

August 29th 2025
 QUARTERLY NATIONAL ACCOUNTS (Base 2021)
 Second Quarter 2025

GDP IN VOLUME GREW BY 1.9% IN YEAR-ON-YEAR TERMS AND BY 0.6% COMPARING WITH THE PREVIOUS QUARTER

In the second quarter of 2025, Gross Domestic Product (GDP), in volume, recorded a year-on-year rate of change of 1.9%, 0.2 percentage points higher than that observed in the previous quarter. The negative contribution of net external demand to the year-on-year growth rate of GDP was less pronounced in the second quarter, driven by a sharper slowdown in imports of goods and services than in exports of goods and services. The positive contribution of domestic demand to the year-on-year growth rate of GDP slightly declined, from 3.7 percentage points in the first quarter to 3.6, reflecting a slowdown in investment.

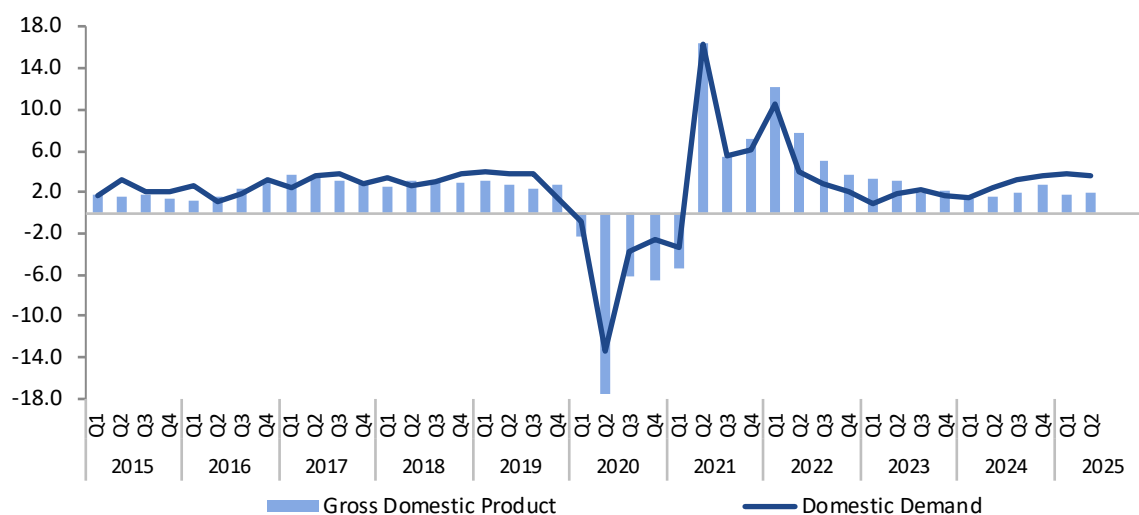
Compared to the first quarter of 2025, GDP increased by 0.6% in volume, following a 0.4% decrease in the previous quarter. The contribution of net external demand to the GDP quarter-on-quarter rate of change moved from -0.7 percentage points to -0.2 percentage points, reflecting an increase in exports of goods and services and a slowdown in imports of goods and services. In the same direction, the positive contribution of domestic demand also increased, to 0.8 percentage points (0.3 percentage points in the previous quarter), with a growth in private consumption.

Figure 1

GROSS DOMESTIC PRODUCT AND DOMESTIC DEMAND IN VOLUME (REFERENCE YEAR = 2021)

SEASONALLY AND CALENDAR ADJUSTED DATA

YEAR-ON-YEAR RATE OF CHANGE, %



IN THE SECOND QUARTER OF 2025, GDP IN VOLUME INCREASED BY 1.9% IN YEAR-ON-YEAR TERMS AND BY 0.6% COMPARED WITH THE PREVIOUS QUARTER

Preliminary GDP estimates for the second quarter of 2025 point to a year-on-year growth of 1.9% in volume, a rate 0.2 percentage points higher than in the previous quarter.

In nominal terms, GDP increased by 6.0 percent year-on-year in the second quarter (compared to 5.2% in the previous quarter), with the implicit GDP deflator recording a year-on-year rate of change of 4.1% (3.5% in the first quarter).

In the second quarter, the positive contribution of domestic demand to the year-on-year rate of change of GDP slightly declined, from 3.7 percentage points in the first quarter to 3.6.

Table 1

COMPOSITION OF GDP RATE OF CHANGE (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-Year rate of change (%)					
Domestic Demand	1.5	2.5	3.2	3.6	3.7	3.6
Exports (FOB)	1.5	3.1	4.9	3.9	1.5	0.1
Imports (FOB)	1.7	5.4	7.5	5.7	5.9	3.8
GDP	1.4	1.5	2.0	2.8	1.7	1.9
	Contributions to GDP year-on-year rate of change (percentage points)					
Domestic Demand	1.5	2.5	3.2	3.6	3.7	3.6
External Demand Balance ¹	-0.1	-1.0	-1.2	-0.8	-2.0	-1.7

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and rounding procedures.

By components of domestic demand, in volume terms, there was a slight acceleration in private consumption (includes Non-Profit Institutions Serving Households) in the second quarter, with a year-on-year growth of 3.6% (3.5% in the previous quarter). Investment recorded a less intense increase (moving from a growth rate of 6.4% in the first quarter to 5.6%). Public consumption (Final Consumption Expenditure of General Government) slightly accelerated to a growth rate of 1.4% (1.3% in the previous quarter).

Table 2

COMPOSITION OF DOMESTIC DEMAND (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-Year rate of change (%)					
Domestic Demand	1.5	2.5	3.2	3.6	3.7	3.6
Private Consumption ¹	1.6	2.4	3.8	4.9	3.5	3.6
Public Consumption ²	1.1	1.3	1.0	1.0	1.3	1.4
Investment	1.7	4.0	3.2	1.6	6.4	5.6

¹ - Final Consumption Expenditure of Resident Households and NPISHs

² - Final Consumption Expenditure of General Government

In the second quarter of 2025, the negative contribution of net external demand to the year-on-year growth of GDP was less pronounced (moving from -2.0 percentage points to -1.7), with Exports of Goods and Services growing by 0.1%, after an increase of 1.5% in the first quarter, and Imports of Goods and Services increasing by 3.8% (5.9% in the previous quarter).

Compared to the previous quarter, GDP increased by 0.6% in volume, following a decrease of 0.4% in the previous quarter. The positive contribution of domestic demand increased to 0.8 percentage points (0.3 percentage points in the previous quarter), reflecting an increase in private consumption. The contribution of net external demand to the quarter-on-quarter GDP growth rate moved from -0.7 percentage points to -0.2 percentage points, due to an increase in Exports of Goods and Services and a less intense growth in Imports of Goods and Services.

Table 3

COMPOSITION OF GDP RATE OF CHANGE (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Quarter-on-quarter rate of change (%)					
Domestic Demand	0.1	0.9	1.8	0.7	0.3	0.8
Exports (FOB)	2.0	1.6	-0.4	0.6	-0.4	0.2
Imports (FOB)	0.9	2.8	2.6	-0.7	1.1	0.7
GDP	0.6	0.4	0.4	1.4	-0.4	0.6
Contributions to GDP quarter-on-quarter rate of change (percentage points)						
Domestic Demand	0.1	0.9	1.8	0.7	0.3	0.8
External Demand Balance ¹	0.5	-0.5	-1.4	0.6	-0.7	-0.2

¹ - External Demand Balance (Exports less Imports)

- Differences may occur due to non-additivity of chain-linked volume data and rounding procedures.

FINAL CONSUMPTION EXPENDITURE OF RESIDENT HOUSEHOLDS

Final consumption expenditure of Resident Households, in volume terms, grew by 3.6% in year-on-year terms in the second quarter (3.5% in the previous quarter). Expenditure on durable goods component moved from a growth rate of 4.5% to 7.9%, while the non-durable goods and services slowed down from a year-on-year growth of 3.4% to 3.2% in the second quarter.

Table 4

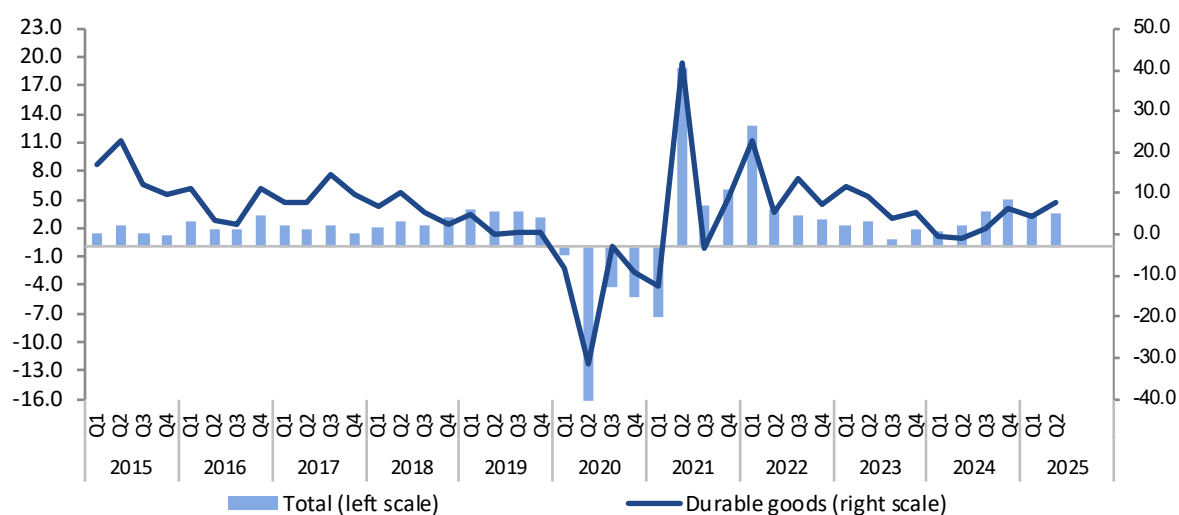
FINAL CONSUMPTION EXPENDITURE OF RESIDENT HOUSEHOLDS (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-year rate of change (%)					
Total	1.6	2.4	3.8	5.0	3.5	3.6
Durable Component	-0.6	-1.1	1.4	6.3	4.5	7.9
Non-Durable Component	1.8	2.8	4.1	4.9	3.4	3.2
Of which:						
Food and beverage product	1.9	2.0	2.2	3.1	2.0	2.9

Figure 2

FINAL CONSUMPTION EXPENDITURE OF RESIDENT HOUSEHOLDS, VOLUME (REFERENCE YEAR=2021)

YEAR-ON-YEAR RATE OF CHANGE, %



Compared to the first quarter, final consumption expenditure of Resident Households increased by 0.9% (quarter-on-quarter rate of change of -1.0% in the previous quarter), reflecting increases of 0.8% in the non-durable goods and services component and of 1.9% in the durable goods component (decreases of 0.8% and 2.9% in the previous quarter).

Table 5

FINAL CONSUMPTION EXPENDITURE OF RESIDENT HOUSEHOLDS (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Quarter-on-Quarter rate of change (%)					
Total	0.4	0.8	0.8	2.8	-1.0	0.9
Durable Component	-1.2	-1.3	2.4	6.4	-2.9	1.9
Non-Durable Component	0.6	1.1	0.7	2.5	-0.8	0.8
Of which:						
Food and beverage products	0.9	0.6	0.8	0.7	-0.1	1.5

INVESTMENT

In the second quarter, Investment in volume terms recorded a year-on-year growth of 5.6%, decelerating from the 6.4% increase observed in the previous quarter. This reflected a less pronounced contribution of Changes in Inventories to the year-on-year rate of change of GDP, which stood at +0.5 percentage points in the second quarter, compared to +0.8 percentage points in the previous quarter. In turn, Gross Fixed Capital Formation (GFCF) accelerated from a growth rate of 2.6% in the first quarter to 3.1%.

Table 6

GROSS FIXED CAPITAL FORMATION (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-year rate of change (%)					
Total	1.0	2.9	5.7	2.9	2.6	3.1
Of which:						
Transport Equipment	0.9	26.1	2.1	0.6	-1.9	-8.2
Other Machinery and Equipment ¹	1.6	3.8	20.5	0.8	1.7	-0.2
Construction	0.5	-0.2	1.2	4.2	3.4	5.7
Intellectual Property Products ²	1.8	2.4	2.6	3.2	3.5	5.3

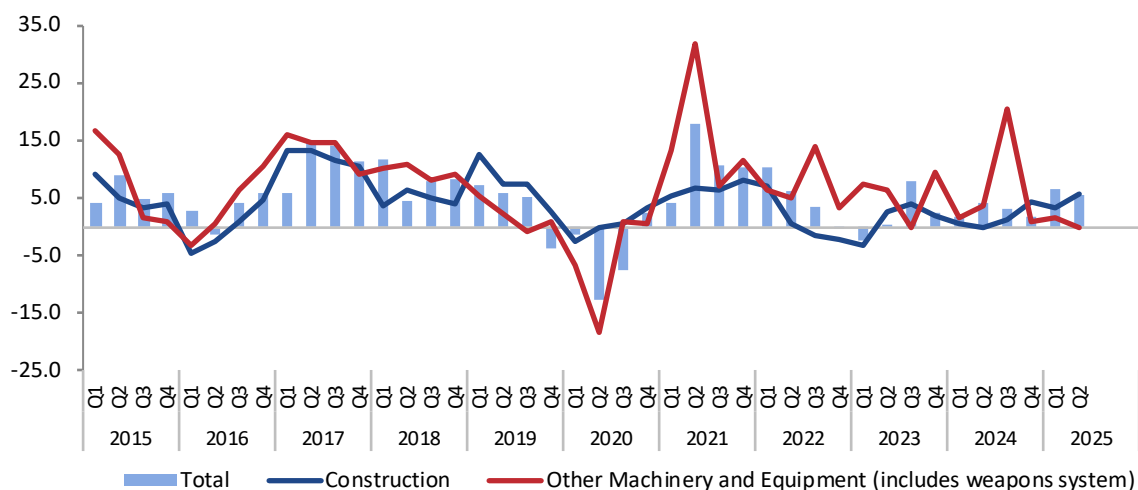
¹ - Includes weapon systems; ² - includes Research and Development (R&D)

GFCF in Construction recorded a year-on-year growth of 5.7%, following a rate of 3.4% in the first quarter. GFCF in Intellectual Property Products also accelerated, registering a year-on-year growth of 5.3% in the second quarter (3.5% in the previous quarter). In contrast, GFCF in Transport Equipment decreased by 8.2% year-on-year in the second quarter (a reduction of 1.9% in the previous quarter), and GFCF in Other Machinery and Equipment declined by 0.2% in the second quarter compared to the same period of the previous year, after a growth of 1.7% in the previous quarter.

Figure 3

INVESTMENT, VOLUME (REFERENCE YEAR = 2021)

YEAR-ON-YEAR RATE OF CHANGE, %



Comparing with the first quarter of 2025, total Investment in volume, increased by 0.8% (quarter-on-quarter growth rate of 4.1% in the previous quarter), with a contribution of -0.2 percentage points from Changes in Inventories to the quarter-on-quarter GDP growth rate, after a contribution of +1.2 percentage points in the previous quarter. It should be noted that the contribution observed in the previous quarter was associated with the growth in goods imports, reflecting a restocking effect. In turn, GFCF recorded a quarter-on-quarter growth rate of 2.1%, after a 2.1% decline in the first quarter.

Table 7

GROSS FIXED CAPITAL FORMATION (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Quarter-on-Quarter rate of change (%)					
Total	-1.7	1.6	4.0	-0.8	-2.1	2.1
Of which:						
Transport Equipment	-5.3	9.4	-4.6	1.9	-7.7	2.4
Other Machinery and Equipment ¹	-4.2	1.7	14.2	-9.4	-3.3	-0.2
Construction	-0.9	0.6	2.0	2.5	-1.7	2.9
Intellectual Property Products ²	0.8	0.8	0.8	0.9	1.1	2.5

¹ - Includes weapon systems; ² - includes Research and Development (R&D)

EXPORTS AND IMPORTS OF GOODS AND SERVICES

Exports of Goods and Services, in volume, recorded a year-on-year rate of change of 0.1% in the second quarter (1.5% in the previous quarter), with a slowdown in the goods components, from a rate of change of 1.0% in the first quarter to 0.5%, and a decrease in the service components of 0.6%, following a 2.4% growth in the previous quarter.

In the second quarter, Imports of Goods and Services, in volume, increased by 3.8% in year-on-year terms (5.9% in the previous quarter), with the goods component decelerating to a rate of 5.1% (6.7% in the previous quarter) and the services component shifting from a growth of 2.6% in the first quarter to a decrease of 1.7%.

Table 8

EXPORTS AND IMPORTS (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-year rate of change (%)					
Exports	1.5	3.1	4.9	3.9	1.5	0.1
Goods (FOB)	1.3	3.3	5.3	5.0	1.0	0.5
Services	1.9	2.8	4.1	2.0	2.4	-0.6
Imports	1.7	5.4	7.5	5.7	5.9	3.8
Goods (FOB)	2.3	5.1	8.1	6.9	6.7	5.1
Services	-0.7	6.5	4.8	0.6	2.6	-1.7

Compared to the previous quarter, total exports, in volume, increased by 0.2% (decrease of 0.4% in the previous quarter), with a 1.0% growth in the goods component and a 1.1% decrease in the services component (rates of -1.1% and +0.9% in the first quarter). Total imports recorded a quarter-on-quarter rate of change of 0.7% in the second quarter (1.1% in the previous quarter), with an increase of 0.8% in the goods component and 0.6% in the services component.

Table 9

EXPORTS AND IMPORTS (VOLUME)

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Quarter-on-Quarter rate of change (%)					
Exports	2.0	1.6	-0.4	0.6	-0.4	0.2
Goods (FOB)	2.8	1.4	-0.2	0.8	-1.1	1.0
Services	0.6	2.0	-0.7	0.2	0.9	-1.1
Imports	0.9	2.8	2.6	-0.7	1.1	0.7
Goods (FOB)	1.3	2.3	3.4	-0.3	1.1	0.8
Services	-0.9	5.0	-0.8	-2.5	1.1	0.6

In the second quarter, there was an increase in the terms of trade gains, in contrast to the evolution observed in the last two quarters. The deflator of Imports of Goods and Services shifted from an increase of 0.5% in year-on-year terms in the first quarter to a decrease of 1.5%, partly due to the effect of the reduction in the price of energy goods. The deflator of Exports of Goods and Services registered a year-on-year rate of change of 0.4%, a rate 0.5 percentage points lower than that recorded in the previous quarter.

Table 10

EXPORTS AND IMPORTS OF GOODS (FOB) AND SERVICES IMPLICIT DEFLATORS

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-year rate of change (%)					
Exports	0.1	1.1	1.1	0.7	0.9	0.4
Imports	-3.8	-1.9	-2.0	-1.5	0.5	-1.5
Terms of Trade	4.0	3.0	3.2	2.2	0.4	1.9

In nominal terms, the external balance of Goods and Services stood at 1.1% of GDP in the second quarter, which compares with 0.7% of GDP in the previous quarter and 2.0% of GDP in the second quarter of 2024.

GROSS VALUE ADDED (GVA) AT BASIC PRICES

In the second quarter of 2025, GVA at base prices recorded a year-on-year growth of 2.1% in volume (1.5% in the previous quarter).

Table 11

GROSS VALUE ADDED, VOLUME (REFERENCE YEAR = 2021)

	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-Year rate of change (%)				
GVA at basic prices	1.2	1.8	2.4	1.5	2.1
Agriculture, Forestry and Fishing	3.8	2.7	2.1	0.1	-0.7
Industry	-1.0	1.0	2.4	-0.6	1.3
Energy, Water Supply and Sewerage	6.6	3.3	2.3	3.2	1.4
Construction	1.5	1.4	1.2	0.3	2.0
Trade, Repair of Vehicles; Accommodation and Food Services	0.4	1.9	2.3	0.2	2.1
Transportation and Storage; Information and Communication	2.7	4.4	3.5	3.7	3.5
Financial, Insurance and Real Estate Activities	1.5	1.4	1.7	1.5	1.7
Other Services Activities	1.4	1.3	2.6	2.7	2.6
Taxes less subsidies on products	3.7	2.1	5.0	2.6	1.4

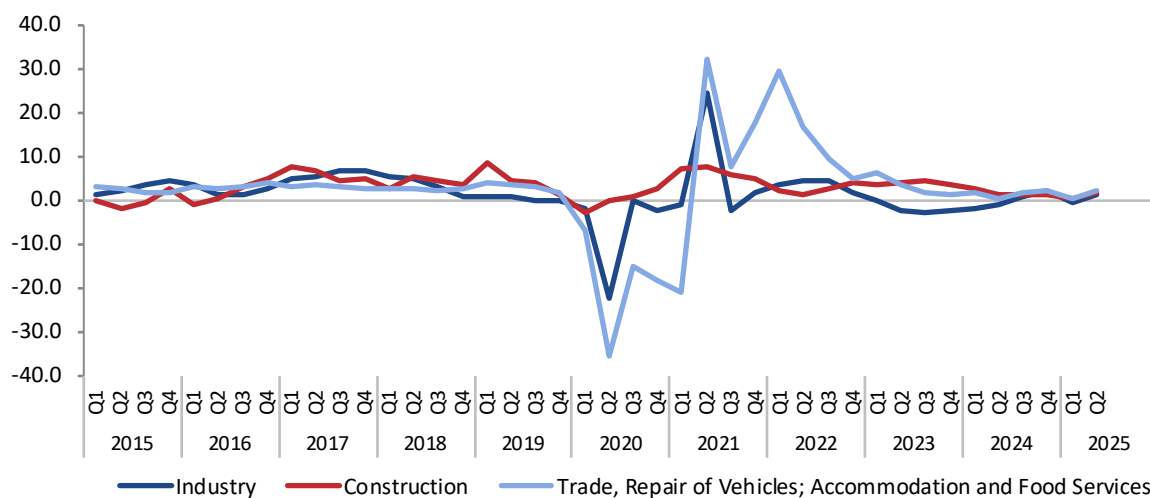
In the second quarter, GVA of the Industry Activities increased by 1.3% in year-on-year terms, after a 0.6% decrease in the first quarter, with its contribution to the year-on-year growth rate of GVA (including taxes net of subsidies) shifting from -0.1 percentage points in the first quarter to +0.2. In the same direction, GVA of the Trade and Repair of Vehicles and Accommodation and Food Service Activities accelerated to a year-on-year rate of change of 2.1% (0.2% in the first quarter), recording a contribution to the year-on-year growth rate of GVA of 3.0 percentage points (null contribution in the first quarter).

Taxes less Subsidies on Products in volume grew by 1.4% in year-on-year terms in the second quarter, after an increase of 2.6% in the previous quarter.

Figure 4

GROSS VALUE ADDED, VOLUME (REFERENCE YEAR=2021)

YEAR-ON-YEAR RATE OF CHANGE, %



EMPLOYMENT

In the second quarter, total employment (measured in number of persons and seasonally adjusted) for all sectors of economic activity increased by 1.7% year-on-year (1.5% in the previous quarter). The number of employees (also seasonally adjusted) registered a year-on-year growth of 1.6%, after the 1.2% increase observed in the previous quarter.

Considering employment measured in terms of hours worked, there was a year-on-year increase of 1.1% in the second quarter (1.5% in the previous quarter).

Table 12

EMPLOYMENT – QUARTERLY NATIONAL ACCOUNTS

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Year-on-Year rate of change (%)					
Employment						
Persons	1.6	1.4	1.8	1.6	1.5	1.7
Hours worked	-0.5	0.5	0.0	1.9	1.5	1.1
Employees						
Persons	2.0	1.3	1.2	1.1	1.2	1.6
Hours worked	0.4	1.5	-0.2	2.1	1.0	0.7

Compared to the previous quarter, total employment (measured in number of persons) grew by 0.4% in the second quarter, as the number of working hours remained unchanged (rates of change of 0.3% and -0.4%, respectively, in the first quarter).

Table 13

EMPLOYMENT – QUARTERLY NATIONAL ACCOUNTS

	1Q 24	2Q 24	3Q 24	4Q 24	1Q 25	2Q 25
	Quarter-on-Quarter rate of change (%)					
Employment						
Persons	0.5	0.2	0.5	0.5	0.3	0.4
Hours worked	0.0	0.3	-0.3	1.9	-0.4	0.0
Employees						
Persons	0.2	0.1	0.2	0.5	0.3	0.6
Hours worked	0.3	0.3	-0.5	1.9	-0.8	0.0

In the second quarter, productivity measured by the ratio between GDP in volume and the number of employed persons increased by 0.2% in year-on-year terms, similar to the previous quarter, while the productivity measured by the number of hours worked registered a rate of change of 0.7% (0.2% in the first quarter).

METHODOLOGICAL NOTE

Revisions:

Regarding Flash estimates and QNA for the previous quarter, current QNA incorporate new information, leading to revisions in some aggregates for the most recent quarters. In particular, the information coming from:

- The latest version for the short-term indicators (retail trade turnover, production in construction, industry turnover, industrial production, industrial producer prices, services turnover and services production prices);
- The latest information of the Balance of Payments and the Monetary and Financial Statistics compiled by the Bank of Portugal.
- The June 2025 preliminary version of the international goods trade statistics. In what concerns, the deflators for external trade of goods for the second quarter of 2025, the Unit Value Quarterly Indices were used, calculated based on the statistics of the International Trade of goods related June 2025. It should be noticed that this information was not available when the flash estimates were compiled.

Comparing with the flash estimate for the second quarter previously released by Statistics Portugal on July 30, the incorporation of the new data mentioned above implied no revisions in the GDP rates of change.

Following the usual National Accounts production calendar, the release of final Annual Accounts for 2023 and provisional for 2024 will lead to a revision of the Quarterly National Accounts series. These revisions will be published on September 23 in the National Accounts section of the Statistics Portugal website, along with the publication of the National Accounts by Institutional Sector for the second quarter of 2025.

Methodological aspects:

The volume data presented in this press release is chain-linked, with 2021 as reference year. GDP quarterly aggregates for demand and production approaches are estimated using seasonally and calendar effects adjusted quarterly indicators. The seasonal adjustment procedure used is indirect, i.e. seasonally adjusted GDP is the sum of its seasonally and calendar effects adjusted components. This procedure is based on probabilistic models estimated using the X-13 Arima software. As a result,, the estimated figures are subject to minor revisions as new observations become available.

It should be noted that in the concept of employment underlying the National Accounts, only individuals who work in resident production units (domestic employment) are counted, that is, total employment includes individuals who carry out a productive activity included within the scope of production limits of national accounts. This concept is not exactly coincident with that of the Labour Force Survey. In effect, National Accounts follow the concept of domestic employment, considering resident and non-resident individuals employed in resident production units, while in the Labour Force Survey, the concept of employment covers resident individuals employed by resident

production units and non-residents. In addition, the employment data of Quarterly National Accounts are adjusted for seasonal fluctuations, so the published employment levels differ from those in the Labour Force Survey.

Reference date of the primary data used:

These estimates incorporate primary information available until August 27th, 2025.

ACRONYMS AND ABBREVIATIONS

NPISH – Non-Profit Institutions Serving Households

Gross Capital Formation (Investment); includes: Gross Fixed Capital Formation (GFCF), Acquisitions less Disposals of Valuables and Changes in Inventories

Exports (FOB) – Exports of Goods at FOB (Free On Board) prices and Services

Imports (FOB) – Imports of Goods at FOB (Free On Board) prices and Services

GDP – Gross Domestic Product at market prices

GVA – Gross Value Added at basic prices

ESA – European System of National and Regional Accounts

QNA – Quarterly National Accounts

Next press release - National Accounts by Institutional Sector for the second quarter of 2025 are scheduled for September 23rd, 2025.
