

Global Economic Outlook 2026



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Global Economic Outlook 2026

Core themes:

- 1) A resilient global economy but risks for the durability of the cycle are rising;
- 2) Markets remain sensitive to anticipated corrections given lofty valuations as financial-system risks persist;
- 3) Ongoing trading tensions, sovereign debt concerns alongside geopolitical conflicts weigh on the outlook;
- 4) Inflation remains elevated globally; risks for the 2% inflation target are now more balanced for the euro area;
- 5) Higher rates for longer: More elevated official and long-term financing rates compared with the pre-pandemic levels; and
- 6) Tight labour markets, although there has been some weakening in the UK and the United States.

Global macro and credit risks tilted to the downside (see [slide 22](#) and [slide 23](#)) over the medium run, considering: (i) Increased financial-market and financial-stability vulnerabilities; (ii) Potential re-escalation of trading tensions – even if the US Supreme Court were to rule unconstitutional many of the US tariffs adopted this year; (iii) Rising sovereign debt risks from fiscal pressures; and (iv) Elevated geopolitical risk. The medium-term macro outlook represents a challenge for the global credit outlook.

Euro area growth remains moderate. The strength in peripheral-European economies has offset recent weaknesses in Germany and France. Euro area-21 growth forecast at 1.4% next year before 1.3% in 2027 – the same as the bloc's 1.3% potential rate of growth. Stronger 2026 German growth to offset the slightly slower growth next year within several euro area periphery economies. Higher defence spending, investment programmes and recent monetary easing support activity.

Financial-market developments. US and global yields remain elevated. Credit spreads have narrowed significantly but are under-pricing longer-run risks. French sovereign spreads remain elevated although French spread movements have remained comparatively idiosyncratic at this stage. Global equities remain at or near their all-time highs – underscoring concerns surrounding valuations.

The themes for the global outlook

A resilient global economy but increasing risks for the global expansion. A negative global macro and credit outlook.



Resilient economy but increasing risks for the global recovery



Corrections anticipated in rising markets amid lofty valuations and financial-system risks



Tariff, sovereign debt and geopolitical risks



Borrowing rates remain above the pre-pandemic rates



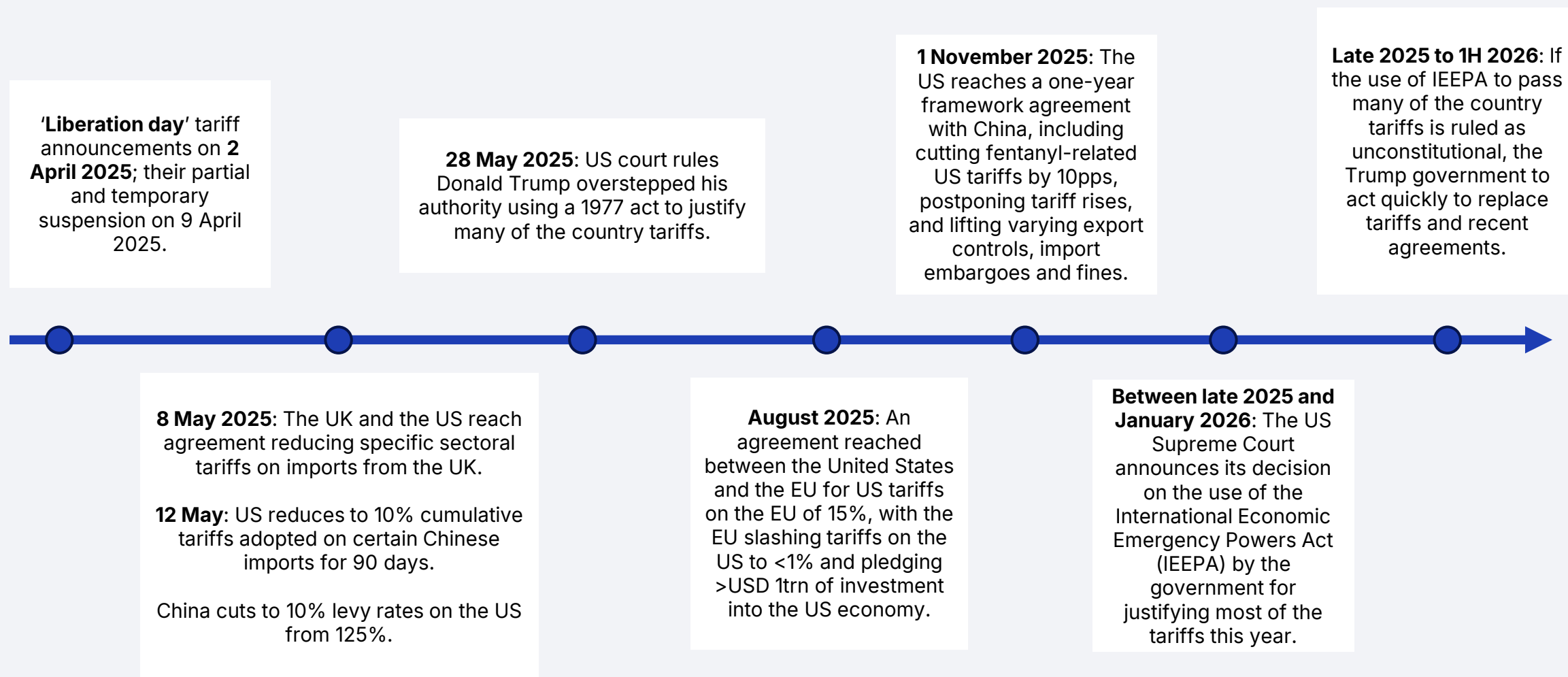
Tight labour markets although select labour markets are softening



Inflation for longer although euro area risks more balanced

Trade policy to stay volatile as the US President responds to legal challenges

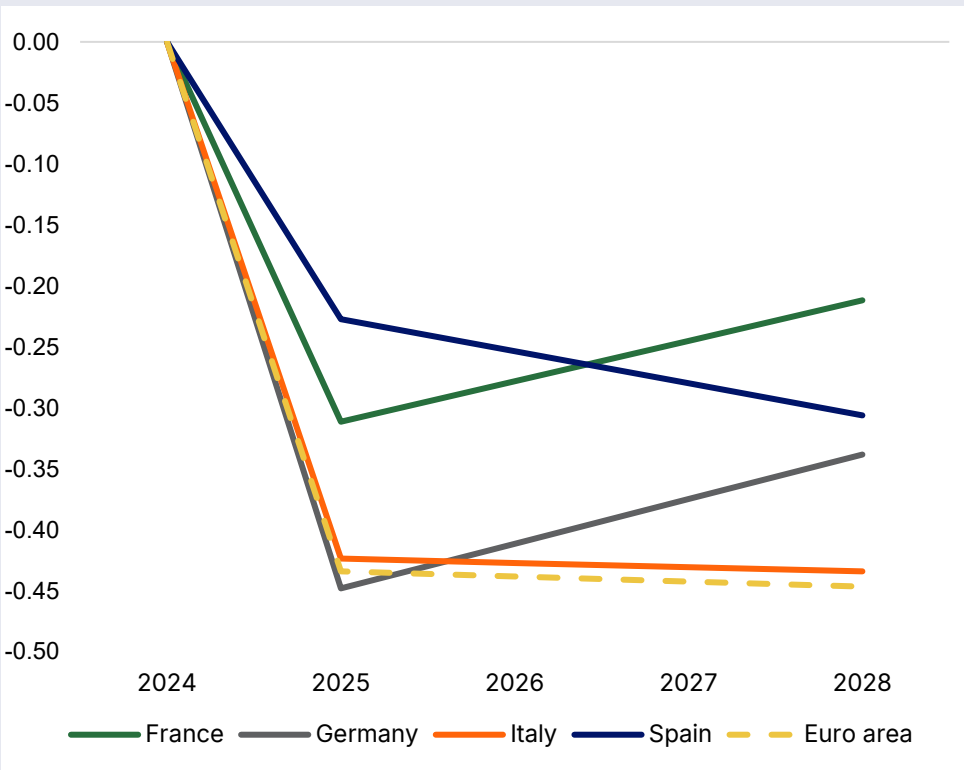
Escalation and de-escalation cycles persist with the forthcoming announcement of the US Supreme Court on >80% of the US tariffs adopted in 2025.



EU economy remains resilient even as US tariffs hit multi-decade highs

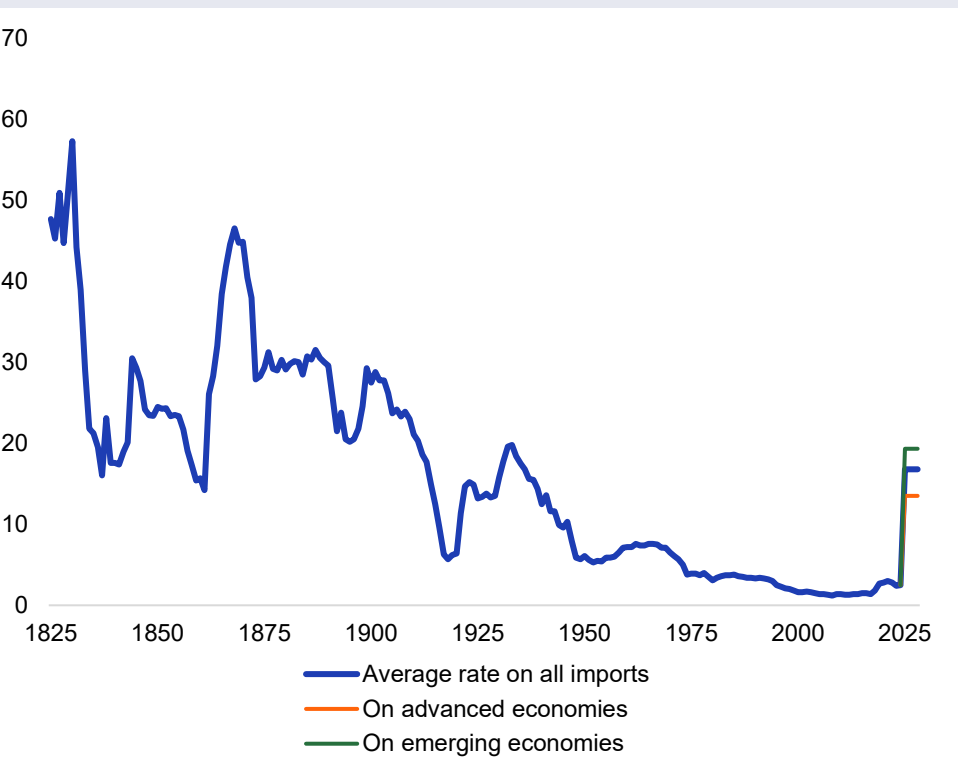
EU growth remains resilient despite the sharp rise in US tariffs on the EU (by around 16pps in aggregate this year).

Cumulative impact on euro area output including 15% levy on EU exports, percentage points



NB: This scenario for the effects of US levies on the EU is based on the measures already in force or announced by the US since the start of the second Trump administration and the countermeasures of trading partners, including the agreements announced between the US and its trading partners such as the 15% rate on EU exports to the United States. Source: Scope Ratings.

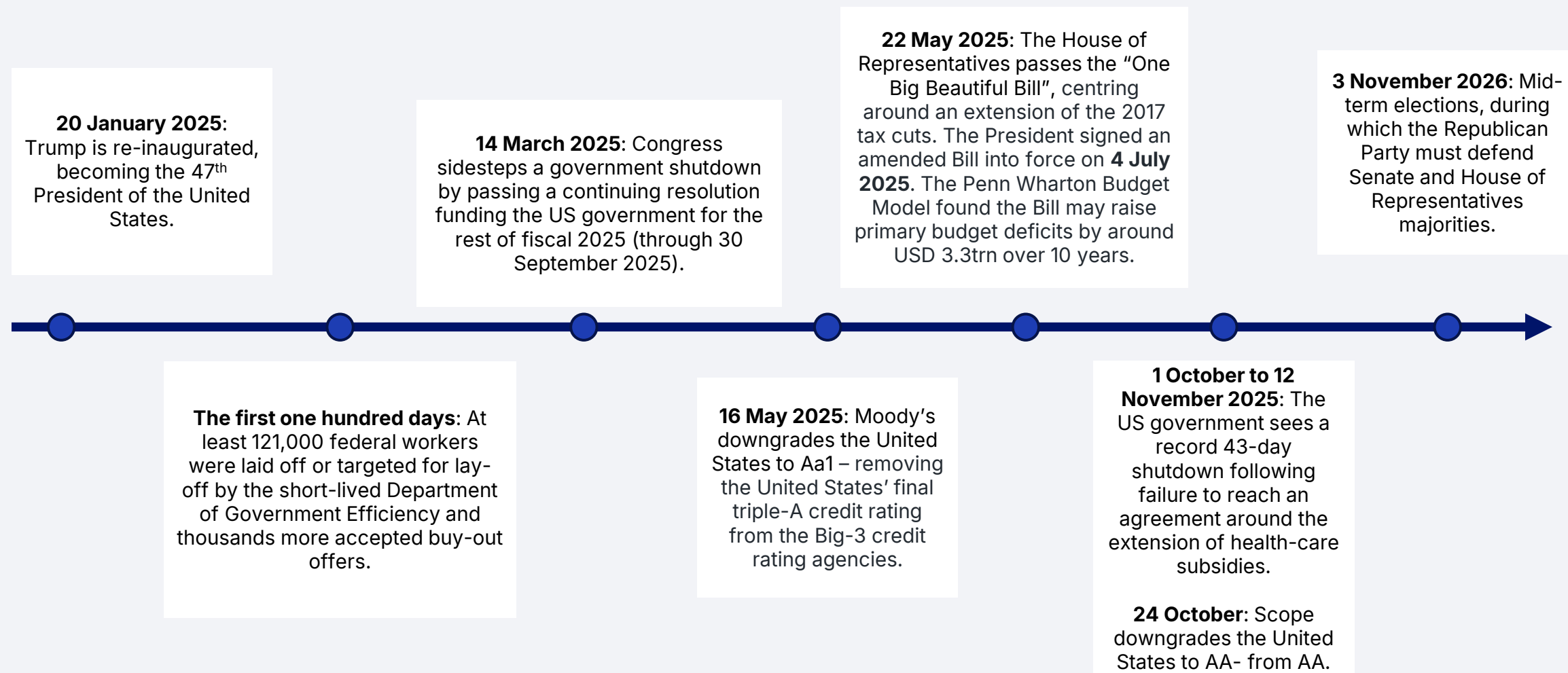
United States average tariff rate on all imports, percentage points



Historical average tariff rates are from the Tax Foundation. The 2025 current effective tariff rate is based on the Yale Budget Lab estimate assuming the tariffs as of 17 November 2025. Weighted averages for advanced and emerging economies are based on Scope estimates. Average tariff rate estimates for 2025 are on pre-substitution bases not accounting for consumption shifts. Source: Tax Foundation, The Budget Lab at Yale University, Scope Ratings.

US budgetary sustainability has become an increasing market concern

The fiscal sustainability of the United States has become an increasing risk factor.

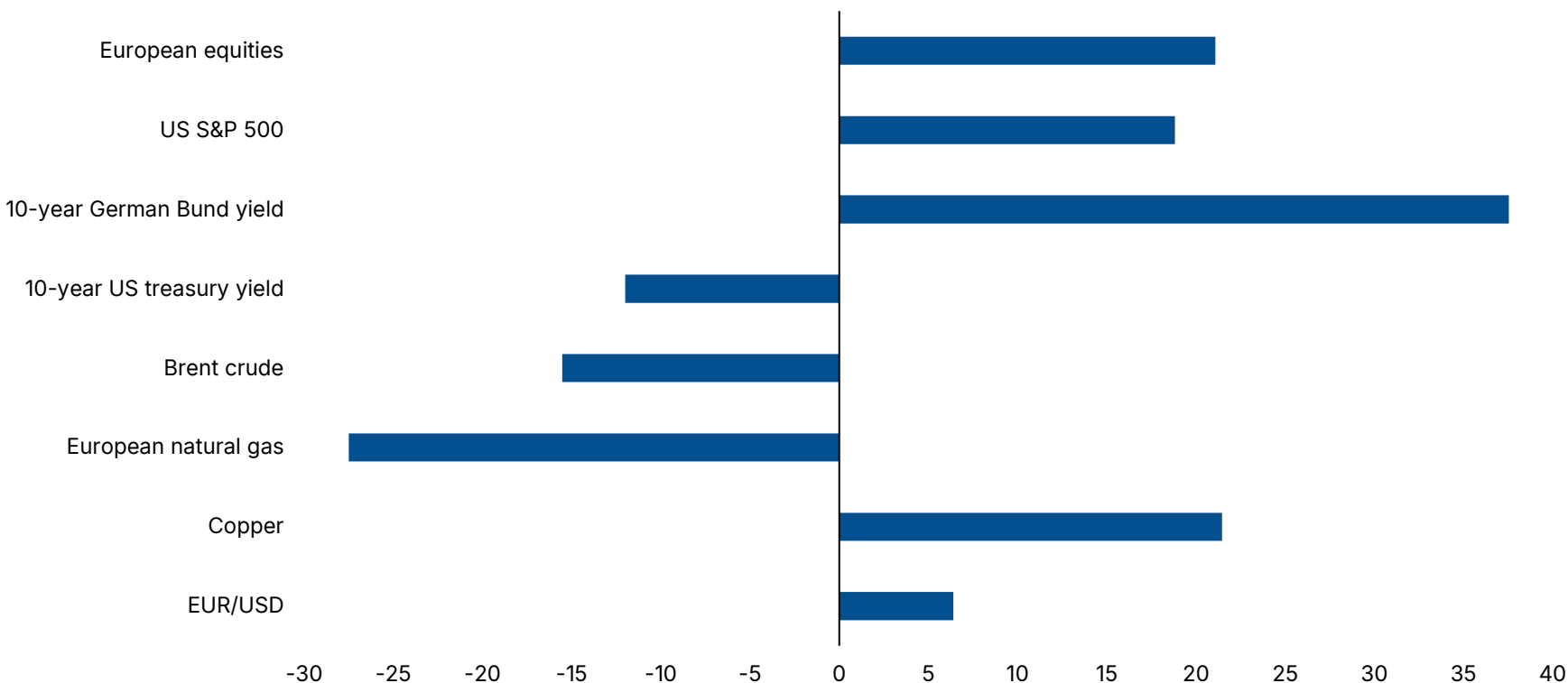


The US elections and the response in the capital markets

Snapshot.

The financial market response

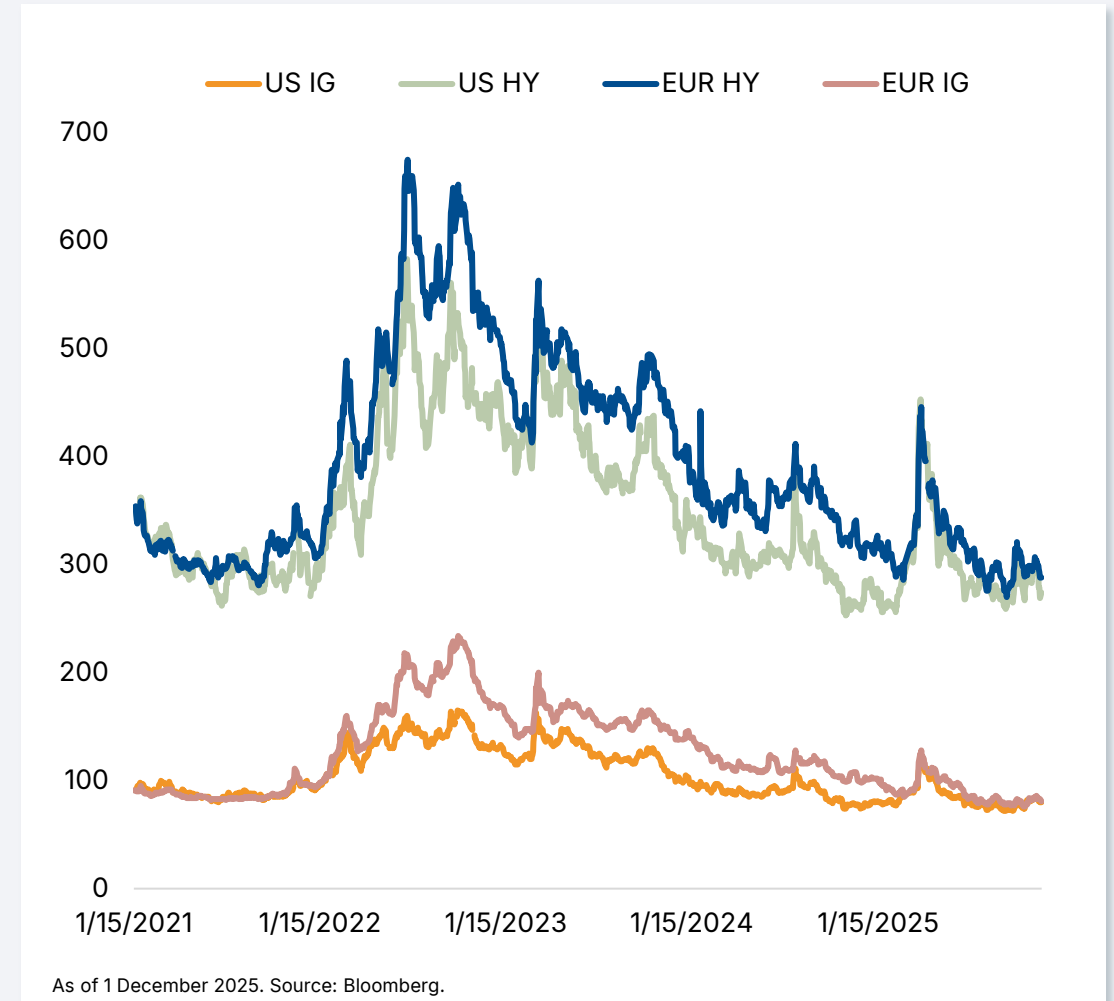
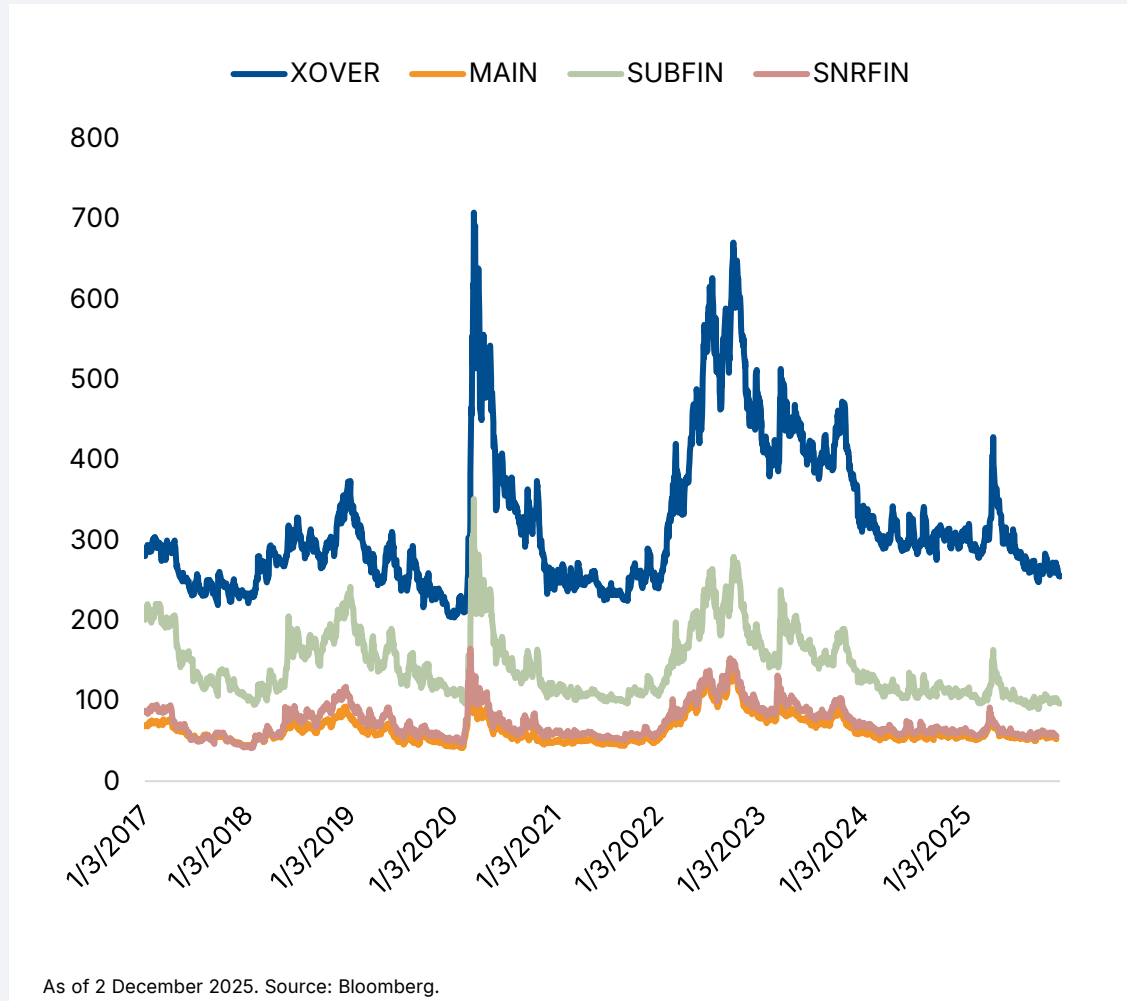
Percentage point (or basis point for bond yields) change since 5 November 2024 (the US elections)



As of 5 December 2025. Source: Scope Ratings, Macrobond.

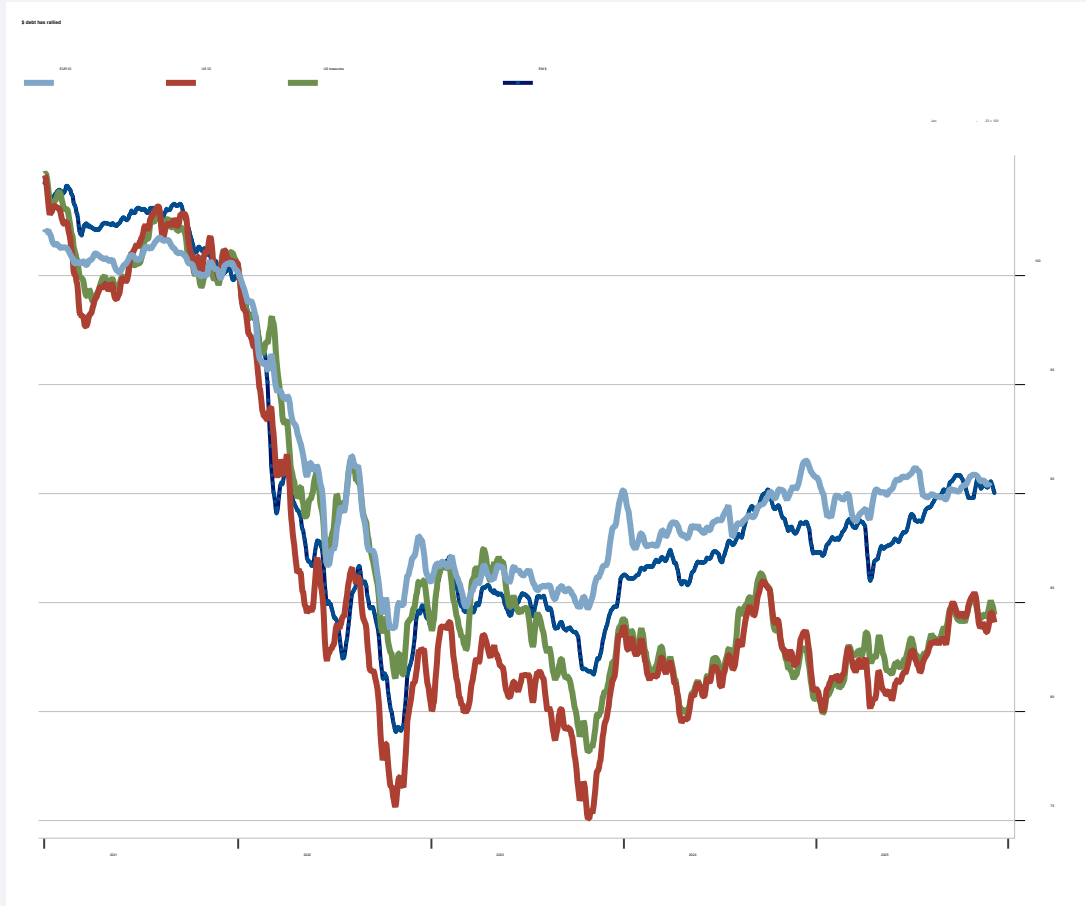
Credit spreads have fallen sharply but may under-price medium-run risks

Credit spreads have moderated from the recent highs.



Yield curves steepened

Although US\$ bonds have rallied.



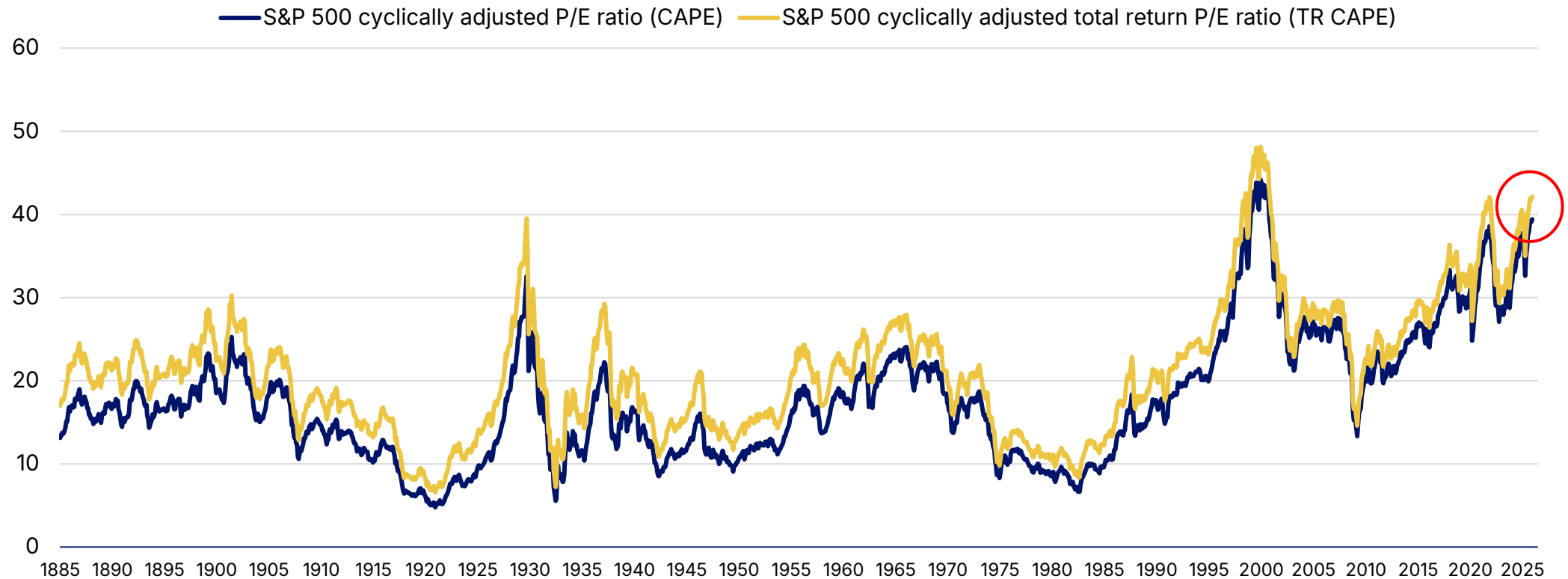
Source: Macrobond.

Equity valuations elevated

US equity valuations near their record highs.

US equity valuations

Price-to-earnings (P/E) ratios

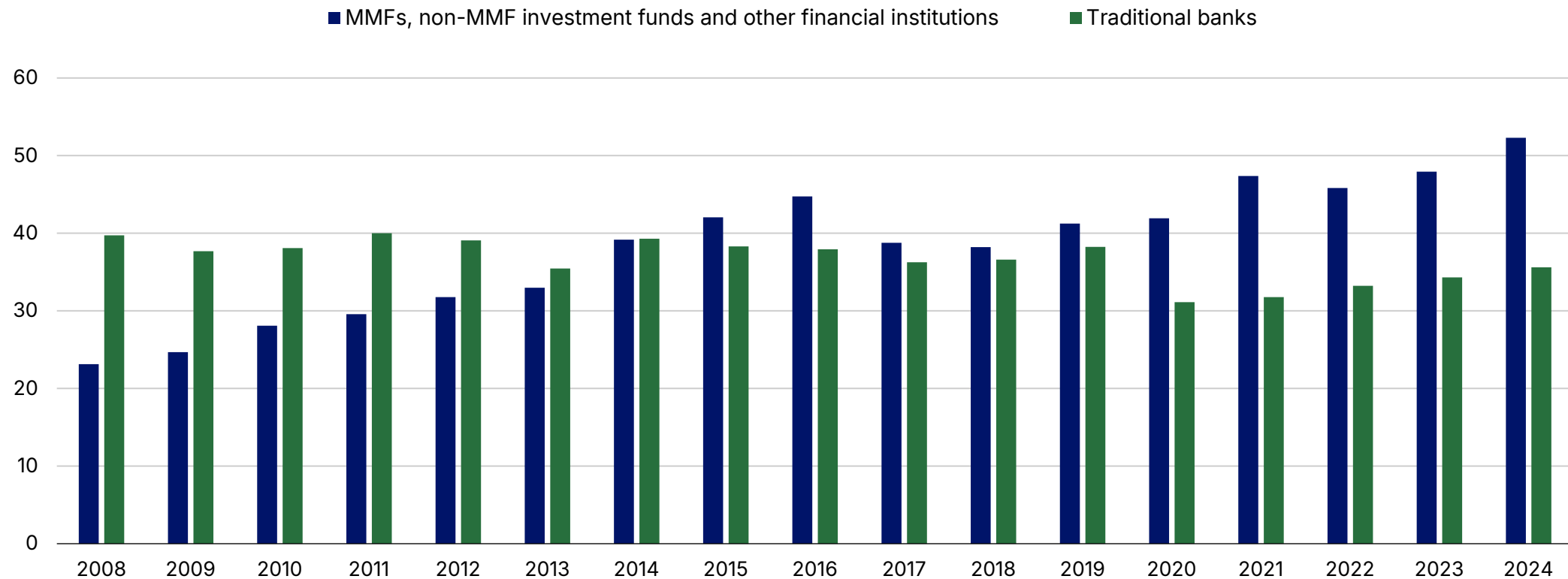


Source: Robert Schiller.

The relevance of non-bank financial institutions affects systemic risk

The less-regulated non-bank financial intermediation sector is increasingly relevant globally and regionally.

The total assets of money market funds (MMFs), non-MMF investment funds & other financial institutions compared to those of banks
In the EU, EUR trn

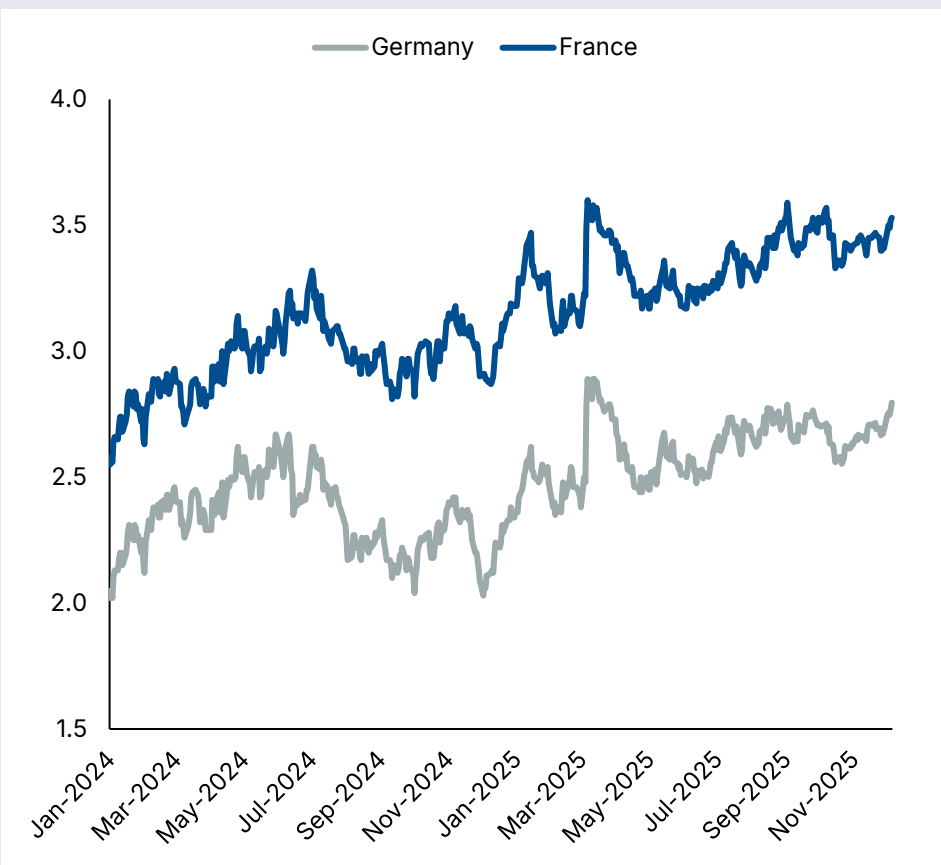


Source: ECB.

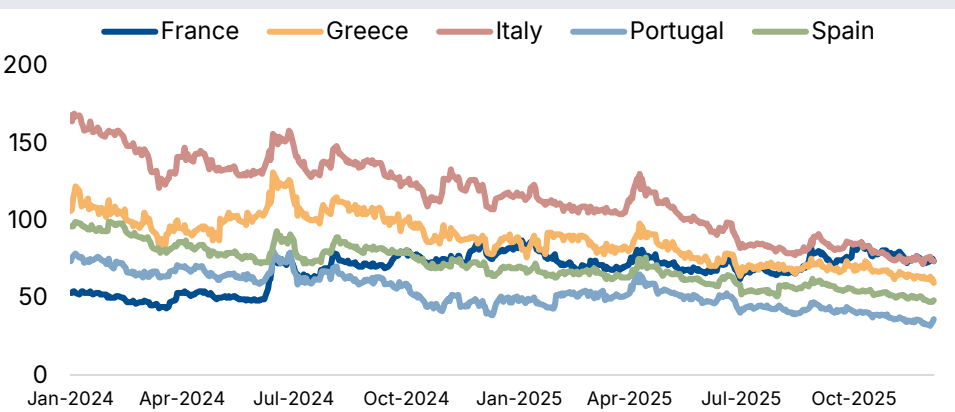
Sovereign yields remain high with wider French spreads and the periphery narrowing

Longer-term yields remain elevated within the euro area and globally, with French spreads remaining higher as France advances its 2026 Budget.

10-year yields, Germany and France, %



10-year yield spreads to German Bunds, bps



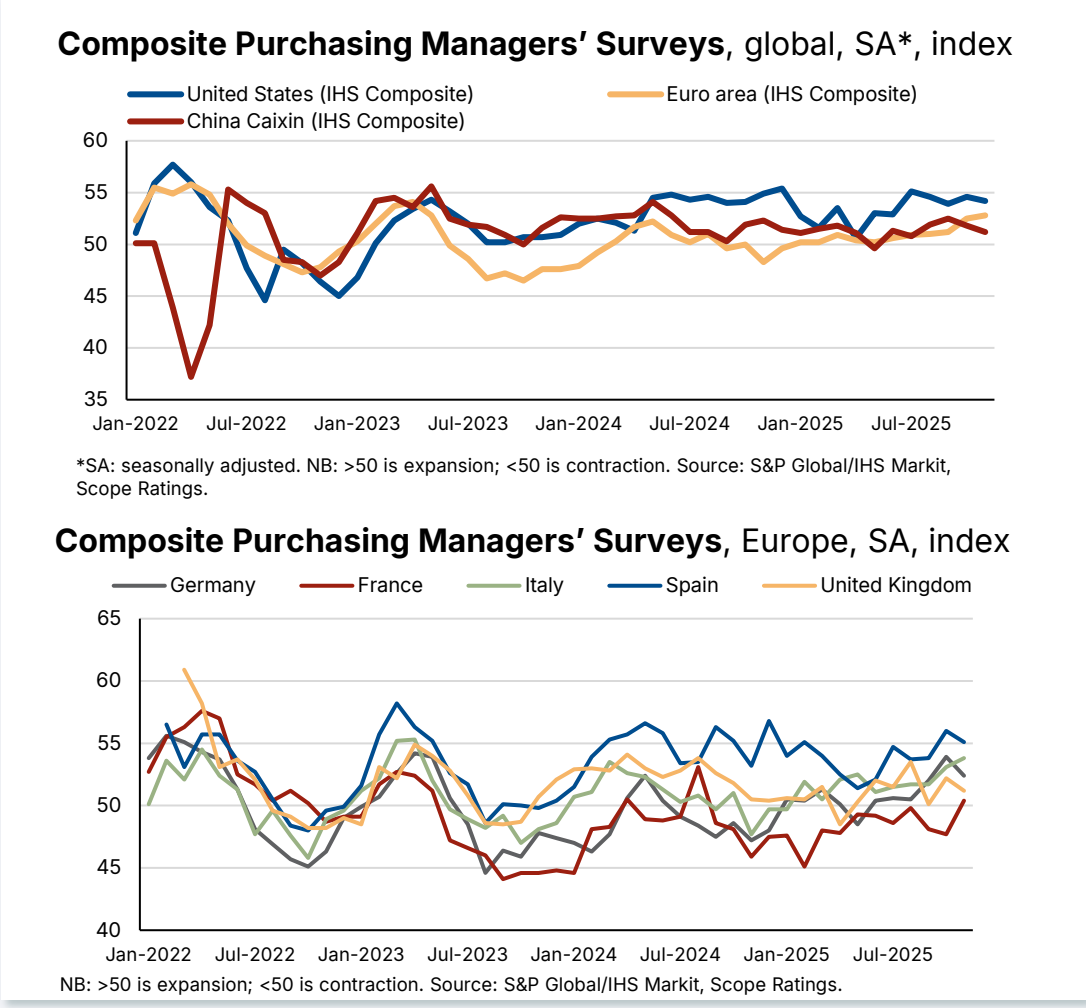
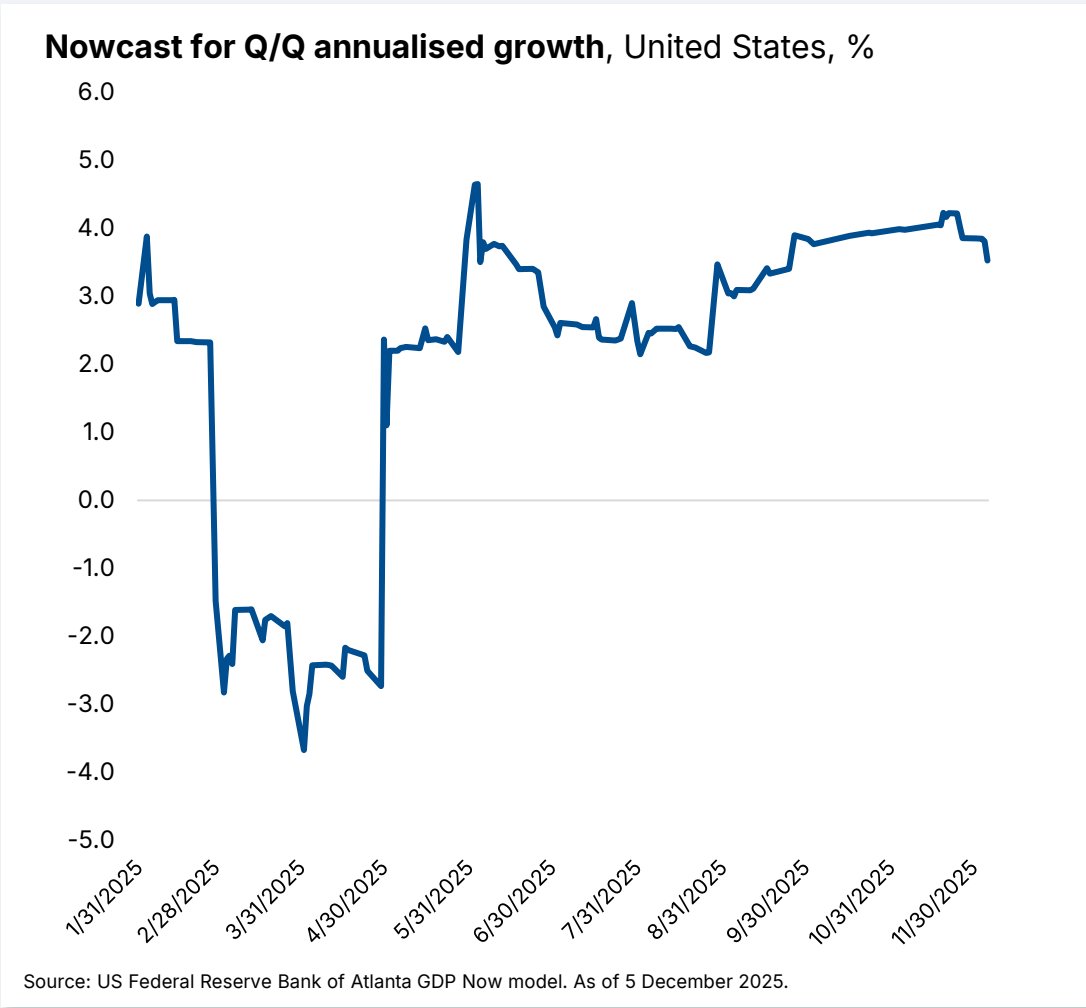
Relevant dates (France)

31 December 2025	Deadline for the approval of the 2026 Budget by Parliament
March 2026	Local elections
By end-April 2026	Submission of the latest medium-term fiscal structural plan
1H 2027	Presidential elections

Source: Scope Ratings.

US data have partially rebounded whereas euro area data have slowly recovered

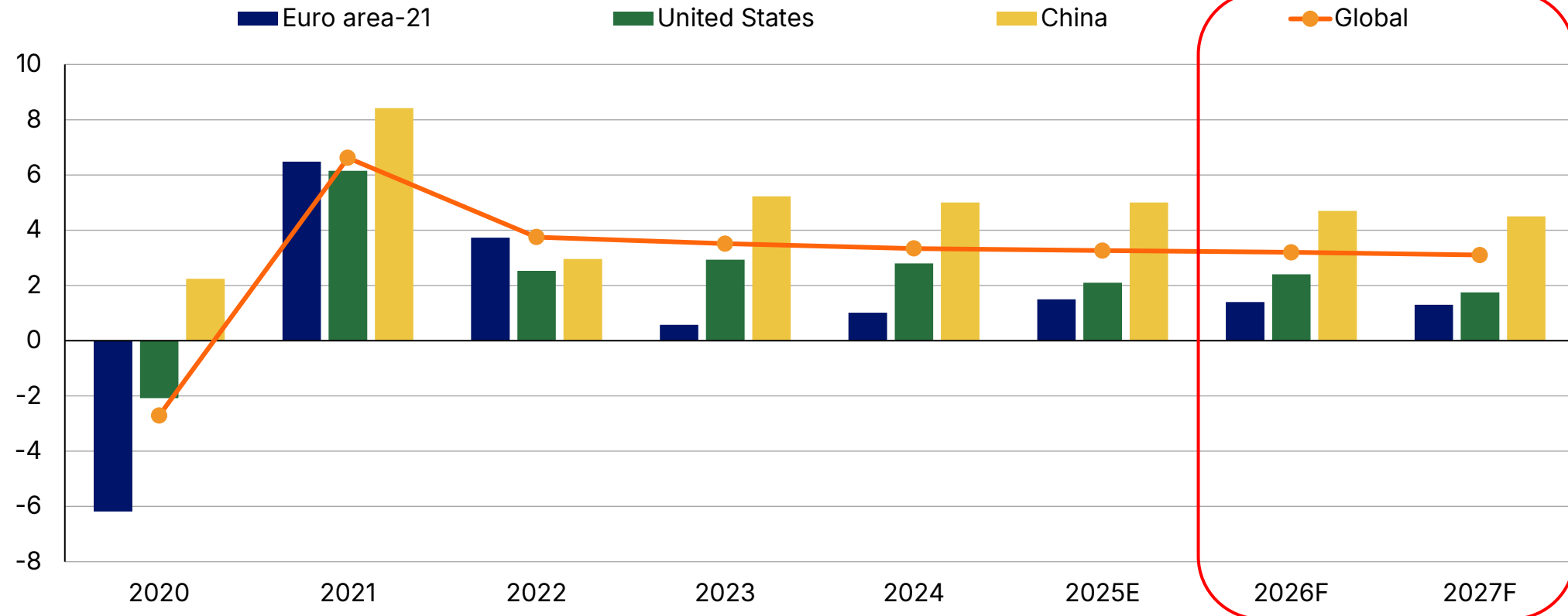
The data remain consistent with resilient global growth this year. Gradual recovery in the euro area data.



The global economy remains resilient but risks for the durability of the cycle are rising

Our non-consensus baseline has correctly been for the soft landing of the global economy since 2022 against the repeated consensus of US and/or global recession during the years. Nevertheless – we are at a mid- or later-stage of the economic cycle.

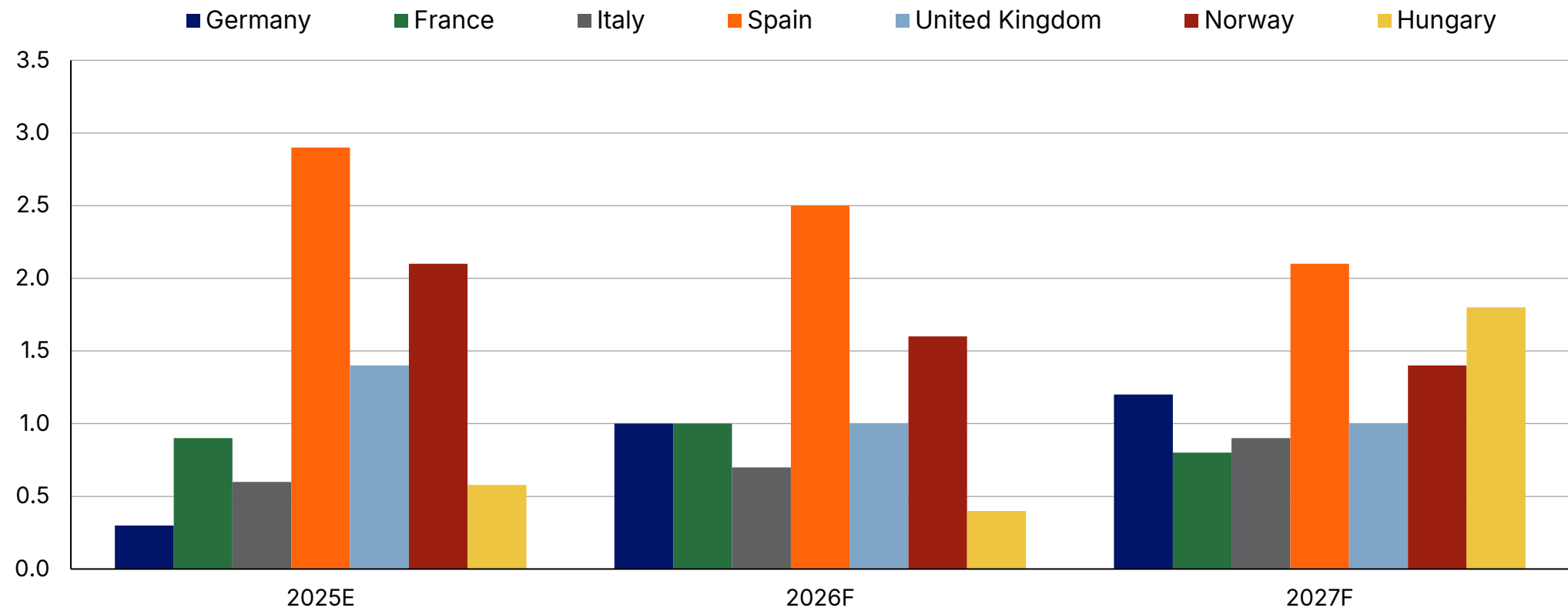
Global growth
%, 2020-2027F



German growth set to firm next year on higher defence spending and investment; periphery continues outperforming

The strengthening of German growth ought to support moderate 2026 euro area growth – after the periphery has driven euro area growth during the recent years.

European real-growth outlook¹
2025E-27F, %

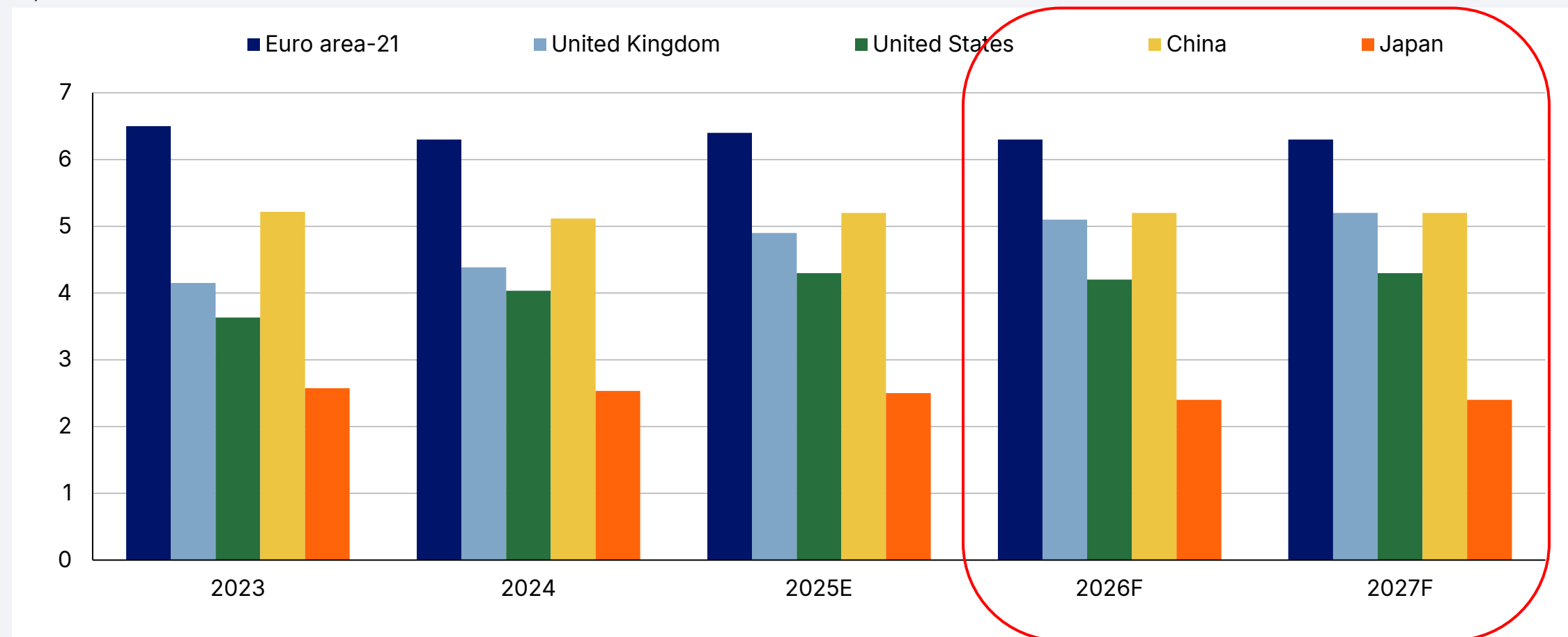


¹Displaying for the seven countries with the greatest volume of Scope credit ratings.

Labour markets remain tight, but have softened within specific economies

The labour market is tight by historical standards with euro area unemployment remaining at or near its record lows. But the labour market has softened recently within the UK and the US.

Unemployment rate %, 2023-2027F

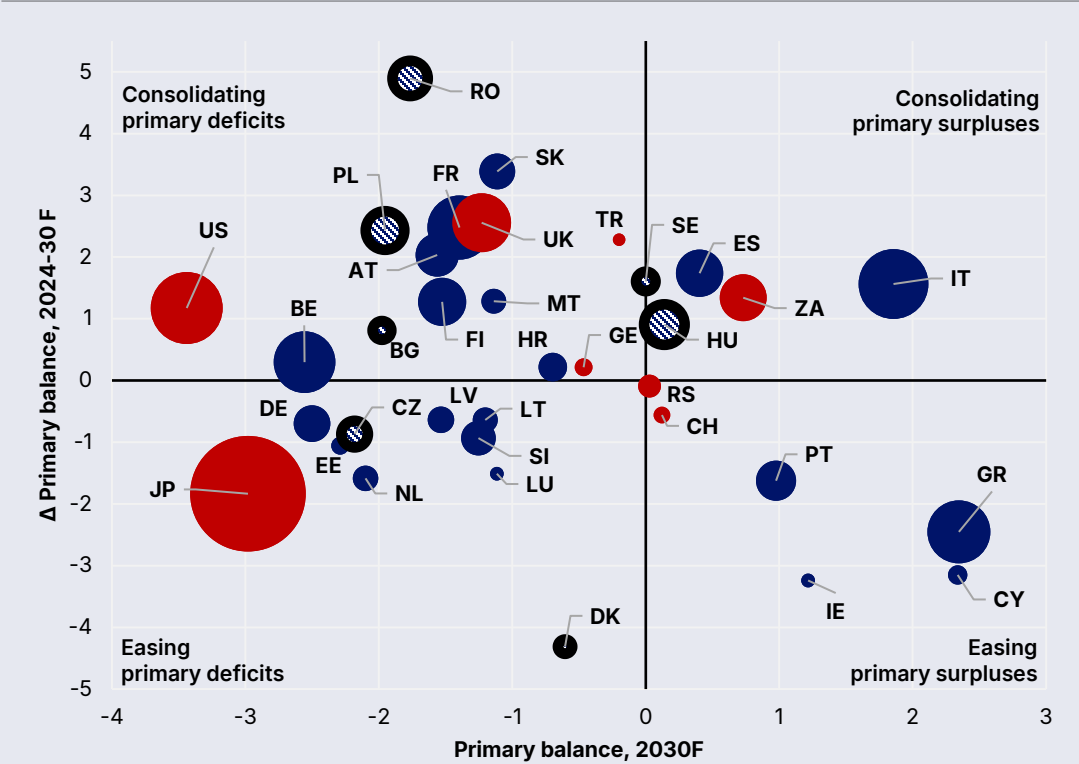


Divergent fiscal positions and perceived security threats drive spending priorities

Germany to increase its defence expenditures while other EU member states face tighter fiscal space; 3.5% of GDP military spending targets by 2035. Sovereigns whose budgetary pressure from interest spending will be near or above long-term highs include the US, HU, CN, FR, JP, FI.

Change in primary fiscal balance (2030F vs 2024)

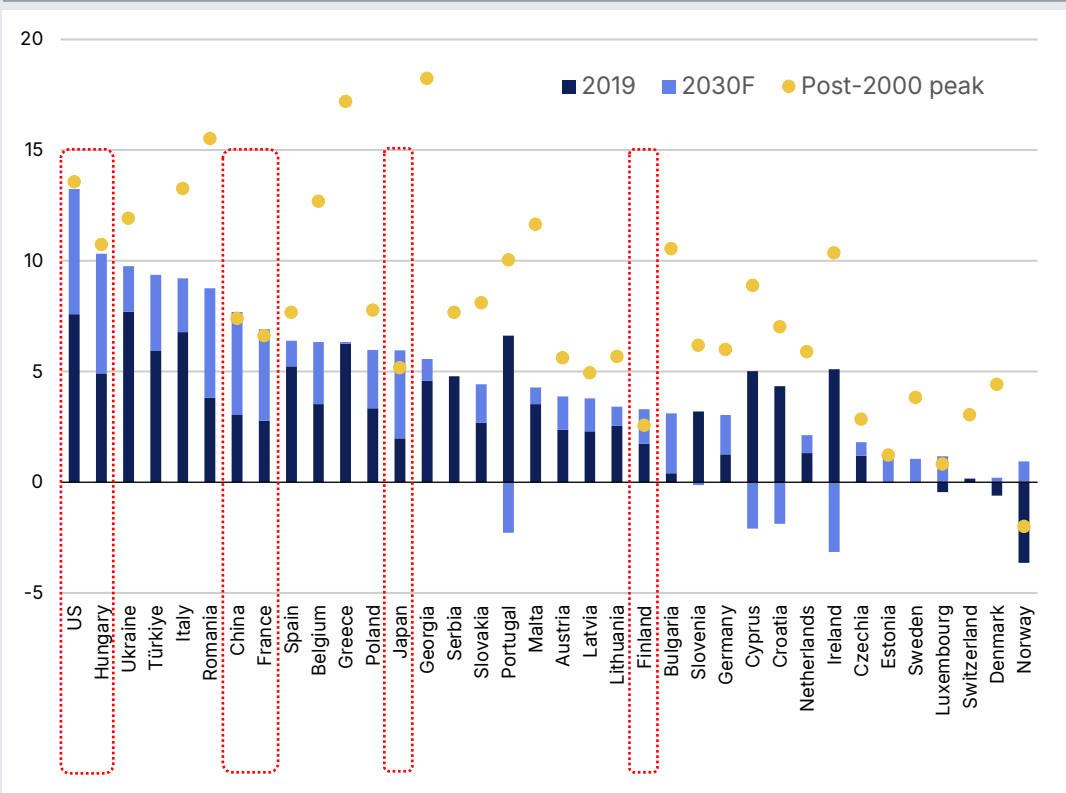
General government primary balances, % of GDP



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 the globe is shown in red. Dot sizes reflect the projected general government debt-to-GDP ratios by 2030, in relative terms.

Net general government interest payments

% of general government revenues

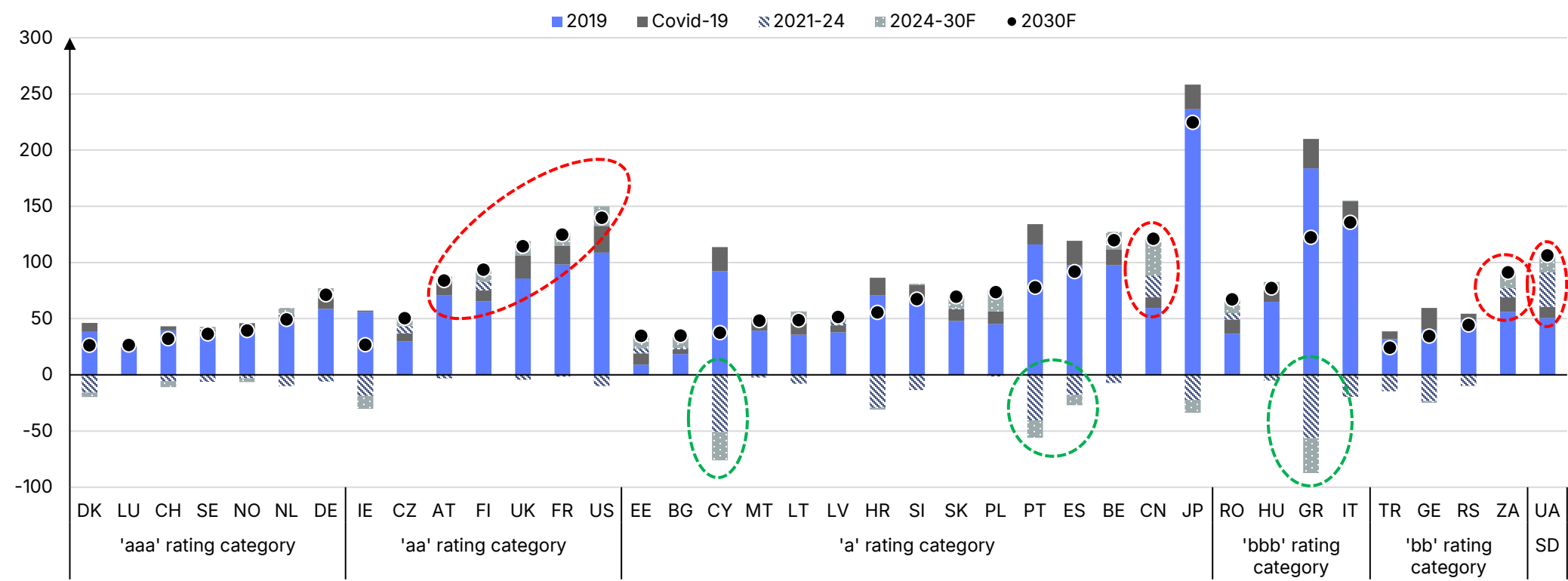


Source: IMF, Scope Ratings forecasts.
Note: Post-2000 peak value for Türkiye amounted to 50.2%.

Public debt dynamics through 2030

Significant reduction in public debt ratios anticipated in recently upgraded sovereigns (Greece, Portugal, Spain, Croatia, Cyprus). Continuous fiscal pressures in Austria, Finland, the United Kingdom, France, US, Belgium, China.

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

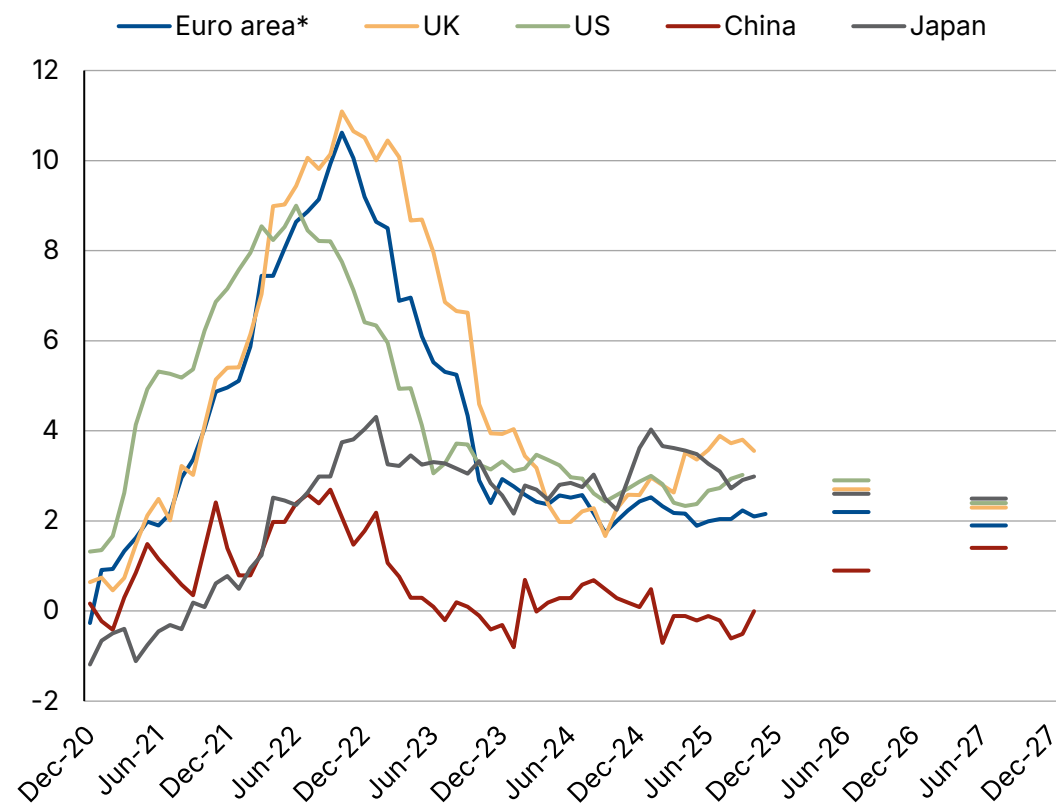


Source: IMF, Scope Ratings forecasts.

Inflation expected to stay a problem

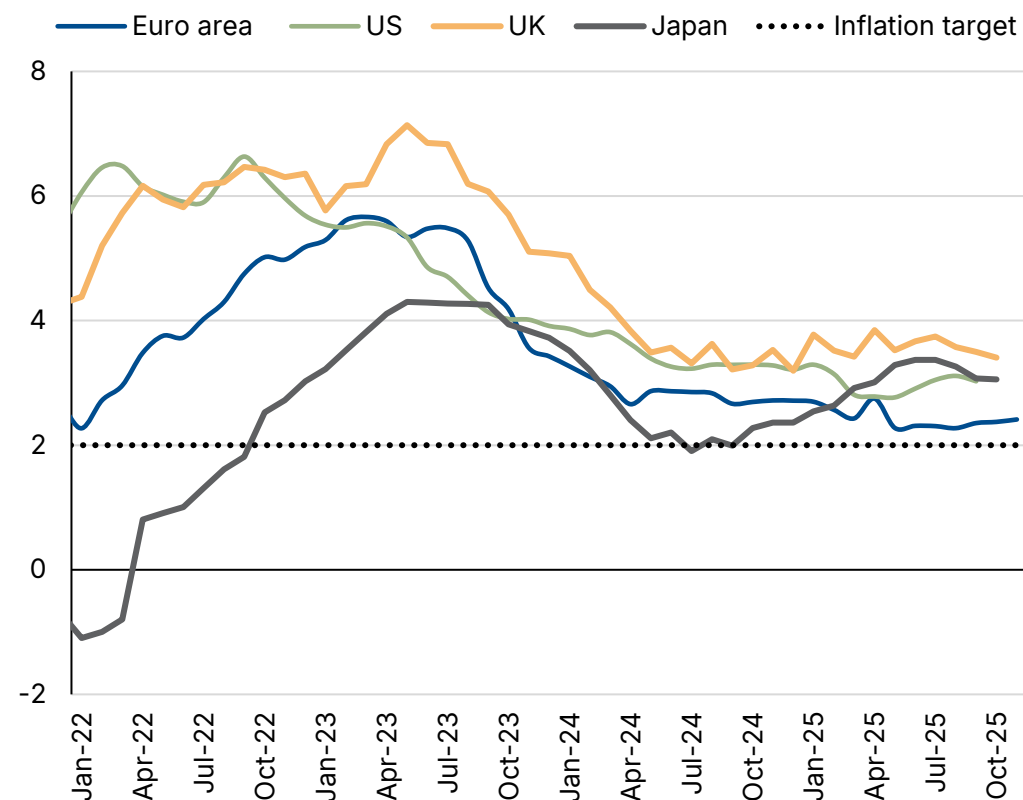
Inflation expected to remain above 2% across many economies such as the United States, the UK and Japan. But inflation risks of the euro area have become more balanced.

Headline inflation, with Scope forecasts, % year-over-year



Dashed lines on the graphic in years 2026 and 2027 designate Scope estimates of calendar-year average inflation in 2026 and 2027. Source: national/regional statistics bodies, Scope Ratings forecasts.

Core inflation, % year-over-year



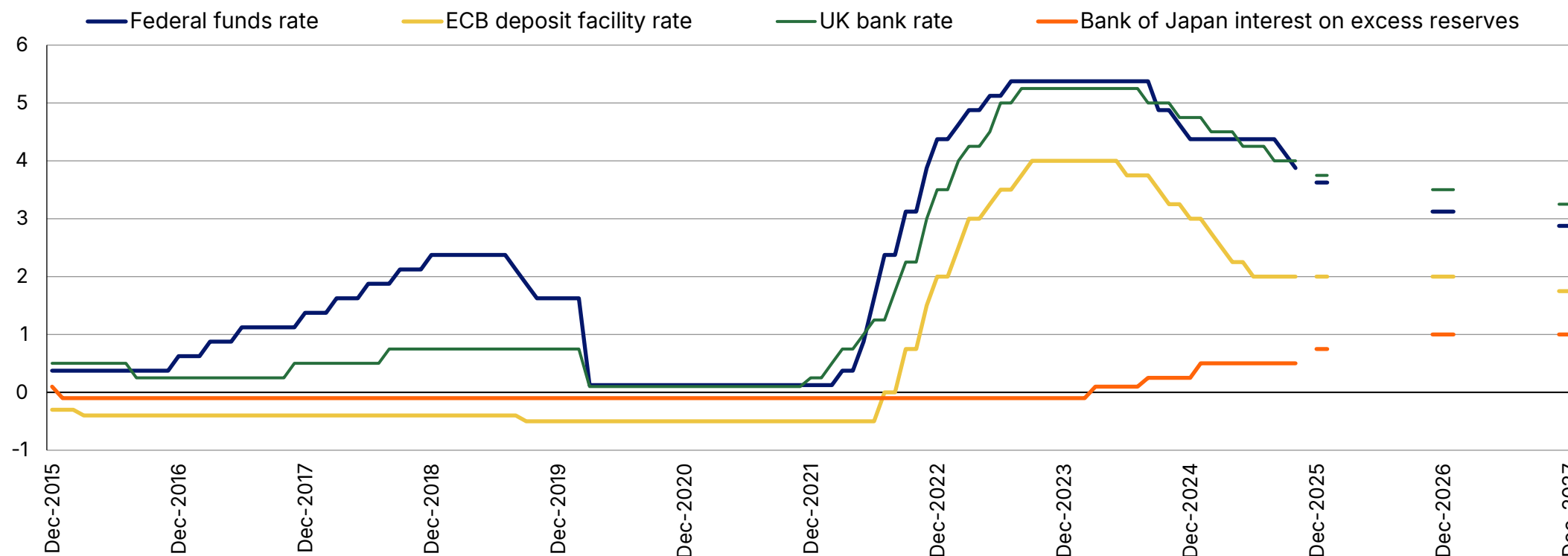
Source: Eurostat, national statistics, Scope Ratings.

The long-standing expectation of higher steady-state rates

Fed intermittently easing under market and political pressure; ECB momentarily on hold. BoE gradually easing; BoJ slowly tightening. We have assumed since 2022 higher steady-state borrowing rates globally for longer. Official rates to rest above their pre-crisis levels even following rate reduction cycles. The elevated inflation expectations ensure long-term yields staying higher for longer.

Official rates

%, with Scope end-year projections for 2025-27



Dashed lines on the graphic in years 2025, 2026 and 2027 designate Scope forecasting for year-ends 2025, 2026 and 2027. The federal funds rate represents the mid-point of the Federal Reserve's target range. Source: central banks, Scope Ratings forecasts.

Negative macro risk outlook

Negative tilt of global macro and credit risks.

Upside potential for economic expectations represents:



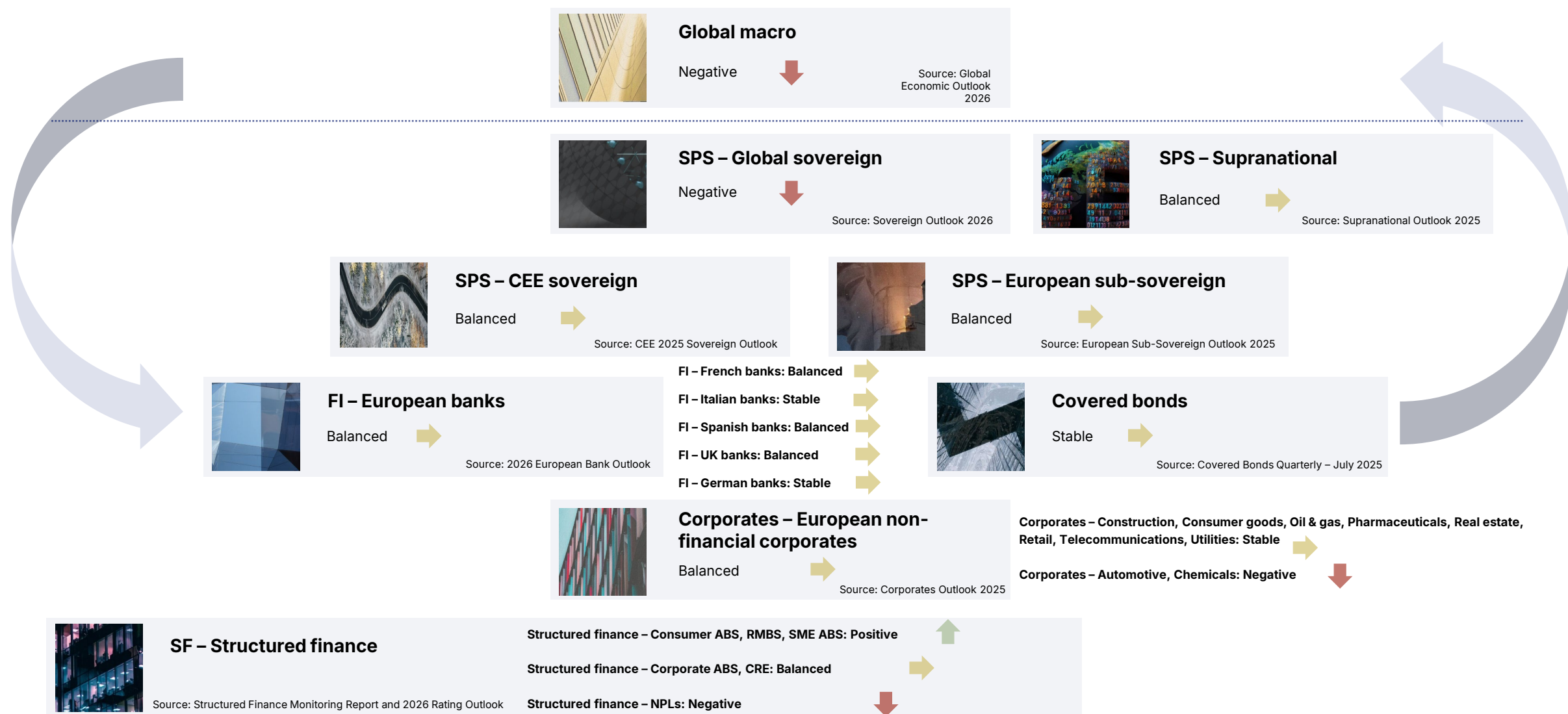
- **global expansionary budgetary policies** anchoring domestic spending and **central-bank easing** supporting market sentiment;
- **resilient private demand** as wages rise and labour markets stay strong;
- **structural reforms, investment and advances in artificial intelligence (AI)** paying further economic dividends; and/or
- **the reversal or easing of US trade policies** because of judicial interventions and/or further trading agreements being reached.

These are outweighed by meaningful downside risks, considering the possibility of:



- **more meaningful re-pricings in financial markets, further rises in borrowing rates and/or financial-system risks** – given elevated valuations, risks in AI, the non-bank financial intermediation sector and private credit, US and global financial deregulation, sustained inflation, and challenges for central-bank independence;
- the **escalation of the trade war**, de-globalisation and how this may provoke economic slowdown;
- government budgetary challenges triggering **market re-appraisal of sovereign risks**; and/or
- **geopolitical risks** re-intensifying – affecting commodity prices and global value chains.

Scope credit outlooks by sector



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Annex – Macroeconomic Outlook – December 2025

Economic overview

GDP Growth	Inflation	Unemployment	Official Rates			Exchange Rates
Resilient global economy but increasing risks for the cycle	Global inflation remaining sticky around or somewhat above 2%	Labour markets remaining tight, although recent softening within the UK and the US	Official rates are reduced but remain above the pre-pandemic levels			The euro has appreciated as the dollar has lost ground
<u>2026 / 2027 (annual avgs)</u> 1.4% / 1.3% Euro area-21 1.0% / 1.0% UK 2.4% / 1.75% US 3.2% / 3.1% Global growth	<u>2026 / 2027 (annual avgs)</u> 2.2% / 1.9% Euro area-21 2.7% / 2.3% UK 2.9% / 2.4% US	<u>2026 / 2027 (annual avgs)</u> 6.3% / 6.3% Euro area-21 5.1% / 5.2% UK 4.2% / 4.3% US				<u>2024 / 2025 YTD</u> (% change in nominal effective exchange rates) -1.1% / 6.0% Euro 3.8% / -0.7% Sterling 7.8% / -6.4% Dollar
			2025 (EOP)	Fed 3.5-3.75% BoE 3.75% ECB 2.0%		
			2026 (EOP)	3.0-3.25% 3.5% 2.0%		
			2027 (EOP)	2.75-3% 3.25% 1.75%		

Upside risks		Downside risks	
Expansionary budgetary policies and monetary easing	✓	✗	Financial-market re-pricing and financial instability
The resilience of private demand	✓	✗	Trade conflicts and de-globalisation
Structural reforms, investment and AI	✓	✗	The market re-appraisal of sovereign debt risks
The reversal or easing of US trade policies	✓	✗	Geo-politics

Annex – Global economic outlook (December 2025) – growth, inflation and official rates, euro area, 2023-2027F

Country/region	Real GDP growth (annual average, %)								Headline inflation ² (annual average, %)							Policy rates (end of period, %)				
			Diff. from		Diff. from		Medium-run potential			Diff. from		Diff. from								
	2023	2024	2025E	Jun-25 ¹	2026F	Jun-25 ¹		2027F	2023	2024	2025E	Jun-25 ¹	2026F		Jun-25 ¹	2027F	End-2023	End-2024	End-2025	End-2026
EU-27	0.5	1.0	1.5	n/a	1.4	n/a	1.4	1.4	6.4	2.6	2.4	n/a	2.4	n/a	2.1					
Euro area-21 ³	0.6	1.0	1.5	n/a	1.4	n/a	1.3	1.3	5.5	2.4	2.1	n/a	2.2	n/a	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	-	2.5	↑ 0.7	2.0					
France	1.6	1.1	0.9	↑ 0.2	1.0	↓ 0.1	0.8	1.1	5.7	2.3	0.9	↑ 0.1	1.3	↓ 0.2	1.5					
Italy	1.1	0.5	0.6	-	0.7	↓ 0.1	0.9	0.9	5.9	1.1	1.7	↓ 0.2	1.4	↓ 0.2	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	2.9	↑ 1.0	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	3.1	↑ 0.3	1.9					
Belgium	1.7	1.1	1.0	-	1.0	↓ 0.1	1.0	1.3	2.3	4.3	3.1	↑ 0.4	2.4	↑ 0.5	2.1					
Austria	(0.7)	(0.8)	0.6	↑ 0.7	0.9	↓ 0.4	1.0	1.0	7.7	2.9	3.6	↑ 0.2	2.9	↑ 0.9	2.0					
Ireland	(2.6)	2.6	13.0	↑ 8.0	3.0	↓ 1.0	2.5	3.2	5.2	1.3	2.1	↑ 0.2	2.6	↑ 0.6	1.8					
Finland	(0.9)	0.4	0.2	↓ 0.7	1.0	↓ 0.6	1.0	1.2	4.3	1.0	1.8	↓ 0.2	1.3	↓ 0.9	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	1.8	↓ 0.2	2.0					
Greece	2.1	2.1	2.0	↓ 0.1	2.0	↑ 0.2	1.7	1.25	4.2	3.0	2.9	↓ 0.2	2.2	↓ 0.3	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	3.9	↓ 0.1	3.3					
Luxembourg	0.1	0.3	0.5	↓ 1.7	2.3	↓ 0.1	2.0	2.2	2.9	2.3	2.5	↑ 0.3	2.4	↑ 0.3	1.9					
Lithuania	0.8	3.0	2.4	↓ 0.4	3.1	↑ 0.1	2.6	2.5	8.7	0.9	3.4	↓ 0.5	3.2	↑ 0.8	2.6					
Slovenia	2.6	1.7	0.9	↓ 0.9	2.1	↓ 0.1	1.8	2.5	7.2	2.0	2.4	↓ 0.4	2.6	↑ 0.4	2.6					
Latvia	(1.1)	(0.3)	1.7	↓ 0.3	2.2	↓ 0.3	1.8	2.25	9.1	1.3	3.8	↑ 0.4	2.7	↑ 0.4	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	3.4	↓ 1.1	2.7					
Cyprus	3.6	3.9	3.5	↑ 0.8	3.1	↑ 0.3	2.4	3.0	3.9	2.3	0.8	↓ 1.0	1.4	↓ 0.3	2.0					
Malta	10.6	7.0	3.1	↓ 0.8	3.2	↓ 0.7	3.3	3.75	5.6	2.4	2.4	↑ 0.3	1.8	↓ 0.2	1.8					
Croatia	3.7	3.8	2.9	↑ 0.1	2.5	↓ 0.1	2.6	2.8	8.4	4.0	4.4	↑ 0.2	3.5	↑ 0.7	2.6					
Bulgaria	1.7	3.2	3.2	↑ 0.6	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	1.81		

Negative values shown in parentheses. Presented for the 38 economies for which Scope publicly rates the sovereigns. Source: Scope Ratings forecasts, Macrobond, IMF.

1. Changes compared with Scope June-2025 [mid-year Economic Outlook](#) forecasts.

2. HICP headline inflation for euro area-20 member states; CPI headline inflation for Bulgaria.

3. Displayed is the euro area-21, reflecting the accession of Bulgaria from January 2026. Shown for the euro area policy rate is the ECB deposit facility rate.

Annex – Global economic outlook (December 2025) – growth, inflation and official rates, beyond the euro area, 2023-2027F

Country/region	Real GDP growth (annual average, %)								Headline inflation ² (annual average, %)						Policy rates (end of period, %)					
			Diff. from Jun-25 ¹		Diff. from Jun-25 ¹			Medium- run potential			Diff. from Jun-25 ¹		Diff. from Jun-25 ¹							
	2023	2024	2025E		2026F		2027F		2023	2024	2025E		2026F		2027F	End-2023	End-2024	End-2025	End-2026	End-2027
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	1.0	↑0.1	1.3	↓0.5	1.2	1.5	2.1	1.1	0.2	↓0.1	0.2	↓0.4	0.7	1.75	0.5	0.0	0.0	0.0
Sweden	0.0	0.9	1.9	↑0.1	2.5	↑0.1	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	1.6	↓0.4	1.4	↑0.1	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	3.4	↑0.3	3.0	↑0.2	2.9	3.0	11.4	3.8	3.9	↑0.2	2.5	↓1.0	2.5	5.75	5.75	4.0	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	1.8	-	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
Non-EU emerging Europe																				
Türkiye	5.0	3.3	4.2	↑1.4	4.0	↑0.8	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	15.5	12.0	11.0
Serbia	3.7	3.9	2.0	↓1.2	3.4	↓0.1	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	7.2	↓0.3	5.7	↓0.8	5.5	5.0	2.5	1.1	3.9	↑0.1	3.4	↑0.3	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	3.5-3.75	3-3.25	2.75-3
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	2.6	↑0.1	2.5	(0.1)	0.25	0.75	1.0	1.0
Africa																				
South Africa	0.8	0.5	1.3	↑0.6	1.2	↓0.1	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	3.9	↑0.1	3.5					

Negative values shown in parentheses. Presented for the 38 economies for which Scope publicly rates the sovereigns. Source: Scope Ratings forecasts, Macrobond, IMF.

1. Changes compared with Scope June-2025 [mid-year Economic Outlook](#) forecasts.

2. Displayed is CPI headline inflation.

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.

Annex – Global economic outlook (December 2025) – unemployment and fiscal metrics, euro area, 2023-30F

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	6.1	6.0	6.0	3.8	4.0	4.4	5.0	(3.4)	(3.1)	(3.3)	(3.4)	(3.3)	(3.2)	81	81	81	82	83	84
Euro area-21⁷	6.5	6.3	6.4	6.3	6.3	3.8	4.1	4.4	5.2	(3.5)	(3.1)	(3.1)	(3.2)	(3.2)	(3.2)	88	88	88	89	89	90
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	7.8	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	5.7	5.9	6.2	2.4	2.5	3.1	3.9	(2.6)	(4.7)	(4.8)	(4.2)	(3.7)	(3.6)	78	80	81	83	83	84
Ireland	4.3	4.3	4.8	5.0	5.3	1.5	1.2	1.4	2.0	1.4	4.0	0.9	0.8	0.7	0.7	42	38	32	30	29	27
Finland	7.2	8.4	9.7	10.0	10.0	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	11.1	10.1	8.9	8.3	7.9	6.7	6.5	6.7	6.3	(1.4)	1.2	0.5	(0.1)	(0.3)	(0.6)	164	154	145	139	134	122
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	6.5	6.5	6.6	(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	7.0	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	3.6	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	6.1	5.9	2.6	3.2	3.6	3.8	(2.4)	(1.8)	(3.0)	(3.2)	(3.7)	(3.1)	44	47	46	47	49	52
Estonia	6.5	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	5.9	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	3.1	3.9	4.0	4.3	4.3	(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	4.7	4.6	2.3	2.3	2.5	2.5	(0.8)	(1.9)	(2.9)	(2.8)	(2.5)	(1.8)	61	57	57	56	56	56
Bulgaria	4.3	4.2	3.6	3.2	3.0	1.0	1.9	2.6	3.1	(3.0)	(3.0)	(3.4)	(3.2)	(3.2)	(3.0)	23	24	28	30	31	35

Negative values shown in parentheses. Source: Scope Ratings forecasts, Macrobond, IMF.

6. Unemployment rate data source is Eurostat for EU member states.

7. Displayed is the euro area-21, reflecting the accession of Bulgaria from January 2026. Scope calculations are displayed for historical values of euro area-21 unemployment and net government interest payments.

Annex – Global economic outlook (December 2025) – unemployment and fiscal metrics, beyond the euro area, 2023-30F

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
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	2.8	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	1.0	(0.9)	(1.5)	(1.4)	(2.5)	(1.9)	(0.5)	32	34	35	36	38	37
Norway	3.6	4.0	4.6	4.9	5.3	(4.9)	(4.3)	(3.8)	(2.7)	16.5	13.1	12.5	11.2	10.4	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	6.0	6.4	6.5	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
Non-EU emerging Europe																					
Türkiye ⁸	9.4	8.7	8.4	8.4	8.7	9.7	10.2	11.7	9.4	(5.1)	(4.7)	(3.5)	(3.5)	(3.6)	(2.8)	29	24	24	25	25	24
Ukraine ⁸						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	8.8	8.4	8.0	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	35
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 ⁹	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	20.2	20.3	20.1	(5.5)	(5.8)	(5.7)	(5.7)	(5.4)	(4.8)	73	77	81	83	86	91
World																					

Negative values shown in parentheses. Source: Scope Ratings forecasts, Macrobond, IMF.

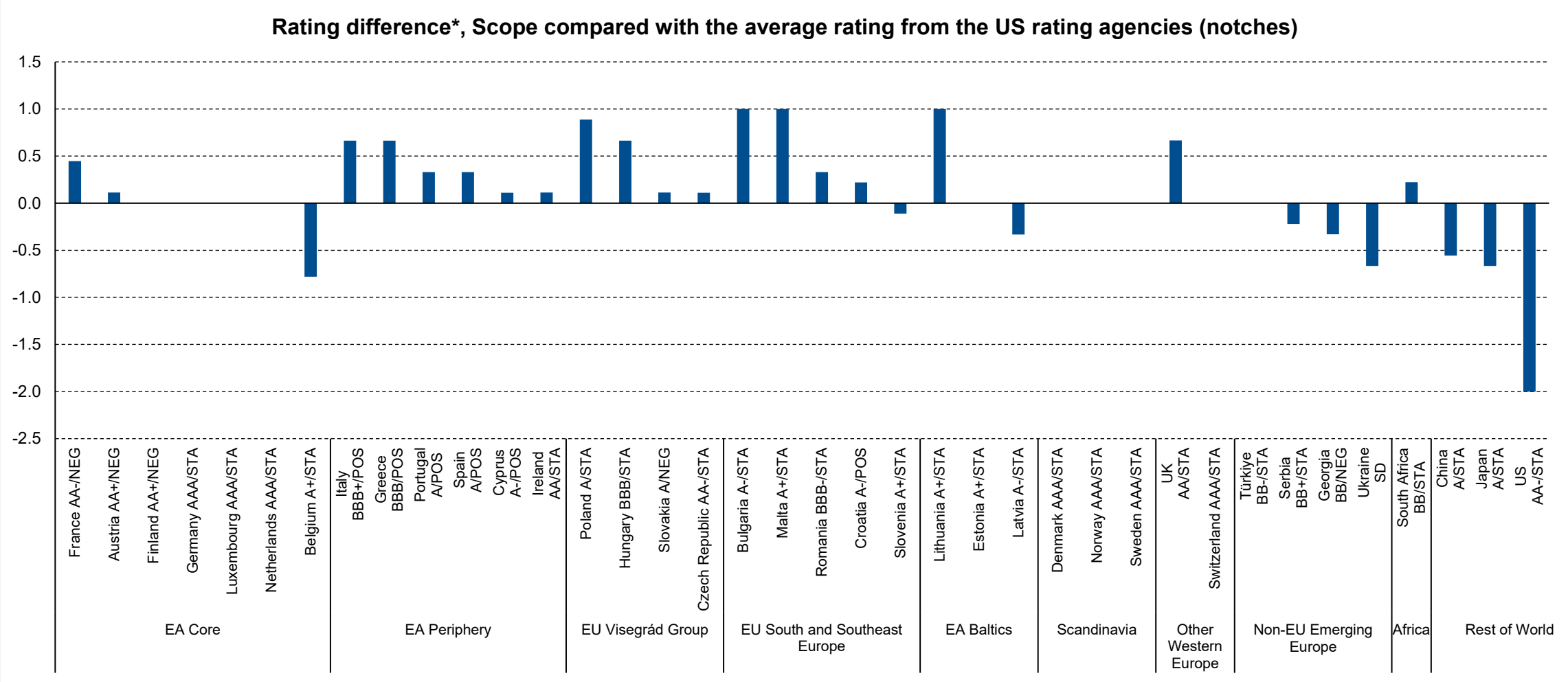
6. Unemployment rate data source is Eurostat for EU member states; national unemployment series otherwise.

8. Türkiye and Ukraine budget balance figures are on their central-government budget balances.

9. Unemployment for China is survey-based urban unemployment.

Annex – Scope sovereign-rating levels* compared against the US agency averages (notches)

Scope predicted early the 2022 and 2024 Eurobond debt restructurings of Ukraine (the sovereign currently rated selective default).

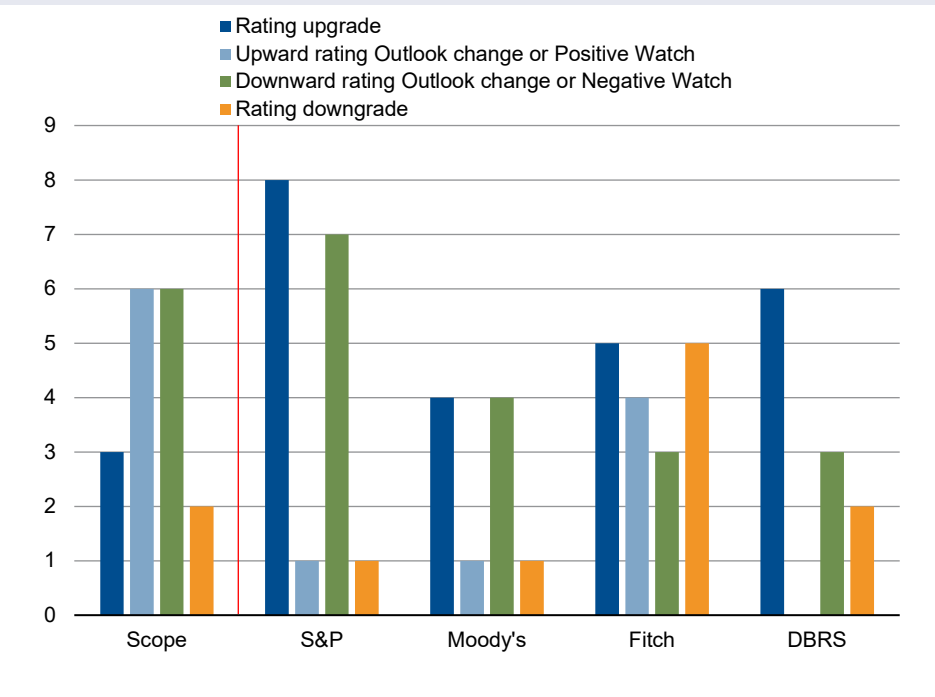


US agency average represents the mean of Moody's, S&P and Fitch Ratings. Represents Scope Ratings' portfolio of 38 publicly rated sovereigns. Calculated based on an alpha-numeric conversion on a 20-point scale from AAA (20) to D (1) with US agency ratings adjusted to the Scope rating scale. Positive/Negative Outlooks are treated with a +/-0.33 adjustment. Credit Watch positive/negative with a +/-0.67 adjustment. *Long-term issuer ratings in foreign currency. As of 5 December 2025.

Annex – Scope has a negative sovereign sector outlook entering 2026

Fitch has led the downgrades of sovereigns over 2025

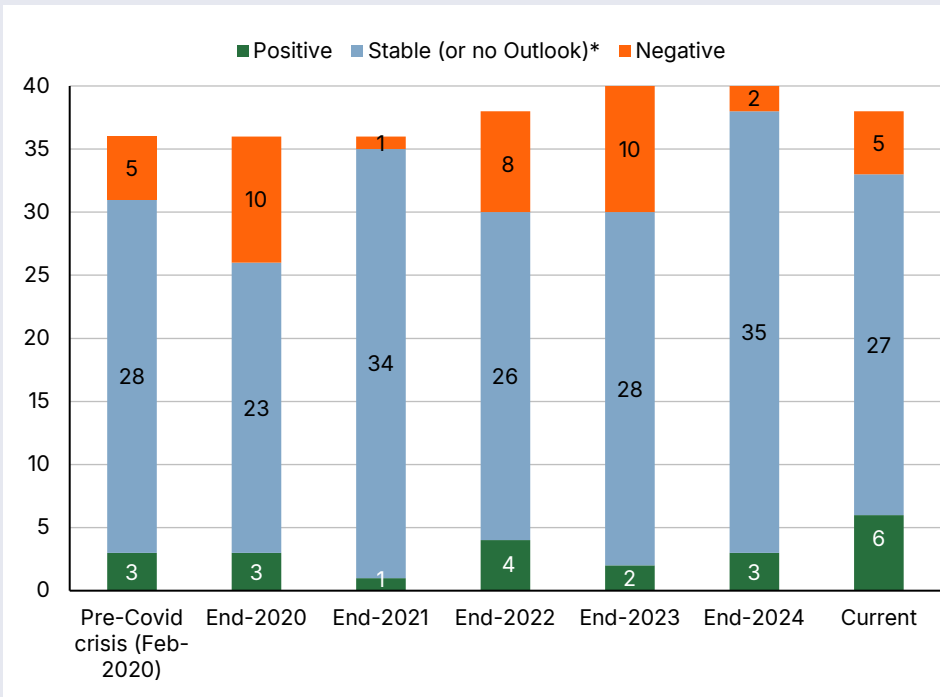
The number of sovereign rating or Outlook changes this year



NB. Displayed are the rating agencies adopted by the Eurosystem Credit Assessment Framework of the European Central Bank. Revisions of the five rating agencies of long-term issuer ratings in foreign currency this year only for the sovereigns Scope has rated publicly. *Among the sovereigns that Scope rates, DBRS does not rate Georgia, Serbia, South Africa, Türkiye and Ukraine (as such, the above reflects rating changes or Outlook changes on a more restricted sample of publicly rated sovereigns for Morningstar DBRS).

Scope sovereign-rating Outlooks

The number of publicly rated sovereigns



*No Outlook assigned for Ukraine presently while in selective default. Outlooks are on long-term issuer ratings in foreign currency. As of 5 December 2025. Source: Scope Ratings.

Annex – Platforms for accessing Scope economic projections

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