



# Global Economic Forecasts: Q3 2025

August 2025

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Global growth to be hit by uncertainty and rising trade barriers

Key findings

Key country insights

## GLOBAL OUTLOOK: Q3 2025

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Global inflation outlook: Downward trend continues but higher tariffs remain a key risk

Trade uncertainty and geopolitical tensions remain top downside risks

Real GDP annual growth forecasts and revisions from last quarter - AE

Real GDP annual growth forecasts and revisions from last quarter - EMDE

Inflation forecasts

Central bank interest rates quarterly forecasts

Global scenario map: Trade-related uncertainty dominates the risk landscape

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Trump Total Agenda scenario: Policy-induced recession risk for the global economy

Trump Tariff Easing scenario: Tariff rollback and policy stability can revive confidence

## KEY ECONOMIES OUTLOOK: Q3 2025

US: Growth outlook dims due to rising trade barriers and uncertainty

US: Inflation persists on tariff pass-through impact and a weakening dollar

US: Ongoing uncertainty weighs on business and consumer sentiment

US: Trade war and fiscal policy pose key risks to growth

China: Growth to lose steam in H2 as front-loading may run its course

China: Trade tensions and income concern dampen business and consumer sentiment

China: Outlook highly vulnerable to the risk of escalated trade war with the US

India: Solid growth driven by tax cuts, production expansion, and monetary easing

India: US tariff and commodity price hike are key risks

Japan: Muted recovery amid tariffs, inflation and demographic strain

Japan: US trade agenda and China economic slowdown represent two key risks

Indonesia: Growth to slightly decelerate, higher US tariffs add pressures

Eurozone: Limited growth amid higher US tariffs and uncertainty

Eurozone: Inflation moderates but trade uncertainty can increase volatility

Eurozone: Trade challenges partly offset by decreasing commodity prices

UK: Growth stagnates, while elevated inflation expected to ease by year end

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Alternative scenarios (continued): Q3 2025

Global Economic Forecasts reports: Helping businesses prepare for economic shifts

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