

PORTUGAL

LATEST KEY DEVELOPMENTS

APR 2025

ECONOMIC ACTIVITY

In the first quarter of 2025, **real GDP** experienced a y-o-y increase of 1.6% (2.8% in the previous quarter). The deceleration in private consumption was a significant factor behind the decline in the positive contribution of domestic demand. Additionally, a slowdown in both services and goods exports led to a more negative impact from net external demand. INE's release available [here](#).

Consumer confidence decreased in March and April, after increasing in the two previous months, registering its lowest value since March 2024. The **confidence indicators** increased in the Manufacturing Industry, stabilized in Trade and decreased in Construction and Public Works and in Services. INE's press release available [here](#).

LABOUR MARKET

According to INE estimates, the **unemployment rate** in March stood at 6.5%, the same as the last month, January 2025 and March 2024. Furthermore, in March, the unemployed population was 358.7 thousand people in a labour force of about 5.5 million people (16 to 74 years).

TOURISM INDUSTRY

In March 2025, the **tourism accommodation sector** registered 2.3 million guests and 5.6 million overnight stays, resulting in y-o-y decreases of 0.1% and 3%, respectively. The changing calendar impacted March's results, particularly due to the timing of Carnival and Easter. This year, Carnival was in March, whereas last year it was in February. Easter is in April this year but in 2024 was mainly concentrated in March. INE's flash estimate available [here](#).

EXTERNAL ADJUSTMENT

i. International Trade

In the first quarter of 2025, according to [INE's flash estimate](#), **exports and imports** increased y-o-y by 7.8% and 7.1%, respectively, in nominal terms and compared to the same period of 2024. Transactions of goods increased for the third consecutive quarter, accelerating from the previous one, which had recorded y-o-y variations of 3.9% in exports and 6.2% in imports. INE's press release available [here](#).

ii. Balance of Payments

In February 2025, in cumulative terms, the **current account** balance stood at €468.69M (€1,037.94M in 2024). The current account deficit is negatively influenced by the **balance of goods** (-4,122.15M) and positively by the **balance of services** which registered a surplus of €4,290.41M. The **capital account** registered a surplus of €319.56M. BdP's data available [here](#).

PRICE DEVELOPMENTS

The **CPI annual rate** is estimated to have increased to 2.1% in April 2025 (1.9% in March). The annual rate of change of the index for energy products decreased to -0.1% (0.1% in March), while the estimated rate for unprocessed food increased to 3.3% (2.8% in the previous month). In April 2025, the estimated **HICP** annual rate of change was 2.1% in Portugal (1.9% in March). INE's flash estimate available [here](#).

According to INE's data, in March, the **Industrial Production Prices Index** recorded a y-o-y decrease of 1.4% (-0.2% in February 2025), mainly reflecting the decrease in prices of Non-Durable Consumer Goods, driven by the drop in olive oil production prices. Excluding the Energy grouping, industrial production prices also fell by 1.4% (the same value in the previous month).

BUDGETARY OUTTURN

At the end of March 2025, the [general government budget on a cash basis](#) recorded a €1,592.3M surplus, €1,715.8M more than at the end of March 2024. This evolution is justified by a higher increase in revenue (9.6%) compared to expenditure (2.9%). The primary surplus reached €2,836.8M, €1,559.6M more compared to the same period of last year.

The increase in **revenue** is mainly driven by tax revenue (11.7%) and social contributions (8.2%). The growth in tax revenue is essentially due to the performance of VAT (17.6%), followed by PIT (4.8%), the tax on oil and energy products (ISP) (13.7%), and the tobacco tax (43.2%).

On the **expenditure** side, the increase is mainly driven by the compensation of employees (9.0%). This increase reflects the implementation of remuneration enhancement measures covering most public sector workers.

TREASURY FINANCING

According to the Debt Management Agency (IGCP), at the end of March 2025, the Portuguese **State direct debt** [reached](#) €294,648M before exchange rate hedging, less €1,699M than in the previous month. This decrease was mainly driven by a €2,397M reduction in CEDIC and a €1,015M increase in Treasury Bonds.

On April 16th, 2025, IGCP [issued](#) €1,250M of 12-month T-Bills at the weighted average interest rate of 1.974%.

On the 9th of April, IGCP, E.P.E. [auctioned](#) €461M of PGB 3.875%15Feb2030 and €586M of PGB 4.10%15Apr2037.

GENERAL GOVERNMENT DEBT

According to BdP, at the end of march, **general government debt** [amounted](#) to €278,262M, more €1,031M compared to february 2025. **Maastricht debt net of deposits** of the general government stood at €259,477M, which represents a monthly decrease of €235m.