase in the previous three months. The **economic climate indicator** decreased in September after an increase in the previous month. **Confidence indicators** increased in Services and Manufacturing Industry, while decreasing in Trade and in Construction and Public Works. INE's press release available [here](#).

LABOUR MARKET

[According to INE's provisional estimates](#), the **unemployment rate** in August stood at 5.7%, the same value as in the previous month, up from May 2026 (+0.1 p.p.) and down from August 2025 (-0.2 p.p.). Furthermore, in August, the labour underutilization rate increased by 0.1 p.p. from the previous month, standing at 9.7%.

TOURISM INDUSTRY

In August 2026, the **tourism accommodation sector** registered 3.9 million guests and 10.9 million overnight stays, resulting in y-o-y increases of 1.9% and 1.7%, respectively. Overnight stays by residents grew by 1.5% to 3.9 million, and by non-residents recorded a 1.9% growth, totalizing 7.0 million. INE's flash estimate available [here](#).

EXTERNAL ADJUSTMENT

i. International Trade

In July, **exports and imports of goods** recorded nominal y-o-y changes of +6.5% and +0.6%, respectively (+10.7% and +19.6%, respectively, in the previous month). However, when transactions without transfer of ownership (TTE) are excluded, the corresponding growth rates were greater in both flows: +7.0% in exports and +5.5% in imports (+11.7% and +16.9%, in the same order, in June). INE's press release available [here](#).

ii. Balance of Payments

In July 2026, the **current account (CA)** balance recorded a surplus of €827.70M (€1,321.10M in July 2025). The CA surplus is negatively influenced by the **balance of goods** (-€2,774.59M) and positively by the **balance of services** which registered a surplus of €3,642.24M. The **capital account** registered a surplus of €368.45M. BdP's data available [here](#).

PRICE DEVELOPMENTS

The **CPI annual rate** is estimated to have increased to 3.6% in September 2026 (3.3% in August). The annual rate of change of the index for energy products was 15.4% (12.2% in August), while the estimated rate for unprocessed food was 3.6% (3.4% in August). In September 2026, the estimated **HICP** annual rate of change remained at 3.6%. INE's flash estimate available [here](#).

[According to INE's data](#), in August, the **Industrial Production Prices Index** recorded a **y-o-y increase of 7.2%** (+1.5 p.p. than in July), mainly reflecting the increase in prices of Intermediate Goods and Energy (contributing with 6.4 p.p. combined).

BUDGETARY OUTTURN

As of August 2026, the [general government budget on a cash basis](#) recorded a €249.3M surplus, representing a decrease of €1,799.4M compared to the previous year. The primary surplus reached €5,467M, €1,309.0M less than in 2025. Excluding payments to NHS entities for debt settlement, the overall and primary balances stood at €1,675.8M and €6,894.1M, respectively. This outcome reflects expenditure growth of 10.4%, exceeding the increase in revenue of 7.9%.

The increase in **revenue** was mainly driven by social contributions (6.8%) and tax revenue (4.9%). The tax revenue growth was essentially due to the positive evolution of VAT (8.7%) and personal income tax (7.0%), partly offset by the decline in corporate income tax (-5.7%) and tax on fuels (-3.5%).

On the **expenditure** side, primary expenditure increased by 8.9%, excluding payments to NHS entities for debt settlement, mainly reflecting higher transfers (6.9%), investment (47.5%) and compensation of employees (5.5%).

TREASURY FINANCING

According to the Debt Management Agency (IGCP), in August 2026, the Portuguese **State direct debt** [reached](#) €315,856M, an increase of €890M compared to July.

On September 16, IGCP [issued](#) €2,215M of 12-month T-Bills at the weighted average interest rate of 3.103%.

On September 9, IGCP, E.P.E. [auctioned](#) €400M of PGB 3.875% 15Febr2030, €629M of PGB 2.875% 20Oct2034 and €600M of PGB 3.00% 15Jun2035, at the weighted average interest rate of 3.122%, 3.559% and 3.632%, respectively.

GENERAL GOVERNMENT DEBT

According to Bank of Portugal (bdp), in August 2026, general government debt [amounted](#) to €285.63M, an decrease of €558M compared to July. Maastricht debt net of general government deposits stood at €260,576M, reflecting a monthly decrease of €1,501M.