Global Economic Outlook Mid-Year 2025

Trade, geopolitical and sovereign-debt risks, alongside sustained high rates, weigh on the macro-economic outlook

20 June 2025

Executive summary

Global growth is forecast to slow to 3.0% in 2025 from 3.3% in 2024 before continuing at a moderate 3.1% in 2026. Medium-term macro risks remain negatively skewed. We forecast that interest rates will remain above pre-pandemic levels amid persistent inflationary pressures. We summarise macro-economic projections for the major economies in **Table 1** below, with the full forecasting available in **Tables 2** and **3** of the Annex.

Economic outlook:

Global economic slowdown (click to read segment) – We have cut our global growth projections from those published **in October**. We have revised the United States' growth down to 1.8% for this year, amid tariff tensions and sharp government cuts by the Department of Government Efficiency, with growth of 1.8% also forecast next year. China's economic growth will be a better-than-anticipated 4.8% for 2025, supported by the government's ambitious target for this year of around 5% and the recent temporary easing of US-China trade tensions. By contrast, euro-area growth remains moderate, revised down to 1.1% in 2025 from 1.6%, and uneven, with the euro-area periphery continuing to outperform Germany and France. We forecast stronger growth in Europe in 2026 as defence spending rises and governments implement measures to increase investment. UK growth will remain a modest 1.0% in 2025 and 1.25% in 2026. Labour markets remain tight.

A negative skew of macro risks – The balance of risk for the global economic outlook remains negative. We see four adverse factors. First, there are the on-again, off-again US tariffs with escalations and de-escalations in trade tensions posing recessionary risks for the global economy. Secondly, the latest wave of US and global financial deregulation is amplifying financial-market and financial-stability risks. Third, many governments are facing intensifying budgetary challenges, which are triggering more frequent market re-appraisals of sovereign debt risks. Finally, there are heightened geopolitical tensions, including Russia's continuing war in Ukraine and the recent escalation of conflict between Israel and Iran.

US policy shifts pose global risks – Recent US policies have significantly impacted the US and global economies. Tax cuts and deregulation offer near-term economic relief for the US, but higher trade barriers and associated geopolitical uncertainties are holding back global growth. The unwinding of post-war alliances and the war in Ukraine have prompted greater European defence spending, increased risks for sovereign debt sustainability, and amplified the potential of more geopolitical instability and conflict. The US decisions to halt foreign aid and review its participation in international financial institutions have increased concerns, especially for developing economies. The reversal of climate commitments further exacerbates natural-disaster risks for the most-vulnerable societies.

Elevated borrowing rates and financial deregulation undermine long-run financial stability – We assume higher steady-state borrowing rates than before the cost-of-living crisis. Many central banks have paused rate cuts, even if the Federal Reserve and Bank of England might resume them as early as later this year whereas the Bank of Japan is gradually increasing rates. Sustained higher borrowing rates and elevated financial-market valuations amid financial deregulation threaten corrections and present risks for financial stability and global credit conditions.

Generally balanced credit sector outlooks – Most Scope credit sector outlooks this year remain "balanced" – recognising both the upside and downside risks. Some exceptions include the automotive sector and chemicals sector, with negative sub-sector outlooks. **Annex I** summarises our latest credit sector outlooks.

Table 1: Scope's growth forecasts, summary, as of 20 June 2025

Country/region	Real GDP growth (%)							
					Baseline scenario			Medium-run potential
	2022	2023	2024E	Diff. from Oct.*	2025F	Diff. from Oct.*	2026F	
Euro area	3.6	0.4	0.8	↓ 0.2	1.1	↓ 0.5	1.5	1.3
Germany	1.4	(0.1)	(0.2)	↓ 0.2	0.0	↓ 0.9	1.2	0.8
France	2.8	1.6	1.1	↑ 0.1	0.7	↓ 0.6	1.1	1.1
Italy	5.0	0.8	0.5	↓ 0.3	0.6	↓ 0.4	0.8	0.9
Spain	6.2	2.7	3.2	↑ 0.8	2.5	↑ 0.3	1.8	1.75
Netherlands	5.0	(0.6)	1.1	↑ 0.3	1.5	↓ 0.1	1.4	1.4
United Kingdom	4.8	0.4	1.1	↑ 0.1	1.0	↓ 0.5	1.25	1.4
Türkiye	5.5	5.1	3.2	↓ 0.3	2.8	↓ 0.4	3.2	3.8
United States	2.5	2.9	2.8	↓ 0.0	1.8	↓ 0.9	1.8	2.0
China	3.0	5.2	5.0	↑ 0.0	4.8	↑ 0.3	4.5	4.0
Japan	0.9	1.4	0.2	↑ 0.2	0.7	↓ 0.2	0.9	0.4
World	3.6	3.5	3.3	↓ 0.0	3.0	↓ 0.4	3.1	2.6

*Changes compared with October 2024's Global Economic Outlook forecasting. Negative growth rates presented in parentheses.
Source: Scope Ratings forecasts, regional and national statistical offices, IMF.

Contents

1. Global macro outlook – 2025 mid-year

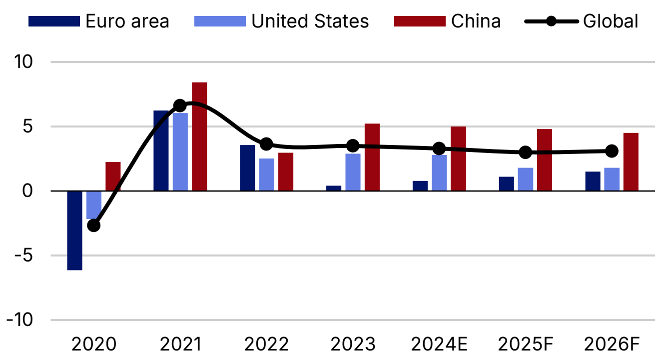
1.1 Slower global growth amid US deceleration and uneven European recovery

In recent years, the global economy has achieved the soft landing that has been our baseline, diverging from repeated consensus predictions of a global or US economic recession. Our view has consistently anticipated resilience in the global economy despite the fastest rise in rates in modern times from 2022-23.

Nevertheless, the changes in policy of the Donald Trump administration since January 2025 have introduced much greater risks for the global outlook.

Scope baseline forecasts are for a slowdown in global economic growth to 3.0% in 2025 and 3.1% in 2026, down from 3.3% in 2024 (**Figure 1**). Risks for the global expansion cycle have notably increased, placing at greater risk the comparatively hot streak of global growth since the 2020 pandemic lows.

Figure 1. Global growth %, 2020-26F



Source: Eurostat, national statistical agencies, Scope Ratings forecasts.

For the euro area economy, we are forecasting moderate growth of 1.1% for 2025, a cut of 0.5pps from our October 2024 projections, after the sluggish 0.8% expansion in 2024. But we expect the euro area to grow near its trend rate over the forecast horizon. This considers a tepid manufacturing sector and the soft growth of the German economy this year (0.0% – cut of 0.9pps from October 2024 forecasts, **Figure 2**) alongside only moderate growth for France (0.7%) and Italy (0.6%). European growth is nevertheless being buoyed by continued strong growth across much of the euro-area periphery: Ireland (5.0%*), Spain (2.5%), Portugal (2.1%) and Greece (2.1%). Growth across central and eastern Europe has also buoyed euro-area growth.

A EUR 800bn programme under **ReArm Europe** should lift the EU economy, especially when combined with post-pandemic recovery financing and investment alongside recent monetary easing.

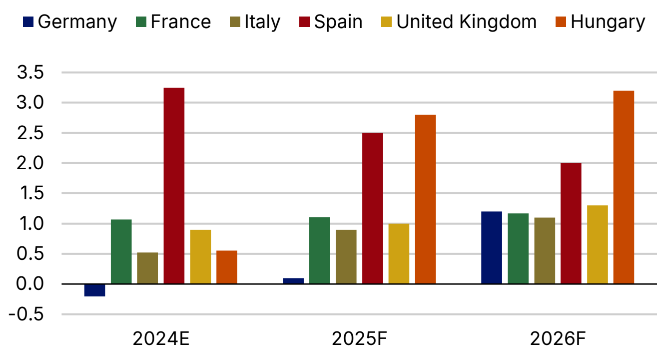
Our forecast for the UK economy is for moderate output growth of 1.0% in 2025 and 1.25% in 2026, following 1.1% growth last year.

*The 2025 growth projection for Ireland was corrected to 5.0%. The original publication incorrectly read 4.6%.

We anticipate a growth slowdown in the US to 1.8% this year and in 2026, the former a 0.9pp cut from our October forecasts, in light of the shallow contraction in Q1 (although the second quarter is expected to display a short-run rebound). This comes after robust 2.8% growth in 2024. Meanwhile, our growth projections for Japan – the world's fourth largest economy in nominal dollar terms – is 0.7% this year and 0.9% in 2026.

In the emerging world, we are forecasting Chinese growth at 4.8% in 2025 and 4.5% in 2026, after 5.0% in 2024, as China continues to meet its growth objectives and manage the pace of structural slowdown. We project growth in Türkiye at 2.8% in 2025 and 3.2% in 2026. We forecast South Africa to grow at 0.7% this year and 1.3% in 2026.

Figure 2. Real GDP %, select European economies*

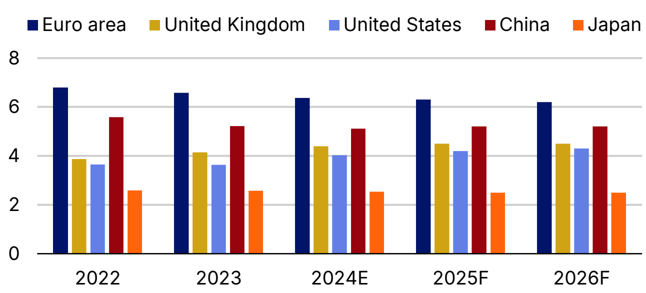


*Displayed for the six economies where the most outstanding Scope credit ratings are based. Source: Eurostat, national statistical agencies, Scope Ratings forecasts.

We believe many central banks will keep rates on hold over the forthcoming months and pause rate-cutting cycles. This reflects our expectation that inflation will generally remain around or somewhat above 2% price-stability objectives this year. Inflation is increasing in 2025 compared with 2024 in economies like the United Kingdom, United States and Japan.

We forecast unemployment to remain comparatively unchanged this year at or near the record lows (**Figure 3**).

Figure 3. Unemployment rate, %



Source: Eurostat, national statistical agencies, Scope Ratings forecasts.

1.2 A downside skew of economic and credit risk

Over the medium term, we believe risks for the global economy are skewed to the downside. This considers:

1. The on-again, off-again nature of the trade war and how this is fuelling economic uncertainties and threats to the global economy;
2. Financial-market and financial-stability risks amplified by US and global financial deregulation;
3. Government budgetary challenges that increase the frequency of market re-appraisals of sovereign debt risks; and
4. Geopolitical risk as the US-centred rules-based order fractures driven by US policy pivots – increasing the threat of conflict from eastern Europe to the Middle East. The recent escalation of tensions between Israel and Iran has seen the speculation of intervention from the US government.

This negative risk skew for the global economy is a core challenge for the global credit outlook.

The challenges for the post-war multilateral order and an increasingly multi-polar international system may see the gradual return to a pre-war global architecture characterised by more frequent financial crises, the higher incidence of sovereign defaults, higher inflation and sustained high interest rates.

Nevertheless, there is support for near-term global growth, including from the pro-business policies of the Trump government, such as deregulation and forthcoming tax cuts. The large-scale budgetary and monetary stimulus this year from China and investment in Europe support global growth.

Annex I summarises our macro and credit risk outlooks.

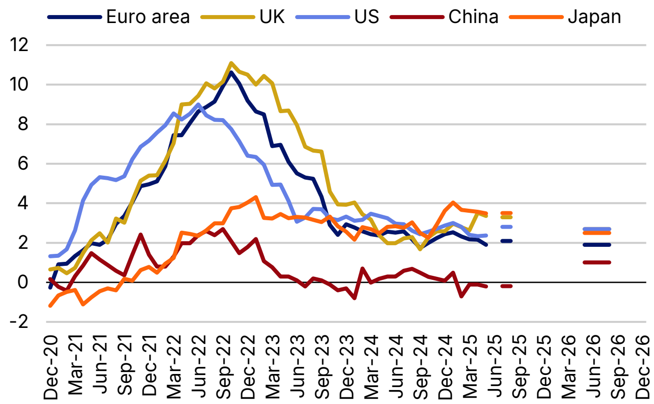
1.3 Higher steady-state rates and financial deregulation drive financial-stability risk

Our expectations since 2021 have been for sustained higher inflation. Since inflation reached its highs in 2022 (**Figure 4**), it has moderated across many economies. Nevertheless, we see inflation generally averaging around or above 2% this year, as disinflation continues across some geographies but meets road bumps across many other economies.

China continues meanwhile to grapple with deflationary trends as it attempts to engineer a soft landing from the recent decades of debt-fuelled economic growth.

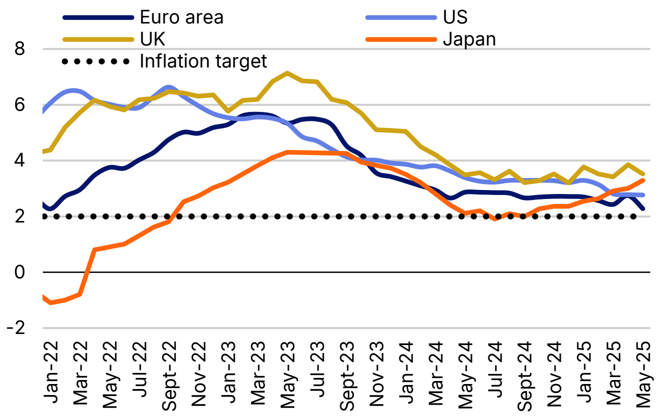
Elevated wage growth, even if it has moderated from the highs, above-target core and services-sector inflation (**Figure 5**) in many economies, and tight labour markets, present risks to progress on disinflation. The greater accommodations needed for budgets, such as the allocations on defence, may lead to higher inflation. The tariffs adopted are inflationary for the US. The recent increase in crude prices after the escalation of Middle-East tensions should raise inflation in the near term.

Figure 4: Headline inflation, with Scope forecasting, % year-over-year



Straight lines on graphic designate Scope forecasting for calendar-year average inflation in 2025 and 2026. Source: National/regional statistics bodies, Scope Ratings forecasts.

Figure 5: Core inflation, % year-over-year



Source: Eurostat, national statistics, Scope Ratings.

But many countries are seeing disinflation as major exporting economies such as China seek alternative markets to sidestep US import restrictions. The weakening of the US dollar and soft global economic momentum are disinflationary.

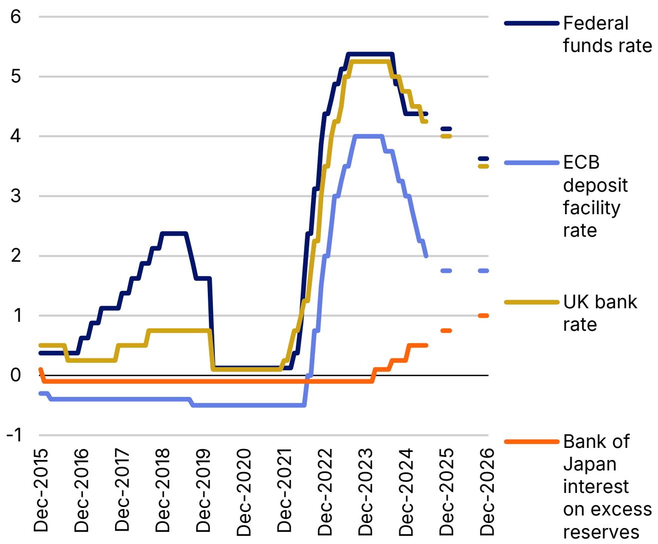
Assumed higher steady-state rates

The Federal Reserve, European Central Bank and the Bank of England began their rate reductions later than market consensus had assumed and only by or slightly before the second half of 2024. Our long-standing view has been that steady-state rates will remain structurally higher than the levels observed during and before the pandemic crisis.

As anticipated, the ECB had greater policy space than many other central banks to cut rates during the first half of this year

(**Figure 6**). This is partly due to the structurally lower rates of euro-area inflation. Nevertheless, we expect the ECB to pause, at least temporarily, its easing cycle as rates have reached the mid-point of an ECB range on the neutral rate.

Figure 6: Policy rates, %, with forecasts



Source: Respective central banks, Scope Ratings forecasts.

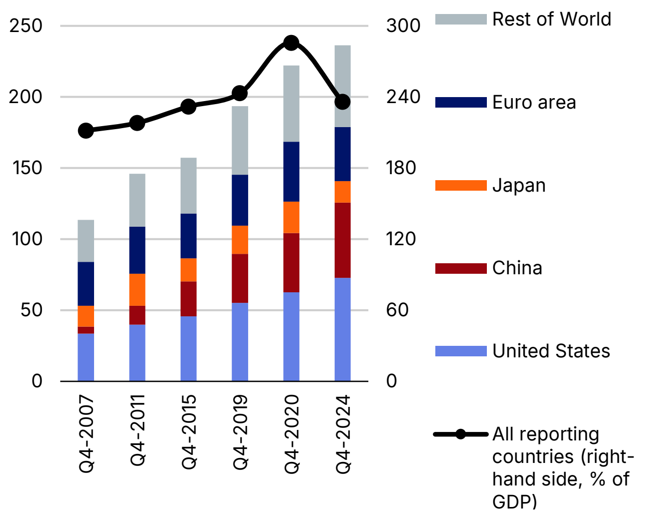
As rates are reduced, central banks are also contemplating scaling back quantitative tightening. Nevertheless, financing conditions have recently eased across the euro area and other global capital markets.

The financial-stability outlook

Higher rates for longer, high valuations in capital markets that threaten occasional corrections and global deregulation present risks for financial stability. Regulators are concerned about the availability of US dollar swap lines after Federal Reserve Chair Jerome Powell's term concludes in May 2026, given the risks to the independence of the central bank.

Global non-financial-sector debt remains elevated even though it has fallen from pandemic highs, standing at USD 236trn as of the fourth quarter of last year (**Figure 7**) or 236% of GDP.

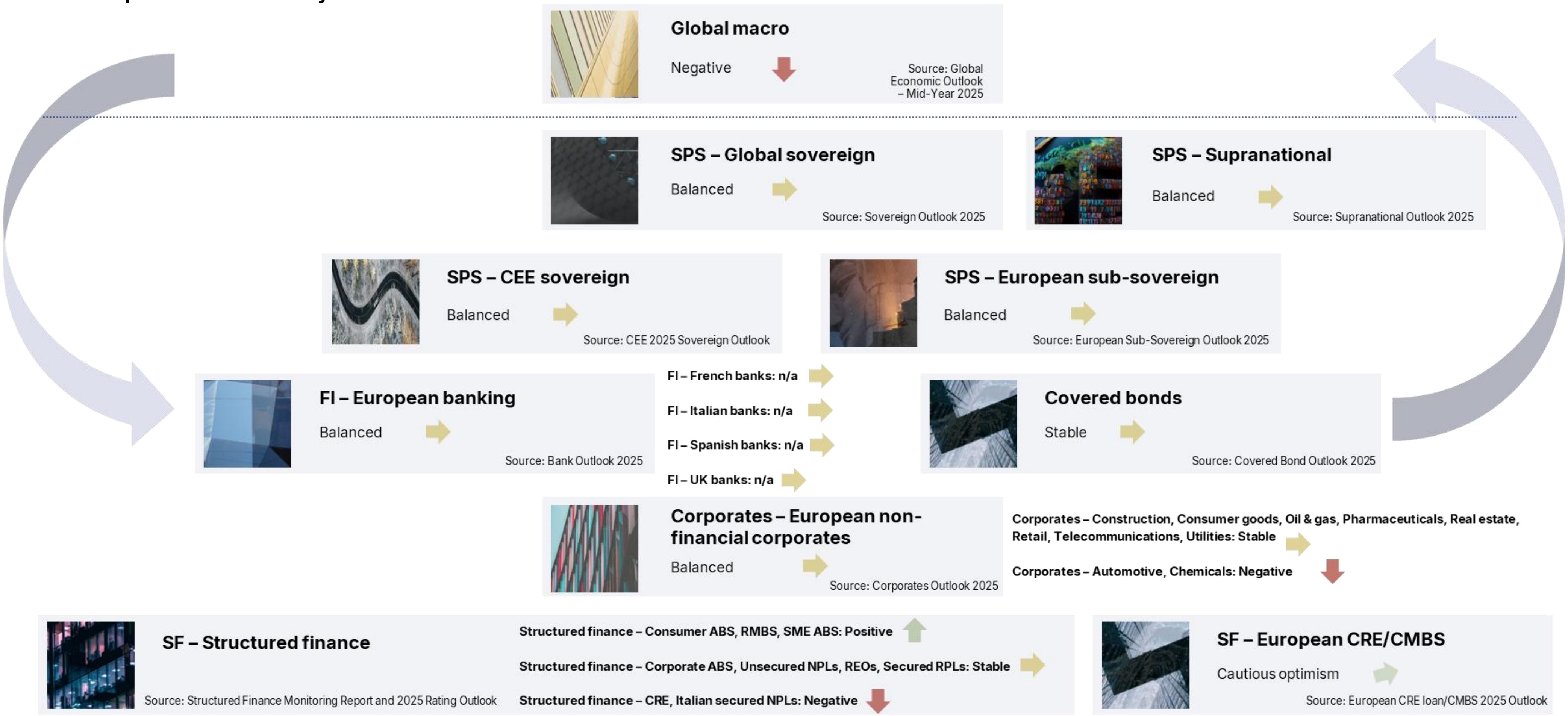
Figure 7: Non-financial sector debt,
in USD trn unless otherwise referenced



Source: the Bank for International Settlements, Scope Ratings.

Commercial real estate firms face challenges. Inter-linkages between bank and non-bank financial players within this sector may act as an amplifying factor in the event of any wider distress. More generally, vulnerabilities at non-banks present the potential of heightened volatility in financial markets should downside economic risks crystallise.

Annex I: Scope credit outlooks by sector



Source: Scope Ratings.

Annex II. Global economic outlook

Table 2. Growth, inflation and official rates, 2022-2026F

Country/region	Real GDP growth (annual average, %)								Headline inflation[2] (annual average, %)							Policy rates (EOP, %)				
	2022	2023	2024E	Diff. from Oct-24[1]	2025F	Diff. from Oct-24[1]	2026F	Medium-run potential	2022	2023	2024E	Diff. from Oct-24[1]	2025F	Diff. from Oct-24[1]	2026F	End-2022	End-2023	End-2024	End-2025	End-2026
Euro area[3]	3.6	0.4	0.8	↓ 0.2	1.1	↓ 0.5	1.5	1.3	8.4	5.4	2.4	↓ 0.0	2.1	↓ 0.1	1.9	2.0	4.0	3.0	1.75	1.75
Germany	1.4	(0.1)	(0.2)	↓ 0.2	0.0	↓ 0.9	1.2	0.8	8.7	6.0	2.5	↓ 0.0	2.3	-	1.8					
France	2.8	1.6	1.1	↑ 0.1	0.7	↓ 0.6	1.1	1.1	5.9	5.7	2.3	↓ 0.2	0.8	↓ 1.0	1.5					
Italy	5.0	0.8	0.5	↓ 0.3	0.6	↓ 0.4	0.8	0.9	8.7	5.9	1.1	↓ 0.1	1.9	↓ 0.1	1.6					
Spain	6.2	2.7	3.2	↑ 0.8	2.5	↑ 0.3	1.8	1.75	8.3	3.4	2.9	↓ 0.1	2.3	-	1.9					
Netherlands	5.0	(0.6)	1.1	↑ 0.3	1.5	↓ 0.1	1.4	1.4	11.6	4.1	3.2	↑ 1.6	3.1	↑ 0.8	2.8					
Belgium	4.3	1.2	1.0	↓ 0.2	1.0	↓ 0.3	1.1	1.3	10.3	2.3	4.3	↑ 0.2	2.7	↑ 0.6	1.9					
Austria	5.4	(0.8)	(1.1)	↓ 1.6	(0.1)	↓ 1.7	1.3	1.0	8.6	7.7	2.9	↓ 0.9	3.4	↑ 1.0	2.0					
Ireland	8.7	(5.7)	1.3	↑ 1.0	5.0	↑ 0.7	4.0	3.2	8.1	5.2	1.3	↓ 1.7	1.9	↓ 1.0	2.0					
Finland	0.8	(0.9)	0.4	↑ 0.7	0.9	↓ 0.9	1.6	1.2	7.2	4.3	1.0	↓ 0.2	2.0	-	2.2					
Portugal	7.0	2.6	1.9	↑ 0.0	2.1	↓ 0.1	1.9	1.9	8.1	5.3	2.7	↓ 0.1	2.3	↑ 0.3	2.0					
Greece	5.7	2.3	2.3	↑ 0.3	2.1	↑ 0.3	1.8	1.25	9.3	4.2	3.0	↑ 0.3	3.1	↑ 0.5	2.5					
Slovakia	0.4	2.2	2.1	↓ 0.5	1.5	↓ 1.4	1.7	2.25	12.1	11.0	3.2	↓ 2.0	5.0	↑ 2.0	4.0					
Luxembourg	(1.1)	(0.7)	1.0	↓ 1.3	2.2	↓ 0.7	2.4	2.2	8.2	2.9	2.3	↓ 0.3	2.2	↓ 0.6	2.1					
Lithuania	2.5	0.4	2.7	↑ 0.5	2.8	-	3.0	2.5	18.9	8.7	0.9	↓ 0.2	3.9	↑ 1.1	2.4					
Slovenia	3.0	2.3	1.5	↓ 0.8	1.8	↓ 0.9	2.2	2.5	9.3	7.2	2.0	↓ 2.0	2.8	-	2.2					
Latvia	2.6	2.2	(0.4)	↓ 2.0	2.0	↓ 0.2	2.5	2.25	17.2	9.1	1.3	↓ 0.1	3.4	↑ 0.5	2.3					
Estonia	(0.0)	(3.1)	(0.3)	↑ 0.0	1.3	↓ 1.9	2.3	2.0	19.4	9.1	3.7	↓ 0.1	4.6	↑ 2.3	4.5					
Cyprus	7.2	2.8	3.4	↑ 0.7	2.7	↓ 0.3	2.8	3.0	8.1	3.9	2.3	↓ 0.1	1.8	↓ 0.4	1.7					
Malta	4.3	6.8	5.9	↑ 1.7	3.9	↑ 0.3	3.9	3.5	6.1	5.6	2.4	↓ 0.5	2.1	↓ 0.2	2.0					
Croatia	7.2	3.3	3.9	↑ 0.6	2.8	↓ 0.3	2.6	2.8	10.7	8.4	4.0	↑ 0.3	4.2	↑ 1.6	2.8					
Western Europe ex-euro area																				
United Kingdom	4.8	0.4	1.1	↑ 0.1	1.0	↓ 0.5	1.25	1.4	9.1	7.3	2.5	↓ 0.1	3.3	↑ 0.5	2.7	3.5	5.25	4.75	4.0	3.5
Switzerland	3.1	0.7	1.4	↑ 0.4	0.9	↓ 0.5	1.8	1.5	2.8	2.1	1.1	↓ 0.5	0.3	↓ 1.7	0.6	1.0	1.75	0.5	(0.25)	(0.25)
Sweden	1.3	0.0	1.0	↑ 0.6	1.8	↓ 0.2	2.4	1.8	8.4	8.5	2.8	↓ 0.2	2.5	↑ 1.0	1.8	2.5	4.0	2.5	1.75	1.75
Norway	3.2	0.2	2.1	↑ 0.9	2.0	-	1.3	1.7	5.8	5.5	3.1	↓ 0.3	3.1	↑ 0.5	2.8	2.75	4.5	4.5	4.0	3.5
Denmark	1.5	2.5	3.7	↑ 1.6	3.2	↑ 1.3	2.0	1.5	7.7	3.3	1.4	↓ 0.6	1.7	↓ 0.2	1.5	1.75	3.6	2.6	1.35	1.35
EU central and eastern Europe ex-euro																				
Poland	5.5	0.1	2.9	↑ 0.4	3.1	-	2.8	3.0	14.4	11.4	3.8	↓ 0.3	3.7	↓ 1.9	3.5	6.75	5.75	5.75	4.75	3.75
Romania	4.0	2.4	0.8	↓ 1.6	1.4	↓ 1.4	2.3	3.5	13.8	10.4	5.6	↓ 0.4	4.9	↑ 0.4	3.7	6.75	7.0	6.5	5.75	5.25
Czech Republic	2.9	0.1	1.0	↑ 0.4	2.1	↓ 0.1	2.4	2.25	15.1	10.7	2.4	↑ 0.2	2.4	↑ 0.5	1.8	7.0	6.75	4.0	3.25	2.75
Hungary	4.3	(0.7)	0.5	↓ 1.7	1.2	↓ 2.1	3.0	2.75	14.6	17.1	3.7	↓ 0.3	4.9	↑ 1.1	4.3	13.0	10.75	6.5	6.5	5.75
Bulgaria	4.1	2.0	2.7	↑ 0.3	2.6	↓ 0.4	3.0	2.75	15.3	9.5	2.4	↓ 0.1	3.6	↑ 1.0	1.7	1.3	3.75	3.04	1.57	n/a
Non-EU emerging Europe																				
Türkiye	5.5	5.1	3.2	↓ 0.3	2.8	↓ 0.4	3.2	3.8	72.3	53.9	58.5	↑ 3.5	37.5	↑ 7.5	22.5	9.0	42.5	47.5	40.0	35.0
Ukraine	(28.8)	5.5	2.9	↓ 0.8	2.75	↓ 0.8	3.5	2.5	20.2	12.8	6.5	↑ 1.0	14.0	↑ 6.9	8.3	25.0	15.0	13.5	15.5	12.0
Serbia	2.6	3.8	3.9	↑ 0.3	3.2	↓ 1.2	3.5	4.0	12.0	12.4	4.7	↑ 0.3	4.0	↑ 0.6	3.2	5.0	6.5	5.75	5.25	5.0
Georgia	11.0	7.8	9.4	↑ 1.9	7.5	↑ 2.1	6.5	5.0	11.9	2.5	1.1	↓ 0.5	3.8	↑ 0.9	3.1	11.0	9.5	8.0	8.0	7.5
Rest of World (Advanced)																				
United States	2.5	2.9	2.8	↓ 0.0	1.8	↓ 0.9	1.8	2.0	8.0	4.1	2.9	↑ 0.0	2.8	↑ 0.3	2.7	4.25-4.5	5.25-5.5	4.25-4.5	4-4.25	3.5-3.75
China[4]	3.0	5.2	5.0	↑ 0.0	4.8	↑ 0.3	4.5	4.0	1.9	0.3	0.2	↓ 0.3	(0.2)	↓ 2.0	1.0	3.65	3.45	3.1	2.75	2.5
Japan[5]	0.9	1.4	0.2	↑ 0.2	0.7	↓ 0.2	0.9	0.4	2.5	3.2	2.7	↑ 0.1	3.5	↑ 1.2	2.5	(0.1)	(0.1)	0.25	0.75	1.0
Africa																				
South Africa	2.1	0.8	0.5	↓ 0.3	0.7	↓ 0.7	1.3	1.5	7.0	6.1	4.4	↓ 0.3	3.2	↓ 1.1	3.7	7.0	8.25	7.75	7.0	6.75
Morocco	1.4	3.8	3.2	↑ 0.2	3.8	↑ 0.5	3.5	3.0	6.7	6.1	1.0	↓ 2.5	2.3	↓ 0.6	2.4	1.5	3.0	2.5	2.25	2.0
World	3.6	3.5	3.3	↓ 0.0	3.0	↓ 0.4	3.1	2.6	8.6	6.6	5.7	↓ 0.1	4.3	↓ 0.1	3.8					

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

[1]Changes compared with Scope October-2024 Global Economic Outlook forecasting. [2]HICP headline inflation for euro-area member states; otherwise, CPI headline inflation ((world aggregate inflation figures include a correction made on 28 June 2025 to 2022-24 historical data).

[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.

Table 3. Unemployment, fiscal metrics, 2022-2030F

Country/region	Unemployment rate[6] (annual average, %)					General government balance (% of GDP)						General government debt level (% of GDP)					
	2022	2023	2024E	2025F	2026F	2022	2023	2024E	2025F	2026F	2030F	2022	2023	2024E	2025F	2026F	2030F
Euro area	6.8	6.6	6.4	6.3	6.2	(3.5)	(3.5)	(3.1)	(3.1)	(3.1)	(3.1)	90	87	88	88	89	90
Germany	3.2	3.1	3.4	3.6	3.5	(2.1)	(2.5)	(2.8)	(2.4)	(2.8)	(4.0)	65	63	63	63	64	71
France	7.3	7.3	7.4	7.3	7.4	(4.7)	(5.4)	(5.8)	(5.6)	(5.3)	(4.0)	111	110	113	116	119	122
Italy	8.1	7.7	6.6	6.0	5.8	(8.1)	(7.2)	(3.4)	(3.3)	(3.0)	(2.5)	138	135	135	137	138	137
Spain	13.1	12.2	11.4	10.8	10.4	(4.6)	(3.5)	(3.2)	(2.7)	(2.6)	(2.5)	110	105	102	101	99	92
Netherlands	3.5	3.6	3.7	3.8	4.0	0.0	(0.4)	(0.9)	(2.3)	(2.5)	(3.0)	48	45	43	43	44	49
Belgium	5.6	5.5	5.7	5.9	5.8	(3.6)	(4.1)	(4.5)	(5.0)	(5.0)	(4.8)	103	103	105	106	109	117
Austria	4.7	5.1	5.2	5.6	5.5	(3.4)	(2.6)	(4.7)	(4.1)	(3.7)	(3.0)	78	79	82	83	84	85
Ireland	4.5	4.3	4.3	4.1	4.2	1.7	1.5	4.3	1.3	1.2	0.6	43	43	41	36	34	28
Finland	6.8	7.2	8.4	8.5	8.1	(0.2)	(3.0)	(4.4)	(3.8)	(3.2)	(2.7)	74	78	82	86	87	90
Portugal	6.2	6.6	6.5	6.4	6.3	(0.3)	1.2	0.7	0.3	0.2	(0.2)	111	98	95	91	87	75
Greece	12.5	11.0	10.1	8.7	8.4	(2.5)	(1.4)	1.3	(0.2)	(0.3)	(1.3)	177	164	154	145	139	130
Slovakia	6.2	5.8	5.4	5.1	5.1	(1.7)	(5.2)	(5.3)	(4.6)	(4.4)	(4.5)	58	56	60	59	62	70
Luxembourg	4.6	5.2	6.3	5.8	6.1	0.2	(0.8)	1.0	(0.6)	(1.0)	(0.8)	25	25	26	26	26	27
Lithuania	5.9	6.8	7.1	6.9	7.2	(0.7)	(0.7)	(1.3)	(3.0)	(2.6)	(2.0)	38	37	38	41	43	45
Slovenia	4.0	3.6	3.7	3.2	3.1	(3.0)	(2.6)	(0.9)	(1.5)	(1.6)	(2.0)	73	68	67	66	65	59
Latvia	6.8	6.5	6.9	6.9	7.0	(4.9)	(2.4)	(1.8)	(3.4)	(3.0)	(2.8)	44	45	47	49	50	51
Estonia	5.6	6.4	7.6	8.6	8.9	(1.1)	(3.1)	(1.5)	(2.8)	(2.8)	(2.5)	19	20	24	25	27	34
Cyprus	6.3	5.8	4.9	4.7	4.8	2.7	1.7	4.3	3.5	3.2	1.5	81	74	65	61	56	40
Malta	3.5	3.5	3.1	3.1	3.0	(5.2)	(4.7)	(3.7)	(3.3)	(2.9)	(2.7)	50	48	47	49	50	50
Croatia	6.7	6.1	5.1	4.5	4.4	0.1	(0.8)	(2.4)	(1.8)	(1.7)	(1.3)	69	62	58	56	55	54
Western Europe ex-euro area																	
United Kingdom	3.9	4.2	4.4	4.5	4.5	(4.6)	(6.1)	(5.7)	(4.9)	(4.3)	(3.6)	100	100	101	104	106	111
Switzerland	2.2	2.0	2.5	2.8	2.8	1.2	0.1	0.6	0.2	0.3	0.1	37	39	38	37	36	32
Sweden	7.5	7.7	8.4	8.6	8.4	1.0	(0.8)	(1.5)	(1.4)	(0.7)	0.0	34	32	34	34	34	31
Norway	3.2	3.6	4.0	3.9	4.3	25.5	16.5	13.2	13.2	11.3	9.7	36	44	43	43	43	40
Denmark	4.5	5.1	6.2	5.9	5.7	3.4	3.3	4.5	2.3	2.2	(0.8)	34	34	31	28	26	24
EU central and eastern Europe ex-euro																	
Poland	2.9	2.8	2.9	2.8	2.7	(3.4)	(5.3)	(6.6)	(5.7)	(4.8)	(3.0)	49	50	56	55	60	64
Romania	5.6	5.6	5.5	5.5	5.4	(5.8)	(5.6)	(8.6)	(7.7)	(7.0)	(5.5)	52	52	57	59	63	72
Czech Republic	2.4	2.6	2.7	2.6	2.5	(3.1)	(3.8)	(2.2)	(2.4)	(1.9)	(2.1)	43	42	43	44	45	46
Hungary	3.7	4.1	4.4	4.3	4.1	(6.2)	(6.7)	(4.9)	(4.2)	(3.8)	(3.1)	74	73	74	73	72	70
Bulgaria	4.2	4.3	4.2	3.4	3.3	(0.8)	(3.0)	(3.0)	(3.0)	(3.1)	(3.2)	23	23	24	27	28	34
Non-EU emerging Europe																	
Türkiye[7]	10.5	9.4	8.7	9.5	9.5	(1.0)	(5.2)	(4.9)	(3.9)	(3.5)	(2.6)	31	29	26	25	26	24
Ukraine[7]	n/a	n/a	n/a	n/a	n/a	(16.1)	(20.4)	(17.6)	(18.4)	(10.9)	(4.5)	78	84	91	103	104	97
Serbia	9.6	9.4	8.6	8.5	8.0	(0.1)	(1.2)	(1.7)	(3.0)	(2.1)	(2.2)	51	46	44	48	47	46
Georgia	17.3	16.4	13.9	14.5	14.0	(2.2)	(2.3)	(2.3)	(2.4)	(2.4)	(2.1)	39	39	36	36	35	35
Rest of World (Advanced)																	
United States	3.6	3.6	4.0	4.2	4.3	(3.7)	(7.2)	(7.3)	(6.4)	(7.1)	(6.9)	119	119	121	122	124	133
China[8]	5.6	5.2	5.1	5.2	5.2	(7.3)	(6.7)	(7.3)	(8.4)	(8.2)	(8.2)	75	82	88	97	104	121
Japan	2.6	2.6	2.5	2.5	2.5	(4.2)	(2.3)	(2.5)	(3.0)	(3.2)	(5.3)	248	240	237	234	232	231
Africa																	
South Africa	33.5	32.4	32.6	33.0	33.0	(4.3)	(5.4)	(6.1)	(5.8)	(5.7)	(5.4)	71	73	76	79	80	87
Morocco	11.9	13.0	13.4	12.5	12.7	(5.4)	(4.5)	(4.1)	(3.9)	(3.5)	(3.2)	72	69	70	69	68	67
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 for China is survey-based urban unemployment.

Annex III: Related research

US trade policy: wide-ranging tariff increases heighten global credit risk, April 2025

Sovereign Outlook 2025: Normalising economic fundamentals, rising fiscal pressures and geopolitical uncertainty balance the sovereign outlook, December 2024

Global Economic Outlook – October 2024: Soft economic landing but elevated steady-state rates underscore balanced economic risk for the global economy

Global economic update: soft landing reinforces prospect of higher-for-longer interest rates, June 2024

2024 Sovereign Outlook: Soft economic landing and turn of the global rate cycle balance fiscal and geopolitical risks for sovereigns, December 2023

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