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# Jan-Mar 2025 1st Preliminary GDP Estimate

**Despite growth in private sector demand, real GDP registers negative growth for the first time in four quarters due to a decline in net exports and other factors**

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## Summary

- The real GDP growth rate for Jan-Mar 2025 (1st preliminary est) was down by -0.7% q/q annualized (-0.2% q/q), the first time in four quarters it has registered negative growth. The main reason was a decline in net exports, though at the same time, private sector demand experienced growth. However, rising food prices have had an impact on personal consumption, with the pace of recovery in consumption slowing further and causing sluggish growth.
- Our outlook for the real GDP growth rate in the Apr-Jun period sees growth at the lower end of the +0% q/q annualized level (around +0.1% q/q). Depending on the direction of the Trump administration's high tariff policy and the extent of its impact on economic activity both domestically and overseas, negative growth is possible for two consecutive quarters. Due to the strong sense of uncertainty about the future, households and corporations will have no choice but to be cautious in their economic activities, hence GDP for the Apr-Jun period is likely to show strong signs of stagnation.

Jan-Mar 2025 GDP (1<sup>st</sup> Preliminary Estimate)

## Chart 1

		2024				2025
		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Real GDP	Q/q %	-0.4	0.9	0.2	0.6	-0.2
Annualized	Q/q %	-1.6	3.8	1.0	2.4	-0.7
Private consumption	Q/q %	-0.6	0.8	0.7	0.1	0.0
Private residential investment	Q/q %	-3.2	1.2	0.7	-0.2	1.2
Private non-residential investment	Q/q %	-1.1	1.4	0.1	0.8	1.4
Change in private inventories (contribution to real GDP growth)	Q/q % pts	0.2	0.1	0.1	-0.3	0.3
Government consumption	Q/q %	0.3	0.9	0.1	0.3	-0.0
Public investment	Q/q %	-2.2	5.7	-1.1	-0.7	-0.4
Exports of goods and services	Q/q %	-3.6	1.5	1.2	1.7	-0.6
Imports of goods and services	Q/q %	-3.7	2.7	2.2	-1.4	2.9
Domestic demand (contribution to real GDP growth)	Q/q % pts	-0.5	1.2	0.5	-0.1	0.7
Foreign demand (contribution to real GDP growth)	Q/q % pts	0.1	-0.3	-0.3	0.7	-0.8
Nominal GDP	Q/q %	0.0	2.4	0.5	1.2	0.8
Annualized	Q/q %	0.1	10.0	2.2	4.8	3.1
GDP deflator	Q/q %	0.4	1.4	0.3	0.6	0.9
	Y/y %	3.1	3.1	2.4	2.9	3.3

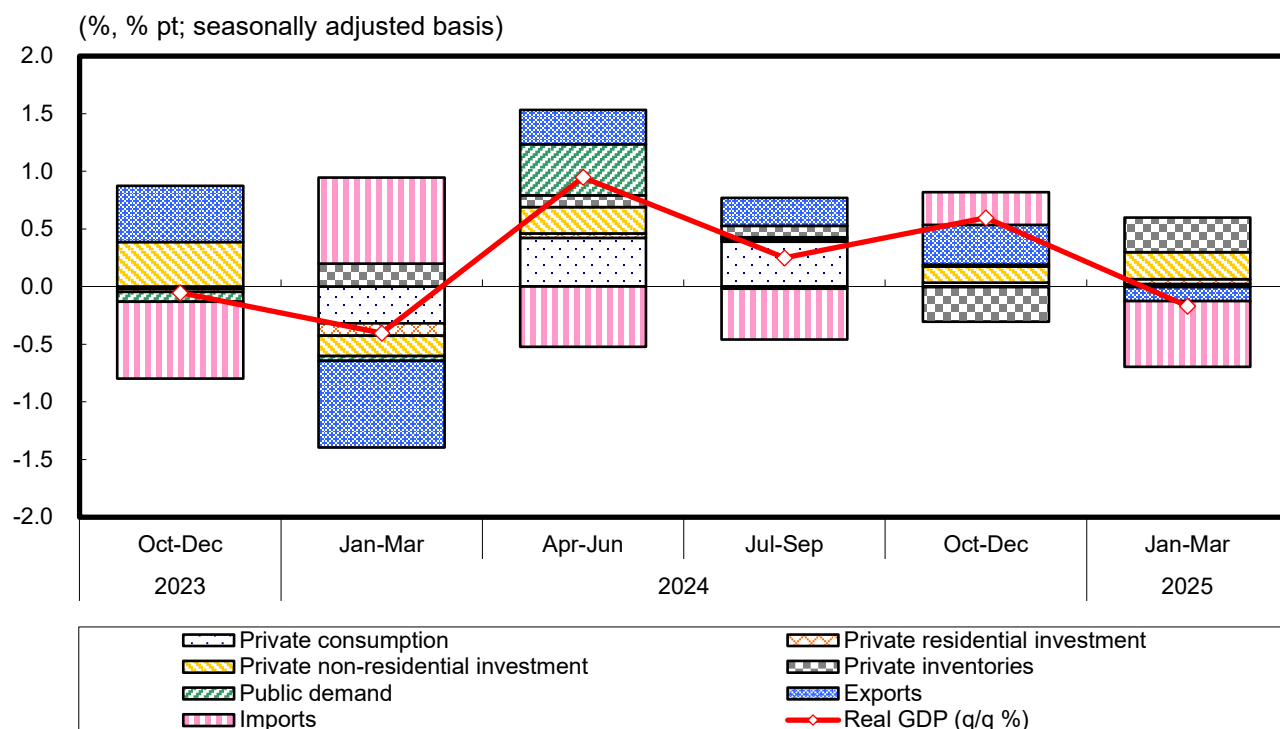
Source: Cabinet Office; compiled by DIR.

Notes: 1) Due to rounding, contributions do not necessarily conform to calculations based on figures shown.

2) Q/q figures are on a seasonally adjusted basis.

## Contribution to Real GDP

## Chart 2



Source: Cabinet Office; compiled by DIR.