Sovereign Outlook 2026

Europe showing resilience but significant risks ahead

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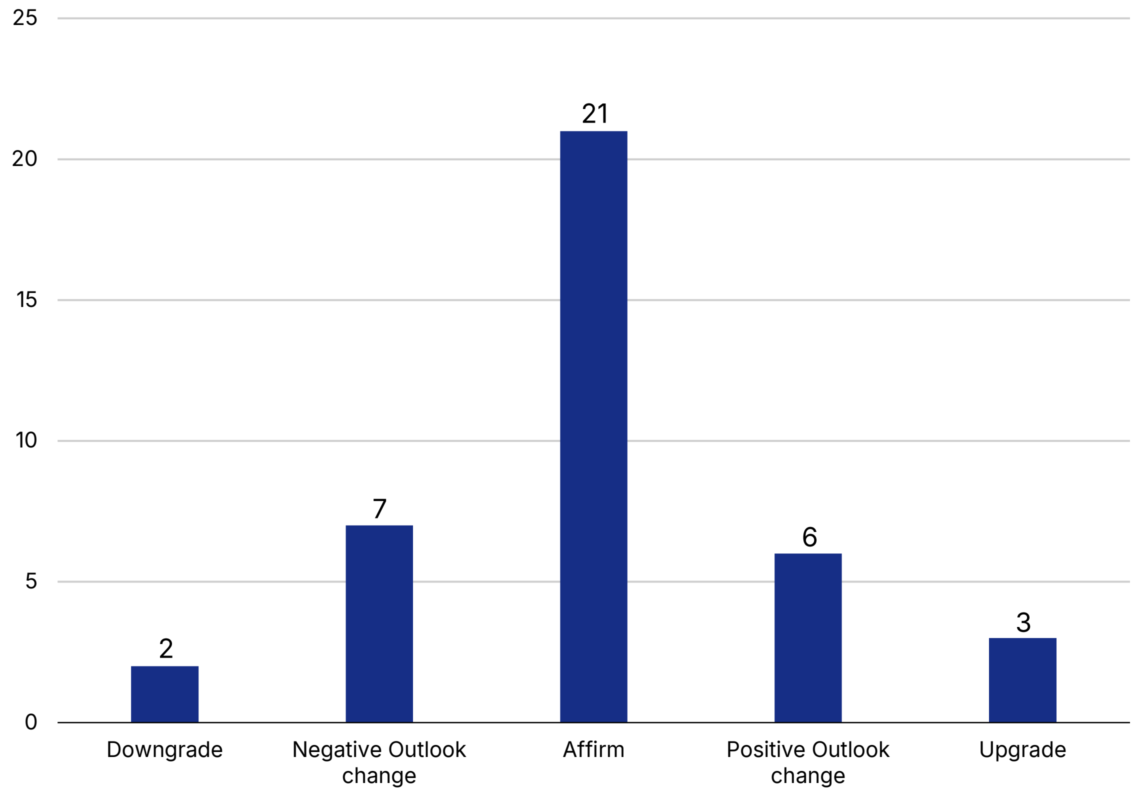
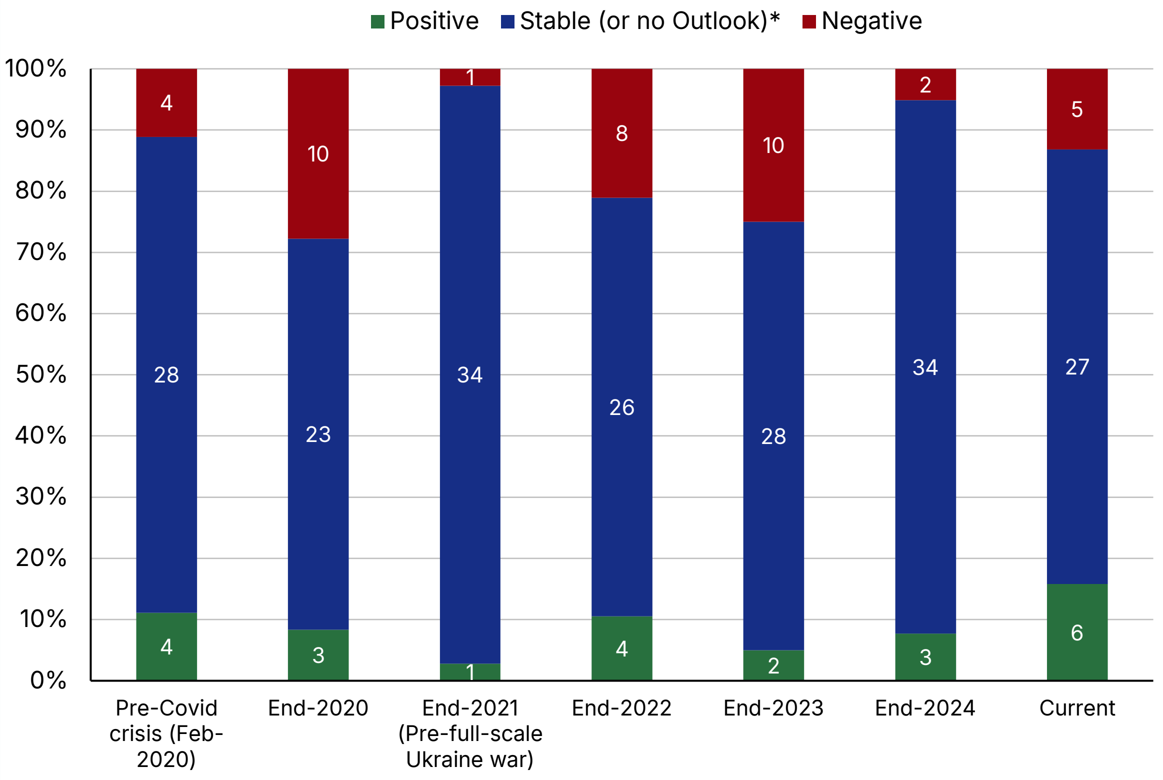
Scope's sovereign rating portfolio

- In 2025, of 38 publicly rated sovereigns, we upgraded three, downgraded two, revised the Outlook upwards for six and downward for seven.
- The current portfolio has five sovereigns on a Negative Outlook (AT, FI, FR, SK, GE) and six on a Positive Outlook (CY, ES, GR, HR, IT, PT)

Sovereign rating actions in 2025



Sovereign rating outlooks*

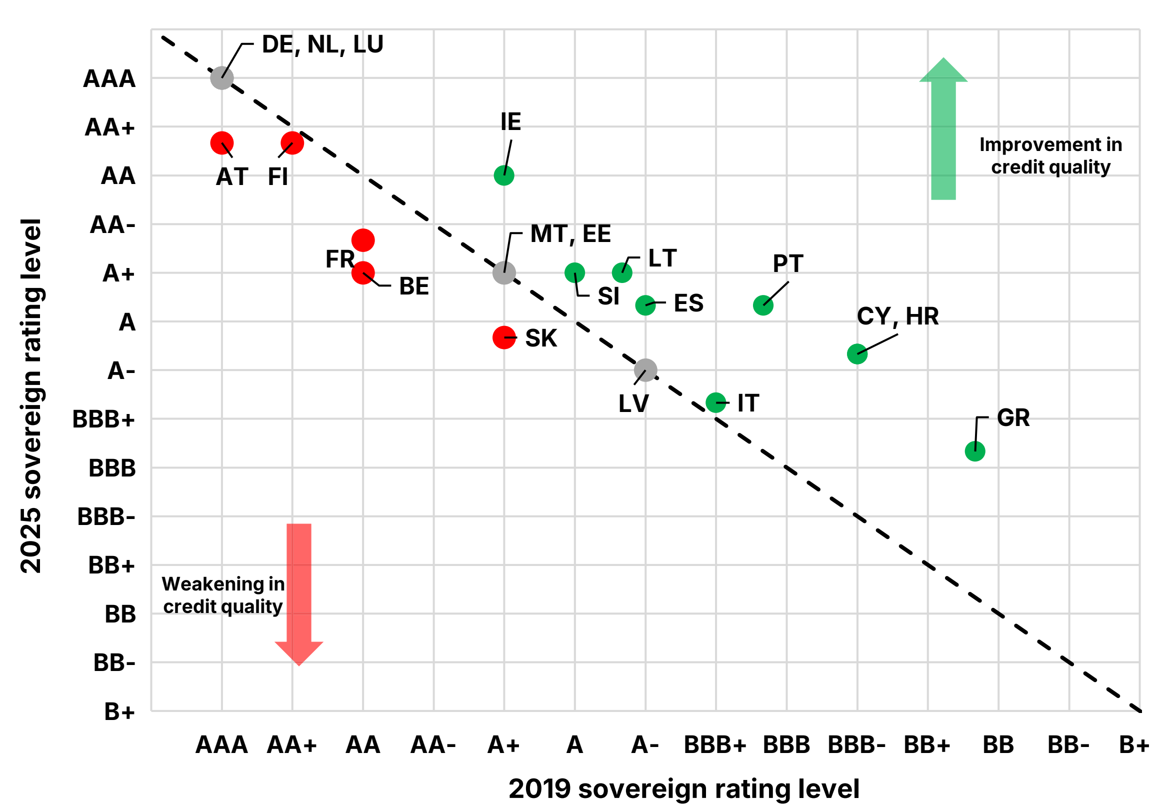


*as of 24 November 2025. No rating Outlook currently assigned on Ukraine in selective default. Displayed are Outlooks on long-term issuer ratings in foreign currency. Source: Scope Ratings

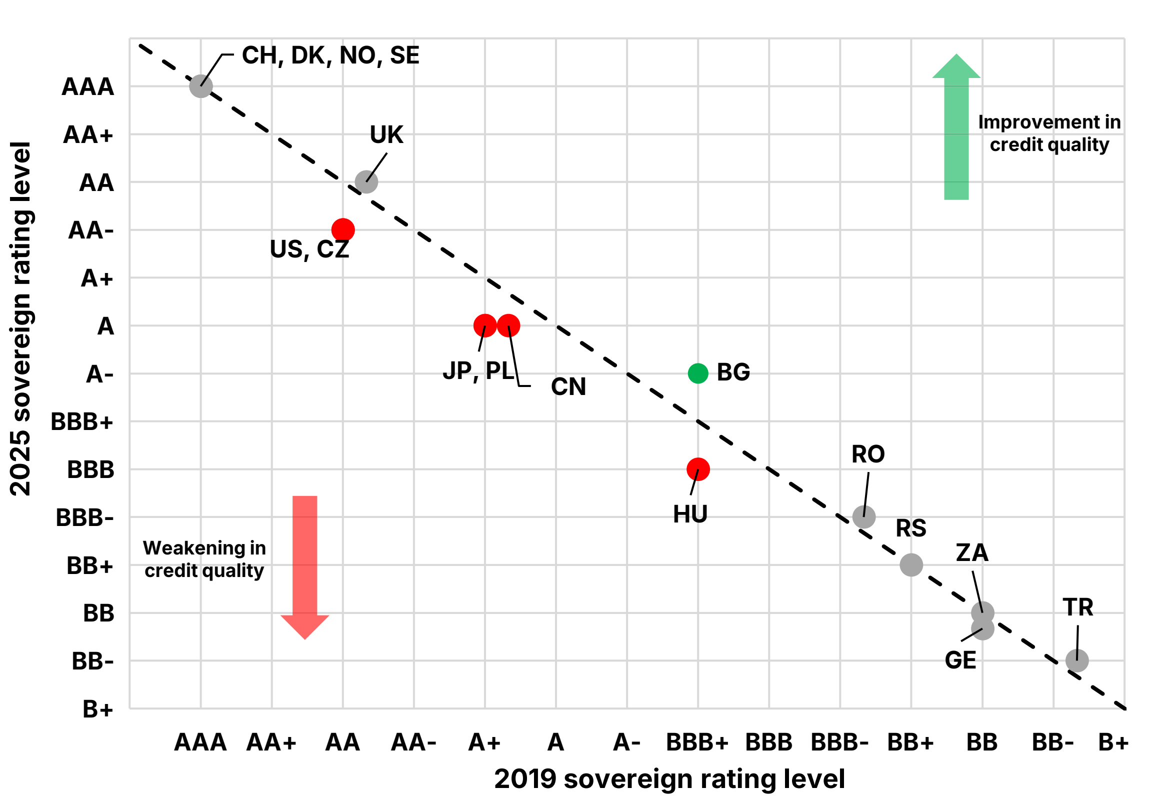
Rating convergence since 2019

- Upside pressure on previously lower rated sovereigns: GR, PT, IT, CY, ES, IE: political stability, growth momentum, ongoing fiscal consolidation
- Downside pressure: AT, FI, FR, BE, US: sustained structural fiscal pressures, complicated governance, insufficient reform

EA sovereign ratings End-2019 vs Latest 2025



Non-EA sovereign ratings End-2019 vs Latest 2025



Source: Scope Ratings

Negative sovereign outlook for 2026

- Geopolitical tensions will remain a key external risk for sovereign ratings in 2026
- Increased political polarisation weakens long-term reform momentum, posing a challenge to countries facing significant structural fiscal pressures
- The significant risks outweigh possible positive impacts from stronger growth and some pockets of fiscal resilience in the EU

Geopolitical tensions

United States: foreign policy enforcement through tariffs, sanctions and reallocating defence priorities

China: control of rare earth minerals gives leverage over global supply chains; increase in high-value goods production challenges established players

Russia: increased focus on hybrid warfare against European countries; evolution of Russia-Ukraine war key for European sovereigns

Political polarisation

Key elections: Hungary and US mid-terms in 2026; France, Spain, Poland, Italy in 2027

Political polarisation in Europe including growing public support for political extremes weighs on structural reform drive

Weakened US governance reduces predictability and stability of US policymaking; increased risk of policy missteps; Fed governance and mid-term elections key for US Outlook

Fiscal challenges

Europe: high spending pressure on defence, ageing and interest; high and/or rising public debt ratios; challenges implementing necessary structural reform

United States: government shutdowns likely in 2026; deteriorating public finances only partially offset by tariff revenues; constrained budgetary flexibility

China: high fiscal stimulus and spending pressures lead to a sharp increase in public debt; continued weakness in the real estate sector

Stronger growth

EU reform agenda: deepening the single market, enhancing energy market integration, and structural reforms under NGEU could support growth

AI investments: adoption could support stronger productivity growth globally

Deregulation: the strong focus on deregulation in the US could accelerate similar reforms in other jurisdictions

Pockets of fiscal resilience

EU resilience: several European sovereigns continue to benefit from past reforms, leading to a sustained decline in public debt ratios; EU-based funding programmes can reduce funding costs of member states facing high yields in financial markets

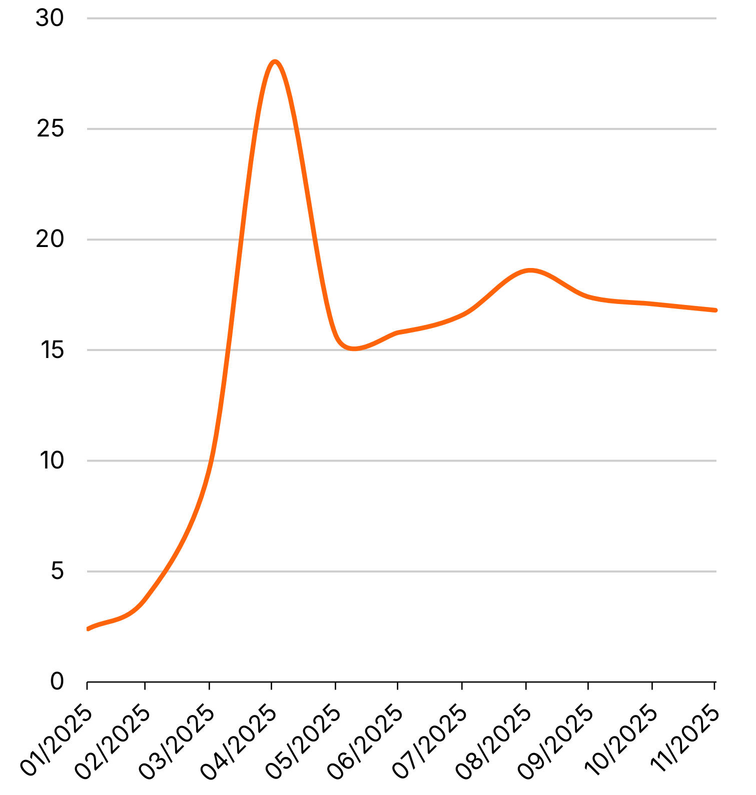
Fiscal space: While facing significant structural pressures, some European economies still have significant fiscal space

1. Geopolitics – economic competition and military tensions

United States' shifting policy stance

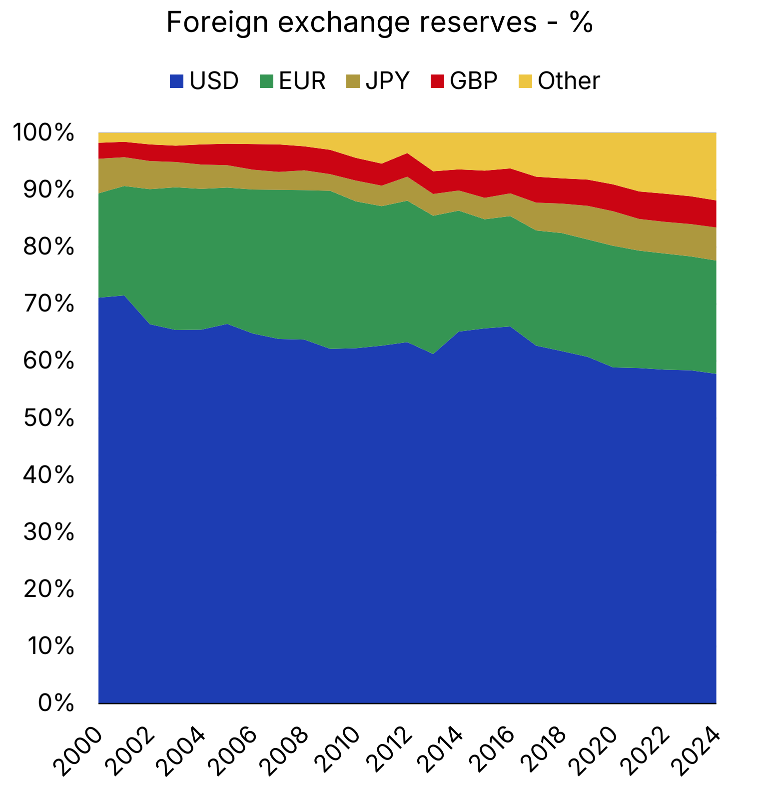
- ➢ Reshaping international trade order with volatile policymaking regarding tariffs and international sanctions
- ➢ Testing resilience of security commitment vis-à-vis Europe

Average effective tariff rate on US imports



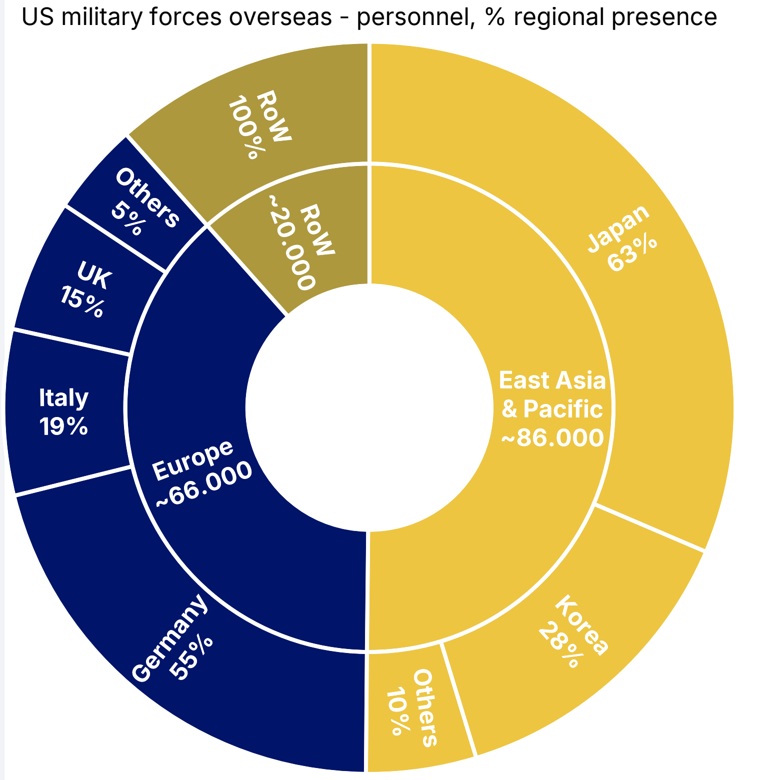
Source: The Budget Lab at Yale

USD reserve currency status



Source: IMF COFER

Defence commitments to allies

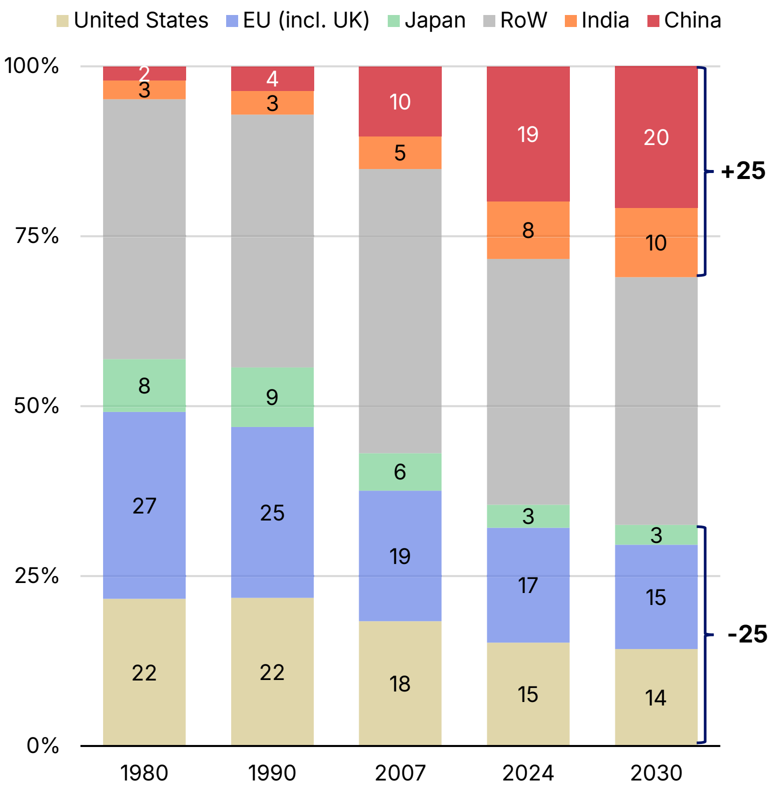


Source: Defence Manpower Data Center, Office of the Secretary of Defense, 2025

China dominates manufacturing production and moves up the value chain

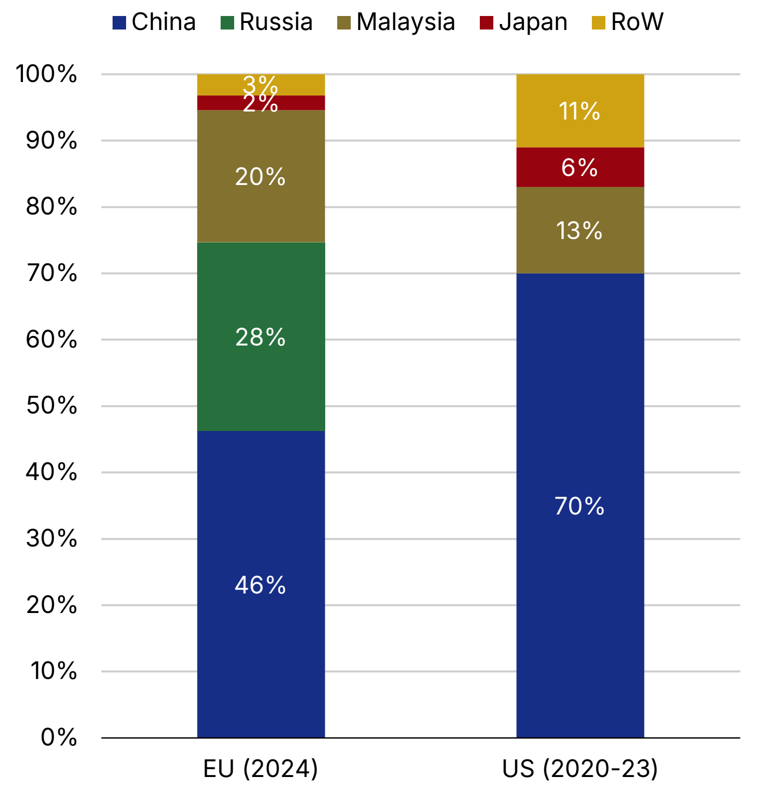
- Controlling entire value chains from inputs to manufacturing and exports
- Moving up value chains through critical inputs and domestic innovations

Share of global GDP (PPP, Int$)



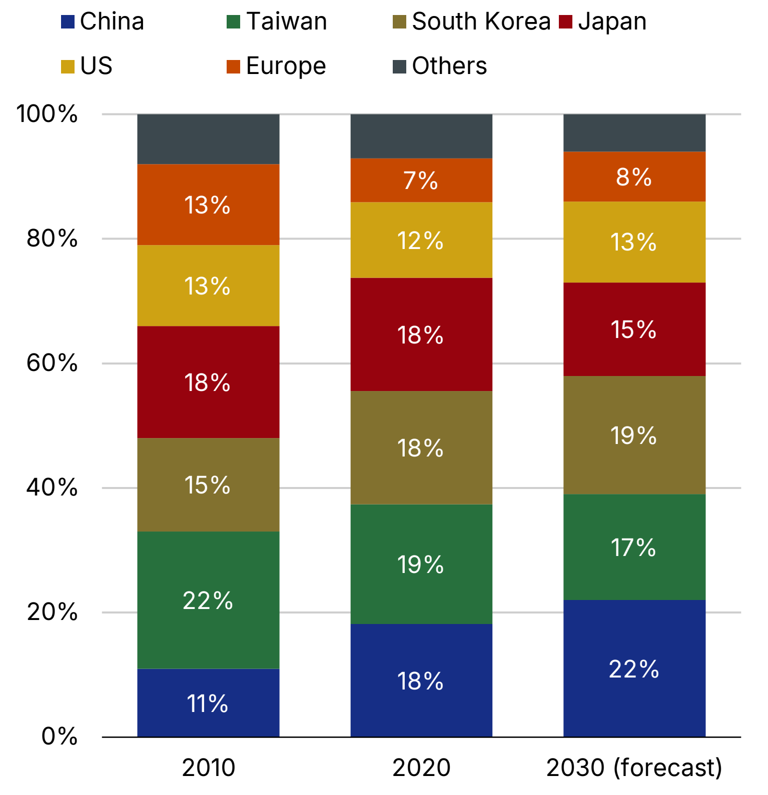
Source: IMF WEO, Scope Ratings

Rare earth elements import dependence



Source: Eurostat, US Geological Survey

Global chip manufacturing capacity

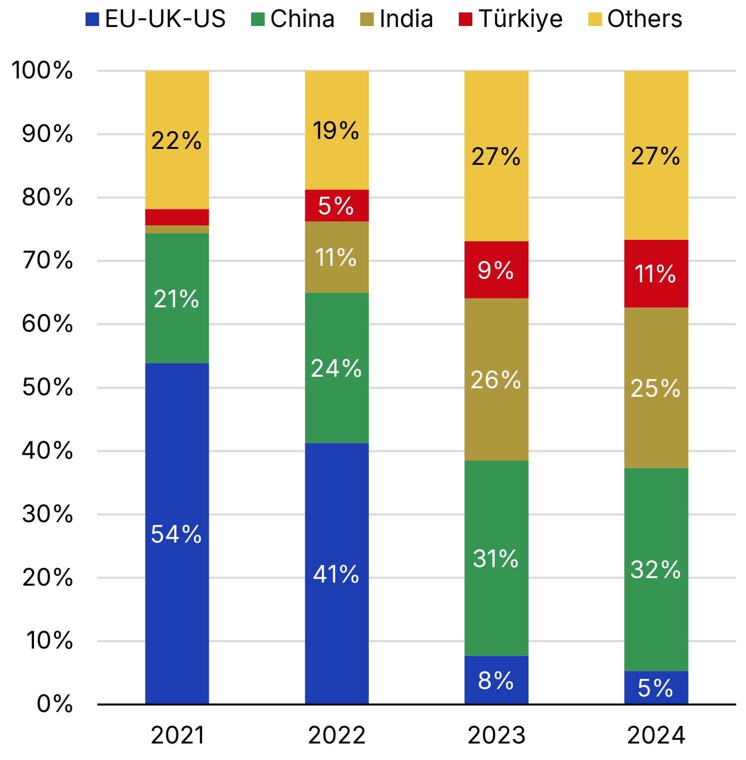


Source: ECA based on BCG and SIA study - *Emerging resilience in the semiconductor supply chain*, 2024

Russia-Ukraine: financial resources critical for war outcome

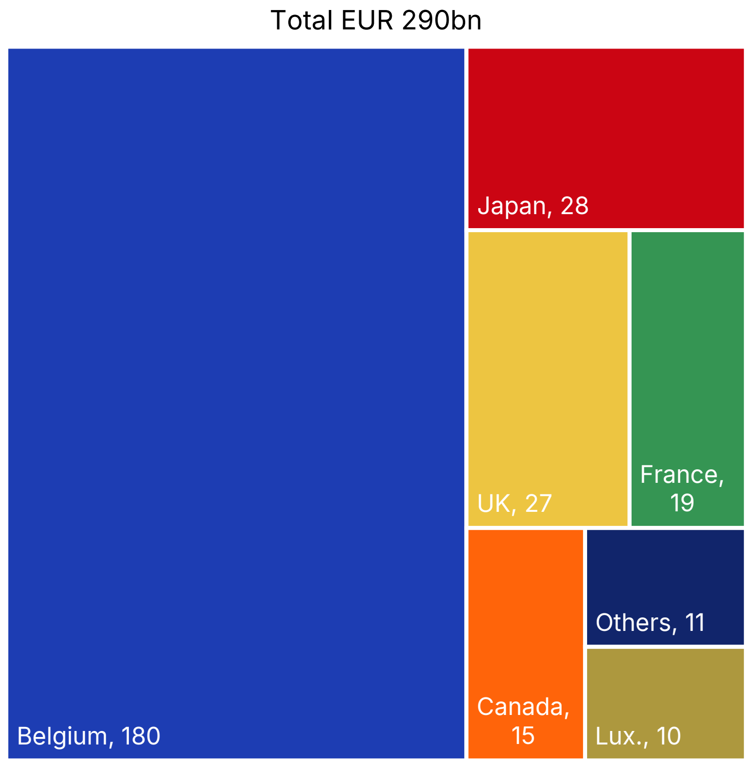
- Baseline: war continues; EU to shoulder most financially, US mostly militarily; potential use of Russian assets for EUR 140bn reparation loan
- Optimistic: ceasefire; probably requires China and India to moderate purchases of Russian fuels
- Adverse: escalation; ‘Ukraine fatigue’ among EU-US (elections 2027-28), China’s support for Russia continues

Russian oil exports by country, % total



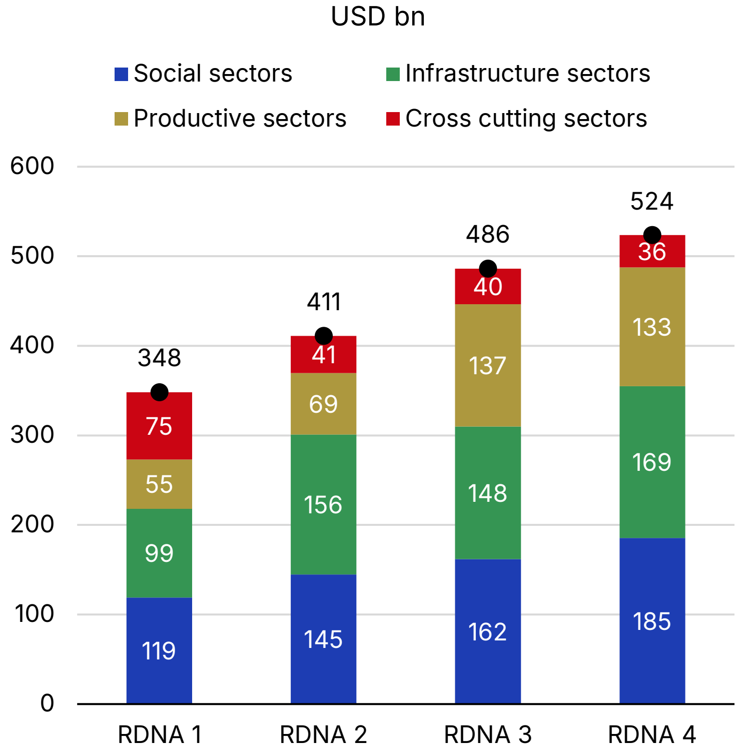
Source: International Energy Agency, Scope Ratings

Frozen Russian assets by jurisdictions



Source: European parliament, Scope Ratings

Recovery & reconstruction needs over 10 years

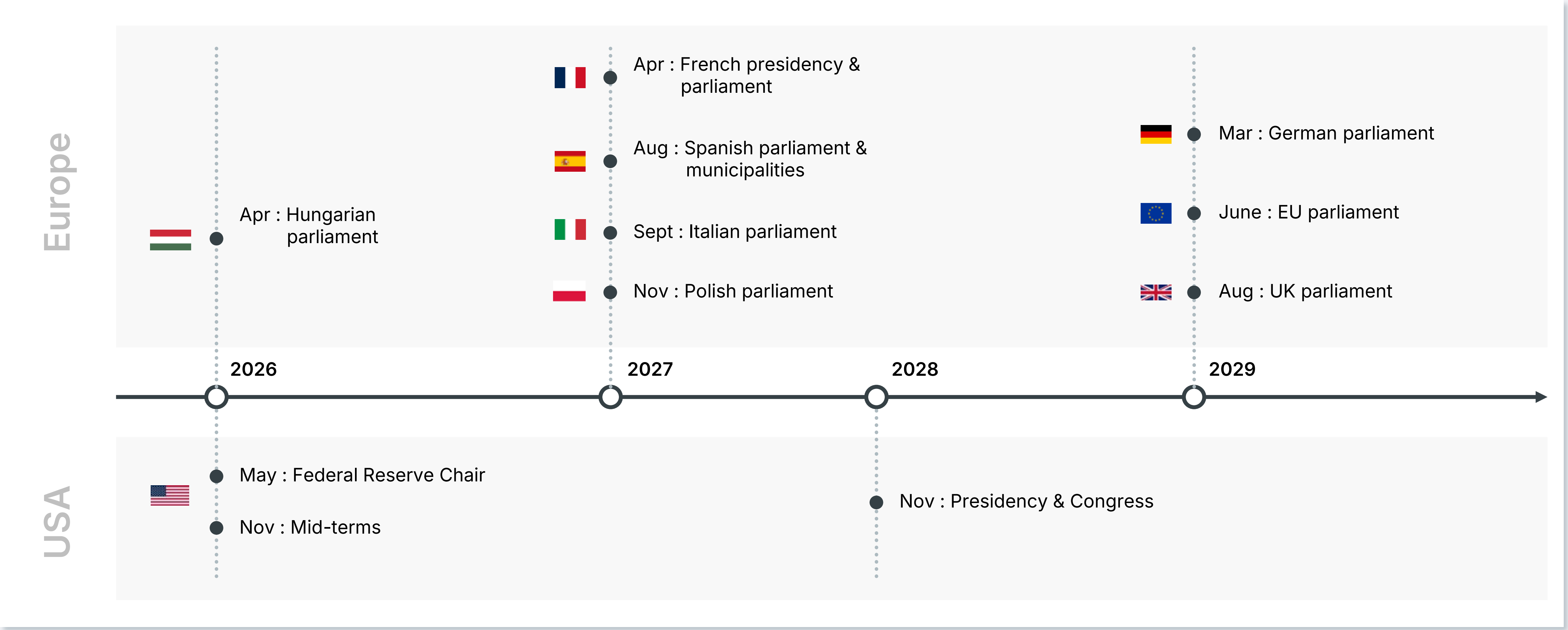


Note: Rapid Damage and Needs Assessment. RDNA 4 of February 2025.
Source: World Bank, Scope Ratings

2. Politics – fragmentation and polarisation

Governance decisions and key elections out to 2030

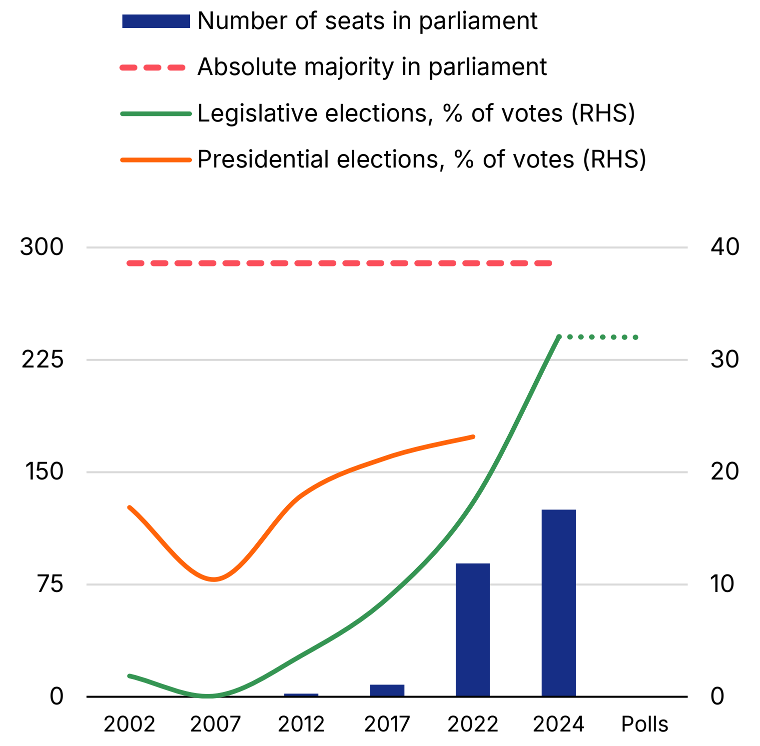
- 2026 and 2028 focus on US governance and elections while 2027 and 2029 focus is on Europe
- French 2027 election likely the most decisive European political event until the end of the decade



EU: 2027 elections critical for integration agenda and EU's resilience

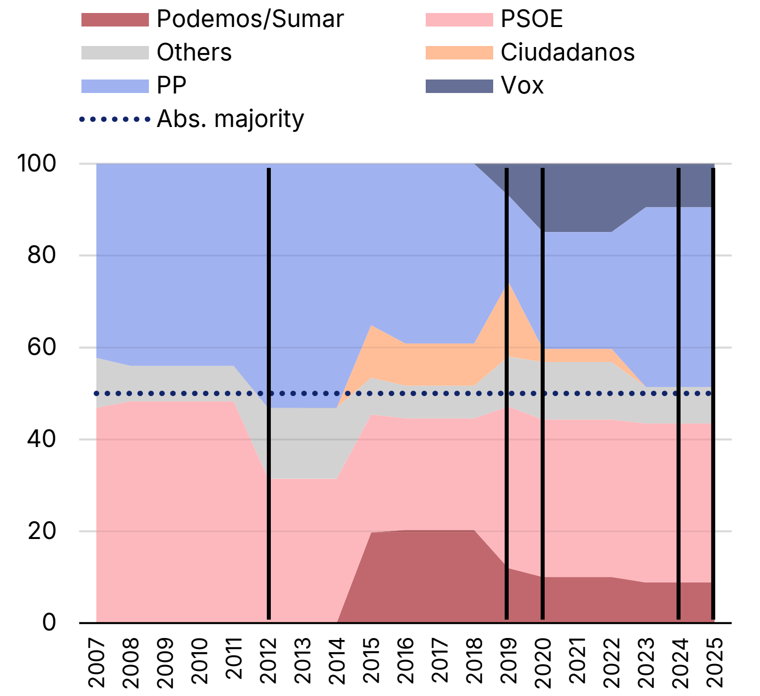
- FR: will RN gain legislative majority and/or the presidency? 2027 governance: absolute, relative majority or 'cohabitation'? RN policy shift à la Meloni?
- ES: parliamentary fragmentation, minority governments since 2016, inability to pass budget since 2023
- DE: will the coalition hold until 2029? Will AfD and Die LINKE extend success to Western Germany and maintain their 1/3 blocking majority?

FN/RN party electoral results



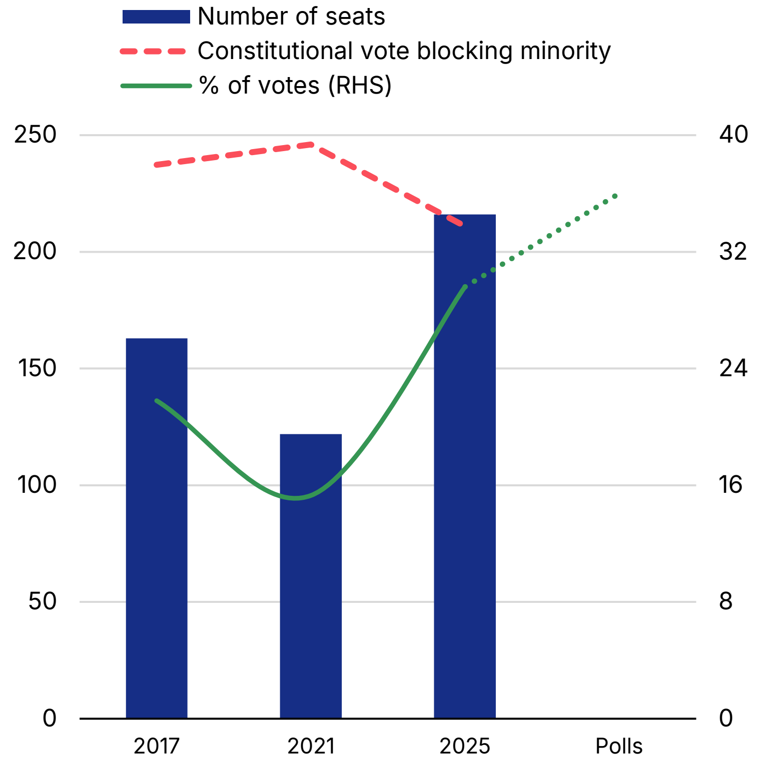
Note: Vote shares obtained for the first round of the ballot.
Source: French Ministry of the Interior, Politico Poll of Polls, Scope Ratings

Spanish Congress of Deputies composition, % of total



Note: Vertical lines highlight years when the central government budget was not passed.
Source: Spanish Ministry of the Interior, Scope Ratings

AfD & Die Linke parties legislative election results

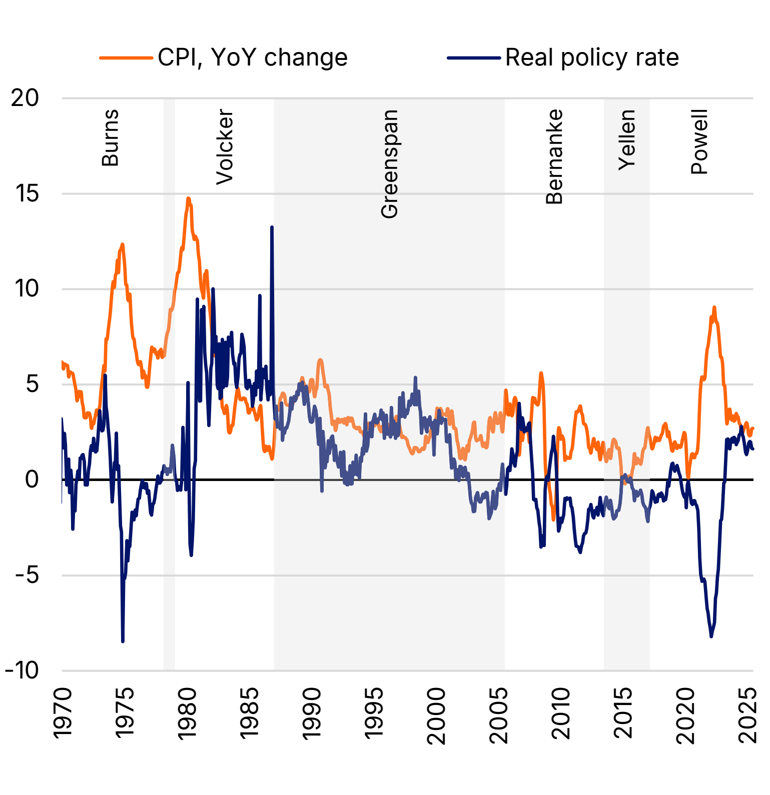


Source: German Federal Returning Officer, Politico Poll of Polls, Scope Ratings

US: Governance, Fed independence, mid-terms key for US outlook…

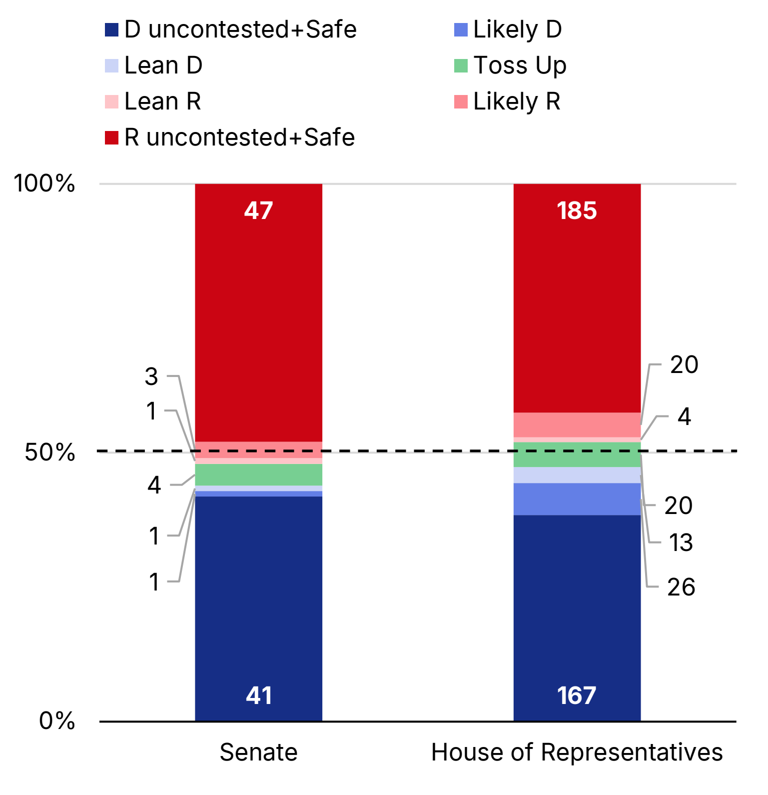
- FOMC decisions and perceived political influence critical; risk of unanchored inflation expectations and the return of fiscal dominance?
- 2026 November mid-terms: will Democrats flip the House? Senate (35/100 seats contested: 22 R; 13 D) likely to stay Republican
- 'BBB' deal raised debt ceiling by USD 5 trillion to USD 41.1 trillion, a level expected to be reached by end-2027

Inflation & policy rates, %



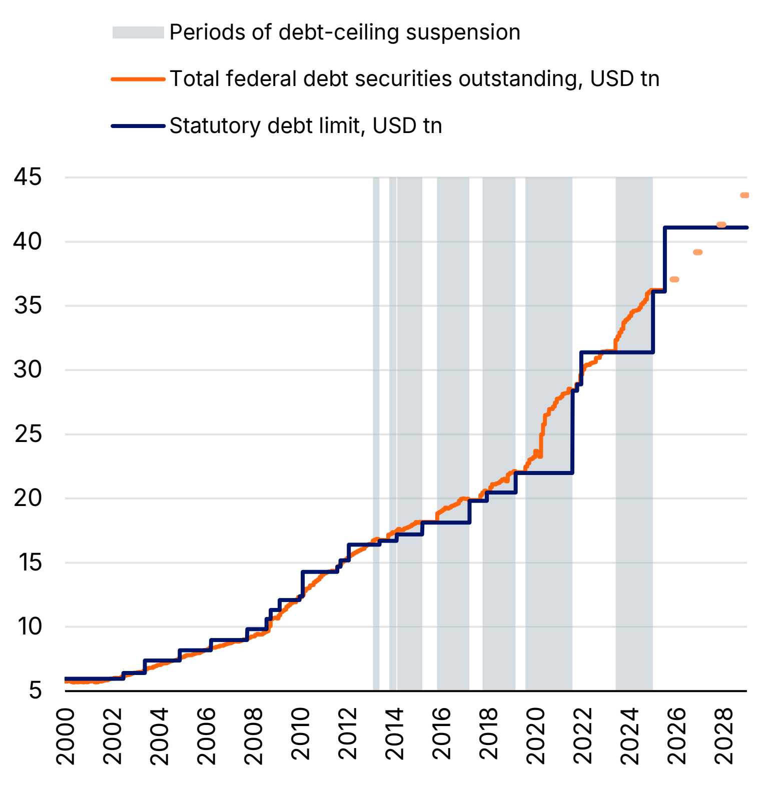
Source: Federal Reserve, Scope Ratings
Note: CPI = Consumer Price Index for all urban consumers (U.S. City Average).
Real policy rate as approximated by Federal Funds Effective Rate - CPI.

2026 mid-terms latest polls, % of seats



Source: 270towin.com, Scope Ratings

Debt ceiling risks



Source: U.S. Department of Treasury, U.S Congress, Scope Ratings forecasts

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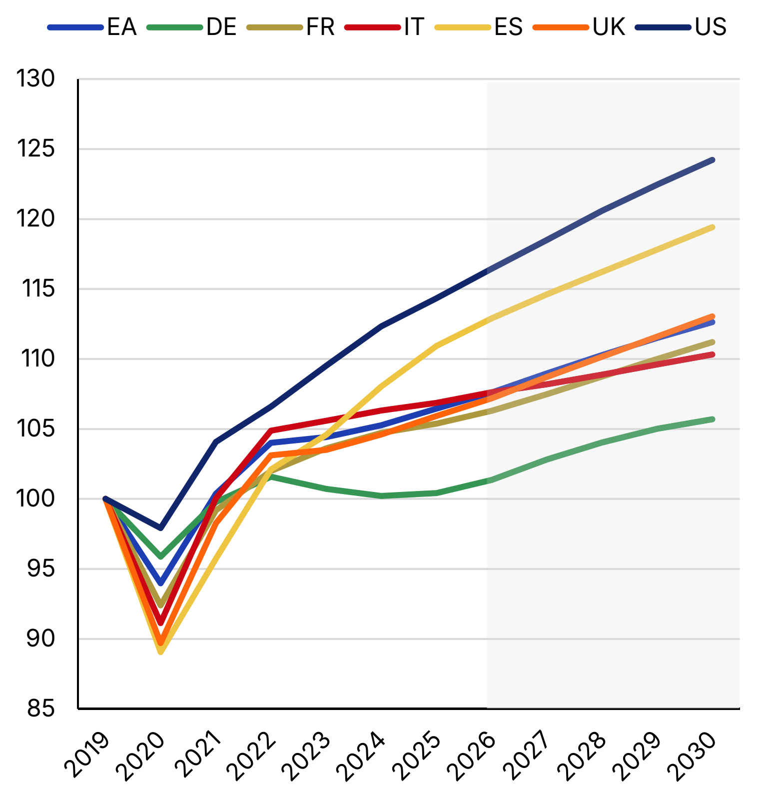
3. Macro, Fiscal, Markets

Lower EU internal barriers can raise growth amid tariff shock, CN competition

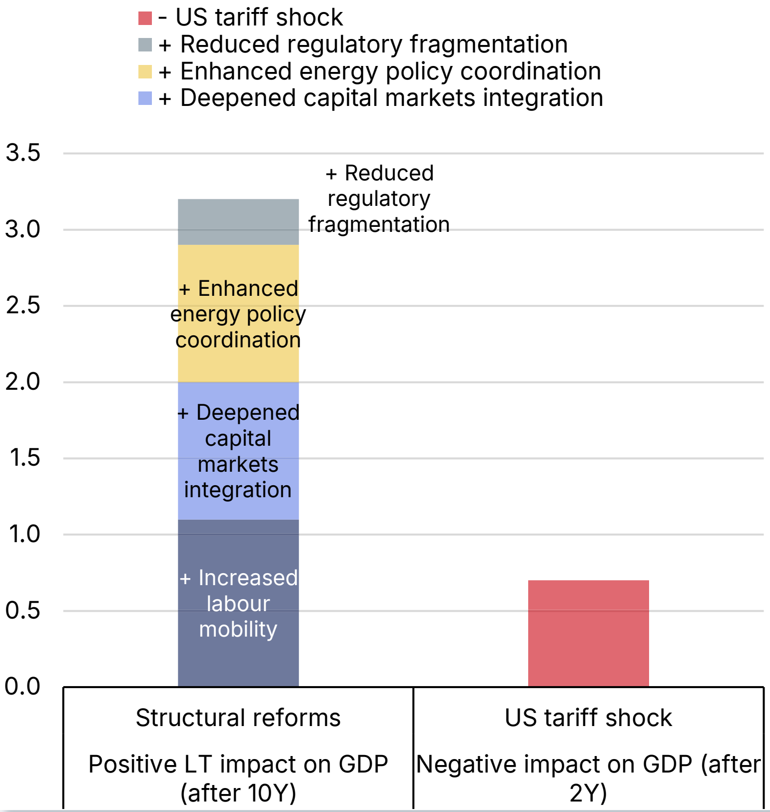
- Uneven growth outlook, Germany expected to return to growth following debt brake reform
- Draghi & Letta: completing EU Single Market, deepening CMU, co-ordination of energy markets could strengthen growth potential
- China's rapid move towards becoming a leader in high-tech, high-value industries challenges growth potential of other economies

Europe – US growth outlook (2019 = 100)



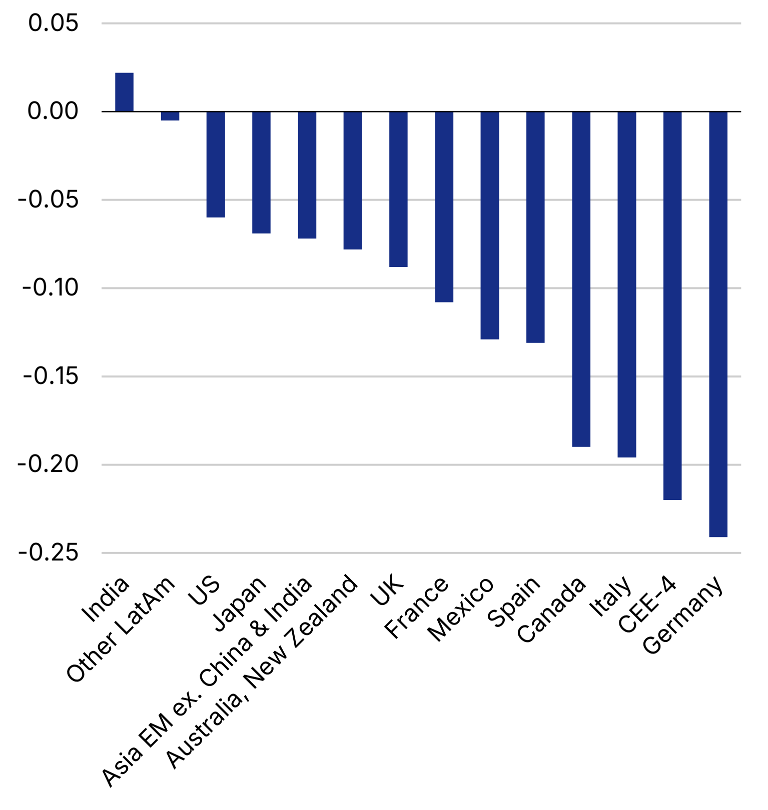
Source: IMF, Scope Ratings

Ability to raise Europe's growth potential, Impact on EU GDP, pps



Source: IMF Working Paper, June 2025 - *Lifting Binding Constraints on Growth in Europe*, Scope Ratings

Impact of export competition from China on annual GDP growth: 2026-2029 average, pps

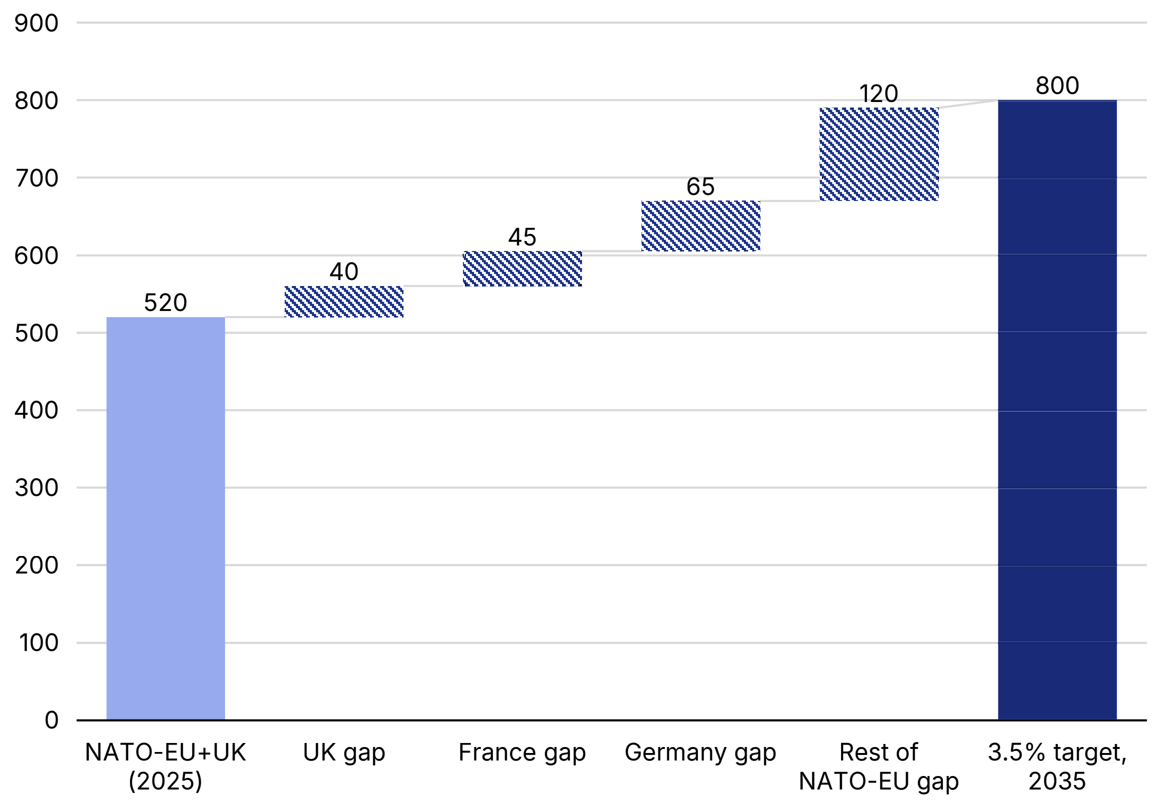


Source: Goldman Sachs, Scope Ratings

Manageable defence expenditure needs to appease President Trump and deter Russia…

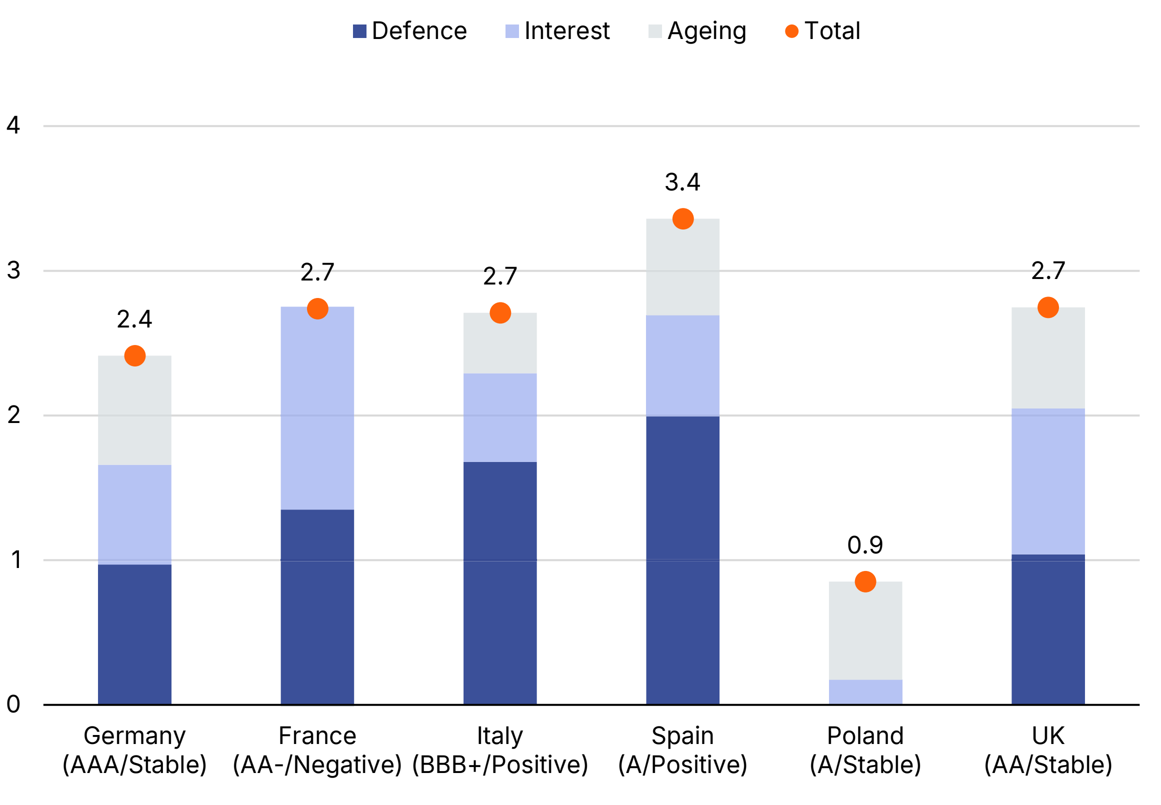
- Revised 3.5% NATO target implies aggregate annual military expenditure increase of ~ EUR 300bn (~ 1.5% of GDP) by 2035
- Competes with unavoidable market (interest payments) and politically sensitive (welfare) spending, adding to fiscal pressures

Current and targeted defence spending volumes, USD bn



Source: NATO, IMF, Scope Ratings
Note: Values shown in constant 2025 EUR.

Medium-term spending pressures, 2024-30 change, % of GDP

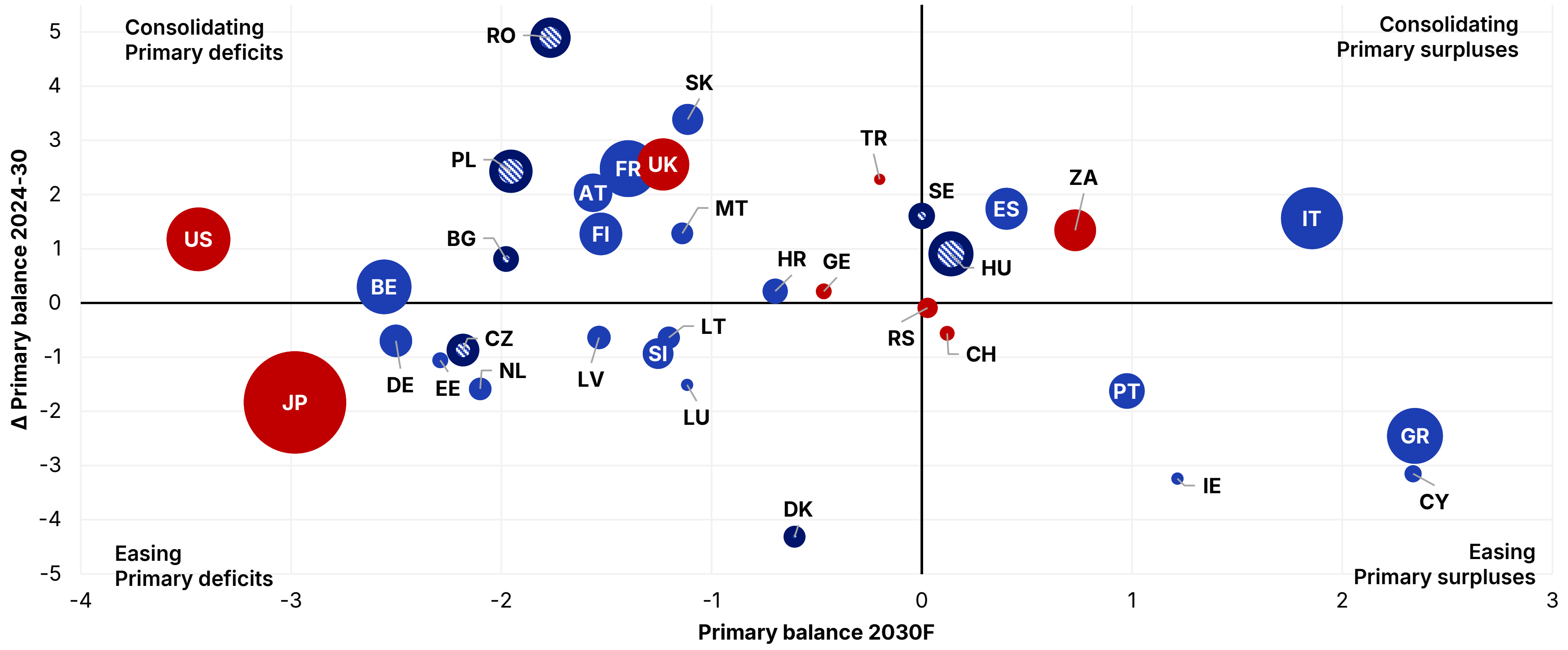


Source: European Commission - *2024 Ageing Report*, Institute for Fiscal Studies, NATO, IMF, Scope Ratings
Note: Defence spending as defined according to Eurostat (Germany, France, Italy, Spain, Poland) and ONS (UK) accounting standards. Linear increase assumed until 2032.

…but divergent fiscal positions and perceived security threats drive national responses

- ➢ Germany to increase defence expenditure.; other member states constrained by limited fiscal space or perceived need; 3.5% target by 2035 (end of next US administration)

Change in primary balance (2030F vs 2024), % of GDP

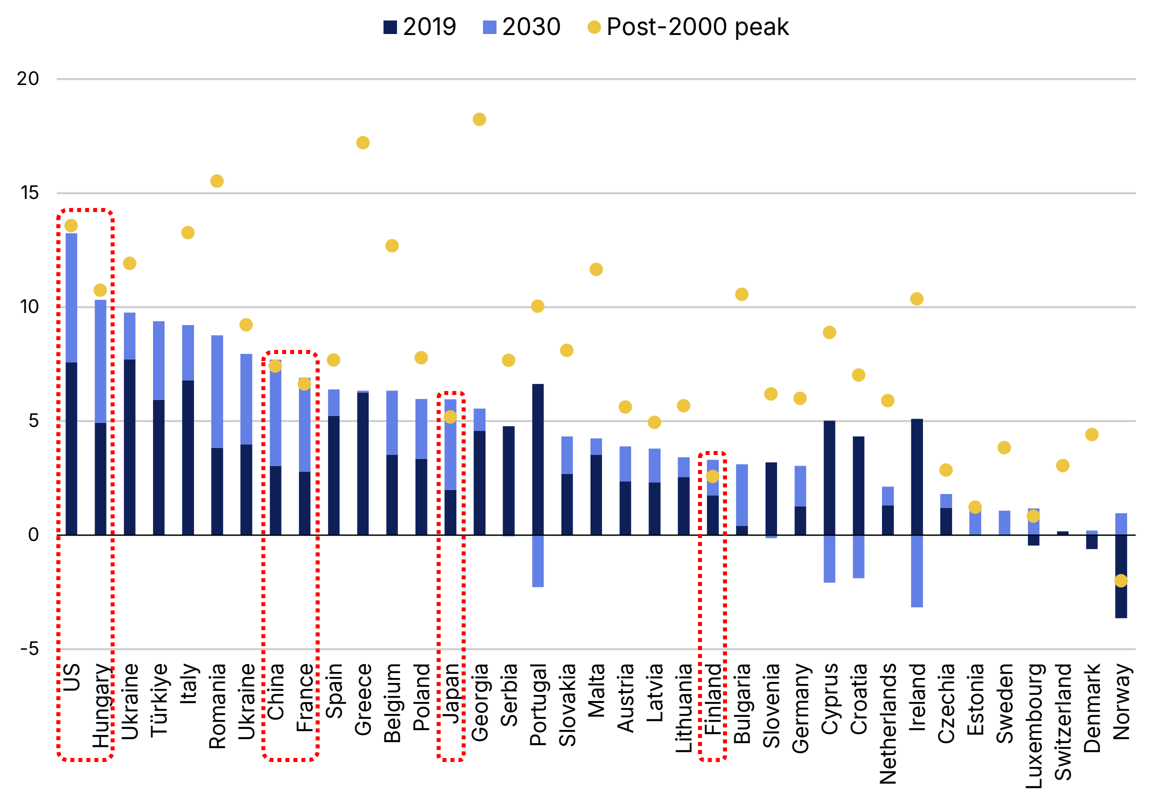


Source: IMF, Scope Ratings forecasts
Note: Euro-area (EA) members are shown in blue, non-EA EU members are shown in shaded-blue, rest of world is shown in red. Dot sizes reflect the projected debt-to-GDP ratios for 2030, in relative terms.

Sovereigns face budget pressures from rising interest payments

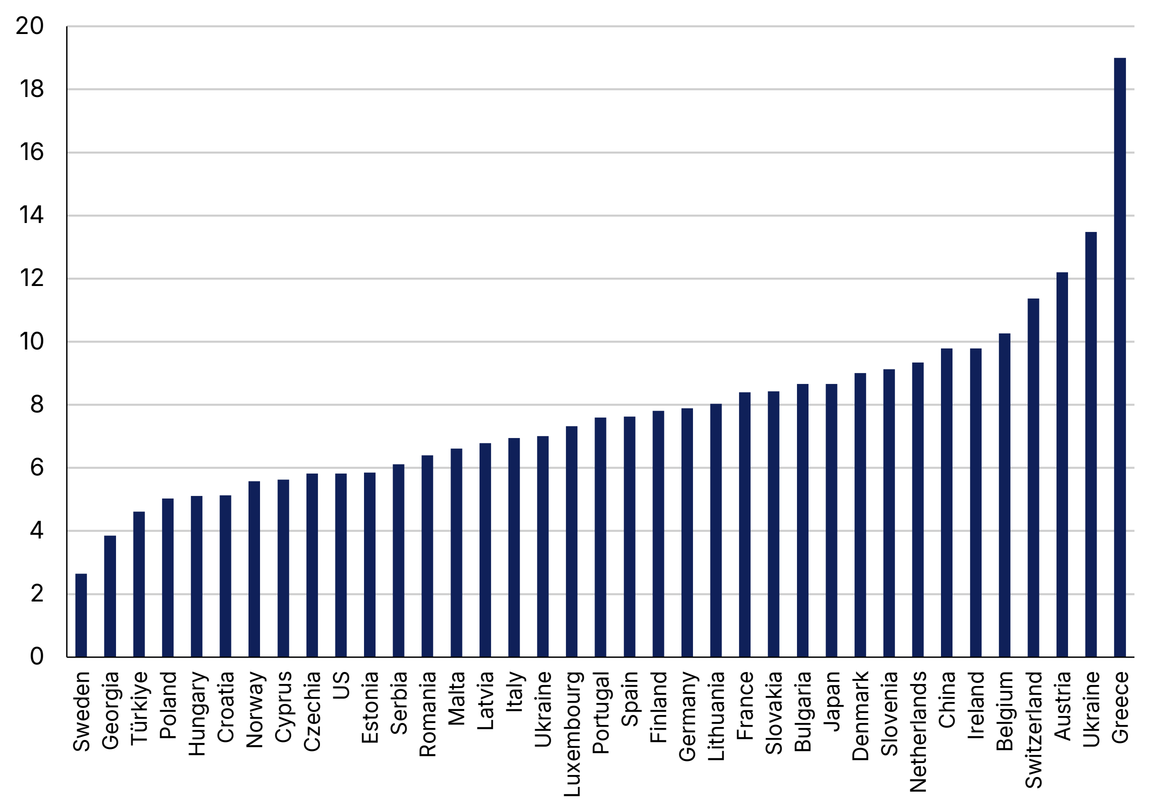
- Sovereigns whose budget pressure from interest spending will be near or above long-term highs include US, HU, CN, FR, JP, FI
- Longer average government debt maturities help to delay the impact of higher bond yields for some sovereigns

Net government interest payments
% of general government revenue



Source: IMF, Scope Ratings
Note: Post-2000 peak value for Türkiye amounted to 50.2%

Average government debt maturity, Years

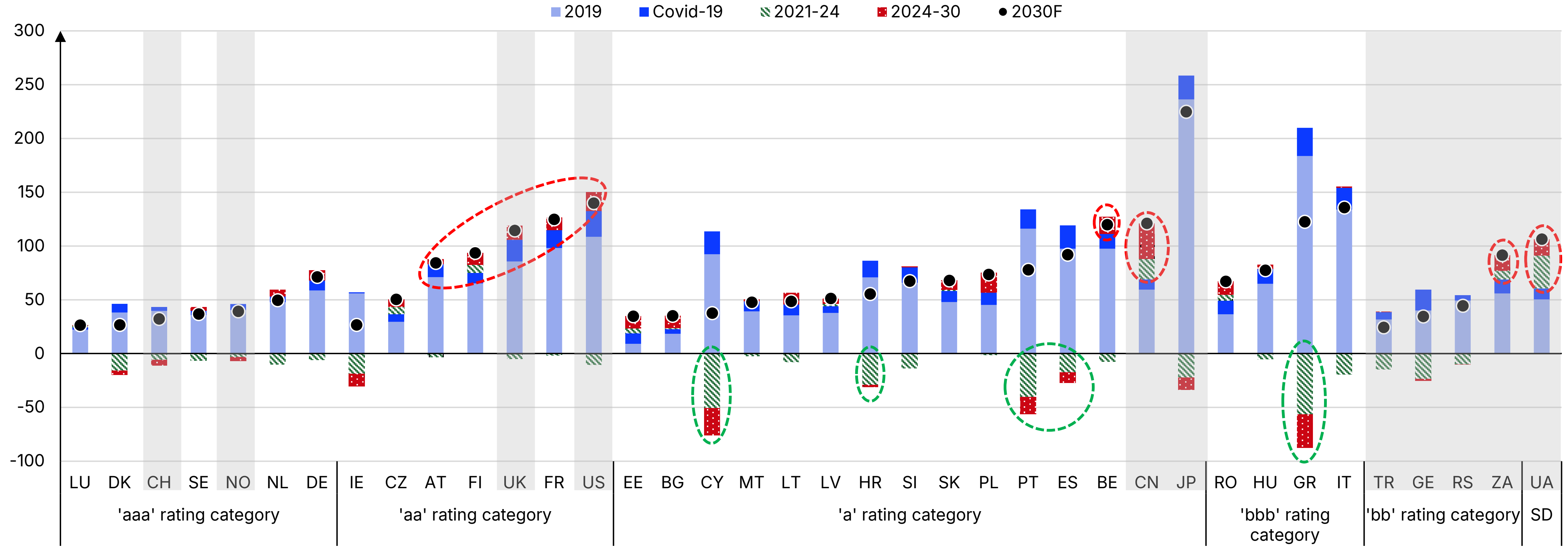


Source: Bloomberg, Scope Ratings

Fiscal pressures and growth outlooks drive debt dynamics until 2030

- Significant debt reduction expected in recently upgraded sovereigns (Greece, Cyprus, Portugal, Spain)
- Continuous fiscal pressures in Austria, Finland, UK, France, US, Belgium, China

General government debt ratios are forecast to rise across most EU member states, % of GDP

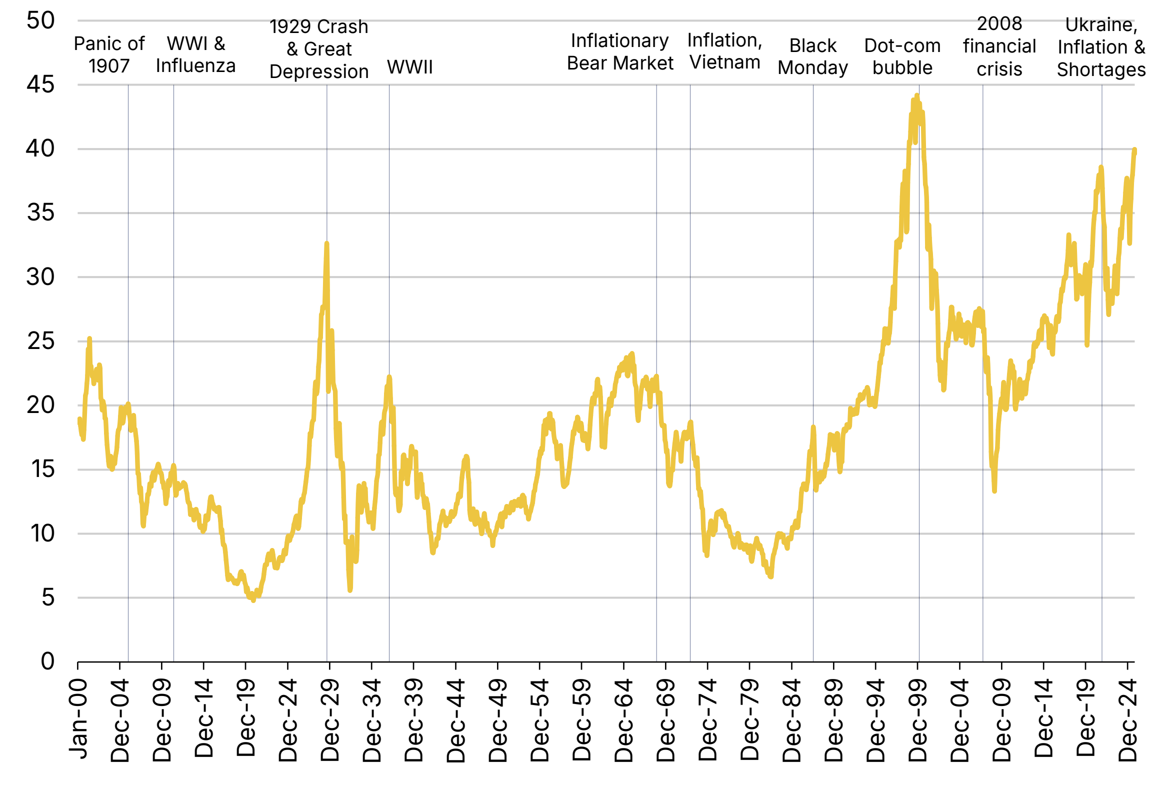


Source: IMF, Scope Ratings forecasts
Note: Shaded areas indicate non-EU countries.

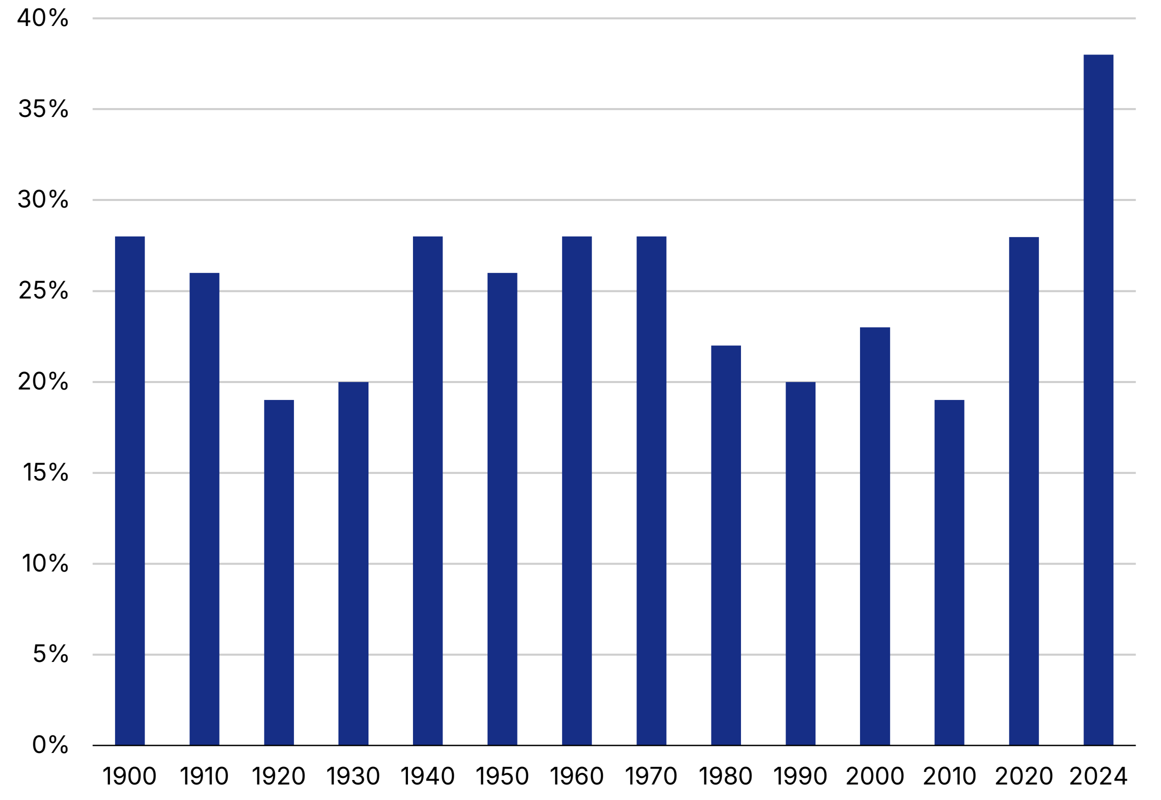
US: High valuations and concentration in US markets driven by Big Tech and AI

- Price-earnings ratios are near historical all-time highs; ~ 90% of US growth in 2025 driven by AI investments
- Concentration within S&P 500 is at the highest level for more than a century, driven by the Magnificent 7 and AI-related expectations

Cyclically Adjusted Price Earnings Ratio (CAPE)



Share of top 10 stocks of the S&P 500's market cap



Source: R.J. Shiller, S&P Global

4. Global tensions, EU resilience – scenarios

2030: significant uncertainty from potential political swings in Europe & US

- European elections and US governance critical for shaping policy environment; French voters and US Supreme Court decisions decisive
- Distinct possibility that Europe faces 'scenario 6' in mid 2027 but other outcomes also possible

Political drivers		**US governance**	
		Continues to weaken (Trump emboldened)	Remains broadly intact (Trump contained)
EU mainstream parties	Empowered & push reforms (Draghi & Letta)	**1. EU renaissance** Bold European reforms; ambitious EU budget (+ UA support); US volatility vs Europe as relative safe-haven	**2. Improved outlook, lower uncertainty** EU accelerates reforms but lingering complacency; US governance concerns ease
	Remain mostly complacent/ stuck	**4. Status quo; high uncertainty (2025)** Muddling through; credit broadly stable Continued volatility and uncertainty	**3. Europe's relative decline continues (2024)** Investors gain more confidence in US (& USD); (institutions withstand Trump shock)
	Weakened, lose to nationalists (RN)	**6. Populist governance in EU & US** Significant credit risk Reversal of EU integration: will institutional guardrails hold? Potential Russian escalation	**5. Europe's relative decline accelerates** European integration slows & EU loses further ground to US

5. Regional Views for 2026

5.1 Euro area

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
Austria	AA+/Negative	• After assigning a negative Outlook on Austria's AA+ ratings this year, key determinants for the sovereign ratings for 2026 include the trajectory of public debt, the pace of fiscal consolidation, the outlook for economic growth, and progress in addressing structural economic challenges such as strengthening economic competitiveness and the long-run sustainability of pensions and healthcare spending. • With several federal state elections planned in 2027 (Upper Austria, Tyrol) and 2028 (Lower Austria, Carinthia, Salzburg), progress on fiscal consolidation at state level will be particularly important as significant reform will become more challenging to implement closer to the elections.
Belgium	A+/Stable	• Following the downgrade of long-term ratings to A+/Stable in November 2025, the primary focus will remain on political stability and budgetary debates. The capacity of the Arizona coalition to adopt the 2026 budget and advance its saving plan (the so-called "Summer Agreement" agreed in July) will be central to contain the rise in government debt to GDP. Political tensions, public protests and moderate GDP growth prospects could further delay or water down structural reforms and increase the risk of political instability.
Croatia	A-/Positive	• After assigning a positive Outlook to Croatia this year, we anticipate continued strong economic momentum entering 2026, driven by private demand, wage increases, moderating inflation and public investment, supported by NGEU fund absorption. The reform momentum is strong, but the continued implementation of the National Recovery Plan is key to further strengthen Croatia's economic resilience and address the challenges related to moderate economic diversification and an adverse demographic outlook. • The implementation of growth-enhancing fiscal measures led to some widening in the budget deficit. However, we foresee Croatia maintaining a prudent fiscal stance, resulting in gradually narrowing deficits and stable debt trajectory at moderate levels.
Cyprus	A-/Positive	• Following the revision of the outlook to Positive on the A- ratings in October this year, we will monitor the impact of the tax reform, the expected progress in the banking system related to the reduction of NPLs and the implementation of the Recovery Plan. • Cyprus' high dependency on energy imports remains likely dependent on the progress with the Great Sea Interconnector and the LNG terminal at Vasiliko.
Estonia	A+/Stable	• After a prolonged period of stagnation, the Estonian economy is experiencing a gradual recovery driven by public investment, acceleration in the absorption of EU funds and a ramp-up in defence-related investments. Private demand should recover gradually, benefitting from favourable tax changes and improving funding conditions. • The fiscal deficit is expected to widen markedly, remaining above historical averages over the forecast horizon, resulting in a steady rise in the debt-to-GDP ratio, which should still however remain among the lowest in the euro-area.
Finland	AA+/Negative	• The negative Outlook reflects the weakening public finances and challenging long-term fiscal outlook that requires further consolidation to reverse the debt trajectory, beyond the significant reforms already undertaken. The planned 2027 parliamentary elections may weaken the government's reform momentum and fiscal discipline in 2026, with major binding fiscal rules and stronger fiscal efforts being delayed until after the elections. • Finland's low economic growth expected over the next two years and limited fiscal policy space make the country increasingly vulnerable to future shocks in the current volatile external environment.
France	AA-/Negative	• We revised the Outlook on France's AA- ratings to Negative in September 2025 due to rising government debt and a recent record of political instability with two center-right governments voted down by the National Assembly over budgetary debates. The capacity to pass the 2026 budget, meet fiscal targets and advance budgetary efforts despite heightened political uncertainty will be central to contain the rise in government debt to GDP. Further political instability and stalling reform momentum are downside risks amid municipal elections in March 2026 and presidential election scheduled for 2027.

5.1 Euro area

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
Germany	AAA/Stable	• We expect the speed and effectiveness of the implementation of the EUR 500bn infrastructure fund to be slower than assumed under government fiscal plans, despite investment spending increasing significantly in 2026. • Progress on structural reforms is set to continue, with several commissions scheduled to present recommendations on reforms to the social security system and pension system among others. • The performance of Germany's export-oriented industry will remain a key focus given international pressures including US tariffs, competition from Chinese producers, and associated labour-market and external developments including the current account and international export market shares.
Greece	BBB/Positive	• We assigned a positive Outlook on Greece's credit ratings in November, reflecting improved macroeconomic resilience, ongoing reforms, sustained fiscal discipline, and favourable debt structure and liquidity buffers. Key factors to watch in 2026 include continued primary surpluses and adherence to fiscal discipline, the country's progress on structural reforms and effective implementation of NGEU investments sustaining growth near 2%, and developments related to Greece's external balance and the banking sector, including continued reduction of legacy private-debt risks. • Greece continues to outperform fiscal targets, with a projected 2025 general-government surplus of 0.6% of GDP and a primary surplus of 3.6%, supported by strong revenue performance and conservative budgeting. We expect a near-balanced headline position and sustained primary surpluses anchoring a continued decline in the public-debt ratio, from 145% of GDP in 2025 to around 122% by 2030, underpinned by moderate nominal growth and multi-year investment plans linked to NGEU.
Ireland	AA/Stable	• Ireland's credit ratings are underpinned by strong public finances and external resilience. High exposure to global shocks will continue to make US trade policy and shifts in multinationals' corporate structures key rating drivers given the highly concentrated corporate tax contributions. The ability of the government to build up government saving funds while advancing its public investment agenda will also remain central to inform the rating trajectory. Global financial tensions will remain a downside risk given Ireland's high financial openness.
Italy	BBB+/Positive	• After the revision of the outlook to Positive on the BBB+ ratings in October this year, we will look at the confirmation of Italy exiting the EDP, whether the government will activate the National Escape clause to increase significantly defence spending and the expected acceleration in the implementation of the recovery plan. • Italy's public debt ratio will likely increase slightly to 137.6% of GDP in 2026 mainly due to the legacy impact of the Superbonus, but we will monitor interest cost dynamics, including the continuation of strong demand from foreign investors, as a result of government stability and fiscal prudence. • Italy's government stability remains a key factor also in 2026, and we will assess the evolution of important reforms, including the "Premierato" reform, the possible changes to the electoral law, as well further commitment to fiscal consolidation.
Latvia	A-/Stable	• The economic momentum is recovering gradually after a prolonged period of weak growth. Investment growth is being driven primarily by the public sector and is expected to remain strong next year, as projects under the RRF near completion. Progress on other projects (including Rail Baltica and defence infrastructure) will sustain high levels of public investment in subsequent years. Private consumption should improve progressively, benefitting from solid wage growth and gradually normalising savings rates. • Latvia's fiscal deficit is expected to remain above historical averages, leading to a steady increase in the public debt-to-GDP ratio. Significant allocations to defence investments and social transfers will support high expenditure growth. We expect broad policy continuity following the upcoming legislative elections scheduled for H2 2026.
Lithuania	A+/ Stable	• Lithuania's economy is expected to continue outpacing neighbhouring economies over the medium-term. Consumption and investment are expected to remain key contributors to growth, supported by rising wages, lower borrowing costs, and recent policy changes affecting pension contributions. Investments should remain dynamic, supported by EU-funded projects and defence needs, while exports should continue to expand as service sectors remain resilient and goods exports benefit from gradually improving external demand. • The fiscal position is set to weaken as spending rises more quickly than revenues, driven by higher social transfers, increased defence-related investment, and growing interest costs, resulting in a gradual widening of the deficit over coming years, which should nevertheless remain below the 3%-Maastricht threshold.

5.1 Euro area

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
Luxembourg	AAA/Stable	• Economic growth is expected to strengthen in 2026 thanks to loosening financing conditions, robust labour-market dynamics, and rising disposable incomes. The medium-term outlook is supported by continued high public investment, though external uncertainty and indirect effects from global trade tensions could limit momentum. • The fiscal balance is projected to shift from surplus to moderate deficits over the medium term as revenue growth decelerates, while higher defence spending adds pressure. The planned pension reform should help soften the impact of ageing-related costs, while strong nominal growth and favourable financing conditions are expected to keep the debt trajectory stable.
Malta	A+/Stable	• Malta's credit ratings are supported by a track record of fiscal prudence and solid growth prospects. Further progress to reduce the budget deficit and exit the Excessive Deficit Procedure in 2026-27 will remain a key area of focus. Advancing the government policy agenda to address structural bottlenecks (shrinking workforce, limited energy supply) and the slowdown in key economic sectors will be central for long-term growth prospects. Economic diversification and institutional reforms will also remain among key rating drivers.
Netherlands	AAA/Stable	• We expect growth to be supported by the recovery in private demand and lower inflation. Nevertheless, global trade uncertainties and low economic growth in key European trading partners will likely reduce demand for Dutch exports and postpone private sector investments. • Rising interest payments and budgetary spending pressures, particularly in the healthcare, social-security, defence and infrastructure sectors, should result in a higher headline budget deficit, reaching almost 3% of GDP by 2030. Additionally, debt levels are seen increasing, although staying below the 60% Maastricht threshold over the forecast horizon. • The centrist liberal party D66 secured a victory in national elections in October 2025. Talks led by D66 leader Rob Jetten to form a broad government coalition are ongoing.
Portugal	A/Positive	• Scope revised the outlook to Positive on Portugal' A ratings in October this year. Key determinants for the ratings in 2026 will be the evolution of the debt trajectory in light of a slightly easing in fiscal policy. • The minority government's capacity to pass legislation and maintain parliamentary support is key for the political outlook to make progress on reforms.
Slovakia	A/Negative	• Following the revision of the outlook to Negative on Slovakia's A ratings in June this year, the country's export-oriented economy – dominated by the automotive sector – faced strong headwinds from higher U.S. tariffs, global trade uncertainty, and slower growth among key European partners. Fiscal consolidation measures aimed at curbing deficits and debt have further weighed on activity, while continued absorption of EU funds and related investments will be crucial to partially offset these challenges. • Government efforts to implement fiscal consolidation will continue in 2026 with the implementation of the third package of measures. Important factors to monitor include implementation challenges for budgetary consolidation amid subdued economic growth, rising spending pressures, the fragmented political environment and increasing risk of consolidation fatigue.
Slovenia	A+/Stable	• Scope upgraded Slovenia in June to A+, reflecting an improved fiscal outlook, with public debt on a declining trajectory; sustained GDP growth and rising income, supported by reform momentum; and enhanced external resilience, underpinned by a stronger NIIP and continued current account surpluses, even under adverse global economic conditions. The general-government deficit is projected to average 2.7% over 2025–2030, with public debt stabilising near 67% of GDP. A favourable debt and a strong cash buffer of EUR 9.5bn (13.5% of GDP) provide fiscal flexibility, while pension and wage-bill reforms aim to contain ageing-related pressures. • Key challenges include persistent labour shortages and adverse demographics constraining potential growth and add to long-term fiscal pressures. Parliamentary elections are scheduled for March 2026.
Spain	A/Positive	• We revised the outlook to Positive on Spain's A ratings in November this year, reflecting robust growth, strengthening public finances and receding external vulnerabilities. Key determinants for the ratings in 2026 will be an acceleration in the implementation of the recovery plan, as well as still positive impact from sustained, although declining, inflow of migrants in the labour market. • We will monitor political stability in the context of a minority government, and its capacity to make progress on fiscal consolidation, the regional debt relief and the reform of the regional financing system. • Addressing labour market rigidities, especially among youth, as well as the government's decision to make progress on improving energy independence are also important factors.

5.2 EU non-euro central and eastern Europe

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
Bulgaria*	A-/Stable	• Scope upgraded Bulgaria's ratings to A- in July 2025, given the significant credit-positive implications of the country's entry into the euro area (effective from January 2026). Euro accession will remove exchange-rate risk, increase monetary policy flexibility, improve access to euro-area capital markets and ECB facilities, and enhance financial stability while reducing financing costs for both the public and private sectors. • Economic growth has been supported by strong consumption and rising investment, helped by increased use of EU funds. Over the medium term, growth is set to benefit from improving business confidence, continued EU fund absorption, and a recovery in exports, though import growth will remain high due to robust domestic demand and planned defence-related purchases.The fiscal position is projected to come under pressure as spending on social transfers, public wages, and defence outpaces revenue growth, keeping the deficit elevated despite efforts to strengthen tax collection. Sustained deficits will only be partly offset by high nominal growth, resulting in a steady increase in the public debt ratio.
Czech Republic	AA-/Stable	• The fiscal policy stance of the new government will be key for long-term debt sustainability amid budgetary pressures, including from rising military spending and adverse demographics. We will closely watch decisions on structural reforms, including possible adjustments to the recent pension reform. • We will monitor the new coalition's ability to find consensus and implement reforms as well as the new government's positioning in the EU and NATO. • Given Czechia's export dependence, especially exposure to the German economy and global supply chains, external sector developments remain a key risk factor in an environment of geopolitical tensions.
Hungary	BBB/Stable	• We will monitor budgetary developments around recently upwards-revised general government budget deficit targets of 5% of GDP for 2025 and 2026, with some risk of further slippage, including due to parliamentary elections in the spring of 2026. • Relations with the EU will continue to be in focus in 2026 as the majority of EU funds remain suspended. • Relatively sticky and high inflation, and the central bank's conservative monetary policy stance, are expected to continue to weigh on economic growth. • The economy's high reliance on Russian energy remains amid geopolitical tensions.
Poland	A/Stable	• Key factors to watch in 2026 include i) Poland's fiscal consolidation pace, especially the projected improvement after the 2025 deficit peak and the ability to control structurally rigid expenditure components (wages, pensions, defence), ii) the country's EU fund absorption, particularly the large remaining NGEU allocation due by 2026 and initial SAFE programme disbursements, which are crucial for investment and growth, iii) the debt trajectory relative to the constitutional ceiling, including whether pre-emptive measures are taken to avoid breaching the 60% national-definition debt limit later in the decade, and iv) political dynamics ahead of the 2027 elections, including risks of institutional frictions or delays in reforms that could affect fiscal policy credibility and EU-fund access. • Poland benefits from solid macro-economic fundamentals, with GDP growth projected at 3.5% in 2025 and 3.7% in 2026, supported by resilient domestic demand, strong productivity trends and a diversified, increasingly high-value export base. A credible, rules-based fiscal framework, including a constitutional debt ceiling and automatic correction mechanisms, anchors medium-term fiscal discipline despite rising spending pressures. Poland maintains moderate but rising public debt, supported by deep domestic capital markets and favourable financing conditions; debt is expected to increase toward 75% of GDP by 2030. Large EU funding inflows from NGEU (EUR 59.8bn by 2026) and the SAFE programme (EUR 44bn allocation), reinforce investment, fiscal resilience and external stability.
Romania	BBB-/Stable	• Romania's fiscal deficit reached 9.3% of GDP in 2024, the highest in the EU, and is projected to remain elevated despite gradual consolidation, narrowing to 6.2% of GDP by 2026. Authorities have presented an ambitious fiscal consolidation plan, including hikes to VAT rates and a freeze to public sector wages and pension payments. • While political uncertainty has eased with the formation of a new coalition government, questions over its durability persist. Sustained policy continuity is essential to achieve multi-year fiscal adjustments and prevent further deterioration in public finances. • Economic growth is expected to remain subdued over 2025-26, constrained by fiscal tightening. Delays in EU fund absorption could further weigh on growth and exacerbate fiscal and external vulnerabilities, making adherence to EU recovery plan milestones and fiscal targets critical for creditworthiness.

*Set to join the euro area on Jan 1, 2026.

5.3 Non-euro western Europe

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
Denmark	AAA/Stable	• Amid higher US tariffs and global trade uncertainties, developments in the pharmaceutical sector and export activity will be key, as they will impact Denmark’s growth outlook next year. While these factors are likely to create volatility in Denmark’s growth outlook, support will stem from lower interest rates and increasing real wages, which will boost private consumption and investments, as well as higher public consumption. • We foresee general government debt to remain at low levels below 30% of GDP. Still the government will ease fiscal policy, making use of Denmark’s substantial fiscal space to address key priorities such as increasing military and defence spending, fostering the green transition, raising welfare resources and reducing fiscal pressure on workers.
Norway	AAA/Stable	• We anticipate economic growth to remain robust in Norway, supported by solid wage growth, gradually easing inflationary pressures, sustained public and private consumption and oil industry activity. However, some headwinds could stem from the economic slowdown in main EU trading partners. • Inflation developments will be key to monitor in the coming months. Due to concerns around persistently high inflationary pressures, Norges Bank is implementing an interest rate easing cycle at a slower pace than previously planned. After two policy rate cuts in 2025 to 4%, we foresee only one additional cut in 2026 as inflation is likely to remain above the 2% target.
Sweden	AAA/Stable	• Swedish economic growth is anticipated to accelerate in 2026 after a slower-than-expected recovery this year amid heightened global trade uncertainties, supported by a declining inflation, lower interest rates and more expansionary fiscal policy. Output growth will hinge on rising private consumption as household incomes increase due to lower mortgage rates and higher real wages, further supported by elevated government spending. • Sweden’s strong fiscal framework strengthens the country’s capacity to face increasing spending pressures and ensures public-debt ratios are well anchored at one of the lowest levels in Europe, averaging around 35% of GDP over the next five years.
Switzerland	AAA/Stable	• We foresee economic and fiscal outlooks to remain robust. Given recent inflation surprises on the downside, inflation developments and SNB rate decisions will be key in the coming months. • As a small open economy, Switzerland remains vulnerable to US tariffs. The finalisation and implementation of the latest framework agreement, including the cap on the pharmaceutical sector, will be closely monitored.
United Kingdom	AA/Stable	• The United Kingdom’s credit ratings are supported by strong market access and saving measures included in the 2025 Autumn Budget that could support the fiscal trajectory. However, funding conditions and net interest payments will be central to assess fiscal and debt sustainability, while political opposition and public protests could complicate the implementation of the Labour government policy agenda. • Shifts in investor sentiment and deviations from self-imposed fiscal targets could weigh on the outlook. The resilience of GDP growth prospects to proposed budgetary adjustments will also be key to inform the rating trajectory.

5.4 Major global sovereigns

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
China	A/Stable	• Scope will monitor further progress to stabilise the property market, address deflationary risks and sustain consumption. We will also monitor the impact of expected measures to help local governments to clear overdue payments to private firms and the impact on the general government, which is expected to continue to rise. • We will also monitor the evolution of a possible re-escalation of trade tensions with the United States after the agreement reached in October 2025. China's capacity to continue diversifying its trade is key to maintain a sound trade outlook.
Japan	A/Stable	• The inflation outlook is important for the ratings trajectory. If Japan continues managing inflation of 2% or even of modestly above 2%, this supports the sovereign by sustainably ending the debt deflation seen in recent decades. Scope today projects a relatively flat trajectory of Japan's elevated sovereign debt ratio, following the temporary increase during the Covid-19 pandemic. Likewise, Japan needs to ensure inflation does not rise again significantly, compromising the confidence in the Bank of Japan's 2% price-stability mandate and forcing further rises of JGB yields. • Japan's new Prime Minister Sanae Takaichi has proposed a large stimulus package exceeding 21 trillion yen (more than 3% of GDP). However, leading a minority government without a majority in either the Upper or Lower House, parliamentary approval depends on negotiating support from opposition parties or smaller factions. If passed, primary deficits are set to increase and, crucially, higher government bond yields could lead to a weakening debt trajectory.
United States	AA-/Stable	• We downgraded the United States of America's credit ratings to AA- this year, reflecting the weakening fiscal outlook and weakening governance standards, particularly the erosion of well-established checks and balances, which reduces the predictability and stability of US policymaking. The consolidation of power within the executive branch increases the risk of policy missteps, including from the Federal Reserve, whose current Chair, Jerome Powell, is set to step down in May 2026. • Following the longest government shutdown on record in late-2025, federal funding is only ensured until end-January 2026. Unless Congress passes new appropriations or a continuing resolution before then, which will require bipartisan cooperation, a renewed government shutdown is expected. • Under the One Big Beautiful Bill Act, the debt ceiling was raised by USD 5tn to USD 41.1tn, a general government debt level, which is set to be exceeded in 2027. This makes the results of the November 2026 midterms a key determinant of whether a renewed political stand-off and the associated market volatility and risk of a near or technical default emerges. • Although the US secured numerous trade deals in 2025, trade policy is expected to remain volatile as it continues to serve as a key instrument in advancing US foreign policy objectives. • The current administrations strong focus on de-regulation across sectors will support stronger economic growth near-term but is likely to lead to rising imbalances and heightened vulnerabilities to future financial crises. The high concentration in the S&P 500 on a small number of US tech companies, elevated valuations, and interlinkages within the financial system poses a key vulnerability from sudden market corrections.

5.5 Emerging Markets

Sovereign	Long-term issuer rating and rating Outlook in foreign currency	What we are watching entering 2026
Georgia	BB/Negative	• The trajectory of Georgia's credit ratings will primarily depend on political and geopolitical tensions as well as the strength of domestic institutions. Relations with the European Union will remain a key driver given the risk of international sanctions and the importance of foreign financial inflows including foreign direct investments. • External-sector risks have been exacerbated by a more volatile environment and the level of international reserves will remain a key focus area. • Growth prospects have remained solid but could be weakened by political and geopolitical uncertainties.
Serbia	BB+/Stable	• Key Factors to watch in 2026 include i) Serbia's budget performance, particularly the country's ability to maintain deficits below 3% of GDP while financing large EXPO-related investments without raising debt risks; ii) external-vulnerability trends, including the evolution of the current account deficit, FDI inflows and the impact of US sanctions on NIS on energy security, inflation and reserves; iii) progress on governance and EU-accession reforms, especially rule of law, media freedom, and commitments related to Kosovo, which remain conditions for deeper EU engagement and funding; and iv) exchange-rate and financial-stability conditions, given the high foreign-currency share of public debt and the sensitivity of external financing costs to global market conditions. • Serbia benefits from resilient macroeconomic performance, supported by a credible monetary-policy framework; moderate public debt, projected around 45% of GDP in 2025 and broadly stable thereafter, supported by prudent fiscal management, IMF-backed reforms and solid nominal growth despite large investment needs for EXPO 2027. External stability remains supported by sustained FDI, though structural vulnerabilities persist with a current account deficit above 5% of GDP and a negative NIIP (–60%), combined with high foreign-currency exposure in public and private debt. • Institutional and political constraints, including slow progress on EU accession, governance gaps and tensions with Kosovo, continue to weigh on policy predictability and external-financing resilience.
South Africa	BB/Stable	• South Africa's credit ratings are supported by budgetary measures aiming at sustaining a primary surplus to stabilise the government debt to GDP. The potential introduction of long-term fiscal rules will also be a key factor to watch to strengthen sustainability and accountability given high government debt and net interest payments. • The resilience of the government coalition including the African National Council and the Democratic Alliance will be central to further advance budgetary efforts and structural reforms among which investment in public infrastructures. • Contingent liabilities crystallising into the sovereign balance sheet will remain a downside risk given the challenging financial situation of state-owned enterprises.
Türkiye	BB-/Stable	• Türkiye's ratings are supported by disinflation, fiscal discipline and higher international reserves. The disinflation path and build-up of external buffers will remain central for the rating trajectory given the economy's high sensitivity to domestic and external developments and a track record of policy reversal. • The evolution of financial stability risks will also be central given interlinkages with external and public finance risks. • Maintaining fiscal discipline and reducing macroeconomic imbalances could also support the rating trajectory in the absence of shocks.
Ukraine	SD	• Ukraine's long-term ratings reflect the moratoria introduced in August 2024 until the treatment of all external commercial claims part of the authorities' debt restructuring strategy. Negotiations with external commercial creditors, the evolution of gross financing needs approaching the end of the IMF programme set for March 2027 and associated financial assistance from international partners, potentially through Russian frozen assets, will remain key areas of focus. High uncertainty surrounding the evolution of the military conflict will continue to cloud the outlook.

6. Economic forecasts

6.1 Growth, inflation and official rates, 2023-2027F

Country/region	Real GDP growth (annual average, %)								Headline inflation[2] (annual average, %)							Policy rates (end of period, %)				
	2023	2024	2025E	Diff. from Jun-25[1]	2026F	Diff. from Jun-25[1]	2027F	Medium-run potential	2023	2024	2025E	Diff. from Jun-25[1]	2026F	Diff. from Jun-25[1]	2027F	End-2023	End-2024	End-2025	End-2026	End-2027
EU-27	0.5	1.0	1.5	n/a	1.4	n/a	1.4	1.4	6.4	2.6	2.5	n/a	2.3	n/a	2.0					
Euro area-20[3]	0.6	0.8	1.4	↑0.3	1.3	↓0.2	1.2	1.2	5.4	2.4	2.2	↑0.1	2.0	↑0.1	1.9	4.0	3.0	2.0	2.0	1.75
Germany	(0.7)	(0.5)	0.3	↑0.3	1.0	↓0.2	1.2	0.8	6.0	2.5	2.3	-	2.2	↑0.4	2.0					
France	1.6	1.1	0.8	↑0.1	1.0	↓0.1	0.8	1.1	5.7	2.3	1.0	↑0.2	1.3	↓0.2	1.5					
Italy	1.1	0.5	0.5	↓0.1	0.8	-	0.9	0.9	5.9	1.1	1.7	↓0.2	1.5	↓0.1	1.8					
Spain	2.5	3.5	2.9	↑0.4	2.5	↑0.7	2.1	1.75	3.4	2.9	2.7	↑0.4	2.8	↑0.9	2.1					
Netherlands	(0.6)	1.1	1.7	↑0.2	1.4	↑0.0	1.0	1.2	4.1	3.2	3.0	↓0.1	2.3	↓0.5	1.8					
Belgium	1.7	1.1	1.1	↑0.1	1.0	↓0.1	1.0	1.3	2.3	4.3	3.0	↑0.3	1.8	↓0.1	1.8					
Austria	(0.7)	(0.8)	0.4	↑0.5	0.7	↓0.6	1.0	1.0	7.7	2.9	3.6	↑0.2	2.8	↑0.8	1.9					
Ireland	(2.6)	2.6	13.3	↑8.3	3.0	↓1.0	2.5	3.2	5.2	1.3	2.1	↑0.2	2.5	↑0.5	1.8					
Finland	(0.9)	0.4	0.1	↓0.8	1.1	↓0.5	1.0	1.2	4.3	1.0	1.8	↓0.2	1.4	↓0.8	1.7					
Portugal	3.1	2.1	1.9	↓0.2	2.1	↑0.2	1.7	1.9	5.3	2.7	2.2	↓0.1	2.0	-	2.0					
Greece	2.3	2.3	1.9	↓0.2	2.0	↑0.2	1.7	1.25	4.2	3.0	2.7	↓0.4	1.6	↓0.9	2.1					
Slovakia	2.1	1.9	0.8	↓0.7	1.2	↓0.5	1.5	2.25	11.0	3.2	4.2	↓0.8	4.0	-	3.3					
Luxembourg	0.1	0.3	1.0	↓1.2	2.0	↓0.4	2.0	2.2	2.9	2.3	2.4	↑0.2	2.0	↓0.1	1.9					
Lithuania	0.8	3.0	2.4	↓0.4	3.2	↑0.2	2.6	2.5	8.7	0.9	3.4	↓0.5	2.8	↑0.4	2.6					
Slovenia	2.6	1.7	0.9	↓0.9	2.1	↓0.1	1.8	2.5	7.2	2.0	2.5	↓0.3	2.1	↓0.1	2.1					
Latvia	(1.1)	(0.3)	1.4	↓0.6	2.2	↓0.3	1.8	2.25	9.1	1.3	3.9	↑0.5	2.9	↑0.6	2.5					
Estonia	(2.8)	(0.1)	0.6	↓0.7	2.3	-	2.0	2.2	9.1	3.7	4.9	↑0.3	3.6	↓0.9	2.6					
Cyprus	3.6	3.9	3.5	↑0.8	3.0	↑0.2	2.4	3.0	3.9	2.3	0.8	↓1.0	1.2	↓0.5	1.8					
Malta	10.6	6.8	3.9	-	3.8	↓0.1	3.3	3.75	5.6	2.4	2.5	↑0.4	2.3	↑0.3	1.8					
Croatia	3.7	3.8	3.2	↑0.4	2.8	↑0.2	2.6	2.8	8.4	4.0	4.3	↑0.1	3.1	↑0.3	2.5					
Western Europe ex-euro area																				
United Kingdom	0.3	1.1	1.4	↑0.4	1.0	↓0.3	1.0	1.5	7.3	2.5	3.4	↑0.1	2.7	-	2.3	5.25	4.75	3.75	3.5	3.25
Switzerland	0.9	1.4	0.8	↓0.1	1.5	↓0.3	1.2	1.5	2.1	1.1	0.2	↓0.1	0.5	↓0.1	0.7	1.75	0.5	0.0	0.0	0.0
Sweden	0.0	0.8	1.1	↓0.7	2.4	-	2.1	1.8	8.5	2.8	0.8	↓1.7	1.0	↓0.8	2.0	4.0	2.5	1.75	1.75	1.75
Norway	0.2	2.1	2.0	-	1.6	↑0.3	1.5	1.8	5.5	3.1	3.1	-	2.7	↓0.1	2.2	4.5	4.5	4.0	3.75	3.5
Denmark	0.6	3.5	2.5	↓0.7	2.3	↑0.3	1.7	1.5	3.3	1.4	1.9	↑0.2	2.0	↑0.5	1.7	3.6	2.6	1.6	1.6	1.35
EU central and eastern Europe ex-euro area																				
Poland	0.1	3.0	3.3	↑0.2	3.1	↑0.3	2.9	3.0	11.4	3.8	3.9	↑0.2	2.8	↓0.7	2.5	5.75	5.75	4.25	3.75	3.75
Romania	2.3	0.9	1.3	↓0.1	0.7	↓1.6	1.6	3.5	10.4	5.6	7.3	↑2.4	7.1	↑3.4	3.9	7.0	6.5	6.5	5.5	4.5
Czech Republic	0.2	1.1	2.3	↑0.2	2.2	↓0.2	2.3	2.25	10.7	2.4	2.5	↑0.1	2.0	↑0.2	2.3	6.75	4.0	3.5	3.5	3.5
Hungary	(0.7)	0.6	0.4	↓0.8	1.8	↓1.2	2.1	2.6	17.1	3.7	4.4	↓0.5	3.6	↓0.7	3.0	10.75	6.5	6.5	6.25	5.25
Bulgaria	1.7	3.2	3.3	↑0.7	3.2	↑0.2	2.8	2.75	9.5	2.4	4.6	↑1.0	4.0	↑2.3	2.6	3.75	3.04	1.8		
Non-EU emerging Europe																				
Türkiye	5.0	3.3	4.0	↑1.2	3.9	↑0.7	3.2	3.8	53.9	58.5	35.0	↓2.5	25.0	↑2.5	20.0	42.5	47.5	38.5	31.0	27.5
Ukraine	5.5	2.9	2.0	↓0.8	2.0	↓1.5	2.0	2.5	12.8	6.5	12.9	↓1.1	7.1	↓1.2	6.1	15.0	13.5	15.0	12.0	11.0
Serbia	3.8	3.9	2.0	↓1.2	3.5	-	3.4	4.0	12.4	4.7	3.9	↓0.1	2.4	↓0.8	3.0	6.5	5.75	5.75	5.0	5.0
Georgia	7.8	9.4	7.3	↓0.2	6.0	↓0.5	5.5	5.0	2.5	1.1	3.9	↑0.1	3.3	↑0.2	2.9	9.5	8.0	8.0	7.5	7.5
Rest of World (Advanced)																				
United States	2.9	2.8	2.1	↑0.3	2.4	↑0.6	1.75	2.0	4.1	2.9	2.8	-	2.9	↑0.2	2.4	5.25-5.5	4.25-4.5	3.75-4	3.25-3.5	3-3.25
China[4]	5.2	5.0	5.0	↑0.2	4.7	↑0.2	4.5	4.2	0.3	0.2	(0.2)	-	0.9	↓0.1	1.4	3.45	3.1	3.0	2.8	2.8
Japan[5]	1.2	-0.2	1.3	↑0.6	0.7	↓0.2	0.7	0.4	3.2	2.7	3.2	↓0.3	2.5	-	2.5	(0.1)	0.25	0.50	0.75	1.0
Africa																				
South Africa	0.8	0.5	1.2	↑0.5	1.3	-	1.2	1.5	6.1	4.4	3.3	↑0.1	3.3	↓0.4	3.0	8.25	7.75	6.75	6.25	6.0
World	3.5	3.3	3.3	↑0.3	3.2	↑0.1	3.1	2.7	6.7	5.8	4.2	↓0.1	3.8	-	3.5					

Negative values shown in parentheses. Source: Scope Ratings forecasts, Macrobond, IMF. [1]Changes compared with Scope June-2025 Global Economic Outlook forecasting. [2]HICP headline inflation for euro-area member states; otherwise, CPI headline inflation. [3]Shown for the euro-area policy rate is the ECB deposit facility rate. [4]Shown for China's policy rate is the one-year bank prime loan rate. [5]Shown for Japan's policy rate is the deposit rate on current account balances.

6.2 Unemployment, fiscal metrics, 2023-2030F

Country/region	Unemployment rate[6] (annual average, %)					Net government interest payments (annual avg, % of general gov't revenue)				General government balance (annual average, % of GDP)						General government debt level (end of period, % of GDP)					
	2023	2024	2025E	2026F	2027F	2025E	2026F	2027F	2030F	2023	2024	2025E	2026F	2027F	2030F	2023	2024	2025E	2026F	2027F	2030F
EU-27	6.1	6.0	6.0	6.0	5.9	3.8	4.1	4.4	5.0	(3.4)	(3.1)	(3.3)	(3.4)	(3.3)	(3.2)	81	81	81	82	83	84
Euro area-20	6.6	6.4	6.4	6.4	6.3	3.8	4.1	4.5	5.2	(3.5)	(3.1)	(3.0)	(3.2)	(3.2)	(3.2)	87	87	87	88	88	89
Germany	3.1	3.4	3.8	3.7	3.7	2.0	2.2	2.4	3.0	(2.5)	(2.7)	(2.6)	(3.4)	(3.5)	(4.0)	62	62	63	65	66	71
France	7.3	7.4	7.5	7.7	7.7	3.9	4.5	5.2	6.9	(5.4)	(5.8)	(5.4)	(5.3)	(5.2)	(4.9)	110	113	116	119	121	125
Italy	7.7	6.6	6.2	6.1	5.9	8.3	8.5	8.6	9.2	(7.2)	(3.4)	(3.0)	(2.8)	(2.8)	(2.5)	134	135	136	138	137	136
Spain	12.2	11.4	10.6	10.0	9.6	5.4	6.1	6.3	6.4	(3.3)	(3.2)	(2.5)	(2.3)	(2.1)	(2.3)	105	102	100	98	96	92
Netherlands	3.6	3.7	3.9	4.0	4.2	1.1	1.4	1.6	2.1	(0.4)	(0.9)	(2.1)	(2.9)	(2.6)	(3.0)	46	43	43	44	45	50
Belgium	5.5	5.7	6.0	6.0	6.1	3.7	4.2	4.7	6.3	(4.0)	(4.4)	(5.4)	(5.2)	(5.1)	(5.7)	102	104	107	109	112	120
Austria	5.1	5.2	5.6	5.9	6.1	2.4	2.5	3.1	3.9	(2.6)	(4.7)	(4.8)	(4.2)	(3.7)	(3.6)	78	80	82	83	84	84
Ireland	4.3	4.3	4.6	4.8	5.1	1.5	1.2	1.4	1.9	1.4	4.0	0.9	0.8	0.7	0.7	42	38	31	30	29	27
Finland	7.2	8.4	9.5	9.4	9.3	3.2	3.4	3.6	3.3	(2.9)	(4.4)	(4.5)	(3.8)	(3.6)	(3.3)	77	83	87	89	90	94
Portugal	6.6	6.5	6.1	5.7	5.5	4.7	4.7	4.8	4.4	1.3	0.5	0.2	(0.4)	(0.2)	(0.9)	97	94	90	88	85	78
Greece	11.0	10.1	8.7	7.9	7.5	6.7	6.5	6.7	6.3	(1.4)	1.2	0.5	(0.1)	(0.4)	(0.6)	164	154	146	140	134	123
Slovakia	5.8	5.4	5.4	5.7	5.9	2.5	3.1	3.6	4.4	(5.3)	(5.5)	(5.1)	(4.3)	(4.5)	(3.4)	56	59	61	64	66	70
Luxembourg	5.2	6.3	6.7	6.9	7.1	(0.3)	0.0	0.2	0.7	(0.7)	0.9	(0.8)	(0.8)	(1.0)	(1.5)	25	26	27	27	27	27
Lithuania	6.8	7.1	6.9	6.9	7.0	2.4	2.5	3.0	3.4	(0.7)	(1.3)	(2.5)	(2.8)	(2.9)	(2.5)	37	38	42	44	46	49
Slovenia	3.7	3.7	3.3	2.9	2.8	2.0	2.4	2.6	3.1	(2.6)	(0.9)	(2.6)	(2.9)	(2.8)	(2.6)	68	67	67	67	67	67
Latvia	6.5	6.9	6.7	6.2	6.0	2.6	3.2	3.6	3.8	(2.4)	(1.8)	(3.0)	(3.2)	(3.7)	(3.1)	44	47	46	48	49	52
Estonia	6.4	7.6	7.8	7.4	7.2	0.4	0.6	0.9	1.2	(2.7)	(1.7)	(1.3)	(3.8)	(3.8)	(2.8)	20	24	24	27	30	35
Cyprus	5.8	4.9	4.8	4.7	5.1	2.8	2.6	2.8	2.9	1.7	4.1	3.7	3.3	2.6	1.1	71	63	55	51	47	38
Malta	3.5	3.2	3.0	3.0	3.0	3.9	4.0	4.2	4.2	(4.4)	(3.5)	(3.2)	(3.0)	(2.6)	(2.5)	47	46	47	48	48	48
Croatia	6.0	5.1	4.8	4.6	4.5	2.3	2.3	2.4	2.5	(0.8)	(1.9)	(2.9)	(2.8)	(2.5)	(1.8)	61	57	56	56	56	55
Western Europe ex-euro area																					
United Kingdom	4.2	4.4	4.9	5.1	5.2	6.4	6.6	7.0	8.0	(6.1)	(5.7)	(5.1)	(4.8)	(4.8)	(4.5)	100	101	103	106	109	114
Switzerland	2.0	2.4	2.9	3.3	2.9	0.3	0.3	0.3	0.2	0.1	0.6	0.5	0.1	0.3	0.1	39	38	37	36	35	32
Sweden	7.7	8.4	8.9	9.1	9.1	0.7	0.9	1.1	1.1	(0.9)	(1.5)	(1.4)	(2.5)	(1.9)	(0.5)	32	34	35	37	38	37
Norway	3.6	4.0	4.6	4.9	5.2	(4.9)	(4.2)	(3.8)	(2.7)	16.5	13.1	12.5	11.2	10.3	8.6	44	43	43	42	41	39
Denmark	5.1	6.2	6.3	5.9	5.7	(1.1)	(0.8)	(0.6)	(0.4)	3.4	4.5	2.0	1.3	1.1	(0.4)	33	31	28	27	26	26
EU central and eastern Europe ex-euro area																					
Poland	2.8	2.9	3.1	3.2	3.2	5.7	5.7	6.1	6.0	(5.2)	(6.5)	(6.9)	(6.5)	(6.3)	(4.5)	50	55	60	65	69	74
Romania	5.6	5.5	5.9	6.4	6.6	8.1	7.1	8.0	8.8	(5.6)	(9.3)	(8.1)	(6.3)	(5.6)	(4.6)	52	55	59	61	63	67
Czech Republic	2.6	2.8	2.9	2.8	2.7	1.7	1.8	1.9	1.8	(3.7)	(2.0)	(2.3)	(2.7)	(2.8)	(2.9)	42	43	44	46	47	50
Hungary	4.1	4.4	4.4	4.3	4.3	9.3	9.9	10.2	10.3	(6.8)	(5.0)	(5.1)	(5.0)	(4.8)	(4.3)	73	74	75	76	77	77
Bulgaria	4.3	4.2	3.5	3.2	3.0	1.0	1.9	2.5	3.1	(3.0)	(3.0)	(3.4)	(3.2)	(3.2)	(3.0)	23	24	28	30	31	35
Non-EU emerging Europe																					
Türkiye[7]	9.4	8.7	8.5	8.5	8.8	9.7	10.3	11.7	9.4	(5.1)	(4.7)	(3.5)	(3.5)	(3.6)	(2.8)	29	24	24	25	25	24
Ukraine[7]						11.4	10.8	10.2	9.8	(20.4)	(17.6)	(19.3)	(15.9)	(11.7)	(7.5)	84	91	99	105	109	106
Serbia	9.4	8.6	8.9	8.5	8.1	5.3	5.2	5.0	4.7	(1.2)	(1.8)	(3.0)	(2.8)	(2.8)	(1.9)	46	44	45	45	46	44
Georgia	16.4	13.9	14.0	13.5	13.5	6.6	6.3	6.2	5.6	(2.3)	(2.3)	(2.2)	(2.4)	(2.1)	(2.0)	39	36	34	33	33	34
Rest of World (Advanced)																					
United States	3.6	4.0	4.3	4.2	4.3	11.7	12.5	12.6	13.2	(7.8)	(8.0)	(7.4)	(7.8)	(7.9)	(7.5)	120	122	125	127	130	140
China[8]	5.2	5.1	5.2	5.2	5.2	4.9	5.6	6.2	7.7	(6.7)	(7.3)	(8.6)	(8.6)	(8.5)	(8.2)	82	88	96	103	108	121
Japan	2.6	2.5	2.5	2.4	2.4	1.1	2.0	3.1	6.0	(2.3)	(1.5)	(1.6)	(3.1)	(3.7)	(5.2)	240	236	229	226	224	225
Africa																					
South Africa	32.4	32.6	32.5	33.0	33.0	19.7	20.3	20.4	20.2	(5.5)	(5.8)	(5.7)	(5.7)	(5.4)	(4.8)	73	77	81	83	86	92
World																					

Negative values shown in parentheses. Source: Scope Ratings forecasts, Macrobond, IMF. [6]Unemployment rate data source is Eurostat for EU member states; national unemployment series otherwise. [7]Türkiye and Ukraine fiscal-balance figures are for the central-government budget balance. [8]Unemployment is survey-based urban unemployment rate.

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