

## Employment and Training Report – January/June 2021

At the end of Q2 2021, practically a year and a half after the COVID-19 pandemic began, and now that we are on a path to recovery, we are starting to see the main economic effects of the pandemic in both Portugal and the EU-27. However, after successive reductions in wealth creation compared to the equivalent pre-pandemic values, Portugal is presenting the first signs of economic recovery, namely in the form of a positive variation in its Gross Domestic Product for Q2 2021.

In Portugal, the expenditure categories with the greatest variations for the period (i.e. from Q1 2020 to Q2 2021) most notably include Imports and Exports of Goods and Services, which experienced extremely large falls in Q2 2020. On the contrary, the final consumption figures for the various public administrations proved more stable, especially bearing in mind the urgent needs generated by the successive general lockdowns and the whole range of measures designed to support workers' incomes and ensure the survival of enterprises.

With regard to the annual variation in GDP – i.e. the wealth created in 2020 (the last available year) compared to that created in 2019 – we should note that the final government spending on consumption in 2020 was the only area where the rate was positive (+0.4%), as opposed, for example, to the external trade accounts – Imports and Exports – which fell by -12.1% and -18.6% respectively. Overall, it is estimated that the Portuguese economy contracted by -8.4% in 2020, thus exceeding the negative value for the EU-27 as a whole (-5.9%).